

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 2007A Bonds (as defined below) will be excludable from gross income for federal income tax purposes, except interest on a 2007A Bond (as defined below) for any period during which that 2007A 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 2007A 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 2007A Bonds. Co-Bond Counsel is further of the opinion that the 2007A 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 2007A Bonds, see "TAX MATTERS" herein.

NEW ISSUE – BOOK-ENTRY ONLY



RATINGS: See "RATINGS" herein

GREATER ORLANDO AVIATION AUTHORITY
\$141,485,000 Airport Facilities Refunding Revenue Bonds
Series 2007A (AMT)
of the City of Orlando, Florida

Dated: Date of Delivery

Due: As shown on inside cover

The \$141,485,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2007A (AMT) of the City of Orlando, Florida (the "2007A 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 June 20, 2007 (the "2007 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 2007A Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) currently refund and redeem the Greater Orlando Aviation Authority's Airport Facilities Revenue Bonds, Series 1997 of the City of Orlando, Florida maturing on and after October 1, 2012 (the "1997 Refunded Bonds"), (b) pay a redemption premium with respect to the 1997 Refunded Bonds, and (c) pay certain costs of issuance of the 2007A Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

See "THE 2007A REFUNDING PROGRAM" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2007A 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 2007A 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 2007A Bonds will accrue from their dated date and will be payable on April 1 and October 1 of each year commencing on October 1, 2007. Purchasers of beneficial interests in the 2007A Bonds will not receive physical delivery of certificates. Transfers of beneficial interests in the 2007A Bonds will be effected through the DTC book-entry system as described herein. The 2007A 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 2007A Bonds will be payable by Bank of New York Trust Company, N.A, as paying agent in Jacksonville, Florida for the 2007A Bonds to Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

The 2007A Bonds are subject to optional redemption prior to maturity, all as more fully described herein. See "DESCRIPTION OF THE 2007A BONDS" herein.

The scheduled payment of principal of and interest on the 2007A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2007A Bonds by FINANCIAL SECURITY ASSURANCE INC., (the "Insurer") as described herein. For a description of the terms and provisions of such policy, including the limitations thereof, see "MUNICIPAL BOND INSURANCE" herein.



The 2007A 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 2007A 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 2007A 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 2007A 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 2007A BONDS, OR THE INTEREST OR PREMIUM, IF ANY, THEREON. THE AUTHORITY HAS NO TAXING POWER. THE PRINCIPAL OF AND INTEREST ON THE 2007A 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 2007A Bonds. Investors should read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2007A Bonds are offered when, as and if issued, and subject to the approval of legality by Greenberg Traurig, P.A., Orlando, Florida, and Ometrias D. Long and Associates, P.A., Winter Park, Florida, Co-Bond Counsel. Certain legal matters will be passed on for the Authority by Broad and Cassel and Ruye H. Hawkins, P.A., Orlando, Florida, Co-Issuer's Counsel to the Authority. Marchena and Graham, P.A., Orlando, Florida, has served as Disclosure Counsel. Certain legal matters in connection with the 2007A 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 2007A Bonds in definitive form will be ready for delivery in New York, New York on or about August 9, 2007.

UBS Investment Bank

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

Estrada Hinojosa
Gardnyr Michael Capital
RBC Capital Markets

Raymond James
First Albany Capital
Loop Capital Markets, LLC
SunTrust Capital Markets

Dated: July 27, 2007



GREATER ORLANDO AVIATION AUTHORITY

\$141,485,000

Airport Facilities Refunding Revenue Bonds

Series 2007A (AMT)

Maturities, Principal Amounts, Interest Rates, Prices or 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>Price or</u> <u>Yield</u>	<u>CUSIP</u> <u>Number¹</u>
2012	9,675,000	5.000%	4.160%	392274VG8
2013	5,000,000	4.500%	4.210%	392274VJ2
2013	5,165,000	5.000%	4.210%	392274VH6
2014	10,650,000	5.000%	4.260%	392274VK9
2015	11,180,000	5.000%	4.310%	392274VL7
2016	11,740,000	5.000%	4.360%	392274VM5
2017	12,325,000	5.000%	4.410%	392274VN3
2018	12,940,000	5.000%	104.030*	392274VP8
2019	13,590,000	5.000%	103.700*	392274VQ6
2020	14,270,000	5.000%	103.453*	392274VR4
2021	14,980,000	5.000%	103.207*	392274VS2
2022	15,730,000	5.000%	103.044*	392274VT0
2023	4,240,000	5.000%	102.799*	392274VU7

*Priced to the first optional call date of October 1, 2017

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
Jeanne Van Meter	Member

City Council Commissioners

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

Authority Management

<u>Name</u>	<u>Position</u>
G. Steve Gardner	Executive Director
Kevin A. Dillon	Deputy Executive Director-Operations
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	Director of Finance and Interim Chief Financial Officer

Co-Issuer's Counsel

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Orlando, Florida

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Orlando, Florida

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Winter Park, Florida

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MARCHENA AND GRAHAM, P.A.
Orlando, Florida

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Orlando, Florida

NATIONAL MINORITY CONSULTANTS, INC
Winter Park, Florida

Independent Auditors

ERNST & YOUNG LLP
Orlando, Florida

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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 2007A 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 2007A BONDS AND THERE SHALL BE NO SALE OF THE 2007A 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 CAPTIONS "SECURITY FOR THE 2007A BONDS – BOND INSURANCE", "MUNICIPAL BOND INSURANCE" HEREIN, AND "FORM OF BOND INSURANCE POLICY", ATTACHED HERETO AS APPENDIX F, 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 2007A BONDS; OR (III) THE TAX EXEMPT STATUS OF THE INTEREST ON THE 2007A 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 2007A 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 2007A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2007A 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 2007A 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 2007A 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 2007A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2007A 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 2007A 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

\$141,485,000
Airport Facilities Refunding Revenue Bonds
Series 2007A (AMT) 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 \$141,485,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2007A (AMT) of the City of Orlando, Florida (the "2007A 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), \$785,635,000 aggregate principal amount of which were outstanding as of June 1, 2007 and \$143,800,000 aggregate principal amount of which will be refunded upon the issuance of the 2007A Bonds, leaving \$641,835,000 aggregate principal amount (exclusive of the 2007A Bonds) outstanding upon the issuance of the 2007A Bonds (the "Outstanding Airport Facilities Revenue Bonds"). The 2007A 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 2007A Bonds. See "SECURITY FOR THE 2007A BONDS – Additional Bonds – Refunding Bonds" herein. The Outstanding Airport Facilities Revenue Bonds, the 2007A 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. Inclusion of the Orlando Executive Airport within the definition of the Airport System will also require the consent of a Majority-In-Interest (as defined in "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND USE AGREEMENTS" attached hereto as APPENDIX B) of the Signatory Airlines (as defined herein) during the period that the Lease and Use Agreements are in effect.

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 2007A 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 2007A 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 June 20, 2007 (the "2007 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 2007A BONDS" herein and in "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

The 2007A Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) currently refund and redeem the Greater Orlando Aviation Authority's Airport Facilities Revenue Bonds, Series 1997 of the City of Orlando, Florida maturing on and after October 1, 2012 (the "1997 Refunded Bonds"), (b) pay a redemption premium with respect to the 1997 Refunded Bonds, and (c) pay certain costs of issuance of the 2007A Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

THE 2007A REFUNDING PROGRAM

The 1997 Refunded Bonds will be called for redemption on or about October 1, 2007 at a redemption price equal to 101 percent of the principal amount thereof, plus accrued interest to the redemption date thereof. To effect the refunding and redemption of the 1997 Refunded Bonds, a portion of the proceeds of the 2007A Bonds, together with other available funds of the Authority, will be deposited with Wells Fargo Bank, N.A., as escrow agent (the "Escrow Agent") in an escrow deposit trust fund created under an Escrow Deposit Agreement to be dated as of August 1, 2007 between the Authority and the Escrow Agent (the "Escrow Deposit Agreement"). The proceeds of the 2007A Bonds, together with other available funds of the Authority deposited with the Escrow Agent, other than an initial cash deposit, will be applied by the Escrow Agent to purchase certain Investment Securities, the principal of and accrued interest on which shall be sufficient, together with the initial cash deposit, to pay the principal of, accrued interest and redemption premium on the 1997 Refunded Bonds on their redemption date. The portion of the proceeds of the 2007A Bonds held by the Escrow Agent as well as the maturing principal and interest on the Investment Securities, if any, and other amounts held by the Escrow Agent under the Escrow Deposit Agreement will be held in trust for the sole benefit of the holders of the 1997 Refunded Bonds. Such amounts will not be available to pay the principal of or interest on the 2007A Bonds. The sufficiency of the amounts deposited pursuant to the Escrow Deposit Agreement to pay the principal of, accrued interest and redemption premium on the 1997 Refunded Bonds shall be verified by Causey Demgen & Moore Inc., as Verification Agent. See "VERIFICATION OF MATHEMATICAL ACCURACY" herein.

Upon the deposit of such funds with the Escrow Agent, the purchase of such Investment Securities, if any, and the giving of certain notices and instructions required under the Bond Resolution, in the opinion of Co-Bond Counsel, rendered in reliance on certain schedules

provided by UBS Securities LLC, and the Verification Report of Causey Demgen & Moore Inc., described under "VERIFICATION OF MATHEMATICAL ACCURACY" herein, the 1997 Refunded Bonds will be deemed paid and shall cease to be entitled to any lien, benefit or security under the Bond Resolution and all covenants, agreements and obligations of the Authority to the holders of the 1997 Refunded Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

AMENDMENTS TO AIRPORT FACILITIES REVENUE BOND RESOLUTION

On November 5, 1997, the Authority adopted a Supplemental Airport Facilities Revenue Bond Resolution, which was amended by the Supplemental Airport Facilities Revenue Bond Resolution adopted on November 19, 1997 (collectively, the "1997 Supplemental Resolution"), which, in part, provided certain amendments to the Airport Facilities Revenue Bond Resolution. Certain of the amendments became effective upon adoption; certain of the amendments became effective upon the consent of the holders of 66-2/3 percent of the Bond Obligation; certain of the amendments became effective upon the consent of the holders of 100 percent of the Bond Obligation; and others became effective only after certain conditions were satisfied. As of the date of this Official Statement all of the amendments have become effective and are reflected in the "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION" attached hereto as APPENDIX A.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2007A Bonds are expected to be applied as follows:

Sources:

Par Amount of 2007A Bonds.....	\$141,485,000.00
Net Original Issue Premium.....	\$5,418,137.05
Cash Contribution from the Authority ⁽¹⁾	<u>\$2,942,097.92</u>
Total Sources	<u>\$149,845,234.97</u>

Uses:

Deposit to Escrow Deposit Trust Fund.....	\$147,898,419.21
Costs of Issuance ⁽²⁾	<u>\$1,946,815.76</u>
Total Uses	<u>\$149,845,234.97</u>

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- ⁽¹⁾ Certain monies on deposit in the Debt Service Account and Debt Service Reserve Account to satisfy the requirements of the Bond Resolution with respect to the 1997 Refunded Bonds are available for deposit to the Escrow Deposit Trust Fund because of the decrease in debt service as well as a reduction in the Composite Reserve Requirement in connection with the refunding of the 1997 Refunded Bonds with the 2007A Bonds. The Debt Service Reserve Requirement for the 2007A Bonds has been calculated pursuant to the provisions of the Bond Resolution.
- ⁽²⁾ Includes, but is not limited to, a portion of the premium for the hereinafter described Policy and the Underwriter's Discount.

DESCRIPTION OF THE 2007A BONDS

General

The 2007A 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 2007A Bonds will be paid by Bank of New York Trust Company, N.A., as registrar, paying agent and trustee for the 2007A Bonds (the "Trustee") in Orlando, Florida on April 1 and October 1 of each year commencing on October 1, 2007, 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 2007A 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, interest on and Redemption Premium, if any, on the 2007A 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 2007A Bonds may arrange for the payment of principal, interest and Redemption Premium with respect to the 2007A 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 2007A 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 2007A BONDS— Refunding Bonds" herein. For every exchange or transfer of the 2007A 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 2007A Bonds is delivered. Neither the Authority nor the Trustee is required to exchange or transfer any 2007A Bond for a period of 20 days next preceding any selection of a 2007A 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 2007A Bonds.

The City, the Authority, the Bond Registrar and the Paying Agent may deem and treat the registered owner of any 2007A Bond as the absolute owner of such 2007A Bond for the purpose of receiving payment of the principal thereof and the interest thereon. Subject to the provisions of the Bond Resolution, a 2007A Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of 2007A Bonds of other authorized denominations of the same series and maturity.

Optional Redemption

The 2007A Bonds maturing on or before October 1, 2017 are not subject to optional redemption prior to maturity. The 2007A Bonds maturing on or after October 1, 2018 are subject to redemption on any date on or after October 1, 2017, at the option of the Authority, in whole or in part, at a redemption price equal to the principal amount of such 2007A Bonds or portions thereof to be redeemed, together with interest accrued thereon to the date of redemption.

An optional redemption shall be a conditional redemption and the notice of redemption shall state that the redemption is conditional upon receipt by the Trustee or escrow agent named by the Authority of sufficient moneys to redeem the 2007A Bonds and pay any redemption premium in full, and such notice and optional redemption shall be of no effect (i) if by no later than the scheduled redemption date, sufficient moneys to redeem the 2007A Bonds and pay in full any redemption premium in connection with such redemption have not been deposited with the Trustee or escrow agent named by the Authority, or (ii) the Authority or the Trustee, at the written direction of the Authority, rescinds such notice on or prior to the scheduled redemption date. If a redemption is a conditional redemption, such redemption shall be conditional upon receipt by the Trustee or escrow agent named by the Authority of sufficient moneys to redeem the 2007A Bonds and any redemption premium. A conditional redemption shall be deemed canceled once the Authority or the Trustee, at the written direction of the Authority, has given notice of rescission. The Authority or the Trustee, at the written direction of the Authority, shall give notice of rescission of a conditional redemption by the same means as is provided for the giving of notice of redemption. Any 2007A Bonds subject to a conditional redemption which has been canceled shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the proposed redemption date shall constitute an Event of Default.

Selection of 2007A Bonds to be Redeemed

If less than all of the 2007A Bonds are to be redeemed, the maturities and principal amounts of each such maturity to be redeemed (other than the redemptions of 2007A Bonds of the maturities designated above from Sinking Fund Installments) shall be selected by the Authority. In the event less than all of the 2007A Bonds of an entire maturity of a series thereof are redeemed, the 2007A Bonds to be selected for redemption shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. However, in selecting for redemption portions of any 2007A Bonds of a denomination of more than \$5,000, the Trustee shall treat each such 2007A Bond as representing that number of 2007A Bonds of

\$5,000 denomination, which is obtained by dividing the principal amount of such 2007A Bond to be redeemed in part by \$5,000 and the Trustee shall redeem only that portion of such 2007A Bonds that is in the principal amount of \$5,000 or any integral multiple thereof.

Notice of Redemption

Notice of redemption shall be mailed at least 30 days and not more than 60 days before the redemption date to the registered owners of any 2007A Bonds or portions of 2007A Bonds to be redeemed at their last addresses appearing upon the registration books maintained by the Trustee. Failure to mail such notice to a registered owner of a 2007A Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any 2007A Bond or portion thereof with respect to which no such failure or defect occurred. Any notice mailed as provided in the Bond Resolution shall be conclusively presumed to have been duly given, whether or not the owner of such 2007A Bond receives such notice.

As described under "BOOK-ENTRY ONLY SYSTEM" herein, for so long as the 2007A Bonds are registered in the name of DTC, Cede & Co., or any other nominee of DTC, notice of redemption of any 2007A Bond will be given by the Trustee only to Cede & Co., or such other nominee, as registered owner thereof. Cede & Co. will be solely responsible for selecting and notifying those Direct Participants who will in turn be solely responsible to notify Indirect Participants and Beneficial Owners to be affected by such redemption.

Payment of Redeemed 2007A Bonds

Notice having been given in the manner required as described above, the 2007A Bonds or portions thereof so called for redemption shall become due and payable on the redemption date at the Redemption Price, plus accrued interest to the redemption date. If less than all of a 2007A Bond shall be selected for redemption, the Paying Agent will deliver, upon the surrender of such 2007A Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the 2007A Bond so surrendered, 2007A Bonds of such series of like maturity in any authorized denomination. If on the redemption date moneys for the redemption for the 2007A Bonds to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent, and if notice of redemption shall have been given in the manner required as described above, then interest on the 2007A Bonds so called for redemption shall cease to accrue from and after the redemption date. If moneys shall not be so available, such 2007A Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Purchase in Lieu of Redemption

At any time the 2007A Bonds are subject to optional redemption, all or a portion of the 2007A Bonds to be redeemed pursuant to an optional redemption may be purchased in lieu of being redeemed by the Trustee at the direction of the Authority on the date on which such 2007A Bonds would otherwise have been redeemed. The purchase price for 2007A Bonds purchased in lieu of redemption will be equal to the redemption price that would have been applicable to the 2007A Bonds on such date. No notice to the owners of the 2007A Bonds to be purchased (other than the notice of redemption otherwise required by the Bond Resolution) is required. All 2007A Bonds to be so purchased in lieu of redemption that are not delivered to the Trustee on the purchase date shall be deemed to have been so purchased and not redeemed on the purchase date and shall cease to accrue interest as to the former Registered Owner on the purchase date.

BOOK-ENTRY ONLY SYSTEM

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

DTC will act as securities depository for the 2007A Bonds. The 2007A 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 2007A Bond certificate will be issued for each maturity of the 2007A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 2007A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2007A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2007A 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 2007A 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 2007A Bonds, except in the event that use of the book-entry system for the 2007A Bonds is discontinued.

To facilitate subsequent transfers, all 2007A 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 2007A 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 2007A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2007A 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 2007A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2007A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2007A Bonds may wish to ascertain that the nominee holding the 2007A 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 2007A 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 such other DTC nominee) will consent or vote with respect to the 2007A Bonds unless authorized by a Direct Participant in accordance with DTC's 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 2007A 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 2007A 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 not its nominee, 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 2007A 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, 2007A 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, 2007A Bond certificates will be printed and delivered to DTC.

In either of the situations described in the two immediately preceding paragraphs, definitive replacement 2007A Bonds shall be issued only upon surrender to the Bond Registrar of the 2007A Bonds of each maturity of each series by DTC, accompanied by registration instructions for the definitive replacement 2007A 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 2007A 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 2007A BONDS

Brief descriptions of the source of payment of the 2007A 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 2007A Bonds are being issued as Refunding Bonds pursuant to the Bond Resolution. As such, the 2007A 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 2007A Bonds.

THE 2007A 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 2007A BONDS, OR THE INTEREST OR PREMIUM, IF ANY, THEREON. THE AUTHORITY HAS NO TAXING POWER. THE PRINCIPAL OF AND INTEREST ON THE 2007A 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 2007A 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 2007A 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.

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.

Notwithstanding anything in the Bond Resolution to the contrary, the Authority shall not be required to fully fund a subaccount in the Debt Service Reserve Account at the time of issuance of any Series of Bonds under the Bond Resolution, if it provides on the date of issuance of any Series of Bonds in lieu of such funds, a Reserve Product issued by a Reserve Product Provider in an amount equal to the difference between the applicable Debt Service Reserve Requirement and the sums then on deposit in the applicable subaccount in the Reserve Account. Such Reserve Product as provided above must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held under the Bond Resolution for a payment with respect to the applicable Series of Bonds, which cannot be cured by funds in any other account held pursuant to the Bond Resolution and available for such purpose, and which shall name the Trustee or a Paying Agent as the beneficiary thereof. In no event shall the use of such Reserve Product be permitted if it would cause any existing rating on the Bonds or any Series thereof to be lowered, suspended or withdrawn. If a disbursement is made from a Reserve Product as provided above, the Authority shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement or to replace such Reserve Product by depositing into the applicable subaccount in the Debt Service Reserve Account from the first Available Revenues available for deposit pursuant to subparagraph (c) above after the deposits required by subparagraphs (a) and (b) above, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, and for purposes of subparagraph (c) above, amounts necessary to satisfy such reimbursement obligation and other obligations of the Authority to such a Reserve Product Provider shall be deemed required deposits into the applicable subaccount in the Reserve Account, but shall be used by the Authority to satisfy its obligations to the Reserve Product Provider.

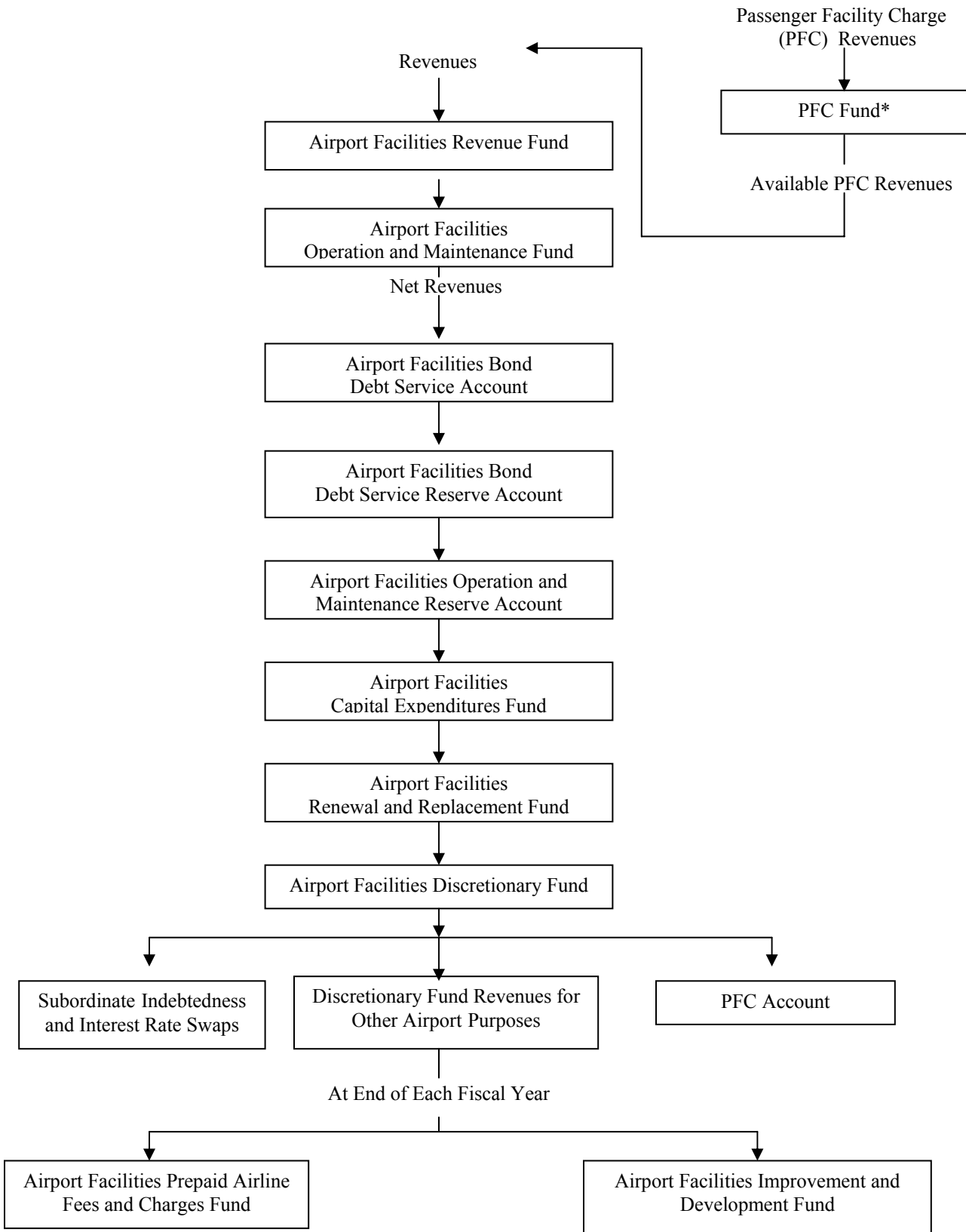
Also notwithstanding anything to the contrary in the Bond Resolution, the Authority shall not be required to fund fully a subaccount in the Debt Service Reserve Account at the time of issuance of any Series of Bonds under the Bond Resolution, if it elects by Supplemental Resolution adopted prior to the issuance of any Series of Bonds and subject to the limits described under the Bond Resolution, to fully fund the applicable subaccount over a period specified in such Supplemental Resolution not to exceed 60 months during which it shall make substantially equal monthly installments in order that the amount on deposit in such subaccount in the Debt Service Reserve Account at the end of such period shall equal the Debt Service Reserve Requirement with respect thereto. The aggregate amounts which may be permitted to be deposited in installments at any time shall not exceed 75 percent of the Debt Service Reserve Requirement with respect to such subaccount in the Debt Service Reserve Account. If a subaccount in the Debt Service Reserve Account is to be initially funded in installments, the deposits required pursuant to the foregoing may be limited to the amount which will be sufficient to make the required monthly installments specified in the Supplemental Resolution, plus an amount necessary to make up any deficiencies caused by withdrawals or resulting from valuations of the funds on deposit therein.

At the end of each Fiscal Year, after all deposits required to be made into each of the aforesaid funds and accounts have been made, the moneys remaining in the Revenue Fund and not required to make up any deficiencies, shall be transferred in equal amounts (50 percent each) to the Improvement and Development Fund and the Prepaid Airline Fees and Charges Fund. 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 2007A BONDS – Revenues" herein for a description of the types of income and revenues of the Authority included in the definition of "Revenues."

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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.

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 2007A Bonds or any Outstanding Bonds.

Bond Insurance

The scheduled payment of principal of and interest on the 2007A Bonds when due will be guaranteed under an insurance policy to be issued upon the delivery of the 2007A 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 2007 Supplemental Resolution, the Insurer will be deemed to be the Bondholder of the 2007A 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 2007A 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 2007A 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 2007A Bonds are not Additional Bonds.

Refunding Bonds

The Bond Resolution provides that Refunding Bonds may be issued to refund all Outstanding Bonds of one or more Series or all or any portion of one or more maturities within a Series, only upon receipt by the Trustee 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 AIRPORT FACILITIES BOND RESOLUTION – Defeasance" attached hereto as APPENDIX A for a description 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) a certificate 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) a certificate demonstrating that the tests set forth in the Bond Resolution for issuance of Additional Bonds have been met in connection with the issuance of the particular Series of Refunding Bonds treating such Series of Refunding Bonds for all purposes of such certificate and tests as a Series of Additional Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRPORT FACILITIES BOND RESOLUTION– Refunding Bonds" attached hereto as APPENDIX A.

The 2007A 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 F attached hereto for a specimen of the Insurer's municipal bond insurance policy.

Bond Insurance Policy

Concurrently with the issuance of the 2007A Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the 2007A Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2007A Bonds when due as set forth in the form of the Policy included as APPENDIX F 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 March 31, 2007, Financial Security's combined policyholders' surplus and contingency reserves were approximately \$2,601,527,000 and its total net unearned premium reserve was approximately \$2,089,989,000 in accordance with statutory accounting principles. At March 31, 2007, Financial Security's consolidated shareholder's equity was approximately \$2,753,483,000 and its total net unearned premium reserve was approximately \$1,649,524,000 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, 2006 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 2007A 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 2007A 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 2007A Bonds or the advisability of investing in the 2007A 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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Current Outstanding Subordinated Indebtedness as of July 1, 2007¹

Type of Subordinated Indebtedness ¹	Date Originated	Original Principal Amount	Current Outstanding Principal
2002A Taxable Subordinated Bonds	June 28, 2002	\$30,015,000	\$20,530,000
Gulf Breeze Loans	June 1998	\$33,990,000	\$21,980,000
1998 Subordinated Bonds	August 1998	\$380,725,000	\$298,625,000
Commercial Paper Program	October 26, 1994 ²	\$400,000,000	\$28,105,000
FDOT Loans ³	Fiscal Year 1997	\$10,000,000	\$1,200,000
Series 1997 Secondary Subordinated Indebtedness	December 1997	\$90,055,000	\$90,055,000

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.
3. The Authority intends to pay off the FDOT loan in August, 2007.

Source: The Greater Orlando Aviation Authority.

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 Current Swaps as of July 1, 2007⁴

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 ⁵	October 1, 2027
1998 PARS Subordinated	\$298,625,000 ⁶	September 1, 1998	4.389%	SIFMA ⁵ / 70% of LIBOR	October 1, 2018
Series 2002E Bonds	\$143,320,000	October 1, 2002	4.31%	SIFMA ⁵	October 1, 2021
Series 2002A Taxable Subordinated Bonds	\$20,530,000	August 8, 1999	140% of SIFMA ⁵	6.51%	October 1, 2008

4. 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, 2005 And 2006 attached hereto as APPENDIX C.
5. The Securities Industry and Financial Markets Association Swap Index formerly the Bond Market Association Swap Index ("BMA").
6. The Authority receives 70% of London InterBank Offer Rate ("LIBOR") on a notional amount of \$223,968,750 and SIFMA on a notional amount of \$74,656,250.

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.

Kevin A. Dillon. Mr. Dillon is Deputy Executive Director - Operations for the Authority. He is responsible for the day-to-day activity and management of public safety and airfield and terminal operations at the Airport. Mr. Dillon is an aviation professional with over 30 years experience in airport related activities including executive management and supervisory responsibilities within the Port Authority of New York and New Jersey, the Massachusetts Port Authority and the City of Manchester, New Hampshire Department of Aviation. Prior to coming to Orlando, Mr. Dillon served as Airport Director for the City of the Manchester Airport. He has served on the National Transportation Safety Board Accident Investigation Team, New York Airport Management Association and the American Association of Airport Executives. Mr. Dillon has extensive experience in aviation facility planning, development and management, aviation administration and operations and is knowledgeable in Federal Aviation Administration and Transportation Security Administration regulations. Mr. Dillon holds a B.S. in Business Administration from Adelphi University, an A.A.S. in Criminal Justice from the State University of New York, with additional studies toward an M.B.A. in Finance from Adelphi University.

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 33 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 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. Orange County provides complete urban services to more than 950,000

citizens, employs over 6,000 employees and has an annual budget of over 2 billion dollars. Mr. Schmidt entered government service following a 35 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 Company. 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 and full 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 Director of Finance and Interim 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, purchasing, construction finance and the administration of a \$330 million annual budget, and all financial and regulatory reporting requirements with a staff of 30 employees. Ms. Churchill graduated from Elon College, North Carolina and worked in the hotel industry prior to joining the CPA firm of Coopers & Lybrand. She received her CPA certification in 1989 and worked there for five years prior to her selection as Finance Manager for the Authority in 1993. She was appointed Director of Finance in 2000. 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 of the Authority's committees, including the Construction Committee, Professional Construction Services Committee, Concessions/Procurement, and she is the Chairperson for the Construction Finance Oversight Committee. Ms. Churchill is also a member of the Airports Council International Finance Sub-Committee.

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 446-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 23 unassigned gates as a result of various airline bankruptcies. Of the 23 unassigned gates, 16 were returned due to Delta Airlines' bankruptcy and subsequent rejection of their signatory agreement in January, 2006. Since April, 2006 four (4) unassigned gates have been leased to signatory carriers and an additional 2 will be leased as of August, 2007.

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. Under the residual rate setting provisions of the Lease and Use Agreements, any relinquishment of gate positions by a Signatory Airline would increase the proportionate rate burden of the other Signatory Airlines. The following table sets forth the distribution of aircraft parking positions among the airlines at the Airport as of July 1, 2007:

**Number of Aircraft
Airline Parking Positions**

Air Canada	1
Air Tran	7
American	8
Brendan Airways	1
British Airways	1
Continental	6
Delta	8
Jet Blue	4
Midwest	1
Northwest	6
Southwest	12
Spirit	2
United	7
US Airways	4
Virgin	1
Westjet	1
Authority	4
Unassigned Gates	<u>22</u>
Total	96

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 1997 to 2006 and for the seven-month periods ended April 30, 2005, 2006 and 2007, as well as the annual percentage change in enplaned passengers during such periods.

Historical Enplaned Passengers Fiscal Years 1997 through 2006 and the Seven-Month Periods ended April 30, 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>
1997	12,340,621	1,070,508	13,411,129	9.3
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

Seven-Month Periods Ended April 30

<u>Fiscal Year</u>	<u>Domestic Passengers</u>	<u>International Passengers</u>	<u>Total Enplaned Passengers</u>	<u>Percent Change from Previous Year</u>
2005	9,266,320	627,592	9,893,912	10.8
2006	9,546,536	644,326	10,190,862	3.0
2007	9,588,848	631,321	10,220,169	0.3

Source: The Greater Orlando Aviation Authority.

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Airlines Serving Orlando International Airport

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

Airlines Providing Passenger Service

U.S. Airlines

Signatory

AirTran Airways

American Airlines

Continental Airlines

Delta Air Lines

Delta Connection/Comair

JetBlue Airways

Midwest Airlines

Northwest Airlines

Southwest Airlines

Spirit Airlines

United Airlines

US Airways

USA 3000

Nonsignatory

Alaska 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

Nonsignatory Charter

Champion Air

Miami Air International

Pace Airlines

Foreign-Flag Airlines

Signatory

Air Canada

British Airways

Virgin Atlantic

WestJet

Nonsignatory

Scheduled Service

Aeromexico

Air Jamaica

Air Transat

Bahamasair

Cayman Airways

Condor

COPA Airlines

Martinair

Charter

Mexicana

Sunwing Airlines

Airlines Providing Cargo Service

Air Transport International

ABX Air

ASTAR

Capital Cargo International Airlines

FedEx

Kalitta Charters

Kitty Hawk Air Cargo

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 2006 34 U.S. airlines and 21 foreign-flag airlines. Passenger traffic at the Airport is fairly evenly distributed among several airlines with no one carrier dominating passenger traffic. As of April 30, 2007, the largest market shares were held by (a) Southwest Airlines (19.76 percent) and (b) Delta Airlines (12.09 percent). Major network airlines like American Airlines, Jet Blue Airways, AirTran Airways, US Airways, Continental Airways and United Airlines accounted for the remainder the 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 83 percent of total passengers at the Airport in Fiscal Year 2006. The following table sets forth comparative passenger market share information for air carriers serving the Airport during Fiscal Years 2002 through 2006 and for the seven-month periods ended April 30, 2005, 2006 and 2007.

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**Historical Airline Market Shares
Orlando International Airport
Fiscal Years 2002-2006 and the Seven-Month Periods ended April 30, 2005, 2006 and 2007**

	<u>Fiscal Year Ended September 30</u>					<u>Seven Months Ended April 30</u>		
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<i>Signatory Airlines</i>								
Southwest	14.60	14.98	14.69	16.52	18.91	15.41	17.93	19.76
American Airlines	10.49	11.16	10.49	10.14	10.31	10.04	10.12	9.47
Delta ⁽³⁾	20.85	18.80	17.78	16.01	9.31	16.02	6.87	12.09
AirTran Airways	3.66	5.25	5.70	6.16	7.89	5.81	7.68	9.19
US Airways ⁽¹⁾	10.06	2.42	2.83	8.33	7.34	8.73	7.40	7.03
Continental	6.28	6.16	5.65	5.62	6.50	5.55	6.64	6.79
United ⁽²⁾	5.91	6.02	6.06	6.28	6.14	6.41	6.18	6.21
JetBlue	1.97	2.67	3.65	4.37	5.94	4.33	5.39	7.16
Northwest	5.85	5.35	5.66	5.59	5.40	5.90	5.72	5.74
Spirit	2.45	3.06	2.91	2.91	2.64	3.06	2.59	2.43
Virgin Atlantic	2.50	2.43	2.56	2.33	2.13	2.21	2.13	2.14
British Airways	0.88	0.82	0.70	0.56	0.50	0.57	0.50	0.48
Midwest ⁽⁴⁾	–	–	–	–	0.41	–	.14	0.99
Independence Air ⁽⁵⁾	–	–	–	1.03	0.19	1.21	0.32	–
USA 3000 ⁽⁹⁾	–	–	–	0.05	0.19	–	0.27	0.06
Air Canada ⁽⁶⁾	–	–	–	–	0.04	–	–	1.13
WestJet ⁽⁷⁾	–	–	–	–	–	–	–	0.71
American Trans Air ⁽⁸⁾	3.54	3.35	3.44	1.15	–	1.95	–	–
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>87.20</u>	<u>79.88</u>	<u>91.38</u>
Nonsignatory Airlines	<u>7.43</u>	8.93	9.04	3.98	9.80	3.76	12.85	5.62
Foreign Flag Airlines	<u>0.03</u>	3.17	3.33	3.13	3.02	3.24	3.32	1.50
<i>Commuter Airlines</i>								
Comair (Delta Connection) ⁽¹⁰⁾	2.63	2.38	1.30	1.14	0.70	1.06	0.80	0.32
Other	<u>0.81</u>	3.05	4.22	4.70	2.65	4.74	3.15	1.18
Subtotal-Commuter	3.43	5.43	5.51	5.84	3.34	5.80	3.95	1.50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

- (1) 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.
- (2) United filed for bankruptcy in December 2002. United has remained a Signatory Airline.
- (3) 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.
- (4) Midwest Airlines became a Signatory Airline on April 1, 2006.
- (5) 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.
- (6) Air Canada became a Signatory Airline on September 1, 2006.
- (7) WestJet became a Signatory Airline on November 1, 2006.
- (8) 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.
- (9) USA 3000 became a Signatory Airline on September 1, 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 March 31, 2007, a total of 15 air carriers operated non-stop passenger flights to 16 airports in the Bahamas, Canada, Caribbean, Central America, United Kingdom and Europe. There was a substantial increase in international passenger flights between February 1997 and February 2001, mainly by foreign-flag carriers. After September 11th many flights were cancelled. However, the Central Florida market remains strong and attractive to the international visitor and traffic numbers have nearly returned to 2000 levels.

In April 1996, the Orlando Sanford International Airport (the "Sanford Airport"), which is not part of the Airport System and is located 24 miles northeast of downtown Orlando, was certified for international service and began to accommodate 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. For the 6 months ended March 31, 2007, 23.8 percent of international enplanements in the Orlando area occurred at the Sanford Airport, which percentage does not consider international passengers who are connecting through another domestic airport.

At the Airport, service to the Caribbean, Canada and Mexico continue to fare well with no net loss in the largest markets of the United Kingdom and Europe. Efforts continue to attract additional international air service to support the growing Central Florida economy. The number of international passenger flights at the Airport increased substantially between 2001 and February 2006. With the increased volume in total enplanements, international enplanements have decreased from Fiscal Year 1997 of approximately 8.0 percent to approximately 6.1 percent for Fiscal Year 2006. The Authority anticipates modest increases in international airline service with international enplanements forecast to outpace domestic passenger growth by 2010.

The table that follows presents historical data regarding international enplaned passengers at the Airport during Fiscal Years 1997 through 2006 and for the seven-month periods ended April 30, 2005, 2006 and 2007.

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**Orlando International Airport
International Enplaned Passengers
Fiscal Years 1997-2006
and Seven-Month Periods ended April 30, 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
1997	726,603	343,905	1,070,508	(13.7)	8.0%
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%
<u>Seven-Month Periods Ended April 30</u>					
2005	585,502	42,090	627,592	11.3	6.3%
2006	604,957	39,369	644,326	2.7	6.3%
2007	600,874	30,447	631,321	(2.0)	6.2%

Source: Authority records.

Recent Airline Bankruptcies

On September 14, 2005, Delta and its subsidiaries filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. On December 19, 2006, Delta filed a Plan of Reorganization and a related Disclosure Statement with the U.S. Bankruptcy Court. The disclosure statement was approved by the Court on February 7, 2007, and Delta's Plan of Reorganization was approved in April 2007. According to its filings, Delta intends to assume the following agreements with the Authority: License Agreement, Space/Use Agreement and Operating Permit.

On September 14, 2005 Northwest Airlines Corporation filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. After 20 months of reducing costs and eliminating jobs by Northwest, more than 97% of the creditors eligible to vote approved Northwest's Plan of Reorganization. The Plan of Reorganization was approved on May 18, 2007. Northwest emerged from bankruptcy on May 31, 2007.

See "AIRLINE REVENUES AND OTHER REVENUE SOURCES- Effect of Bankruptcy on Lease and Use Agreements" for a discussion of the effects of airlines' bankruptcy filings on Signatory Airline rates and charges.

Airline Activity at the Airport

In 2006, 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 23rd in the world in terms of total passengers according to the Airports Council International-North America. The Airport was the 7th fastest growing major airport in the United States and the 18th fastest growing in the world in 2006.

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 is the increase in seat capacity by expanded or initiated new service. In 2006, Southwest, Continental, Air Tran, AeroMexico, JetBlue and a number of Canadian carriers have all registered substantial increases in flights to the area. Aer Lingus has announced planes for non-stop service to Dublin beginning in November of 2007. The seat capacity outlook for 2007 is very positive with increases in the 7-9% range based on schedules provided from June to December.

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 Heintzleman 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 Heintzleman 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. FedEx opened a new 132,000 square foot regional package sorting facility at the Tradeport in May 2001.

Cessna Aircraft Company is developing 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 opened a new 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 foot 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 has plans for a \$20 million dollar lodge to accommodate crew members in the future.

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, 2005 AND 2006" 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 for both certified and non-certified terrorism events whether caused by international or domestic persons or organizations with per occurrence limits of \$400 million. 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 for construction projects, fiduciary liability, public official's liability, auto liability, boiler and machinery and general aviation liability insurance. The Authority's general aviation liability insurance for airport operations has a limit of \$300 million annually and includes war and terrorism exposures. The Authority maintains workers compensation insurance with statutory limits 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 Air Lines, 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, USA 3000, 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 the proportion of use, (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 2007A 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 \$84,130,000 (before the application of prepaid airline fees and charges in the amount of \$18,667,000), or approximately 26 percent of total Revenues for Fiscal Year 2006, and approximately \$50,402,000 for the seven months ended April 30, 2007, as compared with \$47,949,000 for the seven months ended April 30, 2006.

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 2007A 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 2007A 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.

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 Lease and Use Agreements.

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
March 31, 2007
Orlando International Airport**

Application Number	Collection Authority	Collections	Expenditures
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	8,076,130
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	55,234,272,
98-05-C-04-MCO ¹	119,178,876	119,178,876	110,074,843
99-06-C-02-MCO	86,619,348	86,619,348	52,707,397
00-07-C-03-MCO ¹	181,271,854	178,735,739	43,321,485
00-08-C-01-MCO	253,632,770	-	22,093,200
02-09-C-04-MCO	163,040,998	-	72,918,600
05-10-C-01-MCO ¹	546,076,706	-	44,254,977
Total Authority:	\$ 1,510,314,834	\$ 545,028,245	\$ 461,418,730

¹ Includes Amendments approved by the Federal Aviation Administration on February 21, 2007.

Note: On June 12, 2007 the Federal Aviation Administration approved application 07-11-C-00-MCO in the amount of \$48,580,000.

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 upon completion of the concession redevelopment program is \$5,669,467. 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: Alamo Rent A Car, Avis, Budget, Dollar, L and M Car Rental and National Car Rental. Recently, Enterprise Rent A Car announced the intent to acquire Vanguard which owns 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.

Amounts derived from concessions and consumer services, including automobile parking and the Hotel, totaled approximately \$179,866,000 in Fiscal Year 2006, and represented approximately 55 percent of total Revenues received by the Authority during such period. For the seven-month period ended April 30, 2007, such concession and consumer services revenues totaled approximately \$112,220,000 compared with \$106,640,000 for the seven-month period ended April 30, 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 \$30,463,000 for Fiscal Year 2006, and approximately \$16,951,000 for the seven-months ended April 30, 2007, compared with approximately \$17,924,000 for the seven-months ended April 30, 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 \$23,159,000 for Fiscal Year 2006. Airfield area revenue sources amounted to approximately \$12,353,000 for the seven-months ended April 30, 2007, compared with approximately \$14,427,000 for the seven-months ended April 30, 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 \$9,671,000 for Fiscal Year 2006, and approximately \$6,141,000 for the seven-months ended April 30, 2007, compared with approximately \$5,635,000 for the seven-month period ended April 30, 2006. For a description of the Tradeport facilities, see "THE AIRPORT SYSTEM – The Tradeport" herein.

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AUTHORITY FINANCIAL INFORMATION

Debt Service Requirements

The following table sets forth the Debt Service Requirements for the Outstanding Bonds (including the 2007A Bonds).

Total Debt Service Requirements for Bonds⁽¹⁾

<u>Fiscal Year Ending September 30,</u>	<u>Outstanding Bonds Debt Service⁽²⁾</u>	<u>2007A Bonds Principal</u>	<u>2007A Bonds Interest</u>	<u>Total 2007A Bonds Debt Service</u>	<u>Total Bonds Debt Service</u>
2007	\$52,251,786		\$1,018,225	\$1,018,225	\$53,270,011
2008	73,992,997		7,049,250	7,049,250	81,042,247
2009	62,307,356		7,049,250	7,049,250	69,356,606
2010	61,940,389		7,049,250	7,049,250	68,989,639
2011	61,521,999		7,049,250	7,049,250	68,571,249
2012	53,172,411	\$9,675,000	7,049,250	16,724,250	69,896,661
2013	67,681,993	10,165,000	6,565,500	16,730,500	84,412,493
2014	39,327,363	10,650,000	6,082,250	16,732,250	56,059,613
2015	38,868,897	11,180,000	5,549,750	16,729,750	55,598,647
2016	49,885,269	11,740,000	4,990,750	16,730,750	66,616,019
2017	40,474,988	12,325,000	4,403,750	16,728,750	57,203,738
2018	46,698,519	12,940,000	3,787,500	16,727,500	63,426,019
2019	55,615,353	13,590,000	3,140,500	16,730,500	72,345,853
2020	55,623,996	14,270,000	2,461,000	16,731,000	72,354,996
2021	55,635,053	14,980,000	1,747,500	16,727,500	72,362,553
2022	15,219,599	15,730,000	998,500	16,728,500	31,948,099
2023	14,860,563	4,240,000	212,000	4,452,000	19,312,563
2024	14,844,550				14,844,550
2025	14,799,106				14,799,106
2026	14,759,475				14,759,475
2027	14,719,106				14,719,106
2028	36,251,725				36,251,725
2029	4,831,594				4,831,594
2030	4,832,594				4,832,594
2031	4,833,006				4,833,006
2032	4,832,313				4,832,313
Totals	\$959,781,997	\$141,485,000	\$76,203,475	\$217,688,475	\$1,177,470,472

⁽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⁾ Excludes debt service from the 1997 Refunded Bonds. Additionally, 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 2002-2006.

**Orlando International Airport
Historical Debt Service Coverage Per Bond Resolution
Fiscal Years 2002-2006
(in thousands)**

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues Per Bond Resolution ⁽¹⁾	\$266,926	\$266,507	\$285,834	\$309,290	\$330,800
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>
Net Revenues	<u>\$156,022</u>	<u>\$144,437</u>	<u>\$158,542</u>	<u>\$174,515</u>	<u>\$181,997</u>
Less: Required Account Deposits					
Airport Facilities Operations and Maintenance Reserve Fund	-	-	605	1,117	2,339
Airport Facilities Capital Expenditure Fund	7,676	4,232	3,620	4,103	5,533
Airport Facilities Renewal and Replacement Fund	<u>-</u>	<u>700</u>	<u>371</u>	<u>204</u>	<u>5,420</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>
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>
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>
Coverage Ratio for Bonds	2.05	2.10	2.15	2.26	2.07

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 2006 and unaudited amounts for the seven-month periods ended April 30, 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, 2005 AND 2006" 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 2002-2006
and the Seven-Month Periods Ended April 30, 2006 and 2007 (in thousands)**

	Audited Fiscal Years Ended September 30				Unaudited Seven-Months Ended April 30		
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	
Operating Revenue							
Airfield Area ⁽¹⁾	\$29,889	\$34,912	\$37,035	\$34,438	\$31,731	\$22,820	\$21,971
Terminal Area	165,850	170,893	180,807	194,207	205,621	119,274	122,989
Hotel	25,667	25,379	27,546	27,974	33,941	21,594	21,594
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>5,636</u>	<u>6,142</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>169,324</u>	<u>172,696</u>
Operating Expenses							
Operation and Maintenance	(80,558)	(93,095)	(102,247)	(114,927)	(114,405)	(63,489)	(71,209)
General and Administrative	(20,649)	(23,277)	(25,322)	(25,506)	(30,405)	(18,423)	(17,555)
Hotel	(18,642)	(19,823)	(21,235)	(22,140)	(24,995)	(15,523)	(16,323)
Depreciation and Amortization	<u>(74,424)</u>	<u>(77,417)</u>	<u>(81,692)</u>	<u>(90,644)</u>	<u>(92,416)</u>	<u>(53,582)</u>	<u>(53,008)</u>
Total Operating Expenses	<u>(194,273)</u>	<u>(213,612)</u>	<u>(230,496)</u>	<u>(253,217)</u>	<u>(262,221)</u>	<u>(151,017)</u>	<u>(158,095)</u>
Operating Income	35,654	26,065	24,093	12,804	18,743	18,307	14,601
Non-Operating Revenues (Expenses):							
Investment Income	16,422	10,679	8,813	14,101	24,874	11,104	16,220
Interest Expense	(65,761)	(72,607)	(72,021)	(71,556)	(68,790)	(39,879)	(37,295)
Passenger Facility Charges	34,405	34,779	41,287	43,436	45,933	27,724	28,754
Federal and State Grants	2,914	2,345	4,168	10,115	11,693	3,159	1,469
Other	<u>1,477</u>	<u>1,193</u>	<u>7,131</u>	<u>29,878</u>	<u>2,188</u>	<u>2,476</u>	<u>380</u>
Income Before Capital Contributions	\$25,181	\$2,454	\$13,471	\$38,778	\$34,641	\$22,891	\$24,129
Capital Contributions	<u>28,562</u>	<u>47,556</u>	<u>44,272</u>	<u>35,672</u>	<u>46,710</u>	<u>21,562</u>	<u>19,759</u>
Net Income	<u>\$53,743</u>	<u>\$50,010</u>	<u>\$57,743</u>	<u>\$74,450</u>	<u>\$81,351</u>	<u>\$44,453</u>	<u>\$43,888</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, 2005. The Airport reported operating income of \$12,804,000 and net income of \$74,450,000.

Enplanements continued to improve from the rebound in tourism and the Airport closed its Fiscal Year with operating revenue increasing by \$11,432,000 or 4.5 percent. Terminal revenues reflected the largest increase of \$13,400,000 or 7.4 percent because of increases in public parking, food and beverage, and rental car due to the increase in passenger traffic. Airfield Area Revenues were \$54,558,000 and \$51,111,000, respectively for the Fiscal Year ended September 30, 2005, and September 30, 2004, prior to the adjustment of the Signatory Airlines prepaid credit payable from surplus funds at year end. After the adjustment, Airfield Area Revenues were \$34,438,000 and \$37,035,000, respectively for the Fiscal Year ended September 30, 2005 and September 30, 2004 or a \$2,597,000 decrease as compared to Fiscal Year 2004. Hotel revenues reflected a slight increase of \$428,000 even though occupancy was down due to guest room renovations, the hotel was able to command a higher average room rate.

Operating expenses excluding depreciation increased \$13,769,000 or 9.2 percent compared to the prior Fiscal Year as a result of an increased effort to control costs. Operations and Maintenance had the largest increase of \$12,680,000, or 12.4 percent, because of the repairs undertaken due to hurricane damages.

Fiscal Year Ended September 30, 2006. The Airport reported operating income of \$18,743,000 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. This increase in non-airline rentals reflects the Authority's continued effort to market and develop the Airport.

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 and the Authority adopted GASB 45 (see "Changes in Accounting Principles") during the fiscal year resulting in increased expenses of \$2.7 million. General and administration had the largest dollar increase of \$4,899,000, or 19.2 percent, which increased mainly due to increases in insurance premiums for additional coverage.

Seven-Month Periods Ended April 30, 2007 and 2006. The Authority reported operating income of \$14,601,000 and net income of \$43,888,000 for the seven-month period

ended April 30, 2007, compared to operating income of \$18,307,000 and net income of \$44,453,000 for the seven-month period ended April 30, 2006.

Terminal area revenues increased approximately \$3,715,000 or 3.11 percent with the primary increase in public parking due to parking rate increases and increased activity. Other operating revenue areas had slight increases in revenue.

Operating expenses excluding depreciation increased approximately \$7,652,000 or 7.85 percent because of the increased security and maintenance costs.

Passenger activity, operations and most corresponding revenues all showed increases for the period ended April 30, 2007 compared to the prior year period.

Change in Accounting Principles

The Authority adopted Government Accounting Standard Board Statement 45 (“GASB 45”) "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions" as of and for the year end September 30, 2006. GASB 45 improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of Other Post-Employment Benefit (“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 elected to early implement GASB 45 in fiscal year 2006. The Authority obtained an actuarial valuation report for its OPEB plan. For the year ended September 30, 2006, the Authority’s expense was equal to the actuarially determined contribution of \$3.3 million of which \$.6 million was funded on a “pay as you go” basis. The remaining balance of \$2.7 million is reflected as a liability on the Authority’s financial statements. The actuarial accrued liability at December 31, 2005 (the most recent actuarial evaluation date) is approximately \$25 million.

THE CAPITAL IMPROVEMENT PROGRAM

The 2007-2011 Capital Improvement Program

In 2006 the Airport established a five-year \$1.7 billion capital improvement program (the “Capital Improvement Program” or “CIP”) to accommodate existing and projected passenger demand at the Airport. The CIP included improvements to roadways, parking facilities, and airfield elements as well as landside and airside terminal facilities. The CIP also included the design and construction of the first phase of the South Terminal Complex remote check-in facility and related improvements. The Authority financed a portion of the CIP with proceeds of portions of the Series 1997A Bonds, portions of the 1999 Bonds and portions of the 2002 Bonds totaling \$28.2 million. Approximately \$97.4 million of the \$1.7 billion CIP has been expended through March 2007

The 2007-2011 Capital Improvement Program contains elements remaining from previous CIP, including the completion of design and construction of the planned South Terminal Infrastructure and South Terminal Complex Programs. Recently completed are certain

elements of the Authority's security program, initial phase of the rehabilitation to Airside 1 and 3 terminals, completion of a new administrative building and rehabilitation to certain taxiways. New programs in the 2007-2011 CIP include additional capacity enhancements to the North Terminal Complex, completion of the airside terminals 1 and 3 program, completion of security improvement program, taxiway and runway rehabilitation, and roadway improvement program. Signatory Airlines have approved all components of the airside 1 and 3 programs, security programs, and certain portions of the South Terminal Program. There are new components of the South Terminal Program, such as a proposed remote check-in facility and remote baggage processing facility for which MII has not been received.

Given the dynamic nature of the industry, the Authority constantly re-evaluates projects based on changes to passenger traffic, security requirements and air carrier operations. Because of recent modifications to the North Terminal to accommodate additional traffic and other modifications to existing facilities, progress on the South Terminal Program has been slowed.

Airside 1&3 Rehabilitation: this program entails the rehabilitation to the two oldest airside terminal buildings. Certain components of these structures 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.

Airside Terminals 1 and 4 and Associated Landside Modifications: this project includes modifications to the current Airside 4 international passenger arrival process by modifying public circulation space in Airside 1 and 4. Included in this project is the modification to existing space, construction of new space, including new vertical circulation from the ramp level to the transfer level. The improvements will enable most arriving international passengers to bypass the airside security check point and board the automated people mover (APM) system with some or all of their baggage. Modifications will be included at the landside APM station to facilitate the segregated movement of the arriving international passengers into the landside building.

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

North Terminal Capacity Improvements: this project includes modifications to the east and west security checkpoints to enhance the processing of the general public through these check points. Also included in this program is rehabilitation to certain Automated People Mover (APM) systems that have reached their useful life as well as improvements to the existing Landside Terminal electrical system.

South Terminal Design and Remote Check-In Facility: this project entails the final design of the proposed 24-gate South Terminal program. It further includes remote check in facilities in the South Terminal as well as associated remote baggage check in facilities and associated infrastructure. This project will provide the traveling public an additional point of check in and will reduce the curb side constraints of the North Terminal complex.

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 CUTE and CUSS 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 airfield capacity projects, such as the widening of taxiways and shoulders.

Roadway Improvements: included in this project is the widening of South Access Road, improvements to Cargo Road and other roadways on airport property. This project will address those roadways that are reaching their designed capacity.

Parking Improvements: parking improvements include the expansion of existing employee parking lot, improvements to remote parking facilities as well as the expansion of existing terminal parking facilities.

Asset Preservation Program: the Authority is implementing a comprehensive asset preservation program to actively manage its facilities. This program comprises improvements to existing terminal, airfield and roadway facilities which will need to be rehabilitated or replaced upon reaching their useful life.

Other Projects: included in this project are a planned Airport warehouse, master plan update, environmental projects, and the implementation of a sound insulation program.

Other Future Projects

In addition to the 2007-2011 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: as a result of demand as well as the Authority's strategy to maximize passenger throughput in the existing North Terminal, the initial 24-gate construction of the South Terminal has been delayed to start construction in 2012. This program provides for swing-gate capacity to accommodate international and domestic passengers. This schedule is consistent with the Authority's strategy to build facilities on a demand-driven basis.

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.

Taxiway 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.

Future Financings: the Authority is currently considering funding for various projects, including but not limited to the South Terminal Design and Remote Check-In Facility and parking improvements to the Airport. 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 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.

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 April 2007 that jet fuel accounted for up to 30% 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

Funding authorization for the Federal Aviation Administration ("FAA") is scheduled to expire September 30, 2007. The Secretary of Transportation (the "Secretary") has submitted proposed legislation to the Speaker of the House of Representatives to authorize appropriations for the FAA for fiscal years 2008 through 2010. The Secretary's proposal also includes authorization for increased levels of PFCs as well as restructuring of the Airport Improvement Program ("AIP"). Legislation has also been introduced in the US Senate which differs from the Secretary's proposed legislation, and which retains the current level of PFC authorization as well as increasing the AIP authorizations for fiscal years 2008 through 2010 above the levels proposed by the Secretary. 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).

The ATSA also mandates that certain security measures be undertaken at airports, including the Airport. Among other things, the following security measures are required: (a) screening or inspection of all individuals, goods, property, vehicles and equipment before entry into a secured area of the Airport, (b) operation of a system to screen, inspect or otherwise ensure the security of all cargo to be transported in all-cargo aircraft and (c) security awareness programs for airport employees. The TSA is required to implement procedures to accomplish (a) and (b) above, while the Authority is required to comply with the development of security awareness programs for Airport employees. The capital improvements at the Airport expected to be required to accommodate compliance with the additional security measures are included in the Other Future Projects component of the Capital Improvement Program except for these projects related to TSA-related improvements, which are contingent upon federal and State

funding. See "THE CAPITAL IMPROVEMENT PROGRAM – Other Future Projects" and "AUTHORITY FINANCIAL INFORMATION – Analysis of Airport Operations" herein.

The Airport is currently one of two airports in the country to screen all Airport employees.

Compliance with or accommodation of such security measures may result in an increase in capital and operating expenses. Increases in these expenses have the effect of increasing the costs of airlines using the Airport.

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.

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 2007A Bonds or questioning or affecting the validity of the 2007A 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 2007A Bonds. Also see "THE AIRPORT SYSTEM - Recent Airline Bankruptcies" and "AIRLINE REVENUES AND OTHER REVENUE SOURCES –

Concessions and Other Consumer Revenue Sources” for a complete discussion of all bankruptcy litigation in which the Authority is currently involved as a creditor.

The following actions and claims, which alone or in the aggregate, if decided adversely, could have a material adverse affect on the Revenues available to pay debt service on the 2007A 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. Since this action was recently filed, the Authority is currently investigating the allegations to determine how to respond.

John Carlo, Inc. v. Greater Orlando Aviation Authority (and Greater Orlando Aviation Authority v. Hubbard Construction Company). This action arose from the Fourth Runway program initiated by the Authority for the design and construction of a new airport runway. Hubbard Construction Company (hereinafter Hubbard”) was competitively selected to provide all subgrade and site preparation construction services, and John Carlo, Inc. (hereinafter “Carlo”) was competitively selected to provided sub-base and paving construction services. The project was substantially completed in the 2004 timeframe. Various disputes existed between all parties at the time of substantial completion.

Carlo sued the Authority in federal court alleging a myriad of claims, the most substantial involving claims for unforeseen site conditions arising from roots and vegetative matter allegedly left or placed in the subgrade by the preceding contractor, Hubbard; design deficiency claims arising from runway light can layouts and runway pavement joints; delays arising from various issues, including the former, and delays arising from the alleged loss of survey monuments for the runway layout; and for recovery of withheld contract retainage. The alleged value of Carlo’s claim was between \$5-7 million. The Authority has countersued Carlo for liquidated damages arising from untimely completion; value of incomplete punchlist work; and various smaller items relating to performance and construction quality. The Authority’s counterclaim value was approximately \$2 million.

The Authority has also sued Hubbard in this litigation for its proportionate share of responsibility for Carlo’s claim on the unforeseen site conditions. Hubbard has countersued the Authority for related costs, alleging that the Authority must pay for the root removal operations

undertaken at the Authority's direction. The value of the Authority claim against Hubbard potentially includes the value of Carlo's claims for unforeseen conditions, whenever fully liquidated. Hubbard's counterclaim value was approximately \$200,000.

On June 11, 2007, the three parties executed a settlement agreement. On June 20, 2007, the settlement agreement was approved by the Authority's Board. The parties are in the process of completing certain conditions under the settlement agreement. On July 2, 2007, the Court issued an Order of Dismissal without prejudice subject to the right of any party to re-open the case within sixty (60) days upon good cause shown.

Parker v. GOAA. In November 2003, Mr. Parker filed a charge of discrimination with the City of Orlando Human Relations Department and the EEOC. Mr. Parker alleges that he was denied a promotion on the bases of his race and gender. The Authority filed its position statement denying Mr. Parker's allegations and provided documentation supporting its position. The Authority intends to contest this matter. In the event that Mr. Parker 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 unaware of any civil action being commenced.

De Araujo v. GOAA. In May 2004, Antonio De Araujo filed a charge of discrimination with the EEOC, and the FCHR. Mr. De Araujo alleges that he was fired 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. 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 the Authority is 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. 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 bases 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. 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.

Joe Goloversic. On September 6, 2002, Joe Goloversic was placed on unpaid administrative leave pending the completion of an investigation by the Authority regarding allegations of misconduct against Mr. Goloversic. Mr. Goloversic was terminated on December 16, 2002. Mr. Goloversic retained an attorney who sent a letter to the Authority claiming that

Mr. Goloversic had been subjected to wrongful treatment by the Authority. Mr. Goloversic filed a grievance with respect to his unpaid administrative leave, and filed a request for review with respect to his termination. Those proceedings were handled internally by the Authority and the Authority denied the grievance and the request for reinstatement. On June 3, 2003, Mr. Goloversic filed a charge of discrimination with the EEOC. Mr. Goloversic alleged that he was discharged and suspended based on his natural origin (non-Hispanic). The Authority filed its position statement denying Mr. Goloversic's allegations and provided documentation supporting its position. The Authority intends to contest this case during any subsequent court proceedings. The Authority faces a potential loss in the amount of \$300,000, plus back pay, attorneys' fees and costs with respect to this matter. The amount of back pay would be calculated at the approximate rate of \$1900.00 per month from September 6, 2002 through the date that he is reinstated. On August 12, 2003, the EEOC issued its determination that it was unable to conclude its proceedings. Mr. Goloversic was required to file suit under federal law within ninety (90) days after receipt of that letter, but have a longer period to file suite under state law. The Authority is not aware of any suite being filed by Mr. Goloversic.

Williams v. GOAA. On June 23, 2003, 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 a charge of discrimination. The Authority filed its Position Statement denying Mr. Williams' allegations and requesting specific information supporting the Charge. The Authority intends to contest this case during any subsequent court proceeding. The Authority faces a potential loss in the amount of \$300,000, plus back pay, attorneys' fees and costs with respect to this matter. The EEOC issued a "Right to Sue" letter on September 19, 2003, 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.

Williams v. GOAA. 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, plus back pay, attorneys' fees and costs with respect to this matter. 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 ware of any suit being filed by Mr. Williams.

Galal v. GOAA. 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. 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.

Glover v. GOAA. 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. 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 Authority is not unaware of any civil action commenced by Ms. Glover.

Humphrey v. GOAA. 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 bases 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. 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 not unaware of any civil action being commenced by Mr. Humphrey.

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.

Williams v. GOAA. 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 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. At this time, no further action is required by the Authority unless requested by the City or the EEOC.

Brown v. GOAA. 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 Authority faces a potential loss in the amount of \$300,000, 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.

Young v. GOAA. In October 2006, Diane Young filed a charge of discrimination with 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 documentations 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 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.

White v. GOAA. 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 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. White. At this time, no further action is required by the Authority unless requested by the EEOC.

Ray v. GOAA. 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 Authority faces a potential loss in the amount of any economic and no-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. At this time, no further action is required by the Authority unless requested by the EEOC.

Stafford v. GOAA. In February 2007, Andrew Stafford filed an unfair labor practice charge with the Public Employees Relations Commission ("PERC"). Mr. Stafford alleges that he was terminated and retaliated against because of his union activities. The Authority filed its Answer and Affirmative Defenses denying Mr. Stafford's allegations. The Authority intends to contest this case. The Authority faces a potential loss in the amount of any economic damages, plus back pay, attorneys' fees and costs with respect to this matter. PERC has appointed a hearing officer to conduct an evidentiary hearing on August 29, 2007.

General liability Claims. From time to time personal 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 July 1, 2007 there are twenty seven (27) open claims

being managed by the Authority's insurance carrier in which no lawsuits have been filed. Total amounts reserved by the insurance carrier for these claims are \$74,130.00.

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. 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 July 1, 2007, there are thirty-three open workers compensation claims reserved by the Authority's third party administrator at a total of \$321,152.50.

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

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, 2005 AND 2006" 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 2007A Bonds in order for interest on the 2007A 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 2007A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2007A 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 2007A Bonds.

In the opinion of Co-Bond Counsel, to be rendered on the date of issuance of the 2007A 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 2007A Bonds will be excludable from gross income for federal income tax purposes, except interest on a 2007A Bond for any period during which that 2007A 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 2007A 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 2007A 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 2007A Bonds. Prospective purchasers of the 2007A Bonds should be aware that the ownership of 2007A 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 2007A Bonds or, in the case of a financial institution, that portion of an owner’s interest expense allocable to interest on the 2007A 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 2007A Bonds; (iii) the inclusion of interest on the 2007A 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 2007A 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 2007A 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 2007A 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 2007A Bonds. Prospective purchasers of the 2007A 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 2007A Bonds, adversely affect the market price or marketability of the 2007A 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 2007A Bonds.

Original Issue Premium

Each maturity of the 2007A Bonds as indicated on the inside cover of this Official Statement was offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a 2007A Bond, based on

the yield to maturity of that 2007A Bond (or, in the case of a 2007A Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that 2007A Bond), compounded semiannually (or over a shorter permitted corresponding interval selected by the owner). No portion of that bond premium is deductible by the owner of a 2007A Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a 2007A Bond, the owner's tax basis in the 2007A Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a 2007A Bond for an amount equal to or less than the amount paid by the owner for that 2007A Bond. A purchaser of a 2007A Bond in the initial public offering at the price for that 2007A Bond stated on the cover of this Official Statement who holds that 2007A Bond to maturity (or, in the case of a callable 2007A Bond, to its earlier call date that results in the lowest yield on that 2007A Bond) will realize no gain or loss upon the retirement of that 2007A Bond.

Owners of 2007A Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the 2007A Bonds and as to other federal tax consequences and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

LEGAL MATTERS

Certain legal matters incident to the validity of the 2007A Bonds and the issuance thereof by the Authority are subject to the approval of Greenberg Traurig, P.A., Orlando, Florida, and Ometrias D. Long and Associates, P.A., Winter Park, 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, and Ruye H. Hawkins, P.A., Orlando, Florida, Co-Issuer's Counsel to the Authority and Marchena and Graham, P.A., Orlando, Florida, Disclosure Counsel. Certain legal matters in connection with the 2007A Bonds will be passed on for the Underwriters by their counsel, Robert P. Saltsman, P.A., Winter Park, Florida.

Greenberg Traurig, P.A. and Ometrias D. Long and Associates, 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 2007A REFUNDING PROGRAM," "AMENDMENTS TO AIRPORT FACILITIES REVENUE BOND RESOLUTION," "DESCRIPTION OF THE 2007A BONDS," "SECURITY FOR THE 2007A 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 2007A 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 McGrawHill Companies, Inc. ("S&P") based upon the issuance of the Policy by the Insurer with respect to the 2007A Bonds. In addition, the 2007A 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 2007A Bonds at an aggregate purchase price of \$146,176,930.34, which represents the initial aggregate principal amount of the 2007A Bonds plus an original issue premium of \$5,418,137.05 and less an Underwriters' discount of \$726,206.71. The Underwriters will be obligated to purchase all of the 2007A Bonds if any 2007A Bonds are purchased. The 2007A Bonds may be offered and sold to the Underwriters and certain dealers (including the Underwriters and other dealers depositing such 2007A 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, 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 2007A Bonds and provided other advice, they 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.

FINANCIAL STATEMENTS

The Authority's financial statements for the year ended September 30, 2005 and 2006, 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 2007A 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 Disclosure Dissemination Agent Agreement (“Disclosure Dissemination Agreement”) for the benefit of the Holders of the 2007A Bonds with Digital Assurance Certification, L.L.C. (“DAC”), under which the Authority has designated DAC as Disclosure Dissemination Agent. The form of Disclosure Dissemination Agreement is attached as APPENDIX E.

The Disclosure Dissemination Agent has only the duties specifically set forth in the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent’s obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the Authority has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent 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 2007A Bonds or any other party. The Disclosure Dissemination Agent has no responsibility for the Authority’s failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Authority has complied with the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent 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 DISCLOSURE

DISSEMINATION AGREEMENT” attached hereto as APPENDIX E. A default under the Disclosure Dissemination Agreement shall not constitute an Event of Default under the Bond Resolution.

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

VERIFICATION OF MATHEMATICAL ACCURACY

The accuracy of the mathematical computations of the adequacy of the maturing principal amount and interest on escrow securities and initial cash balances to pay all principal of, interest on, and redemption premium on the 1997 Refunded Bonds through their redemption date will be verified by Causey Demgen & Moore Inc. Such verification will be based upon information provided by the Underwriters.

FORWARD LOOKING STATEMENTS

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

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

MISCELLANEOUS

There are appended to this Official Statement the Summary of Certain Provisions of the Airport Facilities Bond Resolution (APPENDIX A), the 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, 2005 and 2006

(APPENDIX C), the proposed forms of opinions of Co-Bond Counsel (APPENDIX D), the proposed form of Continuing Disclosure Agreement (APPENDIX E) and the Form of Municipal Bond Insurance Policy (APPENDIX F). Such Appendices are integral parts of this Official Statement and should be read together with all other parts of this Official Statement.

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

Any statements made in this Official Statement involving matters of opinion or of estimates or forecasts, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or forecasts will be realized.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

This Official Statement has been authorized and approved by the Authority. Upon the delivery of the 2007A 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 2007A 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/ Jeffrey B. Fuqua, Chairman
Jeffrey 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 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.

2007 Bond Insurer. Means with respect to the 2007A Bonds, Financial Security Assurance, Inc.

Bond Insurance Policy. Means with respect to the 2007A Bonds, the municipal bond insurance policy issued by the 2007 Bond Insurer insuring the payment when due of the principal of and interest on the 2007A 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 Depository 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; 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.

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

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.

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 2007 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 2007 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE 2007 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL OF THE THEN OUTSTANDING 2007A 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 2007A 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 2007 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE 2007 BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL THEN OUTSTANDING 2007A Bonds AND THE ACTUAL HOLDERS OF SUCH 2007A 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 2007A 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 2007 SUPPLEMENTAL RESOLUTION HAVE BEEN MET, THE 2007A BOND INSURER SHALL BE DEEMED TO BE THE HOLDER OF ALL THEN OUTSTANDING 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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 2007A 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, 2005 AND
2006

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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, 2006 and 2005, 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, 2006 and 2005, 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 December 1, 2006 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 on pages C-3 to C-12 and C-53 to C-54, respectively, 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.

Ernst & Young LLP

December 1, 2006



Comprehensive Annual Financial Report

For the year ended September 30, 2006

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, 2006 and 2005, with selected comparative information for the fiscal year ended September 30, 2004. 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 these statements for certain items that will result in cash flows in future fiscal periods.

The Statements of Cash Flows report the flows of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in these statements. A reconciliation follows these statements to assist in the understanding of the difference between cash flows from operating activities and operating income.

AUTHORITY ACTIVITY HIGHLIGHTS

Enplanements at Orlando International Airport increased 2.8% in fiscal year 2006 over fiscal year 2005. This trend is expected to continue during the next few years. Enplanements were up 10.6% in fiscal year 2005 from fiscal year 2004. Construction of the two wings and taxiway extension on Airside 2, the restoration work from the hurricane damages on airside terminals 2 and 4 and several other terminal rehabilitation and security improvement projects were completed during the year. The Authority also completed construction of several roadway and signage projects and the expansion of the satellite parking lot during the year. The Authority is continuing work on the design of the proposed 24-gate South Terminal complex, various phases of the security improvement program and modifications in preparation for the next generation large (Group VI) aircraft. The Authority is well underway in its rehabilitation of Airsides 1 and 3 from hurricane related damages which is being undertaken in coordination with the upgrade of these terminals. Construction of the first two phases of the Authority's in-line baggage system, the signage program and various taxiways and ramps rehabilitation are continuing. Construction of the administration building and restoration of the Orlando Executive Airport terminal has begun.



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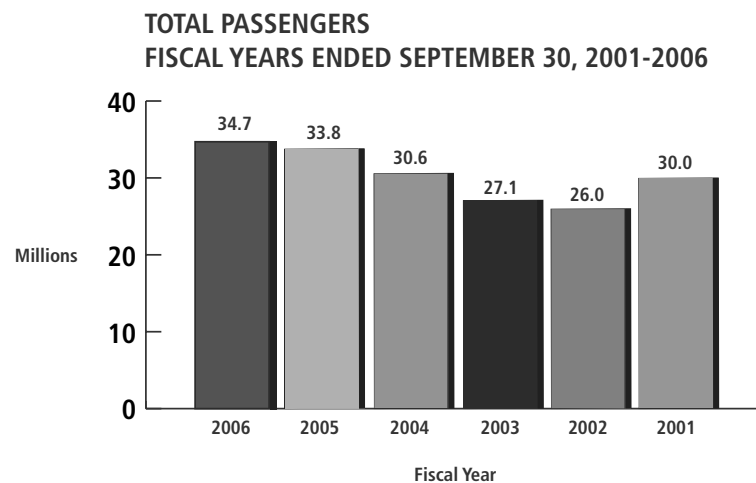
For the year ended September 30, 2006

The following chart shows total enplaned passengers and flight operations (landings and take-offs) at Orlando International Airport for a three-year comparative period.

Enplanements and Operations Activity for FY 2004 to FY 2006

	2006	2005	2004
Enplaned Passengers	17,316,608	16,844,689	15,233,814
Operations	327,078	323,476	286,178

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 2006 increased nearly 1.0 million from fiscal year 2005. This follows an increase of 3.2 million total passengers during fiscal year 2005 and an increase of 3.5 million total passengers during fiscal year 2004. This lower trend is expected to continue over the next few years as the growth in travel return 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, 2005, 2004 and 2003 the beginning of the fiscal years, signatory airline prepaid credits totaled \$22.0 million, \$13.0 million, and \$9.9 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 2006, 2005, and 2004 represented only about 21%, 25%, and 26% 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 the result of a strengthening economy and renewed confidence in air safety, thus resulting in an increase in the number of travelers. Those results are as follows:



Comprehensive Annual Financial Report

For the year ended September 30, 2006

Total Revenues (in thousands)

	2006	2005	2004
Total Operating Revenues	\$ 284,312	\$ 269,061	\$ 257,770
Total Non-Operating Revenues	87,469	99,321	61,654
Total Revenues	\$ 371,781	\$ 368,382	\$ 319,424

OPERATING REVENUES

Overall, the operating revenues of the Authority increased \$15.3 million in fiscal year 2006, or 5.7% over the previous year primarily from increased concession and hotel revenues. Concession revenues increased \$6.1 million or 4.4% over fiscal year 2005. Included in concession revenues are public parking, up \$4.2 million or 9.8%, food and beverage, up \$0.5 million or 4.6%, and rental car, up \$0.9 million or 1.6%. 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% over 2005. Hotel occupancy was up 11.1% from the prior year because of the completion of the guest room renovations.

Operating revenues of the Authority increased \$11.3 million or 4.4% in fiscal year 2005 from the previous year, primarily from increased parking as travel continued to rebound and increased revenues from other concession spaces that were closed during the concession redevelopment program.

Operating Revenues by Major Source (in thousands)

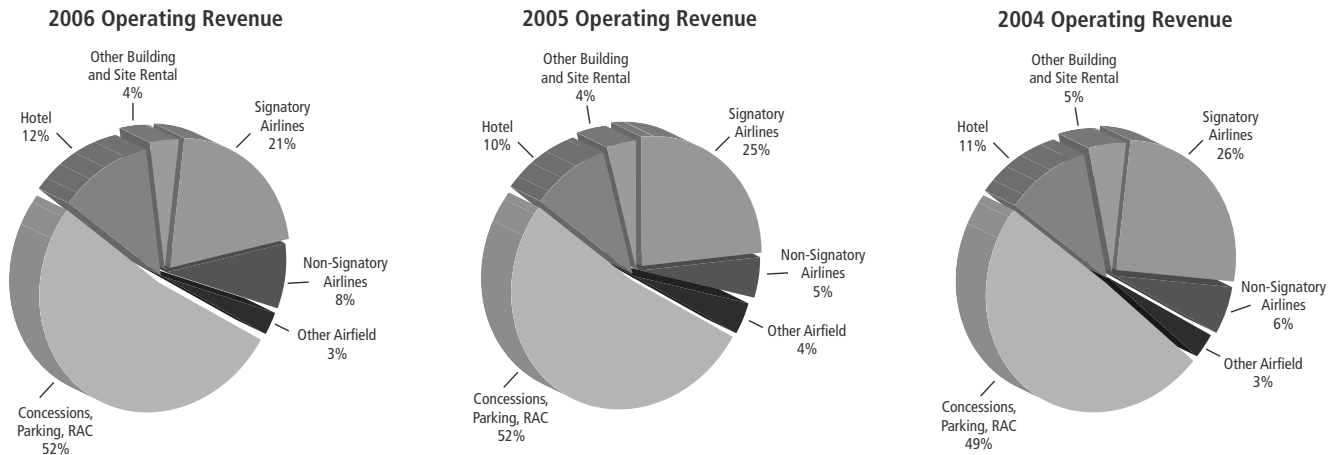
	2006	2005	2004
Signatory Airlines			
Net Landing Fees	\$ 14,005	\$ 17,339	\$ 19,096
Terminal Area Rents	45,981	48,517	47,249
Signatory Airline Revenues	59,986	65,856	66,345
Non-Signatory Airlines			
Landing Fees	8,657	7,284	8,701
Terminal Area Rents	13,715	5,865	6,279
Non-Signatory Airline Revenues	22,372	13,149	14,980
Other Airfield Revenues	9,442	10,112	9,525
Concession			
General Merchandise	13,007	15,295	14,603
Food and Beverage	10,220	9,772	8,260
Rental Car (RAC)	55,478	54,619	53,415
Public Auto Parking	47,655	43,411	36,380
Other Terminal Area	19,750	16,911	14,849
Concession	146,110	140,008	127,507
Other Building and Site Rentals	12,461	11,962	11,867
Hotel	33,941	27,974	27,546
Total Operating Revenues	\$ 284,312	\$ 269,061	\$ 257,770



Comprehensive Annual Financial Report

For the year ended September 30, 2006

The following charts show major sources and the percentage of operating revenues for the years ended September 30, 2006, 2005, and 2004:



NON-OPERATING REVENUES

Non-operating revenues consist mainly of investment income, passenger facility charges (PFCs), and federal and state operating grants. Investment income was \$25.5 million in fiscal year 2006, \$14.3 million in fiscal year 2005, and \$8.9 million in fiscal year 2004. Interest rates have rebounded from the lows of 2004 and investment income is expected to remain steady in the coming years. PFCs were \$45.9 million in fiscal year 2006, \$43.4 million in fiscal year 2005, and \$41.3 million in fiscal year 2004. The continuing growth is a result of increased passenger traffic. Federal and state operating grants increased in fiscal year 2006 to \$12.5 million. This increase is the result of operating security grants as well as hurricane related assistance. Other non-operating revenue decreased by \$27.2 million. Included in non-operating revenue in 2005 was approximately \$27 million in insurance reimbursements the Authority received as a result of damages caused during fiscal year 2004 by the hurricanes Charley, Frances and Jeanne.

EXPENSES

Operating expenses before depreciation, increased \$7.4 million, or 4.5%, from fiscal year 2005 to 2006. Hotel expenses increased \$2.9 million as a result of increased occupancy following the renovation of the guest rooms. The Authority adopted GASB 45 – Other Postretirement Employee Benefits during the current fiscal year resulting in increased expenses of \$2.7 million. There were also increases in insurance premiums for additional coverage and the safety and security programs. Total operating expenses, including depreciation, increased by \$9.2 million or 3.6% over fiscal year 2005. Depreciation expense increased \$1.8 million in fiscal year 2006 and \$9.0 million in fiscal year 2005 from completed capital projects. During 2005, major assets completed and added included the elevator replacements and the hotel room renovations. The operating expenses of the Authority, before depreciation, increased \$15.3 million, or 10.2%, from fiscal 2004 to 2005 from repairs undertaken as a result of the hurricanes. The Authority's operating expenses continued to be monitored closely to ensure budget objectives are met.



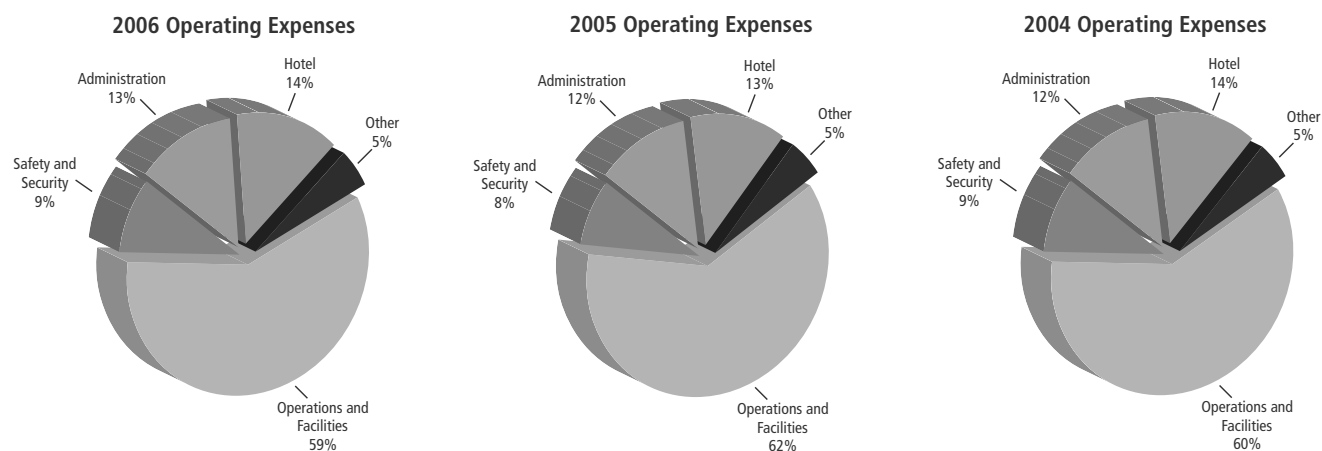
Comprehensive Annual Financial Report

For the year ended September 30, 2006

Operating Expenses by Cost Center (in thousands)

	2006	2005	2004
Operations and Facilities	\$ 102,056	\$ 103,508	\$ 89,409
Safety and Security	15,097	13,857	13,860
Administration	21,849	19,019	18,237
Hotel	24,995	22,140	21,235
Other	9,503	7,536	7,974
Total Operating Expenses Before Depreciation	173,500	166,060	150,715
Depreciation	94,220	92,472	83,497
Total Operating Expenses	\$ 267,720	\$ 258,532	\$ 234,212

The following charts show major cost centers and the percentage of operating expenses (excluding depreciation) for the years ended September 30, 2006, 2005, and 2004:



NON-OPERATING EXPENSES

Non-operating expenses consist mainly of interest expense. Interest expense was \$68.8 million in fiscal year 2006, \$71.6 million in fiscal year 2005 and \$72.0 million in fiscal year 2004.



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For the year ended September 30, 2006

CHANGES IN NET ASSETS

Capital contributions received from the federal and state governments increased to \$48.0 million from \$36.0 million in fiscal year 2005 as major projects were closed out. During fiscal year 2005, the Authority concentrated its efforts on making repairs to facilities damaged during the hurricanes of 2004. Capital contributions decreased \$9.5 million in fiscal year 2005 from fiscal year 2004. Grant funding received on major projects for fiscal year 2006 are as follows:

Grant Funding (in millions)

Security Improvements	\$ 18.3
Fourth Runway	6.2
Airside Restoration	5.7
Taxiway Rehabilitation	4.6
South Terminal Complex	3.4
Group VI Aircraft	3.2
Airside Wing Extension	1.9
Miscellaneous Projects	4.7
	\$ 48.0

The net assets for the fiscal years ended September 30, are as follows:

Changes in Net Assets (in thousands)

	2006	2005	2004
Operating Revenues	\$ 284,312	\$ 269,061	\$ 257,770
Operating Expenses	267,720	258,532	234,212
Operating Income	16,592	10,529	23,558
Other Non-Operating Revenues (Expenses)	18,679	27,765	(10,367)
Income Before Capital Contributions	35,271	38,294	13,191
Capital Contributions	47,959	36,030	45,505
Increase in Net Assets	\$ 83,230	\$ 74,324	\$ 58,696

FINANCIAL POSITION

The Balance Sheet presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets and liabilities of the Authority. Net assets is the difference between total assets and total liabilities and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, and net assets at September 30:



Comprehensive Annual Financial Report

For the year ended September 30, 2006

Net Assets (in thousands)

	2006	2005	2004
Assets:			
Current Assets			
Unrestricted Assets	\$ 122,706	\$ 118,163	\$ 117,841
Restricted Assets	303,862	305,382	341,192
Non-Current Assets	212,857	236,844	180,418
Capital Assets	1,842,947	1,827,490	1,823,560
Total Assets	2,482,372	2,487,879	2,463,011
Liabilities:			
Current (payable from current assets)	53,631	53,149	46,735
Current (payable from restricted assets)	129,461	118,976	116,183
Non-Current Liabilities	1,198,418	1,298,122	1,356,785
Total Liabilities	1,381,510	1,470,247	1,519,703
Net Assets:			
Invested in Capital Assets, net of related debt	658,885	578,271	521,832
Restricted	351,097	355,135	325,876
Unrestricted	90,880	84,226	95,600
Total Net Assets	\$ 1,100,862	\$ 1,017,632	\$ 943,308

The majority of the Authority's net assets at September 30, 2006, 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. It must be noted that the resources required to repay this debt must be provided annually from operations, since it is unlikely that the capital assets themselves will be liquidated to pay the liabilities.

Net assets restricted for debt service and capital acquisitions at September 30, 2006, represent funds that are subject to external restrictions under the Authority's Bond Resolution dated June 13, 1978, as amended and PFCs that are restricted by federal regulations. The unrestricted portion of net assets, \$90.9 million at September 30, 2006, may be used to meet the Authority's ongoing obligations.

AIRLINE RATES AND CHARGES

At September 30, 2006, the Authority has a negotiated and executed Airline Lease and Use Agreement in effect with sixteen 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.



Comprehensive Annual Financial Report

For the year ended September 30, 2006

Signatory Airline Rates and Charges

	Rates effective for FY 2006	Rates effective for FY 2005	Rates effective for FY 2004
Terminal Average Square Foot Rate	\$ 54.9400	\$ 47.7000	\$ 48.2700
Landing Fee – per 1,000 lbs. Unit (gross)	1.9698	2.0489	2.0852
Landing Fee – per 1,000 lbs. Unit (net)	0.6199	1.4667	1.4473
Cargo Landing Fee – per 1,000 lbs. Unit	1.9500	1.8600	1.7500

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 of \$3.00 per eligible enplaned passenger at Orlando International Airport and has imposed the PFC since February 1993. PFCs 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 2006, the Authority has approved applications to impose PFCs of approximately \$1.2 billion to fund project costs of various airport improvements. PFC collections to date (including investment earnings) are \$520.0 million. Expenditures on PFC approved projects and debt service to date is \$448.3 million.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2006, the Authority expended \$103.6 million on capital projects. This included \$33.9 million funded by FAA contributions, \$16.7 million funded by Florida Department of Transportation (FDOT) contributions, and \$50.8 million funded by PFCs. 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):

Airside 2 Wing Expansion	\$ 19.4
Airside 2 & 4 Building Restoration	8.5
Wildlife Program	5.9
Airside 2 Taxiway Extension	4.5
Red Satellite Parking Lot Expansion	2.2
Security Program	2.1
Fourth Runway	1.8
Communication Equipment Upgrade	1.7
Various	3.4
Total	\$ 49.5



Comprehensive Annual Financial Report

For the year ended September 30, 2006

Major projects under construction and the amounts expended during fiscal year 2006 are listed as follows (in millions):

Inline Baggage Screening System	\$ 28.0
Airside 1 & 3 Rehabilitation	17.0
South Terminal Facility Design	13.0
Group VI Aircraft Program	10.0
GOAA Office Annex Complex	7.1
South Terminal Master Grading & Drainage	2.1
South Terminal Access Roads Design	1.8
Signage Program	1.7
Hurricane Restoration OEA	1.1

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

LONG-TERM DEBT ACTIVITIES

For fiscal years 2005 and 2006, the Authority had no new debt transactions.

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, 2006, was \$828.4 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; commercial paper notes; and FDOT loan agreements. 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, 2006, the aggregate principal amount of all other parity-subordinated indebtedness was \$477.7 million, including \$90.1 million of secondary subordinated indebtedness and other such principal amounts as further discussed below.

As of September 30, 2006, the Authority has outstanding \$38.6 million of Airport Facilities Subordinated Commercial Paper Notes of which the aggregate principal amount outstanding at any one time may not exceed \$250 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.



Comprehensive Annual Financial Report

For the year ended September 30, 2006

Between 1991 and 1993, the Authority borrowed a total of \$35 million at a variable interest rate from the City of Gulf Breeze, Florida, Local Government Loan Program, to finance a portion of the costs of the Airport's hotel. On July 1, 1998, the Authority re-marketed these bonds to fixed rates. The aggregate principal amount of such bonds outstanding as of September 30, 2006, was \$23.9 million.

The FDOT has made certain interest-free loans to the Authority in the principal amount of \$10 million for capital improvements and land acquisition. The balance of \$1.2 million at September 30, 2006, is being amortized by the Authority through annual installments over the remaining life of the loan.

DEBT SERVICE COVERAGE

Airport revenue bond covenants require that revenue available to pay debt service, as defined in the Bond Resolution, be equal to or greater than 125% of the debt service on the senior lien airport revenue bonds and 100% of the debt service on subordinated bonds and other parity indebtedness. Coverage ratios for the past three years are shown in the following table.

	FY 2006	FY 2005	FY 2004
Senior lien debt	2.07%	2.26%	2.15%
All indebtedness	1.41%	1.41%	1.29%

More detailed information about the Authority's non-current 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 Assistant Director of Finance, Greater Orlando Aviation Authority, One Airport Boulevard, Orlando, FL 32827-4399.

Jacki Churchill
Interim Chief Financial Officer

Dean Bruner
Assistant Director of Finance



GREATER ORLANDO AVIATION AUTHORITY | ORLANDO, FLORIDA

GREATER ORLANDO AVIATION AUTHORITY
BALANCE SHEETS
(in thousands)

ASSETS	September 30,	
	2006	2005
Current Assets		
Unrestricted:		
Cash and cash equivalents	\$ 77,431	\$ 76,400
Accounts and grants receivable, less allowance for uncollectibles of \$112 and \$77	13,130	13,431
Investments	25,964	22,871
Interest receivable	615	808
Prepaid expenses	5,566	4,653
Total unrestricted assets	122,706	118,163
Restricted:		
Cash and cash equivalents	224,299	237,376
Accounts and grants receivable, less allowance for uncollectibles of \$0	22,672	26,508
Investments	53,403	38,222
Interest receivable	3,465	3,140
Prepaid expenses	23	136
Total restricted assets	303,862	305,382
Total current assets	426,568	423,545
Noncurrent Assets		
Investments, restricted	212,857	236,844
Total long-term investments	212,857	236,844
Capital assets, net of accumulated depreciation:		
Property and equipment	1,011,623	1,021,467
Property held for lease	577,497	606,535
Construction in progress	253,827	199,488
Total capital assets, net of accumulated depreciation	1,842,947	1,827,490
Total noncurrent assets	2,055,804	2,064,334
Total Assets	\$ 2,482,372	\$ 2,487,879

GREATER ORLANDO AVIATION AUTHORITY
BALANCE SHEETS
(in thousands)

LIABILITIES AND NET ASSETS	September 30,	
	2006	2005
Current Liabilities (Payable from unrestricted Current Assets)		
Accounts payable and accrued liabilities	\$ 24,344	\$ 25,026
Deferred revenue	20,998	18,735
Deposits	4,798	4,844
Advance rent from tenants, current	3,491	4,544
Total current liabilities (payable from unrestricted current assets)	53,631	53,149
Current Liabilities (Payable from Restricted Assets)		
Accrued interest	20,491	21,135
Accounts payable and accrued liabilities	30,489	28,096
Deferred revenue	18,766	22,149
Notes payable, current	10,270	3,396
Revenue bonds payable, current	49,445	44,200
Total current liabilities (payable from restricted assets)	129,461	118,976
Total current liabilities	183,092	172,125
Noncurrent Liabilities		
Notes payable, long-term	29,480	80,364
Revenue bonds payable, long-term	1,165,828	1,214,454
Advance rent from tenants, long-term	3,110	3,304
Total noncurrent liabilities	1,198,418	1,298,122
Total liabilities	1,381,510	1,470,247
NET ASSETS		
Invested in capital assets, net of related debt	658,885	578,271
Restricted:		
For debt service	178,222	172,138
For capital acquisitions	172,875	182,997
Unrestricted	90,880	84,226
Total net assets	1,100,862	1,017,632
Total Liabilities and Net Assets	\$ 2,482,372	\$ 2,487,879

See accompanying notes to basic financial statements

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

	Years Ended September 30,	
	2006	2005
Operating Revenues		
Airfield area	\$ 32,104	\$ 34,735
Terminal area	205,806	194,390
Hotel	33,941	27,974
Other buildings and site rentals	12,461	11,962
Total operating revenues	284,312	269,061
Operating Expenses		
Operations and facilities	102,056	103,508
Safety and security	15,097	13,857
Administration	21,849	19,019
Hotel	24,995	22,140
Other	9,503	7,536
Total operating expenses before depreciation	173,500	166,060
Operating income before depreciation	110,812	103,001
Depreciation	(94,220)	(92,472)
Operating income	16,592	10,529
Non-Operating Revenues (Expenses)		
Investment income	25,478	14,338
Interest expense	(68,790)	(71,556)
Passenger facility charges	45,933	43,436
Federal and state grants	12,463	10,761
Other	3,595	30,786
Income before capital contributions	35,271	38,294
Capital Contributions	47,959	36,030
Increase in net assets	83,230	74,324
Total Net Assets, Beginning of Year	1,017,632	943,308
Total Net Assets, End of Year	\$ 1,100,862	\$ 1,017,632

See accompanying notes to basic financial statements

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

	Years Ended September 30,	
	2006	2005
Cash flows from operating activities		
Cash received from customers and tenants	\$ 282,561	\$ 277,037
Cash paid to suppliers	(125,869)	(111,934)
Cash paid to employees for services	(50,258)	(51,605)
Net cash provided by operating activities	106,434	113,498
Cash flows from non-capital financing activities		
Operating grants received, passenger facility charges and insurance proceeds received	16,539	37,716
Net cash provided by non-capital financing activities	16,539	37,716
Cash flows from capital and related financing activities		
Passenger facilities charges and insurance proceeds	45,452	47,059
Principal payments - bonds and notes	(93,635)	(61,785)
Interest paid	(63,190)	(66,142)
Acquisition and construction of capital assets (including capitalized interest)	(105,807)	(102,594)
Capital contributed by federal and state agencies	51,438	24,948
Net cash used for capital and related financing activities	(165,742)	(158,514)
Cash flows from investing activities		
Purchase of investments	(178,355)	(267,915)
Proceeds from sale and maturity of investments	184,465	187,029
Interest received	24,613	16,190
Net cash provided by (used for) investing activities	30,723	(64,696)
Net decrease in cash and cash equivalents	(12,046)	(71,996)
Cash and Cash Equivalents, Beginning of Year	313,776	385,772
Cash and Cash Equivalents, End of Year (1)	\$ 301,730	\$ 313,776
(1) Cash and Cash Equivalents - Current Assets	\$ 77,431	\$ 76,400
Cash and Cash Equivalents - Restricted Assets	224,299	237,376
	\$ 301,730	\$ 313,776

(continued)

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

	Years Ended September 30,	
	2006	2005
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 16,592	\$ 10,529
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	94,220	92,472
(Increase) Decrease in operating assets		
Accounts and grants receivable	476	(1,843)
Prepaid Expense	(913)	(1,077)
Increase (Decrease) in operating liabilities		
Accounts payable and accrued liabilities	(1,722)	3,137
Deferred revenues	(1,120)	7,356
Deposits	(46)	1,040
Advance rent from tenants	(1,053)	1,884
Total adjustments	89,842	102,969
Net cash provided by operating activities	\$ 106,434	\$ 113,498

Noncash Investing, Capital and Financing Activities

Increase (decrease) in fair value of investments	\$ 480	\$ (3,363)
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See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

1. ORGANIZATION AND PURPOSE

The Greater Orlando Aviation Authority (Authority) was established by the Florida State Legislature pursuant to the Greater Orlando Aviation Authority Act, Chapter 57-1658, Special Laws of Florida, 1957, as 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 Authority for financial reporting purposes, management has applied the requirements of Governmental Accounting Standards Board Statement (GASB) 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 must consider those 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. Board members cannot be removed by the Governor, the Orlando City Council, or the Orange County Commission 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. Budgetary authority is not exercised by the City of Orlando. 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). Deficits of the Authority are not guaranteed by the City of Orlando, nor does the City of Orlando exercise any control over the use of surplus funds. Revenue bonds issued by the Authority 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, leases in excess of ten years must be approved by City Council and purchases and sales of real property require approval by City Council. 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, 2006 and 2005

2. REPORTING ENTITY (continued)

The Authority applied these same criteria to determine if any other entity should be a component unit of the Authority. Based on a review of the criteria, no other entities are considered to be component units of the Authority.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Basis of Presentation and Accounting: The Authority's financial statements are accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority applies all applicable GASB pronouncements as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

In May 2004, the GASB issued Statement No. 44, Economic Condition Reporting: The Statistical Section (GASB 44), effective for periods beginning after June 15, 2005. GASB 44 enhances and updates the statistical section that accompanies a state or local government's basic financial statements. The statistical section comprises schedules presenting trend information about revenues and expenses, outstanding debt, economics and demographics, operations and resources. These schedules are intended to provide financial statement users with additional historical perspective, context, and detail to assist in using the financial statements, notes to the financial statements, and required supplementary information to understand and assess an entity's economic condition. GASB 44 has no financial impact on the Authority's financial position or its results of operations.

In July 2004, the GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions (OPEB) (GASB 45). 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 requirements for GASB 45 are effective in three phases based on a government's total annual revenues. GASB 45 is effective for the Authority for periods beginning after December 15, 2006.

The Authority has elected to early implement GASB 45 in fiscal year 2006. The Authority has obtained an actuarial valuation report for its OPEB plan. For the year ended September 30, 2006, the Authority's expense is equal to the actuarially determined contribution of \$3.3 million of which \$0.6 million was funded on a "pay as you go" basis. The remaining balance of \$2.7 million is reflected as a liability on the Authority's financial statements. The Authority is currently reviewing 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 non-operating 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 non-operating 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.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

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

Fair Value of Investments: The Authority has accounted 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 quoted market values 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 that are to be retired by use of the restricted assets.

Noncurrent Assets: A portion of restricted assets is reported as noncurrent. This represents amounts which are restricted as to withdrawal or use for other than current operations and are designated for expenditure in the acquisition or construction of noncurrent assets, or are segregated for the liquidation of long-term debt.

Lease and Concession Agreements: The Authority's operations consist of agreements for use of land, buildings, terminal space and privileges to airlines and concessionaires. The agreements consist of (a) one year, cancelable space and use permits, and (b) non-cancelable agreements for land, buildings, terminal space and privileges, most of which expire between the years 2008 and 2013. Operating revenue from these agreements are reported over the terms of the agreements.

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

Depreciation: Property and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the property and equipment are as follows:

Building	5 to 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 pension costs which include normal costs and amortization of prior service costs for regular employees and amounts determined by the Florida Retirement System for firefighters.

Compensated Absences: Expenses relating to compensated absences are recognized as incurred and included in accrued expenses.

Passenger Facility Charges: The collection of passenger facility charges (PFCs) has been approved by the Federal Aviation Administration (FAA). PFCs may be used 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

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

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

competition between or among carriers. This revenue is collected and remitted by the airlines to the Authority based upon information provided by the airlines. Accordingly, non-operating revenues are recorded when passenger facility charges are collected by the airlines.

Arbitrage Rebate: The U.S. Treasury has 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 has 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 – Airlines space rentals, privilege fees for the operation of terminal complex concessions of food, beverage, general merchandise, rental car facilities and fees, public parking, ground transportation, and other miscellaneous fees.
- Hotel – Revenue associated with rooms, food and beverage, telecommunications, and other rentals and income.
- Other Buildings and Site Rentals – Fees associated with fixed base operators, foreign trade zone, and other building and land rentals.

Revenues Pledged to Secure Revenue Bonds: All the operating revenues of the Authority and the non-operating revenues earned by the Airport Facilities revenue account are pledged to secure revenue bonds.

Interest Rate Risk Management: The Authority uses interest rate swap agreements to hedge its debt service costs. The Authority has entered into interest-rate swap agreements to hedge 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 is accrued 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.

Capital Contributions: Capital contributions consist primarily of grants and contributions from federal and state governmental agencies, airlines, and tenants. It is recognized as earned as related project costs are incurred. Donated property is recognized as received.

Interest During Construction: Interest is capitalized during construction to Construction in Progress, and consists of interest expense on certain borrowings in excess of interest earned on related investments acquired with the proceeds of borrowings.

Deferred Revenues: Fifty percent of certain fees and charges collected from tenants and other sources, in excess of certain required deposits, are deferred in accordance with the Airline Lease and Use Agreement.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

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

Advance Rent From Tenants: The current portion of advance rent from tenants primarily represents October revenues received in September. Amounts reported as noncurrent liabilities represent revenues to be recognized in years subsequent to the following fiscal year.

Bond Issue Costs and Bond Discounts and Premiums: Bond issue costs and bond discounts and premiums are deferred in the year of issuance and amortized using the effective interest method over the life of the issuance. Losses on bond refundings are deferred and amortized over the shorter of the remaining life of the original issue or the life of the new issue.

Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, 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 assets, liabilities and equity were transferred 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 \$8.0 million and \$7.0 million for 2006 and 2005, respectively.

5. CASH DEPOSITS AND INVESTMENTS

Included in the Authority's cash and cash equivalents balances are amounts deposited with the Florida State Board of Administration's Local Government Investment Pool as well as amounts deposited with commercial banks in interest bearing and non-interest bearing demand accounts. The commercial bank balances are entirely insured by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida.

The Florida Security for Public Deposits Act (the Act) establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, Authority deposits in qualified public depositories are considered totally insured. The qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125%, may be required, if deemed necessary under the conditions set forth in the Act. Obligations

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

5. CASH DEPOSITS AND INVESTMENTS (continued)

pledged to secure deposits must be delivered to the State of Florida's Chief Financial Officer (State's CFO) or, with the approval of the State's CFO, to a bank, savings association, or trust company provided a power of attorney is delivered to the State's CFO.

The Authority follows GASB No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which requires the adjustments of the carrying values of investments to fair value to be presented as a component of investment income. Investments are presented at fair value, which is based on quoted market values. The Florida State Board of Administration's Local Government Investment Pool 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, 2006 and 2005, the fair value of all securities regardless of the balance sheet classification was as follows (in thousands):

	<u>2006</u>	<u>2005</u>
U.S. Treasury and government agency securities	\$ 279,298	\$ 309,929
Repurchase agreements	69,684	61,572
Commercial paper	22,902	21,973
Local government investment pool	38,122	45,896
Money market funds	<u>180,124</u>	<u>163,853</u>
Securities total	<u>\$ 590,130</u>	<u>\$ 603,223</u>

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

	<u>2006</u>	<u>2005</u>
Current Assets		
Cash and cash equivalents	\$ 301,730	\$ 313,776
Investments	79,367	61,093
Noncurrent Assets		
Investments	<u>212,857</u>	<u>236,844</u>
Total cash and investments	593,954	611,713
Less cash on deposit	<u>\$ (3,824)</u>	<u>\$ (8,490)</u>
Total securities, at fair value	<u>\$ 590,130</u>	<u>\$ 603,223</u>

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of September 30, 2006 and 2005, the Authority held the following investments as categorized below by maturity dates.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

5. CASH DEPOSITS AND INVESTMENTS (continued)

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 securities	\$ 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>

Investment Maturities at September 30, 2005 (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 securities	\$ 145,923	\$ 98,215	\$ 30,572	\$ 35,219	\$ 309,929
Repurchase Agreements	61,572	-	-	-	61,572
Commercial paper	21,973	-	-	-	21,973
Local government investment pool	45,896	-	-	-	45,896
Money market funds	163,853	-	-	-	163,853
	<u>\$ 439,217</u>	<u>\$ 98,215</u>	<u>\$ 30,572</u>	<u>\$ 35,219</u>	<u>\$ 603,223</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, investments are generally held 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 are matched with 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. There are a number of callable securities held in the Authority's portfolio. These securities have been presented in the schedules above using the maturity date of each security. The Authority assumes the callable securities will not be called given the current interest rate environment

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

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

5. CASH DEPOSITS AND INVESTMENTS (continued)

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

Concentration of Credit Risk: At September 30, 2006, there were three issuers with which the Authority held investments exceeding 5% of the total investment portfolio; Federal Home Loan Bank (15%), Federal Home Loan Mortgage Corporation (14%), and Federal National Mortgage Association (17%). At September 30, 2005, there were three issuers with which the Authority held investments exceeding 5% of the total investment portfolio; Federal Home Loan Bank (28%), Federal Home Loan Mortgage Corporation (10%), and Federal National Mortgage Association (13%). 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 \$5.0 million dollars.

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)		
	2006	2005
Current Assets		
Accounts receivable	\$ 12,464	\$ 13,027
Allowance for doubtful accounts	(112)	(77)
Grants receivable	778	481
	\$ 13,130	\$ 13,431
Restricted Assets		
Accounts receivable	\$ 5,544	\$ 5,457
Grants receivable	17,128	21,051
	\$ 22,672	\$ 26,508

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

7. GRANT RECOGNITION

The Authority has received the following Letters of Intent (LOI) from the FAA. An LOI is a provision under Section 47110(e) of Title 49, United States Code to obligate funds for future budget authority to issue grants to pay the Authority for the FAA's shares of allowable costs. The amounts listed below are estimates and are not obligations of the United States or administrative commitments. The LOI can be amended to adjust the payment schedule or the maximum obligation.

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. Through September 30, 2006, the Authority had expended \$15.6 million and \$4.0 million, respectively, under LOI ASO-99-01 and LOI ASO-98-02 for which grants have not been awarded.

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>2006</u>	<u>2005</u>
Maximum Obligation	<u>\$ 73,680</u>	<u>\$ 73,680</u>
Collected in prior years	\$ 51,180	\$ 45,820
Collected in current year	<u>5,620</u>	<u>5,360</u>
Collected to date	<u>56,800</u>	<u>51,180</u>
Balance to be collected	<u>\$ 16,880</u>	<u>\$ 22,500</u>
Schedule of balance to be collected:		
2006	\$ -	\$ 5,620
2007	5,900	5,900
2008	6,200	6,200
2009	<u>4,780</u>	<u>4,780</u>
	<u>\$ 16,880</u>	<u>\$ 22,500</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

7. GRANT RECOGNITION (continued)

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>2006</u>	<u>2005</u>
Maximum Obligation	<u>\$ 37,583</u>	<u>\$ 37,583</u>
Collected in prior years	\$ 31,583	\$ 29,583
Collected in current year	<u>2,000</u>	<u>2,000</u>
Collected to date	<u>33,583</u>	<u>31,583</u>
Balance to be collected	<u>\$ 4,000</u>	<u>\$ 6,000</u>
Schedule of balance to be collected:		
2006	\$ -	\$ 2,000
2007	2,000	2,000
2008	<u>2,000</u>	<u>2,000</u>
	<u>\$ 4,000</u>	<u>\$ 6,000</u>

8. RESTRICTED ASSETS

The Bond Resolution and the Master Indenture of Trust authorizing the issuance of the revenue bonds for Orlando International Airport require segregation of certain assets into restricted accounts. Majority-in-Interest approval of the signatory airlines was granted for (1) the issuance of commercial paper to fund various capital improvements to Orlando International Airport, and (2) the use of Airport Facilities Improvement and Development assets to pay all or a portion of project costs with reimbursement from commercial paper, state and federal grants, passenger facility charges, and/or revenue bonds. Composition of restricted accounts is as follows:

Restricted Assets As of September 30, (in thousands)		
	<u>2006</u>	<u>2005</u>
Debt Service Accounts	\$ 200,606	\$ 195,166
Capital Acquisition Accounts	125,835	134,451
Bond Construction Accounts	78,381	87,444
Passenger Facility Charges Account	68,303	80,428
Operating Reserve Account	24,927	22,588
Prepaid Airlines Fees and Charges Account	<u>18,667</u>	<u>22,149</u>
Total Restricted Assets	<u>\$ 516,719</u>	<u>\$ 542,226</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

9. CAPITAL ASSETS

A summary of Capital Assets activity for the years ended September 30, 2006 and 2005 follows (in thousands):

	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 in Progress				
Capital Assets not Depreciated				
Construction 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, 2006 and 2005

9. CAPITAL ASSETS (continued)

	Balance October 1, 2004	Additions and Reclass- ifications	Deductions	Balance September 30, 2005
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 167,635	\$ 18,069	\$ -	\$ 185,704
Other Property and Equipment				
Building	172,949	45,788	-	218,737
Improvements	1,171,278	16,417	1,511	1,186,184
Equipment	45,217	17,546	728	62,035
Motor Vehicles	16,828	919	1,132	16,615
	<u>1,406,272</u>	<u>80,670</u>	<u>3,371</u>	<u>1,483,571</u>
Accumulated Depreciation				
Building	63,932	5,687	-	69,619
Improvements	473,753	51,555	1,511	523,797
Equipment	38,218	3,540	700	41,058
Motor Vehicles	13,645	814	1,125	13,334
	<u>589,548</u>	<u>61,596</u>	<u>3,336</u>	<u>647,808</u>
Net Property and Equipment	<u>984,359</u>	<u>37,143</u>	<u>35</u>	<u>1,021,467</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,154	-	-	8,154
Other Property and Equipment				
Building	855,995	3,832	-	859,827
Improvements	72,737	1,334	-	74,071
	<u>928,732</u>	<u>5,166</u>	<u>-</u>	<u>933,898</u>
Accumulated Depreciation				
Building	287,509	26,490	-	313,999
Improvements	17,133	4,385	-	21,518
	<u>304,642</u>	<u>30,875</u>	<u>-</u>	<u>335,517</u>
Net Property and Equipment Held for Lease	<u>632,244</u>	<u>(25,709)</u>	<u>-</u>	<u>606,535</u>
Construction in Progress				
Capital Assets not Depreciated				
Construction in Progress	206,957	73,214	80,683	199,488
Net Capital Assets	<u>\$ 1,823,560</u>	<u>\$ 84,648</u>	<u>\$ 80,718</u>	<u>\$ 1,827,490</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

9. CAPITAL ASSETS (continued)

During 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.

During 2005, the Authority capitalized interest in the amount of \$0.9 million to construction in progress, representing the excess of interest cost (\$1.1 million) on certain borrowings during the construction period over the interest earned (\$0.2 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 from non-cancelable agreements as of September 30, 2006 (in thousands):

2007	\$	126,199
2008		123,201
2009		46,181
2010		24,770
2011		17,800
Later Years		108,705
Total Minimum Future Revenues	<u>\$</u>	<u>446,856</u>

The following is a schedule by years of minimum future revenues from non-cancelable agreements as of September 30, 2005 (in thousands):

2006	\$	127,941
2007		124,139
2008		121,410
2009		42,792
2010		22,327
Later years		145,902
Total Minimum Future Revenues	<u>\$</u>	<u>584,511</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 \$28.3 million and \$25.1 million for the years ended September 30, 2006 and 2005, respectively.

11. PENSION PLAN

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

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

11. PENSION PLANS (continued)

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. Assets of this plan are held in various mutual funds at Charles Schwab Trust Company. Plan benefits are currently paid by Charles Schwab. 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: All employees hired before October 1, 1999, other than firefighters, are eligible to participate in the Plan. Employees hired after September 30, 1999, are eligible to participate in the Single-Employer Defined Contribution Retirement Plan. Employees who were members of the defined benefit plan were permitted to convert to the defined contribution plan during the period February 23, 2001 to June 30, 2001. All service from date of hire is credited. Retirement benefits are equal to 3% of final average earnings multiplied by years of credited service with a maximum of 75% of final average earnings. In the event of early retirement, there is a 3% benefit reduction for each year prior to normal retirement. Normal retirement date is the first day of the month following, or coinciding with, the earlier of a participant's sixty-fifth birthday and seven years of credited service, or twenty-five years of credited service. An employee is 20% vested after the first year of credited service and achieves 100% vesting after five years of service. Benefit provisions are established and may be amended by the Authority Board.

If a vested participant dies after becoming eligible for early retirement, but prior to actual retirement, his eligible spouse or other named beneficiary will receive an amount equal to that which would have been received if the participant had retired on the date of death with an immediate 50% annuity.

If a vested participant dies before becoming eligible for early retirement, his eligible spouse or other named beneficiary will receive an amount equal to that which would have been received if the participant had separated from service on the date of death, survived to the earliest possible retirement age and retired on that date with an immediate 50% contingent annuity. This benefit will be payable unless otherwise elected by the participant and his spouse.

Funding Policy: The contribution requirements of the Authority are determined annually as part of the actuarial valuation used for funding. Plan members are not required to contribute to the Plan.

The Authority is required to contribute at the actuarially determined rate. The rate for the years ended September 30, 2006 and 2005 was 37.39% and 34.35% of annual covered payroll, respectively. The Authority's covered payroll for employees under the Plan was \$15.2 and \$14.9 million for the years ended September 30, 2006 and 2005, respectively.

The Authority's annual pension cost was \$6.0 million and \$5.8 million for the years ended September 30, 2006 and 2005, respectively. This was greater than the Authority's required contributions of \$5.5 million and \$5.0 million for the years ended September 30, 2006 and 2005, respectively. For the years ended September 30, 2004 and 2003 the Authority's annual pension cost of \$4.5 million and \$3.1 million, respectively, was equal to its required and actual contribution. The required contribution for the 2006 fiscal year was determined by the

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

11. PENSION PLANS (continued)

October 1, 2004 actuarial valuation. The actuarial assumptions for fiscal 2006 and 2005 include: (a) rate of return on investments of 7.5% per year, (b) projected salary increases of 5.0%, (c) inflation adjustments of 3.5%, and (d) expense loading is the average of actual expenses over the previous two years. The Plan's unfunded actuarial accrued liability is being amortized using the level dollar, closed method. The remaining amortization period at October 1, 2004 was 32 years. Plan assets are valued using the 5-year smoothed market method and the plan's actuarial valuation is determined using the frozen entry age method.

Single-Employer Defined Contribution Retirement Plan

Plan Description: The Greater Orlando Aviation Authority defined contribution retirement plan was established by the Authority board to provide benefits at retirement to employees of the Authority. At September 30, 2006, there were 289 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.

Employees, other than firefighters, hired on or after October 1, 1999, are eligible 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 employees are eligible 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 will contribute 6% of base wages and up to 4% as a matching contribution. The employee may contribute up to 10%. The employee's first 4% contribution may be pre-tax or after-tax. Employee contributions and earnings are 100% vested. The Authority's contributions will vest at 20% per year of service, starting at one year of service. Employees hired prior to October 1, 1999, continued in the Authority's original defined benefit retirement plan, or were permitted to convert 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 \$10.8 million and \$10.3 million for the years ended September 30, 2006 and 2005, respectively. The Authority contributed \$1.0 million and participants contributed \$0.4 million for the years ended September 30, 2006 and 2005, respectively. A contribution by the Authority of \$0.9 million and \$0.7 million, respectively, and participant contributions of \$0.4 million and \$0.3 million, respectively, were made for the years ended September 30, 2004 and 2003.

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. Benefit provisions are established in the Florida Statutes. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Retirement System, Division of Retirement, Post Office Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737.

Participation in the System is compulsory for all full-time and part-time firefighters employed by the Authority. Participants are categorized 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. Members who meet certain requirements may purchase additional service credits to increase their retirement benefit.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

11. PENSION PLANS (continued)

The System provides vesting of benefits after six years of creditable service. Special risk members are eligible 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). Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. Options are available for benefits for life or reduced benefits with beneficiary rights.

Funding Policy: The funding methods and the determination of benefits are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Authority, are required to contribute at the current actuarially determined rate of covered payroll for special risk members.

The contribution rate for each of the three years in the period beginning July 1, 2003 and ending on June 30, 2006 was 18.53%. Effective July 1, 2006 the contribution rate changed to 20.92%. The Authority's contributions to the System for the years ended September 30, 2006, 2005, 2004 and 2003 were \$0.8 million, \$0.8 million, \$0.7 million and \$0.6 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 FRS Investment Plan as a second retirement plan option. The FRS Investment Plan is a defined contribution plan funded by employer contributions that are established by law. The employers' contributions are based on salary and FRS membership class, ranging from 9% for regular to 20% for special risk. Participant contributions are not allowed. Employees that do not elect a plan are automatically enrolled in the defined benefit plan. Employees are vested after one year of service. Participants of the defined benefit plan have one lifetime option of transferring the value of their plan to the FRS Investment Plan. As of September 30, 2006 and 2005, the Authority had no participants in this plan.

12. POST-EMPLOYMENT 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 post-employment healthcare benefits to those employees who, in accordance with Article 4 of the Retirement Plan for Employees of the Authority, retire at a participants' Normal Retirement Date or Early Retirement Date and who receive pension benefits immediately upon termination. CBIZ Benefits and Insurance Services issues a publicly available actuarial report that includes required supplementary information for GOAAHP. This report may be obtained by writing to Greater Orlando Aviation Authority, One Airport Boulevard, Orlando, Florida 32827, Attention: Human Resources. As of September 30, 2006, the GOAAHP provides benefits to 168 recipients.

Funding Policy and Annual Cost

Benefit provisions and contribution obligations have been established and may be amended by the Authority Board. 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.

GREATER ORLANDO AVIATION AUTHORITY
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Years Ended September 30, 2006 and 2005

12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Employees who do not elect to receive pension benefits immediately upon termination of employment are not eligible for any health care coverage under this policy. Employees hired after September 30, 2006 are not eligible for health care coverage benefits. 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 retirees' expense provided the retiree is eligible to receive health care coverage 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 the parameters of GASB 45, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current funding rate is 11.6 percent of annual covered payroll. Beginning in the year ended September 30, 2006, the Authority's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the actuarially determined annual contribution. Expenses for the years ended September 30, 2003 through 2005 were \$0.7 million for each year. The following table shows the components of the Authority's annual OPEB cost for the year ended September 30, 2006, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to GOAAHP:

Annual contribution	\$ 3,253,051
Interest on net OPEB obligation	-
Adjustment to annual contribution	-
Annual OPEB cost (expense)	<u>3,253,051</u>
Contributions made	<u>(591,432)</u>
Increase in net OPEB obligation	2,661,619
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u><u>\$ 2,661,619</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2006 is as follows:

<u>Annual OPEB Cost</u>	<u>Percentage of annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
\$ 3,253,051	18.00%	\$ 2,661,619

GREATER ORLANDO AVIATION AUTHORITY
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 Years Ended September 30, 2006 and 2005

12. POST-EMPLOYMENT 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)	-
Unfunded Actuarial Accrued Liability (a) – (b)	\$ 25,288,646
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.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

GREATER ORLANDO AVIATION AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 Years Ended September 30, 2006 and 2005

12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

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

13. RISK MANAGEMENT

The Authority is exposed to various risks of loss-related theft of, damage to and destruction of assets, torts and other liabilities, and natural disasters for which the Authority carries commercial insurance. Specific details regarding deductibles and coverage can be found within the supplemental schedules of the Comprehensive Annual Financial Report of the Authority.

Effective October 1, 2000, the Authority became self-insured for worker's compensation and employers 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. The plan is administered by Johns Eastern Company, Inc. Liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for the claims that have been incurred but not reported (IBNR). Liabilities for unpaid claims at year-end are included in accrued expenses as current liabilities.

The Authority has a third party actuary perform a review of claim history for all claim years which open claims are outstanding. The actuary projects the ultimate claim payment obligation (including IBNR) for each year's claim experience. The Authority has recorded this estimate as a liability. No settlements exceeded excess insurance coverage in the past three years.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

13. RISK MANAGEMENT (continued)

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

Unpaid Claims As of September 30, (in thousands)	2006	2005
Unpaid claims and claims adjustment expenses at beginning of year	\$ 804	\$ 792
Incurred claims and claims adjustment expenses:		
Provisions for insured events of the current year	316	289
Decrease in provision for insured events of prior years	(71)	(116)
Total incurred claims and claims adjustment expenses	245	173
Payments:		
Claims and claims adjustment expenses attributable to insured events of prior years	(188)	(104)
Claims and claims adjustment expenses attributable insured events of current year	(82)	(57)
Total payments	(270)	(161)
Total unpaid claims and claims adjustment expenses at end of year	\$ 779	\$ 804

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

14. NON-CURRENT LIABILITIES

A summary of non-current liability activity for the years ended September 30, 2006 and 2005, was as follows (in thousands):

	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	<u>1,315,895</u>	<u>-</u>	<u>49,625</u>	<u>1,266,270</u>	<u>49,445</u>	<u>1,216,825</u>
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	<u>1,258,654</u>	<u>-</u>	<u>43,381</u>	<u>1,215,273</u>	<u>49,445</u>	<u>1,165,828</u>
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	<u>83,760</u>	<u>-</u>	<u>44,010</u>	<u>39,750</u>	<u>10,270</u>	<u>29,480</u>
Other Liabilities						
Advanced Rent	3,498	-	194	3,304	194	3,110
Total Other Liabilities	<u>3,498</u>	<u>-</u>	<u>194</u>	<u>3,304</u>	<u>194</u>	<u>3,110</u>
Total Non-Current Liabilities	<u>\$1,345,912</u>	<u>\$ -</u>	<u>\$ 87,585</u>	<u>\$ 1,258,327</u>	<u>\$ 59,909</u>	<u>\$1,198,418</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

14. NON-CURRENT LIABILITIES (continued)

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2005</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due After One Year</u>
Airport Facilities Revenue Bonds						
Senior Lien Bonds						
Series 1992C	\$ 2,315	\$ -	\$ 2,315	\$ -	\$ -	\$ -
Series 1997	169,880	-	-	169,880	-	169,880
Series 1998	31,295	-	3,030	28,265	3,085	25,180
Series 1999A	187,465	-	590	186,875	615	186,260
Series 1999B	13,260	-	225	13,035	235	12,800
Series 2002A	52,175	-	920	51,255	950	50,305
Series 2002B	111,060	-	395	110,665	405	110,260
Series 2002C	68,640	-	12,590	56,050	13,150	42,900
Series 2002D Taxable	2,985	-	550	2,435	570	1,865
Series 2002E	180,130	-	9,640	170,490	13,265	157,225
Series 2003A	79,630	-	3,935	75,695	4,010	71,685
Subordinated Indebtedness						
Series 1998B Gulf Breeze	8,170	-	1,745	6,425	1,825	4,600
Series 1998C Gulf Breeze	19,290	-	-	19,290	-	19,290
Series 1998A,B,C,D	321,100	-	11,100	310,000	3,675	306,325
Series 2002A Taxable	27,790	-	2,310	25,480	2,415	23,065
Secondary Subordinated Indebtedness						
Series 1997	90,055	-	-	90,055	-	90,055
Total Revenue Bonds	<u>1,365,240</u>	<u>-</u>	<u>49,345</u>	<u>1,315,895</u>	<u>44,200</u>	<u>1,271,695</u>
Less unamortized discounts and premiums	16,296	-	538	15,758	-	15,758
Less unamortized deferred amounts	47,499	-	6,016	41,483	-	41,483
Net Revenue Bonds	<u>1,301,445</u>	<u>-</u>	<u>42,791</u>	<u>1,258,654</u>	<u>44,200</u>	<u>1,214,454</u>
Notes Payable						
Commercial Paper	92,000	-	11,440	80,560	3,396	77,164
Florida Department of Transportation	4,200	-	1,000	3,200	-	3,200
Total Notes payable	<u>96,200</u>	<u>-</u>	<u>12,440</u>	<u>83,760</u>	<u>3,396</u>	<u>80,364</u>
Other Liabilities						
Advanced Rent	3,692	-	194	3,498	194	3,304
Total Other Liabilities	<u>3,692</u>	<u>-</u>	<u>194</u>	<u>3,498</u>	<u>194</u>	<u>3,304</u>
Total Non-Current Liabilities	<u>\$1,401,337</u>	<u>\$ -</u>	<u>\$ 55,425</u>	<u>\$ 1,345,912</u>	<u>\$ 47,790</u>	<u>\$1,298,122</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

14. NON-CURRENT LIABILITIES (continued)

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

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>
Airport Facilities Revenue Bonds			
	2007	\$ 49,445	\$ 55,457
	2008	57,875	53,249
	2009	60,700	50,879
	2010	64,130	48,244
	2011	67,380	45,270
	2012-2016	349,050	178,477
	2017-2021	331,450	102,671
	2022-2026	172,610	41,444
	2027-2031	104,665	10,880
	2032-2033	<u>8,965</u>	<u>469</u>
		1,266,270	<u>\$ 587,040</u>
Less unamortized premiums and discounts		(15,146)	
Less unamortized deferred amounts		<u>(35,851)</u>	
Total Revenue Bonds		<u>\$ 1,215,273</u>	
Notes Payable			
	2007	\$ 10,270	
	2010	<u>29,480</u>	
Total Notes Payable		<u>\$ 39,750</u>	

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

Airport Facilities Revenue Bonds
Senior Lien Bonds:

\$169,880,000 Airport Facilities Revenue Bonds, Series 1997, dated November 1997, of which a portion is due on October 1 of each year beginning 2009 through 2017; and \$77,495,000 in Term Bonds due October 1, 2023. Interest at 5.13% to 5.75% due semi-annually on April 1 and October 1; unamortized discount of \$2,069,000 and \$2,267,000.

\$46,640,000 Airport Facilities Refunding Revenue Bonds, Series 1998, dated August 1998 of which a portion is due October 1 of each year beginning 1999 through 2013; and \$4,110,000 in Term Bonds due October 1, 2017. Interest at 5.00% to 5.50% due semi-annually on April 1 and October 1; unamortized premium of \$235,000 and \$292,000.

\$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 4.38% to 5.25% due semi-annually on April 1 and October 1; unamortized discount of \$2,494,000 and \$2,712,000.

GREATER ORLANDO AVIATION AUTHORITY
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14. NON-CURRENT 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 4.13% to 5.25% due semi-annually on April 1 and October 1; unamortized discount of \$179,000 and \$190,000.

\$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 3.00% to 5.25% due semi-annually on April 1 and October 1; unamortized discount of \$1,281,000 and \$1,360,000.

\$111,445,000 Airport Facilities Revenue Bonds, Series 2002B (AMT), dated May 9, 2002, of which a portion is due October 1 of each year beginning in 2003 through 2019; \$3,045,000 in Term Bonds due October 1, 2017; \$63,430,000 in Term Bonds due October 1, 2021; and \$12,560,000 in Term Bonds due October 1, 2032. Interest at 3.25% to 5.50% due semi-annually on April 1 and October 1; unamortized discount of \$2,968,000 and \$3,173,000.

\$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 2.80% to 5.25% due semi-annually on April 1 and October 1; unamortized premium of \$285,000 and \$586,000.

\$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 4.50% to 5.06% due semi-annually on April 1 and October 1; unamortized premium of \$13,000 and \$25,000.

\$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 3.80% on September 30, 2006; interest is due monthly on the first business day of each calendar month; unamortized discount of \$1,474,000 and \$1,677,000. These bonds refunded the Airport Facilities Revenue Bonds, Series 1992A.

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% to 5.00% due semi-annually on April 1 and October 1; unamortized premium of \$3,342,000 and \$3,784,000. These bonds refunded the Airport Facilities Refunding Revenue Bonds, Series 1993A.

Subordinated Indebtedness:

The Authority has 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 as follows:

GREATER ORLANDO AVIATION AUTHORITY
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14. NON-CURRENT LIABILITIES (continued)

\$14,700,000 Floating Rate Demand Revenue Bonds, Series 1998B, dated June 1998, principal payable December 1 of each year beginning 1999 through 2008. Interest at 4.40% to 4.55% due semi-annually on June 1 and December 1; unamortized discount of \$50,000 and \$60,000.

\$19,290,000 Floating Rate Demand Revenue Bonds, Series 1998C, dated June 1998, principal payable December 1 of each year beginning 2008 through 2015. Interest at 4.55% to 5.05% due semi-annually on June 1 and December 1; unamortized discount of \$66,000 and \$79,000.

\$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 3.75% on September 30, 2006. Interest rate on the Series B and Series C is currently in the 7-day Auction Period, which was 3.70% and 3.70%, respectively, on September 30, 2006. Interest rate on the Series D is currently in a 28-day Auction Period, which was 3.65% on September 30, 2006. Interest is paid monthly; unamortized discount of \$1,867,000 and \$2,137,000.

\$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 4.50% to 5.64% due semi-annually on April 1 and October 1; unamortized discount of \$217,000 and \$285,000.

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 3.40% at September 30, 2006, due quarterly on January 1, April 1, July 1 and October 1; unamortized discount of \$6,356,000 and \$6,505,000.

Notes Payable

The commercial paper notes are classified as long-term debt obligations. Payment of the principal amount and interest on the Commercial Paper Notes is currently supported by a Letter of Credit provided by a syndicate of banks. The Authority's obligation to reimburse the banks for draws made under the Letter of Credit is set forth in the Letter of Credit and Reimbursement Agreement, dated as of February 1, 2003, as amended by a First Amendment to Letter of Credit and Reimbursement Agreement dated as of February 3, 2005. 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 (which shall mean the close of business on February 3, 2010) or any subsequent date to which the letter of credit is extended.

The note payable to Florida Department of Transportation is due in full July 2007, and is non-interest bearing.

Swap Payments and Associated Debt

Variable Rate Bonds: Using interest rates as of September 30, 2006, 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.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

14. NON-CURRENT LIABILITIES (continued)

Variable Rate Bonds
Projected Debt Service Requirement
(in thousands)

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Total</u>
2007	\$ 30,875	\$ 19,676	\$ 3,887	\$ 54,438
2008	26,670	18,514	3,678	48,862
2009	30,900	17,507	3,497	51,904
2010	32,765	16,346	3,295	52,406
2011-2015	172,345	62,916	13,160	248,421
2016-2020	136,990	30,069	7,372	174,431
2021-2025	61,040	14,267	4,353	79,660
2026-2027	40,415	2,076	641	43,132
	<u>\$ 532,000</u>	<u>\$ 181,371</u>	<u>\$ 39,883</u>	<u>\$ 753,254</u>

Fixed Rate Bonds: Using interest rates as of September 30, 2006, 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)

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Total</u>
2007	\$ 3,240	\$ 1,083	\$ (252)	\$ 4,071
2008	3,415	930	(195)	4,150
2009	3,610	757	(146)	4,221
2010	3,820	569	(99)	4,290
2011-2012	6,445	497	(77)	6,865
	<u>\$ 20,530</u>	<u>\$ 3,836</u>	<u>\$ (769)</u>	<u>\$ 23,597</u>

Other Debt Information

The Airport Facilities Revenue Bonds, Series 1997, 1998, 1999, 2002 and 2003 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

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

14. NON-CURRENT LIABILITIES (continued)

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 has 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, and 2003A 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, and 2003A 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 \$0.165 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 18).

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

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 terms, fair values and credit ratings of the outstanding swaps as of September 30, 2006 and 2005, were as follows. 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.

Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Sept. 30, 2006 Fair Values	Swap Termination Date	Counterparty Credit Rating
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+

Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Sept. 30, 2005 Fair Values	Swap Termination Date	Counterparty Credit Rating
1997B	\$90,055,000	Jan. 1, 2003	4.45%	BMA*	\$ (5,503,000)	Oct. 2027	AAA/AA+
1998 PARS Subordinated	318,325,000	Sept. 1, 1998	4.389	BMA*, LIBOR**	(20,078,000)	Oct. 2018	Aa3/A+
2002E	170,490,000	Oct. 1, 2002	4.31	BMA*	(8,188,000)	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, 2006 and 2005. The fair values were obtained from the swap counterparty.

Credit Risk: As of September 30, 2006 and 2005, 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.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

15. DERIVATIVES AND HEDGING ACTIVITIES (continued)

Termination Risk: Goldman Sachs Mitsui Marine Derivative Products, L.P. (GSMMDP) has the right to terminate the 1997B Gulf Breeze Swap and the 1999 Forward Swap associated with the 2002E bonds upon the occurrence of certain insolvency events with respect to MBIA Insurance Corporation (“MBIA”), the insurer of the payments due from the Authority under the 1997B Gulf Breeze Swap and the 1999 Forward Swap, or the occurrence of certain credit downgrades of MBIA provided that, among other things, MBIA does not provide sufficient credit support or collateral to GSMMDP. Such an early termination would result in a cash settlement, based upon market conditions at the time of termination. The 1997B Gulf Breeze Swap and the 1999 Forward Swap also contain early termination and cash settlement provisions at the election of the Authority.

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 October 1, 2003, 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 effect interest cost savings.

Terms, fair values, and credit risk: The terms, fair value and credit rating of the outstanding swap as of September 30, 2006 and 2005, were as follows:

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

15. DERIVATIVES AND HEDGING ACTIVITIES (continued)

Associated Bond Issue	Notional Amount *	Effective Date	Fixed Rate Received	Variable Rate Paid	Sept. 30, 2006 Fair Value	Swap Termination Date	Counterparty Credit Rating
2002A Subordinated	\$22,470,000	Aug. 8, 1999	6.51%	140% of BMA**	\$ 747,000	Oct. 2008	AAA/AA+

Associated Bond Issue	Notional Amount *	Effective Date	Fixed Rate Received	Variable Rate Paid	Sept. 30, 2005 Fair Value	Swap Termination Date	Counterparty Credit Rating
2002A Subordinated	\$24,935,000	Aug. 8, 1999	6.51%	140% of BMA**	\$1,373,000	Oct. 2008	AAA/AA+

* The notional amount does not match the outstanding principal of the debt

** The Bond Market Association Municipal Swap Index

Fair Value: The fair value of the swap associated with the 2002A Subordinated (the “1999 Fixed to Floating Swap”) was \$747,000 and \$1,373,000 as of September 30, 2006 and 2005, respectively. These values were derived from GSMMDP.

Credit Risk: The swap’s fair value represents the Authority’s credit exposure to GSMMDP as of September 30, 2006. 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 \$747,000 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 following debt is exposed to rollover risk:

Associated Bond Issue	Bond Maturity Date	Swap Termination Date
2002A Subordinated	Oct. 2012	Oct. 2008

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

16. CONDUIT DEBT OBLIGATIONS

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

Amounts Outstanding As of September, 30, (in thousands)	2006	2005
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	\$ 836	\$ 1,141
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and equipping of a Fixed Base Operator Facility; payable solely from and secured by a pledge of loan payments to be received from a loan agreement and from proceeds of the letter of credit provided by the borrower.	4,100	4,100
Special Purpose Facilities Revenue Bonds issued to provide for the construction and installation of a service center for aircraft; payable solely from and secured by a pledge of rentals to be received from lease agreements and an Unconditional Guaranty Agreement.	30,000	30,000
Special Purpose Facilities Revenue Bonds issued to provide for the construction of a flight training facility and the acquisition of flight training equipment; payable solely from a pledge of loan payments to be received from a loan agreement and a pledge of lease payments to be received from a lease agreement and an Unconditional Guaranty Agreement.	20,000	20,000
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and equipping of a corporate training facility and an aircraft maintenance hanger facility; payable solely from a pledge of lease payments to be received from the lease agreement and secured by the Leasehold Mortgage.	47,315	-

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

16. CONDUIT DEBT OBLIGATIONS (continued)

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.

17. 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):

	2006	2005
Federal Grants	\$ 33,946	\$ 23,256
State of Florida Grants	13,891	11,674
Other Grants	122	1,100
	\$ 47,959	\$ 36,030

18. AIRLINE LEASE AND USE AGREEMENT

The Authority has 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 airline's share is shown in the Balance Sheet as deferred revenue payable from restricted assets.

For the years ended September 30, 2006 and 2005, deferred revenues allocable to the airlines amounted to approximately \$18.7 million and \$22.1 million, respectively. Airfield area revenues on the Statements of Revenues, Expenses and Changes in Net Assets have been reduced by \$20.9 million and \$21.9 million, respectively, for 2006 and 2005 fiscal years. This includes additional amounts being deferred that are not allocable to the airlines.

For the year ended September 30, 2006, no signatory airline's revenues under the lease and use agreement represented more than 5% of operating revenues. Revenues provided by Delta Air Lines for year ended September 30, 2005 were \$20.9 million which represented 7.8% of total operating revenues.

19. OUTSTANDING CONTRACTS

As of September 30, 2006 and 2005, the Authority had entered into construction contracts totaling approximately \$816.0 million and \$684.0 million, respectively, for construction, engineering services and equipment. Approximately \$171.0 million and \$131.0 million, remained unincurred as of September 30, 2006 and 2005, respectively. Grants and passenger facility charges will be utilized to fund a portion of these projects.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2006 and 2005

20. 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% 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. Since the term of the revenue bonds issued for such items is expected to be in excess of thirty years with the probability of additional financing, it is improbable that this liability and the related interest will be paid. As of September 30, 2006 and 2005, this contingent liability of the Authority amounted to approximately \$1.7 million.

Rental Car Agencies: The Authority has agreed to reimburse several car rental agencies for the unamortized residual value of their leasehold improvements at Orlando International Airport, if their leases are terminated by the Authority prior to their expiration dates. As of September 30, 2006 and 2005, this contingent liability of the Authority amounted to approximately \$5.1 million and \$5.5 million, respectively.

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

Although it is difficult to quantify the potential impact of compliance with environmental protection laws, the Authority believes that the ultimate aggregate cost of environmental remediation will not result in a material adverse effect on its future financial condition or results of operations. The Authority expects to recover any costs expended on environmental remediation through rates and charges.

Wetland Mitigation: Pursuant to environmental permits issued by the U. S. Army Corps of Engineers, the FDEP and the South Florida Water Management District (collectively, the Environmental Agencies), the Authority has been required to provide mitigation for impacts which Authority projects had on existing wetlands. Wetland mitigation includes the preservation of both upland and wetland land in their natural state, the enhancement of existing wetlands, and the creation of new wetland areas. Wetland mitigation may also include funding the acquisition of environmentally sensitive lands by third parties.

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 has 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, 2006 and 2005

20. COMMITMENTS AND CONTINGENCIES (continued)

Construction Disputes: The Authority is aware of a number of disputes arising from the construction of improvements in which the contractors involved may seek additional compensation. Some of these disputes have become the subject of lawsuits. The aggregate amount of such disputes is approximately \$14.0 million. In the opinion of the Authority, based on its experience in resolving similar disputes, there are sufficient assets in the Authority's construction contingency account to pay all amounts the Authority estimates will be paid in settling or litigating all outstanding construction disputes.

21. SUBSEQUENT EVENTS

Commercial Paper: The Authority issues commercial paper to finance projects until permanent funding sources are received. Repayment of outstanding commercial paper is secured by a letter of credit issued in connection with the Letter of Credit and Reimbursement Agreement which provides a \$250.0 million financing facility. The letter of credit was increased in November 2006 from \$250.0 million to \$400.0 million, and the increase is structured as a second "Program B" which will expire in November 2009 unless extended by the Authority.

GREATER ORLANDO AVIATION AUTHORITY
 REQUIRED SUPPLEMENTARY 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)
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
2002	49,800,160	67,542,506	17,742,346	74	14,497,168	122

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

Actuarial Valuation Date Dec. 31	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)
2005	\$ -	\$ 25,288,646	\$ 25,288,646	-	\$ 27,983,670	90.37%

APPENDIX D

PROPOSED FORM OF CO-BOND COUNSEL OPINION

On the date of issuance of the Series 2007A Bonds in definitive form, Greenberg Traurig, P.A., and Ometrias D. Long and Associates, P.A., Co-Bond Counsel, propose to render their opinion in substantially the following form:

_____, 2007

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 \$141,485,000 Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2007A (AMT) of the City of Orlando, Florida (the "Series 2007A Bonds") dated of even date herewith.

The Series 2007A 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 June 20, 2007, which resolution was approved by the City on July 9, 2007 (such resolution being referred to herein as the "2007A 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 2007A Bonds which include the Bond Resolution, the 2007A Supplemental Resolution and certain other documentation, an executed or facsimile of each of the Series 2007A 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:

1. All conditions precedent in the Bond Resolution to the delivery of the Series 2007A 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 2007A Bonds have been duly authorized by the Authority and the Series 2007A Bonds constitute valid and legally binding limited obligations of the Authority and the City, payable solely from 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").

3. Except as expressly provided for in the Bond Resolution, the Series 2007A 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 2007A Bonds, or the interest or premium, if any, thereon. The Authority has no taxing power. The principal of and interest on the Series 2007A 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 2007A 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 2007A Bonds is excludable from gross income for federal income tax purposes, except interest on a Series 2007A Bond for any period during which that Series 2007A Bond is held by a "substantial user" of the facilities financed by the Series 2007A 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 2007A Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

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 2007A Bonds in order that interest on the Series 2007A 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 2007A 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 2007A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2007A Bonds.

5. The Series 2007A 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 2007A Bonds.

This opinion is qualified to the extent that the enforceability of the Series 2007A 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 2007A Bonds, except as may be otherwise set forth in our supplemental opinion delivered to the initial purchaser of the Series 2007A 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 2007A Bonds.

Reference is made to the opinions of even date herewith of Broad and Cassel and Ruye H. Hawkins, P.A., Co-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 2007A 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,

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

by and between

THE GREATER ORLANDO AVIATION AUTHORITY

and

DIGITAL ASSURANCE CERTIFICATION, L.L.C.

relating to:

**Greater Orlando Aviation Authority
\$ ____ 000,000***

**Airport Facilities Refunding Revenue Bonds
Series 2007A (AMT)
of the City of Orlando, Florida**

DATED AS OF AUGUST _____, 2007

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”) is dated as of August ____, 2007 by and between the **GREATER ORLANDO AVIATION AUTHORITY** (the “Authority”) and **DIGITAL ASSURANCE, 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 \$_____ Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2007A (AMT) of the City of Orlando, Florida (the "2007A Bonds"), pursuant to the Authority’s Airport Facilities Revenue Bond Resolution adopted on June 13, 1978, as amended and supplemented from time to time, as particularly supplemented by the Supplemented Airport Facilities Revenue Bond Resolution adopted on June 20, 2007 (collectively, the “Bond Resolution”).

B. The 2007A Bonds are being issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to: (a) currently refund and redeem all of the Greater Orlando Aviation Authority’s Airport Facilities Revenue Bonds, Series 1997 of the City of Orlando, Florida maturing on and after October 1, 2012 (the “1997 Refunded Bonds”), (b) pay a redemption premium with respect to the 1997 Refunded Bonds, and (c) pay certain costs of issuance of the 2007A Bonds, including, but not limited to, a portion of the cost of a municipal bond insurance policy.

C. The Authority has authorized the preparation and distribution of the Preliminary Official Statement dated ____, 2007 with respect to the Series 2007A Bonds (the “Preliminary Official Statement”) and, on or before the date of the Preliminary Official Statement, the Authority deemed that the Preliminary Official Statement was final within the meaning of Rule 15c2-12, as amended (the “Rule”), of the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended.

D. Upon the initial sale of the Series 2007A 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 August ____, 2007 with respect to the Series 2007A Bonds (the “Official Statement”).

E. As a condition precedent to the initial purchase of the Series 2007A Bonds by the Underwriter in accordance with the Bond Purchase Agreement dated July ____, 2007 (the “Bond Purchase Agreement”) by among the Underwriter and the Authority, and in compliance with the Underwriter’s obligations under the Rule, the Authority has agreed to provide for the public disclosure of annual reports of financial information on an ongoing basis for so long as the Series 2007A Bonds remain outstanding as set forth herein and the Authority has agreed to retain the Dissemination Agent to perform certain disclosure dissemination tasks as provided for herein on its behalf.

NOW THEREFORE, in consideration of the purchase of the Series 2007A Bonds by the Underwriter and all subsequent Beneficial Owners of the Series 2007A 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), 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 2007A Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the Securities and Exchange Act of 1934, as amended, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

“Disclosure Representative” means the Chief Financial Officer of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the

Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

“Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as initial Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority pursuant to Section 12 hereof.

“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 their 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 Series 2007A 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 2007A Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Authority,

whether issued for the benefit of the Authority or otherwise, nor to any other securities issued by or on behalf of the Authority.

(b) Neither this Disclosure Agreement, nor the performance by the Authority or the Dissemination Agent of their respective obligations hereunder, shall create any third-party beneficiary rights, shall be directly enforceable by any third-party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, the Rule; provided, however, the Underwriter and each Beneficial Owner of the Series 2007A Bonds are hereby made third-party beneficiaries hereof (collectively and each respectively, a “Third-Party Beneficiary”) and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 9 hereof.

(c) This Disclosure Agreement shall terminate upon the defeasance, redemption or payment in full of all Series 2007A Bonds, subject to the Dissemination Agent’s right to resign under Sections 11 and 12 hereof.

Section 4. Annual Filings. (a) The Authority shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent not later than 15 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to each National Repository and the State Depository (if any) not later than 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2007. 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 Depository (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 Depository (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 Depository (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 Depository, (if any);
 - (iii) upon receipt, promptly file each Audited Financial Statement received under Section 4(d) hereof with each National Repository, and the State Depository (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 Depository (if any) together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit D, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:
 - 1. “Principal and interest payment delinquencies,” pursuant to Sections 5(c) and 5(a)(1) hereof;
 - 2. “Non-payment related defaults,” pursuant to Sections 5(c) and 5(a)(2) hereof;
 - 3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 5(c) and 5(a)(3) hereof;
 - 4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 5(c) and 5(a)(5) hereof;
 - 5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 5(c) and 5(a)(4) hereof;
 - 6. “Adverse tax opinions or events affecting the tax-exempt status of the security,” pursuant to Sections 5(c) and 5(a)(6) hereof;
 - 7. “Modifications to rights of Owners,” pursuant to Sections 5(c) and 5(a)(7) hereof;
 - 8. “Unscheduled Bond calls,” pursuant to Sections 5(c) and 5(a)(8) hereof;
 - 9. “Defeasances,” pursuant to Sections 5(c) and 5(a)(9) hereof;

10. “Release, substitution, or sale of property securing repayment of the Series 2007A Bonds,” pursuant to Sections 5(c) and 5(a)(10) hereof;
11. “Ratings changes,” pursuant to Sections 5(c) and 5(a)(11) hereof;
12. “Failure to provide annual financial information as required,” pursuant to Section 4(b)(ii) or Section 4(c) hereof;
13. “Other material event notice (specify),” pursuant to Section 8 hereof, together with the summary description provided by the Disclosure Representative.

(v) provide the Authority evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Dissemination Agent under this Disclosure Agreement.

(f) The Authority may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Dissemination Agent and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Each Annual Filing shall contain the information set forth in Section 6 hereof.

Section 5. Reporting of Notice Events.

(a) The occurrence of any of the following events, if material, with respect to the Series 2007A 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 2007A Bonds;
- (7) Modifications to rights of Owners;
- (8) Unscheduled Bond calls;
- (9) Defeasances;

- (10) Release, substitution or sale of property securing repayment of the Series 2007A Bonds;
- (11) Rating changes;
- (12) Failure of the Authority to provide an Annual Filing as required hereunder; or
- (13) other material event notice (specify), pursuant to Section 8 hereof, together with the summary description provided by the Disclosure Representative.

The Authority shall promptly notify the Dissemination Agent in writing upon having actual knowledge of the occurrence of a Notice Event. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Authority desires to make (each a “Notice Event Filing”), the written authorization of the Authority for the Dissemination Agent to disseminate such information, and the date the Authority desires for the Dissemination Agent to disseminate the information.

(b) The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within five business days of receipt of such notice, instruct the Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Dissemination Agent is to report the occurrence pursuant to subsection (c), 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 the State Depository (if any) and (i) each National Repository, or (ii) the MSRB.

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 Series 2007A Bonds and shall be in substantially the form set forth in Exhibit C hereto. If an item of information contained in any Filing pursuant to this Disclosure Agreement would be misleading without additional information, the Authority shall additionally include such additional information as a part of such Filing as may be necessary in order that the Filing will not be misleading in light of the circumstances in which made.

(c) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Filing or Notice Event Filing, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Filing or Notice Event Filing in addition to the information specifically required by this Disclosure

Agreement, then and in such cases, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Filing or Notice Event Filing.

(d) Any report, notice or other filing to be made public pursuant to this Disclosure Agreement may consist of a single document or separate documents comprising a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with each Repository (or, as applicable, the MSRB) or the SEC, provided that any final official statement incorporated by reference must be available from the MSRB.

(e) Notwithstanding any provision herein to the contrary, nothing in this Disclosure Agreement shall be construed to require the Authority or the Dissemination Agent to interpret or provide an opinion concerning information made public pursuant to this Disclosure Agreement.

(f) Notwithstanding any provision herein to the contrary, the Authority shall not make public, or direct the Dissemination Agent to make public, information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 8. Voluntary Reports.

(a) The Authority may instruct the Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a “Voluntary Report”).

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information through the Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event Filing, in addition to that required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event Filing in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event Filing.

(c) Notwithstanding the foregoing provisions of this Section 8, the Authority is under no obligation to provide any Voluntary Report.

Section 9. Defaults; Remedies.

(a) A party shall be in default of its obligations hereunder if it fails and refuses to carry out or perform its obligations hereunder for a period of five business days following notice of default given in writing to such party by any other party hereto or by any Third Party Beneficiary hereof, unless such default is cured within such five business day notice period. An extension of such five business day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

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

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

Section 10. Amendment or Modification.

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section and, except as provided in subsection (b) hereof, may not be amended or modified except in writing executed by the Dissemination Agent and the Authority. No modification, amendment, alteration or termination of all or any part of this Disclosure Agreement shall be construed to be, or operate as, altering or amending in any way the provisions of the Bond Resolution.

(b) The listing of Repositories herein shall be automatically amended from time to time if the SEC designates or recognizes additional or other entities as "nationally recognized municipal securities information repositories" or "NRMSIRs" under the Rule, or if the SEC revokes the designation of an entity as a NRMSIR under the Rule, or if the State of Florida designates an information depository or changes its designated information depository, and the addresses, telephone numbers, et cetera, of any Repository or the MSRB shall be automatically amended from time to time as necessary.

(c) This Disclosure Agreement shall be amended or modified from time to time as may be necessary or desirable to conform the terms hereof to the Rule or any official release of the SEC with respect to the Rule, to the extent applicable to the subject matter hereof, provided, however, that (i) this Disclosure Agreement as so amended would have complied with the Rule at the time of initial issuance and sale of the Series 2007A Bonds, after taking into account any amendments or interpretative releases of the SEC with respect to the Rule and any change in circumstances occurring since such time of initial issuance and sale and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Series 2007A Bonds, as determined by either (1) an opinion of nationally recognized bond counsel firm or (2) approving vote of the owners of the Series 2007A 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 Authority (the “Authority”) to Digital Assurance Certification, L.L.C. in its capacity as disclosure dissemination agent (the “Dissemination Agent”) for the Authority, together with written dissemination directions to the Dissemination Agent. The Dissemination Agent has not prepared or verified, and is not responsible in any way for, the content of this notice or the accuracy, timeliness or completeness thereof. Under no circumstances shall the Dissemination Agent and the Authority have any obligation or liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstances involved in processing, collecting, compiling or interpreting the data included in this notice or (b) for any direct, indirect, special, consequential, incidental or punitive damages whatsoever arising from any investment decision or otherwise. This notice has not been reviewed or approved by any state or federal regulatory body.”

(h) The Dissemination Agent may resign at any time by giving at least ninety (90) days prior written notice thereof to the Authority. The Dissemination Agent may be removed for good cause at any time by written notice to the Dissemination Agent from the Authority, provided that such removal shall not become effective until a successor dissemination agent has been appointed by the Authority under this Disclosure Agreement.

(i) In the event the Dissemination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Dissemination Agent for any reason, the Authority shall promptly appoint a successor. Notwithstanding any provision to the contrary in this Disclosure Agreement or elsewhere, the Authority may appoint themselves to serve as Dissemination Agent hereunder.

(j) Any company or other legal entity into which the Dissemination Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Dissemination Agent may be a party or any company to whom the Dissemination Agent may sell or transfer all or substantially all of its agency business shall be the successor dissemination agent hereunder without the execution or filing of any paper or the performance of any further act and shall be authorized to perform all rights and duties imposed upon the Dissemination Agent by this Disclosure Agreement, anything herein to the contrary notwithstanding.

Section 13. Miscellaneous.

(a) Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Disclosure Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform under this Disclosure Agreement under applicable law and any resolutions, ordinances or other actions of such party now in effect, (iii) that the execution and delivery of this Disclosure Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture,

decree, agreement or instrument by which such party or its property or assets is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Disclosure Agreement, or its due authorization, execution and delivery of this Disclosure Agreement, or otherwise contesting or questioning the issuance of the Series 2007A Bonds.

(b) This Disclosure Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and applicable federal law.

(c) If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(d) This Disclosure Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

Section 14. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Filing, documents incorporated by reference to the Annual Filing, Audited Financial Statements, Notice Event Filings, and Voluntary Reports filed pursuant to Section 8(a) hereof, the Authority shall indicate the full name of the Series 2007A Bonds and the 9-digit CUSIP numbers for the Series 2007A 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: _____

**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_respository@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

\$ _____000,000*

\$ _____000,000*

**Airport Facilities Refunding Revenue Bonds
Series 2007A (AMT)
of the City of Orlando, Florida**

**Airport Facilities Refunding Revenue Bonds,
Series 2007B (Non-AMT)
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**]**.

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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 2007A 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 2007A 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

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APPENDIX F

FORM OF BOND INSURANCE POLICY

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**FINANCIAL
SECURITY
ASSURANCE®**

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER:

Policy No.: -N

BONDS:

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)



**FINANCIAL
SECURITY
ASSURANCE®**

**ENDORSEMENT NO. 1 TO
MUNICIPAL BOND
INSURANCE POLICY
(Florida Insurance
Guaranty Association)**

ISSUER:

BONDS:

Policy No.: N

Effective Date:

Notwithstanding the terms and provisions contained in this Policy, it is further understood that the insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association created under part 11 of chapter 631, Florida Statutes.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

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

FINANCIAL SECURITY ASSURANCE INC.

By: _____
Authorized Officer

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

(212) 826-0100

Form No. 553NY (FL 6/90)

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