



NEW ISSUE - BOOK-ENTRY ONLY

RATINGS:
See "RATINGS" herein

In the opinion of Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2019A Bonds (as hereinafter defined) is excluded from gross income of the holders of such Series 2019A Bonds for federal income tax purposes, except that such exclusion shall not apply during any period such Series 2019A Bonds are held by a "substantial user" of the facilities financed or refinanced with proceeds of the Series 2019A Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, but such interest is an item of tax preference for purposes of the federal alternative minimum tax. Such interest may be subject to other federal income tax consequences referred to herein under "TAX MATTERS."

\$1,135,370,000



**GREATER ORLANDO
AVIATION AUTHORITY**

**GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REVENUE BONDS,
SERIES 2019A (AMT)
OF THE CITY OF ORLANDO, FLORIDA**

Dated: Date of Delivery

Due: October 1, as shown on inside cover

The \$1,135,370,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2019A (AMT) of the City of Orlando, Florida (the "Series 2019A Bonds") are being issued by the Greater Orlando Aviation Authority (the "Authority"), an agency of the City of Orlando, Florida (the "City"), under and pursuant to various provisions of law, and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida, adopted by the governing board of the Authority, on September 16, 2015, and having an effective date of May 1, 2017, as may be further restated, supplemented and amended from time to time (the "Amended and Restated Bond Resolution"), and as specifically supplemented by that certain Supplemental Airport Facilities Revenue Bond Resolution, authorizing the issuance of the Series 2019A Bonds, adopted by the Authority on August 28, 2019 (the "2019A Supplemental Resolution," and together with the Amended and Restated Bond Resolution, the "Bond Resolution"). Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings set forth in the Bond Resolution. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

The Series 2019A Bonds are being issued for the purpose of providing funds to, among other things: (a) finance a portion of the costs associated with the 2019 Project (as defined herein); (b) refinance certain draws made on certain of the Existing Lines of Credit (as defined herein), the proceeds of which were used to finance a portion of the costs of the 2019 Project and associated accrued interest; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal to the Composite Reserve Requirement; (d) pay capitalized interest on a portion of the Series 2019A Bonds; and (e) pay certain costs of issuance of the Series 2019A Bonds. See "PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" and "CAPITAL IMPROVEMENT PROGRAM" herein. A significant portion of South Terminal C (as defined herein) being funded by proceeds of the Series 2019A Bonds constitutes PFC-eligible projects for which the Authority is authorized to collect PFCs. Consequently, the Authority will designate a portion of PFC Revenues as Available PFC Revenues for purposes of the Amended and Restated Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" herein and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" herein.

The Series 2019A Bonds are being issued as fully registered bonds and will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2019A Bonds will be made in book-entry only form, in the principal amount of \$5,000 and any integral multiple of \$5,000. Interest on the Series 2019A Bonds will accrue from their dated date and will be payable on April 1 and October 1 of each year commencing on April 1, 2020. Purchasers of beneficial interests in the Series 2019A Bonds will not receive physical delivery of certificates. Transfers of beneficial interests in the Series 2019A Bonds will be affected through the DTC book-entry system as described herein. The Series 2019A Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein. Principal, interest, and the redemption premium, if any, with respect to the Series 2019A Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., East Syracuse, New York, as paying agent for the Series 2019A Bonds to Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

Certain of the Series 2019A Bonds may be subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2019A BONDS - Redemption Provisions" herein.

The Series 2019A Bonds are limited obligations, payable solely from and secured by a pledge of the Pledged Funds, in the manner and to the extent provided in the Bond Resolution, as described herein. For purposes of the Series 2019A Bonds, the Pledged Funds consist primarily of Revenues and Available PFC Revenues designated by the Authority for payment of a portion of the debt service on the Series 2019A Bonds. The lien upon the Pledged Funds in favor of the Series 2019A Bonds is on a parity as to payment with the Outstanding Senior Bonds (as defined herein) and any Additional Bonds and Refunding Bonds hereafter issued under the Bond Resolution and senior to the pledge of and lien thereon in favor of the Outstanding Subordinated Indebtedness (as defined herein) and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" herein.

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

THE SERIES 2019A BONDS SHALL NOT BE OR CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY, THE AUTHORITY, THE STATE OF FLORIDA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION IN THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. THE SERIES 2019A BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE NOR BE A LIEN UPON ANY PROPERTY OF THE CITY OR THE AUTHORITY, EXCEPT THE PLEDGED FUNDS TO THE EXTENT PROVIDED IN THE AMENDED AND RESTATED BOND RESOLUTION. NEITHER THE GENERAL FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2019A BONDS OR ANY PREMIUM OR INTEREST THEREON AND NO REGISTERED OWNER OF A SERIES 2019A BOND SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE PRINCIPAL OF ANY SERIES 2019A BOND OR ANY PREMIUM OR INTEREST THEREON, AND THE CITY AND THE AUTHORITY ARE NOT AND SHALL NEVER BE UNDER ANY OBLIGATION TO PAY THE PRINCIPAL OF, INTEREST ON OR ANY PREMIUM WITH RESPECT TO THE SERIES 2019A BONDS EXCEPT FROM THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE AMENDED AND RESTATED BOND RESOLUTION. THE AUTHORITY HAS NO TAXING POWER.

This cover page contains certain information for quick reference only. It is not a summary of the Series 2019A Bonds. Investors should read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2019A Bonds are offered when, as and if issued by the Authority and received by the Underwriters, and subject to the approval of legality by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and D. Seaton and Associates, P.A., Orlando, Florida, as Co-Bond Counsel. Certain legal matters will be passed on for the Authority by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida, as Issuer's Counsel to the Authority. Greenberg Traurig, P.A., Orlando, Florida, and Ruge H. Hawkins, P.A., Orlando, Florida, have served as Co-Disclosure Counsel. Certain legal matters in connection with the Series 2019A Bonds will be passed upon for the Underwriters by Bryant Miller Olive P.A., Orlando, Florida and Virtus LLP, Orlando, Florida, Co-Counsel to the Underwriters. Raymond James & Associates, Inc., Winter Park, Florida, Frasca & Associates, LLC, Orlando, Florida, and National Minority Consultants, Inc., Orlando, Florida, are Co-Municipal Advisors to the Authority. It is expected that the Series 2019A Bonds in definitive form will be available for delivery through DTC on or about October 3, 2019.

**BofA Merrill Lynch
(Book-Runner)
J.P. Morgan**

Citigroup

Jefferies

Wells Fargo Securities

**Barclays
Loop Capital Markets
Ramirez & Co., Inc.
Siebert Cisneros Shank & Co., LLC**

**Drexel Hamilton, LLC
Morgan Stanley
RBC Capital Markets
UBS**

Dated: September 20, 2019



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

**\$1,135,370,000
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES REVENUE BONDS,
SERIES 2019A (AMT)
OF THE CITY OF ORLANDO, FLORIDA**

\$595,360,000 of Series 2019A Serial Bonds

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price	Initial CUSIP No.[†]
2020	\$ 9,915,000	5.000%	1.390%	103.552	392274Y26
2021	10,470,000	5.000	1.450	106.953	392274Y34
2022	28,430,000	5.000	1.510	110.180	392274Y42
2023	34,715,000	5.000	1.560	113.271	392274Y59
2024	36,440,000	5.000	1.630	116.101	392274Y67
2025	38,275,000	5.000	1.700	118.731	392274Y75
2026	40,190,000	5.000	1.770	121.161	392274Y83
2027	42,195,000	5.000	1.840	123.392	392274Y91
2028	44,300,000	5.000	1.930	125.237	392274Z25
2029	21,985,000	5.000	2.010	126.950	392274Z33
2030	23,080,000	5.000	2.090 ^(c)	126.124	392274Z41
2031	24,240,000	5.000	2.140 ^(c)	125.611	392274Z58
2032	25,450,000	5.000	2.200 ^(c)	124.998	392274Z66
2033	26,725,000	5.000	2.240 ^(c)	124.592	392274Z74
2034	28,060,000	5.000	2.280 ^(c)	124.187	392274Z82
2035	29,470,000	4.000	2.540 ^(c)	112.815	392274Z90
2036	30,645,000	5.000	2.360 ^(c)	123.382	392274Z A3
2037	32,180,000	4.000	2.620 ^(c)	112.065	392274Z B1
2038	33,460,000	5.000	2.420 ^(c)	122.782	392274Z C9
2039	35,135,000	4.000	2.710 ^(c)	111.228	392274Z D7

\$99,915,000 – 4.000% Series 2019A Term Bonds due October 1, 2044,
Yield 2.850%^(c), Price 109.940, Initial CUSIP No. 392274Z F2[†]

\$100,000,000 – 5.000% Series 2019A Term Bonds due October 1, 2044,
Yield 2.600%^(c), Price 121.003, Initial CUSIP No. 392274Z E5[†]

\$124,130,000 – 4.000% Series 2019A Term Bonds due October 1, 2049,
Yield 2.920%^(c), Price 109.303, Initial CUSIP No. 392274Z H8[†]

\$125,000,000 – 5.000% Series 2019A Term Bonds due October 1, 2049,
Yield 2.670%^(c), Price 120.320, Initial CUSIP No. 392274Z G0[†]

\$55,965,000 – 3.250% Series 2019A Term Bonds due October 1, 2054,
Yield 3.320%, Price 98.557, Initial CUSIP No. 392274Z K1[†]

\$35,000,000 – 5.000% Series 2019A Term Bonds due October 1, 2054,
Yield 2.760%^(c), Price 119.448, Initial CUSIP No. 392274Z J4[†]

[†] Initial CUSIP numbers have been assigned to the Series 2019A Bonds by an organization not affiliated with the Authority and are included for the convenience of the owners of the Series 2019A Bonds only at the time of original issuance of the Series 2019A Bonds. The Authority is not responsible for the selection, use or accuracy of the CUSIP numbers nor is any representation made as to the accuracy of the CUSIP numbers as to the Series 2019A Bonds indicated above now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of such Series 2019A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such maturity of the Series 2019A Bonds.

^(c) Yield calculated to first optional redemption date of October 1, 2029.

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

Authority Board Members

Domingo Sanchez, Chairman
M. Carson Good, Vice Chairman
Dr. Jason Pirozzolo, Treasurer
The Honorable Buddy Dyer, Mayor, City of Orlando
The Honorable Jerry Demings, Mayor, Orange County
Randall Hunt, Member
Rafael E. Martinez, Member

City Council Commissioners

Buddy Dyer, Mayor
Jim Gray
Tony Ortiz
Robert F. Stuart
Patty Sheehan
Regina I. Hill
Samuel B. Ings

Authority Management

Phillip N. Brown, A.A.E., Chief Executive Officer
Stanley J. Thornton, Chief Operating Officer
Kathleen M. Sharman, Chief Financial Officer

Issuer's Counsel

Nelson Mullins Riley & Scarborough LLP
Orlando, Florida

Co-Bond Counsel

Nabors, Giblin and Nickerson, P.A.
Tampa, Florida

D. Seaton and Associates, P.A.
Orlando, Florida

Co-Disclosure Counsel

Greenberg Traurig, P.A.
Orlando, Florida

Ruye H. Hawkins, P.A.
Orlando, Florida

Co-Municipal Advisors

Raymond James & Associates, Inc.
Winter Park, Florida

Frasca & Associates, LLC
Orlando, Florida

National Minority Consultants, Inc.
Orlando, Florida

Airport Consultant

Leigh Fisher
Burlingame, California

Independent Auditors

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

NO DEALER, BROKER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED BY THE AUTHORITY, THE CITY OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, IN CONNECTION WITH THE OFFERING OF THE SERIES 2019A BONDS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SERIES 2019A BONDS AND THERE SHALL BE NO SALE OF THE SERIES 2019A BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

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

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING STATEMENT FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2019A 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 OFFICIAL STATEMENT CONTAINS CERTAIN "FORWARD-LOOKING STATEMENTS" CONCERNING THE AUTHORITY'S OPERATIONS, PERFORMANCE AND FINANCIAL CONDITION, INCLUDING THE AUTHORITY'S FUTURE ECONOMIC PERFORMANCE, PLANS AND OBJECTIVES AND THE LIKELIHOOD OF SUCCESS IN DEVELOPING AND EXPANDING THE AIRPORT. THESE STATEMENTS ARE BASED UPON A NUMBER OF ASSUMPTIONS AND ESTIMATES WHICH ARE SUBJECT TO UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE AUTHORITY. THE WORDS "MAY," "WOULD," "COULD," "WILL," "EXPECT," "ANTICIPATE," "BELIEVE," "INTEND," "PLAN," "ESTIMATE" AND SIMILAR EXPRESSIONS ARE MEANT TO IDENTIFY THESE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS.

ALL SUMMARIES HEREIN OF DOCUMENTS AND AGREEMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS AND AGREEMENTS, AND ALL SUMMARIES HEREIN OF THE SERIES 2019A BONDS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FORM THEREOF INCLUDED IN THE AFORESAID DOCUMENTS AND AGREEMENTS.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2019A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019A 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 SERIES 2019A BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE SERIES 2019A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE AMENDED AND RESTATED BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2019A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2019A BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2019A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN, INCLUDING THE AUTHORITY'S WEBSITE OR ANY OTHER WEBSITE CONTAINING INFORMATION ABOUT THE AUTHORITY, ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15c2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

TABLE OF CONTENTS

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

	<u>Page</u>
INTRODUCTION	1
General	1
Authorization for the Series 2019A Bonds	1
The Authority and the Airport System	2
Purpose of the Series 2019A Bonds.....	2
Description of the Series 2019A Bonds.....	3
Security and Sources of Payment for the Series 2019A Bonds	3
Capital Improvement Program	5
Rate Resolution and Revenue Sharing Agreements	5
Continuing Disclosure.....	6
Report of the Airport Consultant.....	6
Other Information.....	6
PLAN OF FINANCE.....	7
ESTIMATED SOURCES AND USES OF FUNDS	8
DESCRIPTION OF THE SERIES 2019A BONDS.....	8
General	8
Redemption Provisions	9
Notice of Redemption	12
Selection of Series 2019A Bonds to be Redeemed.....	13
Purchase in Lieu of Redemption	13
Registration and Exchange	14
BOOK-ENTRY ONLY SYSTEM.....	14
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS.....	17
General.....	17
Revenues.....	18
Available PFC Revenues	19
Debt Service Reserve Account	19
Flow of Funds	21
Additional Bonds	23
Rate Covenant.....	23
Limited Obligations	24

APPLICATION OF REVENUES	26
AUTHORITY INDEBTEDNESS	27
Outstanding Senior Bonds	27
Outstanding Subordinated Indebtedness.....	27
Interest Rate Swap Agreements	31
CFC Indebtedness	31
OUC Global Agreement	33
Issuance of Additional Obligations.....	34
THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM.....	34
General.....	34
Authority Governing Board and Management	36
Airport Facilities	38
Airlines Serving Orlando International Airport	41
Airline Market Shares	42
Enplaned Passengers at the Airport	44
Airline Activity at the Airport	45
International Airline Traffic in the Orlando MSA	45
Rental Automobile Concessions.....	46
Taxation of Facilities, Rentals and Services	47
The Poitras Property	48
SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY	48
Rate Resolution.....	48
Use and Occupancy of Terminal Premises	49
Rate Methodology, Rates and Charges.....	50
Annual Rate Changes.....	51
Revenue Sharing Agreements.....	52
Subordination to Amended and Restated Bond Resolution.....	53
INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES	53
General - Revenues.....	53
Applicability of Rate Resolution	54
Information Regarding Sources of Revenue.....	54
General - Other Funding Sources	57
Federal Grants-in-Aid	57
State Grants-in-Aid	58
Other Contributed Capital.....	58
Passenger Facility Charges	59
Customer Facility Charges.....	61
AUTHORITY FINANCIAL INFORMATION.....	62

Debt Service Requirements	62
Historical Statement of Revenues and Expenses	63
Analysis of Airport Financial Results.....	65
Historical Debt Service Coverage.....	67
Pension and Other Postemployment Benefits.....	68
Insurance	71
Environmental Liabilities	72
 CAPITAL IMPROVEMENT PROGRAM.....	 73
Overview.....	73
South Terminal Complex.....	73
North Terminal Complex.....	75
Other Projects	76
Anticipated Funding for 2018 - 2025 Capital Improvement Program.....	76
 REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT FORECAST	 77
 CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS.....	 78
General Economic and Political Conditions.....	78
Financial Health of the Airline Industry	79
Availability and Price of Aviation Fuel.....	80
Airline Industry Consolidation, Competition and Airfares	80
Growth of Low Cost Carriers and Ultra Low Cost Carriers.....	81
Aviation Safety and Security Concerns	82
Airline Service and Routes	82
Capacity of the National Air Traffic Control System.....	83
Capacity of the Airport; Cost and Schedule of 2018 - 2025 Capital Improvement Program...	84
Regulations and Restrictions Affecting the Airport	84
Passenger Facility Charges	84
FAA Reauthorization and Federal Funding.....	86
Availability of Airline Financial and Operating Data	86
Structural Changes in the Travel Market.....	87
Climate Change Issues and Possible New Regulation.....	88
Peer-to-Peer Car Sharing Rental Activities	89
Cybersecurity	89
Forward-Looking Statements	89
 LITIGATION.....	 89
 TAX MATTERS.....	 91
General.....	91
Internal Revenue Code of 1986	92
Collateral Tax Consequences.....	92
Other Tax Matters	93

Original Issue Discount	93
Original Issue Premium	94
LEGAL MATTERS.....	94
CONTINUING DISCLOSURE.....	95
RATINGS	95
S&P GREEN EVALUATION.....	96
UNDERWRITING	96
FINANCIAL STATEMENTS.....	98
CO-MUNICIPAL ADVISORS	98
DISCLOSURE OF MULTIPLE ROLES	99
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS	99
MISCELLANEOUS	99
AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT	101
APPENDIX A - REPORT OF THE AIRPORT CONSULTANT	
APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION	
APPENDIX C - RATE RESOLUTION AND FORM OF REVENUE SHARING AGREEMENT	
APPENDIX D - AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017	
APPENDIX E - FORM OF CO-BOND COUNSEL OPINION	
APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT	

OFFICIAL STATEMENT

relating to

\$1,135,370,000

GREATER ORLANDO AVIATION AUTHORITY AIRPORT FACILITIES REVENUE BONDS, SERIES 2019A (AMT) OF THE CITY OF ORLANDO, FLORIDA

INTRODUCTION

General

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, the City of Orlando, Florida (the "City"), and certain other information in connection with the sale of the \$1,135,370,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2019A (AMT) of the City of Orlando, Florida (the "Series 2019A Bonds").

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the cover page and the appendices attached hereto, and the documents summarized or described herein. Before making an investment decision, a full review should be made of the entire Official Statement and of the documents summarized or described herein. The offering of the Series 2019A Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. No person is authorized to detach this Introduction from this Official Statement or to otherwise use it without the entire Official Statement including the appendices attached hereto.

Authorization for the Series 2019A Bonds

Under the Act (as defined herein), the Authority is authorized to issue revenue bonds to finance airport facilities and to refund outstanding bonds or other indebtedness of the Authority. The Series 2019A Bonds are being issued by the Authority as Additional Bonds under and pursuant to various provisions of law, and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida, adopted by the governing board of the Authority, on September 16, 2015, and having an effective date of May 1, 2017, as may be further restated, supplemented and amended from time to time (the "Amended and Restated Bond Resolution"), and as specifically supplemented by that certain Supplemental Airport Facilities Revenue Bond Resolution, authorizing the issuance of the Series 2019A Bonds, adopted by the Authority on August 28, 2019 (the "2019A Supplemental Resolution," and together with the Amended and Restated Bond Resolution, the "Bond Resolution"). Unless otherwise defined herein, capitalized terms used in this Official Statement

shall have the meanings set forth in the Bond Resolution. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

The Authority and the Airport System

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

The Authority operates the Airport System for the accommodation of air commerce and transportation. The Authority also operates the Orlando Executive Airport as a general aviation airport. The Orlando Executive Airport does not constitute a part of the Airport System and revenues derived from the operation of the Orlando Executive Airport are not pledged to payment of the Bonds, including the Series 2019A Bonds and the Proposed 2021 Bonds (as defined herein), or the interest or the premium, if any, thereon. See "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

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

Purpose of the Series 2019A Bonds

The Series 2019A Bonds are being issued for the purpose of providing funds to, among other things: (a) finance a portion of the costs associated with the 2019 Project (as defined herein); (b) refinance certain draws made on certain of the Existing Lines of Credit (as defined herein), the proceeds of which were used to finance a portion of the costs of the 2019 Project and associated accrued interest; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal to the Composite Reserve Requirement; (d) pay capitalized interest on a portion of the Series 2019A Bonds; and (e) pay certain costs of issuance of the Series 2019A Bonds. See "PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" and "CAPITAL IMPROVEMENT PROGRAM" herein.

A significant portion of the new 19 gate South Terminal ("South Terminal C") being funded by proceeds of the Series 2019A Bonds constitutes PFC-eligible projects for which the Authority is authorized to collect PFCs and consequently, the Authority will designate a portion of the PFC

Revenues as Available PFC Revenues for purposes of the Amended and Restated Bond Resolution. Such Available PFC Revenues deposited in the related subaccount of the Available PFC Account will secure the Series 2019A Bonds and such amount shall be accounted for as a credit against the amounts required to be deposited in the Bond Fund with respect to the Series 2019A Bonds for such purpose pursuant to the Amended and Restated Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" herein and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" herein.

Description of the Series 2019A Bonds

The Series 2019A Bonds are being issued as fully registered bonds and will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2019A Bonds will be made in book-entry only form, in the principal amount of \$5,000 and any integral multiple of \$5,000. Interest on the Series 2019A Bonds will accrue from their dated date and will be payable on April 1 and October 1 of each year commencing on April 1, 2020. Purchasers of beneficial interests in the Series 2019A Bonds will not receive physical delivery of certificates. Transfers of beneficial interests in the Series 2019A Bonds will be affected through the DTC book-entry system as described herein. The Series 2019A Bonds will not be transferable or exchangeable, except for transfer to another nominee of DTC or otherwise as described herein. Principal, interest, and the redemption premium, if any, with respect to the Series 2019A Bonds will be payable by The Bank of New York Mellon Trust Company, N.A., East Syracuse, New York, as paying agent for the Series 2019A Bonds to Cede & Co., as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

Certain of the Series 2019A Bonds may be subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2019A BONDS - Redemption Provisions" herein.

Security and Sources of Payment for the Series 2019A Bonds

The Series 2019A Bonds are limited obligations, payable solely from and secured by a pledge of the Pledged Funds, in the manner and to the extent provided in the Bond Resolution, as described herein. For purposes of the Series 2019A Bonds, the Pledged Funds consist primarily of Revenues and Available PFC Revenues designated by the Authority for payment of a portion of the debt service on the Series 2019A Bonds. The lien upon the Pledged Funds in favor of the Series 2019A Bonds is on a parity as to payment with the Outstanding Senior Bonds (as defined herein) and any Additional Bonds and Refunding Bonds hereafter issued under the Bond Resolution senior to the pledge of and lien thereon in favor of the Outstanding Subordinated Indebtedness (as defined herein) and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" herein.

THE SERIES 2019A BONDS SHALL NOT BE OR CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY, THE AUTHORITY, THE STATE OR ANY OTHER

POLITICAL SUBDIVISION IN THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. THE SERIES 2019A BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE NOR BE A LIEN UPON ANY PROPERTY OF THE CITY OR THE AUTHORITY, EXCEPT THE PLEDGED FUNDS TO THE EXTENT PROVIDED IN THE AMENDED AND RESTATED BOND RESOLUTION. NEITHER THE GENERAL FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2019A BONDS OR ANY PREMIUM OR INTEREST THEREON AND NO REGISTERED OWNER OF A SERIES 2019A BOND SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE PRINCIPAL OF ANY SERIES 2019A BOND OR ANY PREMIUM OR INTEREST THEREON, AND THE CITY AND THE AUTHORITY ARE NOT AND SHALL NEVER BE UNDER ANY OBLIGATION TO PAY THE PRINCIPAL OF, INTEREST ON OR ANY PREMIUM WITH RESPECT TO THE SERIES 2019A BONDS EXCEPT FROM THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE AMENDED AND RESTATED BOND RESOLUTION. THE AUTHORITY HAS NO TAXING POWER.

The Authority has previously issued various series of Bonds pursuant to the Bond Resolution, \$758,848,022 aggregate principal amount of which will be outstanding as of October 2, 2019 (the "Outstanding Senior Bonds"). See "AUTHORITY INDEBTEDNESS - Outstanding Senior Bonds" herein. The Series 2019A Bonds are being issued as Additional Bonds pursuant to the Bond Resolution and will be secured on a parity with the Outstanding Senior Bonds as to the pledge of, lien on and source of payment from the Pledged Funds and senior to the pledge of and lien thereon in favor of the Outstanding Subordinated Indebtedness and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture. Subject to certain conditions as set forth in the Bond Resolution, Additional Bonds and Refunding Bonds may be issued under the Bond Resolution on a parity with the Outstanding Senior Bonds and the Series 2019A Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" herein. The Outstanding Senior Bonds, the Series 2019A Bonds and any Additional Bonds and Refunding Bonds hereafter issued are collectively referred to as the "Bonds."

The Authority has previously issued and has outstanding under the Amended and Restated Master Subordinated Indenture of Trust dated as of July 1, 2016, as supplemented and amended from time to time (the "Master Subordinated Indenture"): (a) \$972,665,000 in aggregate principal amount of Outstanding Subordinated Bonds (as defined herein) as of October 2, 2019; (b) \$52,700,000 under the FDOT Loan (as defined herein) as of October 2, 2019; and (c) approximately \$333,270,041⁽¹⁾ under the Existing Lines of Credit (as defined herein) as of October 2, 2019, of which \$320,650,860 are expected to be refinanced with the proceeds of the Series 2019A Bonds. The Outstanding Subordinated Bonds and the FDOT Loan are hereinafter

⁽¹⁾ Includes an anticipated draw on the Existing Lines of Credit in the aggregate principal amount of approximately \$31,699,765 on or before October 2, 2019.

referred to as the "Outstanding Priority Subordinated Indebtedness." The Outstanding Priority Subordinated Indebtedness is junior to the Outstanding Senior Bonds, the Series 2019A Bonds and any Additional Bonds and Refunding Bonds hereafter issued as to the pledge of, lien on, and sources of payment from, the Pledged Funds. Currently, the Existing Lines of Credit are the Authority's only Secondary Subordinated Indebtedness (as defined in the Master Subordinated Indenture) outstanding under the Master Subordinated Indenture. The Secondary Subordinated Indebtedness is junior as to the pledge of, lien on, and sources of payment from, the Pledged Subordinated Revenues (as defined in the Master Subordinated Indenture), the Outstanding Priority Subordinated Indebtedness and any Priority Subordinated Indebtedness (as defined in the Master Subordinated Indenture) issued under the Master Subordinated Indenture in the future. See "AUTHORITY INDEBTEDNESS - Outstanding Subordinated Indebtedness" herein for more information about the Authority's Outstanding Subordinated Indebtedness (as defined herein) and the ability to issue additional Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness in the future.

Capital Improvement Program

In May 2019, the Authority approved the most recent updates to the 2018 - 2025 Capital Improvement Program (as defined herein) which the Authority expects to fund through a combination of the proceeds of certain of the Outstanding Senior Bonds, the Series 2019A Bonds, the Proposed 2021 Bonds, federal grants in aid, FDOT participation grants, PFC Revenues, CFCs, Additional Bonds, third party sources and other available funds of the Authority. See "CAPITAL IMPROVEMENT PROGRAM" and "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of the 2018 - 2025 Capital Improvement Program" herein and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Rate Resolution and Revenue Sharing Agreements

On August 28, 2019, the Authority adopted a Second Amended and Restated Resolution relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at the Orlando International Airport (the "Rate Resolution"), which will become effective October 1, 2019 and which applies to all airlines operating scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo and/or making use of the Airfield or Terminal (as such terms are defined in the Rate Resolution) at the Airport (the "Airlines"), whether or not any such Airline specifically agrees in writing to its terms. The Rate Resolution provides for the payment of fees and charges by the Airlines as more fully described herein. The Rate Resolution has no expiration date and may be amended at any time by the Authority as it deems necessary or appropriate. On August 28, 2019, the Authority approved the current form of Rate and Revenue Sharing Agreements (the "Revenue Sharing Agreements") for Fiscal Years 2020 through 2024. Certain Airlines have executed and delivered, or will execute and deliver, to the Authority Revenue Sharing Agreements and, by virtue of being a party to an effective Revenue Sharing Agreement, are or will be eligible to receive a share of certain Authority revenues. All passenger Airlines that have executed and are parties to an effective Revenue Sharing Agreement for the applicable Fiscal Year are referred to as "Participating Airlines." Airlines that are not parties to an effective Revenue Sharing Agreement do not share Authority revenues but are still subject to the provisions of the Rate Resolution, and

are referred to as "Non-Participating Airlines." The Rate Resolution is effective whether or not the Revenue Sharing Agreement is signed by any Airline. See "SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY" and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" and " - Customer Facility Charges" herein for more information regarding the Rate Resolution and its impact on Revenues. A copy of the Rate Resolution and the form of Revenue Sharing Agreement are attached hereto as APPENDIX C.

Continuing Disclosure

In order to assist the Underwriters (as defined herein) in complying with paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission ("SEC") promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2019A Bonds, the Authority will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), as initial dissemination agent. See "CONTINUING DISCLOSURE" herein and "APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto for more information regarding the Continuing Disclosure Agreement and the information to be provided.

Report of the Airport Consultant

In connection with the issuance of the Series 2019A Bonds, the Authority has commissioned LeighFisher (the "Airport Consultant") to prepare the Report of the Airport Consultant dated September 9, 2019 (the "Report of the Airport Consultant"). The Report of the Airport Consultant presents, among other things, an analysis of the Airport, the 2018 - 2025 Capital Improvement Program, and certain financial matters, including certain Airline traffic and financial forecasts for Fiscal Years 2019 through 2025 (the "Forecast Period") and sets forth the assumptions upon which the forecasts are based. The Report of the Airport Consultant is attached hereto as APPENDIX A, and should be read in its entirety to obtain a more complete description of the Airport, its operations, the 2018 - 2025 Capital Improvement Program, and other proposed improvements as well as the Airline traffic and financial forecasts for the Forecast Period. See "REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT FORECAST" herein and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement contains brief descriptions of, among other matters, the Authority, the Airport System, the Series 2019A Bonds, the 2019 Project and the security and sources of payment for the Series 2019A Bonds. The Report of the Airport Consultant, the Amended and Restated Bond Resolution, the Continuing Disclosure Agreement, the Rate Resolution, and the form of Revenue Sharing Agreement, are attached as appendices hereto. References to such documents are qualified in their entirety to the copies and forms thereof attached hereto. Summaries of the Act and various constitutional provisions, statutes, and other documents are intended as summaries only and are qualified in their entirety by reference to such

documents. To the extent not provided as an appendix hereto, copies of the Act and other documents referred to herein may be obtained upon written request and payment of any applicable charge for copying, mailing and handling, from the Office of the Chief Financial Officer, One Jeff Fuqua Boulevard, Orlando, Florida 32827-4399.

PLAN OF FINANCE

The Series 2019A Bonds are being issued for the purpose of providing funds to, among other things: (a) finance a portion of the costs associated with the 2019 Project; (b) refinance certain draws made on certain of the Existing Lines of Credit, the proceeds of which were used to finance a portion of the costs of the 2019 Project along with associated accrued interest; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal to the Composite Reserve Requirement; (d) pay capitalized interest on a portion of the Series 2019A Bonds; and (e) pay certain costs of issuance of the Series 2019A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS" and "CAPITAL IMPROVEMENT PROGRAM" herein.

The "2019 Project" consists of improvements to the Airport System to be financed in whole or in part from proceeds of the Series 2019A Bonds, including all or a portion of the costs of the acquisition, design, construction and equipping of: (a) the Phase 1 of South Terminal C and Phase 1 Expansion of South Terminal C, including airside and landside facilities, site development, associated apron and airfield scope and related infrastructure improvements and support facilities as well as any future expansion enhancements required to preserve and allow for flexibility and expandability to accommodate future growth and expansion; and (b) certain capital projects in the North Terminal Complex and other Airport facilities and associated infrastructure, all as included in the 2018 - 2025 Capital Improvement Program and as more particularly described in the plans and specifications on file with the Authority.

For more detailed information about the 2019 Project, the need for, nature of, and status of South Terminal C and the 2018 - 2025 Capital Improvement Program, see "CAPITAL IMPROVEMENT PROGRAM" herein and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2019A Bonds are expected to be applied as follows:

Sources:

Par Amount of the Series 2019A Bonds	\$1,135,370,000.00
Net Original Issue Premium	189,330,182.15
Total Sources	<u>\$1,324,700,182.15</u>

Uses:

Deposit to the 2019A Construction Account of the Construction Fund ⁽¹⁾	\$1,218,110,000.00
Deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account of the Bond Fund	47,322,428.64
Deposit to the 2019A Capitalized Interest Subaccount of the Debt Service Account of the Bond Fund	53,500,207.43
Costs of Issuance ⁽²⁾	5,767,546.08
Total Uses	<u>\$1,324,700,182.15</u>

⁽¹⁾ The Authority anticipates: (a) \$3,200,000 will be used to reimburse the Authority for interest previously paid on the Existing Lines of Credit; and (b) \$320,650,860 will be used to pay principal on the Existing Lines of Credit. See "AUTHORITY INDEBTEDNESS - Outstanding Subordinated Indebtedness - Secondary Subordinated Indebtedness" herein.

⁽²⁾ Includes, among other things, Underwriters' discount, legal, financial advisory, ratings, consulting and administrative expenses with respect to the Series 2019A Bonds.

DESCRIPTION OF THE SERIES 2019A BONDS

General

The Series 2019A Bonds are being issued as Additional Bonds under the Bond Resolution, solely in the form of fully registered bonds, and in authorized denominations of \$5,000 and any integral multiple thereof. The Series 2019A 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 Series 2019A Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., East Syracuse, New York, as registrar, paying agent and trustee under the Amended and Restated Bond Resolution, or its successor (the "Trustee") on April 1 and October 1 of each year commencing on April 1, 2020, provided however, that if any such day is not a business day (i.e., a Saturday, Sunday, legal holiday or a day in which banking institutions in the city where the corporate trust offices of the Paying Agent is located are closed, or a date on which the Paying Agent is closed), then such payment shall be made on the next business day thereafter without payment of additional interest. Interest shall be paid by check or draft mailed by the Paying Agent to the registered owners thereof as their addresses appear on the registration books maintained by the 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 Series 2019A Bonds after such Record Date and before such interest payment

date unless the Authority shall be in default of interest due on such interest payment date. The principal of the Series 2019A Bonds will be payable at the corporate trust operations office of the Trustee in East Syracuse, New York. Registered owners of \$1,000,000 or more in principal amount of Series 2019A Bonds may arrange for the payment of principal and interest with respect to the Series 2019A Bonds by wire transfer in immediately available funds by written request made to the Trustee within certain times and upon certain conditions set forth in the Bond Resolution.

So long as Cede & Co. is the registered owner of the Series 2019A Bonds, all payments of principal, premium, if any, and interest on the Series 2019A Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which, in turn, is expected to remit such amounts to the DTC Participants (as defined herein) for subsequent disposition to Beneficial Owners (as defined herein). See "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption Provisions

Optional Redemption. The Series 2019A Bonds maturing on or before October 1, 2029 are not subject to redemption prior to maturity. The Series 2019A Bonds maturing on or after October 1, 2030 are subject to redemption prior to maturity, at the option of the Authority, in whole or in part, on October 1, 2029 and any date thereafter, and if in part, in such maturities as the Authority may direct, at a Redemption Price equal to the principal amount of the Series 2019A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Mandatory Redemption. The Series 2019A Bonds maturing on October 1, 2044 and bearing interest at a rate of 4.000% per annum are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

Series 2019A Term Bonds Maturing on October 1, 2044, bearing interest at 4.000%

Year	Principal Amount
2040	\$18,270,000
2041	19,085,000
2042	19,950,000
2043	20,845,000
2044*	21,765,000

* Maturity.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The Series 2019A Bonds maturing on October 1, 2044 and bearing interest at a rate of 5.000% per annum are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

Series 2019A Term Bonds
Maturing on October 1, 2044, bearing interest at 5.000%

Year	Principal Amount
2040	\$18,275,000
2041	19,100,000
2042	19,955,000
2043	20,855,000
2044*	21,815,000

* Maturity.

The Series 2019A Bonds maturing on October 1, 2049 and bearing interest at a rate of 4.000% per annum are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

Series 2019A Term Bonds
Maturing on October 1, 2049, bearing interest at 4.000%

Year	Principal Amount
2045	\$22,680,000
2046	23,715,000
2047	24,775,000
2048	25,895,000
2049*	27,065,000

* Maturity.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The Series 2019A Bonds maturing on October 1, 2049 and bearing interest at a rate of 5.000% per annum are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

Series 2019A Term Bonds
Maturing on October 1, 2049, bearing interest at 5.000%

Year	Principal Amount
2045	\$22,855,000
2046	23,870,000
2047	24,955,000
2048	26,075,000
2049*	27,245,000

* Maturity.

The Series 2019A Bonds maturing on October 1, 2054 and bearing interest at a rate of 3.250% per annum are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

Series 2019A Term Bonds
Maturing on October 1, 2054, bearing interest at 3.250%

Year	Principal Amount
2050	\$10,370,000
2051	10,770,000
2052	11,175,000
2053	11,605,000
2054*	12,045,000

* Maturity.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The Series 2019A Bonds maturing on October 1, 2054 and bearing interest at a rate of 5.000% per annum are subject to mandatory redemption in part, prior to maturity, by operation of the Debt Service Account to satisfy Sinking Fund Installments at Redemption Prices equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, on October 1 in the following years and in the following principal amounts.

Series 2019A Term Bonds
Maturing on October 1, 2054, bearing interest at 5.000%

Year	Principal Amount
2050	\$6,450,000
2051	6,710,000
2052	6,990,000
2053	7,275,000
2054*	7,575,000

* Maturity.

Notice of Redemption

Each notice of redemption shall specify maturities of the Series 2019A Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2019A Bonds and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2019A Bonds to be redeemed, and, in the case of Series 2019A Bonds to be redeemed in part only, such notice shall specify the respective portions of the principal amount, thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2019A Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2019A Bonds to be redeemed in part only together with interest accrued to the redemption date with respect to Series 2019A Bonds, and that from and after such date interest thereon shall cease to accrue and be payable.

Notice of redemption shall be given by the deposit in the U.S. Mail of a copy of the redemption notice, postage prepaid, at least thirty and not more than 60 days before the redemption date to all registered owners of the Series 2019A Bonds or portions of the Series 2019A Bonds to be redeemed at their last addresses as they appear on the registration books maintained in accordance with the provisions of the Amended and Restated Bond Resolution, which as long as the Series 2019A Bonds are maintained in book-entry only form, will be through DTC. See "BOOK-ENTRY ONLY SYSTEM" herein. Failure to mail any such notice to a registered owner of a Series 2019A Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Series 2019A Bond or portion thereof with respect to which no such failure or defect occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Series 2019A Bond receives such notice.

An optional redemption may be a Conditional Redemption and the notice of redemption may state that the redemption is conditional upon the conditions set forth therein, and such notice and optional redemption shall be of no effect (a) if by no later than the scheduled redemption date,

the conditions set forth therein have not been satisfied, or (b) the Authority or the Trustee, at the written direction of the Authority, rescinds such notice on or prior to the scheduled redemption date. Such redemption may be conditional upon receipt by the Trustee or escrow agent named by the Authority of sufficient moneys to redeem the Series 2019A Bonds and satisfaction of such other conditions set forth in the notice of redemption. A Conditional Redemption shall be deemed canceled once the Authority or the Trustee, at the written direction of the Authority, has given notice of rescission. The Authority or the Trustee, at the written direction of the Authority, shall give notice of rescission of a Conditional Redemption by the same means as is provided for the giving of notice of redemption. Any Series 2019A Bonds subject to a Conditional Redemption which has been canceled shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the proposed redemption date shall constitute an Event of Default.

Selection of Series 2019A Bonds to be Redeemed

If less than all of the Series 2019A Bonds of like maturity shall be called for prior redemption, the particular Series 2019A Bonds or portion of Series 2019A Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that so long as Cede & Co., as DTC's nominee, is the registered owner of the Series 2019A Bonds, DTC will select the Series 2019A Bonds to be redeemed. The portion of any Series 2019A Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof, and that in selecting portions of such Series 2019A Bonds for redemption, the Trustee or DTC shall treat each such Series 2019A Bond as representing that number of Series 2019A Bonds of \$5,000 denomination which is obtained by dividing the principal amount.

Upon any purchase or redemption of Series 2019A Bonds for which Sinking Fund Installments shall have been established in advance of their scheduled maturity or mandatory redemption date, an amount equal to the principal amount of such Series 2019A Bonds so purchased or redeemed shall be credited toward a part or all of any one or more Sinking Fund Installments thereafter to become due, as directed by the Authority in a certificate in writing signed by an Authorized Officer of the Authority and filed with the Trustee, or in the absence of such direction, toward such Sinking Fund Installments in inverse order of their due dates. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

Purchase in Lieu of Redemption

At any time the Series 2019A Bonds are subject to optional redemption, all or a portion of the Series 2019A 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 Series 2019A Bonds would otherwise have been redeemed. The purchase price for Series 2019A Bonds purchased in lieu of redemption will be equal to the Redemption Price that would have been applicable to the Series 2019A Bonds on such date. No notice to the owners of the Series 2019A Bonds to be purchased (other than the notice of redemption otherwise required by the Bond Resolution) is required. All Series 2019A Bonds to be so purchased in lieu of redemption that are

not delivered to the Trustee on the purchase date shall be deemed to have been so purchased and not redeemed on the purchase date and shall cease to accrue interest as to the former registered owner on the purchase date, so long as the Redemption Price that would have been applicable to such Series 2019A Bonds on such date is deposited by the Authority with the Trustee.

Registration and Exchange

The registration of any Series 2019A Bond may be transferred upon the registration books as provided in the Bond Resolution. So long as the Series 2019A Bonds are issued solely in fully registered form and notwithstanding anything contained in the Bond Resolution to the contrary, the provisions of the Bond Resolution with respect to the interchangeability of registered bonds for coupon bonds will not be applicable to the Series 2019A Bonds. In all cases of a transfer of a Series 2019A Bond, the Bond Registrar, shall at the earliest practical time in accordance with the terms hereof enter the transfer of ownership in the registration books and shall deliver in the name of the new transferee or transferees a new fully registered Series 2019A Bond, maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. The Authority, the City and the Bond Registrar may charge the registered owner for the registration of every transfer or exchange of a Series 2019A Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the City or the Authority) to be paid with respect to or in connection with any such transfer or exchange, and may require that such amounts be paid before any such new Series 2019A Bond shall be delivered.

The City, the Authority, the Bond Registrar, and the Paying Agent may deem and treat the registered owner of any Series 2019A Bond as the absolute owner of such Series 2019A Bond for the purpose of receiving payment of the principal thereof and the interest thereon. Subject to the provision of the 2019A Supplemental Resolution, a Series 2019A Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Series 2019A Bonds, of other authorized denominations, maturity and interest rate.

BOOK-ENTRY ONLY SYSTEM

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

DTC will act as securities depository for the Series 2019A Bonds. The Series 2019A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019A Bond certificate will be issued for each maturity (and each interest rate within a maturity) of the Series 2019A Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over

3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The DTC rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2019A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019A Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2019A Bonds (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant (collectively, "Participants") through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019A Bonds, except in the event that use of the book-entry system for the Series 2019A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2019A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019A Bonds, such as redemptions, tenders, defaults, and

proposed amendments to the Series 2019A Bond documents. For example, Beneficial Owners of Series 2019A Bonds may wish to ascertain that the nominee holding the Series 2019A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019A Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2019A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent on a payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2019A Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019A Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2019A Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC upon compliance with any applicable DTC rules and procedures. In that event, Series 2019A Bond certificates will be printed and delivered to DTC.

Neither the Authority nor the Trustee shall have any responsibility or obligation to the Participants, Beneficial Owners or other nominees of such Beneficial Owners for (a) sending transaction statements; (b) maintaining, supervising or reviewing, or the accuracy of, any records maintained by DTC or any Participant or other nominees of such Beneficial Owners; (c) payment or the timeliness of payment by DTC to any Participant or by any Participant or other nominees of Beneficial Owners to any Beneficial Owner of any amount due in respect of the principal or the

redemption premium of or interest on Series 2019A Bonds; (d) delivery or timely delivery by DTC to any Participant or by any Participant, or other nominees of Beneficial Owners to any Beneficial Owners of any notice (including notice of redemption) or other communication which is required or permitted under the terms of the Bond Resolution, as supplemented herein, to be given to Holders of Series 2019A Bonds; (e) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Series 2019A Bonds; or (f) any action taken by DTC or its nominee as the Holder of the Series 2019A Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS

Brief descriptions of the security and sources of payment for the Series 2019A Bonds, the Pledged Funds, the flow of funds and application of Revenues under the Amended and Restated Bond Resolution, the Authority's rate covenant and certain other provisions of the Amended and Restated Bond Resolution are provided herein. The descriptions provided herein are qualified in their entirety by the applicable provisions of the Amended and Restated Bond Resolution, a copy of which is attached hereto as APPENDIX B.

General

The Series 2019A Bonds are being issued as Additional Bonds under the Bond Resolution. As such, the Series 2019A Bonds are "Bonds" as such term is used in the Amended and Restated Bond Resolution and are on parity with the Outstanding Senior Bonds as to the pledge of, lien on and source of payment from the Pledged Funds. In accordance with and subject to the terms and conditions of the Amended and Restated Bond Resolution, Additional Bonds and Refunding Bonds may be issued under the Amended and Restated Bond Resolution on parity with the Outstanding Senior Bonds and the Series 2019A Bonds and senior to the pledge of and lien on the Pledged Funds in favor of any the Outstanding Subordinated Indebtedness and any Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness hereafter issued under the Master Subordinated Indenture. See "AUTHORITY INDEBTEDNESS - Outstanding Senior Bonds" herein for a description of the Outstanding Senior Bonds and "CAPITAL IMPROVEMENT PROGRAM" herein for the Authority's current plans to issue Additional Bonds, in the form of Bonds with a senior lien on the Pledged Funds ("Senior Bonds"), Priority Subordinated Indebtedness and/or Secondary Subordinated Indebtedness in the future.

Pursuant to the Bond Resolution, the Bonds, including the Series 2019A Bonds, and the interest and premium, if any, thereon are payable solely from and secured by a pledge of, and first lien on the Pledged Funds. As such term is used in the Amended and Restated Bond Resolution, the Pledged Funds include (a) the proceeds of the sale of Bonds, (b) Revenues, (c) all moneys and investments on deposit in all funds, accounts and subaccounts established by the Bond Resolution (excluding any fund established to pay rebatable arbitrage), provided moneys in a subaccount of the Debt Service Reserve Account shall secure only the Series of Bonds designated by Supplemental Resolution to be secured by such subaccount, and (d) any Available Revenues, provided such Available Revenues shall secure only the Series of Bonds to which they are pledged pursuant to a Supplemental Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Debt Service Reserve Account and " - Available PFC Revenues" herein.

Revenues

Under the Amended and Restated Bond Resolution, the term "Revenues" includes (a) all income and revenues from all sources collected or received by the Authority in the operation of the Airport System, including without limitation except as expressly provided in the Bond Resolution, all rentals, charges, landing fees, use charges and concession revenue received by or on behalf of the Authority in its capacity as the operator of the Airport System in connection with the operation, improvement and enlargement of the Airport System, or any part thereof; (b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are: lawfully available for the payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness, or payment of Operation and Maintenance Expenses; (c) income received on any investment of moneys held pursuant to the Bond Resolution and paid into the Revenue Fund pursuant to the terms of the Bond Resolution; (d) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto; and (e) Special Purpose Facility Revenues, to the extent designated as Revenues by Supplemental Resolution. The term "Revenues" shall **not** include: (a) any revenue or income from Orlando Executive Airport or any additions, extensions or improvements thereto unless Orlando Executive Airport is added to the Airport System as provided in the definition of "Airport System"; (b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are not lawfully available for the payment of Operation and Maintenance Expenses or payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness; (c) insurance proceeds, to the extent used by the Authority to repair or replace damaged property or to the extent the use of such proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of Operation and Maintenance Expenses or the payment of debt service with respect to Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness; (d) any Transfers; (e) any Released Revenues; (f) any unrealized gains on securities held for investment by or on behalf of the Authority; (g) any gains resulting from changes in valuation of any Qualified Derivative Agreement; (h) any unrealized gains from the write-down, reappraisal or revaluation of assets; (i) the proceeds of Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness; (j) Passenger Facility Charges; (k) Customer Facility Charges; (l) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, Subordinated Indebtedness or Secondary Subordinated Indebtedness; (m) Subordinated Pledged Revenues; (n) cash subsidy payments or similar payments made by the U.S. Treasury or other federal or State governmental entity to or on behalf of the Authority for payment coming due on the Bonds or any portion thereof; (o) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code; (p) interest earnings or other investment earnings on any Account in the Construction Fund established by any Supplemental Resolution unless otherwise provided in such Supplemental Resolution; and (q) Special Purpose Facility Revenues, except as otherwise provided by

Supplemental Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" and "APPLICATION OF REVENUES" herein.

Available PFC Revenues

For purposes of the Amended and Restated Bond Resolution, Passenger Facility Charges are excluded from the definition of Revenues and therefore are not part of Net Revenues which are utilized to satisfy the requirements of the rate covenant under the Amended and Restated Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Rate Covenant" herein. However, Section 727 of the Amended and Restated Bond Resolution permits the Authority to designate all or a portion of PFC Revenues, as well as other sources of revenues which are not included in the definition of Revenues, as Available Revenues which shall be used to pay debt service on one or more Series of Bonds. The designation of such Available PFC Revenues to the payment of debt service on such Bonds shall, in turn, reduce the amount of debt service that the rate covenant and the Additional Bonds test under the Amended and Restated Bond Resolution require to be covered each Fiscal Year. In connection with the issuance of the Series 2019A Bonds, the Authority has determined to designate an amount of PFC Revenues as Available PFC Revenues which will be deposited in the Bond Fund to pay debt service on the Series 2019A Bonds (the "2019A Available PFC Revenues"). Other PFC Revenues have been designated as Available PFC Revenues to pay a portion of the debt service on various Series of Outstanding Senior Bonds which financed or refinanced PFC-eligible projects. Such deposits effectively reduce the total amount of Revenues that must be collected each Fiscal Year to comply with the rate covenant under the Amended and Restated Bond Resolution. To the extent such Available PFC Revenues are not available for deposit in the Bond Fund to pay debt service on such Bonds as provided above, Revenues, including fees and charges to the Airlines, might have to be increased to comply with the rate covenant under the Amended and Restated Bond Resolution.

The Series 2019A Bonds are secured by, and payable from, the 2019A Available PFC Revenues specified in the certificate of the Chief Financial Officer (the "2019A PFC Certificate"). Pursuant to the 2019A Supplemental Resolution, the Authority has established the "2019A Subaccount" in the Available PFC Account and shall, promptly upon receipt, deposit all 2019A Available PFC Revenues into the 2019A Subaccount of the Available PFC Account. The Authority is required, by the provisions of the 2019A Supplemental Resolution, to withdraw moneys in the 2019A Subaccount of the Available PFC Account for deposit to the Bond Fund for the payment of debt service on the Series 2019A Bonds in the amounts and at the times specified in the 2019A PFC Certificate. The provisions of Section 727 of the Amended and Restated Bond Resolution shall apply to the 2019A Subaccount of the Available PFC Account. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

Debt Service Reserve Account

The Amended and Restated Bond Resolution established a Debt Service Reserve Account within the Bond Fund, consisting of a Composite Reserve Subaccount and such additional reserve subaccounts as may be established with respect to particular Series of Bonds. The Series 2019A Bonds will be secured by the Composite Reserve Subaccount. An amount equal to the Composite Reserve Requirement is required to be maintained in the Composite Reserve Subaccount. The

Composite Reserve Subaccount secures those Bonds designated to be secured by the Composite Reserve Subaccount and additional reserve subaccounts established with respect to particular Series of Bonds secure only those Series of Bonds designated to be secured by each such subaccount.

As of the date hereof, the Composite Reserve Subaccount secures all of the Outstanding Senior Bonds and no Series of Bonds is secured by its own separate subaccount. Upon the issuance of the Series 2019A Bonds, the Composite Reserve Requirement will be equal to \$113,485,836.93 and will be fully funded upon issuance of the Series 2019A Bonds and a deposit of a portion of the proceeds of the Series 2019A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein. The Composite Reserve Subaccount is funded entirely with cash and investment securities, and does not currently contain any Reserve Products.

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

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

Whenever the amounts in the applicable subaccounts in the Debt Service Reserve Account, together with the amount in the Debt Service Account, are sufficient to pay fully all then Outstanding Bonds in accordance with their terms (including the principal of or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent deemed necessary in order to provide for the timely payment of principal of and interest (or Redemption Price) on the 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 Discretionary Fund or such other fund or account as shall be designated by the Authority so long as the Authority obtains an opinion of Bond Counsel that such actions will not, in and of themselves, adversely affect the exclusion from gross income of interest on the applicable Series of Bonds (if other than Taxable Bonds) for federal income tax purposes.

Cash on deposit in the applicable subaccount in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Product. If and to the extent that more than one Reserve Product is deposited in the applicable subaccount in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Flow of Funds

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

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

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

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

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

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

(f) to the Operation and Maintenance Fund for credit to the Operation and Maintenance Reserve Account an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the amount which is equal to the difference between the sum

on deposit in said Account at the beginning of the then current Fiscal Year and one-sixth of the Operation and Maintenance Expenses for the then Fiscal Year as set forth in the then current Annual Budget;

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

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

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

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

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

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

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

Notwithstanding anything in the Bond Resolution to the contrary, the Authority shall not be required to fully fund a subaccount in the Debt Service Reserve Account at the time of issuance

of any Series of Bonds under the Bond Resolution, if it provides on the date of issuance of any Series of Bonds in lieu of such funds, a Reserve Product issued by a Reserve Product Provider in an amount equal to the difference between the applicable Debt Service Reserve Requirement and the sums then on deposit in the applicable subaccount in the Debt Service Reserve Account. Such Reserve Product as provided above must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held under the Bond Resolution for a payment with respect to the applicable Series of Bonds, which cannot be cured by funds in any other account held pursuant to the Bond Resolution and available for such purpose, and which shall name the Trustee or a Paying Agent as the beneficiary thereof.

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

Additional Bonds

The Amended and Restated Bond Resolution provides that Additional Bonds may be issued for the purpose of paying the Cost of Construction of any Additional Project, subject to the conditions set forth therein. Particularly, the Amended and Restated Bond Resolution conditions the issuance of Additional Bonds upon the satisfaction of the limitation contained therein with respect to the issuance of Additional Bonds, which generally requires certification by the Airport Consultant that, based upon assumptions the Airport Consultant deems reasonable, projected Net Revenues and any Subordinated Pledged Revenues, will be sufficient to satisfy the rate covenant set forth in the Amended and Restated Bond Resolution (provided Subordinated Pledged Revenues shall not be utilized in determining compliance with the provisions of the Amended and Restated Bond Resolution relating to the rate covenant), when considering the projected Aggregate Debt Service on such proposed Additional Bonds for each of the next three full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from the issuance of the Additional Bonds during which there is no Capitalized Interest funded from proceeds of such Additional Bonds, whichever is later, including the Aggregate Debt Service during such Fiscal Years on such proposed Additional Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Rate Covenant" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto. In addition, the Amended and Restated Bond Resolution permits the issuance of Refunding Bonds upon the conditions described therein.

Rate Covenant

The Authority has covenanted in the Amended and Restated Bond Resolution that:

(a) it shall, while any of the Bonds remain Outstanding, establish, fix, charge, prescribe and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith, and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that Net Revenues plus any Transfers and Subordinated Pledged Revenues in each Fiscal Year will be at least equal to 100%

of the aggregate amount required to be applied and/or deposited by the Authority pursuant to the Amended and Restated Bond Resolution during such Fiscal Year.

(b) it will establish, fix, charge, prescribe and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that for each Fiscal Year the Net Revenues plus any Transfers for such Fiscal Year will be equal to at least 1.25 times the Aggregate Debt Service on all Outstanding Bonds for such Fiscal Year.

(c) if Net Revenues plus any Transfer and any Subordinated Pledged Revenues in any Fiscal Year are less than the amounts specified in paragraphs (a) and (b) above, the Authority will retain and direct an Airport Consultant to make recommendations as to the revision of the Authority's schedule of rates, fees, rentals and charges for the use of the Airport System. After receiving such recommendations, the Authority will take such action as it deems appropriate to become compliant with the provisions of the Amended and Restated Bond Resolution in the next Fiscal Year.

For purposes of the foregoing, the term "Transfer" means the lesser of (a) the sum of (i) amounts on deposit in the Discretionary Fund on the last day of the Fiscal Year, to the extent such amounts are not restricted to other uses, plus (ii) amounts paid from the Discretionary Fund during such Fiscal Year toward Operating and Maintenance Expenses and Debt Service, minus (iii) amounts deposited into the Discretionary Fund in such Fiscal Year, or (b) 25% of Debt Service payable in such Fiscal Year. In accordance with the provisions of Section 727 of the Amended and Restated Bond Resolution, debt service expected to be paid from Available Revenues, including Available PFC Revenues, is excluded from the calculation of the Aggregate Debt Service for purposes of the foregoing test. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

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

Limited Obligations

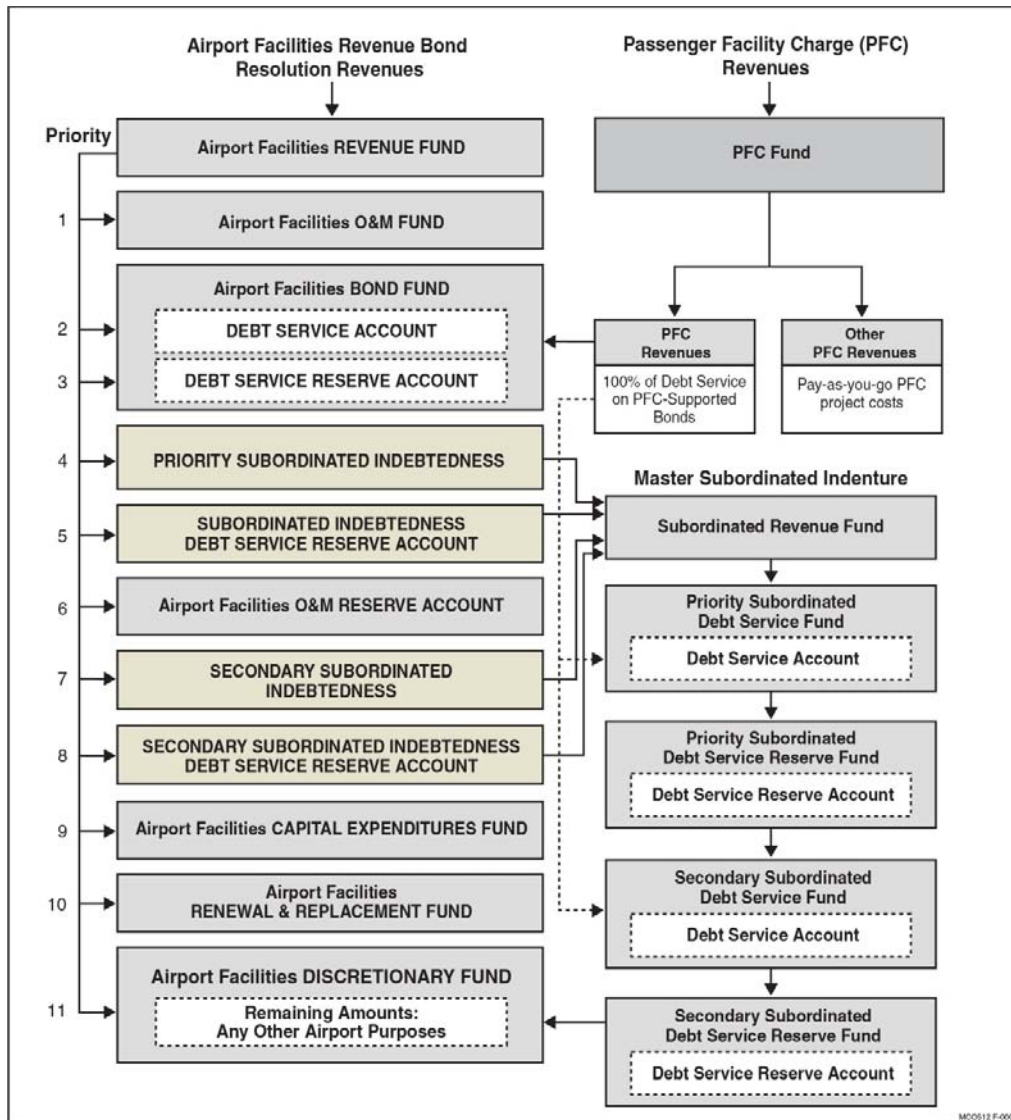
THE SERIES 2019A BONDS SHALL NOT BE OR CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY, THE AUTHORITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION IN THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION OR LIMITATION. THE SERIES 2019A BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE NOR BE A LIEN UPON ANY PROPERTY OF THE CITY OR THE AUTHORITY, EXCEPT THE PLEDGED FUNDS TO THE EXTENT PROVIDED IN THE AMENDED AND RESTATED BOND RESOLUTION. NEITHER

THE GENERAL FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2019A BONDS OR ANY PREMIUM OR INTEREST THEREON AND NO REGISTERED OWNER OF A SERIES 2019A BOND SHALL EVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE PRINCIPAL OF ANY SERIES 2019A BOND OR ANY PREMIUM OR INTEREST THEREON, AND THE CITY AND THE AUTHORITY ARE NOT AND SHALL NEVER BE UNDER ANY OBLIGATION TO PAY THE PRINCIPAL OF, INTEREST ON OR ANY PREMIUM WITH RESPECT TO THE SERIES 2019A BONDS EXCEPT FROM THE PLEDGED FUNDS, IN THE MANNER PROVIDED IN THE AMENDED AND RESTATED BOND RESOLUTION. THE AUTHORITY HAS NO TAXING POWER.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

APPLICATION OF REVENUES

The following diagram presents a summary of the application of Revenues and PFC Revenues to various funds and accounts as governed by the provisions of the Amended and Restated Bond Resolution and the Master Subordinated Indenture. A more complete description of the application of Revenues and PFC Revenues is included in "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto and the Master Subordinated Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Revenues and " - Available PFC Revenues" for a description of the types of income and revenues of the Authority included in the definition of Revenues as well as a description of the 2019A Available PFC Revenues and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" and " - Customer Facility Charges" herein for a description of these two sources of revenues of the Authority which are excluded from the definition of Revenues.



AUTHORITY INDEBTEDNESS

Outstanding Senior Bonds

The following table presents the list of Outstanding Senior Bonds under the Bond Resolution along with the principal amounts thereof which will be outstanding as of October 2, 2019. The Outstanding Senior Bonds have a prior lien on the Pledged Funds senior in all respects to the lien granted in favor of the Subordinated Obligations issued under the Master Subordinated Indenture.

Outstanding Senior Bonds	Outstanding Principal Amount
Airport Facilities Refunding Revenue Bonds (AMT), Series 2009A (the "Series 2009A Bonds") ⁽¹⁾	\$ -
Airport Facilities Revenue Bonds (AMT), Series 2009C	7,230,000
Airport Facilities Revenue Bonds (AMT), Series 2010A	68,860,000
Airport Facilities Refunding Revenue Bonds (AMT), Series 2011B	68,680,000
Airport Facilities Refunding Revenue Bonds (Non-AMT), Series 2011C	29,945,000
Airport Facilities Refunding Revenue Bonds (Taxable), Series 2011D	33,330,000
Airport Facilities Refunding Revenue Bonds (AMT), Series 2012A	37,065,000
Airport Facilities Revenue Bonds (AMT), Series 2013A (the "Series 2013A Bonds") ⁽²⁾	32,680,000
Airport Facilities Revenue Bonds (AMT), Series 2015A	203,345,000
Airport Facilities Revenue Bonds (AMT), Series 2016A	78,730,000
Airport Facilities Revenue Bonds (Non-AMT), Series 2016B	96,890,000
Airport Facilities Taxable Refunding Revenue Bonds, Series 2016C	69,395,000
Airport Facilities Taxable Refunding Revenue Bonds, Series 2016D (the "Series 2016D Bonds") ⁽³⁾	32,698,022
Total	<u>\$758,848,022</u>

⁽¹⁾ The Authority intends to redeem the outstanding balance of \$45,985,000 of Series 2009A Bonds on or about October 2, 2019 with available Authority funds to, among other things, provide economic savings.

⁽²⁾ The Authority sold the Series 2013A Bonds to Bank of America, N.A.

⁽³⁾ The Authority sold the Series 2016D Bonds to BankUnited, N.A.

Outstanding Subordinated Indebtedness

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

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

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

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

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

The Outstanding Subordinated Bonds are additionally secured by the Pooled Subordinated Reserve Account (as defined in the Master Subordinated Indenture). See "APPLICATION OF REVENUES" herein.

Priority Subordinated Indebtedness. The Authority has previously issued and has outstanding under the Master Subordinated Indenture the following series of Priority Subordinated Indebtedness: (a) its Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2016 (AMT) in the original aggregate principal amount of \$76,930,000, \$48,835,000 aggregate principal amount of which will be outstanding as of October 2, 2019 (the "Series 2016 Subordinated Bonds"), (b) its Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2017A (AMT) in the original aggregate principal amount of \$923,830,000, all of which will be outstanding as of October 2, 2019 (the "Series 2017A Subordinated Bonds" and together with the Series 2016 Subordinated Bonds, the "Outstanding Subordinated Bonds"), and (c) the FDOT Loan, \$52,700,000 aggregate principal amount of which will be outstanding as of October 2, 2019.

The Authority entered into two Joint Participation Agreements, as amended (collectively, the "JPA"), with the Florida Department of Transportation ("FDOT"), under which FDOT agreed to provide total funding of approximately \$211 million ("FDOT Funding"), of which the Authority is required to reimburse FDOT for \$52.7 million of the funds authorized under one of the JPAs (the "FDOT Loan") with the balance of the FDOT Funding being a grant. Under the JPA, the Authority is obligated to repay the FDOT Loan over a period of 18 years without interest, commencing January 1, 2020. The Authority used a portion of the proceeds of the FDOT Loan to pay for portions of the Intermodal Terminal Facility ("ITF") that are related to the construction of the intercity passenger rail terminal in the ITF adjacent to the South APM System (as defined herein) as well as other costs eligible for reimbursement under the JPA. Additionally, pursuant to

the JPA, FDOT advanced \$30 million for approximately three months cash flow needs. As of June 30, 2019, the Authority expended \$23.7 million of eligible grant funds leaving a balance of \$6.3 million. The Authority has also received a capital contribution in the amount of \$14.6 million from Florida East Coast Industries, LLC ("FECI"), the parent company of Virgin Trains USA Florida LLC ("Virgin Trains"), as described herein for portions of the ITF project, associated rail infrastructure improvements and project oversight related to the Virgin Trains facilities and for which the Authority has no repayment obligation. For more information on the FDOT Funding and the ITF, see "CAPITAL IMPROVEMENT PROGRAM" herein.

Secondary Subordinated Indebtedness. The Authority has entered into five revolving credit agreements which the Authority draws upon for interim financing for capital projects in anticipation of the issuance of long term bonds and/or receipt of grants, PFCs, CFCs, Authority funds, and other permanent funding sources, some of which is expected to be paid down with the proceeds of the Series 2019A Bonds.

The Authority has entered into two subordinate revolving lines of credit with Bank of America, N.A. (collectively, the "Bank of America Lines of Credit"); the first of which is a \$75,000,000 line of credit which was entered into on June 29, 2018 with an initial term of three years, with an expiration date of June 29, 2021, and under which the Authority anticipates approximately \$62,170,210⁽¹⁾ will be outstanding as of October 2, 2019 (the "2018 Bank of America Line of Credit"); the second of which is a \$150,000,000 line of credit which was entered into on July 31, 2019, with an initial term of three years, with an expiration date of July 29, 2022 and under which the Authority anticipates approximately \$96,041,639⁽¹⁾ will be outstanding as of October 2, 2019 (the "2019 Bank of America Line of Credit").

The Authority has entered into two subordinate revolving lines of credit with Wells Fargo Bank, National Association (collectively, the "Wells Fargo Lines of Credit"); the first of which is a \$175,000,000 line of credit which was entered into on June 29, 2018 with an initial term of three years, with an expiration date of June 29, 2021 and under which the Authority anticipates approximately \$126,418,137⁽¹⁾ will be outstanding as of October 2, 2019 (the "2018 Wells Fargo Line of Credit"); the second of which is a \$50,000,000 line of credit which was entered into on July 31, 2019, with an initial term of three years, with an expiration date of July 29, 2022 and under which the Authority anticipates approximately \$634,164⁽¹⁾ will be outstanding as of October 2, 2019 (the "2019 Wells Fargo Line of Credit").

The Authority has entered into a \$100,000,000 one-year subordinate revolving line of credit with PNC Bank, N.A. (the "2015 PNC Line of Credit") on November 6, 2015 which is renewable for additional one-year terms upon the mutual agreement of the parties. The current expiration date of the 2015 PNC Line of Credit is November 6, 2019 and the Authority anticipates approximately \$48,005,892⁽¹⁾ will be outstanding as of October 2, 2019. The Authority currently plans to renew the 2015 PNC Line of Credit prior to the current expiration date for an additional year.

The Bank of America Lines of Credit, the Wells Fargo Lines of Credit and the 2015 PNC Line of Credit, are collectively referred to herein as the "Existing Lines of Credit." The Authority

⁽¹⁾ Includes an anticipated draw on or before October 2, 2019.

expects to replace or renew each of the Existing Lines of Credit prior to their respective expiration. The Authority intends to continue using the Existing Lines of Credit to provide interim financing for portions of the 2018 - 2025 Capital Improvement Program. See "CAPITAL IMPROVEMENT PROGRAM" herein. The following table presents the list of the Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness Outstanding under the Master Subordinated Indenture with the authorized amounts along with the principal amounts thereof which will be outstanding as of October 2, 2019 (collectively, the "Outstanding Subordinated Indebtedness").

Outstanding Subordinated Indebtedness	Authorized Amount	Outstanding Principal Amount⁽¹⁾⁽²⁾
Priority Subordinated Indebtedness		
FDOT Loan	\$ 52,700,000	\$ 52,700,000
Series 2016 Subordinated Bonds	76,930,000	48,835,000
Series 2017A Subordinated Bonds	923,830,000	923,830,000
Total Priority Subordinated Indebtedness:	<u>\$1,053,460,000</u>	<u>\$1,025,365,000</u>
Secondary Subordinated Indebtedness		
2015 PNC Line of Credit	\$ 100,000,000	\$48,005,892 ⁽³⁾⁽⁴⁾
2018 Wells Fargo Line of Credit	175,000,000	126,418,137 ⁽³⁾⁽⁵⁾
2018 Bank of America Line of Credit	75,000,000	62,170,210 ⁽³⁾⁽⁶⁾
2019 Wells Fargo Line of Credit	50,000,000	634,164 ⁽³⁾⁽⁷⁾
2019 Bank of America Line of Credit	150,000,000	96,041,639 ⁽³⁾⁽⁸⁾
Total Secondary Subordinated Indebtedness:	<u>\$550,000,000</u>	<u>\$333,270,041</u>

(1) Numbers may not add due to rounding.

(2) Outstanding principal amount anticipated to be outstanding as of October 2, 2019.

(3) The Authority plans to use a portion of the proceeds of the Series 2019A Bonds to pay down a portion of the outstanding principal amounts for the Existing Lines of Credit along with associated accrued interest. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

(4) Includes an anticipated draw on the 2015 PNC Line of Credit in the principal amount of approximately \$5,107,020 on or before October 2, 2019.

(5) Includes an anticipated draw on the 2018 Wells Fargo Line of Credit in the principal amount of approximately \$12,517,278 on or before October 2, 2019.

(6) Includes an anticipated draw on the 2018 Bank of America Line of Credit in the principal amount of approximately \$2,543,778 on or before October 2, 2019.

(7) Includes an anticipated draw on the 2019 Wells Fargo Line of Credit in the principal amount of approximately \$2,535 on or before October 2, 2019.

(8) Includes an anticipated draw on the 2019 Bank of America Line of Credit in the principal amount of approximately \$11,529,155 on or before October 2, 2019.

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

The Authority may issue in the future certain additional Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness, payable as provided in the Master Subordinated Indenture or the Issuing Instrument, after payment of such amounts as necessary to pay

Outstanding Bonds under the Bond Resolution. See "CAPITAL IMPROVEMENT PROGRAM" herein more information regarding the Authority's current plans for financing capital projects.

Interest Rate Swap Agreements

Although the Authority does not currently have any outstanding interest rate swap agreements, forward purchase agreements or other synthetic financial instruments, the Authority may enter into such transactions in the future for the purpose of managing the interest cost of its debt. Interest rate swaps and other synthetic financial instruments involve risks that could result in an economic loss to the Authority. While the Authority could elect to have regularly scheduled interest rate swap payment obligations secured by a lien on the Pledged Funds on parity with Bonds issued under the Bond Resolution or on parity with certain Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness, the Authority's obligations with respect to termination payments or other obligations under any such interest rate swap agreement would be secured by a lien on funds on deposit in the Discretionary Fund.

CFC Indebtedness

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

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

RESOLUTION" attached hereto for more information on the ability of the Authority to designate all or a portion of CFCs as Available CFC Revenues.

The Authority previously pledged the CFCs to pay the costs and expenses of financing, designing, constructing, operating, relocating and maintaining certain rental automobile facilities at the Airport pursuant to a Trust Indenture, dated as of October 1, 2009, between The Bank of New York Mellon Trust Company, N.A., as trustee and the Authority (the "CFC Indenture"). The Authority previously issued its Special Purpose Facilities Taxable Revenue Bonds (Rental Car Facility Project), Series 2009 (the "2009 CFC Bonds") under the CFC Indenture, which matured on October 1, 2017 and were redeemed and paid in full.

While the Authority had originally not contemplated the issuance of any additional CFC supported indebtedness under the CFC Indenture other than the 2009 CFC Bonds, on March 29, 2018, the Authority issued, under and pursuant to the CFC Indenture its Taxable Revenue Note (CFC Ground Transportation Project), Series 2018 in the original aggregate principal amount of \$160,000,000 (the "2018 CFC Bank Note") with an interest rate of 3.48% and a term of nine years. The 2018 CFC Bank Note is a limited obligation of the Authority, payable solely from and secured by a pledge of CFCs and other funds pledged under the CFC Indenture. All indebtedness secured by, or payable from, CFCs are herein referred to as "CFC Indebtedness."

The proceeds of the 2018 CFC Bank Note are being used to pay or reimburse the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating, and maintaining the CFC Ground Transportation Project (as described below), funding all or a portion of the CFC Stabilization Fund Requirement (as defined in the CFC Indenture), and pay certain costs of issuance. The 2018 CFC Bank Note was structured as a drawdown note, the proceeds of which can be drawn over an 18-month period, with the full amount to be drawn by October 1, 2019. As of October 2, 2019, the Authority expects it will have drawn the full amount of the 2018 CFC Bank Note.

The "CFC Ground Transportation Project" includes the following components, the aggregate costs of which is estimated to be approximately \$186.9 million, all of which the Authority intends to fund either from the proceeds of the 2018 CFC Bank Note or available CFCs:

CFC Ground Transportation Project		Cost Estimate (in millions)
South Terminal Complex Parking and Ground Transportation Facility		\$121.9
Rental Car Storage Lot and QTA Facility		65.0
Total		<u>\$186.9</u>

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

CFCs are not included in the definition of Revenues under the Amended and Restated Bond Resolution, however under certain circumstances, CFCs may be designated as Available CFC Revenues under an Issuing Instrument and used to pay principal of and interest on Bonds to the extent that the Authority designates all or a portion thereof in a Supplemental Resolution as

Available CFC Revenues. The Authority currently has no plans to designate CFCs as Available CFC Revenues. The Authority currently anticipates funding a portion of the 2018 - 2025 Capital Improvement Program with CFC Indebtedness. See "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM - Rental Automobile Concessions" and "CAPITAL IMPROVEMENT PROGRAM" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto for more information regarding the use of CFCs and Available CFC Revenues.

OUC Global Agreement

As permitted under the Interlocal Agreement between the Authority and Orlando Utilities Commission ("OUC"), the local public utility company, the Authority and OUC entered into that certain Global Agreement pursuant to which, among other things, OUC has agreed to finance, build, operate and monitor a Central Energy Plant and an emergency 12 kV distribution facility for South Terminal C as well as training the onsite operators in initial troubleshooting of the backup generation facilities which will provide OUC expertise on Airport property to provide immediate initial response.

In addition to the Central Energy Plant, under the Global Agreement, OUC will: (a) own, operate and maintain a Back-Up Generation Facility; (b) construct, own, operate and maintain a 12 kV Emergency Distribution Services; (c) construct, own, operate and maintain a solar energy facility; and (d) own, operate and maintain electrical vehicle charging stations (collectively, the "Projects"). The aggregate cost of the Projects is currently estimated at \$55,000,000 (the "Project Construction Cost"), inclusive of a capital improvement fund, held by or on behalf of OUC, in the amount of \$2,700,000, any portion of which not expended during the term of service will be returned to the Authority.

Pursuant to the terms of the Global Agreement, the Authority will fund the engineering, procurement and construction of the Back-Up Generation Facility and Central Energy Plant in the amount of the Project Construction Cost. Upon substantial completion of the work to be performed by the Authority and OUC on Phase 1 of South Terminal C, OUC will purchase and assume ownership, as well as risk of loss, of the capital assets associated with the Back-Up Generation Facility and the Central Energy Plant and will begin operating and maintaining all of the Projects for a 20-year term during which OUC will be responsible for all capital improvements subsequent to turnover of the Projects.

The Authority will be obligated, under the Global Agreement, to make monthly payments to OUC over the 20-year term, which will consist of two components: a variable usage and maintenance charge and a fixed capacity charge. The variable usage charge is intended to be a pass-through by which OUC will charge the Authority an amount equal to its utility costs based on market rate for the Projects while the variable maintenance charge will be based on the cost to maintain the Projects with annual increases based on a percentage of the Consumer Price Index. Under the terms of the Global Agreement, OUC has agreed and acknowledged that all of the Authority's obligations to make the payments to OUC under the Global Agreement will be subordinate, in all respects, to all of the Authority's obligations under the Bond Resolution and the Master Subordinated Indenture. Pursuant to the terms of the Global Agreement, OUC will ultimately transfer ownership of the Central Energy Plant to the Authority for an agreed upon

purchase price equal to the unamortized value of the Central Energy Plant upon the termination of the Global Agreement.

The variable usage charge is to be a pass through where OUC charges the Authority an amount equal to its utility costs based on market rate for the Projects and the variable maintenance charge is based on the cost to maintain the projects with annual increases based on a percentage of CPI. The capacity charge is fixed at a rate of 6.5% and represents OUC's cost of acquiring the assets and the risk of maintaining the facilities over the life of the contract. All payments will be subordinate to all Authority obligations.

The Global Agreement, and any Project Agreements individually, may be terminated by either party at year ten, and the Authority, if the agreement is terminated at year ten, retains the option of purchasing the capital assets of the terminated Project from OUC at a value equal to the unamortized cost of the assets as of the date of termination.

Issuance of Additional Obligations

In addition to the Series 2019A Bonds, the Authority currently expects to issue Additional Bonds in the form of Senior Bonds, Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness (or a combination of the foregoing) in Fiscal Year 2021 to fund approximately \$435,000,000* of the costs associated with various portions of the 2018 - 2025 Capital Improvement Program (the "Proposed 2021 Bonds"). In addition, the Authority may issue Senior Bonds, Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness (or a combination of the foregoing) in connection with financing or refinancing opportunities that: (a) lower costs of borrowing and/or maximize savings in accordance with long term planning objectives, and/or (b) provide funding for projects approved by the Board. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Additional Bonds" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto for further details on the requirements relating to the issuance of Senior Bonds and the Master Subordinated Indenture relating to the issuance of Priority Subordinated Indebtedness or Secondary Subordinated Indebtedness.

THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM

General

The Authority was established as an agency of the City pursuant to the Act. The Airport is owned by the City. Pursuant to the Transfer Agreement, the City transferred to the Authority custody, control and management of the Airport for a term that will expire on September 30, 2065, subject to early termination under certain conditions, unless extended by the City and the Authority. Under the Transfer Agreement, the Authority pays the City for specific services rendered by the City in accordance with schedules negotiated with the City. Upon the expiration of the term of the Transfer Agreement, the custody, control and management of the Airport will revert to the City and the City shall automatically assume all of the Authority's obligations under the Bond Resolution, the Master Subordinated Indenture and the CFC Indenture and all of the

* Preliminary; subject to change.

liabilities of the Authority with respect to the Airport, but all such obligations or liabilities, including debt service on any Bonds, Priority Subordinated Indebtedness, Secondary Subordinated Indebtedness and CFC Indebtedness which are outstanding on and after the expiration of the Transfer Agreement, shall continue to be payable solely from their respective identified sources. Any such obligations or liabilities of the Authority will not be a general obligation of the City and neither the faith and credit nor the taxing power of the City will be pledged for the payment of any such obligations or liabilities, including the payment of principal, interest or premium on any Bonds.

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

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, Priority Subordinated Indebtedness, Secondary Subordinated Indebtedness and CFC Indebtedness or the interest or premium, if any, thereon. Likewise, the Authority may not expend Revenues on the operation of the Orlando Executive Airport unless the "Airport System" is revised to include that airport. However, the Authority may include the Orlando Executive Airport within the definition of the Airport System by a future Supplemental Resolution to the Amended and Restated Bond Resolution, and upon delivery to the Trustee of (a) confirmation from each Rating Agency then maintaining a rating at the request of the Authority on any Bonds, Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness outstanding that adding 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 Subordinated Indebtedness outstanding and (b) the written consent of any bond insurers or other credit provider having in effect a bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds, Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness outstanding under the Bond Resolution. See "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto. Currently, the Authority has no plans to include the Orlando Executive Airport within the Airport System.

The Airport is located in central Florida, nine miles southeast of downtown Orlando in Orange County, Florida. The Airport occupies approximately 12,295 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 airfares at the Airport. The primary metropolitan area within the Airport service region is the Orlando-Kissimmee-Sanford Metropolitan Statistical Area, which comprises Lake, Orange, Osceola and Seminole Counties (the "Orlando MSA"). With a population of 2,572,962 in 2018, the Orlando MSA accounted for approximately 12% of the population of the State according to the United States Census Bureau.

The Orlando region is one of the primary tourism destinations in the United States. In 2018, more than 75 million people visited the Orlando MSA, approximately 50% more than in 2010, making the Orlando MSA the number one U.S. travel destination. The area also features

significant convention and cruise ship activity. In addition to tourism, the Orlando MSA's economy features increasing diversification via healthcare, aerospace and defense, finance, and advanced manufacturing, and a large education sector with several colleges and universities, including the University of Central Florida with an enrollment of more than 68,000 students.

The Airport was the busiest airport in Florida in 2018, with nearly 22.8 million revenue enplaned passengers (more than 25% of revenue enplaned passengers at all Florida airports) and the 10th busiest in the United States in 2018. The Airport was the fourth busiest airport in the United States in terms of origin and destination passengers in Fiscal Year 2018. The Airport currently has scheduled non-stop service to 93 domestic destinations and 61 international destinations.

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

Authority Governing Board and Management

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

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

Board Member	Term
Domingo Sanchez, Chairman	April 16, 2020
M. Carson Good, Vice Chairman	April 16, 2022
Dr. Jason Pirozzolo, Treasurer	April 16, 2020
The Honorable Buddy Dyer	Term in Office
The Honorable Jerry Demings	Term in Office
Randall Hunt	April 16, 2022
Rafael E. Martinez	April 16, 2020

The Airport System is managed by a Chief Executive Officer who oversees a staff of approximately 803 employees (includes full-time, part-time and temporary employees) as of March 31, 2019. Biographical data concerning the Chief Executive Officer and certain other key officials of the Authority is set forth below.

Phillip N. Brown, A.A.E. Mr. Brown is the Chief Executive Officer of the Authority. As Chief Executive Officer, he is responsible for the operation and management of both Orlando International Airport and Orlando Executive Airport, with an annual budget of nearly \$600 million. Orlando International Airport serves more than 49 million passengers annually, making it the busiest airport in the State. During the past 40 years as a business professional, Mr. Brown served in a variety of public and private sector positions. These positions include a

previous stint as Deputy Executive Director - Administration for the Authority in the early 1990's as well as County Administrator for Orange County Florida. For fourteen years, prior to his return to the Authority, Mr. Brown was employed as a public finance professional. Mr. Brown is a past Chairman of the Gateway Airports Council (GAC) and a member of the Board of Directors for US Travel. Mr. Brown holds a Master's Degree in Business Administration from the University of Tennessee, and is an Accredited Airport Executive by the American Association of Airport Executives ("AAAE").

Stanley J. Thornton. Mr. Thornton is the Chief Operating Officer of the Authority. As Chief Operating Officer he is responsible directly to the Chief Executive Officer for managing the daily functions of the Airport and Orlando Executive Airport. Mr. Thornton has more than 35 years of experience in construction and airport management in both the private and public sectors. Prior to returning to the Authority in August 2010, Mr. Thornton worked in the private sector serving a number of airports including Phoenix Sky Harbor International as the Airport Program Development Director. Mr. Thornton is very familiar with the Airport and Orlando Executive Airport, having worked at the Authority from 1993 through 2006 in various positions, including Interim Senior Director of Engineering and Construction. In his prior roles at the Authority, Mr. Thornton managed the Maintenance, Construction, and Engineering Divisions where he was responsible for the planning, implementation and oversight of maintenance and renovation programs, and all construction projects for the Authority. In addition to his airport management experience, Mr. Thornton has 20 years of experience as a construction professional building heavy civil and commercial projects. Mr. Thornton holds a Bachelor's of Science Degree in Management and a Master of Business Administration Degree in Technology Management from the University of Phoenix.

Kathleen M. Sharman. Ms. Sharman is the Chief Financial Officer of the Authority. As Chief Financial Officer she is responsible for managing the nearly \$600 million annual operating budget and an approximately \$4.12 billion capital program. She has more than 30 years of accounting and finance experience across multiple transportation modes (toll roads, transit and airport) as well as solid waste and real estate industries in the public and private sectors. Prior to joining the Authority, Ms. Sharman served as the CFO and Treasurer of the New Jersey Transit Corporation, one of the nation's largest providers of bus, rail and light rail transit with over 11,000 employees and an operating budget of over \$2 billion. In this capacity, she was responsible for managing the accounting, budget, treasury, risk management, real estate, pension and benefits and project finance functions of the corporation and was the President of ARH III, the Corporation's wholly owned Insurance Captive. Her public sector experience also includes serving as CFO and Treasurer of Georgia's State Road and Tollway Authority where she managed a nearly \$2 billion GARVEE program, a \$40 million State Transportation Infrastructure Bank and the finance and administrative functions of the Authority. In addition, she served as the CFO and Treasurer for the South Jersey Transportation Authority, operator of the Atlantic City Expressway and the Atlantic City International Airport. Ms. Sharman's accomplishments include managing creative project financings and public-private partnership transactions in both Georgia and New Jersey as well as overseeing the Atlantic City Expressway's initial implementation of the E-ZPass® electronic-toll-collection back office interface. Ms. Sharman began her career at Arthur Andersen and has held corporate Controller positions for several private sector companies in the solid waste and real estate industries. She holds a Bachelor's of Business Administration from George Washington University and is a Certified Public Accountant.

Airport Facilities

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

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

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

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

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

The Hotel is a 445-room facility with restaurants and conference facilities and is an integral part of the landside terminal and is directly accessible from Level 3, the departure level. The Hotel occupies Levels 4 through 10 on the eastern-most portion of the landside terminal. In addition to the Hotel areas, Levels 4 through 10 also accommodate parking.

The landside terminal is connected by APMs to the four airside buildings. The airside buildings and aprons provide 93 contact aircraft gates for jet aircraft and associated passenger waiting areas, concessions, and airline operations space. Currently, of the 93 jet aircraft gates, 74 gates are assigned on a preferential use basis to Airlines signing Letters of Authorization (as defined in the Rate Resolution) and the 19 remaining gates are available for use on a per-turn basis. Pursuant to the Rate Resolution, on and after October 1, 2019, the Authority will no longer assign specific gates to the Airlines on an exclusive or preferential use basis. All 93 gates will be assigned on a flight by flight basis to the Airlines by the Authority in the Authority's discretion, based on operational efficiency and scheduling priorities. As a result, all gates will be available for use on a per turn basis. The Authority may award an Airline "priority access" rights to certain gates, which limits the circumstances in which such gates may be used on a per turn basis, as specified from time to time in the Authority's Operating Policies and Procedures. See "SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY" herein. Federal Inspection Services ("FIS") facilities are provided in airside buildings 1 and 4 and can accommodate international arrivals at 16 gates. In addition to the 93 contact aircraft gates, the terminal apron provides aircraft parking for 16 commuter aircraft positions and 22 remain-over-night spaces.

South APM Complex and ITF. The "South APM Complex" consists of: (a) the South APM System, an automated people mover system from the existing North Terminal Complex to the South APM Station (as defined herein), which connects passengers to the North Terminal Complex in less than 4 minutes; (b) the South automated people mover station (the "South APM Station"); and (c) a parking facility, located on the South Entrance Road adjacent to the South APM Station, which will provide for rental car operations that will operate from the South Terminal Complex upon completion of South Terminal C on Levels 1-2 and 1,684 public parking spaces on Levels 3-6 with remote check-in facilities for Alaska, American, Delta Air Lines, jetBlue Airways, Southwest Airlines and United Airlines ("Parking Garage C"); and (d) roadway systems, which include the South APM Complex entrance and departure roads, including roadway lighting and overhead signage.

The ITF, which is adjacent to the South APM Complex, will support future multi-modal travel connections in the vicinity of the South Terminal Complex to provide greater connectivity to the region and the State and relieve congestion in the existing North Terminal Complex. It includes infrastructure improvements that could accommodate at least three rail systems: (a) the South APM Station that connects to the North Terminal Complex, (b) the passenger train service between Miami and Orlando being developed by FECI; and (c) SunRail, Central Florida's commuter rail line. FECI is the parent company of All Aboard Florida - Operations, LLC, which launched Virgin Trains, a privately owned express intercity passenger rail service that plans to connect Miami, Fort Lauderdale, West Palm Beach, and Orlando (via the station at the Airport). The Miami to West Palm Beach service is in operation. Construction of the last 35 miles of track for the 170-mile extension from West Palm Beach to the Airport started in June 2019. Virgin Trains expects this service to begin operations in 2022. All Aboard Florida - Operations, LLC has also indicated its intentions for a potential additional extension beyond the Airport with stops at Walt Disney World and SunRail's Meadow Wood station and ultimately Tampa, subject to numerous actions that are required, including but not limited to, amending its agreement with the Authority. Both the South APM Complex and the ITF opened in November 2017.

Roadway System and Public Parking Facilities. The North Terminal Complex is served by a three-level roadway system that provides access to separate enplaning, deplaning, and commercial vehicle curbsides on the north (Terminal A) and south (Terminal B) sides of the landside terminal at Levels 1, 2 and 3. Public parking spaces are located on Levels 3 through 6 of the garages adjacent to the landside terminal. There are 21,724 public parking spaces located on the Airport, including 8,878 North Terminal Complex garage spaces, 1,684 South Terminal Complex garage spaces, and 11,162 satellite (economy) parking spaces located at remote lots to the north and south of the North Terminal Complex.

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Airlines Serving Orlando International Airport

As of July 2019, a total of 39 passenger airlines served the Airport, including four U.S. network passenger airlines, one regional airline, two low cost carriers, three ultra low cost carriers, and 29 foreign-flag airlines, as shown in the following table. In addition, seven Airlines provided all-cargo service. Two passenger airlines, Flair Airlines and Icelandair, operate seasonal service at the Airport.

Airlines Serving Orlando International Airport (as of July 2019)

Network Airlines	Foreign-Flag Airlines
Alaska Airlines ⁽¹⁾	Aer Lingus
American Airlines	AeroMexico
Delta Air Lines	Air Canada
United Airlines	Air Transat
	Avianca
Regional Airlines	Avianca Costa Rica
Silver Airways	Avianca El Salvador
	Avianca Peru
Low Cost Carriers	Azul Airlines
jetBlue Airways	Bahamasair
Southwest Airlines	British Airways
	Caribbean Airlines
Ultra Low Cost Carriers⁽²⁾	COPA Airlines
Frontier Airlines	Edelweiss Air
Spirit Airlines	El Al
Sun Country Airlines	Emirates
	GOL Airlines
All-Cargo Airlines	Interjet
ABX Air	Lan Peru ⁽³⁾
Amerijet International	Lufthansa
Atlas Air	Norwegian Air
FedEx	Norwegian Air Shuttle
Kalitta Air	Sunwing Airlines
National Air Cargo Group	Swoop
United Parcel Service	TAM Linhas Aereas ⁽³⁾
	Thomas Cook Airlines
	Virgin Atlantic Airways
	Volaris
	WestJet

⁽¹⁾ Alaska and Virgin America merged in December 2016.

⁽²⁾ Ultra low cost carriers have significantly lower unit costs than low cost carriers and derive a significantly higher proportion of revenue from ancillary revenue than low cost carriers by unbundling their fare products.

⁽³⁾ Lan Airlines and TAM Linhas Aereas merged in 2012 to form LATAM but continue to operate under separate brands during the rebranding process, which is expected to be completed in 2019.

Note: Airline service by the regional affiliates of the network airlines is not provided at the Airport.

Source: OAG Aviation Worldwide Ltd., online database, accessed June 2019, and Greater Orlando Aviation Authority.

The following table sets forth the number of aircraft gates (74) for which Airlines have committed to pay on a fixed monthly fee basis ("Committed Gates") as of July 2019. Spirit has indicated its intent to increase its commitment to eight gates from five gates effective October 1, 2019. No other Airline has indicated its intent to add or subtract gates effective October 1, 2019. See "SUMMARY OF CERTAIN PROVISIONS OF THE RATE RESOLUTION AND THE AUTHORITY'S RATE MAKING METHODOLOGY" herein for more information about the Airlines' use and occupancy of Terminal premises.

**Number of Committed Gates by Airline
as of July 2019**

Assigned Under Letters of Authorization	
AeroMexico	1
Air Canada	1
American Airlines	9
Bahamasair	1
British Airways	1
COPA Airlines	1
Delta Air Lines	8
Frontier Airlines	5
jetBlue Airways	10
Silver Airways	1
Southwest Airlines	20
Spirit Airlines	5
United Airlines	9
Virgin Atlantic	1
WestJet	1
Total Committed Gates	74
Additional Gates	19
Total	93

Source: Greater Orlando Aviation Authority.

Airline Market Shares

In Fiscal Year 2018, Southwest Airlines accounted for 23.8% of all passengers at the Airport, less than its Fiscal Year 2010 share of 34.8%. Delta Air Lines accounted for the second largest share with 13.9%, followed by jetBlue Airways with 12.2%, American Airlines with 12.0%, Spirit Airlines with 8.5%, United Airlines with 8.5%, and Frontier Airlines with 8.1%. In the nine months ended June 30, 2019, airline shares were fairly consistent with those in Fiscal Year 2018. Compared with most other large U.S. hub airports, the Airport exhibits a relatively low degree of airline concentration.

For the nine months ended June 30, 2019, Southwest Airlines accounted for 22.2% of all passengers enplaned at the Airport, followed by Delta Air Lines with 13.3%, jetBlue Airways with 11.8%, American Airlines with 11.2%, Spirit with 11.0%, Frontier Airlines with 9.0% and United Airlines with 8.4%.

The following table sets forth comparative passenger market share information for air carriers serving the Airport during Fiscal Years 2014 through 2018.

**Historical Airline Market Shares
Percentage of Total Passengers⁽¹⁾
for Fiscal Years 2014 - 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Participating Airlines					
Southwest Airlines	23.80%	24.98%	25.59%	26.81%	27.85%
Delta Air Lines	13.91	14.17	14.39	14.68	15.32
jetBlue Airways	12.23	13.00	13.53	13.66	13.89
American Airlines ⁽²⁾	11.96	12.68	14.08	9.04	8.04
United Airlines	8.50	8.66	9.18	9.84	10.34
US Airways ⁽²⁾	-	-	-	6.47	8.12
Frontier Airlines	8.06	7.17	6.01	3.11	1.25
Spirit Airlines	8.48	6.61	4.28	3.57	3.26
Virgin Atlantic	1.77	1.95	2.09	2.17	2.30
Air Canada	1.56	1.62	1.53	1.46	1.42
COPA Airlines	0.97	0.91	0.95	1.02	0.97
WestJet	0.89	0.81	0.88	0.91	0.89
British Airways	0.59	0.62	0.68	0.77	0.71
AeroMexico	0.43	0.47	0.48	0.51	0.41
Silver Airways	0.34	0.33	0.37	0.53	0.38
Bahamasair	0.20	0.20	-	-	-
Subtotal Participating Airlines	93.69%	94.18%	94.04%	94.55%	95.15%
Non-Participating Airlines					
Domestic Mainline	1.61%	1.46%	1.32%	1.25%	1.37%
Foreign Flag Airlines	4.70	4.36	4.64	4.19	3.45
Commuter Airlines	-	-	-	0.01	0.03
TOTAL	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

⁽¹⁾ Table reflects airline trade names.

⁽²⁾ On April 8, 2015, American Airlines received FAA approval for a single operating certificate, providing for the integration of American Airlines and US Airways.

Source: Greater Orlando Aviation Authority.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Enplaned Passengers at the Airport

The following table sets forth the Airport's historical data for (a) domestic enplaned passengers, (b) international enplaned passengers, (c) total enplaned passengers (a+b=c), (d) international enplaned passengers as a percentage of total enplaned passengers (b/c=d), and (e) the respective annual percentage changes, for Fiscal Years 2009 to 2018.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
HISTORICAL DOMESTIC, INTERNATIONAL AND TOTAL
ENPLANED PASSENGERS
Fiscal Years 2009-2018**

Fiscal Year Ended September 30	Domestic Enplaned Passengers (a)	Percent Change for Domestic Enplaned Passengers from Previous Year	International Enplaned Passengers (b)	Percent Change for International Enplaned Passengers from Previous Year	Total Enplaned Passengers (a + b = c)	Percent Change for Total Enplaned Passengers from Previous Year	International Enplaned Passengers as Percentage of Total Enplaned Passengers (b/c=d)
2009	15,373,029	(9.15%)	1,425,573	8.18%	16,798,602	(7.89%)	8.49%
2010	15,535,522	1.06	1,595,574	11.93	17,131,096	1.98	9.31
2011	16,080,029	3.50	1,692,020	6.04	17,772,049	3.74	9.52
2012	15,870,366	(1.30)	1,859,675	9.91	17,730,041	(0.24)	10.49
2013	15,470,690	(2.52)	1,956,577	5.21	17,427,267	(1.71)	11.23
2014	15,477,675	0.05	2,057,323	5.15	17,534,998	0.62	11.73
2015	16,426,194	6.13	2,400,904	16.70	18,827,098	7.37	12.75
2016	17,978,587	9.45	2,758,469	14.89	20,737,056	10.14	13.30
2017	18,882,512	5.03	2,836,039	2.81	21,718,551	4.73	13.06
2018	20,224,240	7.11	3,158,033	11.35	23,382,273	7.66	13.51

Source: Greater Orlando Aviation Authority.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Airline Activity at the Airport

Between July of 2010 and 2017, passenger airline service at the Airport, in terms of scheduled seats and departures, increased for both domestic and international destinations. The increase in domestic service at the Airport reflects strong growth by ultra-low-cost carriers in recent years, particularly Frontier Airlines and Spirit Airlines. Latin America led the growth in international seats at the Airport between 2010 and 2017, followed by Europe and Canada. Service was initiated from the Airport to the Middle East in 2015.

In July of 2018 and 2019, domestic scheduled departing seats at the Airport increased 3.5% and 4.5%, respectively. In July 2019, domestic airline service was provided by ten U.S. airlines. Virgin America (now merged with Alaska Airlines) and Silver Airways are the most recent new entrants, starting service at the Airport in October 2010 and June 2013, respectively. For the nine months ended June 30, 2019, passenger traffic has increased 5.7% for domestic passengers, 16.2% for international passengers, and 7.1% for total passengers.

In July 2018 and 2019, international scheduled departing seats at the Airport increased 1.6% and 15.9%, respectively, with each of the world regions of Europe, Latin America, and North America showing net increases since July 2017. The Middle East showed a 4.3% decrease in 2018. In Fiscal Year 2017, new scheduled international airline service was introduced at the Airport by Air Berlin, with service to Düsseldorf, Germany in May 2017; and in July 2012 by Eurowings, with service to Cologne, Germany in July 2017 (Air Berlin filed for bankruptcy in August 2017 and ceased all operations in September 2017, and Eurowings ceased operations in January 2018 due to reorganization within the Lufthansa Group.) In Fiscal Year 2018, new scheduled international airline service was introduced at the Airport by Azul to Belo Horizonte, Brazil in December 2017; JetBlue to Port-au-Prince, Haiti in December 2017; Edelweiss, with service to Zurich, Switzerland in January 2018; Delta to Amsterdam, Netherlands in March 2018; Interjet, with service to Mexico City, Mexico in June 2018; and AeroMexico to Monterrey, Mexico in June 2018. In Fiscal Year 2019, new scheduled international airline service was introduced at the Airport by GOL Airlines, with service to Brasilia, Brazil and Fortaleza, Brazil in November 2018; Spirit to Bogota, Colombia; Cartagena, Colombia; Kingston, Jamaica; Montego Bay, Jamaica; Medellin, Colombia; Panama City, Panama; San Pedro Sula, Honduras; Santo Domingo, Dominican Republic and San Jose, Costa Rica; Swoop, with service to Hamilton (near Toronto), Canada in October 2018 and Edmonton, Canada in June 2019; El Al to Tel Aviv, Israel in July through August 2019; and Flair Airlines, with service to Edmonton and Winnipeg, Canada in December 2018 through March 2019.

International Airline Traffic in the Orlando MSA

Orlando International Airport. The Airport has scheduled passenger air service to international destinations in six geographical regions in the world, North America, Central America, South America, the Caribbean, Europe and the Middle East. Between Fiscal Year 2013 and Fiscal Year 2018, the number of revenue enplaned passengers on international flights increased an average of 10.3% per year. Europe accounted for the largest share of international revenue passengers in Fiscal Year 2018, with 32%, but showed slightly slower than average growth (increasing an average of 11.9% annually between Fiscal Year 2013 and Fiscal Year 2018), reflecting, in part, Europe's slow economic recovery and continuing financial crisis. Passenger

traffic to and from other world regions - Mexico, Central America, South America, Canada, the Caribbean and the Middle East - was the primary driver of international traffic growth at the Airport between Fiscal Year 2013 and Fiscal Year 2018, increasing an average of 12.6% annually. Mexico accounted for the strongest growth between Fiscal Year 2013 and Fiscal Year 2018, increasing an average of 25.7% per year, followed by South America (an average increase of 20.3% per year).

In recent years, the Airport has expanded its role as an international gateway to Florida and the nation. Since Fiscal Year 2010, international enplaned passengers at the Airport have doubled, increasing an average of 8.9% per year between Fiscal Year 2010 and Fiscal Year 2018, reflecting Orlando's position as one of the largest leisure and hospitality centers in the world and a Florida business center. In recent years, the Airport's facility needs for the processing of international passengers have increased. Between Fiscal Year 2010 and Fiscal Year 2018, with the continued development of international airline service at the Airport, the number of international arriving passengers requiring FIS facilities increased an average of 9.9% per year, compared with an average increase of 6.2% annually in the number of "precleared" passengers not requiring U.S. Customs processing at the Airport. See, however, "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS" herein.

Sanford International Airport. The Sanford International Airport, which is not operated by the Authority and is not a part of the Airport System, is a small hub airport located within the Orlando MSA, approximately 34 miles north of the Airport. International service at Sanford International Airport has consisted primarily of charter flights, most of which originated in the United Kingdom and elsewhere in Europe. Since 2007, international charter service to and from the Orlando area declined substantially while scheduled international airline service increased. In Fiscal Year 2018, the Airport's share of international passengers was 96% of the combined total (the Airport and Sanford International Airport) while Sanford International Airport's share had fallen to 4%, its lowest historical share since Fiscal Year 1996 when international service started at the Sanford International Airport.

Rental Automobile Concessions

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

Consistent with the existing on-airport Automobile Rental Concession Agreements, the new on-airport Automobile Rental Concession Agreements require each rental car company to pay to the Authority the greater of a minimum annual guarantee, equivalent to 85% of the company's prior year Minimum Annual Privilege Fee (as defined in the respective Automobile Rental

Concession Agreement), or 10% of the company's actual gross receipts, plus annual rental fees for all premises.

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

The existing on-airport rental car market is distributed between Enterprise Leasing Company of Orlando, LLC, at 41%, followed by Avis Budget Rental Car, LLC at 21%; The Hertz Corporation at 14%; DTG Operations, Inc. at 11%; and Advantage OPCO, LLC, at 5%. In Fiscal Year 2018, on-airport rental car activity provided \$92.3 million in non-airline operating revenue and \$44.8 million in CFC revenues. The 2018 - 2025 Capital Improvement Program includes projects that will accommodate the higher demand projected in the future. Such projects will be funded with CFCs.

Existing off-airport rental car concessions at the Airport include operating permits with an additional 21 rental car companies that require each company to pay to the Authority 10% of the company's actual gross receipts, plus trip charges for all commercial vehicles. In Fiscal Year 2018, off-airport rental car concession activity provided an additional \$6.3 million in non-airline operating revenue.

Taxation of Facilities, Rentals and Services

All real and personal property owned by the City or the Authority and used exclusively for governmental, municipal or public purposes is currently exempt from ad valorem taxation. Real property owned by the City, operated by the Authority and used by or leased to private commercial entities for nongovernmental purposes is subject to ad valorem real property taxes. In most cases, a lessee is obligated under its lease with the Authority to pay such taxes. To the extent that certain property is used for nongovernmental purposes and such taxes are not the responsibility of a lessee, the Authority may have a legal obligation to pay or reimburse the City for that portion of taxes assessed against real property operated by the Authority. The Authority is unable to estimate the amount of any such taxes it may be required to pay. However, to the extent the Authority pays or reimburses the City for these taxes, the Authority expects that such taxes will be provided for in the Authority's annual budget, as an operating expense, and paid by rates, fees, rentals and other charges for use of the Airport System. No provision was made for the payment of any such ad valorem taxes in Fiscal Year ended September 30, 2018. See "APPENDIX D - AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017."

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.

The Poitras Property

The 1,854-acre Poitras property was originally purchased by the Authority without federal assistance in 1989 to provide borrow material for the Airport's 3rd and 4th runways and for wetland mitigation for Airport projects. The Poitras property was subsequently included in the Southeast Orlando Sector Plan approved by the City in 1999 and a conceptual Planned Development Land Use Plan for the Poitras property was consented to by the Authority in 2011 for controlled non-aviation development of the property. After going through a solicitation process, in December 2016 the Authority entered into an agreement with Tavistock Development Company (the "Poitras Agreement") to purchase the eastern portion of the Poitras property along with the conservation easement and to plan, develop, market, and manage the western portion of the Poitras property. The purchase price under the Poitras Agreement was \$63,885,812.50, which was determined on the basis of an appraisal to determine the fair market value. The purchase price for the residential property and a conservation easement along with the terms of the post-closing agreement relating to release of the conservation easement were approved by an amendment to the Poitras Agreement by the Board after which such amendment was submitted to the FAA for a request for a Deed of Release. The closing occurred in May 2018. The Tavistock Development Company exercised its option to purchase the western portion of the Poitras property in April 2019 at a purchase price of \$49,354,345.00, established by appraisals and the closing is to occur by the beginning of 2020.

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

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

Rate Resolution

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

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

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

Use and Occupancy of Terminal Premises

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

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

Rate Methodology, Rates and Charges

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

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

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

Pursuant to the Revenue Sharing Agreements, Participating Airlines have waived their right to challenge the Rate Methodology set forth in the Rate Resolution. The Authority expects that it will, at all times, continue to be able to impose rates and charges that would allow the Authority to generate revenues sufficient to cover the debt service payments in respect of all Outstanding Senior Bonds, including the Series 2019A Bonds and the Outstanding Subordinated Indebtedness. In the event some or all of the Airlines or the Authority do not sign the Revenue Sharing Agreement, the Rate Resolution and Rate Methodology will remain in effect for Fiscal

Year 2020 and beyond, but the Authority will not be required to share any remaining revenues with the Airlines. In such case, the Authority and the Airlines may continue, in their discretion, to negotiate a revenue sharing arrangement for Fiscal Year 2020 and beyond.

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

The Authority believes the Rate Methodology that will be utilized by the Authority, effective October 1, 2019, is reasonable and consistent with applicable law. However, there can be no assurance that a complaint will not be brought against the Authority with respect to the Rate Resolution or the Rate Methodology, and, if a judgment is rendered against the Authority, there can be no assurance that rates and charges paid by the Airlines using the Airport facilities will not be reduced. For more information regarding various other terms of the Revenue Sharing Agreements, including the Participating Airlines' agreement therein not to challenge the Rate Methodology established under the Rate Resolution, see " - Revenue Sharing Agreements" below.

Annual Rate Changes

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

Revenue Sharing Agreements

Certain Airlines have executed and delivered, or are expected to execute and deliver, to the Authority Revenue Sharing Agreements and, following execution by the Authority, by virtue of being a party to an effective Revenue Sharing Agreement, are or will be eligible to receive a share of certain Authority revenues in exchange for certain long-term commitments to the Authority. On August 28, 2019, the Authority approved the current form of Revenue Sharing Agreements for Fiscal Years 2020 through 2024.

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

In the event Airlines accounting for 75% or more of the enplaned passengers at the Airport for the 12 months ending September 30, 2019 sign a Revenue Sharing Agreement on or prior to October 1, 2019, the Authority will agree not to materially modify the Rate Methodology through Fiscal Year 2024. Under the Revenue Sharing Agreement, the Airlines acknowledge that Rates and Charges are likely to, and are permitted to, change from year to year, even though the Rate Methodology does not change. Notwithstanding the foregoing, in the event (1) the Rate Methodology is successfully challenged by one or more Airlines, whether or not such Airlines signed a Revenue Sharing Agreement, (2) the Authority deems it to be in the Authority's best interest to settle a challenge to the Rate Methodology, (3) the Authority is otherwise required to modify the Rate Methodology in accordance with applicable law, regulation or directive, or (4) Airlines accounting for 75% or more of the enplaned passengers for the most recent 12 full months preceding an agreement to change the Rate Methodology do agree with the Authority on changes to the Rate Methodology, then the Authority shall be released of its obligation not to materially modify the Rate Methodology.

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

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

The following table provides a listing of Participating Airlines as of August 2019, a majority of which the Authority anticipates will execute new Revenue Sharing Agreements and continue to be Participating Airlines.

Participating Airlines Orlando International Airport	
AeroMexico	jetBlue Airways
Air Canada	Silver Airways
American Airlines	Southwest Airlines
Bahamasair	Spirit Airlines
British Airways	United Airlines
COPA Airlines	Virgin Atlantic
Delta Air Lines	WestJet
Frontier Airlines	

Source: Greater Orlando Aviation Authority.

Subordination to Amended and Restated Bond Resolution

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

INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES

General - Revenues

Revenues are generally comprised of revenues received from Rates and Charges paid by Airlines as determined by the Rate Resolution, parking, concessions and rental car revenues, Hotel revenues and rental revenues for other Airport buildings and sites. In Fiscal Year 2018, Rates and Charges (as defined in the Rate Resolution) paid by Airlines accounted for 36.0% of total

Revenues; while concessions, parking and rental car revenues accounted for 48.6%; followed by Hotel revenues which accounted for 8.3%, other buildings and ground revenue sources which accounted for 3.2% and interest and other non-operating revenues making up the additional 3.9%.

Applicability of Rate Resolution

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

Information Regarding Sources of Revenue

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

Airfield area revenue sources amounted to approximately \$47.2 million for Fiscal Year 2018 compared with approximately \$41.9 million for Fiscal Year 2017 representing an increase of approximately \$5.3 million or 12.6% due to an increase in airline activity and additional landing fee revenues. For the nine months ended June 30, 2019, Airfield area revenues amounted to approximately \$49.2 million compared to \$37.5 million for the nine months ended June 30, 2018, representing an increase of \$11.7 million or 23.8% due to an increase in airline activity and additional landing fee revenues.

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

Terminal area revenues totaled approximately \$231.4 million for Fiscal Year 2018 compared with approximately \$215.0 million for Fiscal Year 2017 representing an increase of approximately \$16.4 million or 7.6% as a result of an increase in terminal area rents and landing fees, an increase in FIS and facilities fees, and an increase in passengers which contributed to an

increase in baggage fees. For the nine months ended June 30, 2019, Terminal area revenues amounted to approximately \$192.5 million compared to \$178.5 million for the nine months ended June 30, 2018, representing an increase of approximately \$14.0 million or 7.3%. The increase is attributable to additional space rented by the Airlines, increased baggage revenue as well as increased FIS and facilities fee revenue as a result of increased international traffic. Concession revenues also attributed to the overall terminal area revenue increase.

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

Revenues received by the Authority in connection with rental car services for Airport passengers are the largest source of nonairline revenues at the Airport. The Authority receives privilege fees and rents (associated with ready/return spaces, terminal counter space, and quick turnaround facilities) from rental car companies serving Airport customers pursuant to five Automobile Rental Concession Agreements which are effective according to their terms until March 31, 2020. The Authority estimates that the rental car operators operating at the Airport now serve approximately 93% of rental car customers that use the Airport.

Under the Automobile Rental Concession Agreements, the rental car operators pay (a) 10% of gross receipts (which are applied to both onsite and offsite operators), however onsite operators must pay the greater of 10% of gross receipts or a minimum annual guarantee calculated each year based on gross receipts for the prior year, with the exception of the first period (b) ready/return space rent on a per space basis, (c) QTA rent, and (d) rent for terminal counters, office, and queuing space. For the period of July 1, 2018 to June 30, 2019, the aggregate minimum annual guarantee is \$67.1 million. QTA facility rent includes ground rent. In addition, rental car operators pay for all operating, utility, maintenance, and service management expenses. The foregoing fees and rents constitutes Revenues under the Amended and Restated Bond Resolution.

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

Beginning July 1, 2017, TNCs were allowed to pick up passengers at the Airport, subject to a charge equal to the pre-arranged taxi charge. Prior to that, only Uber-Black was permitted to pick up passengers at the Airport. Pursuant to the operating agreements the Authority entered into with Rasier-DC, LLC (Uber), Lyft, Inc., and Wingz, the TNCs are required to remit to the Airport a pick-up fee of \$5.80 for each trip. Although the ultimate impact is unknown at this time, to date the TNCs have had the biggest impact on taxis and permitted ground transportation companies (including vehicle-for-hire, out-of-town shuttle, non-concessionaire, concessionaire, off-airport rental car operator, off-airport parking operator). In addition, TNCs appear to be having a modest impact on parking. TNCs also appear to have negatively affected rental car transactions. For example, rental car transactions increased 2.3% in Fiscal Year 2018 relative to Fiscal Year 2017 even though enplaned passengers increased 7.7% for the same period, and for the nine months

ended June 30, 2019 rental car transactions decreased 0.4% relative to a 7.1% increase in passengers. Overall ground transportation revenue is increasing due to an increase in enplaned passengers. To monitor the impact of TNCs on ground transportation revenue, the Authority calculates ground transportation revenue per enplaned passenger on a monthly basis. As of June 30, 2019 and 2018, the ground transportation revenue per enplaned passenger was \$7.84 and \$7.91, respectively. These revenues are forecast to increase with passengers after making adjustments for continued trip diversions for TNCs.

Public automobile parking is the third highest source of revenues at the Airport, accounting for \$70.2 million, or approximately 12.9% of Operating Revenues, in Fiscal Year 2018. Parking facilities located on the Airport provide 21,724 public automobile parking spaces. The Authority offers the following five parking options: (a) garage parking located above or adjacent and connected to the North Terminal Complex landside terminal (\$19 per day); (b) terminal top parking located in the garage above the North Terminal Complex landside building (\$19 per day); (c) North Terminal Complex curbside valet parking (\$28.76 per day); (d) Parking Garage C (\$17 per day); and (e) economy parking located at remote lots less than one mile from the North Terminal Complex (\$10 per day). In addition to the public parking spaces, parking revenues are also generated from private parking, Hotel parking and employee parking.

Public parking facilities at the Airport are operated for the Authority under a management agreement with ABM Parking, Inc. ("ABM Parking") since 2007. Under the agreement, the Authority receives all revenues and pays most of the costs to operate and maintain the facilities plus a management fee to ABM Parking. All other operational costs are included in the management fee. The budget for operating expenses is subject to review by the Authority, which can adjust staffing levels and related costs in response to parking demand and level of service standards. The Authority's current management agreement with ABM Parking is scheduled to expire on January 31, 2021.

Ground transportation revenues totaled approximately \$188.0 million in Fiscal Year 2018 compared with approximately \$177.8 million in Fiscal Year 2017 representing an increase of \$10.2 million or 5.7% primarily due to an increase in parking revenues. For the nine months ended June 30, 2019, ground transportation revenues amounted to approximately \$149.4 million compared to \$140.8 million for the nine months ended June 30, 2018 representing an increase of approximately \$8.6 million or 5.7% due to increases in garage and satellite parking revenues as well as increases in TNC activity in commercial lanes.

Other Buildings and Grounds Revenue Sources. Other buildings and grounds revenues include the fees associated with fixed base operators, cargo apron use, in-flight catering and other building and land rentals. Tenants of buildings and grounds at the Tradeport and other airport areas pay rentals and fees for the use of such buildings and sites. Revenues from these areas amounted to approximately \$20.5 million for Fiscal Year 2018 and approximately \$19.3 million for Fiscal Year 2017, an increase of \$1.2 million or 6.2%.

For the nine months ended June 30, 2019, other buildings and grounds revenues amounted to approximately \$16.8 million compared to \$15.5 million for the nine months ended June 30, 2018, representing an increase of approximately \$1.3 million or 7.8%.

Hotel Revenue Sources. Hotel revenues are derived from rooms, food and beverage, telecommunications and other rentals and income from the Hotel located at the North Terminal Complex. The Hotel is owned by the Authority and operated under a management contract. Hotel revenues totaled approximately \$42.9 million for Fiscal Year 2018 and approximately \$41.2 million for Fiscal Year 2017. The additional revenue in Fiscal Year 2018 is due to an increase in average room rate and an increase in food and beverage sales. For the nine months ended June 30, 2019, Hotel revenues amounted to approximately \$32.6 million compared to \$35.0 million for the nine months ended June 30, 2018 representing a decrease of approximately \$2.4 million or 7.2%.

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

General - Other Funding Sources

Federal Grants-in-Aid, FDOT participation grants, Passenger Facility Charges, and CFCs are among some of the other sources of funding available to the Authority which do not generally constitute Revenues. For more information regarding the Authority's various sources of revenues see "AUTHORITY FINANCIAL INFORMATION" herein.

Federal Grants-in-Aid

The Airport and Airway Improvement Act of 1982 created the Airport Improvement Program (the "AIP"), which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by various federal aviation user taxes. Grants are available to airport operators across the country in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon cargo volume and enplaned passengers, and discretionary funds are available at the discretion of the FAA based upon a national priority system. Actual entitlement funds will vary with the actual number of passenger enplanements and cargo volume, with total appropriations for the AIP and with any revision of the existing statutory formula for calculating such funds. The AIP grant program is subject to periodic reauthorization and appropriation by Congress. Congress passed the FAA Reauthorization Act of 2018 in October 2018 reauthorizing the FAA for fiscal years 2019 to 2023 and providing a total of \$97 billion in funding. If not reauthorized in 2023, the AIP could be affected by automatic across-the-board spending cuts, known as sequestration. As a result, there can be no assurance that the FAA will

receive spending authority and the Authority is unable to predict the level of available AIP funding it may receive. To the extent AIP grants are not available, the Authority may need to defer projects and/or issue debt to fund them. Pursuant to the PFC Act (as defined herein) and the Aviation Investment and Reform Act for the 21st Century, an airport's annual federal entitlement grants are reduced by 50% following the imposition of PFCs at the \$3.00 level and by 75% following imposition at the \$4.00 or \$4.50 level.

The Aviation and Transportation Security Act, enacted during November 2001, established the Transportation Security Administration ("TSA"), as well as the Aviation Passenger Security Fee. The TSA Modernization Act, which was included in the FAA Reauthorization Act of 2018, represents the agency's first reauthorization since its inception in 2001 and authorizes appropriations for fiscal years 2019, 2020, and 2021. In conjunction with its fiscal year 2020 Budget Request, the TSA proposes raising the Aviation Passenger Security Fee, also known as the September 11th Security Fee, in order to fully cover the costs of aviation security by fiscal year 2028. The Aviation Passenger Security Fee was created to cover the costs of aviation security, but currently it covers only 40% of such costs. Currently, passengers are charged \$5.60 per one-way trip with a maximum round-trip fee of \$11.20. The fiscal year 2020 budget proposal would increase the Aviation Passenger Security Fee by one dollar, from \$5.60 to \$6.60 per one-way trip, in fiscal year 2020 and then from \$6.60 to \$8.25 in fiscal year 2021. This measure is expected to generate \$599.0 million in new revenue in fiscal year 2020 and close to \$23.0 billion over the next ten years. These fees are used to fund security measures for transportation with the majority spent in the aviation industry. There is no assurance that the TSA will receive spending authority and the Authority is unable to predict the level of TSA funding it may receive. To the extent that TSA grants are not available, the Authority may need to defer projects and/or issue debt to fund them.

State Grants-in-Aid

FDOT implemented the Aviation Grant Program for certain aviation projects. FDOT matches FAA AIP grants at 12.5% for large hub airports, and may match airport expenditures for projects not funded by FAA AIP at 50%. The Florida Legislature first used aviation fuel taxes imposed on aviation fuel sales to fund airport projects in 1983. Effective July 1, 2019, the aviation fuel tax rate decreased to 4.27 cents per gallon from the previous rate of 6.9 cents per gallon. The Florida Aviation Grant program was established to assist with aviation related projects. The Florida Strategic Intermodal System program funds projects that enhance the rail, road, airport and seaport systems. As the aviation fuel sales are dependent upon the industry as a whole, revenues generated and subsequent grants awarded are subject to a variety of potential conditions that may impact the annual fees generated. As such, to the extent that FDOT grants under these programs are not available, the Authority may need to defer projects and/or issue debt to fund them.

Other Contributed Capital

The Authority may receive "contributed capital" for projects from governmental and non-governmental sources that are typically non-recurring. The following table presents other contributed capital received by the Authority during Fiscal Years 2018 and 2017.

	2018 (in millions)	2017 (in millions)
Federal Sources	\$23.7	\$16.9
State Sources	32.3	74.5
Non-Governmental Sources	2.8	7.2

Source: Greater Orlando Aviation Authority.

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

Passenger Facility Charges

As part of the Aviation Safety and Capacity Expansion Act of 1990, as amended from time to time (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), the United States Congress has authorized certain commercial service airports such as the Airport to collect passenger facility charges ("Passenger Facility Charge" or "PFC") from each eligible passenger enplaned at such airport in the amount of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50, subject to certain limitations, set forth in the regulations promulgated by the FAA implementing the PFC Act. Airport-related projects eligible for PFCs are those that preserve or enhance capacity, safety or security of the national air transportation system, reduce noise from an airport that is part of the system or provide an opportunity for enhanced competition between or among air carriers or foreign air carriers. "Eligible airport related projects" include airport development or planning, terminal development, airport noise compatibility measures and planning and construction of gates and related areas (other than restaurants, rental car facilities, automobile parking or other concessions) for the movement of passengers and baggage.

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

PFC applications for specific projects (including debt service on obligations issued to fund such projects) are approved by the FAA in specific total amounts and the Authority may impose the designated PFC only until it collects the authorized total amount. Interest earnings on the collections are treated as collections for purposes of the authorized total. The Authority has imposed the PFC since February 1993. The Authority has received approval from the FAA to

collect and use PFCs for a total of approximately \$4.6 billion in collection authority. PFC Application 19, approved on June 22, 2018, blended previous PFC applications 11 through 18 to maintain a uniform collection rate of \$4.50. On May 8, 2019, the FAA approved PFC Application 20 to fund a portion of the Phase 1 Expansion of South Terminal C. The Authority's current collection authority extends to July 1, 2043. The Authority intends to submit applications to amend three existing PFC applications and to submit a new PFC application, which if approved would collectively increase its collection authority to a total of \$5.0 billion, including the amount of bond capital requested for eligible project scope as forecast in the Report of the Airport Consultant. Pending FAA approval of the amendments to PFC Application 19 and PFC Application 20 and the new PFC Application 21, the Authority will finance project costs on an interim basis, which will be reimbursed from pay-as-you-go PFC Revenues and proceeds from the PFC-supported bonds once approved.

See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of 2018 - 2025 Capital Improvement Program" and " - Passenger Facility Charges" herein.

The Authority has previously issued ten Series of Outstanding Senior Bonds, the proceeds of which have financed or refinanced all or a portion of PFC Projects thereby permitting the Authority to designate Available PFC Revenues to pay principal and interest on a portion of such Bonds pursuant to the Amended and Restated Bond Resolution. See SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" and "CAPITAL IMPROVEMENT PROGRAM" herein.

Available PFC Revenues shall be utilized in accordance with the Amended and Restated Bond Resolution, including, in particular, Section 727 thereof and are not included in the definition of Revenues but instead are used as an offset to the calculation of debt service on Bonds allocated to funding PFC Projects; such Available PFC Revenues can only be pledged to secure Bonds to the extent provided for by an Issuing Instrument pursuant to the Amended and Restated Bond Resolution. See SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" herein and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The following table provides a listing of the Authority's PFC applications and associated amendments, and the collection authority, collections, and expenditures under each as of June 30, 2019.

Passenger Facility Charges^{(1) (5)}
(as of June 30, 2019)

Application Number	Collection Authority	Use (Spend) Authority	Collection through June 30, 2019	Expenditures through June 30, 2019⁽²⁾
92-01-C-05-MCO (Closed)	\$ 34,099,841	\$ 34,099,841	\$ 34,099,841	\$ 34,099,841
93-02-C-01-MCO (Closed)	8,140,005	8,140,005	8,140,005	8,140,005
95-03-C-02-MCO (Closed)	18,637,986	18,637,986	18,637,986	18,637,986
96-04-C-08-MCO (Closed)	87,519,900	58,845,584	58,845,584	58,845,584
98-05-C-05-MCO (Closed)	114,471,533	114,471,533	114,471,533	114,471,533
99-06-C-03-MCO	86,619,348	115,293,664	115,293,664	84,805,796
00-07-C-04-MCO	174,236,180	174,236,180	174,236,180	86,890,194
00-08-C-02-MCO	54,833,679	54,833,679	54,833,679	36,010,338
02-09-C-06-MCO	130,796,988	130,796,988	130,796,988	92,657,820
05-10-C-10-MCO	749,303,511	749,303,511	749,303,511	309,125,613
07-11-C-02-MCO ⁽³⁾ (combined into PFC #19)	-	-	-	-
09-13-C-03-MCO ⁽³⁾ (combined into PFC #19)	-	-	-	-
11-14-C-02-MCO ⁽³⁾ (combined into PFC #19)	-	-	-	-
13-15-C-01-MCO ⁽³⁾ (combined into PFC #19)	-	-	-	-
13-16-C-02-MCO ⁽³⁾ (combined into PFC #19)	-	-	-	-
14-17-C-01-MCO ⁽³⁾ (combined into PFC #19)	-	-	-	-
17-18-C-02-MCO ⁽³⁾ (combined into PFC #19)	-	-	-	-
18-19-C-01-MCO ⁽³⁾	2,633,365,427	2,633,365,427	17,376,461	294,720,635
19-20-C-00-MCO ⁽⁴⁾	474,542,500	474,542,500	-	-
Total⁽⁶⁾	\$4,566,566,898	\$4,566,566,898	\$1,476,035,432	\$1,138,405,344

⁽¹⁾ The Authority is currently authorized to impose a PFC of \$4.50 per enplaned passenger at the Airport.

⁽²⁾ Expenditures for each application may commence upon notification of the approval of the application. For reporting purposes, PFC collections are reported as applied to each application in order of the applications until the collection authority amount has been met for each application. As a result of this reporting method, there are allowable expenditures reported for applications that may not show collections directly assigned to them.

⁽³⁾ PFC Application 19, approved on June 22, 2018, blended PFC applications 11 through 18 to maintain a uniform collection rate of \$4.50.

⁽⁴⁾ PFC Application 12 was submitted and withdrawn.

⁽⁵⁾ Does not reflect proposed amendments to PFC Applications 9, 19 and 20 or new PFC Application 21.

⁽⁶⁾ Numbers may not add due to rounding.

Source: Greater Orlando Aviation Authority.

Customer Facility Charges

Pursuant to the CFC Enabling Resolution, the Authority collects a CFC which as of October 1, 2017, is imposed at a rate equal to \$3.50 per day and collected up to a maximum of seven days. The Authority has currently pledged the CFCs as security for the 2018 CFC Bank Note. CFCs are currently not included in the definition of Revenues under the Amended and Restated Bond Resolution, but may, under certain circumstances, be designated as Available CFC Revenues in a Supplemental Resolution, however, the Authority currently has no plans to do so. See "AUTHORITY INDEBTEDNESS - CFC Indebtedness" herein, "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" and "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto for more information regarding the use of CFCs and Available CFC Revenues.

AUTHORITY FINANCIAL INFORMATION

Debt Service Requirements

The following table shows the debt service requirements for the Outstanding Senior Bonds, Series 2019A Bonds, total Senior Bonds, Outstanding Priority Subordinated Indebtedness, and total aggregate debt service upon the issuance of the Series 2019A Bonds.

Debt Service Requirements⁽¹⁾

Fiscal Year Ending September 30 ⁽²⁾	Outstanding Senior Bonds Debt Service ⁽³⁾	Series 2019A Bonds Debt Service ⁽⁵⁾			Total Senior Bonds Debt Service	Outstanding Priority Subordinated Indebtedness Debt Service ⁽⁴⁾	Total Aggregate Debt Service
		Principal	Interest	Total			
2020	\$ 88,684,626	\$ 9,915,000	\$ 29,789,727	\$ 39,704,727	\$ 128,389,353	\$ 10,015,775	\$ 138,405,128
2021	88,699,749	10,470,000	29,460,400	39,930,400	128,630,149	10,066,190	138,696,339
2022	71,101,043	28,430,000	43,184,988	71,614,988	142,716,031	53,497,929	196,213,960
2023	58,467,493	34,715,000	50,140,063	84,855,063	143,322,556	62,967,207	206,289,763
2024	54,695,541	36,440,000	48,404,313	84,844,313	139,539,854	63,022,947	202,562,801
2025	54,690,785	38,275,000	46,582,313	84,857,313	139,548,098	63,076,675	202,624,773
2026	54,656,932	40,190,000	44,668,563	84,858,563	139,515,495	63,141,668	202,657,163
2027	54,611,159	42,195,000	42,659,063	84,854,063	139,465,222	63,200,451	202,665,673
2028	70,641,866	44,300,000	40,549,313	84,849,313	155,491,179	47,176,301	202,667,480
2029	41,578,930	21,985,000	38,334,313	60,319,313	101,898,243	63,326,248	165,224,491
2030	41,575,530	23,080,000	37,235,063	60,315,063	101,890,593	63,394,566	165,285,159
2031	41,570,703	24,240,000	36,081,063	60,321,063	101,891,766	63,459,786	165,351,552
2032	41,577,035	25,450,000	34,869,063	60,319,063	101,896,098	63,529,688	165,425,786
2033	36,001,532	26,725,000	33,596,563	60,321,563	96,323,095	63,596,551	159,919,646
2034	36,007,089	28,060,000	32,260,313	60,320,313	96,327,402	63,667,905	159,995,307
2035	36,010,677	29,470,000	30,857,313	60,327,313	96,337,990	63,740,781	160,078,771
2036	36,019,424	30,645,000	29,678,513	60,323,513	96,342,937	63,743,031	160,085,968
2037	36,009,740	32,180,000	28,146,262	60,326,263	96,336,003	63,173,452	159,509,454
2038	36,005,206	33,460,000	26,859,062	60,319,063	96,324,269	60,341,400	156,665,668
2039	36,019,063	35,135,000	25,186,062	60,321,063	96,340,126	60,340,150	156,680,275
2040	25,991,800	36,545,000	23,780,662	60,325,663	86,317,463	60,343,150	146,660,612
2041	25,990,000	38,185,000	22,136,112	60,321,113	86,311,113	60,341,400	146,652,512
2042	25,994,250	39,905,000	20,417,712	60,322,713	86,316,963	60,341,150	146,658,112
2043	25,978,500	41,700,000	18,621,962	60,321,963	86,300,463	60,343,150	146,643,612
2044	25,981,250	43,580,000	16,745,412	60,325,413	86,306,663	60,341,650	146,648,312
2045	25,994,000	45,535,000	14,784,062	60,319,063	86,313,063	60,343,400	146,656,462
2046	12,043,500	47,585,000	12,734,112	60,319,113	72,362,613	60,343,650	132,706,262
2047	-	49,730,000	10,592,012	60,322,013	60,322,013	60,342,650	120,664,662
2048	-	51,970,000	8,353,262	60,323,263	60,323,263	60,340,400	120,663,662
2049	-	54,310,000	6,013,712	60,323,713	60,323,713	60,344,400	120,668,112
2050	-	16,820,000	3,568,862	20,388,863	20,388,863	60,340,600	80,729,462
2051	-	17,480,000	2,909,337	20,389,338	20,389,338	60,341,000	80,730,337
2052	-	18,165,000	2,223,812	20,388,813	20,388,813	60,342,000	80,730,812
2053	-	18,880,000	1,511,125	20,391,125	20,391,125	-	20,391,125
2054	-	19,620,000	770,212	20,390,213	20,390,213	-	20,390,212
	\$1,182,597,423	\$1,135,370,000	\$893,704,702	\$2,029,074,702	\$3,211,672,125	\$1,912,927,301	\$5,124,599,426

(1) Numbers may not add due to rounding.

(2) The debt service requirements are shown for the period in which they accrue and not for the period in which they are paid and reflect the principal payments due on October 1, 2019 and the defeasance of the Series 2009A Bonds on or about October 2, 2019.

(3) Includes debt service on all Outstanding Senior Bonds net of capitalized interest, including debt service to be paid from Available PFC Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" herein.

(4) Includes debt service on all Outstanding Priority Subordinated Indebtedness (which includes the Outstanding Subordinated Bonds and the FDOT Loan) but excludes capitalized interest on the Series 2017A Subordinated Bonds for Fiscal Year 2021 which is anticipated to be paid from the Proposed 2021 Bonds and also excludes debt service on amounts drawn and outstanding under the Existing Lines of Credit, which are Secondary Subordinated Indebtedness.

(5) Reflects debt service on Series 2019A Bonds net of capitalized interest.

Source: Greater Orlando Aviation Authority.

Historical Statement of Revenues and Expenses

The following table presents historical amounts of Revenues, Expenses and Changes in Net Position of the Airport for Fiscal Years 2014 through 2018 and for the nine month periods ended June 30, 2019 and June 30, 2018. 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 attached as "APPENDIX D - AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017" hereto present the combined financial position, results of operations and cash flows of Orlando International Airport and Orlando Executive Airport. For more information regarding Authority revenues and other funding sources see "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" and " - Customer Facility Charges" herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Greater Orlando Aviation Authority
Orlando International Airport
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Years 2014-2018 and for the Period of Nine Months Ended June 30, 2019 and 2018
(in thousands)

						For the Period of Nine Months Ended June 30 (Unaudited)	
	2018	2017	2016⁽¹⁾⁽³⁾	2015⁽¹⁾⁽³⁾	2014⁽¹⁾⁽²⁾⁽³⁾	2019	2018
Operating Revenues:							
Airfield area	\$ 47,220	\$ 41,948	\$ 40,254	\$ 38,194	\$ 35,211	\$ 49,193	\$ 37,485
Terminal area	231,387	214,997	194,137	176,404	163,362	192,487	178,470
Ground transportation	187,974	177,756	169,507	158,248	148,235	149,380	140,841
Other buildings and grounds	20,496	19,298	18,580	17,645	16,474	16,776	15,460
Hotel	42,850	41,241	39,866	37,384	33,180	32,614	34,976
Rail	3,855	-	-	-	-	4,396	2,779
Total Operating Revenues	\$ 533,782	\$ 495,240	\$ 462,364	\$ 427,875	\$ 396,462	\$ 444,846	\$ 410,011
Operating Expenses:							
Operation and facilities	\$ 148,409	\$ 142,187	\$ 136,159	\$ 127,418	\$ 115,453	\$ 130,248	\$ 106,198
Safety and security	43,193	38,411	34,962	30,175	26,796	34,484	31,868
Administration	75,949	64,805	53,892	42,964	34,174	59,399	54,220
Hotel	29,967	29,500	29,229	28,168	26,604	22,688	23,524
Other	4,142	3,559	9,151	9,042	8,400	2,077	2,248
Total Operating Expenses before depreciation	\$ 301,660	\$ 278,462	\$ 263,393	\$ 237,767	\$ 211,427	\$ 248,896	\$ 218,058
Operating income before depreciation	\$ 232,122	\$ 216,778	\$ 198,971	\$ 190,108	\$ 185,035	\$ 195,950	\$ 191,953
Depreciation	(163,325)	(125,754)	(122,250)	(117,888)	(117,529)	(134,658)	(119,138)
Operating Income	\$ 68,797	\$ 91,024	\$ 76,721	\$ 72,220	\$ 67,506	\$ 61,292	\$ 72,815
Non-Operating Revenues (Expenses):							
Investment income	14,735	8,147	5,890	3,057	2,061	16,086	9,879
Net increase (decrease) in the fair value of investments	(4,859)	(2,498)	580	1,861	1,274	8,501	(5,260)
Interest expense	(35,511)	(34,404)	(40,754)	(46,606)	(46,569)	(25,348)	(26,795)
Participating Airline net revenue sharing	(57,659)	(53,140)	(63,093)	(60,785)	(51,553)	(41,231)	(25,536)
Passenger facility charges	91,647	86,990	80,691	73,016	67,501	75,630	69,295
Customer facility charges	44,847	29,345	26,537	25,039	23,951	34,574	35,242
Federal and state grants	649	5,886	2,599	167	460	10,144	16
Other	58,379	633	(1,824)	228	371	3,977	58,141
Income before Capital Contribution	\$ 181,025	\$ 131,983	\$ 87,347	\$ 68,197	\$ 65,002	\$ 143,625	\$ 187,797
Capital Contributions ⁽⁴⁾	58,791	98,563	100,734	32,609	31,909	19,209	34,236
Increase in Net Position	239,816	230,546	188,081	100,806	96,911	162,834	222,033
Total Net Position, Beginning of Year	2,243,097	2,012,551	1,824,470	1,737,079	1,640,168	2,482,913	2,243,097
Total Net Position, End of Year	\$2,482,913	\$2,243,097	\$2,012,551	\$1,837,885	\$1,737,079	\$2,645,747	\$2,465,130

⁽¹⁾ Unrestricted net position has been restated for Fiscal Year 2016 and Fiscal Year 2015 and other operating expense has been restated for Fiscal Year 2016 as a result of the implementation of GASB 75 in Fiscal Year 2017. Unrestricted net position and other operating expense have not been restated for fiscal years prior to Fiscal Year 2015 because the information is not readily available and it is not practical to accumulate the information. See Note 1 and Note 9 of the comprehensive annual financial report for Fiscal Year 2018 ("2018 CAFR") and for more information.

⁽²⁾ Operating expenses and unrestricted net position have been restated for Fiscal Year 2014 as a result of the implementation of GASB 68 in Fiscal Year 2015.

⁽³⁾ Information presented for Fiscal Year 2014, Fiscal Year 2015, and Fiscal Year 2016 has been restated to reflect the Statement of Revenues, Expenses and Changes in Net Position for the Orlando International Airport instead of the Authority.

⁽⁴⁾ Include amounts received as grants from federal and state programs.

Source: Greater Orlando Aviation Authority.

Analysis of Airport Financial Results

Fiscal Year Ended September 30, 2017. The Authority reported operating income of \$91.0 million and income before capital contributions of \$132.0 million. Overall, the operating revenues of the Authority increased \$32.9 million in Fiscal Year 2017, or 7.1% from the previous year due to greater airline revenues, parking revenues and concessions revenues. Participating Airline revenue increased \$14.6 million or 10.9% as a result of an increase in terminal area rents, baggage system fees and landing fees. Non-Participating Airline revenue increased \$2.5 million or 9.1% due in large part to an increase in FIS and facilities fees, and baggage system fees consistent with the increase in passengers. Overall Concession Revenues increased \$5.4 million or 7.6%. Food and Beverage and General Merchandise combined revenues increased \$3.2 million or 7.1% while Service Concession and Other Terminal Area Revenues increased \$2.2 million or 8.5%. Ground Transportation revenues increased \$8.2 million or 4.9% primarily due to an increase in parking revenues. An increase in hotel occupancy and the average daily room rate contributed to the \$1.4 million or 3.3% increase in hotel revenues.

Operating Expenses before Depreciation increased \$15.1 million or 5.7% from Fiscal Year 2016 to 2017. Operations and facilities expenses increased primarily due to an increase in maintenance contracts for elevators, electrical wiring, and terminal and baggage signage. Safety and security increased primarily as a result of increases in other professional services related to employee screening contracts. Administration expenses increased due primarily to a reclassification of expenses from Other Operating expenses to Administration, as well as increases in professional services in Planning and Engineering due to the increase in construction projects in the Capital Programs and Information Technology increases related to mobile application development.

Fiscal Year Ended September 30, 2018. The Authority reported operating income of \$68.8 million and income before capital contributions of \$181.0 million. The operating revenues of the Authority increased \$38.5 million in Fiscal Year 2018, or 7.8% from Fiscal Year 2017, due to greater airline revenues, parking revenues, and concessions revenues. Participating Airline revenue increased \$13.5 million or 9.1% as a result of an increase in terminal area rents and landing fees. Non-Participating Airline revenue increased \$4.5 million or 15.2% due in large part to an increase in FIS and facilities fees, and baggage system revenue consistent with the increase in passengers. Overall Concession Revenues increased \$3.6 million or 4.7%. Food and Beverage and General Merchandise combined revenues increased \$1.9 million or 3.9% while Service Concession and Other Terminal Area Revenues increased \$1.7 million or 5.9%. Ground Transportation revenues increased \$10.2 million or 5.7% primarily due to an increase in parking revenues. An increase in hotel average daily room rate and an increase in food and beverage revenues contributed to the \$1.6 million or 3.9% increase in Hotel revenues.

An increase in operating expenses, before depreciation of approximately \$23.2 million, or 8.3%, from Fiscal Year 2017 to 2018 was primarily due to an increase in maintenance contracts for elevators, electrical wiring, and terminal and baggage signage, as well as an increase in janitorial services due to the increase in passenger traffic and the opening of the South APM Complex and Parking Garage C. Safety and security increased primarily as a result of increases in other professional services related to additional security patrols; which include the South APM Complex and contract rate increases with the City of Orlando. Administration expenses increased

primarily from other professional services related to IT consulting projects related to security systems integration and staff support extensions.

Nine Month Period Ended June 30, 2019 and 2018 (unaudited). The Authority reported operating income of \$61.3 million and income before capital contributions of \$143.6 million for the nine months ended June 30, 2019. The operating revenues of the Authority increased \$34.8 million for the nine months ended June 30, 2019, or 7.8% over 2018, due to increased operations resulting in increased landing and cargo revenues, as well as increased FIS and Facility fees due to the increase in international passengers. Concessions and rental cars also continue to have steady growth due to the increase in passenger traffic. The Authority reported an increase in operating expenses, before depreciation, of approximately \$30.8 million, for the nine months ended June 30, 2019, or 12.4% over 2018 primarily due to an increase in other contractual services for construction related expenditures such as garage lighting, airfield rehabilitation and terminal enhancement projects. Administration expenses increased due primarily to increased participation in the Air Service Incentive Program and other professional services related to IT Security Systems Integration projects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Historical Debt Service Coverage

The following table presents the historical debt service coverage for the Outstanding Senior Bonds for Fiscal Years 2014 through 2018.

**Greater Orlando Aviation Authority
Orlando International Airport
Historical Debt Service Coverage Per Amended and Restated Bond Resolution⁽³⁾
Fiscal Years 2014-2018
(in thousands)**

BOND RESOLUTION RATE COVENANT		2018	2017	2016	2015	2014
Revenues per Bond Resolution ⁽¹⁾⁽²⁾		\$603,640	\$500,698	\$498,265	\$450,670	\$418,748
Less:						
Operations and maintenance expenses per Bond Resolution ⁽³⁾		(286,286)	(257,114)	(239,010)	(221,726)	(208,394)
Net Revenues	A	\$317,354	\$243,584	\$259,255	\$228,944	\$210,354
Less: Required account deposits:						
Airport facilities operations and maintenance reserve account		-	-	3,056	1,978	1,001
Airport facilities capital expenditure account		-	-	-	-	-
Airport facilities renewal and replacement account		-	-	-	-	-
Total required account deposits	B	-	-	3,056	1,978	1,001
Net Revenues available for debt service	[C=A-B]	\$317,354	\$243,584	\$256,199	\$226,966	\$209,353
Aggregate Debt service on Outstanding Senior Bonds		\$126,210	\$120,655	\$115,455	\$105,803	\$101,472
Less Debt service paid from Available PFC Revenues		(30,867)	(30,545)	-	-	-
Net debt service on Outstanding Senior Bonds ⁽⁴⁾	D	\$ 95,343	\$ 90,110	\$115,455	\$105,803	\$101,472
Debt service on Outstanding Senior Bonds and other parity indebtedness	[H]	7,557	7,558	15,403	6,336	7,204
Less interest income on Outstanding Priority Subordinated Indebtedness reserve accounts		-	-	-	-	-
Net debt service on Outstanding Priority Subordinated Indebtedness and other parity indebtedness	E	\$ 7,557	\$ 7,558	\$ 15,403	\$ 6,336	\$ 7,204
Total debt service on Outstanding Senior Bonds and Outstanding Priority Subordinated Indebtedness and other parity indebtedness	[F=D+E]	\$102,900	\$ 97,668	\$130,858	\$112,139	\$108,676
Debt Service Coverage⁽²⁾						
Coverage ratio for Outstanding Senior Bonds	[C/D]	3.33	2.70	2.22	2.15	2.06
Coverage ratio for all indebtedness	[C/F]	3.08	2.49	1.96	2.02	1.93

⁽¹⁾ Revenues are earned by the Airport Facilities Revenue Account, before revenue sharing with airlines required by the Airlines Lease and Use Agreement and on the Revenue Sharing Agreement, see Note 17 of the 2018 CAFR for more information, plus miscellaneous receipts in the Operations and Maintenance Account.

⁽²⁾ Although the Bond Resolution requires the inclusion of gain or loss on the disposal of assets to be included in Revenues, for Fiscal Years 2014 through 2018, the gain or loss, as applicable on the sale of assets was inadvertently excluded from Revenues and therefore from the calculation of debt service coverage for those Fiscal Years. The debt service coverage in the table above has been revised to reflect the inclusion of the gain or loss, in the applicable Fiscal Years, on the sale of assets. The exclusion of the gain or loss, as applicable, on the sale of assets in Revenues resulted in the coverage ratio for senior lien debt for Fiscal Years 2018, 2017, 2016, 2015 and 2014 being previously reported as 2.72, 2.70, 2.21, 2.15 and 2.06, respectively and the coverage ratio for all indebtedness for Fiscal Years 2018, 2017, 2016, 2015 and 2014 being previously reported as 2.52, 2.49, 1.95, 2.02 and 1.93, respectively.

⁽³⁾ Expenses and encumbrances incurred within the Airport Facilities Operations and Maintenance Account.

⁽⁴⁾ Effective Fiscal Year 2017, Available PFC Revenues are applied as an offset to debt service instead of included in Revenues pursuant to the Amended and Restated Airport Facilities Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" herein. See also Note 11 of the 2018 CAFR for additional information.

Source: Greater Orlando Aviation Authority.

The following table presents Available Net Revenues available for payment of Outstanding Subordinated Indebtedness pursuant to the Amended and Restated Bond Resolution and the Master Subordinated Indenture for Fiscal Years 2014 through 2018.

**Greater Orlando Aviation Authority
Orlando International Airport
Available Net Revenues Available for Payment of Outstanding Priority Subordinated
Indebtedness
Per Amended and Restated Bond Resolution
Fiscal Years 2014 - 2018
(in thousands)**

	Fiscal Year Ended September 30				
	2018	2017	2016	2015	2014
Available Net Revenues for payment of Outstanding Priority Subordinated Indebtedness:					
Net Revenues	\$317,354	\$243,584	\$259,255	\$228,944	\$210,354
Less: Debt Service on Outstanding Senior Bonds	(95,343)	(90,110)	(115,455)	(105,803)	(101,472)
Available Net Revenues for payment of Outstanding Priority Subordinated Indebtedness	<u>\$222,011</u>	<u>\$153,474</u>	<u>\$143,800</u>	<u>\$123,141</u>	<u>\$108,882</u>

⁽¹⁾ Although the Bond Resolution requires the inclusion of gain or loss on the disposal of assets to be included in Revenues, for Fiscal Years 2014 through 2018, the gain or loss, as applicable on the sale of assets was inadvertently excluded from Revenues and therefore from the calculation of debt service coverage for those Fiscal Years. The table above has been revised to reflect the inclusion of the gain or loss, in the applicable Fiscal Years, on the sale of assets.

Source: Greater Orlando Aviation Authority.

See "REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT FORECAST" herein and Exhibit G of the Report of the Airport Consultant for the Airport Consultant's forecast regarding debt service coverage for the Series 2019A Bonds, the Outstanding Senior Bonds, the Outstanding Priority Subordinated Indebtedness and the Proposed 2021 Bonds.

Pension and Other Postemployment Benefits

General. The following information contained in this subsection has been extracted from *Notes 8 and 9 and Required Supplementary Information* of the AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017 attached hereto as APPENDIX D. For a more detailed discussion and additional information regarding the Authority's pension plans, and other post-employment benefits refer to the AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017 attached hereto as APPENDIX D.

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

single-employer defined contribution retirement plan for non-firefighter employees and a multi-employer defined contribution plan for firefighters.

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

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

The actuarial assumptions for Fiscal Years 2018 and 2017 include: (a) rate of return on investments of 7.00% per year, (b) projected salary increases of 4.25%, (c) inflation adjustments of 2.50%, and (d) assumed the mortality index RP-2000 Fully Generational with Scall BB, with collar and annuitant adjustments.

The Authority's contributions to the DB Plan for each of the Fiscal Years ended September 30, 2018, 2017 and 2016 were approximately \$3.1 million, \$5.4 million and \$6.2 million, respectively, which represents or exceeds the required amount.

The most recent DB Plan actuarial valuation is as of October 1, 2018, and was approved by the Authority's Retirement and Benefits Committee on February 7, 2019. As permitted by GASB Statement No. 68, this valuation will be used to determine the net pension liability for the Fiscal Year ended September 30, 2019 Statement of Net Position for the Authority.

As result of the assumptions in the most recent DB Plan actuarial valuation, as of October 1, 2018, the unaudited unfunded actuarial accrued liability is \$7,060,555, with a funded ratio of 95.1%.

Single-Employer Defined Contribution Retirement Plan. The Defined Contribution Retirement Plan of the Greater Orlando Aviation Authority ("DC Plan") is a single-employer retirement plan. The DC Plan authorizes employees, other than firefighters, hired on or after October 1, 1999, to participate. The Authority contributes 6% of base wages and up to another 4% as a matching contribution. The employee may contribute up to 10%. The DC Plan has separate accounts for each employee, and investments are self-directed by the employee. The DC Plan provides retirement and death benefits to plan participants and beneficiaries. The Authority contributed \$2.8 million and \$2.7 million for the years ending September 30, 2018 and 2017, respectively.

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

As a participant in FRS, the Authority is also a participant in the Retiree Health Insurance Subsidy ("HIS") Program, which is a cost-sharing, multiple employer defined benefit plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the State administered retirement systems in paying their health insurance costs. For the Fiscal Year ended June 30, 2018 and 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment was \$30 for Fiscal Year 2018 and 2017 and the maximum is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the State administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

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

The Authority's required contribution rates are as follows:

	Special Risk	DROP
July 1, 2019 – June 30, 2020	25.48	14.60
July 1, 2018 - June 30, 2019	24.50%	14.03%
July 1, 2017 - June 30, 2018	23.27	13.26
July 1, 2016 - June 30, 2017	22.57	12.99
July 1, 2015 - June 30, 2016	22.04	12.88

Source: Greater Orlando Aviation Authority.

The Authority's contributions to the FRS for each of the Fiscal Years ended September 30, 2018, 2017, and 2016 were approximately \$1.5 million, \$1.2 million and \$1.1 million, respectively, which represents the required contributions for each Fiscal Year.

Other Postemployment Benefits and GASB Statement. During 2017, the Authority implemented GASB Statement No. 74 and 75; Financial Reporting for Postemployment Benefit plans Other Than Pension Plans, and Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. GASB No. 74 establishes new accounting and financial reporting requirements for other postemployment benefits ("OPEB"), while Statement No. 75 replaces the requirements of Statement No. 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. This statement requires governments in all types of OPEB plans to present more extensive note disclosures and Required Supplementary Information (RSI) about their OPEB liabilities, including a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government, new RSI including a

schedule showing the causes of increases and decreases in the OPEB liability, and a schedule comparing a government's actual OPEB contributions to its contributions requirements.

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

The Authority is not required to fund the GOAAHP. However, on September 30, 2011, the Authority funded its OPEB obligation to a qualifying, irrevocable trust in the amount of \$26.3 million. The annual contribution of the employer represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed twenty years.

The Authority's contributions to the OPEB plan for each of the Fiscal Years ended September 30, 2018, 2017, and 2016 were approximately \$1.8 million, \$2.4 million and \$2.2 million, respectively, which represents or exceeds the required contributions for each Fiscal Year.

For additional information relating to pension and OPEB expenses of the Authority, see Note 9 of the "APPENDIX D - AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017" attached hereto.

Insurance

The Authority currently maintains property insurance for property not insured by others with per occurrence and aggregate limits totaling \$500 million, excess of \$500,000 retention. The property insurance policies contain certain specific sub-limits, and the primary layer contains a self-insured retention of \$100,000 and a maintenance deductible of \$25,000 per occurrence for causes of loss other than named windstorm. The property insurance policies also include coverage for business interruption that pays certain fixed costs, including the annual debt service payments on the Authority's indebtedness, in the event revenues are lost due to damage or loss to an asset. The business interruption coverage is included in the \$500 million aggregate limit and does not have a sub-limit. The Authority maintains a \$250 million aggregate limit for named windstorm(s), excess the \$500,000 retention, with a per location, per occurrence wind deductible. The policy provides open-perils protection as opposed to specifically named-perils protection on a replacement cost basis which includes coverage for boiler and machinery, and loss of business income up to the policy limit per occurrence, with certain sub-limits resulting from a covered property loss, including covered terrorism losses. The Authority currently maintains property insurance with per occurrence limits of \$500 million for terrorism events whether caused by international or domestic persons or organizations. Renovations to existing facilities not insured by others are included as covered losses under the Authority's current property insurance up to limits described herein. The Authority also maintains builders' risk insurance, when required for construction projects not covered by other property policies. 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 fiduciary liability, public official's liability, auto liability, storage tank, pollution liability, crime, public sector terrorism, and airport owners and operators liability insurance. The Authority's airport liability insurance has a limit of \$1 billion annually including war and related exposures. The Authority maintains workers compensation insurance with statutory limits, which includes a self-insured retention of \$150,000 per occurrence and associated employers' liability insurance. An independent risk management and insurance consultant also reviews the insurance policies. The coverages and limits described above are effective May 1, 2019 through April 30, 2020.

The Authority requires its contractors and consultants to procure and maintain commercial general liability, auto, worker's compensation, and if applicable, professional liability and pollution liability coverage, on all projects and consulting assignments, in amounts commensurate with the scale and complexity of the work or services. Moreover, all construction projects in excess of \$200,000 are additionally secured by payment and performance bonds for the full contract value. On its more complex South Terminal and North Terminal projects, the Authority has also procured additional layers of professional liability coverage over and above the policies procured by its consultants and contractors, through Owner's Protective Professional Indemnity (OPPI) policies. On the South Terminal projects, the Authority has also procured Builder's Risk coverage for the full value of the projects, with a LEG-3 endorsement providing additional coverage for certain damages arising during the course of construction from design or construction error or omission.

The Authority uses an independent risk management and insurance consultant who works with legal counsel in designing an insurance program which is in the best interest of the Authority, including evaluation, negotiation and recommendation of coverages and quotations.

Environmental Liabilities

The Airport System has certain polluted sites, primarily from chemical and fuel spills, asbestos, and former landfills whereas the Authority is named or will be named a responsible or potentially responsible party or where pollution remediation has already commenced, with monitoring being completed as necessary. The Authority recorded a pollution remediation liability for the Airport System, as of September 30, 2018, measured at \$2.3 million, using the expected cash flow technique. Under this technique, the Authority estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts. The possibility of recovery of some of these costs from outside governmental funding or other parties exists; however, the Authority only recognizes these recoveries in the financial statements as they become probable. For more information, see Notes 11 and 20 to the AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT AUDITORS THEREON FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 AND 2017 attached hereto as APPENDIX D.

CAPITAL IMPROVEMENT PROGRAM

Overview

The Authority's capital improvement program is a multi-year plan of major capital projects, linked to the Authority's strategic goals. It is modular and demand driven, designed to accommodate existing and forecast passenger demand at the Airport for Fiscal Years 2018 - 2025 (the "2018 - 2025 Capital Improvement Program"). The latest updates to the 2018 - 2025 Capital Improvement Program were adopted by the Board in May 2019 and provide a roadmap for implementing the component projects, including targeted completion dates, budgets, and anticipated funding plan. The 2018 - 2025 Capital Improvement Program is dynamic in nature, reflecting current changes in the market, available funding, and the Authority's priorities. The component projects consist of on-going and future projects in varying stages of execution, derived from the Authority's master plan and are being developed to address passenger safety, security, passenger experience, as well as the increasing demand for air service to Central Florida.

The 2018 - 2025 Capital Improvement Program consists of: (a) Phase 1 of South Terminal C; (b) the Phase 1 Expansion of South Terminal C; (c) capacity enhancements, renovations and expansion for the North Terminal Complex; and (d) other projects to maintain and enhance the Airport facilities. The estimated total aggregate cost of the 2018 - 2025 Capital Improvement Program is approximately \$4.12 billion, including allowances for inflation. In addition to the 2018 - 2025 Capital Improvement Program, the Authority also undertakes renewal and replacement of major assets on an ongoing basis.

The Authority reassesses its capital needs at least annually and will modify the 2018 - 2025 Capital Improvement Program as necessary to accommodate demand-driven traffic activity, security needs, any needed receipt of required environmental and other regulatory approvals, and other factors which could result in increases or decreases to the size or number of projects in the 2018 - 2025 Capital Improvement Program, or extend or accelerate the timing to complete certain projects. The 2018 - 2025 Capital Improvement Program is expected to be funded through a combination of the proceeds of the Series 2019A Bonds, certain of the Outstanding Senior Bonds, the Proposed 2021 Bonds, federal grants in aid, FDOT participation grants, PFC Revenues, CFCs, Additional Bonds, third party sources and other Airport funds. The Authority may elect to defer, or to change, the funding plan for any of the projects. See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of 2018 - 2025 Capital Improvement Program" herein.

South Terminal Complex

Need for South Terminal Complex. In May 2015, in response to the growth in passengers and continued increases in international service, the Authority authorized staff to immediately proceed with procurement of professional services for design of Phase 1 of South Terminal C and to initiate construction on Phase 1 of South Terminal C upon the satisfaction of two conditions: (a) achieving 38.5 million annual passengers on a cumulative 12-month rolling average for a period of six consecutive months, which occurred in May 2016, and (b) achieving two million annual international passengers arriving and processed through the FIS (as defined herein), which was previously met. Phase 1 of South Terminal C is currently estimated to cost \$2.3 billion. In May

2018, after passenger traffic levels reached 45.8 million annual passengers the Authority authorized staff to proceed with procurement of professional services for design and early construction activities of Phase 1 Expansion of South Terminal C to add three additional gates for a total of 19 gates. Phase 1 Expansion of South Terminal C is currently estimated to cost \$718.9 million.

Overview of South Terminal C (Phase 1 and Phase 1 Expansion). Phase 1 of South Terminal C includes a 16-flex gate facility planned to accommodate both international and domestic air traffic. The Phase 1 Expansion of South Terminal C provides for the design and construction of three additional gates and all associated infrastructure and work elements necessary to support these new gates and all elements required to integrate these gates with Phase 1 of South Terminal C. The terminal is designed to facilitate narrow body aircraft as well as larger aircraft such as the Group VI aircraft (e.g., Airbus A380 and Boeing 747-8). Phase 1 of South Terminal C and the Phase 1 Expansion of South Terminal C will encompass approximately 1,045,000 square feet in a four-level building housing the necessary features required to operate a terminal. The adjoining landside terminal will be approximately 902,000 square feet. The building is planned to allow pedestrian traffic to access the complex without interference from motorized vehicles. The concept allows for the arriving party to purchase tickets, check baggage, claim baggage and meet arriving parties without congestion. The building will include internal ticket counters and kiosks. The baggage handling system is planned to allow customers to store their belongings until their flight departs or immediately board a departing plane. In addition, arriving and departing passengers will have a covered curbside canopy at the departure level and the commercial curb level to protect them from the elements when they access the terminal. The FIS and international bag claim will also be located in the landside terminal. Additional design features of South Terminal C include: (a) direct contact gates, (b) a state-of-the-art baggage handling system that will eliminate double bag handling and make use of radio frequency identification technology to offer 100% baggage tracking, (c) seven terminal access points compared to over 80 North Terminal Complex access points, (d) an enhanced security checkpoint, which will include eight passenger lanes on the second level, a larger queue area, expandable security checkpoint, modular flow, and two employee lanes on the first level, and (e) implementation of "Bags First" Customs and Border Protection ("CBP"), which allows passengers to claim their bags before proceeding to a CBP officer. In addition, the South Terminal C design reinforces a campus vision by focusing on a unifying theme called "The Boulevard." The Boulevard is a corridor that traverses the center of South Terminal C on an east-west axis and connects the major civic areas, including the ticket hall and concessions hub. Arrivals and bag claim will be located on the third level, departures, ticketing and security will be located on the second level and ground transportation on the first level. The ground transportation facility for the South Terminal Complex is planned for multiple uses. The initial phase is to accommodate foot traffic to and from the landside terminal and the garage. In addition, the Authority plans to construct a second phase of Parking Garage C adding approximately 700 public parking spaces. Upon the opening of South Terminal C, there will be an approximate total of 2,400 spaces in Parking Garage C for public parking, with levels 1 and 2 used for rental car operations. The expansion of Parking Garage C is expected to provide the necessary capacity to accommodate all of the parking needs for Phase 1 of South Terminal C and Phase 1 Expansion of South Terminal C. The South Terminal Complex will also include a central energy plant, apron and airfield development for connectivity to taxiways and an aircraft fuel hydrant system for South Terminal C gates, and a ground support equipment maintenance facility.

For more detailed information about South Terminal C and the Authority's 2018 - 2025 Capital Improvement Program, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Status of Construction. Construction on Phase 1 of South Terminal C commenced in the first quarter of 2017 and the expected opening will be in Fall 2021. Construction on Phase 1 Expansion of South Terminal C commenced in the second quarter of 2018 and the expected opening will be in Fall 2022.

The Authority entered into a Construction Manager at Risk ("CMAR") Contract with two firms to construct portions of Phase 1 of South Terminal C and Phase 1 Expansion of South Terminal C: (a) the Turner-Kiewit Joint Venture (for the landside terminal building and the work associated with the apron and airfield) and (b) Hensel Phelps Construction (for the airside terminal building). Under this approach, each CMAR commits to deliver its portion of South Terminal C within a series of Guaranteed Maximum Price ("GMP") addendums to their base contract. After undergoing a value-engineering and a constructability review process with the CMARs, the Authority reached an estimated total cost for Phase 1 of South Terminal C and Phase 1 Expansion of South Terminal C of \$2.3 billion and \$718.9 million respectively, inclusive of direct soft costs, such as preconstruction services, program management, insurance, architecture and engineering services and contracts for related construction such as the baggage handling system. A series of GMP contracts with the CMARs have been negotiated and awarded and construction is approximately 80% bought-out as of August 28, 2019. The final GMP is currently anticipated to be submitted for Authority approval by the end of 2019 to mitigate exposure to further construction pricing escalation. The Authority expects the CMARs to have legally binding construction subcontracts for Phase 1 of South Terminal C and Phase 1 Expansion of South Terminal C by the end of 2019 once (a) all trade packages are bid to the subcontracting community and (b) the CMARs enter into construction contracts with subcontractors (after the Authority's financial, legal and committee reviews) for locked-in prices, including an agreed-upon contingency. In addition, the Authority has a team of authorized representatives that provide program and project management and a variety of other consultants providing review for contract and funding compliance. The estimated cost of South Terminal C includes the cost of all construction work, general conditions, construction manager fees, design and construction contingency, escalation, all soft costs, and owner contingency.

North Terminal Complex

The capacity enhancements, renovations and expansion for the North Terminal Complex included in the 2018 - 2025 Capital Improvement Program are designed to (a) increase the capacity limits of various North Terminal Complex functional elements (e.g., gates, curb, security checkpoint, baggage, etc.), (b) expedite international processing and (c) improve the overall travel experience. The existing North Terminal Complex provides 93 gates in the four Airsides. Following the implementation of at least four significant rounds of capacity expansion projects approved since 1997, the North Terminal Complex is now estimated to provide a capacity of 40 million annual passengers.

For more detailed information about the North Terminal Complex and the Authority's 2018 - 2025 Capital Improvement Program, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Other Projects

The Authority has identified a series of improvements included in the 2018 - 2025 Capital Improvement Program to maintain the airfield, which have been programmed to maximize FAA Airport Improvement Program and FDOT grant participation from Fiscal Year 2019 through Fiscal Year 2025. Ground transportation improvements include roadway system improvements, signage improvements, and rental car related improvements. Other improvements to the Airport include construction of an east apron fuel farm, wildlife attractant removal, and fiber infrastructure and information technology projects. For more detailed information about the Authority's 2018 - 2025 Capital Improvement Program, see "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" attached hereto.

Anticipated Funding for 2018 - 2025 Capital Improvement Program

The 2018 - 2025 Capital Improvement Program is expected to be funded through a combination of the proceeds of the Series 2019A Bonds, certain of the Outstanding Senior Bonds, the Proposed 2021 Bonds, federal grants in aid, FDOT participation grants, PFC Revenues, CFCs, Additional Bonds, third party sources and other Airport funds. The Authority may elect to defer, or to change, the funding plan for any of the projects. See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of 2018 - 2025 Capital Improvement Program" herein.

The following table provides a summary of the Authority's current expectations regarding the funding sources for the various portions of the 2018 - 2025 Capital Improvement Program (in thousands).

AIP Grants	Non-AIP Grants	Authority Funds	PFC Revenues (pay-as- you-go)	Outstanding Senior Bonds (payable from Available PFC Revenues)	Additional Bonds (payable from Available PFC Revenues ⁽¹⁾)	Outstanding Senior Bonds (payable from Net Revenues)	Additional Bonds (payable from Net Revenues) ⁽²⁾	Additional Subordinated Indebtedness	Other	Total:
\$106,112	\$187,033	\$170,385	\$429,239	\$188,627	\$946,868	\$193,377	\$702,832	\$845,000	\$347,018	\$4,116,491

⁽¹⁾ Includes an estimated \$725.0 million of net project proceeds from the Series 2019A Bonds.

⁽²⁾ Includes an estimated \$489.9 million of net project proceeds from the Series 2019A Bonds.

Source: Greater Orlando Aviation Authority as of October 2019.

The total amount of the 2018-2025 Capital Improvement Program remains unchanged at \$4.12 billion. For more information regarding the Authority's various sources of funding, including Revenues and grants, see "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Passenger Facility Charges" and " - Customer Facility Charges," "AUTHORITY FINANCIAL INFORMATION," "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER

CONSIDERATIONS" and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT" herein.

The Authority reassesses its capital needs at least annually and will modify the 2018 - 2025 Capital Improvement Program as necessary to accommodate demand-driven traffic activity, security needs, and other factors, which could result in increases or decreases to the 2018 - 2025 Capital Improvement Program, or extend or accelerate the timing to complete certain projects. See "CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS - Capacity of the Airport; Cost and Schedule of 2018 - 2025 Capital Improvement Program" herein.

REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT FORECAST

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

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

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

The following table, which has been extracted from the Report of the Airport Consultant, shows forecast Net Revenues available for debt service, the net debt service requirements on all Outstanding Senior Bonds, and Outstanding Subordinated Indebtedness and estimated debt service on the Series 2019A Bonds and the Proposed 2021 Bonds (which for purposes of the forecast are assumed to be issued as Senior Bonds) as well as forecasted debt service coverage on all Bonds and total indebtedness. The forecast indicates compliance with the rate covenant under the Amended and Restated Bond Resolution and Master Subordinated Indenture for each Fiscal Year of the Forecast Period.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Forecast Rate Covenant Compliance
for Fiscal Years 2019 - 2025
(in thousands, except Coverage)**

Fiscal Year	Net Revenues	Senior Bonds		Net Debt Service	Debt Service Coverage	Subordinated Indebtedness			Total Indebtedness Coverage
		Accrued Aggregate Debt Service ⁽¹⁾	Less Available PFC Revenues ⁽²⁾			Available Net Revenues ⁽³⁾	Priority Subordinated Indebtedness ⁽⁴⁾	Debt Service Coverage	
	A	B	C	B-C=D	=A/D	A-D=E	F	=E/F	A/[D+F]
2019	\$245,486	\$114,511	(\$30,934)	\$83,577	2.94	\$161,909	\$ 9,195	17.61	2.65
2020	243,269	129,437	(71,683)	57,754	4.21	185,515	10,050	18.46	3.59
2021	241,833	129,681	(71,912)	57,769	4.19	184,064	10,103	18.22	3.56
2022	236,673	161,382	(86,201)	75,181	3.15	161,492	53,535	3.02	1.84
2023	238,872	176,773	(86,352)	90,421	2.64	148,451	63,006	2.36	1.56
2024	235,155	173,007	(86,346)	86,661	2.71	148,494	63,062	2.35	1.57
2025	234,399	172,993	(86,383)	86,610	2.71	147,789	63,117	2.34	1.57

- (1) Includes actual debt service on all Outstanding Senior Bonds, and estimated debt service on the Series 2019A Bonds and the Proposed 2021 Bonds, which for purposes of the forecast are assumed to be issued as Senior Bonds (as provided by Raymond James), net of capitalized interest.
- (2) Represents debt service expected to be paid from Available PFC Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS - Available PFC Revenues" herein for a discussion of the provisions of the Amended and Restated Bond Resolution relating to the designation by the Authority of PFC Revenues as Available PFC Revenues to pay debt service on a portion of the Series 2019A Bonds and other Outstanding Senior Bonds which financed or refinanced PFC-eligible projects.
- (3) Pursuant to the Master Subordinated Indenture, Available Net Revenues consist of all Revenues of the Authority remaining after all deposit requirements in clauses (1), (2) and (3) of Section 405.1 of the Amended and Restated Bond Resolution (providing for payment of the Authority's operation and maintenance expenses, debt service on the Bonds and funding the debt service reserve fund for the Bonds) have been satisfied.
- (4) Includes actual debt service on all Outstanding Subordinated Indebtedness. PFC Revenues are not currently pledged to pay principal and interest on any Outstanding Subordinated Indebtedness.

Source: Debt service: Greater Orlando Aviation Authority and Raymond James.
Net Revenues, Available Net Revenues, and coverage: LeighFisher.

CERTAIN FACTORS AFFECTING THE AIR TRANSPORTATION INDUSTRY AND OTHER CONSIDERATIONS

The information in this section describes certain factors affecting the air transportation industry and other considerations which may impact the payment of or security for the Outstanding Senior Bonds and the Outstanding Subordinated Indebtedness. The following discussion is not meant to be an exhaustive list of the factors affecting the air transportation industry and other considerations which may impact the payment of or security for the Series 2019A Bonds and does not necessarily reflect the relative importance of the various factors. Investors are advised to consider the following factors along with all other information described in this Official Statement or incorporated by reference herein when evaluating the Series 2019A Bonds.

General Economic and Political Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. Past recessions in the U.S. economy and associated high unemployment reduced discretionary income and negatively impacted airline travel demand. With the globalization of business and the increased importance of international trade and tourism, the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at major U.S.

airports. Concerns about hostilities and other perceived security and public health risks also affect travel demand to particular international destinations. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions as well as national and global economic growth. Traffic at the Airport is also sensitive to growth in the population and fluctuations in the local economy of the area served by the Airport.

In 2017, President Trump issued Presidential Proclamation 9645, as amended, which currently imposes travel restrictions on Iran, Iraq, Libya, North Korea, Somalia, Syria, Venezuela, and Yemen. Such proposed travel restrictions were challenged and upheld by the U.S. Supreme Court on June 26, 2018. It is important to note that such travel restrictions primarily affect travel to the United States from such countries, which account for an insignificant percentage of all international travelers to the United States and the Airport. Sustained future increases in passenger traffic at the Airport will depend on global economic growth, stable and secure international conditions, and government policies that do not unreasonably restrict international travel.

Financial Health of the Airline Industry

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

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

The aviation industry is cyclical and subject to intense competition and variable demand. The airlines are vulnerable to fuel price spikes, labor activity, recession and external shocks (such as terrorism, pandemics, military conflicts and natural disasters). As a result, airline financial performance can fluctuate dramatically from one reporting period to the next. The Authority

makes no representation with respect to the continued viability of any of the carriers serving the Airport, airline service patterns, or the impact of any airline failures on Authority revenues.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

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

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

Airline Industry Consolidation, Competition and Airfares

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

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to allow increased airfares, and stable fuel prices. Consolidation of the U.S. airline industry has resulted from the acquisition of Trans World by American (2001), the merger of US Airways and America West (2005), the merger of Delta Air Lines and Northwest (2009), the merger of United Airlines and Continental (2009), the acquisition of AirTran by Southwest (2011), and the merger of American and US Airways (2013), and the acquisition of Virgin America by Alaska Airlines (2016). Such consolidation has resulted in four airlines (American Airlines, Delta Air Lines, Southwest Airlines, and United Airlines) accounting for approximately 80% of domestic seat-mile capacity and is expected by airline

industry analysts to contribute to industry profitability. However, any resumption of financial losses could cause U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide.

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

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

Growth of Low Cost Carriers and Ultra Low Cost Carriers

Low cost carriers ("LCCs"), which include jetBlue Airways and Southwest Airlines, and ultra low cost carriers ("ULCCs"), which include Frontier Airlines, Spirit Airlines, Sun Country Airlines and Allegiant Airways, are carriers that take advantage of an operating cost structure that is significantly lower than the cost structure of the network carriers. These advantages can include lower labor costs, greater labor flexibility, a streamlined aircraft fleet (i.e., fewer different types of aircraft in a given airline's fleet) and a generally more efficient operation. These low costs suggest that the LCCs and ULCCs can offer a lower fare structure to the traveling public than network carriers while still maintaining profitability. LCCs and ULCCs accounted for all of the growth in domestic passengers at the Airport between Fiscal Year 2000 and Fiscal Year 2018, increasing an average of 7.2% and 13.6% per year, respectively, offsetting decreases by network airlines during this period (an average decrease of 1.7% per year). In recent years, ULCCs have accounted for an increasing share of total enplaned passengers at the Airport, with 4.0% in Fiscal Year 2010, 10.4% in Fiscal Year 2016 and 16.6% in Fiscal Year 2018. See "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM - Airlines Serving Orlando International Airport" herein for more information about LCCs and ULCCs.

As the larger U.S. carriers consolidated and became more focused on capacity discipline, fare increases took hold. LCCs began to emerge in larger markets where passenger levels were high enough for the LCCs to overcome certain barriers to entry caused by the larger carriers such as, for example, control of the majority of airport gates and slots. The cost structure of LCCs allows for lower fares, which has stimulated traffic and driven LCCs into more and larger markets. One result of the consolidation of carriers and their capacity discipline and the associated fare increases is that certain price-sensitive travelers are flying less. Recently, these budget conscious

flyers have emerged as an underserved segment which has helped to expand the LCC market to include the ULCCs, such as Allegiant Airways, which services Sanford International Airport, and Spirit Airlines. See "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM - Airline Market Shares" herein for more information about historical Airline market shares at the Airport.

Aviation Safety and Security Concerns

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

Following the fatal crashes of B-737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft's automated flight control system, all B-737 MAX aircraft were grounded in March 2019. Among North American airlines, Air Canada, American, Southwest, and United are being affected. At the time of the grounding, B-737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity. In Fiscal Year 2019, B-737 MAX aircraft are estimated to account for 0.9% of seat capacity at the Airport. The grounding is expected to last several more months, however, the grounding has not caused significant numbers of flight cancellations at the Airport. It is expected that the grounding will last several months while the flight control system software is updated and approved by the FAA and pilot training is completed.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other safety concerns. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Airline Service and Routes

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

The United States has pursued a policy of open skies civil aviation relationships with our international partners since 1992. The U.S. has signed more than 100 open skies agreements

("Open Skies Agreements") with various countries and the European Union since that time. Open Skies Agreements eliminate certain government interference in the commercial decisions of air carriers about routes, capacity, and pricing, freeing carriers to provide more affordable, convenient, and efficient air service for consumers.

In 2015, the Partnership for Open & Fair Skies, which is a coalition composed of American Airlines, Delta Air Lines, and United Airlines, along with several pilots associations, claimed that two state owned airlines based in the United Arab Emirates (Emirates and Etihad Airways) and one in Qatar (Qatar Airways) (collectively, the "Gulf Carriers") have funded their rapid expansion into U.S. airports through large subsidies from their respective government owners and that U.S. airlines cannot compete without intervention by the U.S. government. These U.S. airlines are joined in their objection by their respective employee labor unions, certain political leaders, and other interested parties. The remedy sought is to limit the access of the Gulf Carriers into the U.S. markets, thereby limiting the ability of the Gulf Carriers to expand service into markets already served by those carriers including the Airport.

The Gulf Carriers have denied the accusations, disputed several claims by the U.S. airlines, and explained the investments made by their shareholders who, in some instances, are their national governments. The Gulf Carriers are supported in their position by certain other U.S. carriers (including FedEx, jetBlue Airways and Hawaiian), certain political leaders, and other interested parties (including the Airports Council International - North America, the Business Travel Coalition, and the Authority).

In response to these claims, the U.S. DOT opened a federal docket to accept comments on the subject. The comment period has ended and to date, the U.S. DOT has offered no indication on potential next steps. The filings will be jointly reviewed by the U.S. Commerce, State, and Transportation departments.

On July 18, 2019, the CEOs of United Airlines and American Airlines met with President Trump to discuss the ongoing violations of the Open Skies Agreements by Qatar Airways. At this time it is not known what, if any, action the U.S. DOT will take on this issue or the implications on future additional service to the Airport by the Gulf Carriers. If the U.S. DOT complies with the demands of American Airlines, Delta Air Lines and United Airlines, new air service direct to Orlando by Gulf Carriers could be limited. The only service by the Gulf Carriers to the Airport as of the date of this Official Statement is the existing Emirates flight to Dubai.

Capacity of the National Air Traffic Control System

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

Capacity of the Airport; Cost and Schedule of 2018 - 2025 Capital Improvement Program

In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at the Airport will depend on the capacity at the Airport itself. The estimated costs of and the projected schedule for the 2018 - 2025 Capital Improvement Program and any other projects planned by the Authority are subject to a number of uncertainties. The ability of the Authority to complete such projects may be adversely affected by various factors including, without limitation: (a) estimating errors, (b) design and engineering errors, (c) changes to the scope of the capital improvements, (d) delays in contract awards, (e) material and/or labor shortages, (f) unforeseen site conditions, (g) adverse weather conditions, (h) contractor defaults, (i) labor disputes, (j) unanticipated levels of inflation, (k) litigation, (l) delays in permitting and (m) environmental issues. No assurance can be given that any portion of the 2018 - 2025 Capital Improvement Program will not cost more than currently estimated. Any schedule delays or cost increases could result in the need to issue additional indebtedness and may result in increased costs per enplaned passenger to the airlines utilizing the Airport. Construction of large projects at airports also involves the risk of disruption of ongoing operations and a resultant reluctance on the part of passengers and airlines to use the Airport. The successful implementation of the Authority's 2018 - 2025 Capital Improvement Program requires the issuance of additional indebtedness and the receipt of future revenues. No assurance can be given that these sources of funding will be available in the amounts or on the assumed schedule. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including extensive federal legislation and regulations, including, without limitation, the provisions of the Transfer Agreement, the Rate Resolution, Revenue Sharing Agreements, the federal acts authorizing the imposition, collection and use of PFC revenues and extensive federal legislation and regulations applicable to all airports in the United States.

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

Passenger Facility Charges

Termination of PFCs. The Authority's legal authority to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and each PFC application. If the Authority fails to comply with these requirements, the FAA may take action to terminate or to reduce the Authority's legal authority to impose or to use PFCs. Some of the events that could cause the Authority to violate these provisions are not within the Authority's control. In addition, failure to comply with the provisions of certain federal aviation noise acts may lead to termination of the Authority's authority to impose PFCs. Further, the FAA may terminate the

Authority's ability to collect PFCs to support payment of debt service on any Bonds attributable to PFC Projects on the fifth anniversary of the completion of formal termination proceedings.

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

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

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

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

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

depending on the PFC level at the Airport and the actual number of eligible enplaned passengers at the Airport.

FAA Reauthorization and Federal Funding

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

The AIP, which provides grants to airports for airport safety, capacity, security and environmental projects is funded at \$3.35 billion in mandatory funding for all five years, which continues AIP funding at the same level since 2012, when Congress last passed a FAA reauthorization. Although the PFC cap of \$4.50 per flight segment was not increased, the FAA Reauthorization Act included provisions to increase the flexibility of funds raised and reduce delays related to project approval. The AIP provides federal capital grants to support airport infrastructure through entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set asides and the national priority ranking system). The Authority is unable to predict the level of AIP funding at this time. If there is a reduction in the amount of AIP grants awarded to the Authority for the Airport, it could: (a) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues, and proceeds of Senior Bonds, Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness), (b) extend the timing to complete certain projects, or (c) reduce the scope of individual proposed projects or the overall program, or a combination of the foregoing. See "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES - Federal Grants-In-Aid" herein for more information regarding federal grant funding received by the Authority.

Over the years, the authorization and funding for the FAA and various components of its operations have not been consistently approved on a long-term basis. In the past, Congress has enacted continuing resolutions which provided temporary funding for the FAA and its programs and the FAA endured a brief shutdown when a lapse in continuing authority terminated funding for non-essential operations. Failure of Congress to approve legislation reauthorizing the operating authority of the FAA, or adverse changes in the conditions placed on such authority, may have an adverse impact on Airport operations. There can be no assurance that Congress will enact and the President will sign a new comprehensive, long-term FAA reauthorization act when the FAA Reauthorization Act expires. Failure to adopt such legislation could have a material, adverse impact on U.S. aeronautical operations and the Airport, generally, as well as on the AIP grant program and other sources of federal funds.

Availability of Airline Financial and Operating Data

Certain of the Airlines or their parent corporations, are subject to the information reporting requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), and as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements may be inspected in the Public Reference Room of the SEC at Room 1024,

Judiciary Plaza, 450 Fifth Street, NW, Washington, DC 20549, and at the SEC's regional offices at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661 2511 and 233 Broadway, New York, NY 10279. Copies of these reports and statements also may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, NW, Washington, DC 20549, at prescribed rates. The SEC maintains a website at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. DOT. These reports are typically available at the websites of the individual airlines and may be inspected at the following location: Department of Transportation, Research and Special Programs Administration, Office of Airlines Statistics at Room 4125, 400 7th Street, SW, Washington, DC 20590, and copies of the reports may be obtained from the U.S. DOT at prescribed rates.

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

Structural Changes in the Travel Market

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

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

airlines or concessionaires would be financially able to absorb the additional costs) and may result in delays or reductions in payments on Authority Indebtedness (including the Series 2019A Bonds).

Other possible effects of a bankruptcy of an airline or concessionaire include, but may not be limited to, delays or reductions in revenues received by the Authority and potentially in delays or reductions in payments on the Series 2019A Bonds. Regardless of any specific adverse determinations in an airline or concessionaire bankruptcy proceeding, the fact of an airline bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2019A Bonds. The Authority has not incurred any material losses from recent airline bankruptcies.

Air Berlin filed for bankruptcy protection on August 15, 2017. At this time, the Authority considers any potential loss of revenue from Air Berlin to be immaterial.

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

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

In the past, the U.S. Centers for Disease Control and Prevention (the "CDC") has also issued travel alerts relating to health issues, including disease outbreaks. Currently, the Airport is not in an area of concern identified by the CDC. However, future travel alerts issued by the CDC may lead to a decrease in air traffic, at least for a temporary period, which in turn could cause a decrease in passenger activity at the Airport and a corresponding decline in Authority revenues. The Authority has plans and procedures in place that are intended to mitigate the potential impacts on the Airport of any such future travel alerts. The Authority is unable to predict how serious a future disease outbreak may become, what effect it may have on air travel to and from the Airport, and whether any such effects will be material.

Climate Change Issues and Possible New Regulation

Climate change concerns are shaping laws and regulations at the federal and State levels that could have a material adverse effect on airlines operating at the Airport and could also affect ground operations at the Airport. Studies report that airplane emissions equal approximately 12% of all U.S. transportation and more than 3% of total U.S. greenhouse gas emissions. While the U.S. Environmental Protection Agency (the "EPA") does not currently regulate greenhouse gas ("GHG") emissions from aircrafts, it could do so in the future. When drafting aircraft emission regulations, the EPA must consult with the Administrator of the FAA and the Secretary of Transportation, and such regulations must not significantly increase noise or adversely affect

safety. The President may also disapprove if the Secretary of Transportation advises that the regulations create a hazard to aircraft safety. The Authority can provide no assurance as to the likelihood or potential impact of any such future proposed or enacted regulations.

Peer-to-Peer Car Sharing Rental Activities

The Authority is aware that certain companies are making rental cars available to Airport travelers under a so-called peer-to-peer car sharing scheme without a permit or agreement with the Authority. The Authority considers these arrangements to be in violation of the Authority's Ground Transportation Rules and Regulations (the "GTR&Rs") and in violation of applicable City ordinances. The Authority is monitoring the activities of these companies at the Airport and reviewing the GTR&Rs to make the necessary amendments to clarify the Authority's ability to control all commercial activities on property of the Airport and the Authority's right of enforcement at such time as the Authority deems appropriate.

Cybersecurity

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

Forward-Looking Statements

This Official Statement contains certain "forward-looking statements" concerning the Authority's operations, performance and financial condition, including the Authority's future economic performance, plans and objectives and the likelihood of success in developing and expanding the Airport. These statements are based upon a number of assumptions and estimates which are subject to uncertainties, many of which are beyond the control of the Authority. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

LITIGATION

There is no litigation now pending or, to the knowledge of the Authority, threatened against the Authority which restrains or enjoins the issuance or delivery of the Series 2019A Bonds or the use of the proceeds of the Series 2019A Bonds or which questions or contests the validity of the Series 2019A Bonds or the proceedings and authority under which they are to be issued, executed

and delivered. Neither the creation, organization, nor existence of the Authority, nor the title of the present members or other officials of the Authority to their respective offices, is being currently contested or questioned to the knowledge of the Authority.

The Authority, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Authority, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of the Authority, threatened against the Authority or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Airport. All litigation where the risk of adverse judgment is estimated to exceed \$15 million is disclosed below:

Claims by Walbridge Aldinger Company. Walbridge Aldinger Company ("Walbridge"), is the general contractor on a construction project at the Airport, BP-432, Optimization of Pods "C" and "D" Baggage Handling System. Walbridge has raised a claim on this project which claim is discussed in more detail below.

Walbridge has raised alleged delay and impact claims in excess of \$17.1 million (the amounts alleged by Walbridge have increased over the course of the project) on a project with a contract value of \$36,664,543 (inclusive of change orders and construction change directives), the Authority has been served with two successive lawsuits in the Circuit Court of the Ninth Judicial Circuit in and for Orange County, Florida. The first of these lawsuits was served on September 22, 2016, and was subsequently dismissed; the second was served on July 14, 2017, and remains pending.

The claims on this project arise from allegations of unforeseen conditions, owner-caused schedule delays and errors and omissions in the design plans and specifications. The claims include claims from subcontractors, including in excess of \$6.4 million in claims from an electrical subcontractor (an alleged amount that has increased over the course of the project). Walbridge has not yet presented a final, contractually-compliant claim, thus the total value of its claims is difficult to discern. The Authority vigorously contests the claims, including that the claims were properly and timely presented in accordance with the contract documents and that the claims (or parts thereof) have been resolved by prior change orders, and contests the underlying facts raised by Walbridge. The first lawsuit raised these claims, but also alleged that the Authority breached its contract with Walbridge by, among other things, failing to manage and control design professionals and professional consultants, failing to ensure that contract modifications and payments were processed timely and in good faith, failing to credit Walbridge with completion of the project, expanding Walbridge's contract responsibilities, and interfering with its employee and subcontract relationships. For these alleged breaches, Walbridge sought an unspecified amount of damages and appeared to seek a determination that Walbridge be released from any liability, including responsibilities to perform warranty and corrective work. The first lawsuit was voluntarily dismissed by Walbridge without prejudice. By the second - now pending - lawsuit, Walbridge initially alleged that a partial termination for convenience that removed the Pod "C" work from the BP-432 contract entitled Walbridge to recovery of all costs expended by Walbridge on this project, but has amended its complaint to focus on several allegations including, among others, problems with the design, failure to pay sums due (including retainage), demanding

additional work, failing to properly submit a punch list, and improperly using a schedule of values; Walbridge seeks unspecified damages. The Authority intends to aggressively defend against Walbridge's claims. While it is too premature in the litigation to render an assessment on the merits, the Authority will defend the claims both on factual merit and contractual entitlement, noting that Walbridge has failed to comply with and has breached the contract both in terms of performance and by failing to properly and timely submit claims for evaluation. Also on this project, the credit due the Authority from the Pod "C" removal and the necessary schedule adjustment are also in dispute, with a difference of opinion totaling approximately \$3.1 million and 80 days.

The Authority has filed counterclaims against Walbridge and its sureties. The Authority intends to assess liquidated damages arising out of Walbridge's significant delay in completing this project; while the full extent of the liquidated damages assessment will not be known until work is complete, it could exceed \$2,541,850 (calculated with a hypothetical completion date of June 30, 2017). The Authority is also asserting claims for Walbridge's failure to timely or successfully complete testing required by the TSA, for Walbridge's failure and refusal to perform or complete certain outstanding items of work, for any credits that Walbridge has failed to account for, and for any defects or deficiencies in the work performed. The Authority intends to aggressively pursue any claim against Walbridge, but is unable to state with certainty the value of such claims or the Authority's likelihood of recovery because the project is not yet closed and because the Authority's assessment is ongoing.

Prior to the lawsuit, the parties agreed to submit all claims to an alternative, non-binding dispute resolution process prior to litigation. This process involves assessment of the parties' contentions by a third-party Dispute Review Board ("DRB") that issues recommended resolutions to the parties' claims. This process was pending when Walbridge filed the lawsuit, but had not definitively resolved any issues. The parties had not yet decided the next set of issues to be raised to the DRB, and certain of the issues in the lawsuit had not been raised to the DRB before Walbridge filed the first lawsuit. As stated above, Walbridge voluntarily dismissed the lawsuit without prejudice and has now brought a second lawsuit; the Authority moved to dismiss this lawsuit, or, in the alternative, compel completion of the DRB process. At a September 19, 2018, hearing, the Court denied the Authority's motion (both as to dismissal and as to the Authority's request to compel completion of the DRB process), and an appellate court has denied review. On January 29, 2018, the parties engaged in an all-day, voluntary mediation, but did not reach a settlement.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Series 2019A Bonds, including investment restrictions, a requirement of periodic payments of arbitrage profits to the Treasury of the United States of America, requirements regarding the timely and proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority has covenanted to comply with all requirements of the Code that must be satisfied in order for the interest on the Series 2019A

Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Series 2019A Bonds to be included in gross income retroactive to the date of issuance of the Series 2019A Bonds.

Subject to the condition that the Authority will comply with the pertinent requirements of the Code, in the opinion of Co-Bond Counsel, under present law, (a) interest on the Series 2019A Bonds is excluded from the gross income of the holders thereof for federal income tax purposes, except that such exclusion shall not apply during any period while a Series 2019A Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 2019A Bonds or a "related person" within the meaning of Section 147(a) of the Code, and (b) interest on the Series 2019A Bonds is an item of tax preference for purposes of the federal alternative minimum tax.

As to questions of fact material to the opinion of Co-Bond Counsel, Co-Bond Counsel will rely upon representations and covenants made on behalf of the Authority in the Bond Resolution, other finance documents, certificates of appropriate officers of the Authority and certificates of public officials (including certifications as to the use of Series 2019A Bond proceeds and of the property refinanced thereby), without undertaking to verify the same by independent investigation.

The Code contains numerous provisions which could affect the economic value of the Series 2019A Bonds to certain Series 2019A Bondholders. Prospective Series 2019A Bondholders, however, should consult their own tax advisors with respect to the impact of such provisions on their own tax situations.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2019A Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2019A Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2019A Bonds to the Treasury of the United States of America. Noncompliance with such provisions may result in interest on the Series 2019A Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Co-Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2019A Bonds. Prospective purchasers of Series 2019A Bonds should be aware that the ownership of Series 2019A Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2019A Bonds may result in collateral tax consequences to various types of corporations relating to (a) denial of interest deduction to purchase or carry such Series 2019A Bonds, (b) the branch profits tax, and (c) the inclusion of interest on the Series 2019A Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2019A Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2019A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE

BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Series 2019A Bonds may be subject to state or local income taxation under applicable state or local laws in some jurisdictions. Purchasers of the Series 2019A Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2019A Bonds in their particular state or local jurisdiction.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2019A Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2019A Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2019A Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2019A Bonds. For example, proposals have been discussed in connection with deficit spending reduction, job creation and other tax reform efforts, that could significantly reduce the benefit of, or otherwise effect the exclusion from gross income of, interest on obligations such as the Series 2019A Bonds. The further introduction or enactment of one or more of such proposals could affect the market price or marketability of the Series 2019A Bonds.

Original Issue Discount

Certain of the Series 2019A Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2019A Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. A purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bonds and will increase its adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such

Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

Certain of the Series 2019A Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2019A Bonds and the issuance thereof by the Authority are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and D. Seaton and Associates, P.A., Orlando, Florida, as Co-Bond Counsel. The proposed form of the opinions of Co-Bond Counsel is attached hereto as APPENDIX E. The actual legal opinions to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of their date and subsequent distribution thereof by recirculation of the Official Statement or otherwise shall create no implication that Co-Bond Counsel has reviewed or expresses any opinions concerning any of the matters referenced in the opinions subsequent to their date.

Co-Bond Counsel has not been engaged to, nor have they undertaken to review (a) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2019A Bonds, or (b) the compliance with any federal or state law with regard to the sale or distribution of the Series 2019A Bonds, except that Co-Bond Counsel will state to the Underwriters and the Authority at closing, that they have reviewed the information in the sections hereof entitled "DESCRIPTION OF THE SERIES 2019A BONDS" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019A BONDS," and in "APPENDIX B - AMENDED AND RESTATED BOND RESOLUTION" attached hereto, and to the extent such statements purport to summarize certain provisions of the Amended and Restated Bond Resolution or the Subordinated Indenture, such statements are fair and accurate summaries of the provisions purported to be summarized. Co-Bond Counsel will also state they have reviewed

the information under the caption "TAX MATTERS" and that the statements contained therein are accurate.

Certain legal matters will be passed on for the Authority by Nelson Mullins Riley & Scarborough LLP, Issuer's Counsel to the Authority and, Greenberg Traurig, P.A., Orlando, Florida, and Ruye H. Hawkins, P.A., Orlando, Florida, Co-Disclosure Counsel. Certain legal matters in connection with the Series 2019A Bonds will be passed on for the Underwriters by their Co-Counsel, Bryant Miller Olive P.A., Orlando, Florida and Virtus LLP, Orlando, Florida, upon which only the Underwriters may rely.

CONTINUING DISCLOSURE

To assist the Underwriters in complying with paragraph (b)(5) of the Rule, simultaneously with the issuance of the Series 2019A Bonds, the Authority will enter into a Continuing Disclosure Agreement with DAC, as initial dissemination agent, under which the Authority will provide continuing disclosure with respect to the Series 2019A Bonds, substantially in the form attached hereto as "APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT." The Authority, as an "obligated person" under the Rule, has covenanted in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the Airport System and the Series 2019A Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of certain enumerated events, when and if they occur, shall be timely filed by DAC, on behalf of the Authority, with EMMA. The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the Authority's undertaking are more fully described in "APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. Notwithstanding any other provision of the Bond Resolution, failure of the Authority to comply with such Continuing Disclosure Agreement shall not be considered an event of default under the Bond Resolution.

RATINGS

S&P Global Ratings ("S&P"), Fitch Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Kroll Bond Rating Agency, Inc. ("Kroll," and collectively with S&P, Fitch and Moody's, the "Rating Agencies") have assigned ratings of "AA-," "AA-," "Aa3," and "AA," respectively, to the Series 2019A Bonds. Such ratings reflect only the views of said Rating Agencies at the time such ratings were issued and an explanation of the significance of such ratings may be obtained only from said Rating Agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such Rating Agencies, or any one of them, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Series 2019A Bonds. The Authority has not undertaken any obligation to oppose any proposed downward revision, or withdrawal of such ratings.

S&P GREEN EVALUATION

On September 9, 2019, S&P assigned its Green Evaluation score of "E-1 (78)" (the "Green Evaluation Score") to the Series 2019A Bonds, which Green Evaluation Score is an asset-level environmental credential based on the use of proceeds and governance and transparency associated with the Series 2019A Bonds and not a credit rating. E1 is the strongest Green Evaluation Score on a scale of E1 (the highest) and E4 (the lowest) and reflects a point-in-time assessment by S&P reflecting the information available to S&P at the time the Green Evaluation Score was assigned and published. The Green Evaluation Score is based solely on S&P's evaluation criteria described in its Green Evaluation Report (the "Green Evaluation Report"), and does not and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Series 2019A Bonds. S&P's assignment of the Green Evaluation Score to the Series 2019A Bonds is not a recommendation to purchase, hold or sell the Series 2019A Bonds, and such evaluation does not address the market price or suitability of the Series 2019A Bonds to a particular investor. The Series 2019A Bonds will not be labeled "green bonds."

The Authority undertakes no responsibility for the accuracy or completeness of the information in the Green Evaluation Report or the Green Evaluation Score or to report any changes to or withdrawals thereof. There is no assurance that the Green Evaluation Score will remain unchanged for any given period of time or that it will not be revised or withdrawn entirely by S&P. Furthermore, the Authority has not agreed to provide any information relating to the Series 2019A Bonds, including information that would reasonably be expected to materially adversely affect the Green Evaluation Score or the matters described in the Green Evaluation Report.

The Green Evaluation Score reflects only the views of S&P and an explanation of the significance of such score may only be obtained from S&P.

UNDERWRITING

BofA Securities, Inc. ("BofA Securities"), together with the other underwriters named on the cover of this Official Statement (collectively the "Underwriters") have agreed pursuant to that certain Bond Purchase Agreement by and between the Authority and the Underwriters that the aggregate purchase price of the Series 2019A Bonds payable to the Authority is \$1,321,372,955.93 (which represents the aggregate par amount of \$1,135,370,000.00, less an Underwriters' discount of \$3,327,226.22, plus net original issue premium of \$189,330,182.15). The Underwriters are committed to purchase all the Series 2019A Bonds, if any are purchased. The Series 2019A Bonds are offered for sale to the public at the prices derived from the yields set forth on the inside cover page of this Official Statement. The Series 2019A Bonds may be offered and sold to certain dealers (including dealers depositing Series 2019A Bonds into investment trusts) at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

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

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment

banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the Authority and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities may distribute Series 2019A Bonds to MLPF&S, which may in turn distribute such Series 2019A Bonds to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2019A Bonds.

Citigroup Global Markets Inc., an underwriter of the Series 2019A Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

J.P. Morgan Securities LLC ("JPMS") has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLP ("LPL") for the retail distribution of Series 2019A Bonds to the retail customers of CS&Co. and LPL at the original issue prices. As compensation to CS&Co. and LPL, JPMS will share a portion of the selling concession with CS&Co. and LPL.

Jefferies LLC has entered into an agreement (the "Distribution Agreement") with E*TRADE Securities LLC ("E*TRADE") for the retail distribution of the Series 2019A Bonds. Pursuant to the Distribution Agreement, Jefferies LLC will sell Series 2019A Bonds to E*TRADE and will share a portion of its selling concession compensation with E*TRADE.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the

Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the underwriters of the Series 2019A Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2019A Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2019A Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2019A Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Drexel Hamilton, LLC, has entered into a distribution agreement with Multi-Bank Securities, Inc., ("MBS"). Under such distribution agreement, MBS may purchase Series 2019A Bonds from Drexel Hamilton, LLC at the original issue price less a negotiated portion of the selling concession applicable to any Series 2019A Bonds that MBS sells.

Morgan Stanley & Co. LLC, one of the underwriters of the Series 2019A Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2019A Bonds.

FINANCIAL STATEMENTS

The Authority's financial statements for the Fiscal Years ended September 30, 2018 and 2017, included in APPENDIX D attached hereto, have been audited by Moore Stephens Lovelace, P.A., as stated in their report also included in APPENDIX D attached hereto. Moore Stephens Lovelace, P.A., the Authority's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in APPENDIX D any procedures on the financial statements addressed in that report. Moore Stephens Lovelace, P.A., also has not been engaged to perform and has not performed any procedures relating to this Official Statement.

CO-MUNICIPAL ADVISORS

Raymond James & Associates, Inc., Winter Park, Florida, Frasca & Associates, LLC, Orlando, Florida, and National Minority Consultants, Inc., Orlando, Florida, serve as co-municipal advisors to the Authority (collectively, the "Co-Municipal Advisors"). Although the Co-Municipal Advisors assisted the Authority in the preparation of this Official Statement, and in other matters relating to the planning, structuring and issuance of the Series 2019A Bonds and provided other advice, the Co-Municipal Advisors are not obligated to undertake and have not undertaken to make

an independent verification of the accuracy, completeness or fairness of the information or statements contained in this Official Statement or the appendices hereto. The Co-Municipal Advisors did not engage in any underwriting activities with regard to the sale of the Series 2019A Bonds.

DISCLOSURE OF MULTIPLE ROLES

The Authority intends to use a portion of the proceeds from the issuance of the Series 2019A Bonds to repay certain of the Existing Lines of Credit along with associated accrued interest.

BofA Securities and Wells Fargo & Company (parent company of Wells Fargo Bank, National Association ("Wells Fargo")) are each acting as an underwriter in connection with the offering of the Series 2019A Bonds, and their respective parent companies or affiliates, as appropriate (collectively, the "Affiliates") also serve as line of credit providers for four of the Existing Lines of Credit. Each of the Affiliates, as applicable, may receive a portion of the proceeds from the issuance of the Series 2019A Bonds in connection with the repayment by the Authority of the outstanding amounts under the related Existing Lines of Credit.

Conflicts of interest could arise by reason of the different capacities in which the BofA Securities and Wells Fargo entities act in connection with the Series 2019A Bonds and repayment of the Existing Lines of Credit.

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 they have issued, whether as the principal obligor or as a conduit.

MISCELLANEOUS

There are appended to this Official Statement the Report of the Airport Consultant (APPENDIX A), the Amended and Restated Bond Resolution (APPENDIX B), the Rate Resolution and form of Revenue Sharing Agreement (APPENDIX C), the Audited Financial Statements and Report of the Independent Auditors thereon for the Fiscal Years ended September 30, 2018 and 2017 (APPENDIX D), the proposed form of Co-Bond Counsel Opinions (APPENDIX E), and the proposed form of Continuing Disclosure Agreement (APPENDIX F). Such Appendices are integral parts of this Official Statement and should be read together with all other parts of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or of estimates or 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. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2019A Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**AUTHORIZATION OF AND CERTIFICATION
CONCERNING OFFICIAL STATEMENT**

This Official Statement has been authorized and approved by the Authority. Upon the delivery of the Series 2019A Bonds, each of the undersigned will furnish a certificate on behalf of the Authority to the effect that, to the best of their knowledge, this Official Statement did not, as of its date, and does not as of the date of delivery of the Series 2019A 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/ Domingo Sanchez
Domingo Sanchez, Chairman

By: /s/ Phillip N. Brown
Phillip N. Brown, Chief Executive Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

[THIS PAGE INTENTIONALLY LEFT BLANK]

Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

ORLANDO INTERNATIONAL AIRPORT

AIRPORT FACILITIES REVENUE BONDS, SERIES 2019A (AMT)

Prepared for

Greater Orlando Aviation Authority
City of Orlando, Florida

Prepared by
LeighFisher
Burlingame, California

September 9, 2019

[THIS PAGE INTENTIONALLY LEFT BLANK]

September 9, 2019

Mr. Domingo Sanchez
Chairman
Greater Orlando Aviation Authority
Orlando International Airport
One Airport Boulevard
Orlando, FL 32827-4399

Re: Report of the Airport Consultant, Greater Orlando Aviation Authority, Airport Facilities Revenue Bonds, Series 2019A (AMT), of the City of Orlando, Florida

Dear Mr. Sanchez:

We are pleased to submit this Report of the Airport Consultant in connection with the proposed issuance of the Airport Facilities Revenue Bonds, Series 2019A (AMT) (the 2019 Bonds), by the Greater Orlando Aviation Authority (the Authority), an agency of the City of Orlando, Florida (the City), to fund a portion of the costs of the South Terminal Complex (STC) and other capital improvements at Orlando International Airport (the Airport). This letter and the accompanying attachment and exhibits constitute our report.

The 2019 Bonds are being issued under the Amended and Restated Airport Facilities Revenue Bond Resolution (the Senior Bond Resolution), as amended and restated on September 16, 2015, and effective on May 1, 2017, as amended and supplemented from time to time. Bonds issued by the Authority under the Senior Bond Resolution (Senior Bonds) are secured by a pledge of and first lien on Pledged Funds, which includes Revenues of the Airport System plus Available Passenger Facility Charge (PFC) Revenues.

Capitalized terms used in this report and not otherwise defined have the meanings given to such terms in the Senior Bond Resolution or the preliminary official statement related to the 2019 Bonds.

The net proceeds of the 2019 Bonds, and certain investment earnings thereon, will be used to (1) finance a portion of the costs of Phase 1 and Phase 1 Expansion (Phase 1X) of the STC and other capital improvements (as described below), (2) make a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein to equal the Composite Reserve Requirement, (3) fund capitalized interest on a portion of the 2019 Bonds, (4) repay certain draws on the Authority's lines of credit (the Lines of Credit), along with associated accrued interest related to the capital improvements being financed by the 2019 Bonds, and (5) pay certain costs of issuance of the 2019 Bonds.

The report presents our forecast of passengers enplaning at the Airport and evaluates the ability of the Authority to generate Net Revenues sufficient to satisfy the requirements of the Rate Covenant (defined below) and Available Net Revenues to satisfy the Subordinate Rate Covenant (also defined below) for the forecast period FY 2019 through FY 2025* taking into account all outstanding Senior Bonds and Subordinated Indebtedness, the 2019 Bonds, and the 2021 Bonds (as described below) estimated to be required to allow completion of the Authority's 2018 – 2025 Capital Improvement Program (the 2018 – 2025 CIP). The forecast period for the Additional Bonds Test in the Senior Bond Resolution is the later of

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

(1) the third full Fiscal Year following the issuance of the proposed Senior Bonds or (2) the second full Fiscal Year during which no interest on the proposed Senior Bonds is expected to be paid from the proceeds. Interest on portions of the 2019 Bonds is expected to be capitalized through October 1, 2023. Therefore, the forecast period for the Additional Bonds Test extends through FY 2025.

Airport System

The Airport is owned by the City and is operated by the Authority under an agreement that was extended to September 30, 2065, effective October 1, 2015. The Airport is defined as a part of the Airport System under the Senior Bond Resolution.

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 debt issued under the Senior Bond Resolution or the Subordinated Indenture.

In 2018, the Airport ranked 10th among U.S. airports in terms of total enplaned passengers and ranked 3rd among U.S. airports in terms of the number of domestic origin-destination (O&D) passengers, after Los Angeles and Denver, based on U.S. Department of Transportation (USDOT) data, and ranked 34th in the world based on the number of passengers according to Airports Council International. The Airport is also the top-ranked airport in Florida in terms of both domestic enplaned passengers and domestic O&D passengers.

2018-2025 Capital Improvement Program

On May 15, 2019, the Authority Board (the Board) adopted the 2018 – 2025 CIP with an estimated cost of \$4.12 billion (including allowances for inflation), which is designed to accommodate existing and forecast passenger demand at the Airport from FY 2018 – FY 2025.* The 2018 – 2025 CIP is a multi-year plan of major capital projects, linked to the Authority's strategic goals, that provides a roadmap to implement projects, including targeted completion dates, budgets, and a funding plan. The projects are derived from the Authority's Master Plan process and are developed to address passenger safety, security, and passenger experience, as well as the increasing demand for air service to Central Florida. The Authority reassesses its capital needs at least annually and will modify the 2018-2025 CIP as necessary to accommodate demand-driven traffic activity, security needs, any needed receipt of required environmental and other regulatory approvals, and other factors which could result in increases or decreases to the 2018 -2025 CIP, or extend or accelerate the timing to complete certain projects.

The 2018 – 2025 CIP consists of:

- The revised STC Phase 1 and the new STC Phase 1X
- Capacity enhancements, renovations, and expansion for the North Terminal Complex (or NTC)

*In connection with negotiation of the Rate and Revenue Sharing Agreement approved by the Board on August 28, 2019, the Authority agreed to finance an additional \$60 million in project costs with proceeds of the 2019 Bonds in lieu of net remaining revenues shown as "Authority Funds" in the approved CIP. The total amount of the CIP remains unchanged at \$4.12 billion.

- Other projects to maintain and enhance the Airport

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

The 2018 - 2025 CIP is comprised of the following major elements:

South Terminal Complex. In response to the continuing growth in passengers and international service (as described in the report), the Authority commenced construction of the 16-gate flex STC Phase 1 in the first quarter of 2017 with an expected opening in October 2021. In May 2018, after passenger traffic levels reached 45.8 million annual passengers (MAP), the Authority authorized staff to proceed with procurement of professional services for design and early construction activities of Phase 1X to add three additional gates for a total of 19 gates with each gate able to accommodate both international and domestic air traffic.* Phases 1 and 1X of the STC are currently estimated to cost \$3.0 billion.

STC Phase 1 is expected to open in October 2021 and Phase 1X in October 2022.

North Terminal Complex Improvements. The NTC currently accommodates all passenger traffic at the Airport. Improvements to the NTC included in the 2018 - 2025 CIP are designed to (1) increase the capacity limits of various functional elements (e.g., gates, curbs, security checkpoint, baggage, etc.), (2) expedite international processing, and (3) improve the overall travel experience. The existing NTC provides 93 gates on four airtides. The 2018 – 2025 CIP also includes \$72.5 million for an Airline Terminal Rebalancing Reserve that will fund certain costs to relocate airlines and modify space to rebalance terminal utilization. The NTC improvements have an estimated cost of \$749 million with the majority of the projects expected to be completed prior to the end of FY 2022.

Other CIP Projects. The Authority has identified a series of additional improvements included in the 2018-2025 CIP to maintain the airfield, which have been programmed to maximize Federal Aviation Administration (FAA) Airport Improvement Program (AIP) and Florida Department of Transportation (FDOT) grant participation from FY 2018 – 2025 totaling \$152 million. Ground transportation improvements include the Loop Road System Overlay, a South Airport Cell Lot and Travel Plaza, rental car-related improvements, signage improvements, and various other roadway improvements totaling \$133 million. Other miscellaneous improvements to the Airport include construction of an east apron fuel farm, wildlife attractant removal, and fiber infrastructure and information technology projects totaling \$60 million.

Funding sources for the 2018 - 2025 CIP. The Authority plans to fund the 2018 - 2025 CIP from a number of sources, including FAA AIP grants-in-aid, FDOT grants-in-aid, Transportation Security Administration (TSA) grants, PFC pay-as-you-go revenues, proceeds of previously issued Senior Bonds, proceeds of the 2017 Subordinated Bonds, the Lines of Credit, rental car Customer Facility Charges (CFCs), Authority

*The STC is designed for 8 narrow body aircraft gates and 11 Multiple Aircraft Ramp System (MARS) gates that are wide body compatible (two of these MARS gates are Group VI aircraft gates (Boeing 747-8 and Airbus 380). The MARS gates have two jetways and can accommodate two narrow body aircraft at a time. The apron area will accommodate 9 narrow body RON positions. The 19 gates could accommodate 27 narrow body equivalent aircraft.

funds, a payment from the Orlando Utilities Commission (OUC) for the central energy plant (as described below), third party sources, proceeds of the proposed 2019 Bonds and the anticipated 2021 Bonds as described below. The Authority has received FAA approval to fund portions of Phases 1 and 1X of the STC with PFC revenues and is in the process of applying for amendments to prior PFC approvals to fund additional costs for the STC as well as a submitting a new PFC application to fund the eligible portions of the STC Phase 1 and 1X apron. The Authority anticipates FAA approval for these actions in FY 2020.

In addition, the Authority has contracted with OUC to own and operate the central energy plant for the STC. The Authority will pay OUC a monthly consumption and capacity charge for the system.

The projects in the 2018 - 2025 CIP, their estimated project costs, and the funding plan are described in more detail in the attachment and summarized in Table 21. Cost estimates were provided by the Authority and its consultants and include construction, design development, project and construction management, contingencies, and escalation.

Renewal and Replacement Program

In addition to the 2018 - 2025 CIP discussed above, the Authority approves a budget for renewal and replacement (R&R) and capital expenditures on an annual basis for the routine and periodic refurbishment and rehabilitation of existing Airport facilities. The Authority funds such capital expenditures with funds from the Discretionary Fund under the Senior Bond Resolution. The amounts budgeted averaged approximately \$49.7 million per year between FY 2016 and FY 2019. It was assumed that \$50 million per year would be spent on renewal and replacement capital expenditures from FY 2019 through FY 2025.

The 2018 - 2025 CIP along with the renewal and replacement program, to the Authority's best knowledge and belief at this time, is expected to fund or will fund all of the significant capital improvements expected to be undertaken through FY 2025. The 2018 – 2025 CIP is a working plan that will evolve as economic, aviation activity, and regulatory conditions change.

The Authority expects that the projects included in the 2018 - 2025 CIP, in conjunction with the R&R projects, will provide the necessary Airport facility improvements to satisfy future airline and passenger needs at the same service level as currently operating today through the forecast period (FY 2025).

The South Terminal Complex

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

1. **Site Development** – clearing and grading of the 1,000 + acre site, construction of roadways and bridges, and installation of utilities to accommodate the proposed terminals, parking facilities, aircraft taxiways, and aprons.
2. **Terminal Building** – a landside building and airside building comprising approximately 1.9 million square feet that is designed to accommodate 19 international and domestic gates.
3. **Parking Facility** – Approximately 700 additional public parking spaces to supplement the 6-story Garage C that opened in November 2017 as part of the South APM Complex. Levels 3-6 of Garage C currently provide 1,684 spaces for public parking and levels 1-2 are reserved for rental

car operations. Upon the opening of the STC, there will be approximately 2,400 spaces for public parking and over 1,200 spaces for rental car operations on levels 1-2.

4. **Central Energy Plant** – A central energy plant to provide chilled water for the STC and a high power 12kv emergency power distribution system, as well as a solar energy facility and electrical vehicle charging stations.
5. **Apron and Airfield with Fueling** – Apron and taxiway paving and lighting as well as an aircraft fuel hydrant system to serve the STC gates.
6. **Ground Transportation Center** – a 92,000 square foot building to provide a bridge between the parking and ground transportation facilities to the STC.
7. **Ground Support Equipment Complex** – a maintenance facility to house all of the supplies and equipment required to provide service to the STC, including the disposal of airline waste and portable fuel transports, minor communications, and facilities to maintain and repair ground support vehicles associated with aircraft activity.

The Authority entered into Construction Manager at Risk (CMAR) contracts with two firms to construct portions of the STC Phases 1 and 1X – the Turner-Kiewit Joint Venture (for the Landside Terminal and the work associated with the apron and airfield) and Hensel Phelps Construction (for the Airside Terminal). Under this approach, each CMAR commits to deliver its portion of the STC within a series of Guaranteed Maximum Price (GMP) addendums to their base contract. After undergoing a value-engineering and a constructability review process with the CMARs, the Authority reached an estimated total cost for STC Phases 1 and 1X of \$2.3 billion and \$718.9 million respectively, inclusive of direct soft costs, such as preconstruction services, program management, insurance, architecture and engineering services and contracts for related construction such as the baggage handling system. A series of GMP contracts with the CMARs have been negotiated and awarded and construction is approximately 80% bought-out. The final GMP is currently anticipated to be submitted for Authority approval by the end of 2019 to mitigate exposure to further construction pricing escalation. The Authority expects the CMARs to have legally binding construction subcontracts for STC Phases 1 and 1X by the end of 2019 once (a) all trade packages are bid to the subcontracting community and (b) the CMARs enter into construction contracts with subcontractors (after the Authority's financial, legal and committee reviews) for locked-in prices, including an agreed-upon contingency.

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

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

Plan of Finance for the 2018 – 2025 CIP

Table 21 provides the estimated project costs and the funding plan for the projects in the 2018 - 2025 CIP. The cost estimates, which were provided by the Authority's consultants and adopted by the Authority, include all soft costs and pricing allowances.

Exhibit A shows the estimated sources and uses of funds for projects being funded in whole or in part from bonds. The Authority's independent registered municipal advisors - Raymond James & Associates, Inc., Frasca & Associates LLC, and National Minority Consultants, Inc. (the Municipal Advisors) - provided the estimated sources and uses of funds and estimated debt service requirements for the 2019 Bonds and 2021 Bonds used to finance a portion of the 2018 – 2025 CIP based on information provided by the Authority. Exhibit A also shows the associated sources of funding, including funding from the 2019 Bonds and the anticipated 2021 Bonds as described below.

As shown in Exhibit A, the 2019 Bonds are expected to provide proceeds to fund approximately \$1.1 billion of the costs of the STC and \$147.8 million in other CIP project costs as well as to repay draws on the Lines of Credit and their associated interest expense.* Other funding sources for the STC include:

1. In September 2017, the Authority issued the 2017 Subordinated Bonds, which were the first series of bonds to finance \$845 million of the costs of the STC. The 2017 Subordinated Bonds have a 35-year term with interest capitalized through October 1, 2020 (FY 2021), interest only payments through FY 2022, principal amortized over FY 2023 through FY 2052, and achieved an estimated all-in true interest cost of 3.89%. The 2017 Subordinated Bonds are not supported by PFC revenues.
2. The Authority has contracted with OUC to purchase and operate the central energy plant (CEP) for the STC for the benefit of the Authority. Under this Global Agreement, OUC will pay the Authority \$55 million for the cost to construct the CEP and the Authority will pay OUC a monthly charge for the capital cost of the system plus a consumption fee.
3. In February 2018, the Authority entered into a bank loan secured by rental car CFCs to fund \$161 million in project costs for certain STC ground transportation facilities.
4. The Authority anticipates issuing the last tranche of debt for the STC in 2021 (the 2021 Bonds) to fund approximately \$395.4 million of project costs and refund any future draws on the Lines of Credit and complete the permanent debt financing for STC Phases 1 and 1X.

The specific form, amount, and timing of debt to finance the remaining costs to be financed for the 2018 – 2025 CIP have not been determined at this time. Although the Authority would consider various financing options regarding the anticipated financings, for purposes of this report the Municipal Advisors made the following assumptions regarding the issuance of Senior Bonds to fund portions of the STC and other projects in the 2018 – 2025 CIP timed for cash flow needs, all of which would have a cash funded Debt Service Reserve:

*The Authority finances portions of the costs of the STC on an interim basis using its Lines of Credit and then repays them with Bond proceeds.

SOUTH TERMINAL - AIRPORT REVENUE BONDS		
	Revenue-Backed	PFC-Supported
2019 Bonds		
Project Costs	Phase 1: \$160 million Phase 1X: \$182 million	\$725 million
Term	35 years	30 years
Spread to Market Rates*	30 basis points	30 basis points
Capitalized Interest Period	Phase 1 through 9/30/2021 Phase 1X through 9/30/2022	None
Debt Structure	- Level Debt Service - Principal Amortization starting 10/1/2023	Level Debt Service
2021 Bonds		
Project Costs	Phase 1X: \$182 million	\$213 million
Term	35 years	30 years
Spread to Market Rates*	175 basis points	175 basis points
Capitalized Interest Period	Through 9/30/2022	None
Debt Structure	- Level Debt Service - Principal Amortization starting 10/1/2023	Level Debt Service

OTHER CIP PROJECTS - AIRPORT REVENUE BONDS		
	Revenue-Backed	PFC-Supported
2019 Bonds		
Project Costs	\$148 million	
Term	9 years	
Spread to Market Rates*	30 basis points	
Capitalized Interest Period	Through 9/30/21	
Debt Structure	- Level Debt Service - Principal Amortization starting 10/1/2022	
2021 Bonds		
Project Costs	\$31 million	\$9 million
Term	20 years	15 years
Spread to Market Rates*	175 basis points	175 basis points
Capitalized Interest Period	Through 9/30/2022	None
Debt Structure	- Level Debt Service - Principal Amortization starting 10/1/2023	Level Debt Service

*As of August 27, 2019. Preliminary and subject to change.

As a result of the addition of Phase 1X to accommodate faster than anticipated growth, it is now expected that the STC will open in October 2021 instead of October 2020 as contemplated when the 2017 Subordinated Bonds were issued. The Authority plans to issue revenue-backed bonds in 2021 (assumed for purposes of this report to be senior lien) to pay the \$43,375,000 interest cost due on the 2017 Subordinated Bonds during FY 2021, which would be amortized over 30 years with no capitalized interest and are in addition to the anticipated 2021 Bonds described above to fund the 2018 – 2025 CIP.

Estimated Debt Service requirements presented in Exhibit C for the proposed 2019 Bonds and 2021 Bonds were provided by the Municipal Advisors.

The Authority intends to fully redeem the 2009A Bonds in October 2019 with cash on hand and amortize the cash redemption amount through airline rates and charges with 5% imputed interest over five years from FY 2020 through FY 2024. This redemption will provide economic savings as well as create more revenue sharing during the early years after opening of the STC.

Airport Facilities Revenue Bond Resolution

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

Revenues are generally defined as all income and revenues received by the Authority from the operation of the Airport and pledged Special Purpose Facilities Revenues. Revenues do not include, among other things, grants-in-aid for capital projects, PFC revenues, or CFC revenues.

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

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

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

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

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

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

Master Subordinated Indenture of Trust

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

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

The FDOT Loan totals \$52.7 million pursuant to a Joint Participation Agreement (JPA), payable without interest, over an 18 year term commencing January 1, 2020.

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

PFC Program

The Authority has received approval from the FAA to collect and use PFCs for a total of \$4.6 billion in collection authority. PFC Application 19, approved on June 22, 2018, blended previous PFC applications 11 through 18 to maintain a uniform collection rate of \$4.50. On May 8, 2019, the FAA approved PFC Application 20 to fund a portion of Phase 1X of the STC. The Authority's current collection authority extends to July 1, 2043.

The Authority intends to submit applications to amend three existing PFC applications (9, 19, and 20) and to submit a new PFC application (21), which if approved would increase its collection authority to \$5.03 billion, including the amount of bond-funded project costs and bond financing costs requested for eligible project scope as forecast in this report. Pending FAA approval of amendments to PFC Application 20 and new PFC Application 21 (expected in FY 2020), the Authority will finance project costs on an interim basis, which will be reimbursed from pay-as-you-go PFC revenues and proceeds from the PFC-supported bonds once approved. Additional information can be found on Table 18 of this report.

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

Existing and anticipated PFC-use approval is reflected in the financial forecasts presented in this report, including the authorization to use PFC revenues to pay a portion of the debt service attributable to the Outstanding Bonds (Series 2009C Bonds, Series 2010A/B Bonds, Series 2011B/C/D Bonds, Series 2012A Bonds, Series 2015A Bonds, Series 2016B/C Bonds), the 2019 Bonds, and the anticipated 2021 Bonds as well as for approved pay-as-you-go PFC expenditures.

Airline Rate Resolution and Rate and Revenue Sharing Agreement

On October 16, 2013, the Authority adopted a resolution (the Rate Resolution) that (1) establishes the terms and conditions for airlines operating at the Airport, (2) establishes the methodology for setting certain airline rates and charges for the Airport, and (3) authorizes the Authority's Chief Executive Officer (CEO) to enter into Letters of Authorization (LOA) with airlines for the use and occupancy of terminal space at the Airport. On August 10, 2016, the Authority amended the Rate Resolution, which became effective October 1, 2016, and on August 28, 2019 the Authority approved the Second Amended and Restated Rate Resolution, which will become effective October 1, 2019. The Authority also authorized the 3-year Rate and Revenue Sharing Agreement, which expires September 30, 2019. The Authority has been negotiating a new ratemaking methodology and new revenue sharing agreement with the airlines since July 2018 and execution copies for new documents were sent to the airlines in mid-July. The Authority anticipates a majority of the Participating Airlines will sign the proposed Rate and Revenue Sharing Agreement and other relevant documents as outlined below. In the

unlikely event airlines do not sign these replacement documents by October 1, 2019, the Authority has the right to implement rates by resolution without airline approvals.

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

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

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

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

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

The calculation of Landing Fees is based on a cost center residual method that credits to the Airfield Cost Center non-airline Revenues derived from Airfield use. The calculation of the Terminal Premises Rate is based upon a commercial compensatory method that allocates to the Airlines the cost of the space they use plus their proportionate share of the costs of non-rentable Terminal space. The Authority's

compensatory rate methodology is designed to recover from the air carriers using the Airport their fairly allocated share of Airport costs in accordance with USDOT policy and applicable law.

The proposed changes in the Rate Methodology to take effect October 1, 2019 include:

1. Once Phase 1 of the STC opens, the combined total costs of both terminals will be used to calculate a single Terminal Rental Rate, Airline Equipment Charge, and Remain Over Night (RON) charge.
2. Upon the opening of the STC, the Terminal Rental Rate per square foot will equal the combined terminal cost of both the North and South Terminals divided by the total rentable square feet of both terminals.
3. The Terminal Rental Rate Per Gate for both the NTC and STC will equal the total amount of holdroom space for all operational terminals times the Terminal Rental Rate divided by the number of operational gates that can accommodate Narrow Body Equivalent (NBE) aircraft. When Phase 1 of the STC opens, the total number of narrow body aircraft that can be accommodated simultaneously at both terminals will be 120 (equal to 93 in the north and 27 in the south).
 - a. In the event there is a need to enplane or deplane an aircraft from a remote hardstand, there will be a separate charge for the associated terminal components in addition to the RON fee.
4. The Terminal Rental Rate Per Gate charged to an airline will be based on the type of aircraft using the gate as follows:
 - a. Narrow Body (FAA Design Group I-IV) = 1.0x Narrow Body Equivalent (NBE) rate
 - b. Jumbo (FAA Design Group V) = 1.5x NBE rate
 - c. Super Jumbo (FAA Design Group VI, B-747/800, A-380) = 2.0x NBE rate
5. Due to the common use configuration and environment of the STC landside, airlines will pay for the use of space for ticketing, queue areas, and bag make-up in a manner different from the preferentially assigned committed space in the NTC under LOAs. Airlines with committed gates using the STC will pay a pro rata share of the cost of the common use ticketing and bag makeup areas on a monthly basis in accordance with a common use formula based on terminal usage. Airlines operating at non-committed gates will pay their portion of the common use fee as part of the Facility Fee.

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

6. Baggage system fees will be calculated using the same method currently in effect, but such calculations will be completed separately for the NTC and STC, which will result in different baggage fees for airlines operating out of the NTC and STC. In addition, the factor used to weight outbound baggage space recovery costs for the North Terminal based upon its terminal capacity will revert from 45 MAP to 40 MAP when Phase 1 of the STC opens. The STC will have a baggage MAP factor of 11. a
7. The rate formulas for inbound and outbound baggage system fees will continue to be allocated based upon passengers. However, the Authority may adjust the divisor for baggage fees from enplaning or deplaning passengers to number of bags at the beginning of the Fiscal Year following the year in which the Authority has the ability with a reasonable degree of reliability to count total bags by airline processed through both the Inbound Baggage System and Outbound Baggage System.
8. Facility fees will be calculated using the single Terminal Rental Rate for the NTC and STC based upon the same formula used today.
 - a. The airside-only Facility Fee for the NTC and STC for a narrow body operation will be the sum of the annual NBE gate holdroom charge and the Airline Equipment Charge per NBE gate divided by 1,460 (365 days times 4 turns per day).
 - b. The airside only Facility Fee for a Jumbo operation will be the same formula, but starting with a gate/holdroom charge of 1.5x times the NBE gate charge.
 - c. The airside only Facility Fee for a Super Jumbo operation will be the same formula, but starting with a gate/holdroom charge of 2.0X the NBE gate charge.
 - d. The formula for the landside-only Facility Fee for all operations will remain unchanged for NBE, with the calculation based on the cost of the mandatory minimum amount of ticket counter/queue/bag makeup/curbside check space per flight, divided by 1,460. Jumbo and Super Jumbo operations will be charged at the 1.5 and 2.0 ratios.
9. Airline revenue sharing will continue to be allocated among the Participating Airlines on the same basis as the existing Rate and Revenue Sharing Agreement, by Participating Operating Payments,* which will include the common use fees payable by Participating Airlines using the STC common use ticketing and bag make-up facilities, since these charges are in lieu of the per square foot method used in the North Terminal facility.
10. Amortization charges will include 5% imputed interest upon the opening of the STC.

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

11. In the event the all-in debt service coverage* is projected to be or turns out to be less than 1.30x, the airline rate base will include allocable debt service coverage (25% for Senior Bonds and 10% for Subordinated Indebtedness) for purposes of determining annual rates; however, in the event the actual all-in coverage exceeds 1.30x, the Authority will return such excess to the airlines in the annual true up.
12. Because the Authority is contracting with OUC to operate the central energy plant for the STC, it will pay OUC a charge for owning and operating the system. This Central Energy Plant Charge will be an obligation by the Authority to OUC who will own and operate the STC chilled water and emergency power distribution system. The payment obligations to OUC are subordinate to all obligations of the Authority. Therefore, this amount is netted out in the calculations of Remaining Revenues similar to all other operating expenses and debt service. The Authority's obligations to make payments to the OUC relative to the Central Energy Plan are subordinate to both Senior Bonds and Subordinated Indebtedness.
13. Upon the opening of the STC, 50% of the allocable O&M Expense, Debt Service, and Amortization of the South APM System will be included in the Terminal rate base.

Under the proposed Rate and Revenue Sharing Agreement, airlines that (a) commit to an annual gate access assignment of at least one gate and associated space through the term of the Rate and Revenue Sharing Agreement, and (b) agree not to challenge the rate methodology set forth in the Rate Resolution and not to finance or otherwise participate in any challenge of the rate methodology through the term of the Rate and Revenue Sharing Agreement, are entitled to obtain the benefits of revenue-sharing (the Participating Airlines). In addition, the Authority has committed to not change the ratemaking methodology through the term of the agreement subject to any changes that might be required by the USDOT, FAA, or court order. The Participating Airlines accounted for approximately 94% of the passenger market share at the Airport in FY 2018.

As set forth in the Rate and Revenue Sharing Agreement that expires on September 30, 2019, the Authority retains (1) the first \$65 million in Revenues (excluding Revenues generated from Airport Exclusive Revenue Sources) less all Debt Service and Operating Expenditures (including Operating Reserve Requirements), (2) 35% of the next \$39 million in remaining revenues for FY 2017, \$40 million for FY 2018, and \$58 million for FY 2019, and (3) after crediting the next \$10 million to the Participating Airlines for each Fiscal Year, 35% of any additional amounts remaining for each Fiscal Year. The rest of the remaining revenues will be credited to the Participating Airlines.

Under the proposed amended Rate and Revenue Sharing Agreement that would begin on October 1, 2019 and extend through September 30, 2024, the Authority proposes to modify the revenue sharing with the Participating Airlines to (1) reduce the Authority's allocation of initial amount of net remaining revenues from \$65 million per year to \$55 million per year beginning in FY 2020 and (2) modify the formula beginning in FY 2020 whereby the first \$55 million in net remaining revenues would be retained

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

by the Authority, the next \$10 million by the airlines, and the balance split 50/50 between the Authority and Participating Airlines.

Under the Rate and Revenue Sharing Agreements, Participating Airlines have waived their right to challenge the Rate Methodology set forth in the Rate Resolution. The Authority expects that it will, at all times, continue to be able to impose rates and charges that would allow the Authority to generate revenues sufficient to cover the debt service payments in respect of all Outstanding Senior Bonds, including the Series 2019 Bonds and the Outstanding Subordinated Indebtedness. In the event some or all of the Airlines or the Authority do not sign the Rate and Revenue Sharing Agreement, the Rate Resolution and Rate Methodology will remain in effect for Fiscal Year 2020 and beyond, but the Authority will not be required to share any remaining revenues with the Airlines. In such case, the Authority and the Airlines may continue, in their discretion, to negotiate a revenue sharing arrangement for Fiscal Year 2020 and beyond.

In developing the financial forecasts, it was assumed that the ratemaking procedures under the proposed new Rate Methodology, Rate Resolution, and Rate and Revenue Sharing Agreement would take effect October 1, 2019 and remain in effect through the forecast period.

Scope of Report

The report was prepared to address the ability of the Authority to meet the requirements of the Additional Bonds Test under the Senior Bond Resolution for the forecast period, FY 2019 through FY 2025, taking into account outstanding Senior Bonds and Subordinated Indebtedness, the proposed 2019 Bonds, and the anticipated 2021 Bonds. In conducting our study, we analyzed:

- Future airline traffic demand at the Airport, giving consideration to the demographic and economic characteristics of the airport service region; historical trends in airline traffic; airline mergers and acquisitions; recent airline service developments and airfares; and other key factors that may affect future airline traffic. Enplaned passengers are forecast to increase 6.5% in FY 2019 (on the basis of 10 months of actual data), 3.4% in FY 2020 (on the basis of advance airline schedules), and at a compound average growth rate of 2.4% per year from FY 2020 through FY 2025.
- The status of, estimated costs, and proposed funding plan for the 2018 - 2025 CIP, including the STC and the other capital improvements expected to be completed by FY 2025.
- Debt service requirements and cost center allocations on the currently outstanding Senior Bonds and Subordinated Indebtedness.
- Estimated sources and uses of funds and associated annual debt service requirements of the 2019 Bonds, and the anticipated 2021 Bonds expected to complete the financing of the projects comprising the 2018 - 2025 CIP as provided by the Municipal Advisors. Debt service for Lines of Credit (Short Term Subordinated Obligations other than Unissued Subordinated Program Obligations), are based on projections of such amounts at the end of the expected capitalized interest period assuming the Lines of Credit are refunded with the proceeds of fixed-rate Senior or Subordinated Bonds.

- Historical and estimated future PFC Revenues for pay-as-you-go expenditures and for the payment of debt service, including associated current and expected future allocations by an Authorized Officer of the Authority of Available PFC Revenues to the financing of PFC Projects.
- The Authority's intended use of PFC Revenues during the forecast period, including the payment of debt service and pay-as-you-go project expenditures, and the assumed approval of amendments to PFC applications 9, 19, and 20 and new PFC Application 21 as described earlier.
- Historical relationships among revenues, expenses, and airline traffic for the Airport and other factors that may affect future Revenues and O&M Expenses.
- The facilities expected to be provided, as included in the 2018 - 2025 CIP, and other operational considerations affecting Airport revenues and expenses, including estimates of future O&M Expenses as provided by the Authority and its finance engineer.
- Audited financial results for the Airport for FY 2018.
- The FY 2019 budget and preliminary FY 2020 budget for the Authority and associated airline rates and charges, and the Authority's estimates for FY 2019 revenues and expenses.
- The ratemaking procedures under the proposed amendments to the Rate Resolution, Rate Methodology, Operating Permits, LOAs, Rate and Revenue Sharing Agreement, and Policies and Procedures.
- The expected rebidding of rental car agreements and new terminal concessions, which agreements will commence on or about the date of opening of the STC, as set forth in certain Board memos.
- The Authority's ground transportation policy and fee structure.
- Other contractual agreements relating to the use and lease of the Airport such as the operation of public automobile parking and other concession and service privileges (including rental car operations), and the leasing of buildings and grounds, including the concession extension agreements.

We have relied upon the Authority and its engineering and construction consultants for estimates of project costs and construction schedules for the STC and other projects in the 2018 - 2025 CIP, and upon the Municipal Advisors for the plan of debt finance and estimated debt service requirements for the proposed 2019 Bonds and anticipated 2021 Bonds for financial modeling purposes.

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

Forecast Airline Payments per Enplaned Passenger

Exhibits E-1 through E-3 present the forecasts of terminal rentals, landing fees, and other fees and charges payable by the Participating Airlines and non-Participating Airlines under the Rate Resolution. The exhibits also present forecast airline payments expressed per enplaned passenger with and without revenue sharing payments as set forth in the proposed replacement Rate and Revenue Sharing Agreement.

Forecast Debt Service Coverage and Rate Covenant Compliance

As shown in the table below and Exhibit G at the end of the report, Net Revenues are forecast to be at least 1.25 times the Aggregate Debt Service (net of offsetting Available PFC Revenues to pay principal and interest) on outstanding Senior Bonds, the 2019 Bonds, and the 2021 Bonds. In addition, Available Net Revenues are forecast to be at least 1.10 times the Annual Aggregate Debt Service on the Priority Subordinated Indebtedness and 100% of debt service on all Subordinated Indebtedness. These forecast results indicate compliance with the rate covenants of both the Senior Bond Resolution and Subordinated Indenture during the forecast period. The table also shows the forecast of Net Revenues divided by total debt service for Senior Bonds and Subordinated Indebtedness.

The Senior Bond Resolution also permits the addition of Transfers to Net Revenues in computing the debt service coverage requirement. With respect to the Rate Covenant under the Senior Bond Resolution, Transfers are limited to no more than 25% of Debt Service payable in the Fiscal Year from amounts on deposit in the Discretionary Fund, and under the Subordinated Indenture Transfers are limited to no more than 10% of the Aggregate Annual Debt Service on Priority Subordinated Indebtedness. Transfers are excluded from the calculation of Net Revenues in the following table and in Exhibit G.

The Authority is expected to meet the requirements of Section 204 of the Senior Bond Resolution.

Assumptions Underlying the Financial Forecasts

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

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

FORECAST RATE COVENANT COMPLIANCE
Orlando International Airport
(in thousands, except coverage)
(for the 12 months ending September 30)

Fiscal Year	Airport Facilities Revenue Bonds (Senior Bonds)					Priority Subordinated Indebtedness			
	Net Revenues	Accrued Aggregate Debt Service ¹	Less Available PFC Revenues ²	Net Debt Service Coverage	Debt Service Coverage	Available Net Revenues	Priority Subordinated Indebtedness ³	Debt Service Coverage	Total Indebtedness Coverage
	A	B	C	B - C = D	= A / D	A - D = E	F	= E / F	A / [D + F]
2019	\$245,486	\$114,511	(\$30,934)	\$83,577	2.94	\$161,909	\$9,195	17.61	2.65
2020	243,269	129,437	(71,683)	57,754	4.21	185,515	10,050	18.46	3.59
2021	241,833	129,681	(71,912)	57,769	4.19	184,064	10,103	18.22	3.56
2022	236,673	161,382	(86,201)	75,181	3.15	161,492	53,535	3.02	1.84
2023	238,872	176,773	(86,352)	90,421	2.64	148,451	63,006	2.36	1.56
2024	235,155	173,007	(86,346)	86,661	2.71	148,494	63,062	2.35	1.57
2025	234,399	172,993	(86,383)	86,610	2.71	147,789	63,117	2.34	1.57

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

Notes: 1. Includes actual debt service on all Outstanding Senior Bonds, and estimated debt service on the 2019 Bonds and the anticipated 2021 Bonds (which for purposes of the forecast are assumed to be issued as Senior Bonds) as provided by the Municipal Advisors, net of capitalized interest.
2. Debt service expected to be paid from Available PFC Revenues.
3. Includes actual debt service on all Outstanding Priority Subordinated Indebtedness. PFC revenues are not currently pledged to pay principal and interest on Subordinated Indebtedness.

* * * * *

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

Respectfully submitted,

Leigh Fisher

LEIGHFISHER

Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE
FOR THE FINANCIAL FORECASTS

Greater Orlando Aviation Authority

Orlando International Airport

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTENTS

	Page
AIRLINE TRAFFIC ANALYSIS	A-27
Airport Facilities	A-27
Airfield	A-27
North Terminal Complex	A-27
South APM Complex and Intermodal Terminal Facility	A-29
Roadway System and Public Parking Facilities	A-29
Rental Car Facilities	A-30
Ground Access	A-30
Commercial Property Development and Other Facilities.....	A-30
Airport Service Region	A-31
Airport Role	A-34
Economic Basis for Airline Traffic.....	A-36
Population, Nonagricultural Employment, and Per Capita Personal Income	A-36
Industry Clusters.....	A-42
Housing Market	A-43
Visitor Industry	A-44
Economic Outlook	A-56
Historical Airline Service and Traffic	A-57
Airlines Serving the Airport	A-58
Enplaned Passenger Trends.....	A-59
Enplaned Passenger Trends by Visitors and Residents	A-62
International Enplaned Passengers by Region	A-62
Enplaned Passenger Market Shares	A-66
Origin-Destination Markets	A-68
Airline Airfares	A-70
Airline Service	A-71
Key Factors Affecting Future Airline Traffic	A-73
National Economic Conditions	A-73
International Economic, Political, Health, and Security Conditions	A-74
Financial Health of the Airline Industry.....	A-74
Airline Service and Routes.....	A-76
Airline Competition and Airfares	A-76
Availability and Price of Aviation Fuel	A-77
Aviation Safety and Security Concerns.....	A-78
Capacity of the National Air Traffic Control System	A-79
Capacity of the Airport	A-79
Enplaned Passenger Forecast	A-80
Underlying Assumptions.....	A-80
Enplaned Passengers.....	A-81
Passenger Airline Service.....	A-81
Landed Weight	A-82

CONTENTS *(continued)*

	Page
FINANCIAL ANALYSIS.....	A-84
Framework for Financial Operations	A-84
Airport Facilities Bond Resolution	A-84
Master Subordinated Indenture of Trust	A-86
FDOT Loan	A-88
Bank Lines of Credit	A-88
2018 CFC Bank Loan	A-89
Passenger Facility Charge Program	A-90
Airline Rate Resolution and Rate and Revenue Sharing Agreement.....	A-91
Reconciliation of Historical Financial Results.....	A-98
Airport Capital Improvement Program	A-98
South Terminal Complex	A-103
North Terminal Complex	A-105
Airfield	A-108
Ground Transportation.....	A-108
Other Improvements.....	A-109
Estimated Sources of Funding for the 2018-2025 Planned Capital Projects.....	A-109
Plan of Finance	A-111
Passenger Facility Charges	A-113
Operation and Maintenance Expenses	A-113
Global Agreement with OUC for Central Energy Plant	A-114
Revenues	A-114
Airline Revenues.....	A-116
Non-Airline Revenues.....	A-118
Application of Revenues	A-129

TABLES

	Page
1 Population Distribution in the Orlando MSA.....	A-32
2 Revenue Enplaned Passengers at Florida Airports.....	A-34
3 Historical and Projected Socioeconomic Trends	A-37
4 Comparative Unemployment Rates	A-40
5 Orlando MSA Top 20 Private Employers	A-41
6 Opened and Planned Attractions at Theme Parks in the Airport Service Region: 2014-2022.....	A-47
7 Forecasts of International Travelers to the United States by Top Origin Countries	A-51
8 Trends at North America’s Busiest Cruise Ports.....	A-53
9 Historical Hotel Rooms and Occupancy	A-55
10 Airlines Serving Orlando International Airport.....	A-58
11 Historical Enplaned Passengers	A-60
12 Passenger Traffic Trends by Residents and Visitors	A-64
13 Revenue Enplaned Passengers by International Region	A-65
14 Enplaned Passengers by Airline	A-67
15 Domestic Passenger Destination Pattern and Airline Service	A-69
16 Passenger Airline Scheduled Service	A-72
17 Airline Traffic Forecasts	A-83
18 Approved Passenger Facility Charges.....	A-91
19 Participating Airlines.....	A-98
20 Reconciliation of Historical Financial Results	A-100
21 Summary of 2018-2025 CIP Project Funding.....	A-101
22 Summary of 2018-2025 CIP Project Expenditures by Fiscal Year	A-102
23 Summary of Debt Funded Project Costs for 2018 – 2025 CIP	A-111
24 FY 2018 Revenues by Source	A-115
25 Number of Aircraft Gates by Airline	A-117
26 Public Parking Facilities – Location and Capacity	A-121
27 Summary of Existing Terminal Commercial Agreements	A-125

FIGURES

		Page
1	North and South Terminal Complex Layout	A-28
2	Airport Service Region	A-33
3	Origin-Destination and Connecting Passengers at 20 Busiest U.S. Airports in FY 2018..	A-35
4	Comparative Distribution of Nonagricultural Employment	A-38
5	Forecasts of Orlando MSA Employment by Sector	A-39
6	Monthly Unemployment Rates	A-40
7	Historical and Projected Housing Starts	A-44
8	Growth Trends in Leisure and Business Domestic Visitors	A-45
9	Attendance at Orlando MSA Theme Parks	A-46
10	Growth Trends in Domestic and International Visitors	A-50
11	Origins of International Visitors to the Orlando MSA in 2017	A-50
12	Long-Term Trends in Enplaned Passengers.....	A-59
13	Historical Enplaned Passengers	A-61
14	Airline Market Shares of Enplaned Passengers	A-66
15	Trends in Domestic O&D Passengers and Airfares.....	A-70
16	Historical Enplaned Passengers on U.S. Airlines.....	A-73
17	Quarterly Net Income for U.S. Airlines	A-75
18	Historical Domestic Yield for U.S. Airlines	A-77
19	Historical Aviation Fuel Prices	A-78
20	Historical and Forecast Enplaned Passengers	A-82
21	Flow of Funds Under the Senior Bond Resolution and Subordinated Indenture.....	A-87
22	Gross Rental Car Revenues.....	A-119
23	Public Parking Facilities Map	A-122
24	Terminal Concession Sales per Enplaned Passenger	A-123

EXHIBITS

	Page
A Sources and Uses of Bond Funds – South Terminal Complex	A-130
B Application of PFC Revenues	A-131
C Debt Service.....	A-132
D Operation and Maintenance Expenses	A-135
E Revenues	A-136
E-1 Landing Fee and Apron Use Fee	A-138
E-2 Terminal Premises Rate.....	A-140
E-3 Airline Payments per Enplaned Passenger	A-141
F Application of Revenues	A-142
G Debt Service Coverage and Rate Covenant	A-143

[THIS PAGE INTENTIONALLY LEFT BLANK]

AIRLINE TRAFFIC ANALYSIS

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

AIRPORT FACILITIES

Orlando International Airport (the Airport or MCO) occupies 12,295 acres of land on a site nine miles southeast of downtown Orlando in Orange County. The Airport has four north-south commercial aircraft runways and a passenger terminal complex located between the two sets of parallel runways.

Airfield

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

North Terminal Complex

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

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

Figure 1 shows the layout of the landside terminal, airside buildings, automated people movers, and garages in the existing North Terminal Complex, South Automated People Mover Complex (South APM Complex), and proposed South Terminal Complex (as described later).

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

Figure 1
NORTH AND SOUTH TERMINAL COMPLEX LAYOUT



Source: Orlando Aviation Authority.

A 445-room Hyatt Regency hotel with restaurants and conference facilities is an integral part of the landside terminal and is directly accessible from Level 3, the departure level. The hotel occupies Levels 4 through 10 on the eastern-most portion of the landside terminal. Except for the hotel areas, Levels 4 through 10 accommodate parking.

The landside terminal is connected by automated people movers to the four airside buildings. The airside buildings and aprons provide 93 contact aircraft gates for jet aircraft and associated passenger waiting areas, concessions, and airline operations space. Of the 93 jet aircraft gates, 71 gates are assigned on a preferential use basis to airlines signing Letters of Authorization (LOA) and the 22 remaining gates are available for use on a per-turn basis. Federal Inspection Services (FIS) facilities are provided in airside buildings 1 and 4 and can accommodate international arrivals at 16 gates. Combined FIS throughput capacity can accommodate approximately 2,600 arriving international passengers per hour. In addition to the 93 contact aircraft gates, the terminal apron provides aircraft parking for 16 commuter aircraft positions and 22 remain-over-night (RON) spaces.

South APM Complex and Intermodal Terminal Facility

The South APM Complex consists of the South APM System, South APM Station, Parking Facility (Parking Garage C), and Roadway Systems. The South APM Complex includes an APM System from the existing North Terminal to the South APM Station, which connects passengers to the North Terminal in less than 4 minutes. Parking Garage C is located on the South Entrance Road adjacent to the South APM Station and currently provides 1,684 public parking spaces on levels 3-6 with remote check-in facilities for Alaska, American, Delta, JetBlue, Southwest and United. Levels 1-2 are for rental car operations that will operate from the STC when it opens. The roadway systems include the South APM Complex entrance and departure roads, including roadway lighting and overhead signage.

An Intermodal Terminal Facility (ITF), which is adjacent to the South APM Complex, will support future multi-modal travel connections in the vicinity of the STC to provide greater connectivity to the region and the State and relieve congestion in the existing NTC. It includes infrastructure improvements that could accommodate at least three rail systems: (1) the South APM station that connects to the NTC, (2) the passenger train service between Miami and Orlando being developed by Florida East Coast Industries Inc. (FECI) and (3) SunRail, Central Florida's commuter rail line. FECI is the parent company of All Aboard Florida – Operations, LLC (AAF), which launched Virgin Trains USA (formerly Brightline), a privately owned express intercity passenger rail service that will connect Miami, Fort Lauderdale, West Palm Beach, and Orlando (via the station at the Airport). The Miami to West Palm Beach service is in operation. Construction of the last 35 miles of track for the 170-mile extension from West Palm Beach to MCO started in June 2019. Virgin Trains USA expects this service to begin in 2022. AAF has also indicated its intentions for a potential additional extension beyond MCO with stops at Walt Disney World and SunRail's Meadow Wood station and ultimately Tampa, subject to numerous actions that are required, including but not limited to, amending its agreement with the Authority.

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

Roadway System and Public Parking Facilities

The North Terminal Complex is served by a three-level roadway system that provides access to separate enplaning, deplaning, and commercial vehicle curbsides on the north (Terminal A) and

south (Terminal B) sides of the landside terminal at Levels 1, 2 and 3. Public parking spaces are located on levels 3 through 6 of the garages adjacent to the landside terminal.

There are 21,724 public parking spaces located on the Airport, including 8,878 NTC garage spaces, 1,684 South APM Complex garage spaces, and 11,162 satellite (economy) parking spaces located at remote lots to the north and south of the North Terminal Complex.

Rental Car Facilities

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

Five “companies” representing 10 brands of rental car companies, which collectively comprise approximately 92% of the Airport rental car market in FY 2018, operate on-Airport from the garages – (1) Avis Budget Group, LLC (Avis and Budget brands), (2) DTG Operations, Inc. (Dollar and Thrifty brands), (3) Enterprise Holdings (Enterprise, Alamo, and National brands), (4) The Hertz Corporation (Hertz brand), and (5) Advantage Opco, LLC (Advantage and EZ Rent A Car brands). Off-Airport operators currently include Payless and some smaller specialty and local operators.

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

Ground Access

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

Commercial Property Development and Other Facilities

The Authority has pursued aviation and commercial development of the Tradeport Drive corridor on the west side of the Airport, the Heintzelman Boulevard corridor on the east side of the Airport, and the Poitras property located south of the Airport. The Tradeport area comprises approximately 1,000 acres and the Heintzelman Boulevard corridor comprises approximately 440 acres. The Authority sold portions of its 1,854-acre Poitras property in late 2017 (FY 2018) and intends to sell the remaining portion by the end of 2019 or beginning of 2020. The Authority’s commercial

development property will allow it to participate in the continued economic growth of the region as described in the next section.

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

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

AIRPORT SERVICE REGION

MCO is a large-hub airport* and the domestic and international gateway to the Orlando Primary Area. For the purposes of this study, the region served by the Airport includes a primary and secondary area. The primary area of the Airport service region is defined as the four-county Orlando-Kissimmee-Sanford Metropolitan Statistical Area (the Orlando Primary Area or Orlando MSA), as shown in Table 1 and on Figure 2. The Orlando Primary Area includes the counties of Lake, Orange, Oseola, and Seminole. According to the U.S. Department of Commerce, Bureau of the Census, the population of the Orlando MSA was over 2.57 million in 2018 (the most recent year available), accounting for about 12% of the State total population of 21.3 million. Orange County includes the City of Orlando and accounts for about 54% of the population of the Orlando MSA. Because economic growth and activity within the Orlando Primary Area stimulate a significant portion of passenger demand at the Airport, statistics for the Orlando MSA were used to evaluate certain long-term and future airline traffic trends at the Airport.

The Orlando MSA encompasses one of the largest leisure and hospitality centers in the world. Seven of the top 10 U.S. theme parks, based on attendance in 2018, are located in the Orlando MSA. According to Visit Orlando, more than 75 million people visited Orlando in 2018, a new record for the U.S. travel industry, making Orlando the most visited destination in the nation.** The number of visitors to the State as a whole increased 6.2% in 2018 (from 118.7 million in 2017 to 126.1 million in 2018), according to VISIT FLORIDA.*** The Orlando MSA is approximately 55-60 miles by car to the Port Canaveral cruise port and Atlantic Ocean beaches to the east and 84-110 miles to the Tampa Bay area and Gulf Coast beaches to the southwest.

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

**“Orlando Announces Record 75 Million Visitors, Solidifies Ranking as No. 1 U.S. Travel Destination”, May 10, 2019, www.globalnewswire.com.

***“Visit Florida reports record 126.1 million visitors to state in 2018,” February 20, 2019, www.orlandosentinel.com.

Table 1
POPULATION DISTRIBUTION IN THE ORLANDO MSA
2018

County	Population	Percent of total
Orange	1,380,645	53.7%
Seminole	467,832	18.2
Osceola	367,990	14.3
Lake	<u>356,495</u>	<u>13.9</u>
Total	2,572,962	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, accessed June 2019, www.census.gov.

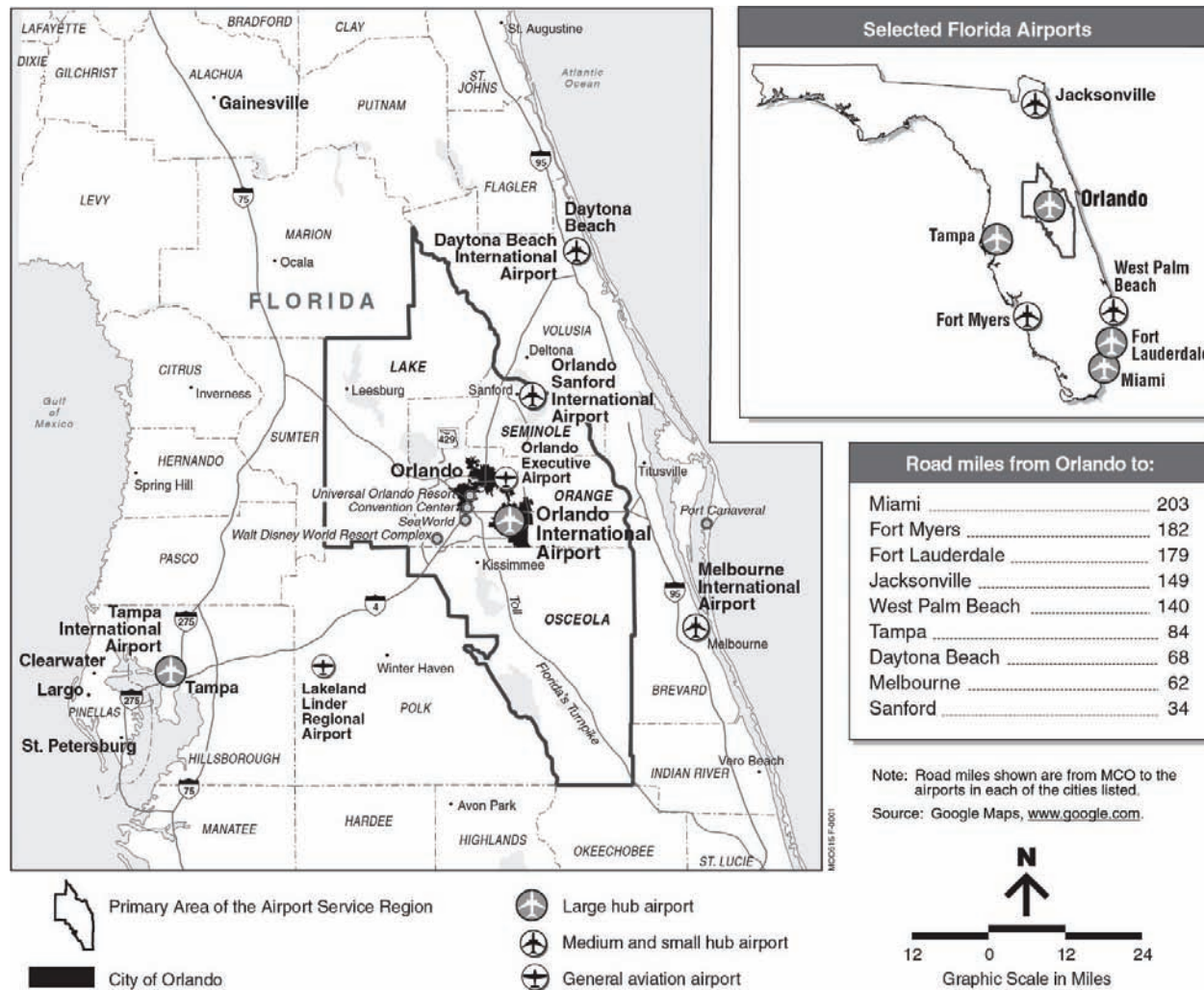
The secondary area served by the Airport, which includes many of the counties surrounding the four-county Orlando Primary Area, is defined by the location of and driving distance to other air carrier airports, as well as by the availability, price, and quality of airline service at those other airports. Four airports with commercial passenger airline service are within 100 miles of MCO, and with the exception of Tampa, provide limited scheduled airline service (as of July 2019):

- Sanford International Airport, a small-hub airport located 34 road miles northeast of MCO with an average of 39 daily departures and 1.5 million revenue enplaned passengers in FY 2018
- Melbourne International Airport, a non-hub airport located 62 road miles southeast of MCO with an average of 8 daily departures and 228,000 revenue enplaned passengers in FY 2018
- Daytona Beach International Airport, a non-hub airport located 68 road miles northeast of MCO with an average of 9 daily departures and 360,000 revenue enplaned passengers in FY 2018
- Tampa International Airport, a large-hub airport located 84 road miles southwest of MCO with an average of 225 daily departures and 10.3 million revenue enplaned passengers in FY 2018

Orlando Executive Airport and Lakeland Linder Regional Airport are general aviation airports with no scheduled passenger airline service. Sanford, Melbourne, and Daytona Beach are not considered a significant competitive threat to MCO given their limited airline service and the extensive service options at MCO (an average of 470 daily domestic and international departures at MCO in July 2019). The considerable presence of U.S. low cost carriers (LCCs) and ultra-low cost carriers (ULCCs)* at MCO, in terms of the number of average daily departures (273 at MCO compared with 113 at Tampa in July 2019), and the number of international destinations served at MCO (51 compared with 11 at Tampa in July 2019) suggest that the competitive threat from Tampa is limited in part due to the extensive service options at MCO.

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

Figure 2
AIRPORT SERVICE REGION



AIRPORT ROLE

Orlando International Airport is the busiest airport in Florida, with nearly 22.8 million revenue enplaned passengers in FY 2018 (more than 25% of revenue enplaned passengers at all Florida airports) according to the U.S. Department of Transportation (DOT),* as shown in Table 2. The seven busiest airports in Florida—Orlando, Miami, Fort Lauderdale, Tampa, Fort Myers, Palm Beach, and Jacksonville, together with Sanford, Daytona Beach, and Melbourne —accounted for 91% of revenue enplaned passengers at all Florida airports in FY 2018.

Table 2
REVENUE ENPLANED PASSENGERS AT FLORIDA AIRPORTS

Airport	Enplaned passengers (thousands)			Compound annual percent increase (decrease)		
	FY 2000	FY 2010	FY 2018	2000 - 2010	2010 - 2018	2000 - 2018
Orlando	14,177	16,675	22,768	1.6%	4.0%	2.7%
Miami	16,278	16,740	21,116	0.3	2.9	1.5
Fort Lauderdale	7,290	10,568	17,246	3.8	6.3	4.9
Tampa	7,491	8,101	10,255	0.8	3.0	1.8
Fort Myers	2,411	3,644	4,553	4.2	2.8	3.6
Palm Beach	2,801	2,940	3,257	0.5	1.3	0.8
Jacksonville	2,449	2,727	3,025	1.1	1.3	1.2
Sanford	434	589	1,505	3.1	12.4	7.2
Daytona Beach	257	233	360	(1.0)	5.6	1.9
Melbourne	<u>261</u>	<u>158</u>	<u>228</u>	(4.9)	4.7	(0.8)
Subtotal	53,850	62,376	84,313	1.5%	3.8%	2.5%
Other Florida airports	<u>2,528</u>	<u>3,141</u>	<u>5,696</u>	2.2	7.7	4.6
All Florida airports	56,378	65,516	90,009	1.5%	4.1%	2.6%

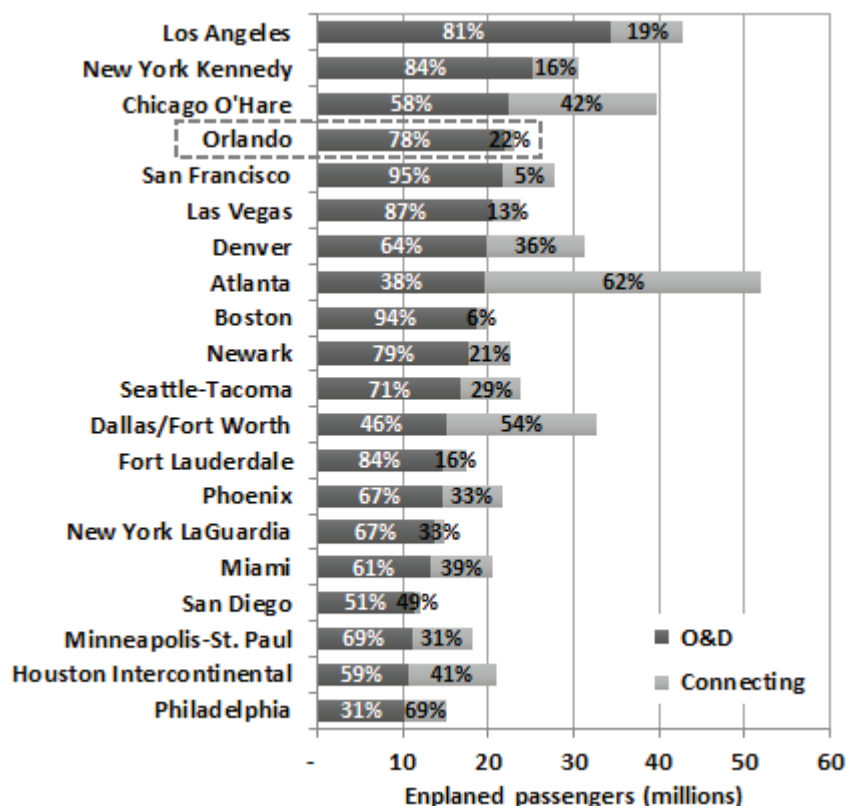
Note: For Fiscal Years ended September 30. Totals may not add due to rounding

Source: U.S. Department of Transportation, Schedule T100, accessed June 2019.

In FY 2018, approximately 95% of passengers at MCO were origin-destination (O&D) passengers (i.e., these O&D passengers did not connect with another flight at the Airport); Miami, the second busiest airport in Florida, had a lower percentage of O&D passengers (67%) reflecting its role as a connecting hub for American Airlines. While certain hub airports such as Atlanta, Denver, and Dallas-Ft. Worth report substantially more total passengers than the Airport, Orlando ranks higher in terms of O&D passengers. In FY 2018, Orlando was the fourth busiest U.S. airport in terms of O&D passengers; only Los Angeles, New York-Kennedy, and Chicago O'Hare reported more O&D passengers, as shown on Figure 3.

*Data reported to the U.S. DOT excludes nonrevenue passengers and may differ from data reported by the airlines to the Airport.

Figure 3
ORIGIN-DESTINATION AND CONNECTING PASSENGERS
AT 20 BUSIEST U.S. AIRPORTS IN FY 2018
Ranked by origin-destination passengers



Note: O&D = Origin-Destination passengers.

Sources: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, and Schedule T100, accessed June 2019.

In recent years, MCO has expanded its role as an international gateway to Florida and the nation. Since FY 2010, international enplaned passengers at MCO have doubled, increasing an average of 8.9% per year between FY 2010 and FY 2018, reflecting Orlando's position as one of the largest leisure and hospitality centers in the world and a Florida business center. In July 2019, a total of 30 airlines (6 U.S. and 24 foreign-flag airlines) provided an average of 64 daily international departures to Canada, Central and South America, the Caribbean, Europe, and the Middle East. In FY 2018, international enplaned passengers accounted for 14% of total passengers at the Airport, compared with 9% in FY 2010, as presented in Table 11 in "Enplaned Passenger Trends".

ECONOMIC BASIS FOR AIRLINE TRAFFIC

The economy of the Orlando MSA is an important determinant of long-term passenger demand at the Airport. The development and diversity of the economic base of an airport service region are both important to passenger traffic growth at the airport serving that region. This is particularly true where the industries in the region rely on the airport for passenger and cargo service. The Orlando MSA is a national and international travel destination and a center of business and trade in Florida.

The following sections present a discussion of the economic basis for airline traffic at the Airport—historical and projected population, employment, and per capita personal income of the Orlando MSA; industry clusters, and the visitor industry—and a summary of the economic outlook for the United States, the State, and the Orlando MSA.

Population, Nonagricultural Employment, and Per Capita Personal Income

Table 3 presents comparative historical and projected trends in population, nonagricultural employment, and per capita personal income in the Orlando MSA, the State, and the United States in 1990, 2000, and from 2010 through 2018. Also presented are projected growth rates between 2018 and 2025.

Population. As shown in Table 3, from 1990 through 2018, the population of the Orlando MSA increased an average of 2.7% per year, faster than growth rates for the State and the nation. The University of Central Florida, Institute for Economic Competitiveness (UCF) projects population in the Orlando MSA to increase an average of 1.8% per year between 2018 and 2025, faster than rates for the State and the nation. In 2018, the Orlando MSA's population increased 2.4%, compared with 1.5% in the State and 0.6% in the nation.

Nonagricultural Employment. Following the trends in population, nonagricultural employment in the Orlando MSA increased an average of 2.9% per year between 1990 and 2018, faster than growth rates for the State and the nation, as shown in Table 3. Between 2000 and 2010, nonagricultural employment growth in the Orlando MSA slowed (an average increase of 0.9%), reflecting the effects of the national economic recessions in 2001 and 2008 through 2009. UCF projects nonagricultural employment in the Orlando MSA to increase an average of 2.3% per year between 2018 through 2025, faster than growth rates for the State and the nation. In 2018, nonagricultural employment in the Orlando MSA and the State increased 3.6% and 2.4%, respectively, faster than the forecast growth rates and for the nation as a whole (1.7%).

Per Capita Personal Income. As shown in Table 3, per capita personal income (in 2018 constant dollars) in the Orlando MSA increased an average of 0.7% per year between 1990 and 2018, with decreases between 2000 and 2010 (an average decrease of 0.5% per year), reflecting the effects of two national economic recessions, the housing and real estate decline, and construction slowdown. Growth in the MSA's per capita personal income returned between 2010 through 2018, increasing an average of 1.5% per year. UCF projects per capita personal income (in 2018 constant dollars) in the Orlando MSA to increase an average of 1.9% per year between 2018 through 2025, faster than the State (1.4%), but slower than the nation (2.4%).

Table 3
HISTORICAL AND PROJECTED SOCIOECONOMIC TRENDS
 Orlando MSA, State of Florida, and United States

	Population (thousands)			Nonagricultural employment (thousands)			Per capita personal income in 2018 dollars		
	Orlando MSA	State of Florida	United States (a)	Orlando MSA	State of Florida	United States	Orlando MSA	State of Florida	United States
Historical									
1990	1,225	12,938	248,791	580	5,363	109,527	35,668	37,970	37,697
2000	1,645	15,983	281,425	905	7,054	132,024	40,238	42,806	44,705
2010	2,134	18,801	308,746	993	7,175	130,362	38,317	44,350	46,692
2011	2,176	19,093	311,580	1,006	7,255	131,932	38,669	44,796	47,707
2012	2,226	19,326	313,874	1,032	7,400	134,175	38,555	44,815	48,778
2013	2,270	19,563	316,058	1,066	7,586	136,381	38,324	43,792	48,345
2014	2,325	19,860	318,386	1,109	7,828	138,958	39,615	45,851	49,917
2015	2,388	20,224	320,743	1,158	8,111	141,843	41,647	48,154	51,897
2016	2,453	20,630	323,071	1,209	8,388	144,352	41,941	48,345	52,190
2017	2,513	20,977	325,147	1,250	8,572	146,624	42,493	48,866	52,995
2018	2,573	21,299	327,167	1,295	8,782	149,074	43,250(b)	49,417	53,712
Projected 2025	2,912	23,277	343,471	1,523	9,832	160,308	49,195	54,598	63,515
Percent increase (decrease)									
2010-2011	1.9%	1.6%	0.9%	1.3%	1.1%	1.2%	0.9%	1.0%	2.2%
2011-2012	2.3	1.2	0.7	2.6	2.0	1.7	(0.3)	0.0	2.2
2012-2013	2.0	1.2	0.7	3.3	2.5	1.6	(0.6)	(2.3)	(0.9)
2013-2014	2.4	1.5	0.7	4.1	3.2	1.9	3.4	4.7	3.3
2014-2015	2.7	1.8	0.7	4.4	3.6	2.1	5.1	5.0	4.0
2015-2016	2.7	2.0	0.7	4.4	3.4	1.8	0.7	0.4	0.6
2016-2017	2.4	1.7	0.6	3.4	2.2	1.6	1.3	1.1	1.5
2017-2018	2.4	1.5	0.6	3.6	2.4	1.7	1.8	1.1	1.4
Average annual percent increase (decrease)									
1990-2000	3.0%	2.1%	1.2%	4.6%	2.8%	1.9%	1.2%	1.2%	1.7%
2000-2010	2.6	1.6	0.9	0.9	0.2	(0.1)	(0.5)	0.4	0.4
2010-2018	2.4	1.6	0.7	3.4	2.6	1.7	1.5	1.4	1.8
1990-2018	2.7	1.8	1.0	2.9	1.8	1.1	0.7	0.9	1.3
2018-2025	1.8	1.3	0.7	2.3	1.6	1.0	1.9	1.4	2.4

MSA = Metropolitan Statistical Area, consisting of Lake, Orange, Osceola, and Seminole counties.

(a) U.S. Census Bureau, Population Division, Table 1. Projected Population Size and Births, Deaths, and Migration for the United States: 2017 to 2060, September 2018, www.census.gov.

(b) Estimated based on UCF forecast growth rate between 2017 and 2018.

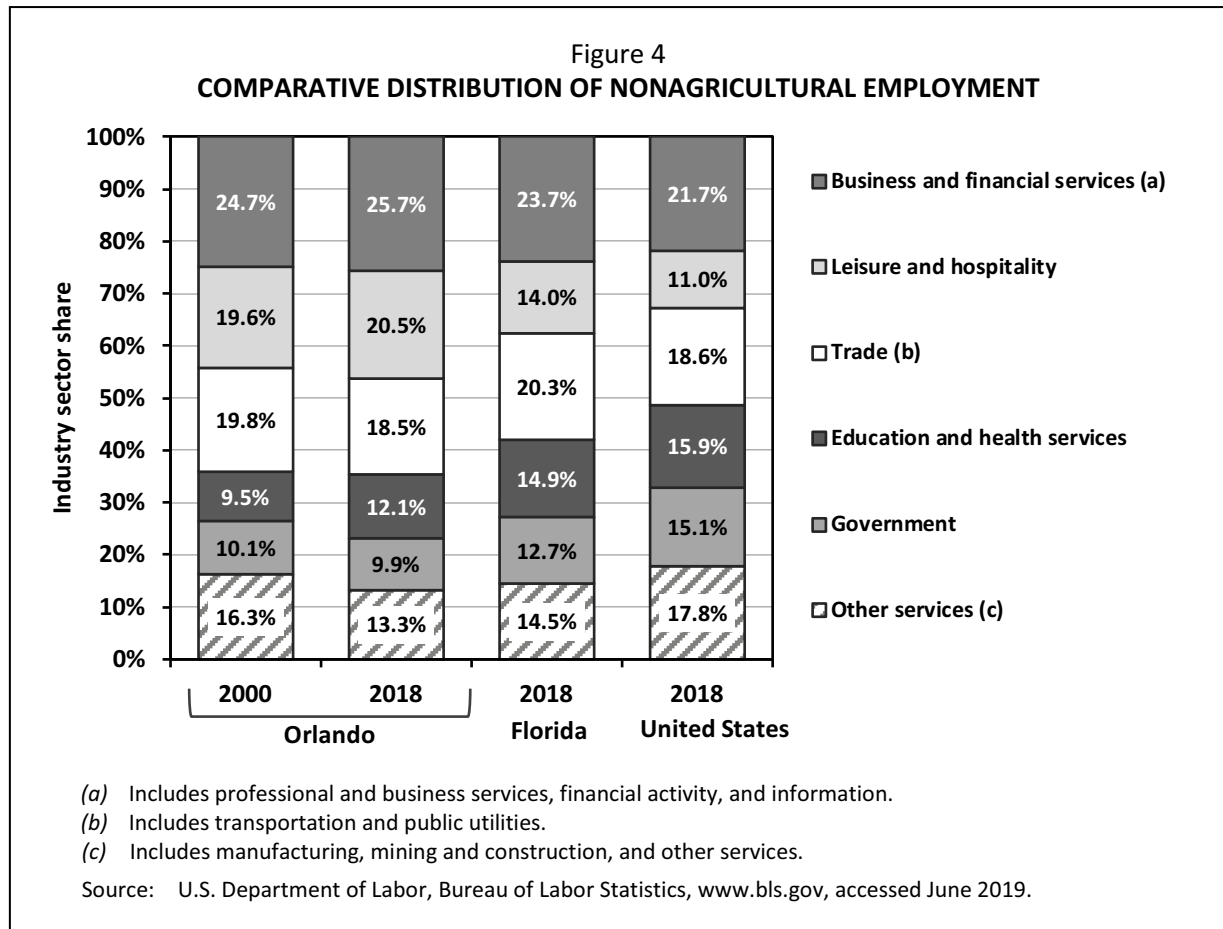
Sources: Historical population: U.S. Department of Commerce, Bureau of the Census, www.census.gov, accessed June 2019.

Historical employment: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed June 2019.

Historical income: U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed June 2019. Adjusted to constant 2018 dollars using the U.S. Department of Labor, Consumer Price Index for Urban Consumers (1982-84 = 100), www.bls.gov.

Projected growth rates, except as noted: University of Central Florida, College of Business Administration, Institute for Economic Competitiveness, *Florida and Metro Forecast, 2019-2022*, March 2019 and U.S. Forecast, May 2019, www.iec.ucf.edu. Projections for 2025 were extrapolated by LeighFisher based on projected growth rates between 2019 and 2022.

Nonagricultural Employment by Industry Sector. Figure 4 shows a comparative distribution of nonagricultural employment by industry sector for the Orlando MSA in 2000 and in 2018, and for the State and the nation in 2018. The Orlando MSA's business and financial services sector accounted for the largest share of employment in 2018, with 25.7%. The leisure and hospitality sector, which incorporates hotels, restaurants, theme parks, and other attractions, is a mainstay of the local economy, accounting for 20.5% of the MSA's 2018 nonagricultural employment. The importance of leisure and hospitality to Orlando is evident by comparison to the shares of employees working in this sector in Florida (14.0%) and nationwide (11.0%) in 2018.

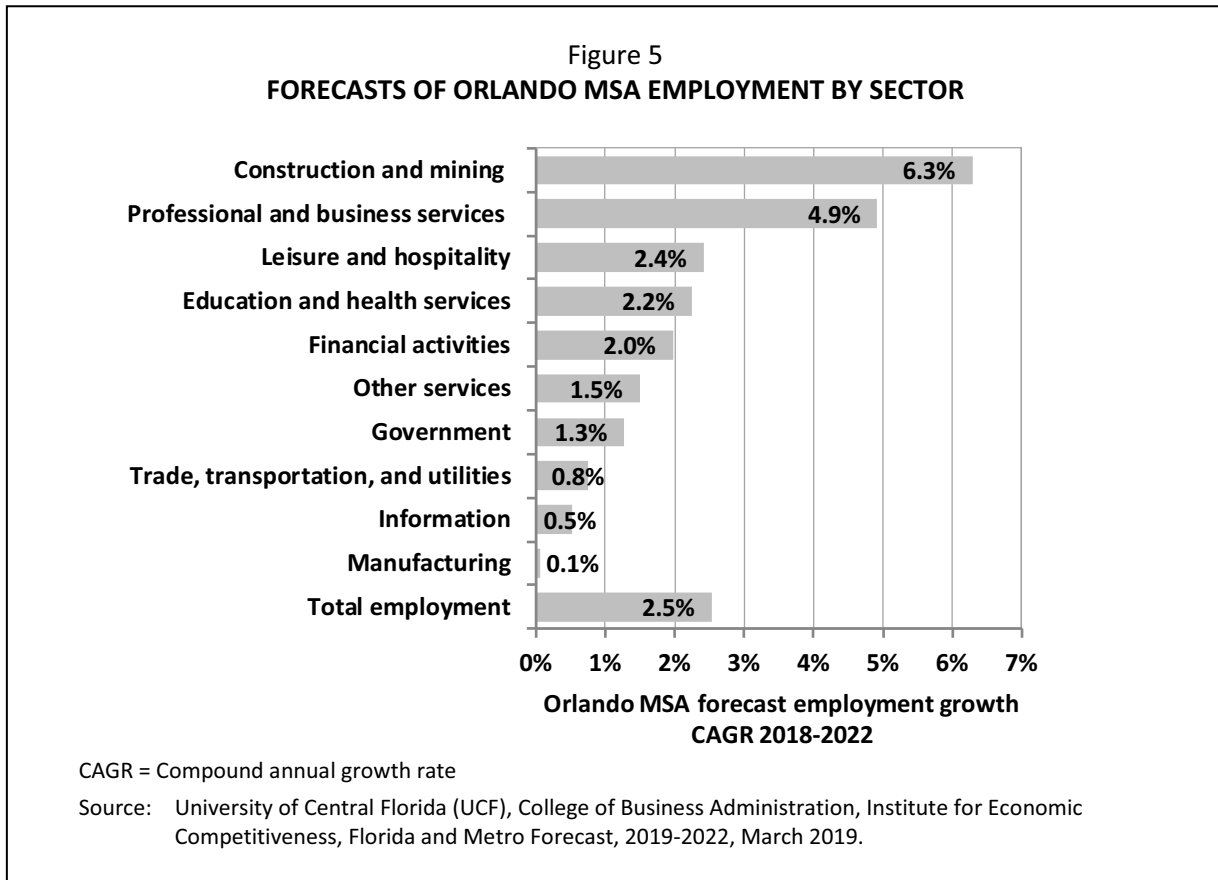


UCF forecasts Orlando MSA employment to increase in all sectors, as shown on Figure 5. The construction and mining sector is forecast to be the fastest growing sector, reflecting public and private infrastructure projects, such as:

- Florida Department of Transportation's I-4 Ultimate Improvement Project covering 21 miles of the interstate; adding four express lanes and reconstructing interchanges and bridges, scheduled to be completed in 2021
- New hotel construction in 2019 and 2020 for an additional 11,000 rooms

- Virgin Train USA’s high-speed passenger rail system linking the Airport to West Palm Beach and Miami, expected to be completed in 2022*

The professional and business services sector is forecast to be the second fastest growing sector, with forecast growth of 4.9% per year, followed by the leisure and hospitality sector with forecast growth of 2.4% per year.



Unemployment Rates. In addition to the employment trends cited above, the unemployment rate is also indicative of the general economic climate. Table 4 shows comparative annual unemployment rates in the Orlando MSA, the State, and the nation as a whole for 2000 through 2019 (January through April). The unemployment rates in the Orlando MSA and the State have generally followed the trends in the nation. In 2008 through 2010, unemployment rates in the Orlando MSA, the State, and the nation increased considerably as a result of the national economic recession. Between 2010 and 2018, Orlando MSA unemployment rates decreased from 11.1% to 3.3%. In the first 4 months of 2019, the unemployment rate for the Orlando MSA averaged 3.1%.

Monthly unemployment rates in the Orlando MSA, the State, and the United States have decreased since January 2017, as shown on Figure 6. In April 2019, the Orlando MSA unemployment rate was 2.7%, lower than the State (2.9%) and the nation (3.3%).

*The proposed route from Orlando out to the coast at Cocoa Beach is expected to enable trains to attain speeds of over 125 miles per hour, which meets the definition of high-speed rail in the United States.” Freight Waves, “Virgin Trains USA expanding service in Florida, California and Nevada”, www.freightwaves.com, accessed July 2019.

Table 4
COMPARATIVE UNEMPLOYMENT RATES

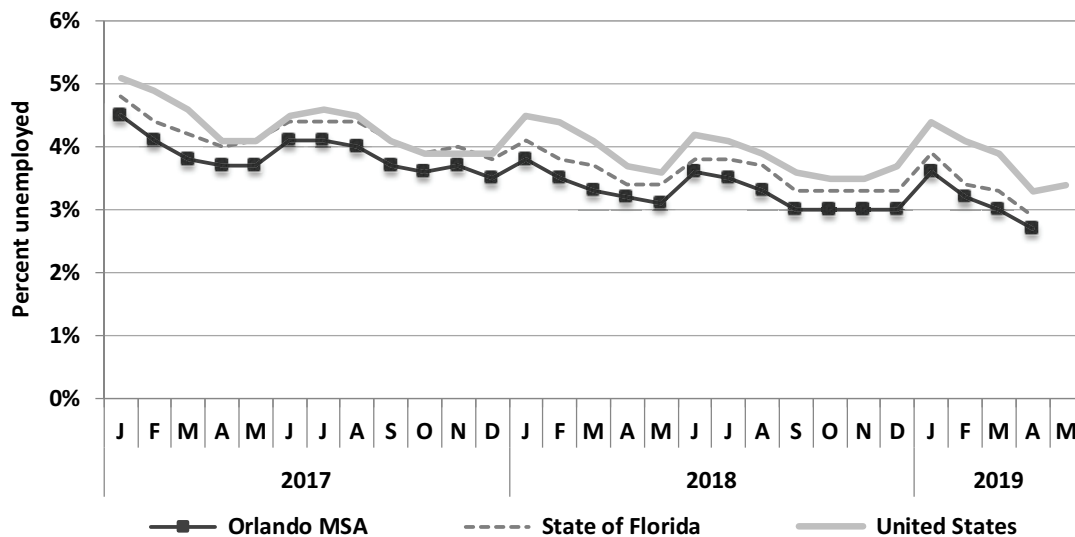
	Orlando MSA	State of Florida	United States
2000	3.1%	3.7%	4.0%
2001	4.4	4.6	4.7
2002	5.8	5.6	5.8
2003	5.3	5.2	6.0
2004	4.6	4.6	5.5
2005	3.6	3.7	5.1
2006	3.2	3.2	4.6
2007	3.9	4.0	4.6
2008	6.1	6.3	5.8
2009	10.5	10.4	9.3
2010	11.1	11.0	9.6
2011	10.0	10.0	9.0
2012	8.4	8.5	8.1
2013	7.0	7.2	7.4
2014	6.0	6.3	6.2
2015	5.2	5.5	5.3
2016	4.5	4.8	4.9
2017	3.9	4.2	4.4
2018	3.3	3.6	3.9
2019(a)	3.1	3.4	3.9

Note: Unemployment rates are not seasonally adjusted and represent annual averages.

(a) Represents an average of data for January through April 2019.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed June 2019.

Figure 6
MONTHLY UNEMPLOYMENT RATES



Note: Unemployment rates are not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of the Labor Statistics, www.bls.gov, accessed June 2019.

Orlando MSA Top 20 Employers. As of May 2018 (the most recent ranking available), Orlando ranked sixth in the Forbes annual assessment of “The Best Big Cities For Jobs”, following Dallas, Texas; Austin, Texas; Nashville, Tennessee; San Jose, California; and Charlotte, North Carolina, but ahead of the three largest U.S. metropolitan areas — New York, Los Angeles and Chicago— which did not rank in the top 15. Orlando’s sixth place ranking in 2018 (down from third in 2017) highlights its role in leading the resurgence of employment and economic growth in Florida and the other SunBelt states.

Table 5
ORLANDO MSA TOP 20 PRIVATE EMPLOYERS

Employer	Product or service	Employees
Walt Disney World Parks and Resorts (a)	Leisure and Hospitality	74,200
AdventHealth (b)	Healthcare	28,959
Universal Orlando (Comcast) (a)	Leisure and Hospitality	25,000
Publix Super Markets (a)	Grocer	19,783
Orlando Health (b)	Healthcare	19,032
Lockheed Martin (a)	Aerospace/Defense	9,000
Resource Employment Solutions	Staffing and Recruitment	8,280
Darden Restaurants (a) (b)	Restaurants	6,137
SeaWorld Parks and Entertainment (b)	Leisure and Hospitality	6,032
Siemens (c)	Advanced Manufacturing	4,448
Rosen Hotels and Resorts (b)	Leisure and Hospitality	4,307
Westgate Resorts (b)	Leisure and Hospitality	4,261
Wyndham Worldwide	Leisure and Hospitality	3,509
Hilton Grand Vacations Club (b)	Leisure and Hospitality	3,444
AT&T (a)	Telecommunications	3,063
JP Morgan Chase (a)	Finance and Insurance	3,053
Spectrum	Telecommunications	3,000
Hospital Corporation of America	Healthcare	2,950
Mears Transportation (b)	Transportation	2,825
FedEx (a)	Transportation & Business Services	2,821

Note: Data exclude government and retail operations.

(a) Fortune 500 company in 2019 based on Fortune Magazine’s ranking, www.fortune.com.

(b) Corporate headquarters are located in the Orlando MSA.

(c) Regional or division offices are located in the Orlando MSA.

Source: Direct Company Contact, Orlando Sentinel, Orlando Business Journal, updated February 2019, as reported by the Orlando Economic Partnership, www.orlandoedc.com.

The Orlando MSA’s major employers include an increasingly diverse list of companies in leisure and hospitality, healthcare, aerospace and defense, finance, and advances manufacturing, as shown in Table 5. The Walt Disney World Parks and Resorts is, by a wide margin, the largest private employer in the Orlando MSA, with 74,200 employees at its four theme parks (Magic Kingdom, EPCOT, Animal Kingdom, and Hollywood Studios), hotels, water parks, and golf courses. The hospitality and leisure industry is well-represented among the MSA’s other top employers: Universal Orlando (25,000 employees), Darden Restaurants (6,137), SeaWorld Parks and Entertainment (6,032), Rosen Hotels

and Resorts (4,307), Westgate Resorts (4,261), Wyndham Worldwide (3,509), and Hilton Grand Vacations Club (3,444).

Corporate headquarters are important drivers of business travel demand. According to the Orlando Economic Partnership, 8 of the top 20 employers shown in Table 5 have headquarters in the Orlando MSA. In addition, 8 of the top 20 employers are listed on Fortune magazine's list of the top 500 U.S. corporations, ranked by 2018 revenues.

Corporate Headquarters and Regional Offices. The Orlando MSA is home to a large number of corporate headquarters and regional offices of companies, including financial services, customer support and back office, healthcare, leisure and hospitality, professional services and specialty firms. Industry leaders such as American Automobile Association (AAA), Chase Credit Card Services, Darden Restaurants, Deloitte Consulting, Electronic Arts, Lockheed Martin, Northrop Grumman, Tupperware Brands Corporation, Verizon Communications and the Walt Disney Company are either headquartered or have a significant presence in the Orlando MSA. The Orlando MSA is also home to more than 150 international companies representing 20 countries, including the major U.S. operations of international companies such as Germany's Siemens Energy, Japan's Mitsubishi Hitachi Power Systems, Israel's Mazor Robotics, and Australia's Adacel.

Industry Clusters

The Orlando MSA's major industries, in addition to leisure and hospitality, are life sciences and healthcare, innovative technologies, aviation, aerospace, and defense, and advanced manufacturing, according to the Orlando Economic Partnership. These industry clusters, or groups of companies that buy or sell to each other in the manufacture of goods for export from the area, are positioned to grow within the Orlando MSA.

Life Sciences and Healthcare. The Orlando MSA's life sciences and healthcare industry cluster is led by 5,200 companies that employ 112,000 people, including biotech/bio informatics, clinical trials, diagnostic testing, healthcare, medical devices, medical simulation, specialty pharma and pharmaceuticals, sports innovation and performance firms. Leading life sciences and healthcare companies in the Orlando MSA include Adventist Health System/Florida Hospital, Orlando Health, Central Florida Health Alliance, HCA Central Florida Regional Hospital, Consulate Health Care, and Osceola Regional Medical Center.

Since 2008, Tavistock Group, a privately-held investment company, has been developing a 7,000-acre planned community southeast of, and immediately adjacent to, the Airport called Lake Nona. Lake Nona Medical City, a complex of new medical and bioscience facilities, is the centerpiece of the Lake Nona community and is home to the University of Central Florida's College of Medicine, the Sanford-Burnham Medical Research Institute, Nemours Children's Hospital, Guidewell Innovation Center, University of Florida Research and Academic Center, the Orlando Veterans Affairs Medical Center, and the Veterans Health Administration Simulation Learning, Education, and Research Network. In October 2018, the UCF College of Medicine, in partnership with Hospital Corporation of America, broke ground on the UCF Lake Nona Medical Center, a teaching hospital in Lake Nona adjacent to the UCF Medical School; construction is expected to be completed in late 2020. Lake Nona is also home to the United States Tennis Association's new 63-acre campus (opened in January 2017). KPMG, one of the world's "Big 4" accounting firms, expects to complete construction of its \$430 million, 55-acre training facility in Lake Nona in 2020. In addition, new development at Lake Nona is expected to include a luxury resort with an 11-acre man-made lagoon which broke ground in 2018 and is expected to be completed in 2020.

Innovative Technologies. The Orlando MSA is part of Florida’s high-tech corridor that stretches from Sarasota on the Gulf coast and runs along I-4, across the center of the State, to Daytona Beach on the Atlantic coast. The Orlando MSA’s innovative technology industry cluster is led by 2,800 companies that employ 33,400 people, including modeling, simulation and training, optics and photonics, smart sensors, cleantech and energy solutions, advanced materials, and emerging technology firms. Leading innovative technology companies in the Orlando MSA include Deloitte Consulting, Oracle Corporation, FIS, Electronic Arts—Tiburon, Veritas, Fiserv, and Golf Channel.

Aviation, Aerospace, and Defense. The Orlando MSA’s aviation, aerospace, and defense industry cluster is led by 220 companies that employ 24,000 people, including defense, modeling, simulation and training, maintenance, repair and overhaul, optics and photonics, serious games (i.e., simulations of real-world events), and air service development. Leading aviation, aerospace, and defense companies in the Orlando MSA include Lockheed Martin, Northrop Grumman, L-3 Coleman Aerospace, and Leidos.

Advanced Manufacturing. The Orlando MSA’s advanced manufacturing industry cluster is led by 670 companies that employ 21,000 people, including aerospace defense systems, clean energy and power technology, and enabling components for communications equipment, the marine industry, and tool systems and technology. Leading advanced manufacturing companies in the Orlando MSA include Siemens Energy, Mitsubishi Hitachi Power Systems, Heller Bros Packing Corp., Benada Aluminum Products, and Qorvo.

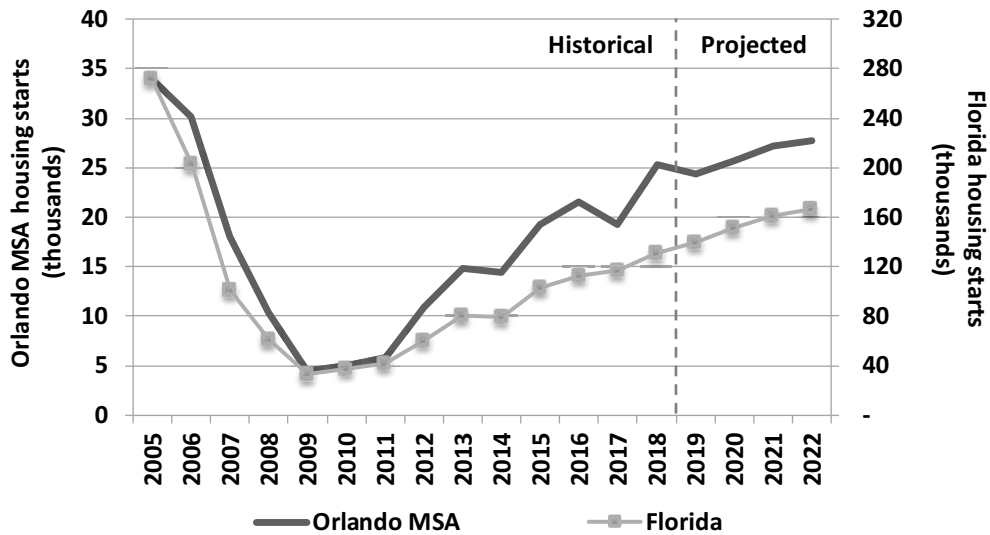
Housing Market

Trends in the housing market in a region generally follow economic cycles and are an indicator of overall economic activity that will, in turn, help to spur air travel demand. During the 2008-2009 economic recession, the median housing price in the Orlando MSA and the State decreased 42% between December 2007 (the first month of the recession) and June 2009 (the final month), reflecting the effects of U.S. subprime mortgage crisis and the financial credit crisis.* Subsequently, the median housing price in the Orlando MSA continued to decrease, reaching a low in January 2011. From January 2011 to May 2019, the Orlando MSA’s median housing price increased 156%, representing the highest price since August 2007. (Note: S&P Case-Shiller Home Price Index data are not available for the Orlando MSA.)

Housing starts are another indicator of housing market trends and represent the number of new residential construction projects begun during a particular period. In its March 2019 report, UCF forecasts a continued strengthening in the Florida housing market. As shown on Figure 7, housing starts in the Orlando MSA and in the State increased 31% and 6%, respectively, between 2017 and 2018, as new construction increased to compensate for low inventories of existing homes. UCF forecasts housing starts in the Orlando MSA to increase to 27,792 by 2022—an average increase of 2.4% per year. In comparison, UCF forecasts housing starts in Florida to increase to 167,000 by 2022—an average increase of 3.5% per year.

*Orlando Regional Realtor Association, Ten Year History 2009 - 2019, June 2019, www.orlandorealtors.org. Data are for all sales types and home types combined.

Figure 7
HISTORICAL AND PROJECTED HOUSING STARTS
 Orlando MSA and State of Florida



Note: Data for housing starts are the number of new residential construction projects begun during a particular period, including single- and multi-family units.

Source: University of Central Florida, Institute for Economic Competitiveness, *Florida and Metro Forecast: 2019-2022*, March 2019.

Visitor Industry

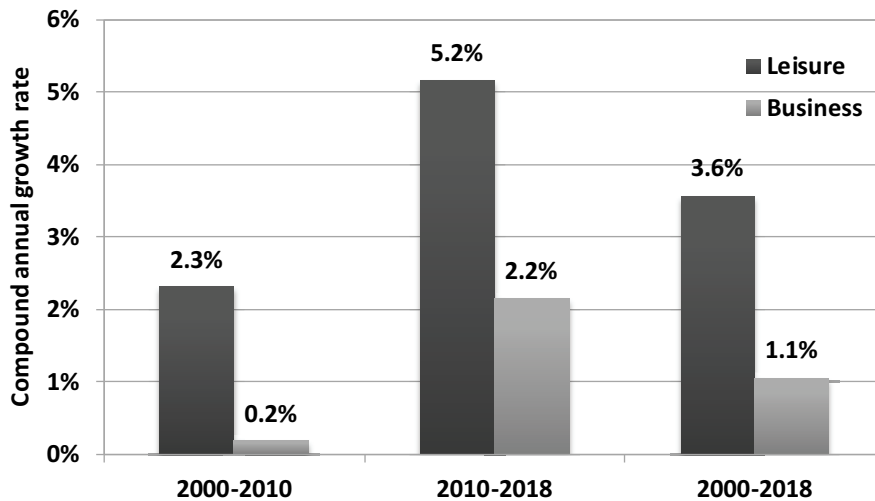
The visitor industry is an important driver of the Orlando MSA economy and passenger traffic at the Airport. As noted earlier, approximately 75 million people visited the Orlando MSA in 2018, a new record for the U.S. travel industry, making Orlando the most visited destination in the nation. Between 2000 and 2018, the total number of visitors to the Orlando MSA increased an average of 3.1% per year, with stronger growth between 2010 and 2018 (an average increase of 4.8% per year) during the recovery from the 2008-2009 national economic recession.

Visitors to the Orlando MSA, including leisure and business travelers, originate from both domestic and international locations. The following sections present a discussion of the visitor industry—leisure and business visitors, domestic and international visitors, cruise ship visitors, and hotel infrastructure in the Orlando MSA.

Leisure Visitors. In 2018, approximately 57 million leisure travelers visited the Orlando MSA, accounting for 84% of domestic visitors; business travelers accounted for the remaining 16%.^{*} As shown on Figure 8, the number of leisure visitors to the Orlando MSA increased an average of 3.6% per year between 2000 and 2018, with stronger growth between 2010 and 2018 (an average increase of 5.2% per year).

^{*}Includes visitors traveling by all modes of transport.

Figure 8
GROWTH TRENDS IN LEISURE AND BUSINESS DOMESTIC VISITORS
Orlando MSA



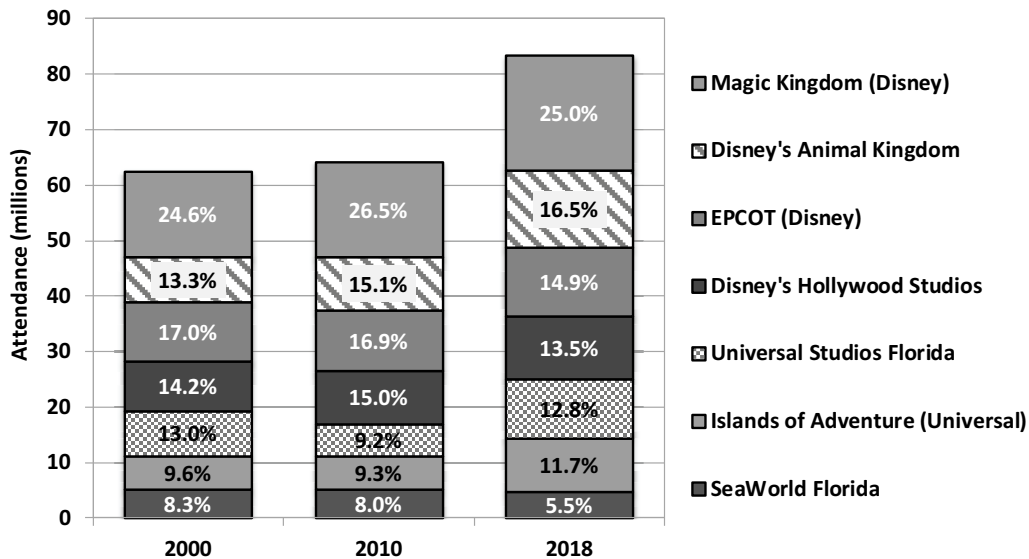
Source: D.K. Shifflet and Associates; Tourism Economics; the U.S. Department of Commerce, National Travel and Tourism Office; Visit Orlando Market Research & Insights, as reported by Visit Orlando, www.visitorlando.com, accessed June 2019.

The growth in the number of leisure visitors reflects the concentration and continued expansion of and investment in entertainment-based theme parks in the Orlando MSA that attract both domestic and international travelers. In 2018 (the most recent year available), Orlando's seven theme parks were among the 10 busiest in the United States in terms of total attendance, with over 83 million attendees, according to the 2018 ranking prepared by the Themed Entertainment Association.* The remaining three busiest U.S. theme parks are located in southern California—Disneyland, Disney California Adventure, and Universal Studios Hollywood—and had a combined attendance of nearly 38 million in 2018.

Between 2000 and 2018, total attendance at the seven Orlando MSA theme parks increased an average of 1.6% per year, with the strongest growth between 2010 and 2018 (an average increase of 3.4% per year), as shown on Figure 9. Universal Studios Florida reported the strongest growth in attendance between 2010 and 2018—an average increase of 7.7 % per year—reflecting the opening of several new attractions, including the new Despicable Me Minions ride (2012), the new 3-D Transformers ride (2013), and an expansion to the Wizarding World of Harry Potter (2014). Universal's Island of Adventure also reported strong growth in attendance during this period (an average increase of 6.4% per year), reflecting the opening of the Wizarding World of Harry Potter (2010), a themed area that now extends into Universal Studios Florida, and the refurbishment and reopening of the Spider-Man ride (2012).

*The Themed Entertainment Association (TEA) is an international non-profit association that represents creators, developers, designers and producers of themed entertainment.

Figure 9
ATTENDANCE AT ORLANDO MSA THEME PARKS
Ranked by 2018 attendees



Sources: 2000: Amusement Business Magazine.
 2010 and 2018: Themed Entertainment Association and Economics Research Associates.

In 2014 through 2019, 36 new attractions opened at Orlando's theme parks and others are planned and/or underway, as detailed in Table 6. Six new attractions have opened or are opening in 2019, including the Sesame Street Land at SeaWorld Orlando (March 2019), Lego Movie World at LEGOLAND Florida (March 2019), and Star Wars: Galaxy Edge, a new themed land, at Disney Hollywood Studios (August 2019).^{*} In addition, on August 1, 2019 Universal Orlando announced plans to open a brand new theme park called Universal's Epic Universe, which is expected to nearly double the entertainment company's acreage in Central Florida and be Universal's fourth Florida theme park. An opening date was not provided at that time.

The growth in the number of leisure visitors also reflects the continued development of sports venues in the Orlando MSA that attract both domestic and international travelers. The Orlando MSA is home to two professional sports teams—the Orlando Magic in the National Basketball Association (NBA) and Orlando City Soccer Club in Major League Soccer—as well as the University of Central Florida's sports teams, spring training for the Atlanta Braves in Major League Baseball, and many minor league and semi-professional teams for several sports.

^{*}LEGOLAND Florida is located in Winter Haven in Polk County in the secondary area of the Airport Service Region, 48 road miles from Orlando.

Table 6
**OPENED AND PLANNED ATTRACTIONS
 AT THEME PARKS IN THE AIRPORT SERVICE REGION: 2014-2022**

Year of opening	Theme park	Attraction
2014	Universal Studios Florida	Diagon Alley, Wizarding World of Harry Potter
2014	Disney Magic Kingdom	Seven Dwarfs Mine Train in the New Fantasyland
2015	New I-Drive entertainment complex	The Orlando Eye (425-foot observation wheel)
2015	New I-Drive entertainment complex	Madame Tussauds wax museum
2015	New I-Drive entertainment complex	Sea Life Aquarium
2015	LEGOLAND Florida	Heartlake City expansion
2016	Disney Animal Kingdom	Rivers of Light
2016	WonderSea Island	New water park
2016	Disney Springs (Downtown Disney)	Planet Hollywood Observatory
2016	Universal Studios Florida	Skull Island, Reign of Kong
2016	Disney Magic Kingdom	Frozen Ever After
2016	Disney Magic Kingdom	Soarin' Around the World
2016	Disney Animal Kingdom	Sunset Kilimanjaro Safaris
2016	SeaWorld Orlando	Mako (200-foot roller coaster)
2016	LEGOLAND Florida	The LEGO Movie 4D A New Adventure
2016	Kennedy Space Center	Heroes and Legends
2017	Universal Studios Florida	Race Through New York Starring Jimmy Fallon
2017	Disney Animal Kingdom	Pandora - The World of AVATAR
2017	Universal Studios Florida	Volcano Bay water park
2017	Disney's Typhoon Lagoon Water Park	Miss Fortune Falls raft ride
2017	SeaWorld Orlando	Kraken Unleashed roller coaster (a)
2017	SeaWorld Orlando	Electric Ocean
2017	LEGOLAND Florida	LEGO NINJAGO World
2018	Disney Hollywood Studios	Toy Story Land
2018	Universal Studios Florida	The Fast and the Furious: Supercharged
2018	SeaWorld Orlando	Infinity Falls
2018	SeaWorld Orlando	Ray Rush
2018	LEGOLAND Florida	The Great Lego Race
2018	LEGOLAND Florida	Lego Ninjago - Master of the 4th Dimension
2019	Disney Hollywood Studios	Star Wars: Galaxy's Edge
2019	Disney Hollywood Studios	Lightning McQueen's Racing Academy
2019	Universal Islands of Adventure	Hagrid's Magical Creatures Motorbike Adventure
2019	SeaWorld Orlando	Sesame Street Land
2019	SeaWorld Orlando	KareKare Curl
2019	LEGOLAND Florida	Lego Movie World
2022	Disney Hollywood Studios	Mickey and Minnie's Runaway Railway

Note: LEGOLAND Florida is located in Winter Haven in Polk County in the secondary area of the Airport Service Region, 48 road miles from Orlando.

The Kennedy Space Center is located on Merritt Island in Brevard County in the secondary area of the Airport Service Region, 50 road miles from Orlando.

(a) Kraken Unleashed is a refurbishment of the original Kraken roller coaster which opened in 2000.

Sources: Visit Orlando; Greater Orlando Aviation Authority; Orlando Sentinel.

Since 2010, considerable investment in sports venues has taken place in the Orlando MSA, including:

- The \$500 million Amway Center opened in 2010 and is home to the NBA's Orlando Magic, ECHL's Orlando Solar Bears (one of the NHL's minor hockey leagues), and the Orlando Predators (a professional indoor football team) and has hosted the 2012 NBA All-Star Game, HBO Main Event Boxing, WWE Monday Night Raw, and college basketball games. The Amway Center hosted first and second round games of the 2017 NCAA Division I Men's Basketball Championship Tournament. In September 2018, the Orlando Magic announced plans for a \$200 million entertainment complex adjacent to the Amway Center featuring a 250-room luxury hotel, a 300-unit high-end residential tower, 80,000 square feet of event space, and 100,000 square feet of retail space. Construction of the entertainment center is expected to begin in 2019 and be completed in 2021.*
- The Camping World Stadium (formerly the Orlando Citrus Bowl), has hosted college football, including the Citrus and Camping World Bowl games, World Cup and Olympic soccer, WrestleMania, and Monster Jam, completed a \$207.7 million reconstruction project in 2014. In 2015, the Stadium hosted a game between the 2015 FIFA Women's World Cup championship team from the United States and the team from Brazil. The Camping World Stadium has hosted the annual NFL Pro Bowl game since 2017. In June 2019, the Orlando City Council approved \$60 million in tourist development tax funding for additional upgrades to Camping World Stadium.**
- The \$27 million Boombah Sports Complex at Seminole County opened in May 2016 with 15 fields for baseball, softball, soccer, football, and lacrosse, facilities, and concessions.
- The \$155 million 25,500-seat Orlando City soccer stadium, Exploria Stadium, opened in March 2017. The state-of-the-art, privately financed multi-purpose facility has hosted men's and women's collegiate, national, and major-league soccer and is home to Major League Soccer's Orlando City Soccer Club and the Orlando Pride National Women's Soccer League team. The MLS Combine, an annual showcase, has been held at the stadium since 2018.
- The United States Tennis Association's (USTA) National Campus, a \$60 million 63-acre facility in Lake Nona, and the world's largest tennis facility, opened in January 2017. The National Campus hosts the USTA's Community Tennis and Player Development divisions including more than 100 tennis courts, player dormitories, and a USTA office building.

The opening of the \$383 million Dr. Phillips Performing Arts Center (the Center) in 2014 also contributes to the numbers of visitors to the Orlando MSA. The 369,000-square-foot Center in downtown Orlando comprises three theaters – a 1,700-seat opera house/symphony hall (under construction), a 2,700-seat Broadway theater, and a 300-seat community theater. Construction of the second phase of the Center began in March 2017 and is expected to open in 2020. The second phase, costing an additional \$185 million, includes the third theater, Steinmetz Hall, a 1,700-seat, three-tier acoustical hall which is expected to house Orlando's philharmonic and ballet performances, and the Green Room, a gathering place for performers and guests for musical exploration, creative programming, recording, and other events.

*Orlando Sentinel, "Long-promised Magic Complex set to begin construction in '19", September 5, 2018, www.orlandosentinel.com.

**Hearst Television, Inc., WESH 2 News, "Orlando City Council approves \$60 million for improvements to Camping World Stadium", June 18, 2019, www.wesh.com.

Business Visitors. In 2018, approximately 11 million business travelers visited the Orlando MSA. As shown in Figure 8, the number of business visitors to the Orlando MSA increased an average of 0.9% per year between 2000 and 2017, with the strongest growth between 2010 and 2017 (an average increase of 1.9% per year). Strong increases in the MSA's population and employment, the strength of Orlando's world-class tourism industry, and the continued development of the defense, high-tech, and digital media industry sectors have contributed to the growth of business travel. According to the Orlando Economic Partnership, a competitive cost environment has also favored the Orlando economy in attracting new businesses which, in turn, generate additional travel demand. Business travel can be expected to increase generally in line with growth in the MSA economy in the future.

Business visitors to the Orlando MSA also include convention and trade show attendees. The Orange County Convention Center (OCCC) is the primary convention facility in the Orlando MSA and the second largest in the United States, with a total space of 7.0 million square feet, 2.1 million of which is exhibit space. (Chicago's McCormick Place is the largest U.S. convention facility, with 2.6 million square feet of exhibit space.) In FY 2018, the OCCC hosted 193 events and more than 1.5 million convention attendees, reflecting a slight decrease in attendance compared with FY 2017 (1.53 million convention attendees). In October 2018, the OCCC announced a \$605 million project to expand. The new enclosed Convention Way Grand Concourse, built to connect the North and South concourses, will feature an 80,000-square-foot ballroom and additional meeting space, while a new 200,000-square-foot multipurpose venue will provide seating to accommodate 18,000-20,000 guests.

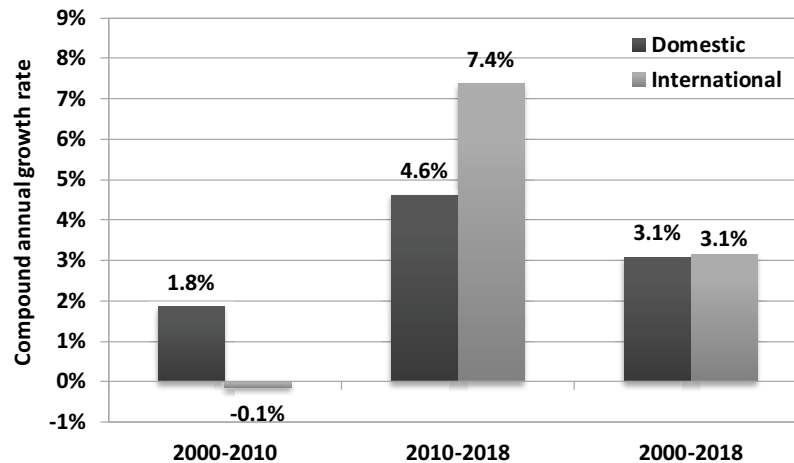
Domestic Visitors. In 2018, approximately 68.6 million U.S. travelers visited the Orlando MSA, accounting for 91% of total visitors; international visitors accounted for the remaining 9%. As shown on Figure 10, the number of domestic visitors to the Orlando MSA increased an average of 3.1% per year between 2000 and 2018, with the strongest growth between 2010 and 2018 (an average increase of 4.6% per year).

International Visitors. The Orlando MSA is one of the top 10 U.S. destinations for overseas visitors. In 2018, approximately 6.5 million international travelers visited the Orlando MSA. As shown on Figure 10, the number of international visitors to the Orlando MSA increased an average of 3.1% per year between 2000 and 2018, with the strongest growth between 2010 and 2018 (an average increase of 7.4% per year).

Visitors from overseas accounted for 81.0% of international travelers to the Orlando MSA in 2017, with visitors from Canada accounting for the remaining 19.0%, as shown on Figure 11. (Data for 2018 are not yet available.) Of the overseas visitors, the United Kingdom accounted for the largest country share, with 16.6%, followed by Brazil with 14.5%. Between 2011 and 2014, international visitors to Orlando from Brazil increased an average of 18.5% per year, followed by decreases of 3.1% and 16.9% in 2015 and 2016, respectively, related to Brazil's 2014-2016 national economic recession. In 2017, international visitors to Orlando from Brazil increased 16.2%, reflecting a 1.1% increase in Brazil's GDP and the end of its economic recession.

The U.S. National Travel and Tourism Office (NTTO) issues a semi-annual forecast of the number of international visitors to the United States. In October 2018, the NTTO forecast international visitors to the United States to increase an average of 3.3% per year between 2018 and 2023, the same as the average increase between 2010 and 2018, as shown on Table 7. During the first 3 months of 2019 (January through March), the number of international visitors to the United States decreased 3.9% compared with the same period in 2018.

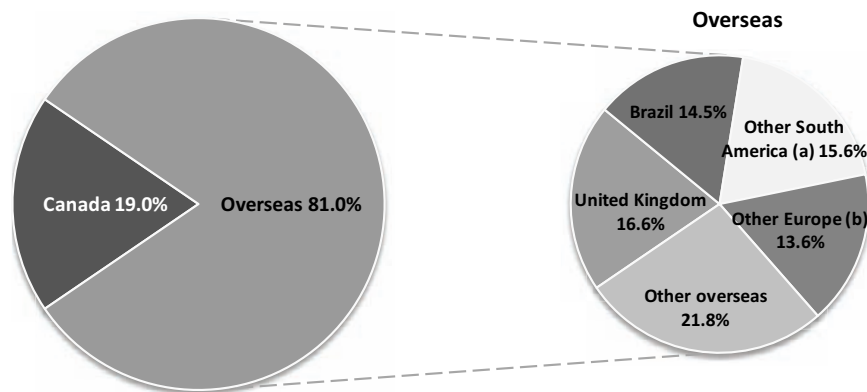
Figure 10
GROWTH TRENDS IN DOMESTIC AND INTERNATIONAL VISITORS
 Orlando MSA



Note: In 2015, the methodology for reporting overseas visitors to the top U.S. destinations changed significantly; therefore, data starting in 2015 may not be comparable with data for prior years.

Sources: D.K. Shifflet and Associates; Tourism Economics; the U.S. Department of Commerce, National Travel and Tourism Office; Visit Orlando Market Research & Insights, as reported by Visit Orlando, www.visitorlando.com, accessed June 2019.

Figure 11
ORIGINS OF INTERNATIONAL VISITORS TO THE ORLANDO MSA IN 2017



Note: Data for Mexico are not reported due to small sample size.

(a) Excludes Brazil.

(b) Excludes the United Kingdom.

Source: Visit Orlando Market Research and Insights and U.S. Department of Commerce, International Trade Administration, Office of Tourism Industries, www.travel.trade.gov.

Table 7
**FORECASTS OF INTERNATIONAL TRAVELERS TO THE UNITED STATES
BY TOP ORIGIN COUNTRIES**

Rank order 2017	Visitor origin country	Forecast annual percent increase (decrease)				
		2019	2020	2021	2022	2023
	North America					
1	Canada	4.0%	2.0%	3.0%	3.0%	4.0%
2	Mexico	3.0	3.0	3.0	4.0	4.0
	Total North America	2.8	2.9	3.5	3.6	3.4
3	United Kingdom	2.0	4.0	4.0	3.0	2.0
4	Japan	1.0	1.0	1.0	1.0	2.0
5	China	2.0	3.0	5.0	7.0	8.0
6	South Korea	5.0	4.0	3.0	3.0	3.0
7	Germany	2.0	1.0	1.0	1.0	2.0
8	Brazil	2.0	2.0	3.0	5.0	6.0
9	France	4.0	3.0	3.0	2.0	2.0
10	Australia	2.1	1.0	3.0	5.0	6.0
11	India	5.0	6.0	6.0	6.0	6.0
12	Italy	5.0	2.1	3.0	2.0	2.0
13	Argentina	3.0	1.9	3.1	4.0	4.9
14	Colombia	6.0	5.0	4.0	3.0	3.0
15	Spain	4.0	1.9	2.0	1.1	1.0
16	Netherlands	3.0	2.0	2.0	2.0	3.0
17	Sweden	1.0	2.1	3.0	2.0	2.0
18	Venezuela	(2.0)	(1.0)	0.0	0.0	(1.0)
19	Ireland	7.1	4.9	4.0	3.1	2.9
20	Taiwan	2.0	2.0	2.9	3.1	3.0
21	Switzerland	2.0	3.0	2.9	3.0	3.0
	Other overseas	3.0	3.2	4.7	4.6	2.9
	Total-countries shown	3.2	2.6	3.0	3.4	3.8
	Not shown	3.0	3.2	4.7	4.6	2.9
	Total	3.2	2.7	3.3	3.6	3.7
	Total-countries shown	72,337	74,204	76,462	79,054	82,075
	Not shown	11,560	11,931	12,490	13,063	13,440
	Total	83,897	86,135	88,952	92,117	95,515

Sources: U.S. Department of Commerce, International Trade Administration, National Travel and Tourism Office, *Forecasts of International Travelers to the United States by Top Origin Countries*, October 2018, preliminary, www.tinet.ita.doc.gov, accessed June 2019.

Cruise Ship Visitors. Port Canaveral, one of the world's busiest cruise ship ports, is located less than 50 miles east of Orlando and is adjacent to the John F. Kennedy Space Center and NASA visitor center at Cape Canaveral. Many out-of-state cruise ship passengers bound for Port Canaveral arrive and depart via the Airport. Port Canaveral is currently served by Carnival Cruise Line, Disney Cruise Line, Norwegian Cruise Line, and Royal Caribbean; all have signed multi-year agreements for future operations. Victory Casino Cruises also serves Port Canaveral with twice daily 5-hour gaming cruises.

In FY 2018, Port Canaveral with 4.57 million multi-day cruise passengers was the second busiest passenger cruise port in the world after Port of Miami, with 5.59 million multi-day cruise passengers, as shown in Table 8. In North America, Port Everglades ranked third with 3.74 million cruise

passengers in FY 2018, followed by the Port of Galveston (1.97 million), the Port of New York and New Jersey (an estimated 1.95 million, including the cruise ports in Brooklyn, Manhattan, and Cape Liberty) and the Port of New Orleans (1.18 million).*

Port Canaveral's cruise business accounts for approximately 8% of total revenue, with continued growth supporting water-side engineering design and permitting work for a new terminal, according to Port Canaveral management.** The Port's future strong growth for cruise business is based on the Port's deep water channel necessary for mega-cruise ships, convenient access to drive-in and fly-in markets, and having the only established cruise port in Florida with space for significant expansion. In a 2019 reader survey conducted by Global Traveler, a monthly magazine for business and leisure luxury travelers, Port Canaveral was voted world's best cruise port.***

Cruise ship travel from the U.S. to Cuba began in May 2016, following the Obama administration's easing of tensions with Cuba. In June 2019, the Trump administration prohibited cruise ship travel from the U.S. to Cuba, which had become the most popular form of U.S. leisure travel to Cuba. Most U.S.-based cruises to Cuba occurred out of other Florida ports, with only one weekly itinerary out of Port Canaveral. ****

Port Canaveral is undergoing a \$500 million cargo and cruise expansion, including a \$35 million project to deepen and widen Canaveral Harbor to allow larger ships carrying more than 5,000 passengers. As part of the Port's expansion plans, Cruise Terminal 1, a new two-story, 188,514-square-foot facility, opened in December 2014. Cruise Terminal 1 was designed to accommodate the largest cruise ships in the world and features a 1,600-seat pre-boarding area and a 1,000-vehicle parking facility. Royal Caribbean based the Harmony of the Seas, the second largest cruise ship in the world with a full capacity of 6,700 passengers and 2,100 crew, at Port Canaveral. The Harmony of the Seas offers 7-day Eastern and Western Caribbean cruise itineraries from Port Canaveral and is expected to increase the number of cruise passengers at Port Canaveral.

In January 2019, the Canaveral Port Authority approved contracts for the Port's Cruise Terminal 3 project, a \$163 million complex that will be the homeport for Carnival Cruise Line's Mardi Gras when completed in 2020. The Mardi Gras, with a maximum capacity of 6,500 passengers and 2,000 crew members, will be powered by liquefied natural gas and be the first cruise ship to feature a roller coaster.***** In May 2019, the Canaveral Port Authority and Disney Cruise Line reached a new 20-year agreement to expand operations and make Port Canaveral home to two of Disney Cruise Line's three new ships. The terms of the new agreement continue Disney's exclusive operation from Cruise Terminal 8, in addition to providing preferential use of the Port's Cruise Terminal 10 for a third homeport vessel. The planned waterside and landside improvements to Cruise Terminal 8 and Cruise

*Port of Galveston, Port Statistics by Fiscal Year, www.portofgalveston.com; "New Orleans Saw a Record Number of Cruise Passengers in 2018", February 8, 2019, www.nola.com; Port Authority of New York & New Jersey, Press Release Article, Region's Airports and Transit Network Handled Record Volumes and Significant Growth in 2018", January 31, 2019, www.panynj.com; PORTNYC 2018 Brochure, www.nyedc.com.

**Port Canaveral, www.portcanaveral.com, accessed June 2019. "More Cruisers, Cargo Push Port Canaveral to Record Revenue Year", October 31, 2018, www.orlandosentinel.com.

***Florida Today, "We're No. 1: Travel Magazine says Port Canaveral Voted World's Best Cruise Port", June 14, 2019, www.floridatoday.com

****"Trump Orders Halt of Cruises to Cuba, Affecting Many Florida-Based Ships", June 4, 2019, www.orlandosentinel.com

*****Port Canaveral, "Canaveral Port Authority Awards \$108.5M Contracts for Construction of New Cruise Terminal 3 Project", January 8, 2019, www.portcanaveral.com.

Terminal 10 will accommodate the growth of Disney’s fleet of cruise ships. The new ships are expected to be delivered in 2021, 2022 and 2023, with two of them homeporting in Port Canaveral for at least their first five years of operation.*

Table 8
TRENDS AT NORTH AMERICA’S BUSIEST CRUISE PORTS

Fiscal Year	Multi-day cruise ship passengers		
	Port Miami	Port Everglades	Port Canaveral
2010	4,100,000	3,314,208	2,722,751
2011	4,018,161	3,664,103	3,100,199
2012	3,774,452	3,689,022	3,761,056
2013	4,030,356	3,509,727	3,717,586
2014	4,770,000	3,880,033	3,863,606
2015	4,915,576	3,622,229	3,620,000
2016	4,980,490	3,680,549	3,951,127
2017	5,340,000	3,738,252	4,240,942
2018	5,592,000	3,741,408	4,568,431
	Percent increase (decrease)		
2010-2011	(2.0%)	10.6%	13.9%
2011-2012	(6.1)	0.7	21.3
2012-2013	6.8	(4.9)	(1.2)
2013-2014	18.4	10.6	3.9
2014-2015	3.2	(6.6)	(6.3)
2015-2016	1.3	1.6	2.4
2016-2017	7.2	1.6	7.3
2017-2018	4.7	0.1	7.7
	Compound annual percent increase		
2010-2018	4.0%	1.5%	6.7%

Note: For Fiscal Years ended September 30.

Sources: Florida Department of Transportation, Florida Transportation Trends and Conditions, June 2013, www.dot.state.fl. Miami Dade County, Port of Miami, press releases, www.miamidade.gov/portmiami. Port Canaveral, annual reports, www.portcanaveral.com. Port Everglades, Port Everglades Waterborne Commerce Chart for the Ten Fiscal Years 2018 through 2009, www.porteverglades.net.

Hotel Infrastructure. In 2018, an estimated 127,224 hotel rooms were located in the Orlando MSA, as shown in Table 9. The number of occupied room nights increased an average of 1.4% per year between 2000 and 2018, with stronger growth between 2010 and 2018 (an average increase of 3.3% per year), reflecting the economic recovery and the strength of the Orlando tourism market. Average daily rates for hotel rooms and hotel occupancy rates also increased—an average of 4.3% and 2.5% per year, respectively, between 2010 and 2018. Decreases in occupancy rates in 2016 and 2018 coincide with increases in available rooms and reflect a lag in the absorption of the additional room capacity.

*Port Canaveral, “Canaveral Port Authority and Disney Cruise Line Reach New 20-Year Agreement for Expanded Cruise Operations and Arrival of New Disney Ships”, May 22, 2019, www.portcanaveral.com.

According to CBRE*, hotel room demand in the Orlando MSA increased an average of 3.7% per year between 2013 and 2018, one of the strongest growth rates in the nation. By 2020, the Orlando MSA is expected to construct an additional 46 hotels with an estimated 11,041 rooms. Universal Orlando Resort's International Drive hotel project consists of two hotels with a total of 2,800 rooms and opened in early 2019. The Great Wolf Lodge Orlando, also on International Drive, will also open in 2019, with 800 rooms. Between 2018 and 2022, the number of new hotel rooms is expected to increase an average of 2.6% per year.

In 2017 (the most recent year available), Orlando MSA hotels accounted for 55% of area overnight stays by domestic leisure visitors and 86% of trips by overseas visitors, according to Visit Orlando. Timeshares, home and condo rentals, and stays with friends and relatives accounted for the remainder of visitor accommodations.** Therefore, the capacity of the Orlando MSA to accommodate both domestic leisure and overseas visitors is greater than the number of room nights shown in Table 9.

*CBRE, 2019 Southeast U.S. Real Estate Market Outlook, Orlando, www.cbre.us.com.

**Visit Orlando, 2017 Domestic Visitor Leisure Profile and 2017 Overseas Visitor Profile, www.visitorlando.com.

Table 9
HISTORICAL HOTEL ROOMS AND OCCUPANCY
Orlando MSA

Fiscal Year	Number of rooms	Room nights (millions)		Occupancy rate	Average daily rate
		Available	Occupied		
Historical					
2000	102,838	36.9	26.7	72.4%	\$89.83
2005	111,564	41.0	29.0	70.8	92.00
2010	115,199	43.0	26.7	63.8	90.76
2011	115,413	42.0	28.4	67.6	93.94
2012	116,368	42.4	29.1	68.7	97.21
2013	116,499	42.4	30.0	70.7	101.78
2014	118,212	41.9	30.9	73.7	107.91
2015	117,371	40.5	31.1	76.7	114.20
2016	119,904	45.0	34.0	75.5	116.00
2017	121,005	43.8	34.7	79.3	121.53
2018	127,224	44.5	34.5	77.5	127.32
Percent increase (decrease)					
2010-2011	0.2%	(2.3%)	6.4%	6.0%	3.5%
2011-2012	0.8	0.8	2.5	1.6	3.5
2012-2013	0.1	0.2	3.1	2.9	4.7
2013-2014	1.5	(1.2)	3.0	4.2	6.0
2014-2015	(0.7)	(3.3)	0.6	4.1	5.8
2015-2016	2.2	11.0	9.3	(1.6)	1.6
2016-2017	0.9	(2.6)	2.2	5.0	4.8
2017-2018	5.1	1.6	(0.7)	(2.3)	4.8
Compound annual percent increase (decrease)					
2000-2010	2.1%	2.4%	1.4%	(0.8)%	1.6%
2010-2018	1.2	0.4	3.3	2.5	4.3
2000-2018	1.2	1.1	1.4	0.4	2.0

Note: For Fiscal Years ended September 30.

Source: Visit Orlando, www.visitorlando.com, as of June 2019.

Economic Outlook

The economic outlook for the United States, the State of Florida, and the Orlando MSA forms a basis for anticipated growth in airline traffic at the Airport. Economic activity in the Orlando MSA and the State is directly linked to the production of goods and services in the United States and the world. Both airline travel and the movement of cargo through the Airport depend on the economic linkages between and among the regional, State, national, and global economies. The economic and other assumptions underlying the forecasts of enplaned passengers are based on a review of global, national, State, and regional economic outlooks as well as an analysis of historical socioeconomic trends and airline traffic trends.

Global Economy. Globalization of the world economy has linked national economies, with positive impacts on travel as well as trade. The Orlando MSA and the State are strongly connected to the global economy through a number of industry sectors and the four world regions (North America, Europe, Latin America/Caribbean, and the Middle East) that are currently served at the Airport. The economic growth of these world regions, in terms of Gross Domestic Product (GDP), is directly related to the growth in air travel. According to IHS Markit, world GDP, in 2015 dollars, is forecast to increase an average of 2.9% per year between 2018 and 2024.* Continued growth in the economies of the world regions most closely aligned with the Orlando MSA economy and airline service at the Airport are expected to contribute to continued growth in passenger traffic at the Airport.

U.S. Economy. The U.S. economy has grown at a slow to moderate pace since the 2008-2009 economic recession, with U.S. GDP growth averaging 2.2% per year between 2009 and 2018. In its May 2019 report, UCF projects U.S. GDP, in 2009 dollars, to increase an average of 2.9% per year between 2018 and 2021. (UCF projections of U.S. GDP are not available through 2025.) In comparison, the Congressional Budget Office (CBO) projects U.S. GDP, in 2012 dollars, to increase an average of 1.9% between 2018 and 2025.** Since the 2008-2009 economic recession, U.S. unemployment rates (seasonally adjusted) have decreased from 9.5% in July 2009 to 3.4% in May 2019. UCF projects the national unemployment rate to decrease to 3.2% in 2021, while the CBO projects the unemployment rate to decrease to 3.5% in 2019, and then increase to an average of 4.8% by 2025.

Florida Economy. Florida has exceeded the nation in terms of economic and employment growth since 2011, after enduring a prolonged economic recession that began in early 2007. In its March 2019 forecast update, UCF continues to expect a recovery stronger in the State than the nation as a whole. Based on UCF's forecasts:

- Economic growth in Florida, in terms of gross State product adjusted for inflation, is forecast to increase an average of 3.3% per year in 2018 through 2022, exceeding that for the nation.
- Florida's employment growth is forecast to exceed national growth between 2018 and 2024 (an average increase of 1.7% per year), with stronger than average growth expected in construction, professional and business services, leisure and hospitality, and financial activities.
- Unemployment rates in Florida are forecast to decrease to 3.2% by 2019 and increase to 3.4% by 2022, lower than forecasts of national unemployment rates.

*Federal Aviation Administration, *FAA Aerospace Forecasts, Fiscal Years 2019-2039*, www.faa.gov, March 2019.

**Congressional Budget Office, *The Budget and Economic Outlook: 2019-2029*, January 2019, www.cbo.gov.

- Florida's average per capita personal income, adjusted for inflation, is forecast to increase an average of 1.4% per year between 2018 and 2024.
- Florida's housing market continues to improve, with housing starts forecast to improve 6.3% from 2018 through 2022. Increases in home prices will slow as new housing becomes available.

Orlando MSA Economy. The Orlando MSA is expected to show continued economic growth in all sectors, according to UCF's March 2019 forecasts.* The fastest growing sector in the Orlando MSA is expected to be the construction and mining sector with an average increase of 6.3% per year between 2018 and 2022, followed by the professional and business services sector, with an average increase of 4.9% per year, and the leisure sector at 2.4% per year. Based on UCF's forecasts:

- Employment growth in the Orlando MSA is forecast to exceed State and national growth between 2018 and 2024 (an average increase of 2.4% per year), with stronger than average growth expected in construction and professional and business services.
- Unemployment rates in the Orlando MSA are forecast to decrease to 2.8% by 2019 and increase to 3.1% by 2022, lower than forecasts for the State and the nation.
- Average per capita personal income in the Orlando MSA, adjusted for inflation, is forecast to increase an average of 1.8% per year between 2018 and 2024, faster than forecast growth for the State (1.4%) and slower than the nation (2.4%).
- Similar to the State, the housing market in the Orlando MSA continues to improve, with housing starts forecast to increase an average of 2.4% between 2018 and 2022.

Economic Basis for Airline Traffic Forecasts. Factors expected to contribute to economic growth in the Orlando MSA and associated increases in airline travel include (1) its popularity as a domestic and international tourist destination and its substantial tourism and hospitality infrastructure, (2) the continued efforts by the Orlando MSA's theme parks to refresh their entertainment offerings, (3) the continued diversity in the economic base and growth in the existing and emerging Orlando MSA industry clusters described earlier, which lessens its vulnerability to weaknesses in particular industry sectors, and (4) continued reinvestment to support the development of tourism, conventions, and other businesses. This outlook is reflected in the airline traffic forecasts presented in the "Airline Traffic Forecasts" section of this Report.

HISTORICAL AIRLINE SERVICE AND TRAFFIC

Airlines serving the Airport; enplaned passenger trends; airline shares of passengers; origin-destination markets; airline service at the Airport; and airline fares and yields are discussed in this section.

*University of Central Florida, College of Business Administration, Institute for Economic Competitiveness, *Florida and Metro Forecast, 2019-2022*, March 2019.

Airlines Serving the Airport

As of July 2019, a total of 39 passenger airlines served the Airport, including four U.S. network passenger airlines, one regional airline, two low cost carriers (LCCs), three ultra low cost carriers (ULCCs), and 29 foreign-flag airlines, as shown in Table 10. In addition, seven airlines provided all-cargo service. Two passenger airlines, Flair and Icelandair, operate seasonal service at the Airport.

Table 10
AIRLINES SERVING ORLANDO INTERNATIONAL AIRPORT

Network airlines	Foreign-flag airlines
Alaska Airlines <i>(a)</i>	Aer Lingus
American Airlines	Aeromexico
Delta Air Lines	Air Canada
United Airlines	Air Transat
	Avianca
	Avianca Costa Rica
	Avianca El Salvador
	Avianca Peru
	Azul Airlines
	Bahamasair
	British Airways
	Caribbean Airlines
	COPA Airlines
	Edelweiss Air
	El Al
	Emirates
	GOL Airlines
	Interjet
	Lan Peru <i>(b)</i>
	Lufthansa
	Norwegian Air
	Norwegian Air Shuttle
	Sunwing Airlines
	Swoop
	TAM Linhas Aereas <i>(b)</i>
	Thomas Cook Airlines
	Virgin Atlantic Airways
	Volaris
	Westjet
Regional airlines	
Silver Airways	
Low cost carriers	
JetBlue Airways	
Southwest Airlines	
Ultra Low cost carriers <i>(c)</i>	
Frontier Airlines	
Spirit Airlines	
Sun Country Airlines	
All-cargo airlines	
ABX Air	
Amerijet International	
Atlas	
FedEx	
Kalitta Air	
National Air Cargo Group	
United Parcel Service	

Note: Airline service by the regional affiliates of the network airlines is not provided at the Airport.

(a) Alaska and Virgin America merged in December 2016.

(b) Lan Airlines and TAM Linhas Aereas merged in 2012 to form LATAM but continue to operate under separate brands during the rebranding process, which is expected to be completed in 2019.

(c) Ultra low cost carriers have significantly lower unit costs than low cost carriers and derive a significantly higher proportion of revenue from ancillary revenue than LCCs by unbundling their fare products.

Sources: OAG Aviation Worldwide Ltd., online database, accessed June 2019 and Greater Orlando Aviation Authority records.

Enplaned Passenger Trends

Figure 12 presents trends in enplaned passengers at the Airport between FY 1980 (a year before the NTC opened) and FY 2018 and illustrates continued long-term growth notwithstanding economic cycles and external events. Table 11 presents enplaned passengers by type of carrier between FY 2000 and FY 2018 and during the first 7 months of FY 2019. The number of enplaned passengers increased an average of 5.3% between FY 1980 and FY 2018. Growth slowed between FY 2000 and FY 2014 (averaging 1.2% per year), reflecting the 2000-2001 economic recession, terrorist events of September 2001, a slow recovery from the 2008-2009 economic recession and the U.S. financial crisis, and airline industry consolidation and associated capacity reductions between FY 2008 and FY 2013.

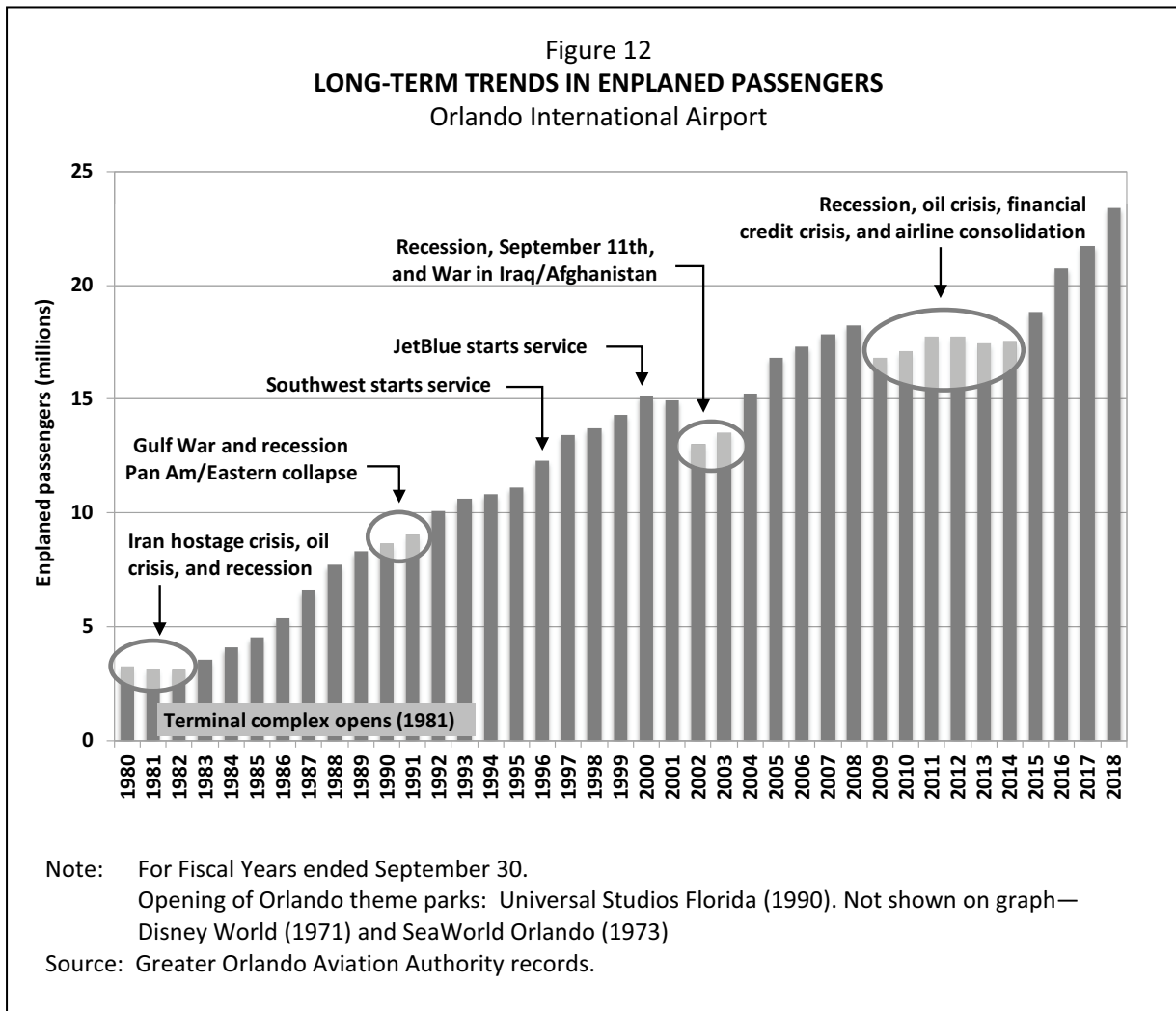


Table 11
HISTORICAL ENPLANED PASSENGERS
 Orlando International Airport
 In thousands

Fiscal Year	Domestic			Domestic total	International			Total enplaned passengers
	Network airlines (a)	Low cost carriers (b)	Ultra low cost carriers (b)		U.S. flag airlines	Foreign-flag airlines (a)	International total	
2000	11,219	2,302	400	13,922	137	1,098	1,236	15,157
2010	7,053	7,752	730	15,535	231	1,365	1,596	17,131
2011	7,260	8,180	640	16,080	263	1,429	1,692	17,772
2012	7,243	7,957	671	15,870	288	1,572	1,860	17,730
2013	7,343	7,324	804	15,471	277	1,680	1,957	17,427
2014	7,527	7,093	857	15,478	293	1,765	2,057	17,535
2015	7,740	7,349	1,337	16,426	341	2,059	2,399	18,826
2016	7,947	7,787	2,244	17,978	438	2,321	2,759	20,737
2017	7,860	7,929	3,094	18,883	481	2,355	2,836	21,719
2018	8,201	8,047	3,976	20,224	574	2,584	3,158	23,382
First 7 months								
2018	4,772	4,755	2,341	11,869	323	1,447	1,769	13,638
2019	4,892	4,753	2,881	12,526	446	1,635	2,081	14,607
	Percent increase (decrease)							
2010-2011	2.9%	5.5%	(12.3)%	3.5%	14.0%	4.7%	6.0%	3.7%
2011-2012	(0.2)	(2.7)	4.7	(1.3)	9.4	10.0	9.9	(0.2)
2012-2013	1.4	(8.0)	19.9	(2.5)	(3.9)	6.9	5.2	(1.7)
2013-2014	2.5	(3.2)	6.6	0.0	5.8	5.0	5.1	0.6
2014-2015	2.8	3.6	56.0	6.1	16.4	16.7	16.6	7.4
2015-2016	2.7	6.0	67.8	9.4	28.6	12.7	15.0	10.2
2016-2017	(1.1)	1.8	37.9	5.0	9.8	1.5	2.8	4.7
2017-2018	4.3	1.5	28.5	7.1	19.3	9.7	11.4	7.7
2018-2019(c)	2.5	(0.0)	23.1	5.5	38.0	13.1	17.6	7.1
	Compound annual percent increase (decrease)							
2000-2010	(4.5)%	12.9%	6.2%	1.1%	5.3%	2.2%	2.6%	1.2%
2010-2014	1.6	(2.2)	4.1	(0.1)	6.1	6.6	6.6	0.6
2014-2018	2.2	3.2	46.7	6.9	18.3	10.0	11.3	7.5
2000-2018	(1.7)	7.2	13.6	2.1	8.3	4.9	5.4	2.4

Notes: For Fiscal Years ended September 30. Totals may not add due to rounding.

(a) Includes passengers enplaned on regional and charter airlines.

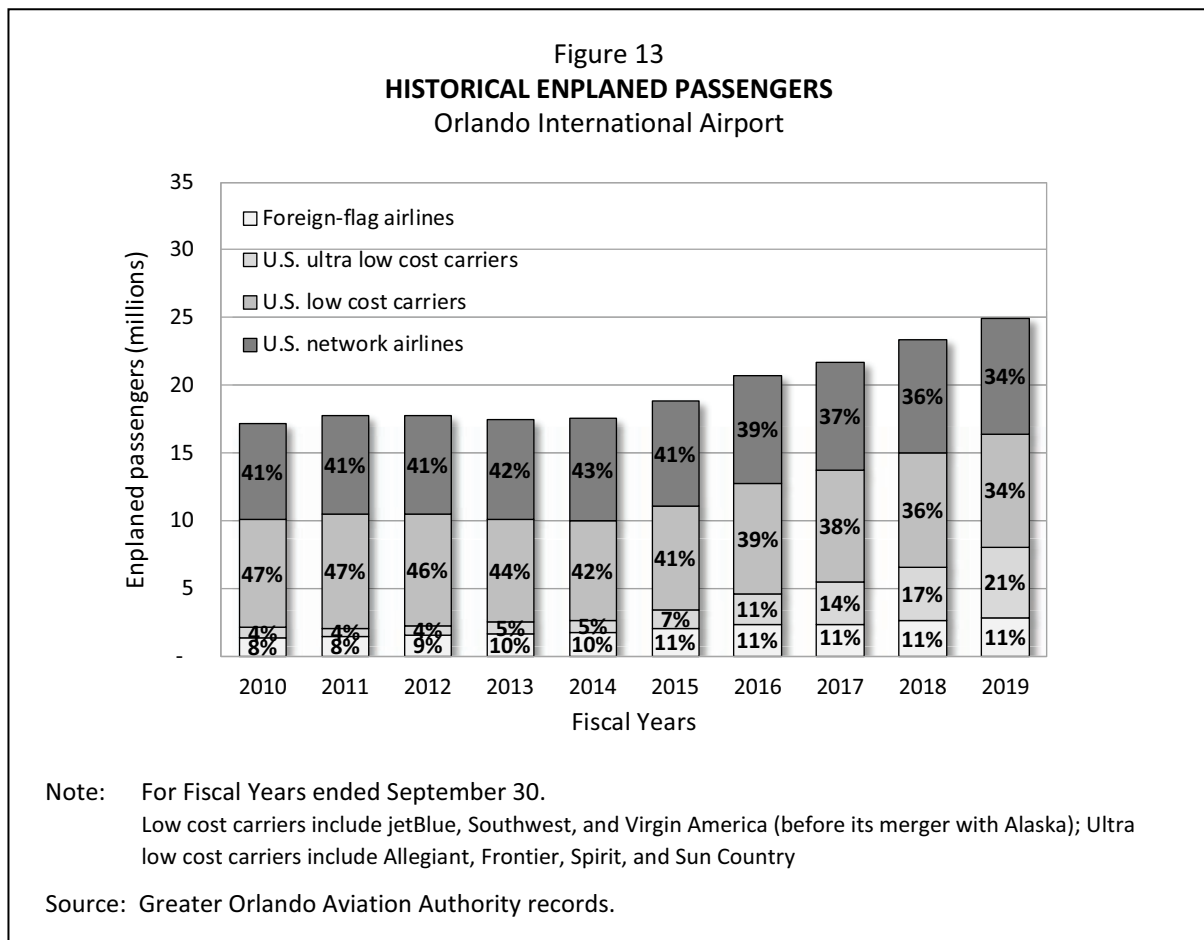
(b) Low cost carriers include jetBlue, Southwest/AirTran, and Virgin America (before its merger with Alaska); Ultra low cost carriers include Allegiant, Frontier, Spirit, and Sun Country.

(c) Represents the year over year increase for the first 7 months (October through April).

Source: Greater Orlando Aviation Authority records.

Between FY 2014 and FY 2018, strong passenger traffic growth resumed, averaging 7.5% per year, reflecting strong growth by ultra low cost carriers (an average increase of 46.7% per year) and airlines providing international service (an average increase of 11.3% per year), as shown in Table 11 and on Figure 13. Passenger growth exceeded 7% in each of these years with the exception of FY 2017 that was affected by the occurrence of three hurricanes—Hurricane Matthew which impacted MCO operations on October 6 through 8, 2016, Hurricane Irma which caused the closure of MCO on September 9 through 11, 2017 with limited flight operations on September 12, and Hurricane Maria which impacted MCO’s flights to Puerto Rico and the Caribbean from September 16 through October 2, 2017.

International passenger traffic increased an average of 5.4% per year between FY 2000 and FY 2018, compared with an average increase of 2.1% in domestic passenger traffic.



Low cost and ultra low cost carriers accounted for all of the growth in domestic passengers between FY 2000 and FY 2018, increasing an average of 7.2% and 13.6% per year, respectively, and offset decreases by network airlines during this period (an average decrease of 1.7% per year). The number of international passengers on foreign-flag airlines increased an average of 4.9% per year between FY 2000 and FY 2018 and accounted for 82% of international passengers at the Airport in FY 2018. U.S. airline international passengers at the Airport increased an average of 8.3% per year between FY 2000 and FY 2018—faster growth than foreign-flag airlines—but accounted for a smaller share of international passengers (18%).

During the first 7 months of FY 2019, the number of enplaned passengers at the Airport increased 7.1% compared with the same period in FY 2018, driven by a 5.5% increase in domestic passengers and a 17.6% increase in international passengers. LCCs and ULCCs accounted for most of the increase in domestic passengers during the first 7 months of FY 2019, with Frontier, jetBlue, Southwest, Spirit, and Sun Country reporting increases. U.S. and foreign-flag airline international passenger traffic increased 38.0% and 13.1%, respectively, during the first 7 months of FY 2019 due to the initiation of international service at the Airport by several airlines, including Spirit, Interjet, and GOL, among others, as well as service increases by jetBlue, Norwegian Air, and WestJet. During the first 10 months of FY 2019, the number of enplaned passengers at the Airport increased 6.9% compared with the same period in FY 2018.

Enplaned Passenger Trends by Visitors and Residents

Between FY 2000 and FY 2018, the number of visitors (non-residents) at the Airport increased an average of 2.0% per year and accounted for 70.8% of outbound O&D passengers at the Airport in FY 2018, as shown in Table 12. Passenger traffic by residents increased an average of 4.1% per year between FY 2000 and FY 2018—faster growth than visitors—but accounted for a smaller share of outbound O&D passengers (29.2%) in FY 2018. The strong growth in resident travel reflects strong economic growth in the Orlando MSA and the continued diversification of the local economy.

International Enplaned Passengers by Region

Between FY 2010 and FY 2018, the number of revenue enplaned passengers on international flights increased an average of 8.9% per year, as shown in Table 13.

- Europe accounted for the largest share of international revenue passengers in FY 2018 with 32.3% but slower than average growth (an average increase of 4.5% per year between FY 2010 and FY 2018), reflecting, in part, Europe's slow economic recovery and financial crisis.
- Canada accounted for the second largest share of international revenue passengers in FY 2018 with 20.4% and also increased at slower than average rates between FY 2010 and FY 2018 growth (an average increase of 7.2% per year).
- South America accounted for the strongest growth between FY 2010 and FY 2018, increasing an average of 21.1% per year, reflecting its recovery from the 2015-2016 economic recession led by Argentina and Brazil. South America increased its share of international revenue passengers at the Airport from 7.4% in FY 2010 to 17.4% in FY 2018.
- Central America accounted for 18.3% of international revenue passengers in FY 2018 and strong growth (an average increase of 11.5% per year between FY 2010 and FY 2018), driven by growth in passengers from Mexico.
- The Caribbean accounted for 9.3% of international revenue passengers in FY 2018 and slightly slower than average growth between FY 2010 and FY 2018 (an average increase of 8.6% per year).

In recent years, the Airport's facility needs for the processing of international passengers have increased. Between FY 2010 and FY 2018, with the continued development of international airline service at the Airport, the number of international arriving passengers requiring FIS facilities increased an average of 9.9% per year, compared with an average increase of 6.2% per year in the number of "precleared" passengers who do not require U.S. Customs processing at MCO, as shown in Table 13.*

International airline service in the Orlando MSA is also provided at Sanford International Airport (Sanford). Sanford, classified by the FAA as a small hub airport, is located within the Orlando MSA, approximately 34 miles north of the Airport. International service at Sanford has been focused on charter flights, most of which originated in the United Kingdom and elsewhere in Europe. Since 2007, international charter service to and from the Orlando area declined substantially while scheduled international airline service increased. In FY 2018, the Airport's share of international passengers increased to 96% of the combined total (the Airport and Sanford) while Sanford's share had fallen to 4%—its lowest historical share since FY 1996 when international service started at Sanford.

*U.S. Customs and Border Protection (CBP) inspects and clears passengers arriving in the United States on all international flights, except for those traveling from locations which provide for the preclearance of inbound passengers by U.S. CBP officials at their point of departure (e.g., at designated airports in Canada, the Bahamas, Bermuda).

Table 12
PASSENGER TRAFFIC TRENDS BY RESIDENTS AND VISITORS
Orlando International Airport
In thousands

Fiscal Year	Enplaned passengers					Percent of total	
	Outbound O&D (a)			Connecting and other (a)	Total (b)	Orlando MSA residents	Visitors
	Orlando MSA residents	Visitors	Total				
2000	3,152	11,116	14,268	890	15,157	22.1%	77.9%
2001	3,141	11,024	14,166	768	14,934	22.2	77.8
2002	2,854	9,496	12,350	675	13,025	23.1	76.9
2003	3,036	9,792	12,829	703	13,532	23.7	76.3
2004	3,467	10,973	14,440	794	15,234	24.0	76.0
2005	4,091	12,022	16,113	721	16,833	25.4	74.6
2006	4,357	12,084	16,440	876	17,317	26.5	73.5
2007	4,441	12,451	16,892	940	17,832	26.3	73.7
2008	4,436	12,840	17,277	962	18,238	25.7	74.3
2009	4,138	11,876	16,014	784	16,799	25.8	74.2
2010	4,211	11,960	16,171	960	17,131	26.0	74.0
2011	4,244	12,425	16,669	1,101	17,770	25.5	74.5
2012	4,256	12,418	16,673	1,057	17,730	25.5	74.5
2013	4,183	12,484	16,668	774	17,442	25.1	74.9
2014	4,200	12,532	16,732	803	17,535	25.1	74.9
2015	4,567	13,350	17,916	911	18,827	25.5	74.5
2016	5,436	14,367	19,802	935	20,737	27.4	72.6
2017	6,021	14,735	20,756	963	21,719	29.0	71.0
2018	6,522	15,806	22,327	1,055	23,382	29.2	70.8
Compound annual percent increase (decrease)							
2000-2010	2.9%	0.7%	1.3%	0.8%	1.2%		
2010-2018	5.6	3.5	4.1	1.2	4.0		
2000-2018	4.1	2.0	2.5	1.0	2.4		

Note: For Fiscal Years ended September 30.

(a) Based on data from U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100; U.S. Department of Transportation, Schedules T100 and 298C; and estimates prepared by LeighFisher.

(b) Greater Orlando Aviation Authority records.

Table 13
REVENUE ENPLANED PASSENGERS BY INTERNATIONAL REGION
Orlando International Airport

International region	FIS required		Precleared		Total	
	FY 2010	FY 2018	FY 2010	FY 2018	FY 2010	FY 2018
Europe						
United Kingdom	529,584	716,882	--	--	530,526	716,882
Other	<u>123,545</u>	<u>224,254</u>	<u>39,894</u>	<u>48,902</u>	<u>163,439</u>	<u>273,156</u>
Subtotal--Europe	653,129	941,136	39,894	48,902	693,965	990,038
Canada	9,108	26,691	349,957	599,953	359,065	626,644
Central America						
Mexico	89,226	295,253	--	--	89,226	295,253
Other	<u>145,392</u>	<u>267,169</u>	--	--	<u>145,392</u>	<u>267,169</u>
Subtotal--Central America	234,618	562,422	--	--	234,618	562,422
Caribbean	77,931	190,381	69,386	93,914	147,317	284,295
South America	114,402	533,148	--	--	114,402	533,148
Middle East	--	66,302	--	--	--	66,302
Asia/Africa	<u>3,950</u>	<u>4,635</u>	--	--	<u>3,008</u>	<u>4,635</u>
Total passengers	1,093,138	2,324,715	459,237	742,769	1,552,375	3,067,484
Compound annual percent increase (decrease): 2010-2018						
	FIS required		Precleared		Total	
Europe						
United Kingdom	3.9%		--		3.9%	
Other	7.7		2.6		6.6	
Subtotal--Europe	4.7		2.6		4.6	
Canada	14.4		7.0		7.2	
Central America						
Mexico	16.1		--		16.1	
Other	7.9		--		7.9	
Subtotal--Central America	11.5		--		11.5	
Caribbean	11.8		3.9		8.6	
South America	21.2		--		21.2	
Middle East	--		--		--	
Asia/Africa	2.0		--		2.0	
Total passengers	9.9%		6.2%		8.9%	

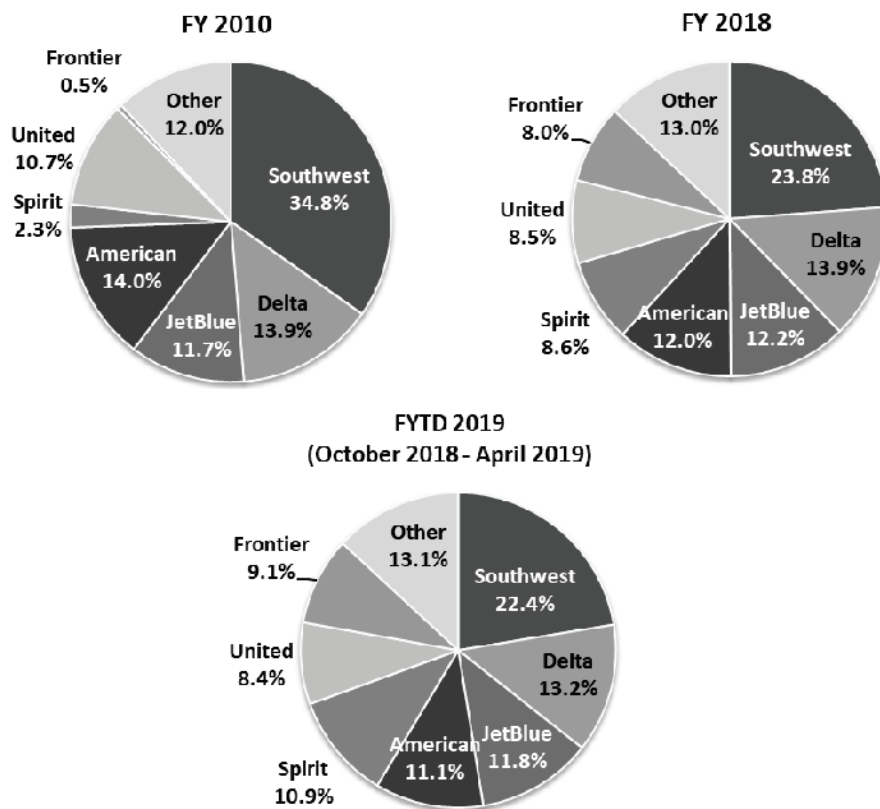
Note: Preclearance locations include: Europe: Dublin and Shannon, Ireland; Canada: Calgary, Edmonton, Halifax, Montreal, Ottawa, Toronto, Vancouver, Victoria, and Winnipeg; Caribbean: Aruba, Bahamas-Freeport, Bahamas-Nassau, and Bermuda; Middle East: Abu Dhabi, United Arab Emirates.

Source: U.S. Department of Transportation, Schedule T100, DOT Analyser, accessed June 2019.

Enplaned Passenger Market Shares

In FY 2018, Southwest accounted for 23.8% of all passengers enplaned at the Airport, less than its FY 2010 share (34.8%, including AirTran), as shown on Figure 14 and in Table 14. Delta accounted for the second largest share with 13.9%, followed by JetBlue (12.2%), American (12.0%), Spirit (8.6%), United (8.5%), and Frontier (8.0%). In the first 7 months of FY 2019, airline shares were fairly consistent with those in FY 2018, with the ULCC's share increasing to 19.9% (up from 16.6% in FY 2018). Compared with many other large U.S. hub airports, the Airport exhibits a relatively low degree of airline concentration.

Figure 14
AIRLINE MARKET SHARES OF ENPLANED PASSENGERS



Notes: For Fiscal Years ended September 30. FY 2010 data reflects current mergers.

Source: Greater Orlando Aviation Authority records.

Table 14
ENPLANED PASSENGERS BY AIRLINE
Orlando International Airport

Airline	Enplaned passengers (thousands)		Percent of total	
	FY 2010	FY 2018	FY 2010	FY 2018
Domestic				
Southwest (a)	5,956	5,510	38.3%	27.2%
Delta	2,386	3,110	15.4	15.4
American (b)	2,406	2,808	15.5	13.9
JetBlue	1,796	2,479	11.6	12.3
Spirit	397	2,003	2.6	9.9
United (c)	1,839	1,990	11.8	9.8
Frontier	86	1,873	0.6	9.3
All others	<u>669</u>	<u>451</u>	<u>4.3</u>	<u>2.2</u>
Subtotal—domestic	15,535	20,224	100.0%	100.0%
International				
Virgin Atlantic	447	410	28.0%	13.0%
JetBlue	201	372	12.6	11.8
Air Canada	172	363	10.8	11.5
Copa	86	222	5.4	7.0
WestJet	137	205	8.6	6.5
Azul	--	183	--	5.8
TAM	74	151	4.6	4.8
British Airways	99	137	6.2	4.3
Thomas Cook	-	135	-	4.3
Delta	3	129	0.2	4.1
Lufthansa	82	119	5.1	3.8
Aeromexico	44	100	2.8	3.2
Norwegian (d)	--	95	--	3.0
All others (e)	<u>251</u>	<u>538</u>	<u>15.7</u>	<u>17.0</u>
Subtotal—international	1,596	3,158	100.0%	100.0%
Total				
Southwest (a)	5,956	5,572	34.8%	23.8%
Delta	2,389	3,239	13.9	13.9
JetBlue	1,997	2,851	11.6	12.2
American (b)	2,406	2,808	14.0	12.0
Spirit	397	2,003	2.3	8.6
United (c)	1,839	1,990	10.7	8.5
Frontier (f)	86	1,877	0.5	8.0
All others	<u>2,061</u>	<u>3,043</u>	<u>12.0</u>	<u>13.0</u>
Total	17,131	23,382	100.0%	100.0%

Note: For Fiscal Years ended September 30.

Totals may not add due to rounding.

(a) Merged with AirTran Airways in 2011.

(b) Merged with US Airways in 2013.

(c) Merged with Continental Airlines in 2010.

(d) Includes Norwegian Air and Norwegian Air Shuttle.

(e) In FY 2018, all others include Emirates, Southwest, Lan Peru, Avianca, Aer Lingus, Bahamasair, Air Transat, Sunwing, Icelandair, Volaris, Caribbean, Interjet, Silver, Edelweiss, Trans American, TACA, Frontier, Eurowings, LACSA, Sun Country, and various charter airlines.

(f) Frontier provided seasonal service from MCO to Cancun, Mexico in FY 2018.

Source: Greater Orlando Aviation Authority records.

Over the past decade, U.S. LCCs and ULCCs* providing primarily domestic service were the primary drivers of increased passenger volumes at the Airport, increasing their collective market share of total enplaned passengers from 18% in FY 2000 to 50% in FY 2010 and 53% in FY 2018. In recent years, ULCCs have accounted for an increasing share of total enplaned passengers, with 4.0% in FY 2010** and 16.6% in FY 2018. This gain came largely at the expense of the legacy airlines (Delta, United, and American) which, as a group, declined from 75% in FY 2000 to 43% in FY 2010 and 35% in FY 2018. Foreign-flag carriers increased their share from 7% in FY 2000 to 8% in FY 2010 and 11% in FY 2018. In addition to domestic service provided by LCCs and ULCCs, international service is also provided by (1) two U.S. LCCs (jetBlue and Southwest), (2) two U.S. ULCCs Spirit, and (3) eight foreign-flag airlines (Azul, Flair, Gol, Interjet, Norwegian Air Shuttle, Swoop, Volaris, and Westjet).

Origin-Destination Markets

Table 15 shows the top 20 domestic destination markets for passengers originating their journeys at the Airport for FY 2018. These 20 markets accounted for 63.4% of the total scheduled airline domestic O&D passengers at the Airport in FY 2018.

*U.S. Low cost carriers include JetBlue and Southwest/AirTran; U.S. ultra low-cost carriers include Allegiant Air, Frontier, Spirit, and Sun Country. Prior to its merger with Alaska Airlines and rebranding, Virgin America was considered an LCC.

**Includes enplaned passengers for Allegiant, Frontier, and Spirit airlines.

Table 15
DOMESTIC PASSENGER DESTINATION PATTERN AND AIRLINE SERVICE
Orlando International Airport

Rank	Origin-destination market	Air miles from Orlando	Percent of domestic O&D passengers In FY 2018	Average scheduled daily nonstop domestic departures in July 2019			Number of airlines providing service
				Network	Low cost carriers	Total	
1	New York <i>(a)</i>	944	11.4%	21	22	43	6
2	Washington, D.C. <i>(b)</i>	760	6.6	8	19	27	7
3	Chicago <i>(c)</i>	1,008	5.1	10	10	20	5
4	Philadelphia	864	4.2	7	10	17	4
5	Los Angeles <i>(d)</i>	2,216	3.4	9	2	11	5
6	Boston	1,124	3.3	3	8	11	4
7	Atlanta	405	3.1	16	9	25	5
8	Detroit	960	3.0	6	4	10	3
9	Dallas/Ft. Worth <i>(e)</i>	984	3.0	9	8	17	4
10	San Juan	1,190	2.9	--	17	17	4
11	Houston <i>(f)</i>	854	2.2	7	7	14	4
12	Denver	1,547	2.2	5	7	12	4
13	Minneapolis-St. Paul	1,313	2.1	4	3	7	4
14	Hartford	1,053	1.8	--	7	7	4
15	Providence	1,075	1.8	--	5	5	3
16	San Francisco <i>(g)</i>	2,441	1.7	4	<i>(h)</i>	4	3
17	Pittsburgh	837	1.6	<i>(h)</i>	5	5	3
18	Indianapolis	830	1.4	1	6	7	4
19	St. Louis	881	1.4	<i>(h)</i>	5	5	3
20	Buffalo	1,014	<u>1.4</u>	--	<u>4</u>	<u>4</u>	3
Total—top 20 markets			63.4%	110	158	268	
All other markets			<u>36.6</u>	<u>39</u>	<u>99</u>	<u>138</u>	
Total—all markets			100.0%	149	257	406	

Note: For Fiscal Years ended September 30.

Totals may not add due to rounding.

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

(a) Newark Liberty International, LaGuardia, and John F. Kennedy International airports.

(b) Reagan Washington National, Baltimore/Washington International Thurgood Marshall, and Washington Dulles International airports.

(c) Chicago O'Hare and Midway International airports.

(d) Los Angeles International, Hollywood Burbank, Ontario International, John Wayne (Orange County), and Long Beach airports.

(e) Dallas-Fort Worth International Airport and Love Field.

(f) Bush Intercontinental Airport/Houston and William P. Hobby airports.

(g) San Francisco, Oakland, and Mineta San Jose International airports.

(h) Less than one daily flight on average.

Sources Originating percentage: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100, accessed June 2019.

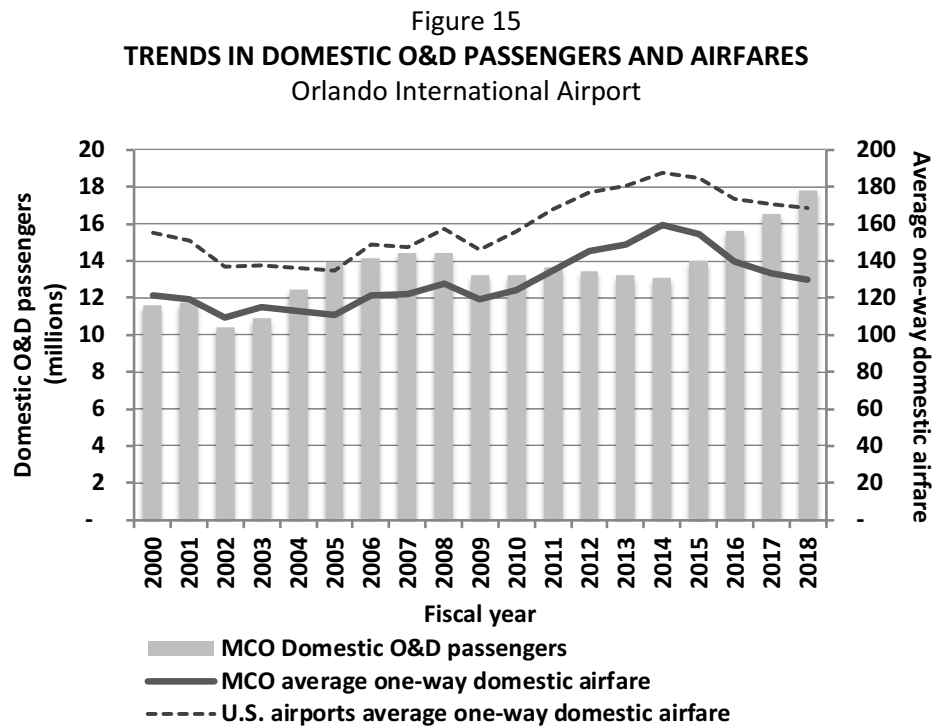
Departures: OAG Aviation Worldwide Ltd., OAG Analyser database, accessed June 2019.

New York and Washington, D.C. are the top two destination markets for O&D passengers at the Airport, accounting for 11.4% and 6.6%, respectively, of the total O&D passengers at the Airport in FY 2018. Other major destinations include Chicago, Philadelphia, Los Angeles, Boston, and Atlanta.

Table 15 also presents the average daily number of nonstop departures to the domestic destination markets listed in July 2019. Each of the top 20 destinations is served nonstop from the Airport in July 2019, as shown in Table 15, with service provided by three or more airlines to all of the top 20 destinations, and by four or more airlines to 14 of the top 20 destinations. Low cost carriers provide nonstop service to each of the top 20 destinations and account for 63% of all nonstop domestic departures at the Airport in July 2019.

Airline Airfares

Figure 15 provides a comparison of domestic O&D passengers and average domestic one-way airfares paid at the Airport and domestic airfares for all U.S. airports in FY 2000 through FY 2018. Between FY 2000 and FY 2008, the number of domestic O&D passengers at the Airport increased an average of 2.8% per year, while domestic airfares at MCO and all U.S. airports remained relatively unchanged. Between FY 2008 and FY 2014, O&D passenger traffic decreased, reflecting the effect of the oil price spike in June 2008, the financial crisis, and the 2008-2009 national economic recession. Domestic airfares at MCO and all U.S. airports increased between FY 2008 and FY 2014 an average of 3.8% and 3.0% per year, respectively, reflecting airline reductions in domestic seating capacity that put upward pressure on airfares and contributed to dampened passenger demand. Between FY 2014 and FY 2018, domestic O&D passengers at the Airport increased an average of 8.0% per year, reflecting, in part, a 5.0% average annual decrease in domestic airfares. In comparison, domestic O&D passengers and airfares at all U.S. airports followed similar trends, with an average annual increase of 5.8% in U.S. domestic O&D passengers and a 2.6% average annual decrease in U.S. domestic airfares, over the same period. As shown previously in Table 15, all of the top 20 domestic destinations are served by three or more airlines, ensuring competitive airline service and airfares. In the July – September 2018 quarter, MCO had the third lowest domestic air fare in the U.S. after Oakland (second lowest) and Fort Lauderdale (lowest).



Note: Fiscal Years ended September 30.

Average one-way fares shown are net of all taxes, fees, and PFCs, and exclude ancillary fees charged by airlines.

Source: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1, accessed June 2019.

The average airfares shown in Figure 15, as reported by the airlines to the U.S. DOT, exclude ancillary charges, such as those for checked baggage, preferred seating, in-flight meals, entertainment, and ticket changes that have become widespread in the airline industry since 2006. As a result, the average airfares shown understate the amount actually paid by airline passengers for their travel, particularly in later years. Ancillary charges that were previously included in the ticket price are not all separately reported to the U.S. DOT. They have been estimated by industry analysts to amount to an effective average surcharge on domestic airfares of approximately 5% of ticket fare revenues, although the percentage varies widely by airline and airport.

Airline Service

Between July of 2010 and 2017, passenger airline service at the Airport, in terms of scheduled seats and departures, increased to domestic and international destinations, as shown in Table 16. The increase in domestic service at the Airport reflects strong growth by ultra-low-cost carriers in recent years, particularly Frontier and Spirit. Latin America led the growth in international seats at the Airport between 2010 and 2017, followed by Europe and Canada. Service was initiated from the Airport to the Middle East in 2015.

In July of 2018 and 2019, domestic scheduled departing seats at the Airport increased 3.4% and 4.4%, respectively, as shown in Table 16. In July 2019, domestic airline service is provided by 10 U.S. airlines, as shown earlier in Table 10. Alaska Airlines (formerly Virgin America) and Silver Airways are the most recent new entrants, starting service at MCO in October 2010 and June 2013, respectively.

In July 2018 and 2019, international scheduled departing seats at the Airport increased 10.3% and 11.4%, respectively, with each of the world regions shown in Table 16 showing net increases since July 2017, except for the Middle East, which showed a 4.3% decrease in 2018 as a result of a decrease in the number of weekly flights. Since FY 2017, new scheduled international airline service has been introduced at the Airport by:

- Two airlines in FY 2017: Air Berlin service to Duesseldorf, Germany in May 2017 and Eurowings service to Cologne, Germany in July 2017 (Air Berlin filed for bankruptcy in August 2017 and ceased all operations in October 2017.)
- Three airlines in FY 2018: Edelweiss Air service to Zurich, Switzerland in January 2018, Interjet service to Mexico City, Mexico in June 2018, and WOW air service to Reykjavik in December 2018 and January 2019 (WOW air ceased all operations in March 2019.)
- Two airlines in FY 2019: GOL Airlines to Brasilia, Brazil and Fortaleza, Brazil in November 2018 and Swoop Air to Toronto, Canada in October 2018 and Edmonton, Canada in June 2019

In addition, two airlines have initiated new seasonal service since 2017:

- Sunrise Airways to Port Au Prince, Haiti in November 2017 through March 2018 (Sunrise ceased service at the Airport in March 2018)
- Flair Airlines to Edmonton and Winnipeg, Canada in December 2018 through March 2019

Table 16
PASSENGER AIRLINE SCHEDULED SERVICE
Orlando International Airport

	Scheduled activity in July of each year							
	Average daily departing seats				Average daily departures			
	2010	2017	2018	2019	2010	2017	2018	2019
Domestic	54,447	63,105	65,260	68,136	381	398	397	406
International								
Europe	2,044	4,310	4,183	4,430	7	12	12	12
Latin America								
Caribbean	704	1,212	1,143	1,638	6	12	11	14
Central America	928	1,846	1,999	2,613	7	12	13	17
Lower South America	334	1,207	1,388	1,325	2	5	5	5
Upper South America	<u>150</u>	<u>460</u>	<u>504</u>	<u>756</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>5</u>
Subtotal--Latin America	2,116	4,724	5,035	6,332	16	32	33	41
Middle East	--	263	251	251	--	1	1	1
North America								
Canada	<u>689</u>	<u>1,647</u>	<u>1,677</u>	<u>1,809</u>	<u>4</u>	<u>10</u>	<u>9</u>	<u>10</u>
Subtotal--International	4,848	10,944	11,147	12,822	27	55	55	64
Total scheduled service	59,295	74,049	76,407	80,958	408	452	452	470
Percent increase (decrease), except as noted								
	2010-2017 (a)	2017-2018	2018-2019		2010-2017 (a)	2017-2018	2018-2019	
Domestic	2.1%	3.4%	4.4%		0.6%	(0.2)%	2.2%	
International								
Europe	11.2	(2.9)	5.9		8.2	(0.5)	4.9	
Latin America								
Caribbean	8.1	(5.7)	43.3		9.3	(2.0)	20.3	
Central America	10.3	8.3	30.7		8.1	7.4	29.6	
Lower South America	20.2	15.1	(4.6)		18.3	2.5	(3.7)	
Upper South America	17.4	9.5	50.0		17.7	(5.2)	72.8	
Subtotal--Latin America	12.2	6.6	25.8		10.5	2.0	25.0	
Middle East	--	(4.3)	--		--	(4.3)	--	
North America								
Canada	13.3	1.8	7.9		11.5	(1.4)	6.5	
Subtotal--International	12.3%	10.3%	11.4%		10.4%	8.5%	9.8%	
Total scheduled service	3.2%	3.6%	4.8%		1.5%	1.2%	2.4%	

Note: Advance schedules for 2019 are subject to change. Upper South America includes Bolivia, Colombia, Ecuador, French Guiana, Guyana, Peru, Suriname, and Venezuela. Lower South America includes Argentina, Brazil, Chile, Paraguay, and Uruguay. Totals may not add due to rounding. Service to international markets may not operate each day of the week.

(a) Represents the compound annual growth rate between 2010 and 2017.

Source: OAG Aviation Worldwide Ltd., online database, accessed June 2019.

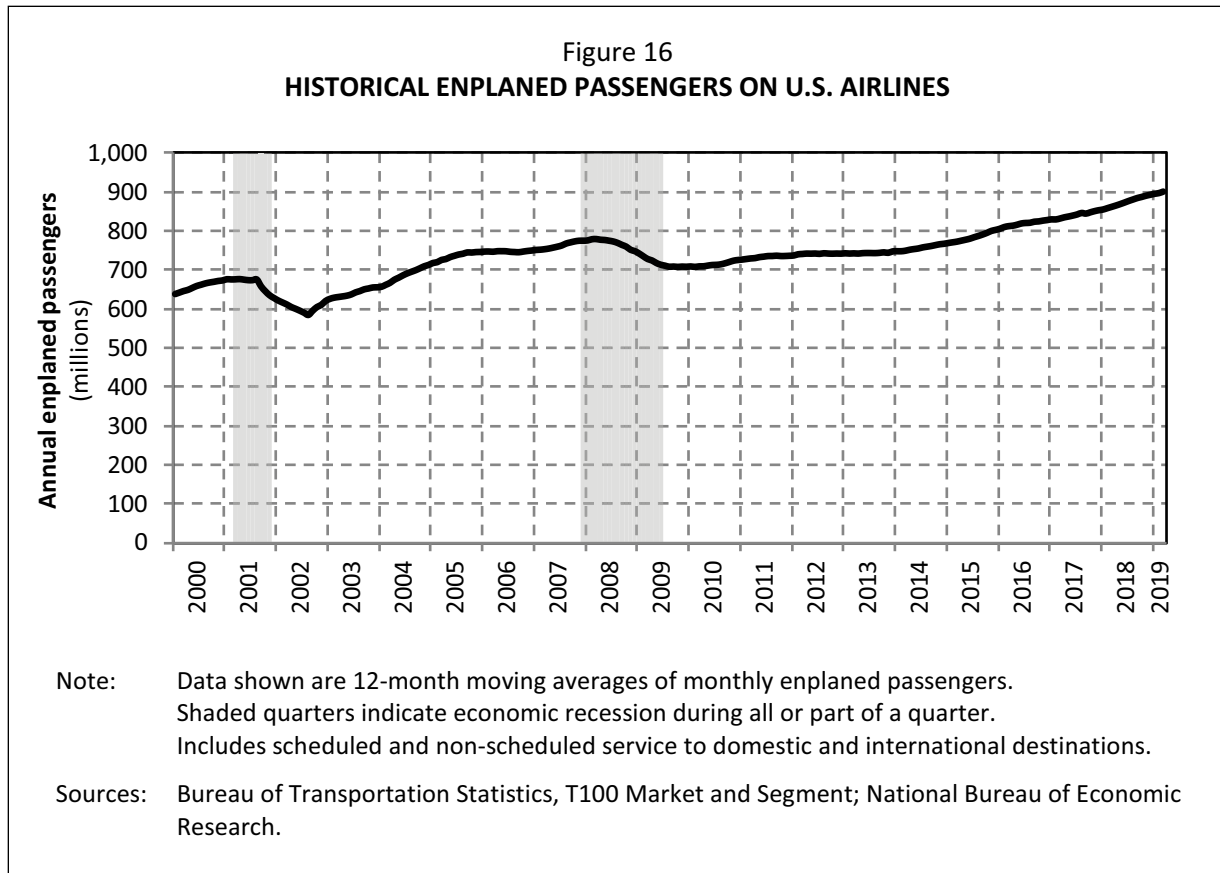
KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

In addition to the economy and demographics of the Airport service region, discussed earlier, key factors that will affect future airline traffic at the Airport include:

- National economic conditions
- International economic, political, health, and security conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport

National Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As illustrated in Figure 16, recessions in the U.S. economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and airline travel demand. Future increases in passenger traffic at the Airport will depend on national economic growth.



International Economic, Political, Health, and Security Conditions

Passenger traffic at U.S. airports is also influenced by the globalization of business and increased importance of international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and geopolitical relationships.

Concerns about hostilities, terrorist attacks, and other perceived security and public health risks, and associated travel restrictions also affect travel demand to particular international destinations. Beginning in March 2017, the Trump administration issued various orders seeking to restrict travel to the United States from certain countries, mainly in the Middle East and Africa. Following court challenges, in June 2018, the U.S. Supreme Court upheld the administration's most recent travel restrictions. As the restrictions are implemented, increased scrutiny by U.S. Customs and Border Protection could prevent or discourage some international airline travel.

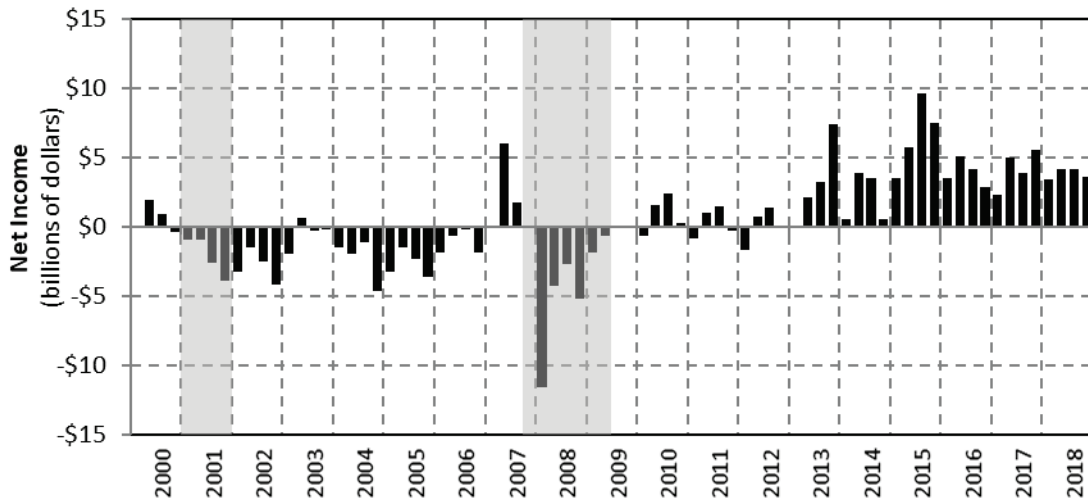
Future increases in international passenger traffic will depend partly on global economic growth, a stable and secure international travel environment, and government policies that do not unreasonably restrict or deter travel.

Financial Health of the Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the necessary investments to provide service. Figure 17 shows historical net income for U.S. airlines.

As a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry experienced huge financial losses. In 2001 through 2006, the major U.S. passenger airlines collectively recorded net losses of approximately \$46 billion. To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreements with their employees, lessors, vendors, and creditors to cut costs. Between 2002 and 2005, Delta Air Lines, Northwest Airlines, United Airlines, and US Airways all filed for bankruptcy protection and restructured their operations.

Figure 17
QUARTERLY NET INCOME FOR U.S. AIRLINES



Note: Includes scheduled service on U.S. carriers only.
 Shaded areas indicate quarters of economic recession.
 Data for the fourth quarter of 2005 and the first quarter of 2006 were adjusted to account for United bankruptcy claims which were settled for substantially less than had been originally reported.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, www.transtats.gov, accessed June 2019.

In 2006 and 2007, the U.S. passenger airline industry was profitable, recording net income of approximately \$23 billion, but in 2008, as oil and aviation fuel prices increased to unprecedented levels and the U.S. economy contracted, the U.S. passenger industry recorded net losses of approximately \$26 billion. The industry responded by grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares. Between 2007 and 2009, U.S. passenger airlines collectively reduced domestic available seat-mile capacity by approximately 10%.

From 2010 to 2013, the U.S. passenger airline industry recorded net income of approximately \$18 billion, notwithstanding sustained high fuel prices, by controlling capacity and nonfuel expenses, increasing airfares, achieving high load factors, and increasing ancillary revenues. Between 2009 and 2013, the airlines collectively increased domestic seat-mile capacity by an average of just 1.0% per year. American filed for bankruptcy protection in 2011.

In 2014, the U.S. passenger airline industry reported net income of \$9 billion, assisted by reduced fuel prices. In 2015, the industry then achieved record net income of \$26 billion as fuel prices decreased further, demand remained strong, and capacity control allowed average fares and ancillary charges to remain high. Strong industry profitability continued in 2016 through 2018.

Recent agreements between the major airlines and their unionized employees have resulted in increased labor costs. According to Airlines for America, U.S. airlines increased wages and benefits per full-time employee by 28% between 2013 and 2018. Contributing to the increased costs, a

shortage of qualified airline pilots, resulting from retirements and changed FAA qualification standards and duty and rest rules, has required the airlines to increase salaries and improve benefits to attract and retain pilots.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued capacity control to enable increased airfares, and stable fuel prices and labor costs.

MCO is less susceptible to the potential impacts of an airline bankruptcy due to its relatively low degree of airline concentration compared with many other large U.S. hub airports and its large population and O&D passenger traffic base which would likely be served by other airlines at the Airport.

Airline Service and Routes

The Airport accommodates travel demand to and from the Orlando MSA and as a connecting point. The number of origin and destination passengers at the Airport depends on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided. The number of connecting passengers, on the other hand, depends entirely on the airline service provided. As discussed in the earlier section, “Enplaned Passengers,” an estimated 95% of passengers at the Airport are originating their journeys, with the remaining 5% connecting between flights.

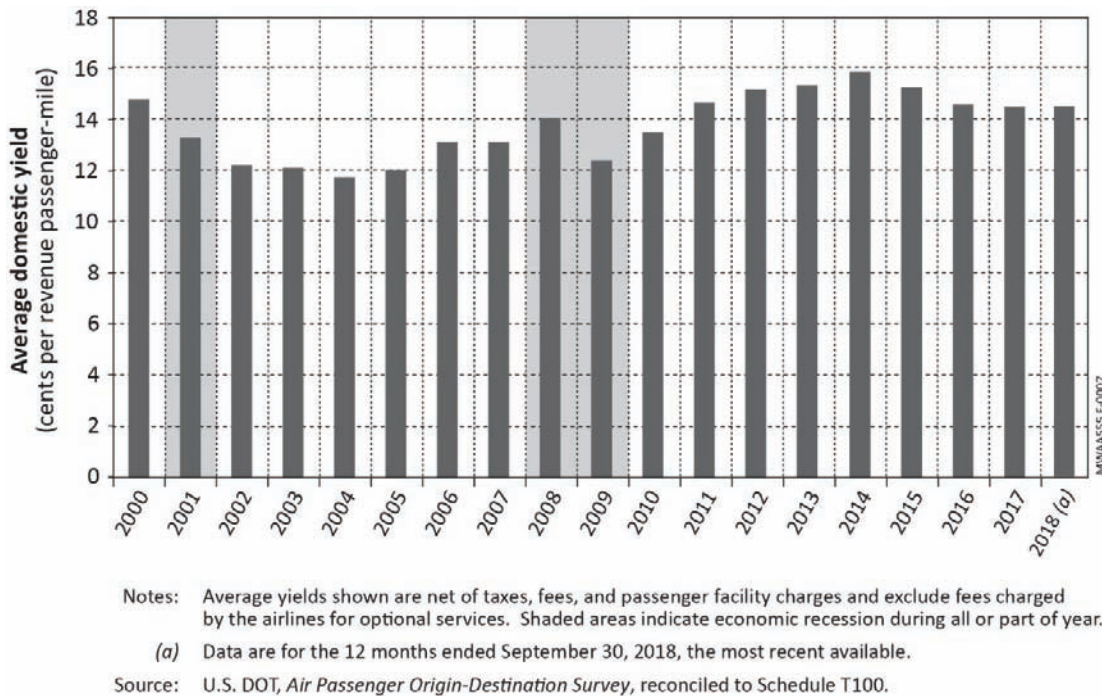
The network airlines have developed hub-and-spoke systems that allow them to offer high-frequency service to many destinations. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been or is being drastically reduced at many former connecting hub airports, including those serving St. Louis (American 2003-2005), Dallas-Fort Worth (Delta 2005), Pittsburgh (US Airways 2006-2008), Las Vegas (US Airways 2007-2010), Cincinnati (Delta 2009-2011), Memphis (Delta 2011-2013), and Cleveland (United 2014).

Airline Competition and Airfares

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

Figure 18 shows the historical average domestic yield (airfare per passenger-mile) for U.S. airlines. Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and the 2001 recession combined to reduce the average yield between 2000 and 2004. The average yield then increased between 2004 and 2008 before again decreasing during the 2008-2009 recession. The average yield then increased between 2009 and 2014 as airline travel demand strengthened and the airlines collectively reduced available seat capacity and were able to sustain airfare increases. Between 2014 and 2016, the average yield decreased but, since 2016, average yield has been fairly stable.

Figure 18
HISTORICAL DOMESTIC YIELD FOR U.S. AIRLINES



Beginning in 2006, ancillary charges were introduced by most airlines for optional services such as checked baggage, preferred seating, in-flight meals, and entertainment; thereby increasing the effective price of airline travel more than these yield figures indicate.

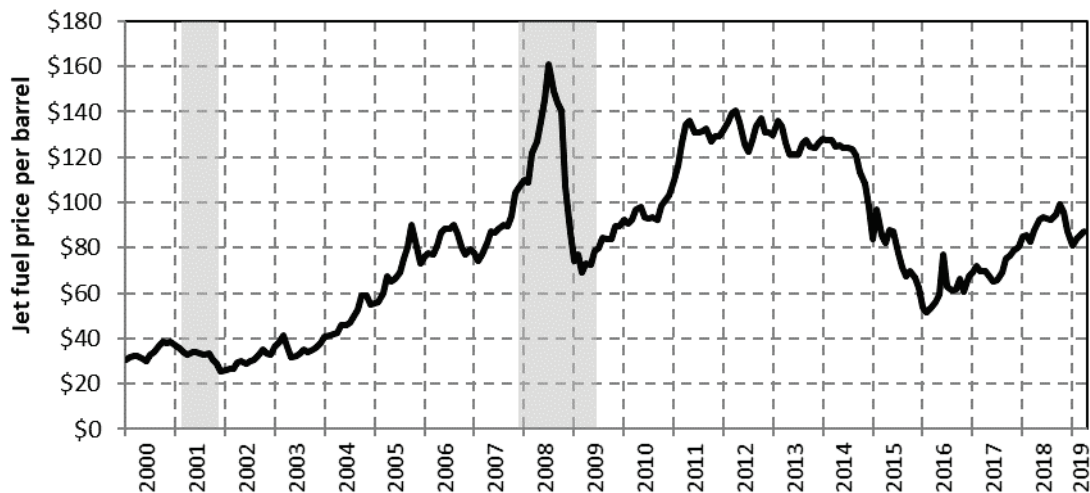
Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 19 shows the historical fluctuation in fuel prices caused by the many factors influencing the global demand for and supply of oil.

Between early 2011 and mid-2014, fuel prices were relatively stable, partly because of increased oil supply from U.S. domestic production made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies. As of mid-2014, average aviation fuel prices were approximately three times the prices those at the end of 2003.

Beginning in mid-2014, an imbalance between worldwide supply and demand resulted in a precipitous decline in the price of oil and aviation fuel through the end of 2015. Fuel prices have since increased, but the average price of aviation fuel at the end of 2018 was still approximately 30% below the price at mid-2014. Lower fuel prices have a positive effect on airline profitability as well as far-reaching implications for the global economy.

Figure 19
HISTORICAL AVIATION FUEL PRICES



Notes: Data shown are monthly averages and were converted from gallons to barrels.
Shaded areas indicate months of economic recession.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed June 2019.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term, although, absent unforeseen disruptions, prices are expected to remain stable. There is widespread agreement that fuel prices are likely to increase over the long term as global energy demand increases in the face of finite oil supplies that are becoming more expensive to extract. Some economists predict that the development of renewable sources of energy, pressures to combat global climate change, the widespread use of electric cars, and other trends will eventually result in a decline in the demand for oil and resulting downward pressure on fuel prices.

Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the September 2001 attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport

security functions under the Transportation Security Administration (TSA), more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies. The TSA has introduced “pre-check” service to expedite the screening of passengers who have submitted to background checks. At MCO, CLEAR is also available for expedited passenger screening.

Following the fatal crashes of B-737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft’s automated flight control system, all B-737 MAX aircraft were grounded in March 2019. Among North American airlines, Air Canada, American, Southwest, and United are being affected. At the time of the grounding, B-737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity. In FY 2019, B-737 MAX aircraft are estimated to account for 0.9% of seat capacity at the Airport. The grounding has not caused significant numbers of flight cancellations at the Airport. It is expected that the grounding will last several months while the flight control system software is updated and approved by the FAA and pilot training is completed.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other safety concerns. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays have decreased because of reduced numbers of aircraft operations (down approximately 15% between 2007 and 2018), but, as airline travel increases in the future, flight delays and restrictions may be expected.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control and national airport systems, future growth in airline traffic at the Airport will depend on the provision of capacity to accommodate aircraft flights and passengers. The forecasts presented later in this section were based on the assumption that neither available airfield capacity nor demand management initiatives will constrain traffic growth at the Airport. Furthermore, it is assumed that the forecast increases in enplaned passengers can be accommodated by existing terminal capacity in conjunction with the capital improvements planned through the end of the forecast period.

ENPLANED PASSENGER FORECAST

Forecasts of enplaned passengers and landed weight through FY 2025 at the Airport were developed taking into account analyses of the economic basis for airline traffic, analyses of historical airline traffic, and an assessment of the key factors that may affect future airline traffic, as discussed in earlier sections. In general, it was assumed that, in the long term, changes in airline traffic at the Airport will occur largely as a function of the role of the Orlando MSA as a major destination market, growth in the population and economy of the Orlando MSA, and changes in airline service. It was also assumed that continued development of airline service at the Airport will not be constrained by the availability of aviation fuel, long-term limitations in airline aircraft fleet capacity, limitations in the capacity of the air traffic control system or the Airport, or government policies or actions that restrict growth. Also considered were recent and potential developments in the national economy and in the air transportation industry as they have affected or may affect airline traffic at the Airport.

Underlying Assumptions

From FY 2019 through FY 2025, passenger numbers at the Airport are forecast to increase gradually based on the following assumptions:

- The economy of the Orlando MSA will increase at a rate comparable to or greater than that of the State and nation as a whole.
- The U.S. economy will experience sustained GDP growth averaging approximately 2.0% per year.
- Orlando will continue to be a major destination market for U.S. leisure and business travelers and a top global destination market for tourism, meetings, and conventions.
- Hotel infrastructure development will be sufficient to accommodate the growth in visitors to the Orlando MSA.
- Port Canaveral's cruise business will increase and support overall economic growth in the Orlando MSA.
- The Orlando MSA's economy will continue to be more diversified, including the development of business services, advanced technologies, film and digital media, life sciences and healthcare, and aviation, aerospace, and defense.
- The Airport will continue to be primarily an origin-destination airport and the small percentage of passengers connecting at the Airport will not change materially.
- The airlines serving the Airport will continue to be diverse, including low cost carriers, network airlines, and foreign-flag carriers, and will provide sufficient capacity to support passenger traffic growth at the Airport.
- A generally stable and secure international political environment and safety and security precautions will ensure airline traveler confidence in aviation without imposing unreasonable inconveniences.
- There will be no major prolonged disruption of airline service or changes to airline travel patterns as a result of international hostilities, terrorist acts or threats, other security or public health concerns such as the Zika virus, or major weather events such as hurricanes.

- Any airline consolidation that may occur during the forecast period will not have a material impact on the level of passenger activity at the Airport.
- Competition among the airlines serving the Airport will ensure the continued availability of competitive airfares.
- Aviation fuel prices are expected to increase by the end of 2019, following recent crude oil price declines and uncertainty about global oil demand growth. From FY 2019 through FY 2025, aviation fuel prices will increase at moderate rates but remain below the record prices reached in mid-2008, reflecting reduced consumption levels, technological advances, and the availability of previously unexplored resources.*

Enplaned Passengers

In FY 2019, enplaned passengers are estimated to total 24.9 million, a 6.5% increase from the FY 2018 number, reflecting a 7.1% increase in actual passenger traffic during the first 7 months of FY 2019 (October 2018 through April 2019), published airline service during the last 5 months of FY 2019, and new airline service starting in FY 2019 reported by the Authority.**

From FY 2019 through FY 2025, the number of passengers enplaned at the Airport is forecast to increase an average of 2.6% per year, reaching approximately 29.1 million in FY 2025, as shown on Figure 18. In its most recent *Terminal Area Forecast* for the Airport (published February 2019), the FAA forecasts an average annual increase of 2.3% in the number of enplaned passengers over the same period. The FAA forecasts that the Airport will be one of the four fastest growing airports in the country in terms of passengers and will experience the largest upward movement in ranking of enplanements, from 13th in 2017 to 10th in 2045.***

Passenger Airline Service

The forecasts of passenger airline aircraft seats and departures are based on the enplaned passenger forecasts and assumptions regarding average aircraft size and enplaned passenger load factor, as shown on Figure 20 and in Table 17. Load factors are estimated to average 88.0% in FY 2019 for all passenger traffic at MCO, exceeding the national average of approximately 83.9% as reported by the FAA, and are forecast to increase slowly to 88.8% in FY 2025.**** Seats per departure are estimated to average 171.9 in FY 2019 for all passenger traffic at MCO, exceeding the national average of approximately 156 as reported by the FAA, and are forecast to increase slowly to 172.3 in FY 2025. Passenger airline aircraft departures forecasts are calculated by dividing the enplaned passenger forecasts by the estimated number of passengers enplaned per departure. In FY 2019, the number of passengers enplaned per departure for the Airport is estimated to average 151.3 and is derived by multiplying the load factor by the average seats per departure (e.g., 88.0% x 171.9 = 151.3).

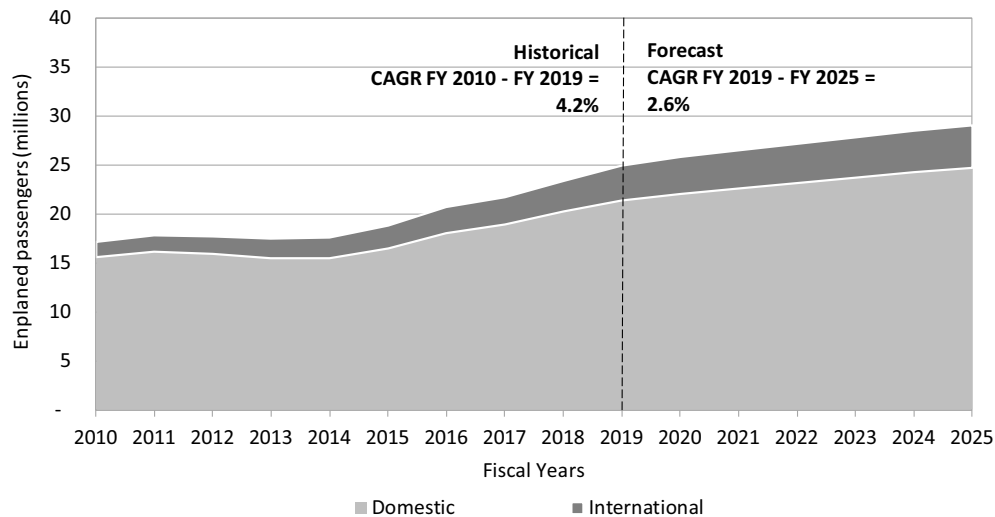
*In its June 11, 2019 *Short-Term Energy Outlook*, the U.S. Energy Information Administration projected crude oil prices, in terms of West Texas Intermediate oil, to average \$59 per barrel in 2019 and \$63 in 2020, down from \$65 per barrel in 2018, but up from \$43 and \$51 per barrel in 2016 and 2017, respectively.

**Orlando International Airport, www.orlandoairports.net/flights/new-service.

***Federal Aviation Administration, Terminal Area Forecast (TAF) Summary Report, Fiscal Years 2018-2045, 2019, www.faa.gov.

****U.S. Department of Transportation, Federal Aviation Administration, *FAA Aerospace Forecast, Fiscal Years 2019-2039*, March 2019, www.faa.gov. Data are for U.S. mainline and regional air carriers.

Figure 20
HISTORICAL AND FORECAST ENPLANED PASSENGERS
Orlando International Airport



Note: For Fiscal Years ending September 30.
CAGR = Compound annual growth rate
This forecast was prepared on the basis of the information and assumptions given in the text.
The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast and the variance could be material.

Sources: Historical—Greater Orlando Aviation Authority.
Forecast—LeighFisher, June 2019.

Landed Weight

In FY 2019, aircraft landed weight is estimated to total 27.3 million 1,000-pound units, a 4.9% increase from FY 2018, reflecting an 8.0% increase in actual landed weight during the first 7 months of FY 2019 (October 2018 through April 2019) and the changes in passenger airline service noted above.

From FY 2019 through FY 2025, aircraft landed weight at the Airport is forecast to increase an average of 2.4% per year to 31.9 million 1,000-pound units in FY 2023. The forecast rate of growth in landed weight (2.4% per year on average) is lower than that for enplaned passengers, reflecting an assumed gradual increase in the enplaned passenger load factors at the Airport.

Table 17
AIRLINE TRAFFIC FORECASTS
Orlando International Airport
FY 2017 – FY 2025

	Historical		Estimated	Forecast						CAGR
	FY 2017	FY 2018	FY 2019 (a)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2019
Enplaned passengers (thousands)										
Domestic										
Low cost carriers (b)	11,023	12,023	12,937	13,390	13,725	14,054	14,377	14,693	15,002	2.5%
Network airlines (c)	7,793	8,130	8,312	8,603	8,818	9,030	9,237	9,441	9,639	2.5%
Regional airlines	67	72	67	69	71	72	74	76	77	2.5%
Subtotal—domestic	18,883	20,224	21,316	22,062	22,613	23,156	23,689	24,210	24,718	2.5%
International	2,836	3,158	3,598	3,705	3,815	3,938	4,078	4,218	4,359	3.3%
Total	21,719	23,382	24,913	25,766	26,428	27,094	27,766	28,428	29,078	2.6%
Percent increase (decrease)	4.7%	7.7%	6.5%	3.4%	2.6%	2.5%	2.5%	2.4%	2.3%	
Passenger airline service										
Departing seats (thousands)	25,131	26,844	28,317	29,232	29,935	30,644	31,358	32,058	32,743	2.5%
Departures	152,200	160,100	164,800	169,900	174,000	178,100	182,200	186,200	190,100	2.4%
Load factor	86.4%	87.1%	88.0%	88.1%	88.3%	88.4%	88.5%	88.7%	88.8%	0.2%
Average seats per departure	165.3	167.8	171.9	172.2	172.2	172.2	172.3	172.3	172.3	--
Landed weight (1,000-pound units)										
Passenger airlines										
Domestic										
Low cost carriers	11,012,036	11,976,464	12,555,371	12,965,359	13,259,443	13,547,037	13,827,423	14,099,888	14,363,725	2.3%
Network airlines (a)	8,366,041	8,393,454	8,534,860	8,764,614	8,983,345	9,198,576	9,409,790	9,616,467	9,818,090	2.4%
Regional airlines	88,391	93,682	72,670	69,756	71,402	73,016	74,594	76,132	77,625	1.1%
Subtotal—domestic	19,466,469	20,463,600	21,162,901	21,799,728	22,314,190	22,818,630	23,311,807	23,792,487	24,259,441	2.3%
International	4,034,535	4,446,112	4,918,718	5,128,533	5,268,062	5,426,062	5,604,503	5,783,759	5,963,531	3.3%
Total—passenger airlines	23,501,003	24,909,712	26,081,619	26,928,261	27,582,251	28,244,692	28,916,310	29,576,246	30,222,972	2.5%
All-cargo airlines	1,029,554	1,118,984	1,230,101	1,242,402	1,254,826	1,267,374	1,280,048	1,292,848	1,305,777	1.0%
Total	24,530,558	26,028,696	27,311,720	28,170,663	28,837,077	29,512,066	30,196,358	30,869,094	31,528,749	2.4%
Percent increase (decrease)	2.9%	6.1%	4.9%	3.1%	2.4%	2.3%	2.3%	2.2%	2.1%	

Note: For Fiscal Years ending September 30. Totals may not add due to rounding. CAGR = Compound annual growth rate.

The forecasts presented in this table were prepared using the information and assumptions given in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material.

(a) Estimated based on seven months of actual data (October 2018 through April 2019) and advance published airline schedules for May through September 2019.

(b) Includes low cost carriers and ultra low cost carriers.

(c) Includes charter airlines.

Sources: Historical: Greater Orlando Aviation Authority records.

Forecast: LeighFisher, June 2019.

FINANCIAL ANALYSIS

FRAMEWORK FOR FINANCIAL OPERATIONS

Under the Greater Orlando Aviation Act, the Authority is charged with operating the Airport as a financially self-sustaining enterprise and is authorized, with the approval of the City of Orlando, to issue revenue bonds, payable solely from Airport System revenues, and to pay the costs of acquiring or constructing improvements to the Airport System. The Authority is also authorized to establish and collect rentals, fees, and charges for services and facilities provided by the Airport System and to pledge such revenues to the payment of debt service on revenue bonds.

The Airport is owned by the City and operated by the Authority under an agreement that was extended to September 30, 2065, effective October 1, 2015.

The Airport is defined as the Airport System under the Senior Bond Resolution and Subordinated Indenture. The Authority also operates the Orlando Executive Airport as a general aviation airport. The Orlando Executive Airport does not constitute a part of the Airport System and revenues derived from the operation of the Orlando Executive Airport are not pledged to payment of the Bonds, including the 2019 Bonds and anticipated 2021 Bonds.

Airport Facilities Bond Resolution

The Authority issues Senior Bonds pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution (the Senior Bond Resolution), as amended and restated on September 16, 2015, and effective on May 1, 2017, as amended and supplemented from time to time, under which The Bank of New York Mellon Trust Company, N.A, serves as Trustee. Under the Senior Bond Resolution, the Authority has the right to issue Subordinated Indebtedness that is subordinate to the Senior Bonds issued under the Senior Bond Resolution as to the pledge of, lien on, and payment from Pledged Funds.

Senior Bonds are secured by a pledge of and first lien on Pledged Funds, which includes Revenues of the Airport System plus Available Revenues. As of October 2, 2019, the principal outstanding on Senior Bonds will be \$758,848,022 (after the October 1, 2019 principal payments and after the expected redemption of the outstanding balance of the 2009A Bonds).

Revenues are generally defined as all income and revenues received by the Authority from the operation of the Airport and income from Special Purpose Facilities which are not pledged to the payment of obligations issued to finance such Special Purpose Facilities. Revenues do not include, among other things, grants-in-aid for capital projects, PFC revenues, or CFC revenues.

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

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

Operation and Maintenance Expenses (O&M Expenses) generally consist of the Authority's expenses for operation, maintenance, repairs, ordinary replacement, and ordinary reconstruction of the Airport, but do not include any capital expense, depreciation expense, or any operation or maintenance expenses funded by Special Purpose Facility Debt or funded by any source other than Revenues.

Rate Covenant. In Section 711 of the Senior Bond Resolution (the Rate Covenant) the Authority covenants that it will:

... establish, fix, charge, prescribe and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith, and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that Net Revenues plus any Transfers and Subordinated Pledged Revenues in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by the Authority pursuant to Section 405 (2) - (10) of the Senior Bond Resolution during such Fiscal Year.

...establish, fix, charge, prescribe and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that for each Fiscal Year the Net Revenues plus any Transfers for such Fiscal Year will be equal to at least 1.25 times the Aggregate Debt Service on all Outstanding Bonds for such Fiscal Year.

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

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

Additional Bonds Test. Under Section 204 of the Senior Bond Resolution, certain conditions must be met before Additional Bonds may be issued to pay the Cost of Construction of any Additional Project. These conditions require, among other things, that the Authority satisfy either a historical coverage test (as certified by an Authorized Officer of the Authority or an Airport Consultant) or a prospective coverage test (as certified by an Airport Consultant). Under both the historical and prospective test, Net Revenues and Subordinated Pledged Revenues must be sufficient to satisfy the rate covenant for either (1) each of the next three full Fiscal Years following issuance of the Additional Bonds or (2) each of the next two full Fiscal Years from the issuance of the Additional Bonds during which there is no Capitalized Interest funded from proceeds of such Additional Bonds, whichever is later, including the Aggregate Debt Service during such Fiscal Years on the proposed Additional Bonds. Under the Additional Bonds test, the Authority or the Airport Consultant, as applicable, are allowed to make certain adjustments to Net Revenues for increases in rates, fees and revenues from new facilities and

capital improvements, and to use unaudited financial statements if audited financial statements are not available. This provision of the Senior Bond Resolution is referred to as the Additional Bonds Test.

Flow of Funds. In Section 405 of the Senior Bond Resolution the Authority covenants that all Revenues will be deposited into the Revenue Fund and, from the Revenue Fund, deposited into the various funds and accounts and in order of priority as illustrated in Figure 21. At the end of each Fiscal Year, after all deposits that are required to be made into each of the Operation and Maintenance Fund, Bond Fund, Priority Subordinated Indebtedness Fund, Subordinated Indebtedness Debt Service Reserve Account, O&M Reserve Account, Secondary Subordinated Indebtedness Fund, Secondary Subordinated Indebtedness Reserve Account, Capital Expenditures Fund, and Renewal & Replacement Fund, the remaining Revenues are deposited into the Discretionary Fund.

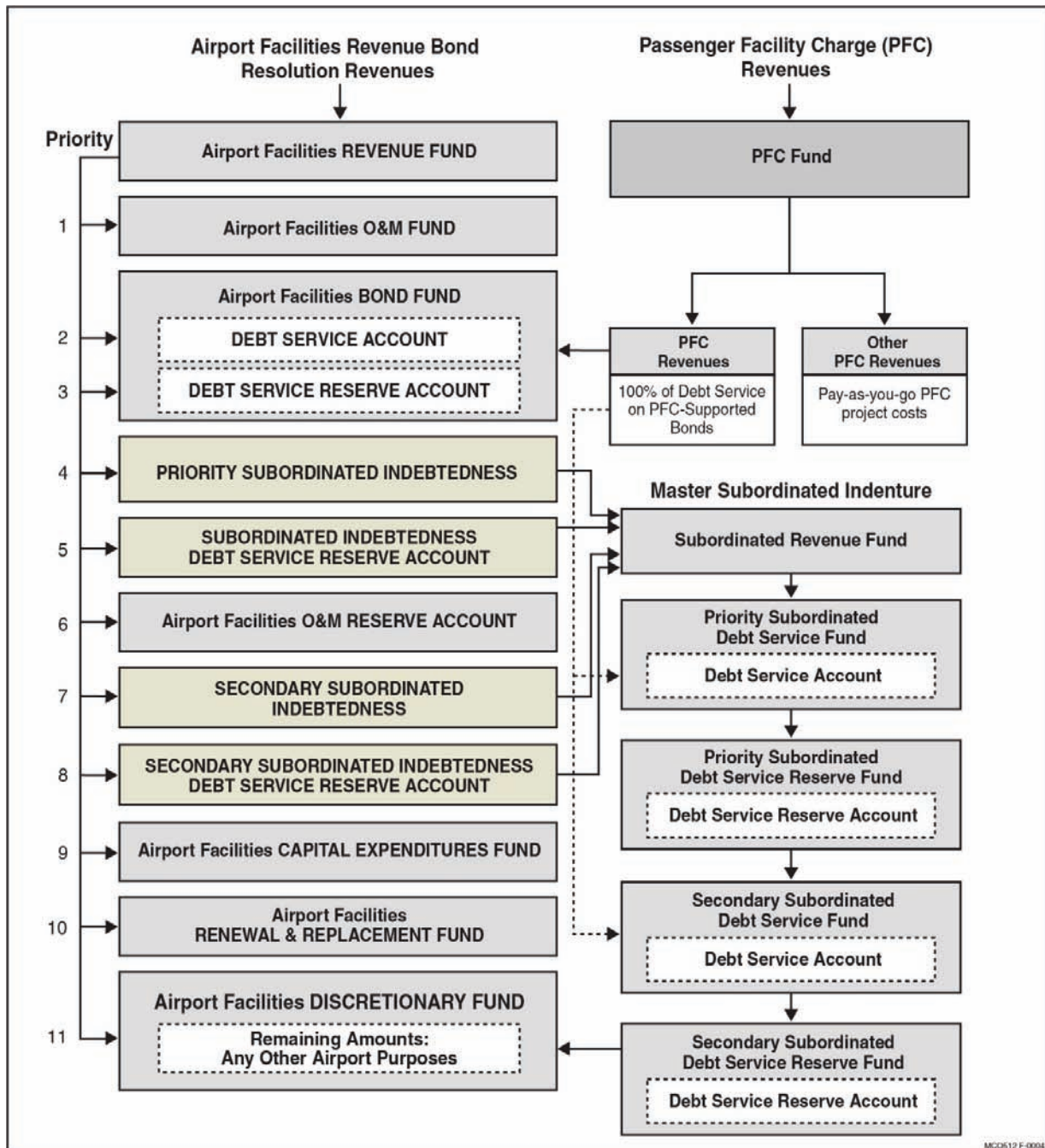
Master Subordinated Indenture of Trust

The Authority issues Subordinated Indebtedness pursuant to the Amended and Restated Master Subordinated Indenture of Trust dated as of July 1, 2016, under which U.S. Bank National Association serves as Trustee. The Subordinated Indenture provides for the issuance of both Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness, as contemplated by the Senior Bond Resolution. Priority Subordinated Indebtedness is payable solely from, and secured by a pledge of and lien on, Pledged Subordinated Revenues, which is subordinate to the lien on and pledge of Pledged Funds to Senior Bonds. As of October 2, 2019 (after the October 1, 2019 principal payments), the principal outstanding on Priority Subordinated Indebtedness will consist of \$48,835,000 for Series 2016 Bonds, \$923,830,000 for Series 2017A (AMT) Bonds, and \$52,700,000 for the FDOT Loan.

The Authority has entered into Line of Credit agreements with three banks: Bank of America, N.A., PNC Bank, N.A., and Wells Fargo Bank, N.A. The Authority's obligations under the Line of Credit agreements are Secondary Subordinated Indebtedness under the Subordinated Indenture.

Certain terms in the Subordinated Indenture are identical to those in the Senior Bond Resolution, including the definitions of Revenues, Operation and Maintenance Expenses, Net Revenues, and Aggregate Debt Service. Under the Subordinated Indenture, Available Net Revenues are defined as all Revenues after deposits to the Operation and Maintenance Fund, the Debt Service Account, and the Debt Service Reserve Account (to the extent the Debt Service Reserve Requirement is not met). Aggregate Annual Subordinated Debt Service is defined as the aggregate amount of Annual Debt Service on all Outstanding Subordinated Obligations and Unissued Subordinated Program Obligations. Unissued Subordinated Program Obligations are short term indebtedness designated as such by the Authority and all such authorized obligations are treated as outstanding for purposes of calculating Aggregate Annual Subordinated Debt Service (whether or not then issued). Short Term Subordinated Obligations are Subordinated Obligations issued as Commercial Paper, Line of Credit Indebtedness, or Notes, or to the extent provided, a Credit Facility. For Short Term Subordinated Obligations other than Unissued Subordinated Program Obligations, the principal and interest is calculated based on projections of a Consultant for the actual amount disbursed assuming that interest is capitalized for a specified period and that at the end of the capitalized interest period, the Short Term Subordinated Obligations are refunded with the proceeds of Subordinated Bonds bearing interest at a rate determined by the Consultant on the date of the projection to be a reasonable market rate for fixed-rate Subordinated Indebtedness of a corresponding term.

Figure 21
FLOW OF FUNDS UNDER THE SENIOR BOND RESOLUTION AND SUBORDINATED INDENTURE
 Orlando International Airport



Sources: Senior Bond Resolution and the Subordinated Indenture.
 Prepared by LeighFisher.

Subordinate Rate Covenant. In Section 10.01 of the Subordinated Indenture (the subordinate rate covenant), the Authority covenants that it will fix, prescribe, and collect fees and other charges for the use of the Airport so as to produce Available Net Revenues plus Available Revenues (and any Transfers) in an amount at least equal to:

- 1.10 times the Aggregate Annual Subordinated Debt Service on all Outstanding Priority Subordinated Indebtedness and
- 100% of the aggregate amount required to be applied and/or deposited during the Fiscal Year to (1) pay Priority Subordinated Debt Service, (2) make any deposits to the Priority Subordinated Debt Service Reserve Fund to equal the Reserve Requirement, (3) pay all principal, premium, and interest on all Secondary Subordinated Indebtedness, and (4) make any deposits to the Secondary Subordinated Debt Service Reserve Fund to equal the Reserve Requirement

The rate covenant for Secondary Subordinated Indebtedness is to pay 100% of all Subordinated Indebtedness from Available Net Revenues.

Subordinate Additional Bonds Test. Under Section 4.10 of the Subordinated Indenture, certain conditions must be met before Priority Subordinated Indebtedness may be issued for the purpose of financing, acquiring, constructing, improving, or completing Additional Projects, or for the purpose of refunding or paying any outstanding obligation of the Authority. The Authority can issue additional Priority Subordinated Indebtedness if either a historical or prospective test is met:

- Historical -- Available Net Revenues for 12 consecutive months out of the preceding 24 months from the date of issuance were at least equal to 110% of Aggregate Annual Subordinated Debt Service due in such 12-month period for all Outstanding Priority Subordinated Indebtedness, Unissued Priority Subordinated Program Obligations, and the proposed Series of Priority Subordinated Indebtedness (assuming they were then Outstanding).
- Prospective -- Available Net Revenues are estimated to be at least equal to 110% of Aggregate Annual Subordinated Debt Service on all Outstanding Priority Subordinated Indebtedness, Unissued Priority Subordinated Program Obligations, and the proposed Series of Priority Subordinated Indebtedness through the later of: (a) the third full Fiscal Year following the issuance of the proposed Priority Subordinated Indebtedness, or (b) the second full Fiscal Year during which no interest on the proposed Priority Subordinated Indebtedness is expected to be paid from the proceeds.

FDOT Loan

The Authority entered into a Joint Participation Agreement, as amended (the JPA), with FDOT, under which FDOT agreed to provide total funding of approximately \$211 million (FDOT Funding), of which the Authority is required to reimburse FDOT for \$52.7 million of the funds advanced by FDOT under the JPA (the FDOT Loan) with the balance of the FDOT Funding being a grant. The FDOT Loan is payable without interest over an 18 year term commencing January 1, 2020.

Bank Lines of Credit

The Authority currently has five Lines of Credit, which constitute Secondary Subordinated Indebtedness. The Authority uses the Lines of Credit for interim financing of capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds,

and other permanent funding sources. The table below summarizes the authorized amounts, expiration dates, and outstanding principal amounts for each Line of Credit. The Authority intends to continue using the Lines of Credit for interim financing of capital improvements for certain of the 2018 – 2025 Planned Capital Projects.

The Authority had the following amounts outstanding on the Lines of Credit as of September 9, 2019:

Line of Credit Provider	Authorized Amount	Expiration Date	Principal Outstanding
Bank of America, N.A.	\$75,000,000	June 29, 2021	59,626,432
Bank of America, N.A.	150,000,000	July 29, 2022	84,512,484
Wells Fargo N.A.	175,000,000	June 29, 2021	113,900,860
Wells Fargo N.A.	50,000,000	July 29, 2022	631,629
PNC Bank, N.A.	100,000,000	November 6, 2019	42,898,872
Total	\$550,000,000		\$301,570,277

The Authority expects to replace or renew each of the Lines of Credit prior to their respective expiration. The Authority anticipates repaying a portion of the amounts outstanding on the Lines of Credit with the 2019 Bonds.

2018 CFC Bank Loan

The Authority also has the ability under the Senior Bond Resolution to issue Special Purpose Facility Debt that can be used for any capital improvements or facilities located within the Airport System.

On March 29, 2018, the Authority issued a \$160 million Taxable Revenue Note (CFC Ground Transportation Project), Series 2018 (the 2018 CFC Bank Loan) with an interest rate of 3.48% and term of 9 years. This debt is structured as a drawdown note, with the full amount to be drawn by October 1, 2019. The 2018 CFC Bank Loan was issued for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating, and maintaining the CFC Ground Transportation Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance.

The 2018 CFC Bank Loan was issued in connection with the Resolution of the Greater Orlando Aviation Authority Authorizing the Collection of the Customer Facility Charge (the CFC Resolution) and under the CFC Trust Indenture by and between the Authority and The Bank of New York Mellon Trust Company, N.A., dated as of October 1, 2009 (the CFC Trust Indenture).

The Authority intends to fund the following \$186.9 million of ground transportation projects either from the proceeds of the 2018 CFC Bank Loan or paygo CFCs:

CFC Project	Cost Estimate (in millions)
South Terminal Complex Parking and Ground Transportation Facility	\$121.9
Rental Car Storage Lot and QTA Facility	65.0

The 2018 CFC Bank Loan is a limited obligation payable solely from and secured by a pledge of certain Pledged Revenues and Pledged Funds (as defined in the CFC Trust Indenture) derived by the Authority from CFCs received by the Authority pursuant to the CFC Resolution.

The rental car CFC was authorized by a resolution of the Authority adopted on August 20, 2008, as amended and restated on August 19, 2009, February 18, 2015, and June 21, 2017, to be derived from the operation of rental car activities on the Airport. The CFC is currently set at \$3.50 per rental car transaction day, not to exceed seven transaction days. CFCs may be used by the Authority to cash fund or pay debt service financing, interim financing, designing, constructing, operating, relocating, and maintaining (a) rental automobile related facilities or Customer Service Facilities, (b) facilities to be modified, improved, or relocated to accommodate rental automobile related facilities at the Airport or the Customer Service Facilities, and (c) to the extent not needed to satisfy project costs or debt service for rental automobile related facilities set forth in the Authority's CIP, any other project or facility for which general Airport revenues may be used, or, to the extent pledged as a source of repayment for debt issued under the Authority's Bond Resolution, for any project or facility financed with such debt. The Authority may pledge CFCs to repay obligations issued to finance permitted projects as debt service offsets, to repay financing or interim financing for such projects, or as revenues pledged to a particular lien of revenue bonds issued for such projects. CFCs not needed for project financing may be used for any other lawful purpose permitted by the Greater Orlando Aviation Act or Senior Bond Resolution.

The Authority is currently using CFC revenues to (1) pay principal and interest payments on the 2018 CFC Bank Loan and (2) to fund \$161 million in projects costs for the South APM Complex garage on a pay-as-you-go basis as noted above.

As noted earlier, CFCs are not included in the definition of Revenues under the Senior Bond Resolution, but can be used to pay principal of and interest on Senior Bonds to the extent that the Authority designates all or a portion thereof in a Supplemental Resolution as Available CFC Revenues.

Passenger Facility Charge Program

PFCs are fees imposed on enplaned passengers by airport sponsors to generate revenues for eligible airport projects that increase capacity, enhance competition among and between air carriers, enhance safety or security, or mitigate noise impacts. PFCs were authorized by Title 49 U.S.C. §40117. Airport sponsors are authorized to collect PFCs in the amount up to \$4.50 per enplaning passenger.

As shown on Table 18, the Authority has received approval from the FAA to collect and use PFCs for a total of \$4.57 billion in collection authority. Through June 30, 2019, PFC Revenues received by the Authority, including investment earnings, totaled \$1.48 billion, of which \$1.14 billion had been expended on approved project costs.

PFC Application 19, approved on June 22, 2018, blended applications 11 through 18 to maintain a uniform collection rate of \$4.50. On May 8, 2019, the FAA approved PFC Application 20 to fund a portion of the Phase 1X of the STC. The Authority's current collection authority extends to July 1, 2043.

The Authority intends to submit applications to amend three existing PFC Applications and to submit a new PFC application. The proposed amendment to PFC Application 9 will reduce the total authorization by \$38 million to reflect final costs. The proposed amendment to PFC Application 19 will reduce the amount of previously approved PFC pay-as-you-go funding by \$55 million, increase the amount of bond capital by \$194 million, and increase the amount of bond financing requested by \$243 million for eligible STC Phase 1 project scope. The proposed amendment for PFC #20 will increase the amount of bond-funded project costs and bond financing requested for eligible project scope. The proposed new PFC #21 will request approval of \$78 million to fund a portion of the STC

Phase 1 and 1X apron. Collectively, approval of the amended applications and new application are expected to increase the Authority's authorization to collect and use PFCs to a total of \$5.03 billion.

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

Table 18
APPROVED PASSENGER FACILITY CHARGES
Orlando International Airport
(numbers in thousands, except PFC level)

Application Number	PFC Level	Collection Authority	Collections Through 6/30/2019	Expenditures Through 6/30/2019	Cumulative Collection Authority
92-01-C-05-MCO (Closed)	\$3.00	\$ 34,100	\$ 34,100	\$ 34,100	\$ 34,100
93-02-C-01-MCO (Closed)	\$3.00	8,140	8,140	8,140	42,240
95-03-C-02-MCO (Closed)	\$3.00	18,638	18,638	18,638	60,878
96-04-C-08-MCO (Closed)	\$3.00	58,846	58,846	58,846	119,723
98-05-C-05-MCO (Closed)	\$3.00	114,472	114,472	114,472	234,195
99-06-C-03-MCO	\$3.00	115,294	115,294	84,806	349,489
00-07-C-03-MCO	\$3.00	174,236	174,236	86,890	523,725
00-08-C-02-MCO	\$4.50	54,834	54,834	36,010	578,558
02-09-C-06-MCO	\$4.50	130,797	130,797	92,658	709,355
05-10-C-10-MCO	\$4.50	749,304	749,304	309,126	1,458,659
07-11-C-01-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,458,659
09-13-C-02-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,458,659
11-14-C-01-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,458,659
13-15-C-00-MCO (Combined Into PFC 19)	\$4.50	-	-	-	1,458,659
13-16-C-01-MCO (Combined Into PFC 19)	\$4.50	-	-	-	1,458,659
14-17-C-00-MCO (Combined Into PFC 19)	\$3.00	-	-	-	1,458,659
17-18-C-00-MCO (Combined Into PFC 19)	\$4.50	-	-	-	1,458,659
18-19-C-01-MCO	\$4.50	2,633,365	17,376	294,721	4,092,024
18-20-C-01-MCO	\$4.50	474,543	-	-	4,566,567
Total Authority		\$ 4,566,567	\$ 1,476,035	\$ 1,138,405	

Note: Totals may not add due to rounding. PFC Application 12 was submitted and withdrawn. Table 18 does not reflect proposed amendments to PFC Applications 9, 19, and 20 or new PFC Application 21.

1. Expenditures for each application may commence upon notification of the approval of the application. For reporting purposes, PFC collections are reported as applied to each application in order of the applications until the collection authority amount has been met for each application. As a result of this reporting method, there are allowable expenditures reported for applications that may not show collections directly assigned to them.
2. PFC Application 19 combined PFC Applications 11 through 18.

Airline Rate Resolution and Rate and Revenue Sharing Agreement

On October 16, 2013, the Authority adopted a resolution (the Rate Resolution) that (1) establishes the terms and conditions for airlines operating at the Airport, (2) establishes the methodology for setting certain airline rates and charges for the Airport, and (3) authorizes the Authority's Chief Executive

Officer (CEO) to enter into Letters of Authorization (LOA) with airlines for the use and occupancy of terminal space at the Airport. On August 10, 2016, the Authority amended the Rate Resolution, which became effective October 1, 2016, and on August 28, 2019 the Authority approve the Second Amended and Restated Rate Resolution, which will become effective October 1, 2019. The Authority also authorized the 3-year Rate and Revenue Sharing Agreement, which expires September 30, 2019. The Authority has been negotiating a new ratemaking methodology and new revenue sharing structure with the airlines since July 2018 and execution copies for new documents were sent to the airlines in mid-July. The Authority anticipates a majority of the Participating Airlines will sign the proposed Rate and Revenue Sharing Agreement and other relevant documents as outlined below. In the unlikely event airlines do not sign these replacement documents by October 1, 2019, the Authority has the right to implement rates by resolution without airline approvals.

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

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

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

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

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

The proposed changes in the Rate Methodology to take effect October 1, 2019 include:

1. Once Phase 1 of the STC opens, the combined total costs of both terminals will be used to calculate a single Terminal Rental Rate, Airline Equipment Charge, and RON charge.
2. Upon the opening of the STC, the Terminal Rental Rate per square foot will equal the combined terminal cost of both the North and South Terminals divided by the total rentable square feet of both terminals.
3. The Terminal Rental Rate Per Gate for both the NTC and STC will equal the total amount of holdroom space for all operational terminals times the Terminal Rental Rate divided by the number of operational gates that can accommodate Narrow Body Equivalent (NBE) aircraft. When Phase 1 of the STC opens, the total number of narrow body aircraft that can be accommodated simultaneously at both terminals will be 120 (equal to 93 in the north and 27 in the south).
 - a. In the event there is need to enplane or deplane an aircraft from a remote hardstand, there will be a separate charge for the associated terminal components in addition to the RON fee.
4. The Terminal Rental Rate Per Gate charged to an airline will be based on the type of aircraft using the gate as follows:.*
 - a. Narrow Body (FAA Design Group I-IV) = 1.0x Narrow Body Equivalent (NBE) rate
 - b. Jumbo (FAA Design Group V) = 1.5x NBE rate
 - c. Super Jumbo (FAA Design Group VI, B-747/800, A-380) = 2.0x NBE rate
5. Due to the common use configuration and environment of the STC landside, airlines will pay for the use of space for ticketing, queue areas, and bag make-up in a manner different from the preferentially assigned committed space in the NTC under LOAs. Airlines with committed gates using the STC will pay a pro rata share of the cost of the common use ticketing and bag makeup areas on a monthly basis in accordance with a common use formula based on terminal usage. Airlines operating at non-committed gates will pay their portion of the common use fee as part of the Facility Fee.
6. Baggage system fees will be calculated using the same method currently in effect, but such calculations will be completed separately for the NTC and STC, which will result in different baggage fees for airlines operating out of the NTC and STC. In addition, the factor used to weight outbound baggage space recovery costs for the North Terminal based upon its terminal capacity will revert from 45 MAP to 40 MAP when Phase 1 of the STC opens. The STC will have a baggage MAP factor of 11.
7. The rate formulas for inbound and outbound baggage system fees will continue to be allocated based upon passengers. However, the Authority may adjust the divisor for baggage fees from enplaning or deplaning passengers to number of bags at the beginning of the Fiscal Year following the year in which the Authority has the ability with a reasonable degree of reliability to count total bags by airline processed through both the Inbound Baggage System and Outbound Baggage System.

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

8. Facility fees will be calculated using the single Terminal Rental Rate for the NTC and STC based upon the same formula used today.
 - a. The airside-only Facility Fee for the NTC and STC for a narrow body operation will be the sum of the annual NBE gate holdroom charge and the Airline Equipment Charge per NBE gate divided by 1,460 (365 days times 4 turns per day).
 - b. The airside only Facility Fee for a Jumbo operation will be the same formula, but starting with a gate/holdroom charge of 1.5x times the NBE gate charge.
 - c. The airside only Facility Fee for a Super Jumbo operation will be the same formula, but starting with a gate/holdroom charge of 2.0X the NBE gate charge.
 - d. The formula for the landside-only Facility Fee for all operations will remain unchanged for NBE, with the calculation based on the cost of the mandatory minimum amount of ticket counter/queue/bag makeup/curbside check space per flight, divided by 1,460. Jumbo and Super Jumbo operations will be charged at the 1.5 and 2.0 ratios.
9. Airline revenue sharing will continue to be allocated among the Participating Airlines on the same basis as the existing Rate and Revenue Sharing Agreement, by Participating Operating Payments,* which will include the common use fees payable by Participating Airlines using the STC common use ticketing and bag make-up facilities, since these charges are in lieu of the per square foot method used in the North Terminal facility.
10. Amortization charges will include 5% imputed interest upon the opening of the STC.
11. In the event the all-in debt service coverage** is projected to be or turns out to be less than 1.30x, the airline rate base will include allocable debt service coverage (25% for Senior Bonds and 10% for Subordinated Indebtedness) for purposes of determining annual rates; however, in the event the actual all-in coverage exceeds 1.30x, the Authority will return such excess to the airlines in the annual true up.
12. Because the Authority is contracting with OUC to operate the central energy plant for the STC, it will pay OUC a charge for owning and operating the system. This Central Energy Plant Charge will be an obligation by the Authority to OUC who will own and operate the STC chilled water and emergency power distribution system. The payment obligations to OUC are subordinate to all obligations of the Authority. Therefore, this amount is netted out in the calculations of Remaining Revenues similar to all other operating expenses and debt service. The Authority's obligations to make payments to the OUC relative to the Central Energy Plan are subordinate to both Senior Bonds and Subordinated Indebtedness.
13. Upon the opening of the STC, 50% of the allocable O&M Expense, Debt Service, and Amortization of the South APM System will be included in the Terminal rate base.

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

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

Cost Centers. Under the Rate Resolution, the Authority has established Cost Centers to track revenues and expenses that are used in the calculation of airline and nonairline rates and charges. The Authority accounts for all operating revenues, and for direct operating expenses, on the basis of these Cost Centers. In addition, the Authority incurs certain indirect expenses, which are allocated to the Cost Centers based on the estimated usage by cost center. The following direct cost centers are used in the calculation of airline rates and charges:

- Airfield – those portions of the Airport providing for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, runway protection zones, safety areas, infield areas, taxi lanes, landing and navigational aids, service roads, fencing, buffer areas, fuel farm, fuel hydrant and delivery systems, clear zones, aviation or other easements, fire and crash rescue support facilities, runways, a fully integrated taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes.
- Terminal Apron – areas of the Airport that are designated for the parking of passenger aircraft and support vehicles, and the loading and unloading of passenger aircraft.
- Terminal – the passenger terminal building, including all landside and airside passenger terminal facilities, associated curbside entrance areas, and people mover systems, which will include the STC upon completion.
- Ground Transportation – areas on the Airport for public automobile parking, automobile rental agencies, taxi, bus and limousine parking areas, and other nonaeronautical transportation related accommodations and services for the public arriving at or leaving the Terminal, which will include the South APM/ITC Complex and ITF upon completion.
- Hotel – the hotel facility, including guest rooms, meeting rooms restaurants and lobby areas, located in the landside terminal building.
- Other Buildings and Grounds – all other facilities that are not included in the other direct cost centers at the Airport, including the Tradeport area, Heintzelman area, the perishables center, air cargo buildings, airline maintenance and training facilities, and general aviation hangars, buildings, and aprons.
- Orlando Executive Airport – the general aviation reliever airport.

Within the Terminal, the revenues and expenses associated with Airline Equipment for loading bridges (pre-conditioned air, ground power/400Hz, potable water, fire bottles and related equipment) and baggage systems are separately tracked. The Authority also separately tracks O&M Expenses and O&M Reserve Requirement (Operating Expenditures) associated with the FIS facilities.

Rate Methodology

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

Rate Base Costs. The allocable costs included in the total requirement for calculating the Terminal Premises Rate, Landing Fee Rate, and Apron Use Fee Rate consist of the following:

1. Total direct and indirect O&M Expenses and O&M Reserve Requirement
2. Debt Service net of Available PFC Revenues
3. Amortization of Authority-funded assets (computed net of amounts funded with the proceeds of Bonds, PFCs, and grants-in-aid) amortized over the economic life of the capital item. Under the Rate Methodology, imputed interest is included in restructured 2009A Bonds debt starting in FY 2020 and in the calculation of all other Amortization charges in FY 2022 when Phase 1 of the STC opens

Landing Fee Rate. The Landing Fee Rate is established according to a cost center residual methodology to recover all Airfield costs net of Airfield revenues generated from users other than Airlines. The Airfield Requirement is computed by summing the rate base costs identified above for the Airfield. From this amount, Airfield revenues other than Landing Fees assigned to Airfield are deducted to yield the Net Airfield Requirement. The Net Airfield Requirement is divided by the landed weight of all Airlines to determine the Landing Fee Rate.

Apron Use Fee. The Apron Use Fee is established under a compensatory ratemaking methodology where the fee is calculated to recover the average cost for each of the NBE gates in the Terminal Apron Cost Center. The Terminal Apron Requirement is computed by summing the rate base costs identified above for the Terminal Apron. From this amount, the Terminal Apron Requirement Allocable to Remote RON Parking is deducted to yield a Net Terminal Requirement, which is divided by total gates to yield the Apron Use Fee per gate.

Terminal Fees and Charges. The airline Terminal Premises Rate is established under a commercial compensatory ratemaking methodology where the rate is calculated to recover the average cost of each square foot of Rentable Space in the Terminal Cost Center. Rentable Space is the total amount of space, in square feet, available for rent in the Terminal, including to airlines, concessions, and other rent-paying tenants. The Terminal Requirement is computed by summing the rate base costs identified above for the Terminal. From this amount, Miscellaneous Direct Reimbursements, Airline Equipment Requirement, Baggage System Operating Expenditures, and the FIS Requirement are deducted to yield a Net Terminal Requirement, which is divided by total Rentable Space to yield the Terminal Premises Rate.

As noted above, there will be a single rental rate per square foot of terminal space applicable to both the NTC and STC and there will single rates for facilities fees for both the NTC and STC airline tenants. In addition, there will be a single rate for NBE holdroom charges whereby the total square footage of all holdroom space multiplied by the terminal rental rate is divided by the number of NBE gates to yield a single NBE cost per gate. However, there will be separate rates for baggage fees between the two terminals.

Airline rates and charges are established annually based on the budget. At the end of each Fiscal Year, the Authority calculates “true-up” rates based on actual expenses and activity, and debits or credits the difference to airlines.

Basis of Use. Under the Rate Resolution and LOAs, Airlines that sign LOAs and are assigned designated space (Committed Premises) within the Terminal for their use on an exclusive or preferential use basis and Airlines that are assigned Exclusive Use Premises not subject to an LOA are charged the applicable Terminal Premises Rate for their use of such space. All gates are charged at

the same rate, based upon the size of aircraft using such gate, regardless of the number of square feet in each gate/holdroom. All other space is assigned for use on a per-turn or other activity basis and subject to the applicable rates for use. Airlines must pay the Authority for their use and occupancy of the Airfield, Terminal Apron, and Terminal pursuant to rates and charges established each Fiscal Year, including Landing Fees, monthly charges for Committed Premises and other assigned Exclusive Use Premises, Facility Fees, FIS Fees, Airline Equipment Charges, Apron Use Fees, and Common Use Baggage Charges.

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

As set forth in the current Rate and Revenue Sharing Agreement that expires on September 30, 2019, the Authority retains (1) the first \$65 million in Revenues (excluding Revenues generated from Airport Exclusive Revenue Sources) less all Debt Service and Operating Expenditures (including Operating Reserve Requirements), (2) 35% of the next \$39 million in remaining revenues for FY 2017, \$40 million for FY 2018, and \$58 million for FY 2019, and (3) after crediting the next \$10 million to the Participating Airlines for each Fiscal Year, 35% of any additional amounts remaining for each Fiscal Year. The rest of the remaining revenues will be credited to the Participating Airlines.

Under the proposed amended Rate and Revenue Sharing Agreement that would begin on October 1, 2019 and extend through September 30, 2024, the Authority proposes to modify the revenue sharing with the Participating Airlines to (1) reduce the Authority's allocation of initial amount of net remaining revenues from \$65 million per year to \$55 million per year beginning in FY 2020 and (2) modify the formula beginning in FY 2020 whereby the first \$55 million in net remaining revenues would be retained by the Authority, the next \$10 million by the airlines, and the balance split 50/50 between the Authority and Participating Airlines.

Under the Rate and Revenue Sharing Agreements, Participating Airlines have waived their right to challenge the Rate Methodology set forth in the Rate Resolution. The Authority expects that it will, at all times, continue to be able to impose rates and charges that would allow the Authority to generate revenues sufficient to cover the debt service payments in respect of all Outstanding Senior Bonds, including the Series 2019 Bonds and the Outstanding Subordinated Indebtedness. In the event some or all of the Airlines or the Authority do not sign the Rate and Revenue Sharing Agreement, the Rate Resolution and Rate Methodology will remain in effect for Fiscal Year 2020 and beyond, but the Authority will not be required to share any remaining revenues with the Airlines. In such case, the Authority and the Airlines may continue, in their discretion, to negotiate a revenue sharing arrangement for Fiscal Year 2020 and beyond.

In developing the financial forecasts, it was assumed that the ratemaking procedures under the proposed amended Rate Methodology, Rate Resolution, and Rate and Revenue Sharing Agreement would take effect October 1, 2019 and remain in effect through the forecast period.

Table 19 provides a list of Participating Airlines at the Airport as of August 2019. The Participating Airlines account for approximately 94% of the passenger market share at the Airport in FY 2018.

Table 19
PARTICIPATING AIRLINES
 Orlando International Airport
 (as of August 2019)

AeroMexico	British Airways	jetBlue	United
Air Canada	COPA	Silver	Virgin Atlantic
American	Delta	Southwest	WestJet
Bahamasair	Frontier	Spirit	

Source: Greater Orlando Aviation Authority.

RECONCILIATION OF HISTORICAL FINANCIAL RESULTS

Table 20 presents a summary and reconciliation of the historical operating results of the Authority between Generally Accepted Accounting Principles (GAAP) and the Senior Bond Resolution, as obtained from the financial statements for FY 2017 and FY 2018 contained in the Authority's Comprehensive Annual Financial Report, which are prepared on the basis of generally accepted accounting principles.

AIRPORT CAPITAL IMPROVEMENT PROGRAM

On May 15, 2019, the Board adopted the 2018 – 2025 CIP that replaces the CIP approved in May 2018 with an estimated cost of \$4.12 billion, which includes adjustments for cost escalation.* The 2018 – 2025 CIP is designed to accommodate existing and forecast passenger demand at the Airport from FY 2018 – FY 2025 and consists of (1) improvements to the existing NTC, (2) the revised STC Phase 1 and new STC Phase 1X, and (3) other projects to maintain and enhance the Airport.

The 2018 – 2025 CIP is a multi-year plan of major capital projects, linked to the Authority's strategic goals, that provides a roadmap to implement projects, including targeted completion dates, budgets, and a funding plan. It is demand driven and dynamic in nature, reflecting current changes in the market, available funding, and the Authority's priorities.

In addition to the 2018 – 2025 CIP, the Authority also undertakes Renewal and Replacement of major assets on an ongoing basis referred to as an R&R project. The Authority anticipates spending approximately \$50 million per year for such improvements.

The projects in the 2018 – 2025 CIP, their estimated costs, and the estimated funding sources are described below and summarized in Table 21. Table 22 shows the estimated capital expenditures by Fiscal Year. Cost estimates were provided by the Authority and its consultants and include construction, allowances for design development, project and construction management, contingencies, and escalation.

*In connection with negotiation of the Rate and Revenue Sharing Agreement approved by the Board on August 28, 2019, the Authority agreed to finance an additional \$60 million in project costs with proceeds of Bonds in lieu of net remaining revenues (shown as "Authority Funds" in the approved CIP). The total amount of the CIP remains unchanged at \$4.12 billion.

The 2018 – 2025 CIP represents, to the Authority’s best knowledge and belief at this time, all of the significant capital improvements expected to be undertaken through FY 2025. The Authority reassesses its capital needs at least annually and will modify the 2018 – 2025 CIP as necessary to accommodate demand-driven traffic activity, security needs, any needed receipt of required environmental and other regulatory approvals, and other factors, which could result in increases or decreases to the 2018 – 2025 CIP, or extend or accelerate the timing to complete certain projects. The Authority plans to continually evaluate construction on such future projects based on demand, cost, and funding, as well as other factors.

Table 20
RECONCILIATION OF HISTORICAL FINANCIAL RESULTS

Greater Orlando Aviation Authority
For Fiscal Years ended September 30, 2017 and 2018 (numbers in thousands)

	2018	2017
Net Income (per financial statements)		
Operating revenues	\$ 533,782	\$ 495,240
Operating expenses	(301,660)	(278,462)
Operating income before depreciation	\$ 232,122	\$ 216,778
Depreciation	(163,325)	(125,754)
Operating income	\$ 68,797	\$ 91,024
Non-operating revenues (expenses)	112,228	40,959
Capital contributions	58,791	98,563
Net Income	\$ 239,816	\$ 230,546
Net Revenues (per Bond Resolution)		
Revenues	\$ 545,885	\$ 500,707
Operations and Maintenance Expenses	(286,286)	(257,114)
Net Revenues	\$ 259,599	\$ 243,593
Required fund deposits	-	-
Net Revenues available for debt service	\$ 259,599	\$ 243,593
Reconciliation		
Net income	\$ 239,816	\$ 230,546
Add back:		
Depreciation	163,325	125,754
Interest expense	35,511	34,404
Non-capitalized expenditures from restricted and other accounts	15,374	21,348
Participating Airline revenue sharing	57,659	53,140
Fair Market Value Adjustment	2,540	1,029
Deduct:		
Investment income on restricted accounts and Non-trustee Revenue Account	(702)	(1,709)
Required deposits	-	-
Passenger facility charge (PFC) revenues	(91,647)	(86,990)
Customer facility charges	(44,847)	(29,345)
Grant income not available for debt service	(59,418)	(104,434)
Transfer to Project Account from Operation and Maintenance Account	-	-
Gain on sale of land, equipment and Other Non-operating	(58,012)	(150)
Net Revenues available for debt service	\$ 259,599	\$ 243,593

Source: Greater Orlando Aviation Authority.

Table 21
SUMMARY OF 2018-2025 CIP PROJECT FUNDING
 Greater Orlando Aviation Authority
 (in thousands)

	Cost Estimate	ESTIMATED FUNDING SOURCES											
		AIP		TSA	GOAA Funds	Passenger Facility Charges			General Airport Revenue Bonds				Other
		Grants	FDOT			Paygo	Prior Bonds	New Bonds	STC Senior	STC Sub Lien	CIP Future	Prior Bonds	
TERMINAL													
North Terminal Complex													
Ticket Lobby Improvements	\$ 146,181	\$ -	\$ 32,433	\$ -	\$ 16,543	\$ 4,179	\$ 64,952	\$ -	\$ -	\$ -	\$ -	\$ 28,000	\$ 74
Baggage Program	157,222	-	12,857	32,581	3,092	20,132	34,598	-	-	-	4,845	49,117	-
Repurpose Airside 1 FIS	12,668	-	-	-	-	-	-	8,868	-	-	3,800	-	-
Airline Terminal Rebalancing Reserve	72,500	-	-	-	-	-	-	-	-	-	72,500	-	-
Future CCTV Projects	18,738	3,397	447	-	6,660	883	-	-	-	-	7,350	-	-
Access Control Security Enhancements	7,542	-	-	-	7,542	-	-	-	-	-	-	-	-
Airside 1 and 3 APM	86,432	-	1,563	-	769	-	-	-	-	-	-	84,101	-
Changing Regulatory Requirements	16,000	-	-	-	6,000	-	-	-	-	-	10,000	-	-
Security Program Enhancements incl Access Control	12,025	-	2,500	-	-	-	-	-	-	-	9,525	-	-
North Terminal Bldg System Replacement	17,000	-	-	-	4,900	-	-	-	-	-	12,100	-	-
North Terminal Security Systems (Biometric)	10,000	-	-	-	4,000	-	-	-	-	-	6,000	-	-
AS 2 and 4 APM System Updates	12,344	-	-	-	12,344	-	-	-	-	-	-	-	-
North Terminal Bldg Update	7,500	-	-	-	4,500	-	-	-	-	-	3,000	-	-
North Terminal Security Checkpoints	26,172	-	-	-	16,572	-	-	-	-	-	9,600	-	-
Signage - Terminal	2,726	-	-	-	-	-	-	-	-	-	2,726	-	-
Airside 4 Program	144,292	-	2,787	-	14,069	15,900	89,077	-	-	-	-	22,459	-
	\$ 749,341	\$ 3,397	\$ 52,587	\$ 32,581	\$ 96,991	\$ 41,094	\$ 188,627	\$ 8,868	\$ -	\$ -	\$ 141,445	\$ 183,677	\$ 74
AIRFIELD													
Taxiway C Rehab (Design and Construction)	\$ 6,624	\$ 4,888	\$ 815	\$ -	\$ 48	\$ 873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxiway J Rehab (Design and Construction)	25,320	16,726	2,786	-	5,658	150	-	-	-	-	-	-	-
Runway 17R-35L Improvements (Design and Construction)	24,918	16,811	2,799	-	5,186	122	-	-	-	-	-	-	-
Runway 18L-36R Rehab (Group VI) (Design and Construction)	44,815	28,415	4,734	-	1,500	-	-	-	-	-	10,166	-	-
Taxiway F,J,K,L & N Rehabilitation (Design and Construction)	12,625	8,873	1,479	-	157	-	-	-	-	-	2,116	-	-
Airfield Misc Projects - Future	26,500	19,500	3,250	-	1,000	-	-	-	-	-	2,750	-	-
East Airfield Taxiway Rehab - Phase 2 (Design and Construction)	11,000	7,502	1,500	-	660	-	-	-	-	-	1,338	-	-
	\$ 151,802	\$ 102,715	\$ 17,364	\$ -	\$ 14,209	\$ 1,145	\$ -	\$ -	\$ -	\$ -	\$ 16,370	\$ -	\$ -
GROUND TRANSPORTATION													
South Airport Cell Lot and Travel Plaza	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Loop Road Sys - Mill and Overlay	10,495	-	-	-	795	-	-	-	-	-	-	9,700	-
Future RAC Related Projects	90,000	-	-	-	-	-	-	-	-	-	-	-	90,000
Roadway Improvement Program	17,000	-	5,000	-	-	-	-	-	-	-	12,000	-	-
Signage - Roadway	10,000	-	1,500	-	-	-	-	-	-	-	8,500	-	-
Heintzelman Blvd - Mill and Overlay	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$ 133,495	\$ -	\$ 6,500	\$ -	\$ 795	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,500	\$ 9,700	\$ 96,000
OTHER													
Fiber Infrastructure Program	\$ 9,028	\$ -	\$ -	\$ -	\$ 9,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wildlife Attractant Removal	10,000	-	-	-	1,000	9,000	-	-	-	-	-	-	-
East Fuel Farm	35,300	-	-	-	-	-	-	-	-	-	-	-	35,300
Other	5,525	-	-	-	5,525	-	-	-	-	-	-	-	-
	\$ 59,853	\$ -	\$ -	\$ -	\$ 15,553	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,300
SOUTH TERMINAL COMPLEX - PHASE 1													
Terminal Building	\$ 1,656,325	\$ -	\$ 78,002	\$ -	\$ 38,709	\$ 200,000	\$ -	\$ 769,000	\$ 50,557	\$ 470,819	\$ -	\$ -	\$ 49,237
Parking and Ground Transportation Facility	158,995	-	-	-	120	-	-	-	6,472	30,536	-	-	121,866
Apron	77,393	-	-	-	40	41,000	-	-	6,358	29,994	-	-	-
Airfield/Fuel/GSE	95,583	-	-	-	137	-	-	-	41,292	54,154	-	-	-
Site Development	314,829	-	-	-	330	-	-	-	55,003	259,496	-	-	-
Total South Terminal Complex	\$ 2,303,124	\$ -	\$ 78,002	\$ -	\$ 39,337	\$ 241,000	\$ -	\$ 769,000	\$ 159,682	\$ 845,000	\$ -	\$ -	\$ 171,103
SOUTH TERMINAL COMPLEX - PHASE 1X													
Terminal Building	\$ 473,545	\$ -	\$ -	\$ -	\$ 3,500	\$ 100,000	\$ -	\$ 169,000	\$ 195,298	\$ -	\$ -	\$ -	\$ 5,746
Parking Garage	59,216	-	-	-	-	-	-	-	20,421	-	-	-	38,795
Apron	79,014	-	-	-	-	37,000	-	-	42,014	-	-	-	-
Airfield	107,101	-	-	-	-	-	-	-	107,101	-	-	-	-
	\$ 718,876	\$ -	\$ -	\$ -	\$ 3,500	\$ 137,000	\$ -	\$ 169,000	\$ 364,835	\$ -	\$ -	\$ -	\$ 44,541
TOTAL SOUTH TERMINAL	\$ 3,022,000	\$ -	\$ 78,002	\$ -	\$ 42,837	\$ 378,000	\$ -	\$ 938,000	\$ 524,517	\$ 845,000	\$ -	\$ -	\$ 215,644
TOTAL FY 2018-2025 Capital Improvement Program	\$ 4,116,491	\$ 106,112	\$ 154,453	\$ 32,581	\$ 170,385	\$ 429,239	\$ 188,627	\$ 946,868	\$ 524,517	\$ 845,000	\$ 178,315	\$ 193,377	\$ 347,019

Note: Other funds include CFCs and other financing provided for a fuel farm and commercial development. Totals may not add due to rounding.
 Source: Greater Orlando Aviation Authority as of May 2019 for projects expected to be undertaken through FY 2025.

Table 22
SUMMARY OF 2018-2025 CIP PROJECT EXPENDITURES BY FISCAL YEAR
 Greater Orlando Aviation Authority
 (in thousands)

	Total	Through 2018	Forecast 2019	2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
TERMINAL									
North Terminal Complex									
Ticket Lobby Improvements	\$ 146,181	\$ 134,671	\$ 11,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Baggage Program	157,222	138,446	13,931	2,000	2,000	845	-	-	-
Repurpose Airside 1 FIS	12,668	-	-	-	-	12,668	-	-	-
Future CCTV Projects	18,738	4,508	4,242	4,000	5,988	-	-	-	-
Access Control Security Enhancements	7,542	400	1,000	6,142	-	-	-	-	-
Airside 1 and 3 APM	86,432	81,420	5,013	-	-	-	-	-	-
Changing Regulatory Requirements	16,000	2,789	13,211	-	-	-	-	-	-
AS 2 and 4 APM System Updates	12,344	213	1,000	11,131	-	-	-	-	-
North Terminal Bldg Update	7,500	-	3,000	-	-	-	-	4,500	-
North Terminal Security Checkpoints	26,172	1,696	24,476	-	-	-	-	-	-
North Terminal Bldg System Replacement	17,000	5,024	11,976	-	-	-	-	-	-
North Terminal Security Systems (Biometric)	10,000	28	4,000	2,000	3,972	-	-	-	-
Airline Terminal Rebalancing Reserve	72,500	-	-	12,700	30,000	29,800	-	-	-
Security Program Enhancements incl Access Control	12,025	-	-	3,725	2,600	3,200	2,500	-	-
Signage - Terminal	2,726	-	-	1,500	1,226	-	-	-	-
Airside 4 Program	144,292	128,966	15,326	-	-	-	-	-	-
	\$ 749,341	\$ 498,163	\$ 108,684	\$ 43,197	\$ 45,785	\$ 46,513	\$ 2,500	\$ 4,500	\$ -
AIRFIELD									
Taxiway C Rehab (Design and Construction)	\$ 6,624	\$ 6,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxiway J Rehab (Design and Construction)	25,320	15,729	9,591	-	-	-	-	-	-
Runway 17R-35L Improvements (Design and Construction)	24,918	1,000	23,918	-	-	-	-	-	-
Runway 18L-36R Rehab (Group VI) (Design and Construction)	44,815	-	1,457	43,359	-	-	-	-	-
Taxiway F,J,K,L & N Rehabilitation (Design and Construction)	12,625	-	-	-	1,081	11,544	-	-	-
East Airfield Taxiway Rehab - Phase 2 (Design and Construction)	11,000	-	-	-	-	1,000	10,000	-	-
Airfield Misc Projects - Future	26,500	-	-	500	-	-	2,600	8,000	15,400
	\$ 151,802	\$ 23,354	\$ 34,965	\$ 43,859	\$ 1,081	\$ 12,544	\$ 12,600	\$ 8,000	\$ 15,400
GROUND TRANSPORTATION									
South Airport Cell Lot and Travel Plaza	\$ 6,000	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loop Road Sys - Mill and Overlay	10,495	10,495	-	-	-	-	-	-	-
Future RAC Related Projects	90,000	2,572	30,000	30,000	27,428	-	-	-	-
Roadway Improvement Program	17,000	-	-	3,000	4,000	4,000	4,000	2,000	-
Signage - Roadway	10,000	-	-	2,000	5,000	1,000	1,000	1,000	-
	\$ 133,495	\$ 16,067	\$ 33,000	\$ 35,000	\$ 36,428	\$ 5,000	\$ 5,000	\$ 3,000	\$ -
OTHER									
Fiber Infrastructure Program	\$ 9,028	\$ 3,899	\$ 5,000	\$ 129	\$ -	\$ -	\$ -	\$ -	\$ -
Wildlife Attractant Removal	10,000	98	2,000	7,902	-	-	-	-	-
East Fuel Farm	35,300	-	2,000	33,300	-	-	-	-	-
Other	5,525	-	-	500	2,000	1,500	1,525	-	-
	\$ 59,853	\$ 3,997	\$ 9,000	\$ 41,831	\$ 2,000	\$ 1,500	\$ 1,525	\$ -	\$ -
SOUTH TERMINAL COMPLEX - PHASE 1									
Terminal Building	\$ 1,656,325	\$ 202,555	\$ 441,642	\$ 726,395	\$ 285,733	\$ -	\$ -	\$ -	\$ -
Parking and Ground Transportation Facility	158,995	27,250	56,152	52,901	22,693	-	-	-	-
Apron	77,393	7,523	7,539	47,567	14,764	-	-	-	-
Airfield/Fuel/GSE	95,583	10,962	19,350	47,003	18,268	-	-	-	-
Site Development	314,829	73,572	117,927	96,098	27,232	-	-	-	-
	\$ 2,303,124	\$ 321,861	\$ 642,609	\$ 969,963	\$ 368,690	\$ -	\$ -	\$ -	\$ -
SOUTH TERMINAL COMPLEX - PHASE 1X									
Terminal Building	\$ 473,545	\$ 4,930	\$ 70,205	\$ 199,374	\$ 170,964	\$ 28,071	\$ -	\$ -	\$ -
Parking Garage	59,216	853	10,940	20,259	20,223	6,941	-	-	-
Apron	79,014	782	7,306	23,658	37,611	9,658	-	-	-
Airfield	107,101	1,484	21,525	37,608	37,154	9,329	-	-	-
	\$ 718,876	\$ 8,049	\$ 109,976	\$ 280,899	\$ 265,953	\$ 53,999	\$ -	\$ -	\$ -
TOTAL FY 2018-2025 Capital Improvement Program	\$ 4,116,491	\$ 871,490	\$ 938,234	\$ 1,414,750	\$ 719,937	\$ 119,556	\$ 21,625	\$ 15,500	\$ 15,400

Note: Other funds include CFCs and other financing provided for a fuel farm and commercial development. Totals may not add due to rounding.

Source: Greater Orlando Aviation Authority as of May 2019 for projects expected to be undertaken through FY 2025.

South Terminal Complex

In response to the continuing growth in passengers and international service, the Authority commenced construction of the 16-gate flex STC Phase 1 in the first quarter of 2017 with an expected opening in October 2021. In May 2018, after passenger traffic levels reached 45.8 million annual passengers, the Authority authorized staff to proceed with procurement of professional services for design and early construction activities of Phase 1 Expansion (Phase 1X) of the STC to add three additional gates for a total of 19 gates. Phases 1 and 1X of the STC are currently estimated to cost \$3.0 billion. A discussion of the project delivery method can be found in the letter to this report and the preliminary official statement relating to the proposed 2019 Bonds.

Phase 1 of the STC will include the following scope:

1. **Site Development.** This scope of work includes the clearing and removal of existing native vegetation and water features on 175 acres of land within the existing 1,000 + acre south terminal site. Also included is the grading of the existing site to accommodate the proposed terminals, parking facilities, aircraft taxiways, and aprons. Within this package are the roadways and bridges necessary for cars, trucks, and ground transportation as well as the utilities required to operate the complex such as water, sanitary, gas, electricity, and communications systems.
2. **Airside Terminal Building.** The 19-gate facility will be able to accommodate both international and domestic air traffic.* The terminal is designed to facilitate narrow body aircraft as well as larger aircraft such as Group VI aircraft (e.g., Airbus A380 and Boeing 747-8). Phase 1 and 1X of the STC will encompass approximately 1,045,000 square feet in a four-level building housing the necessary features required to operate a terminal. Sterile corridors connecting the gates to the FIS in the landside terminal will be located on the level below the departures level.
3. **Landside Terminal Building.** Adjoining the airside terminal will be the landside terminal that is approximately sized at 902,000 square feet. The building is planned to allow pedestrian traffic to access the complex without interference from motorized vehicles. The concept allows for the arriving party to purchase tickets, check baggage, claim baggage and meet arriving parties without congestion. The building will include internal ticket counters and kiosks. The baggage handling system is planned to allow customers to store their belongings until their flight departs or immediately board a departing plane. In addition, arriving and departing passengers will have a covered curbside canopy at the departure level and the commercial curb level to protect them from the elements when they access the terminal. The FIS and international bag claim will also be located in the landside terminal.

Some of the features of the STC include (a) direct contact gates, (b) a state-of-the-art baggage handling system that will eliminate double bag handling and make use of radio frequency identification technology to offer 100% baggage tracking, (c) seven terminal access points compared to over 80 North Terminal access points, (d) an enhanced security checkpoint, which will include eight passenger lanes on the second level, a larger queue area, expandable security checkpoint, modular flow, and two employee lanes on the first level, and (e) implementation of

*The STC is designed for 8 narrow body aircraft gates and 11 Multiple Aircraft Ramp System (MARS) gates that are wide body compatible (two of these MARS gates are Group VI aircraft gates (Boeing 747-8 and Airbus 380). The MARS gates have two jetways and can accommodate two narrow body aircraft at a time. The apron area will accommodate 9 narrow body RON positions. The 19 gates could accommodate 27 narrow body equivalent aircraft.

"Bags First" Customs and Border Protection (CBP), which allows passengers to claim their bags before proceeding to a CBP officer. In addition, the STC design will reinforce a campus vision by focusing on a unifying theme called "The Boulevard." The Boulevard is a corridor that traverses the center of the South Terminal on an east-west axis and connects the major civic areas, including the ticket hall and concessions hub. Arrivals and bag claim will be located on the third level, departures, ticketing and security will be located on the second level and ground transportation on the first level.

4. **Central Energy Plant.** A central energy plant to provide chilled water for the STC and a high power 12kv emergency power distribution system, as well as a solar energy facility and electrical vehicle charging stations.
5. **Apron and Airfield with Fueling.** Apron and airfield development for connectivity to taxiways and an aircraft fuel hydrant system for the STC gates.
6. **Ground Transportation Center.** To allow the customers of the parking and ground transportation facilities to utilize the STC, an initial portion of elevated, covered walkways have been incorporated within the overall design of the project leading to Garage C. The Ground Transportation Facility is planned for multiple uses. The initial phase is to accommodate foot traffic to and from the landside terminal and the garage. Within this future facility, passengers will have the ability to access ground transportation, purchase tickets for trains, store baggage, and access the terminal. A pedestrian bridge connecting the SAPM station to the STC landside terminal building will include a Rent-A-Car (RAC) Customer Service Lobby.
7. **Parking Facility.** As part of the STC project, the Authority is constructing a second phase of Garage C adding over 700 public parking spaces. Levels 3-6 of Garage C currently provide 1,684 spaces for public parking with levels 1-2 reserved for rental car operations that will operate from the STC when it opens. Upon the opening of the STC, there will be approximately 2,500 spaces for public parking. The expansion of Garage should provide the necessary capacity to accommodate all of the parking needs for the STC – Phase 1 and 1X complex. The capacity generated by Garage C has aided in reducing parking congestion in the North Terminal as passengers arriving at the Airport from the south now have the option to access parking more quickly, check bags, and use the South APM to access the North Terminal. These additional spaces are needed to accommodate parking demand for the STC.
8. **Ground Support Equipment (GSE) Complex.** In order to provide maintenance to the STC, a GSE maintenance facility will be constructed. The GSE complex will house all of the supplies and equipment required to provide service to the complex and its future expansion. It will provide for the disposal of airline waste and portable fuel transports, minor communications, and facilities to maintain and repair ground support vehicles associated with aircraft activity.

In connection with the annual budget process, the Authority's Planning/Engineering/Construction team undertook a review of the programs to identify critical projects as well as a review of all the existing project estimates to complete. There was an overall decrease to the CIP in the amount of \$152.7 million from May 2018 due to projects being completed or otherwise removed from the program. There were also increases due to new projects and/or increases to existing project budgets, in particular, an increase of \$202 million for STC Phase 1X. Other factors contributing to the changes include (1) additional terminal building projects, (2) realignment of roadway projects, (3) an additional airfield project, (4) the addition of security-related projects to address the current security environment, and (5) the removal of the completed South APM Complex, which became operational in November 2017. An Airline Terminal Rebalancing Project of \$72.5 million was added to partially

fund anticipated costs associated with terminal rebalancing resulting from airline relocations and space improvements related to the opening of STC Phase 1 and 1X to maximize the utilization of the terminals.

The current estimated cost for STC Phase 1 and 1X is \$2.3 billion and \$719 million, respectively. The drivers for the increase in estimated costs for the STC, include augmenting the base project design to add more capacity and overall market conditions resulting in increases in labor, materials, and equipment. Specifically, the following categories resulted in pricing increases since 2017:

- CMAR General Conditions (schedule related)
- Operational modifications for dual loading piers (elevator/escalators)
- Airfield civil design realignment changes related to FAA/Group requirements
- South RON and associated utilities actual pricing higher than allowance
- Operational and FAA Modifications for Taxiway C changes
- Terminal electrical updates/increases for design progression
- Power distribution costs related to address capacity for full terminal (initial first in cost for future development)
- Modifications related to latest tenant requirements
- Subcontractor pricing/labor related increases
- Ramp Loading Connector for RON operations (cobus operation)
- OUC duct bank additions/modifications from base project to include expansion
- Baggage Handling System related modifications required for base structure and expansion including TSA and CBP requirements (platform and enplane/deplane)

The current estimated opening of the STC is October 2021 for Phase 1 and Fall 2022 for Phase 1X.

The Authority has FAA approval to use PFC revenues to fund portions of the STC Phase 1 and 1X on both a pay-as-you-go and leveraged basis. It is in the process of applying for additional approval for PFC-eligible portions of the apron for Phase 1 and 1X (PFC Application 21).

North Terminal Complex

The capacity enhancements, renovations, and expansion for the NTC included in the 2018-2025 CIP are designed to (1) increase the capacity limits of various NTC functional elements (e.g., gates, curb, security checkpoint, baggage, etc.), (2) expedite international processing, and (3) improve the overall travel experience. The existing NTC provides 93 gates on four airside.

The Authority's 2018 – 2025 CIP includes a series of improvements for the NTC as follows:

1. ***Ticket Lobby Improvements.*** This project expands the ticket lobbies in Terminals A & B to incorporate new technology, provide greater capacity, improve the flexibility in the use of the ticket counter positions, and simplify future airline relocations. The project includes proposed improvements to the level 3 landside terminal ticketing areas from the ticket counter backwall to the enplane curb. The improvements will increase the passenger processing capacity of this area by incorporating various modes of passenger check-in. The largest portion of this project entails the reconfiguration and expansion of existing landside terminal level 3 public circulation and passenger

check-in areas. Scope in this project includes: (1) expansion of passenger ticketing areas, (2) modifications to associated baggage makeup and handling spaces, (3) reconfiguration and relocation of airlines to support expanded passenger processing space, (4), modifications to support operations and tenant spaces to provide room for additional ticketing and public circulation areas, (5) improvements to enplane and deplane curbs, (6) reconfiguration of exterior terminal walls, and (7) modifications to existing building systems impacted by the modifications and expansion of public circulation and ticketing areas including electrical, mechanical and specialty systems.

An allowance for relocation of airlines and reconfiguration of facilities is included in the project to address airline needs as the program is implemented. Replacement and added static and variable message signage throughout the ticketing areas is also included in the scope of this project. In addition, this project includes Common Use Self Service (CUSS) and Common Use Passenger Processing Systems (CUPPS) projects.

The project is estimated to cost \$146.2 million. Construction started in FY 2015 and major components of this project were operational in FY 2019 with final completion expected by the end of calendar year 2019.

2. ***Airside 4 Improvements.*** This project addresses multiple facility issues, including capacity enhancement and asset preservation, and includes the following major work elements: (1) renovation and expansion of the Federal Inspection Services (FIS) facilities, including Customs and Border Protection (CBP) facilities, and TSA relocation and reconfiguration, (2) modifications to the 90's wing to convert existing gates into swing gates to accommodate increased international service, (3) construction of a new Central Energy Plant (CEP) to support Airside 4, (4) replacement of HVAC units throughout the airside, and (5) renovation of the public restroom facilities. The FIS improvements include the expansion and renovation of the FIS located on the ramp level of Airside 4. This work will expand the primary processing queue area, expand and reconfigure the bag make-up and bag claim equipment, renovate and reconfigure the TSA recheck area as well as renovate and reconfigure various offices and support areas.

The FIS improvements will necessitate the replacement of the existing 20-year old centralized 400Hz system to a point of use system at each gate. The improvements to the 90's wing involve widening the concourse by approximately 20 feet to the south in order to convert four existing domestic gates into international gates by adding a sterile corridor at level 1. The expansion of this concourse includes approximately 22,000 square feet of new construction and 5,000 square feet of renovation. The expansion will necessitate the relocation of existing hydrant fuel pits and four boarding bridges.

The CEP improvements include new chiller equipment and cooling towers to provide 3,000 tons of cooling capacity and hot water heating capacity of 70,200 million BTU per hour to serve Airside 4. The new CEP will encompass approximately 11,800 square feet of enclosed building structure and 6,400 square feet of open structure. The site preparation for the plant requires partial infill of an existing pond, a new retaining wall, and relocation of a service road.

This project also includes the replacement of the HVAC units that serve the FIS facilities and the 90's wing.

The Airside 4 restroom improvements involve complete finishes update for all six sets of public restrooms on the transfer level.

The Airside 4 improvements project is estimated to cost \$144.3 million. Construction began in FY 2015 and major components of this project were operational in FY 2019 with final completion expected by the end of calendar year 2019.

3. **Baggage Program.** The baggage program is comprised of several complementary components including pod optimization and other Baggage Handling System (BHS) improvements. The pod improvements will optimize checked baggage processing capacity in pods A through D that serve as the security screening points for the terminal baggage system. The pod optimization scope generally includes reconfiguration of the main induction and sortation conveyor lines for baggage load balancing, replacement of queuing conveyors in front of the explosives detection equipment, increase of inspection queuing positions in the TSA's resolution area, and modifications to upper and lower levels of the programmable logic controller (PLC) program controlling the BHS. Other BHS components include a wide variety of baggage-related improvements such as replacement of select baggage make-up carousels and flat-plate bag claim devices, upgrade remaining ticket counter security doors, upgrade baggage make-up area lighting and ventilation systems, new baggage make-up area restrooms, safety-netting over personnel traffic areas and Landside emergency power generation expansion. The Baggage Program project is estimated to cost \$157.2 million. Several of the projects in this program were completed by the summer of 2019 with all other elements expected to be completed in 2022.
4. **Repurpose Airside 1 FIS.** Airside 1 was the original international terminal at the Airport and has served as such since 1984. This project repurposes the existing CBP/FIS facility at Airside 1 following the opening of the new CBP/FIS facility at the STC. When the new STC international facility opens, select improvements to the existing Airside 1 facility are proposed to accommodate international arrivals on an as-needed basis at this location.
5. **Airline Terminal Rebalancing Project.** This \$72.5 million project will fund anticipated costs associated with airline relocations and space improvements related to the STC Phases 1 and 1X becoming operational and to rebalance terminal operations. The program is planned to build-out and relocate various airline operations and associated support functions so that both the NTC and STC operate in an optimized and balanced fashion, considering all aspects of terminal operations such as curbside usage, ticket counters, bag handling, security check points, gates, and associated support functions. The planning and design of this program is anticipated to begin in 2020. The project is expected to be undertaken in FY 2020 through FY 2022.
6. **Closed Circuit Television (CCTV) Improvements.** This project upgrades and enhances the Closed Circuit Television System (CCTV) monitoring the Airport. Currently, the Airport's Secured Areas have CCTV coverage via a system that was installed approximately 10 years ago and is near the end of its useful life. The project will upgrade and enhance the CCTV coverage and video storage capability of the system monitoring the Airport. This program began in FY 2017 and is expected to be continue through 2021.
7. **Access Control Improvements.** This project provides enhanced access control for Gate E-50 (Checkpoint Charlie) used by airport/airline employees. The project began in FY 2017 and is expected to be complete in FY 2020.
8. **Airsides 1 & 3 APM.** This project includes a new operating system and running surfaces for the APM System at Airsides 1 and 3. Guideway and station equipment and facilities to accommodate the systems are included. The project also includes 6 new vehicles for each airside along with the associated power distribution, Automatic Train Control (ATC) and communications equipment. This project will require replacement of the concrete running surfaces along the guideways. This work will reduce the APM service to each airside to a single train for up to 8 months each. The project is estimated to cost \$86.4 million. An allowance for contingency operations to move passengers to/from the airsides in the event of an outage is included. Construction began in October 2015, and it became operational in FY 2018 with monitoring and testing continuing through FY 2019.

9. **North Terminal Building Updates and Building System Replacement.** This project consists of updating and/or replacing building system infrastructure to extend the useful life of these systems, including but not limited to, sewer and information technology. The project will continue through FY 2024.
10. **Regulatory Requirements and Security Enhancements.** This project is designed to address changes in federal regulations regarding security requirements (CBP, TSA, etc.), including mandated Federal requirements for occupied area including IT and security. The project is expected to be completed in FY 2022.
11. **Airside 2 and 4 APM System Upgrades.** This project consists of replacing/upgrading key components of the APM vehicles and associated infrastructure to extend the useful life of this system. The project is expected to be complete in FY 2021.

Airfield

The Authority has identified a series of improvements to maintain the airfield, which have been programmed to maximize Airport Improvement Program (AIP) and FDOT grant participation as follows:

1. **Taxiway Rehabilitation.** These projects provide rehabilitation and improvements for the existing pavements on Taxiways C, E, F, J, K, L, and N. Construction work includes removal and replacement of concrete joints and cracked slabs, mill and overlay of asphalt pavement, improvements for pavement geometry, markings, lighting, drainage, and signage.
2. **Runway 17R-35L Improvements.** This project provides rehabilitation and improvements for the existing pavements for Runway 17R-35L and associated taxiway connectors within the runway safety areas. Construction work includes removal and replacement of concrete joints and cracked slabs, improvements for pavement geometry, markings, lighting and signage. The project is expected to be completed in FY 2019.
3. **Runway 18L-36R Improvements.** This project upgrades and provides rehabilitation and improvements for the existing pavements for Runway 18L-36R and associated taxiway connectors within the runway safety areas. The proposed work includes runway rehabilitation and runway shoulder pavement rehabilitation and widening, runway blast pad pavement widening and other related modifications in adjacent airfield areas. Design is underway with construction expected to take place in FY 2020 subject to the availability and timing of anticipated AIP grants.
4. **Other Airfield.** An allowance for other apron and airfield work has been included in the 2018 – 2025 CIP for implementation in FY 2023 - 2025.

Ground Transportation

1. **South Cell Lot, and Travel Plaza.** This program includes South Airport Cell Lot and Travel Plaza, which was completed in FY 2019.
2. **Loop Road System Overlay.** The improvements to the terminal Loop Road consist of mill and overlay of the existing asphalt pavement, reconstruction of the isolated structurally distressed areas, and new roadway pavement markings and improvements to the roadway lighting. The project was completed in FY 2018.
3. **Rental Car Related Projects.** This program includes improvements for rental car facilities in the STC area and will be funded entirely with CFC revenues.

4. **Roadway Improvement Program and Signage.** These projects consist of mill and overlay or rehabilitation of roadways sections or parts thereof, including but not limited to Commercial Lane at the Terminal, Cargo Road, Tradeport Drive, Bear Road, or other roadway improvements as determined by need and priority. The program also provides for improvements to the roadways signage to address wayfinding enhancements once the STC becomes operational. These projects are expected to occur through FY 2024.

Other Improvements

Other improvements to the Airport include construction of an east apron fuel farm, and wildlife attractant removal.

The East Apron Fuel Farm project will provide a second operationally redundant and geographically separate fuel supply for Airport users. The existing fuel farm is located on the west side of the Airport and is supplied by refinery sources from the gulf coast via barges across the Gulf of Mexico, a port facility in Tampa and a pipeline from the port to central Florida, and over land via a trucking operation from a recently completed fuel farm at Port Canaveral. Impacts from hurricanes and other petroleum supply disruptions have caused the Airport to nearly run out of fuel on several occasions in the past, highlighting the need for redundancy.

The Wild Life Hazard Management Plan will reduce the amount of open standing water and aquatic vegetation on the east airfield to reduce wildlife attractants.

The fiber infrastructure program will provide for the completion, expansion, and modification of the fiber-optic loop connecting major nodes on Airport property. This work will include additional ductbanks, conduit, and cable, associated electronic devices and facilities improvements, including new and improved Minimum Points of Entry (MPOE).

Estimated Sources of Funding for the 2018-2025 Planned Capital Projects

As shown in Table 21, funding sources for the 2018 – 2025 CIP include FAA Airport Improvement Program (AIP) grants-in-aid, FDOT grants-in-aid, TSA grants, PFC pay-as-you-go revenues, proceeds of previously issued Senior Bonds, proceeds of the 2017 Subordinated Bonds, bank lines of credit, rental car CFCs, Authority funds, a payment from the OUC for the central energy plant, third party sources, and the proceeds of the proposed 2019 Bonds and 2021 Bonds. The Authority has received FAA approval to fund portions of the STC with PFC revenues and is in the process of applying for a new PFC application for the eligible portions of Phase 1X.

Grants. The Authority expects to use a combination of AIP, TSA, and FDOT grants to fund \$293 million in project costs. Approximately \$106 million of this amount is expected from a combination of entitlement and discretionary AIP grants to fund various airfield improvements under the 2018 – 2025 CIP. The Authority is eligible to receive grants-in-aid from the FAA under the AIP for up to 75% of the costs of eligible projects. Certain of these grants are awarded as “entitlement” grants, the annual amount of which is calculated on the basis of the number of enplaned passengers and the amount of landed weight of all-cargo aircraft at the Airports. Other “discretionary” grants are awarded on the basis of the FAA’s determination of the priorities for projects at the Airports and at other airports nationwide. The AIP grant program is subject to periodic reauthorization and appropriation by Congress. Congress passed the FAA Reauthorization Act of 2018 in October 2018 reauthorizing the FAA for FY 2019 to 2023 and providing a total of \$97 billion in funding, which includes \$3.5 billion of AIP grants for airports annually. If not reauthorized in 2023, the AIP could be affected by automatic across-the-board spending cuts, known as sequestration. As a result, there can

be no assurance that the FAA will receive spending authority and the Authority is unable to predict the level of available AIP funding it may receive. To the extent AIP grants are not available, the Authority may need to defer projects and/or issue debt to fund them.

The Authority has received \$32 million of funding from TSA for various baggage system improvements. In addition, the State of Florida actively participates in the development of Airport capacity in Orlando and other regions of the State through FDOT matching grants equal to 12.5% of the cost of projects funded with AIP grants and 50% of non-AIP funded projects. FDOT grants are expected to total approximately \$154 million.

PFC Revenues. The Authority estimates that approximately \$1.6 billion of PFC funding will be used to fund various terminal, airfield, roadway, and STC projects in the 2018 – 2025 CIP. This includes \$429 million of pay-as-you-go PFC funding, \$189 million in previously-issued PFC-supported Senior Bond proceeds, \$769 million in the 2019 Bonds for STC Phase 1 and \$160 million for STC Phase 1X, and \$9 million for the renovation of Airside 1 after the STC opens in the future 2021 Bonds. The Authority intends to designate certain PFC Revenues as Available PFC Revenues for the PFC-supported portion of the 2019 Bonds and 2021 Bonds. PFC-use approval expected for approved applications and proposed new PFC Application 21 as described earlier on both a pay-as-you-go basis and leveraged basis is also reflected in the financial forecasts presented in this report.

Authority Funds. Authority funds, in the amount of \$170 million, will be funded from the Capital Expenditure Fund and Discretionary Fund.

Bonds and Subordinated Indebtedness. Approximately \$193 million in project costs under the 2018 – 2025 CIP were funded from previously issued revenue-backed bonds. Table 23 summarizes the estimated amount of Senior Bonds and Subordinated Indebtedness contemplated to finance the 2018 – 2025 CIP, excluding Bonds issued before 2017.

Table 23
SUMMARY OF DEBT FUNDED PROJECT COSTS FOR 2018 – 2025 CIP
Orlando International Airport
(in thousands)

				Subordinated		
Revenue-Backed Senior Bonds				Indebtedness	Total	
	<u>2019 Bonds</u>	<u>2021 Bonds</u>		<u>2017 Bonds</u>	<u>All Bonds</u>	
STC Phase 1	\$ 159,682	\$ -		\$ 845,000	\$ 1,004,682	
STC Phase 1X	<u>182,417</u>	<u>182,417</u>		<u>-</u>	<u>364,835</u>	
Total STC	\$ 342,100	\$ 182,417		\$ 845,000	\$ 1,369,517	
Other CIP	<u>147,811</u>	<u>30,504</u>		<u>-</u>	<u>178,315</u>	
Revenue-Backed	\$ 489,911	\$ 212,921		\$ 845,000	\$ 1,547,832	
PFC-Supported Senior Bonds						
STC Phase 1	\$ 575,000	\$ 194,000		\$ -	\$ 769,000	
STC Phase 1X	<u>150,000</u>	<u>19,000</u>		<u>-</u>	<u>169,000</u>	
Total STC	\$ 725,000	\$ 213,000		\$ -	\$ 938,000	
Other CIP	<u>-</u>	<u>8,868</u>		<u>-</u>	<u>8,868</u>	
PFC Supported	\$ 725,000	\$ 221,868		\$ -	\$ 946,868	
Total Senior Bonds						
STC Phase 1	\$ 734,682	\$ 194,000		\$ 845,000	\$ 1,773,682	
STC Phase 1X	<u>332,417</u>	<u>201,417</u>		<u>-</u>	<u>533,835</u>	
Total STC	\$ 1,067,100	\$ 395,417		\$ 845,000	\$ 2,307,517	
Other CIP	<u>147,811</u>	<u>39,372</u>		<u>-</u>	<u>187,183</u>	
Total	\$ 1,214,911	\$ 434,789		\$ 845,000	\$ 2,494,700	

Source: Greater Orlando Aviation Authority.

Other Funds. Other funds totaling \$382 million consist of (1) \$161 million from the CFC Bank Loan to fund rental car improvements and a significant share of the south parking facility, (2) \$55 million from OUC for the STC project costs for the central energy plant, and (3) \$35 million under a public-private partnership that may include the use of special facility debt backed a third party for the East Apron Fuel Farm.

PLAN OF FINANCE

Exhibit A shows the estimated sources and uses of funds for projects expected to be funded in whole or part with bonds as provided by the Authority's Municipal Advisors. The Municipal Advisors also provided the estimated debt service requirements. The Authority has financed portions of the costs of the STC on an interim basis using its Lines of Credit. The 2019 Bonds will provide proceeds to fund \$1.2 billion of the costs of the STC and to repay draws on the Lines of Credit and their associated interest expense. The specific form, amount, and timing of debt to finance the remaining costs to be financed for the 2018 – 2025 CIP have not been determined at this time. Although the Authority will consider various financing options, regarding the anticipated financings, for purposes of this report,

the Municipal Advisors made the following assumptions regarding the issuance of Senior Bonds to fund portions of the 2018 – 2025 CIP timed for cash flow needs all of which would have a cash funded Debt Service Reserve:

SOUTH TERMINAL - AIRPORT REVENUE BONDS		
	Revenue-Backed	PFC-Supported
2019 Bonds		
Project Costs	Phase 1: \$160 million Phase 1X: \$182 million	\$725 million
Term	35 years	30 years
Spread to Market Rates*	30 basis points	30 basis points
Capitalized Interest Period	Phase 1 through 9/30/2021 Phase 1X through 9/30/2022	None
Debt Structure	▪ Level Debt Service ▪ Principal Amortization starting 10/1/2023	Level Debt Service
2021 Bonds		
Project Costs	Phase 1X: \$182 million	\$213 million
Term	35 years	30 years
Spread to Market Rates*	175 basis points	175 basis points
Capitalized Interest Period	Through 9/30/2022	None
Debt Structure	▪ Level Debt Service ▪ Principal Amortization starting 10/1/2023	Level Debt Service

OTHER CIP PROJECTS - AIRPORT REVENUE BONDS		
	Revenue-Backed	PFC-Supported
2019 Bonds		
Project Costs	\$148 million	
Term	9 years	
Spread to Market Rates*	30 basis points	
Capitalized Interest Period	Through 9/30/21	
Debt Structure	▪ Level Debt Service ▪ Principal Amortization starting 10/1/2022	
2021 Bonds		
Project Costs	\$31 million	\$9 million
Term	20 years	15 years
Spread to Market Rates*	175 basis points	175 basis points
Capitalized Interest Period	Through 9/30/2022	None
Debt Structure	▪ Level Debt Service ▪ Principal Amortization starting 10/1/2023	Level Debt Service

*As of August 27, 2019. Preliminary and subject to change.

In addition, because it is now expected that the STC will open in October 2021 instead of October 2020 as contemplated when the 2017 Subordinated Bonds were issued, the Authority plans to issue revenue-backed bonds in 2021 (for purposes of this report senior lien) to pay the \$43,375,000 interest cost due on the 2017 Subordinated Bonds during FY 2021, which would be amortized over 30 years with no capitalized interest.

Exhibit C shows historical, estimated, and forecast Debt Service on the Authority's Outstanding Senior Bonds and Outstanding Subordinated Indebtedness as well as the proposed 2019 Bonds, and 2021 Bonds as provided by the Municipal Advisors.

The Authority intends to redeem the 2009A Bonds before October 1, 2019 with cash on hand and amortize the cash redemption amount through airline rates and charges with 5% imputed interest over five years from FY 2020 through FY 2024. This redemption will provide economic savings as well as create more revenue sharing during the early years after opening of the STC.

PASSENGER FACILITY CHARGES

Exhibit B presents historical, estimated, and forecast PFC collections, interest earnings, and the application of PFCs to pay debt service and pay-as-you-go project costs. It was assumed that the Authority's existing \$4.50 per enplaned passenger PFC level would remain constant (at the \$4.50 level) throughout the forecast period (through FY 2025).

Existing PFC-use approval is reflected in Exhibit B, including the authorization to use PFC revenues to (1) pay a portion of the debt service attributable to certain Outstanding Bonds (Series 2009C Bonds, Series 2010A/B Bonds, Series 2011B/C/D Bonds, Series 2012A Bonds, 2015A Bonds, the 2016B Bonds), and the 2019 Bonds as well as for approved and projected pay-as-you-go PFC expenditures.

Portions of the 2019 Bonds, when issued, will be designated as issued to finance portions of eligible project costs constituting a PFC project.

OPERATION AND MAINTENANCE EXPENSES

Exhibit D presents historical and forecast Operation and Maintenance Expenses (O&M Expenses) of the Airport for direct and indirect expenses and by cost center for FY 2017 through FY 2025. Historical O&M Expenses were obtained from the Authority's records and reconciled to the audited financial statements. O&M Expenses for FY 2019 are based on the Authority's budget and for FY 2020 on the Authority's preliminary budget.

Individual components of O&M Expenses were forecast taking into account the FY 2020 budget; assumed increases in the unit costs of labor, services, utilities, and supplies as a result of price inflation; and additional costs associated with the STC Phase 1 starting in FY 2022 with Phase 1X space coming on line in FY 2023 as provided by the Authority's construction finance engineer. Such additional O&M Expenses are shown as "Incremental Expenses for New Facilities" on Exhibit D.

The unit costs of salaries, wages, fringe benefits, materials, supplies, and services were assumed to increase an average of 4.5% per year for FY 2021 from the preliminary FY 2020 budget of O&M Expenses.

The annual required contribution for pensions as determined by the Authority's actuarial consultant is included in O&M Expenses on an annual basis.

GLOBAL AGREEMENT WITH OUC FOR CENTRAL ENERGY PLANT

In June 2019, the Authority entered into a Global Agreement with the OUC* for among other things the ownership and operation of the central energy plant for the STC. Under the Global Agreement OUC will:

1. Own, operate, and maintain a Back-Up Generation Facility
2. Construct, own, operate, and maintain 12 kV Emergency Distribution Services
3. Own, operate, and maintain the Central Energy Plant
4. Construct, own, operate, and maintain a solar energy facility
5. Own, operate, and maintain electrical vehicle charging stations

OUC has considerable expertise in the operation of utility systems and will have on- site operators trained in initial troubleshooting of the backup generation facilities. This will provide OUC expertise on Airport property 24/7/365 to provide immediate initial response. OUC has agreed to provide minimum response times in the event of a shut down or loss of power to MCO of 30 minutes.

The Authority will fund the engineering, procurement, and construction of the Back-Up Generation Facility and Central Energy Plant. OUC will design, engineer, and construct the 12 kV electrical distribution system and solar energy facilities at MCO. OUC will also install in the South Terminal parking garage and operate and maintain electric vehicle charging stations in both the North and South Terminals.

Upon Substantial Completion of the STC Phase 1 by the Authority and OUC, OUC will purchase and assume ownership, as well as risk of loss, of the Back-Up Generation Facility and Central Energy Plant capital assets and will begin operating and maintaining all of the Projects for the 20-year term of the Global Agreement. OUC is responsible for all capital improvements subsequent to turn over during the term.

Pursuant to the Global Agreement, the Authority will make monthly payments to OUC over the next 20 years for (1) a variable maintenance and usage charge and (2) a fixed capacity charge. The annual charge is estimated to be approximately \$10 million as shown in Exhibit F based upon maintenance, usage, and the fixed capacity charge estimated by the Authority's consultant for this transaction.

REVENUES

Exhibit E presents historical and forecast Revenues by type of revenue for FY 2017 through FY 2025. Historical Revenues were obtained from the Authority's records and reconciled to the audited financial statements.

Individual components of Revenues were forecast taking into account actual financial results for FY 2017 through FY 2018, estimated Revenues for FY 2019, the FY 2020 budget, allowances for inflation as appropriate, and the provisions of leases and agreements between the Authority and the various tenants and users of the Airports. Revenues from sources related to passengers, such as concession revenues, are forecast to increase as a function of forecast passenger traffic as described in the "Forecast Airline Traffic" section of this report. The assumptions underlying the increases in individual components of Revenues are described in the following sections.

*Defined terms used in this section have the meanings given in the Global Agreement.

Table 24 presents a summary of Revenues by source for FY 2018. As noted earlier, in FY 2018 the Authority sold portions of its 1,854-acre Poitras property, which netted approximately \$63 million in Revenues. The Authority intends to sell the remaining portion by the end of 2019 or beginning of 2020. Given the one-time nature and magnitude of the initial transaction, Revenues for FY 2018 in the table below and the financial exhibits to this report exclude the net proceeds from the sale of the Poitras property. In addition, due to the uncertainty of the timing and proceeds from the future sale, future Revenues also do not include sale proceeds.

Table 24
FY 2018 REVENUES BY SOURCE
Orlando International Airport
(in thousands)

	<u>Amount</u>	<u>Percent of Total Revenues</u>
Airline Revenues	\$ 196,247	36.0%
Non-airline Revenues		
Terminal Area Rents - Nonairline	\$ 11,517	2.1%
Advertising	4,273	0.8%
Food and Beverage	28,953	5.3%
Merchandise and Services	31,503	5.8%
Parking Facilities (on and off Airport)	70,248	12.9%
Car Rentals	98,655	18.1%
Commercial Lane	18,098	3.3%
Other Buildings and Grounds	17,466	3.2%
Hotel	45,508	8.3%
Other Operating Revenue	<u>11,704</u>	<u>2.1%</u>
Subtotal - Non-airline Revenues	<u>\$ 337,923</u>	<u>61.9%</u>
Total Operating Revenues	\$ 534,170	97.9%
Non Operating Revenues		
Interest Earnings and Other	<u>11,715</u>	<u>2.1%</u>
Total Revenues	\$ 545,885	100.0%

Source: Greater Orlando Aviation Authority.

Note: May not add due to rounding.

Airline Revenues

Airline revenues represented 36.0% of Revenues of the Airport in FY 2018.

Landing Fees. Under the Rate Methodology, the Authority calculates landing fee rates according to a cost center residual methodology to recover all Airfield costs net of Airfield revenues generated from users other than airline landing fees.

As shown in Exhibit E-1, the Airfield Requirement consists of allocable direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), and amortization. The Airfield Requirement is then credited with fuel system revenues and other revenues assigned to Airfield Cost Center (excluding Airline Landing Fees) to yield the Net Airfield Requirement. The Net Airfield Requirement is divided by the landed weight of the passenger and cargo airlines to determine the Landing Fee Rate.

Apron Use Fees. As shown in Exhibit E-1, the Terminal Apron Requirement consists of allocable direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), and amortization. The Terminal Apron Requirement is then credited with the Terminal Apron Requirement Allocable to Remote RON Area to yield the Terminal Apron Requirement Allocable to Gates, which is divided by the number of Gates to determine the Average Terminal Apron Rate per Gate.

Terminal Rentals. The Terminal Premises Rate is established under a commercial compensatory ratemaking methodology where rental rates are calculated to recover the average cost of each square foot of Rentable Space in the Terminal Cost Center.

Airlines that sign LOAs pay for their designated exclusive and preferential use areas based on the amount of space assigned and the Terminal Rental Rate. All terminal space other than Exclusive or Preferential Use Premises that is not assigned for exclusive or preferential use under an LOA is available on a common use basis as assigned by the Authority, and is charged to the airlines on a per turn fee or other activity basis. In addition, all gates are charged the same rate regardless of the number of square feet allocated to such gate/holdroom.

Table 25 shows the number of aircraft gates assigned to the Participating Airlines at the Airport for FY 2019 (the final year under the current LOAs), FY 2020 (the first year under the new LOAs), FY 2022 (the first fiscal year for STC Phase 1), and FY 2023 (the first fiscal year for STC Phase 1X). The estimates for future fiscal years are based upon Authority discussions with the airlines. As shown, 74 gates are currently assigned to the Participating Airlines and the balance is available to be used on a common use, per-turn fee basis. Spirit has indicated its intent to commit to 8 gates from 5 effective October 1, 2019. No other airline has indicated its intent to add or subtract gates prior to the opening of the STC due to the lack of available gates in the NTC.

Table 25
NUMBER OF AIRCRAFT GATES BY AIRLINE
Orlando International Airport
(by Fiscal Year)

Assigned Under Letters of Authorization	<u>2019</u>	<u>2020</u>	<u>2022</u>	<u>2023</u>
Aero Mexico	1	1	1	1
Air Canada	1	1	1	1
American Airlines	9	9	9	9
Bahamas Air	1	1	1	1
British Airways*	1	1.5	1.5	1.5
Copa	1	1	1	1
Delta Air Lines	8	8	8	8
Frontier	5	5	8	8
jetBlue Airways	10	10	11	12
Silver	1	1	1	1
Southwest Airlines	20	20	20	20
Spirit Airlines	5	8	8	8
United Airlines	9	9	9	9
Virgin Atlantic (a)	1	1.5	1.5	1.5
Westjet	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total Preferential Use Gates	74	78	82	83
Authority Gates (Common Use)	<u>19</u>	<u>15</u>	<u>32</u>	<u>37</u>
Total	93	93	114	120

(a) Participating Airlines committing to Jumbo gates.

Source: Greater Orlando Aviation Authority.

As shown in Exhibit E-2, the Terminal Requirement is computed by summing allocable direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), amortization, and the OUC obligation charge. From this amount, the FIS Requirement, the Airline Equipment Requirement, Baggage System Operating Expenditures, and Miscellaneous Direct Reimbursements are deducted to yield a Net Terminal Requirement, which is then divided by total Rentable Space to yield the Terminal Premises Rate.

The purpose of calculating the FIS Requirement is to allocate to the FIS facilities their proportionate share of the costs in the Terminal Cost Center that are common to FIS and non-FIS space plus all the costs that are specific to the FIS facilities so that these costs are not included in the net Terminal Requirement and are borne only by the airlines using the FIS facilities and by the Authority. The Authority charges a market rate for use of the FIS equal to \$4.00 for each arriving international passenger using the FIS. The Authority intends to raise the FIS fee to \$4.50 upon the opening of the STC in October 2021. When the STC opens in FY 2021, the existing FIS on Airside 1 of the NTC will remain available for use on an as-needed basis subject to Customs and Border Protection staffing and other considerations. The cost to renovate this space is included in the 2018 – 2025 CIP.

Airline Equipment Charge. The Airline Equipment Charge is computed by summing direct and indirect O&M Expenses (and O&M Reserve Requirement), Debt Service (net of Available PFC Revenues), and amortization allocable to Airline Equipment and dividing by Total Operational Gates With Airline Equipment to yield the Airline Equipment Charge per Gate.

Baggage System Fees. Common Use Baggage Charges are charged for use of the Inbound Baggage System and the Outbound Baggage System. Inbound and Outbound bag system requirements consist of space rentals and O&M Expenses associated with each system.

Inbound and Outbound baggage system fees are established to recover space rentals and O&M Expenses associated with each system. The Inbound Baggage System Rental Requirement (baggage claim, bag drop-off space, and 50% of the tug drive) is equal to the inbound baggage requirement times a factor corresponding to the difference between the capacity of the terminals and the projected volume of passengers in the Fiscal Year. For purposes of ratemaking the capacity of the baggage system is assumed to be 45 MAP for the NTC until the STC opens and then decline to 40 MAP (which is its optimum design capacity). The baggage system capacity assumed for ratemaking for Phase 1 and 1X of the STC is 11 MAP (its IATA optimum level of service). The amount is allocated among airlines based on such airlines' relative deplaned passengers. The Outbound Baggage System Rental Requirement (in-line baggage handling system and 50% of the tug road) is allocated among airlines based on such airlines' relative enplaned passengers. The Authority has proposed allocating the baggage system fees on the basis of checked bags instead of passengers when it has a reasonable degree of reliability to count total bags by airline processed through both the Inbound Baggage System and Outbound Baggage System.

Common Use Fees. Airlines that use space in the Terminal that has not been assigned to them for use on an exclusive or preferential use basis will be charged a per turn fee or per hour fee depending on the type of facilities and equipment used. Per turn fees are based on four turns per gate per day, which is the approximate Airport-wide average. Common Use Facility Fees are forecast to increase in proportion to the increase in passengers with a discount for certain airlines that are expected to commit to more gates when the STC opens and thereafter.

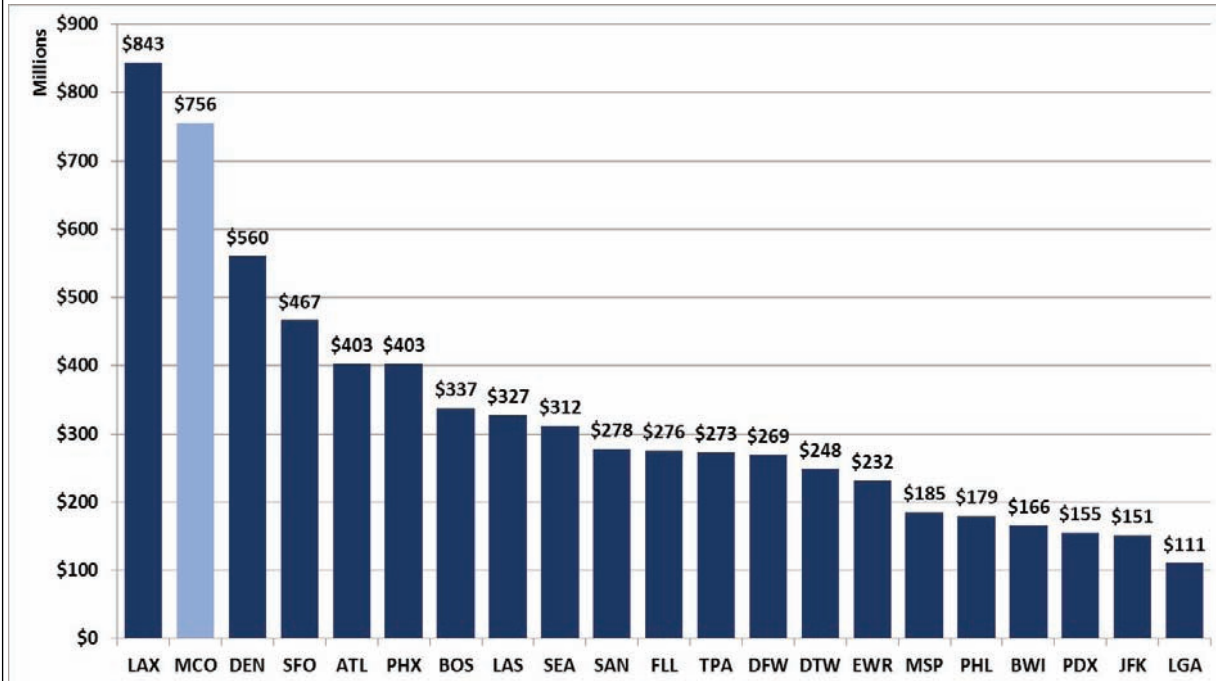
Airline Payments per Enplaned Passenger. Exhibit E-3 presents historical and forecast airline payments per enplaned passenger from FY 2017 through FY 2025 after taking into consideration revenue sharing payments as set forth in the applicable Rate and Revenue Sharing Agreements.

Non-Airline Revenues

The principal sources of non-airline revenues include rental car revenues, automobile parking revenues, TNCs, terminal concession revenues, hotel revenues, non-airline terminal space rents, cargo, fuel system revenues, land and building rentals, interest income, and miscellaneous other revenues. Forecasts of non-airline revenues are based on the provisions of existing agreements and allowances for inflation, forecast increases in enplaned passengers, and other factors.

Rental Cars. Rental car revenues are the second largest source of Revenues after airline rates and charges, accounting for \$98.7 million in FY 2018, equal to 18.1% of total Revenues (excluding CFCs, which are not part of Revenues). As shown on Figure 22, MCO was the second largest rental car market in the U.S. in terms of revenues after Los Angeles International Airport based upon 2017 data.

Figure 22
GROSS RENTAL CAR REVENUES
 Select Large Hub Airports



Source: Airport Revenue News, accessed July 2018. Data was available for 21 of the 30 large hub airports.

Five rental car companies have agreements with the Authority to operate on-Airport - Avis Budget Group, DTG Operations Dollar/Thrifty, Enterprise, Hertz, and Opco Advantage fka EZ/Advantage. The five agreements, as amended, are in effect until March 31, 2020. Under these agreements, the companies pay (1) 10% of gross receipts (which applies to both on- and off-Airport companies, however onsite operators must pay the greater of 10% of gross receipts or a minimum annual guarantee, (2) ready/return space rent on a per space basis, (3) QTA rent, and (4) rent for terminal counters, office, and queuing space leased at the airline Terminal Premises Rate. In addition, rental car companies pay for all operating, utility, maintenance, and service management expenses. In April 2019, the Authority entered into new rental car agreements that commence upon the opening of the STC and extend 10 years with no renewal options.

Enterprise Holdings, LLC, including Enterprise, Alamo, and National is the largest rental car company operating at the Airport, accounting for 40.6% of total gross rental car revenues generated in FY 2018 (including off-site rental cars). In FY 2018, Avis/Budget accounted for 21.2% of total gross rental car revenues, Hertz for 13.8%, Dollar/Thrifty for 11.7%, Advantage/EZ for 4.6%, and the off-site companies 8.1%.

The companies also collect and remit CFCs to the Authority, which are not part of Revenues. The CFC revenues are funding components of the 2018 – 2025 CIP as described earlier. The 2018 – 2025 CIP includes projects to accommodate future facility growth for the on-Airport rental car companies to accommodate the higher demand projected in the future, which will be funded with CFC revenues.

Rental car revenues are forecast to increase roughly in proportion to forecast increases in O&D passengers after making a discount for competition from alternative modes (such as transportation network companies or TNCs) and with inflation. Other rental car fees are forecast to increase in accordance with the escalators for ready/return spaces and Class II space rental rates included in the respective rental car agreements.

Automobile Parking Revenues. Public automobile parking is the third highest source of revenue at the Airport, accounting for \$70 million in FY 2018, equal to approximately 13% of Revenues.

As shown on Table 26, parking facilities located on the Airport provide 21,724 public automobile parking spaces. The Authority offers the following five parking products:

1. Garage A and B located above or adjacent and connected to the NTC landside terminal
2. Terminal Top located in the garage above the NTC landside building
3. NTC curbside valet
4. Garage C adjacent and connected to the South APM Complex
5. Economy located at remote lots less than one mile from the Terminal

On October 1, 2018, parking rates increased from \$17 to \$19 per day for Garages A and B and the Terminal Top, from \$15 to \$17 per day for Garage C at the South APM Complex, and from \$25 to \$28.76 for valet. Hourly rates increased by \$1 per hour for the garages (from \$3 to \$4 per hour) and by \$1 per hour for the economy lot (from \$4 to \$5 per hour). The daily rate for the economy lot remained at \$10. For purposes of the forecast, it was assumed that these rates would remain in place for the forecast period.

Table 26
PUBLIC PARKING FACILITIES – LOCATION AND CAPACITY
Orlando International Airport
(as of Summer 2019)

Facility	Location	Current Spaces
Garage		
NTC Garage A (a)	Adjacent to Terminal-A (North)	3,600
NTC Garage B (a)	Adjacent to Terminal-B (South)	3,511
NTC Terminal Top	Above Landside Terminal (Levels 4-10)	1,652
NTC Hyatt Valet	Adjacent to Terminal-B (South)	115
STC Garage C	South APM Complex	<u>1,684</u>
Garage Total		10,562
Economy		
North Park Place (Blue Lot)	North of Landside Terminal	3,365
Gold Lot (west) (b)	Northwest of Landside Terminal	3,144
South Park Place (Red Lot)	South of Landside Terminal	<u>4,653</u>
Economy Total		11,162
Public Parking Total		21,724

(a) Includes 200 valet spaces on demand.

(b) Only open if other lots are full.

Source: Greater Orlando Aviation Authority.

Figure 23 illustrates the location of the Airport parking facilities.

Public parking facilities at the Airport are operated for the Authority under a management agreement with ABM Parking, Inc. (ABM Parking) in place since 2007. Under the agreement, the Authority receives all revenues and pays most of the costs to operate and maintain the facilities plus a management fee to ABM Parking. All other operational costs are included in the management fee. The budget for operating expenses is subject to review by the Authority, which can adjust staffing levels and related costs in response to parking demand and level of service standards. The Authority's current management agreement with ABM Parking is scheduled to expire on January 31, 2021.

Figure 23
PUBLIC PARKING FACILITIES MAP
Orlando International Airport
(as of Summer 2019)

Source: Greater Orlando Aviation Authority.

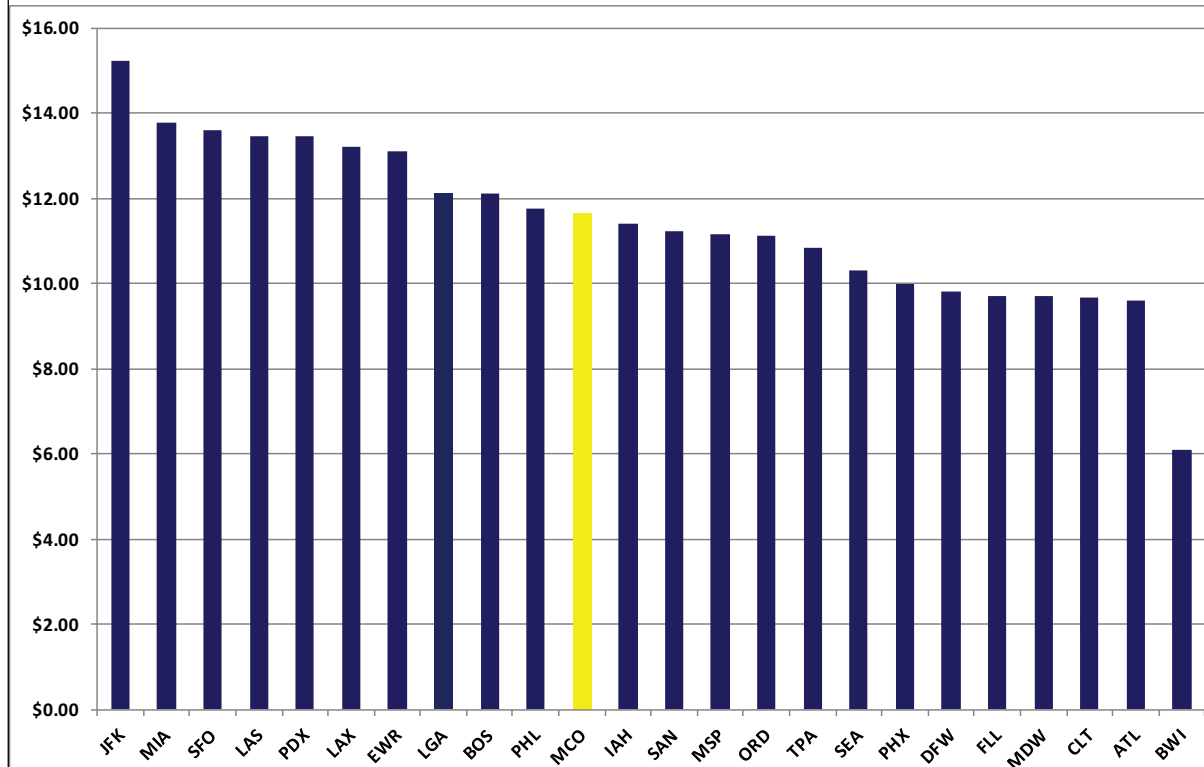
TNCs appear to be having a modest impact on parking. For the first 7 months of FY 2019, parking transactions increased 3.8% compared to the same period in FY 2018 relative to a passenger increase of 7.1%. (Complete parking transaction data for FY 2018 are not yet available due to a delay in receipt of SunPass transactions from an external system upgrade.) Prior to the opening of Garage C, the NTC garage filled up several days a week. The Authority currently has no plans to increase parking rates,

and accordingly no increases are reflected during the forecast period. Parking revenues are forecast as a function of the forecast increase in O&D passengers with a modest discount to reflect the potential impact from alternative modes of ground transportation such as TNCs. In addition, when Virgin Trains USA commences service at the ITF, it is expected that a portion of their customers will use Garage C, which is reflected in the forecast.

The Authority believes that with the opening of Garage C in November 2017 and the additional 700 spaces to be constructed as part of the STC, it will have adequate capacity to serve projected demand through the forecast period and that TNCs and off-airport competition will not adversely affect parking revenues.

Terminal Concessions. The sources of terminal concession revenues are food and beverage, specialty, news and gift, and other service concessions. The Authority operates a diversified and successful terminal concession program as illustrated by Figure 24, which shows terminal concession sales per enplaned passenger for 24 of the 31 large hub U.S. airports in 2017 excluding duty free sales. Concessions occupy approximately 190,000 square feet (excluding storage and offices) of a total of approximately 3.5 million square feet of terminal space at the Airport. Phases 1 and 1X of the STC are expected to add 89,000 square feet of concession space.

Figure 24
TERMINAL CONCESSION SALES PER ENPLANED PASSENGER
Select Large Hub U.S. Airports



Source: Airport Revenue News, accessed July 2019. Data was available for 24 of the 31 large hub airports.
Excludes duty free.

The Authority has a written policy statement regarding the awarding of concession and consumer service privileges in the terminal. In accordance with this policy, the Authority specifies performance and operating standards in its agreements with concessionaires in furtherance of its public service and revenue goals. Table 27 presents a summary of the contractual terms of existing terminal commercial agreements. Terminal concession revenues were forecast on the basis of historical trends, allowances for inflation, minimum annual guarantees, changes in contractual agreements, and changes in passenger traffic levels.

Concession Extension Program. In June 2016, the Authority decided to offer terminal concessionaires whose leases are scheduled to expire between January 1, 2017 and December 31, 2022 the opportunity to extend the term of their leases by either (1) three years subject to a one-time payment of 25% of the current minimum annual guarantee (MAG) or (2) five years subject to the payment of 50% of the current MAG. The Authority decided to make this offer because during that 5-year period the NTC is expected to be experiencing passenger levels approaching its design limit, and combined with all the construction in the NTC to increase capacity, there will be temporary closures as well as reconstruction and reconfiguration of concession space. The Authority believes that these conditions will affect its ability to provide a high level of customer service and could disrupt the flow of concession revenues. The Authority designed this Concession Extension Program to mitigate these conditions. Each concessionaire that chooses to extend its agreement would be subject to a review by the CEO for a required refurbishment, re-branding, or change in concept. Of the 25 eligible concession contracts, all but three signed up for the extension. Revenue was recognized in the year received.

Food and Beverage. HMSHost has the non-exclusive right to operate food and beverage facilities in the Landside Terminal and the hubs in Airside Buildings 1 and 4, subject to an agreement expiring on September 30, 2024. The agreement provides for the greater of a minimum annual guarantee or concession fees based on a percentage of gross sales. HMSHost operates a mix of branded-food outlets, including Starbucks.

The Authority has also entered into various other food and beverage concession agreements for operations in the hubs at Airside Buildings 2 and 3 as well as concourse wings in Airsides 1, 2, 3, and 4. These agreements provide for a concession fee equal to the greater of a percentage of gross receipts or a minimum annual guarantee.

The food court in the Landside Terminal houses a wide variety of food and beverage concessionaires, including Carvel, Chick-fil-A, Dunkin Donuts, Krispy Kreme, Moe's Southwest Grill, McDonalds, Panda Express, Quiznos, and Sbarro. Adjacent to the food court are sit-down restaurants and lounges, including Macaroni Grill, Chili's Too, and Home Team Sports. In addition, SSP America has been awarded a seven-year contract to develop and manage four new snack bars, including UrbanCrave, Le Grand Comptoir, and Camden food co. in Airsides 1 and 3 and Villa Enterprise Management has been awarded a 10 year contract to develop a food court in Airside 2, including The Market by Villa, Green Leaf's, Banana Smoothies and Frozen Yogurt, Jersey Mike's Subs, Villa Italian Kitchen, Asian Chao, and Chipotle concepts.

Specialty and News/Gift. Themed retail concessions are a major component of the Authority's retail program, including Disney, Universal Studios, Kennedy Space Center, and Sea World themed retail shops in the Landside Terminal. Westfield operates as a third-party developer for the Authority's landside retail program and has since entered into agreements with various branded outlets. The Authority has executed agreements with the Hudson Group and Stellar Partners for news, sundry, and gift services.

Table 27
SUMMARY OF EXISTING TERMINAL COMMERCIAL AGREEMENTS
Orlando International Airport
(as of March 2019)

Type of Concession/Concessionaire	Terminal Location	Min Annual Guarantee (a)	Expiration Date
Food & Beverage			
Areas Hojeij	AS 3	\$3,256,668	07/31/2024
MCA (Cask & Larder)	AS 2	\$3,250,000	01/31/2026
Gilchrist Enterprises, Inc. (McDonald's)	AS 2	\$ 980,000	02/01/2022
HMSHost	LS, AS 1, AS 4	\$9,687,978	09/30/2025
McDonald's Corporation	LS	\$ 640,127	09/30/2024
OTG MCO Venture II, LLC	AS 4	\$1,051,101	09/09/2022
Perez of Florida, Inc.	AS 1	\$ 462,416	08/02/2022
Perez of Florida, Inc.	AS 3	\$ 359,488	03/31/2026
Panchos/Transglobal Concessions Orl, JV	AS 2 & 4	\$ 272,000	05/04/2024
SSP America MCO, LLC	AS 1 & 3	\$2,520,000	10/31/2025
TAJ II LLC	AS 2	\$1,300,999	07/26/2022
Villa	AS 2	\$3,030,000	01/31/2026
Vino Volo	AS	\$ 250,000	03/31/2026
Retail News/Sundries/Gifts/Duty Free			
The DFASS Group, LLC (Duty Free)	AS 1 & AS 4	\$5,234,835	11/03/2027
HG Orlando JV	AS 1	\$1,006,193	01/31/2022
Hudson Group, Inc.	AS 3	\$1,212,035	01/31/2024
Hudson Newburns JV	AS 2 & LS West	\$2,843,045	12/20/2022
Stellar Partners, Inc.	AS 4 & LS East	\$1,700,000	10/31/2022
Westfield (Master Developer)	LS	\$1,087,695	12/31/2022
Specialty Retail			
Air Sun JV	AS 2	\$ 164,916	07/31/2022
Hudson Keys JV	AS 1	\$ 375,000	07/06/2020
Hudson Book Store		\$ 76,250	
InMotion MCO, LLC	AS 2, 3 & 4	\$ 420,000	12/31/2024
GOAA RMUs	AS 1, 2, 3 & 4	\$ 208,000	VARIOUS
Theme Retail			
DNC Parks & Resorts (KSC)	LS East	\$ 152,116	04/30/2020
DNC Parks & Resorts (KSC)	LS West	\$ 166,000	04/30/2020
Disney Earport	LS East	\$1,268,599	09/30/2022
Disney Magic	LS West	\$ 968,000	01/24/2034
Sea World East	LS East	\$ 200,000	12/31/2022
Sea World West	LS West	\$ 125,000	3/31/2019
Universal Studios	LS East	\$ 421,331	03/31/2023
Universal Studios	LS West	\$ 310,000	03/31/2023
Services			
ALD Development Corporation	AS 1 & 4	\$ 512,539	10/31/2027
Communication Service Co of Daytona	LS	\$ 45,000	01/01/2022
CNN (AC Holdings, Inc.)	Various	\$ 150,000	10/04/2020
Interchange US, LLC	LS	\$ 355,000	01/31/2023
JC Decaux Display Advertising	Various	\$3,593,953	01/14/2023
New Look Shoeshine Corp.	LS & AS 4	\$ 7,500	07/31/2025
New Cingular		\$ 295,000	04/30/2025
SmarteCarte	Various	\$ 575,000	03/31/2020
Sprint		\$ 295,000	4/30/2023
SunTrust Bank	Various	\$ 457,495	05/05/2022
T-Mobile		\$ 295,000	04/30/2023
Terminal Getaway Spa	AS 2	\$ 70,000	11/01/2023
Verizon	LS	\$ 295,000	4/30/2025
XpresSpa Orlando	AS 1 & 3	\$ 216,303	08/31/2023
XpresSpa Orlando	AS 4	\$ 100,000	05/31/2023

(a) Represents minimum annual guarantee for each individual concession agreement's annual agreement period as amended.

Source: Greater Orlando Aviation Authority.

Other Terminal Concessions. The Authority has an agreement with DFASS Group (Orlando), LLC (DFASS) to sell duty free merchandise in the North Terminal, which extends through November 2027. Their Airside 4 store is heavily focused on European travelers, particularly from the UK, whereas Airside 1 store serves more Latin American passengers. The stores offer special products and promotions that appeal to the different passenger groups. Other revenues consist of concession fees paid for advertising, currency exchange, luggage carts, and other services. Each concessionaire has an agreement with the Authority that establishes the rents and fees, which usually amount to the greater of a minimum annual guarantee or a percentage of gross sales.

The revenues from terminal concessions are forecast on the basis of recent trends in revenues per enplaned passenger, forecast increases in passengers, allowances for inflation, and the terms of the various agreements.

South Terminal Concession Program. The STC will provide approximately 89,000 square feet of concession space. It is expected there will be approximately 25 food and beverage establishments, including national brands, regional brands, and local concepts. The Authority has awarded two of three large, 10-year, non-exclusive food and beverage concession packages for the STC and expects to award the third by the end of 2019. Host PHE LDL MCO FB, LLC (Host) was selected for the first package with proposed concepts that include Starbucks, Shake Shack, PGA Tour Grill, Orange County Brewers, Auntie Anne's and Foxtail Coffee Co. During the first year of operation under the Host contract, the Authority will receive the greater of (1) an Initial Minimum Annual Concession Fee of \$1,854,000; or (2) a percentage of gross receipts as follows: (a) 20% of food and non-alcoholic beverage sales, (b) 24% of alcoholic beverage sales, and (c) 5% of employee sales. The Authority selected DN MCO STC F&B, LLC (Delaware North) for the second package with its proposed concepts that include Harvest and Grounds, Raw Juce, Summer House, Greenbeat, Desano Pizzeria and Cucina & Co. During the first year of operation under the Delaware North contract, the Authority will receive the greater of an Initial Minimum Annual Concession Fee of \$1,735,000 or a percentage of gross receipts as follows: (a) 19% of food and non-alcoholic beverage sales, (b) 23% of alcoholic beverage sales, and (c) 5% of employee sales. In addition, there will be three, stand-alone, small food and beverage concessions which have yet to be awarded.

The STC will also offer 13 retail outlet locations. The Authority awarded two, 7-year non-exclusive retail concession packages for the STC. Paradies Lagardère @ MCO, LLC (Paradies) was selected for the first package with proposed concepts that include Gatlin Trade, Brighton, Sunglass Hut, and TripAdvisor. Under the Paradies contract the Authority will receive the greater of an (a) a Minimum Annual Concession Fee of \$480,000 or (b) 21% of the Gross Receipts during the first year of operation. The Marshall Retail Group, LLC (Marshall) was selected for the second package with proposed concepts that include The Scoop, Replenish, Main Streets Market with Einstein Bros. Bagels & Caribou Coffee, and CityArts Market. Under the Marshall contract the Authority will receive a Concession Fee in an amount equal to the greater of a \$1,000,000 Minimum Annual Concession Fee or 22% of the Gross Receipts for all sales during the first year of operation. The Duty Free store will be operated by DFASS under a 10-year agreement.

There will also be a premium common use lounge in the STC as well as advertising, ATMs, foreign currency exchange, and shoe shine concessions. The Authority also anticipates that the STC will include multiple Theme Retail locations similar to that of the North Terminal, to be negotiated at a later date.

Ground Transportation. Ground transportation revenues consist of privilege fees paid by taxis and TNCs, and privilege fees and dwell fees paid by commercial lane vehicles, including hotel

shuttles, rental car shuttles, off-airport parking shuttles, cruise line shuttles, and various other types of ground transportation companies.

On May 9, 2017, the Governor signed into law the Transportation Network Companies Act, which now regulates TNCs by the State law and preempts local regulation. The Authority entered into operating agreements with Rasier-DC, LLC (Uber), Lyft, Inc., and Wingz where the TNC airport fee is consistent with applicable airport taxi charges (\$5.80 per trip) and has designated pick-up and staging locations for their operations. Previously, TNCs were dropping off passengers, but were not permitted to pick up passengers with the exception of UberBlack, which was permitted by the Authority.

Although the ultimate impact is unknown at this time, to date the TNCs have had the biggest impact on taxis and permitted ground transportation companies (including Vehicle-for-Hire, Out-of-Town Shuttle, Non-Concessionaire, Concessionaire, Off-Airport Rental Car Operator, Off-Airport Parking Operator). As noted earlier, TNCs appear to be having a modest impact on parking. TNCs appear to have negatively affected rental car transactions. For example, rental car transactions increased 2.3% in FY 2018 relative to FY 2017 even though enplaned passengers increased 7.7% for the same period, and for the first 7 months of FY 2019 rental car transactions increased 1.0% relative to a 7.1% increase in passengers. However, overall there has been a positive impact on ground transportation revenues because TNCs are charged the same rate as pre-arranged transportation services. These revenues are forecast to increase with passengers after making adjustments for continued trip diversions for TNCs.

The Authority is also aware that certain companies are making rental cars available to Airport travelers under a so-called peer-to-peer car sharing scheme without a permit or agreement with the Authority. The Authority considers these arrangements to be in violation of the Authority's Ground Transportation Rules and Regulations (GTR&Rs) and in violation of applicable City of Orlando ordinances. The Authority is monitoring the activities of these companies at the Airport and reviewing the GTR&Rs to make the necessary amendments to clarify the Authority's ability to control all commercial activities on the Airport and the Authority's right of enforcement at such time as the Authority deems appropriate.

Intermodal Terminal Facility (Airport Exclusive Revenues). Under the All Aboard Florida (AAF) Premises Lease and Use Agreement (the Premises Lease and Use Agreement), AAF pays the Authority for its use of the ITF, including holdroom rent at the signatory airline rate per square foot less debt service (estimated to be \$80 per square foot in FY 2021) and platform rent at \$3.00 per square foot. AAF started making these payments in FY 2018 when the South APM Complex opened per the Premises Lease and Use Agreement. These rates are subject to readjustment each five years thereafter. AAF is also required to pay the Authority \$1.00 per boarding rail passenger from the ITF until the STC opens, at which time the rate increases to \$1.50 per boarding passenger. Ridership estimates were developed by The Louis Berger Group, Inc. under a ridership and revenue study commissioned by FECI for financing of the rail system in September 2018. As stated in this report, ridership for the initial years is expected to start at relatively low levels and increase to a more stabilized volume after two years. Given the uncertainty on the timing for the startup of service, more conservative estimates were used for purposes of this report. The Authority anticipates that AAF's Vehicle Maintenance Facility rent will be offset by its investments for the rail corridor as provided in the Premises Lease and Use Agreement. As noted earlier, AAF has stated it expects to commence service to the Airport in 2022 on the Miami to Orlando route. For purposes of this report, it was assumed that AAF would commence operations in mid-2022 and begin paying associated passenger revenues to the Authority. AAF has also indicated its intentions for a potential additional extension beyond MCO with stops at Walt Disney World and SunRail's Meadow Wood station and ultimately Tampa, subject to an amendment to its agreement with the Authority. In the event such service

materializes, there could be an adverse impact on MCO rental car and other ground transportation fees. The Authority has estimates of the potential impact on revenues and intends to negotiate rail passenger rider fees from AAF to negate any adverse impact on MCO revenues.

The Authority also anticipates receiving revenues from the ITF for advertising displays (estimated to total \$100,000 per year), concessions (estimated at \$0.22 per boarding rail passenger), and rail passengers parking at the south garage. The Authority's construction finance engineer estimates that 25% of the rail passengers will park in the garage and stay an average of 1.5 days.

Hotel. The hotel is an integral part of the landside terminal in the NTC and is directly accessible from Level 3, the departure level. The hotel, which is operated under the Hyatt Regency brand, provides 445 guest rooms; The Hemisphere restaurant and McCoy's Bar and Grill; 42,000 square feet of meeting space; four ballrooms totaling 24,650 square feet; and a 160-seat amphitheater with state-of-the-art sound and audio visual capabilities; and outdoor pool and European spa with sundeck and exercise room.

The Hyatt Corporation has operated the hotel since its opening in 1992 under a management agreement with the Authority. The Authority approved a new Hotel Management Agreement (the Hotel Management Agreement) with the Hyatt Corporation, effective October 1, 2015, that has a 20-year term with more favorable terms for the Authority. Under the Hotel Management Agreement, the Authority receives all revenues from the operation of the Hotel and pays all debt service, operating, and maintenance cost associated with its operation. In addition, the Authority annually pays Hyatt a percentage of gross receipts as a management fee of 2.75% and pays an additional percentage of available cash flow (10%) above agreed upon amounts as an incentive for the Hotel operator to maximize the Hotel's surplus revenues. The Hotel Management Agreement also provides that amounts, calculated as 5% of gross receipts, are to be deposited annually into an account for the replacement of furniture, fixtures, and equipment. In addition, the new Hotel Management Agreement contains performance tests, which if failed for two consecutive years, the Authority can either terminate the agreement or require Hyatt to pay a cure amount.

Hotel revenues are forecast to increase as a result of increasing occupancy levels and room rate increases after taking into consideration room renovations implemented in FY 2019.

Other Buildings and Grounds. As noted earlier, the Authority has pursued aviation and commercial development of the Tradeport Drive corridor on the west side of the Airport and the Heintzelman Boulevard corridor on the east side of the Airport. Other buildings and grounds revenues consist primarily of revenues from various land and building rentals in these areas.

Interest Income. Interest income, per Section 603 of the Senior Bond Resolution, is deposited into the Revenue Fund. Interest income is a function of interest rates and available balances in operating funds and accounts including the Revenue Fund, Debt Service Account, Debt Service Reserve Account, Operation and Maintenance Fund, Operation and Maintenance Reserve Account, Capital Expenditures Fund, Renewal and Replacement Fund, Improvement and Development Fund, and the Discretionary Fund. Interest income does not include interest earnings on construction funds. The forecast assumes that interest rates in the Debt Service Reserve Fund will average 1.35% and in all other funds will average 0.25% from FY 2019 through FY 2025, and that balances would increase in the Debt Service and the Debt Service Reserve Funds (reflecting the Outstanding Bonds, the 2019 Bonds, and 2021 Bonds) and the Operation and Maintenance Reserve Account (reflecting increases in Operation and Maintenance Expenses). Interest income totaled \$11.7 million in FY 2018.

APPLICATION OF REVENUES

Exhibit F presents the historical (FY 2017 through FY 2018) and forecast (FY 2019 through FY 2025) application of Revenues and Available PFC Revenues (for historical years), as required under the Senior Bond Resolution. Under the Senior Bond Resolution, at the end of each Fiscal Year, after all deposits that are required to be made into each of the Revenue, Operation and Maintenance, Bond, O&M Reserve, Capital Expenditures, Renewal & Replacement, and Discretionary Funds have been made, the moneys remaining in the Revenue Fund and not required to make up any deficiencies, are to be transferred to the Discretionary Fund.

Exhibit G presents the calculation of debt service coverage in accordance with the Rate Covenant of Section 711 of the Senior Bond Resolution and Section 10.01 of the Subordinated Indenture for FY 2019 through FY 2025. Available PFC Revenues are treated as an offset to debt service.

The Senior Bond Resolution also permits the addition of Transfers to Net Revenues in computing the debt service coverage requirement. Transfers are limited to no more than 25% of Debt Service payable on Bonds and no more than 10% of Aggregate Annual Debt Service payable on Priority Subordinated Indebtedness in the Fiscal Year from amounts on deposit in the Discretionary Fund. Transfers are not included in the calculation of debt service on Exhibit G.

Net Revenues are forecast to be at least 125% of the Aggregate Debt Service (on Senior Bonds) and Available Net Revenues are forecast to be at least equal to 110% of Priority Subordinated Indebtedness in each of the Fiscal Years 2019 through 2025 and sufficient to pay all indebtedness, deposits, and liens. Thus, the Rate Covenant of both the Senior Bond Resolution and Subordinated Indenture are forecast to be met in each Fiscal Year of the forecast period.

Exhibit A

Sources and Uses of Funds - 2018 - 2025 Capital Improvement Program Orlando International Airport (numbers in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	2017	2019 Bonds*				2021 Bonds*				Prior Bonds / Other Funds		
	Subordinated Bonds	Revenue-Supported	PFC-Supported	Subtotal	Revenue-Supported	PFC-Supported	Subtotal	Total Bonds	PFC Paygo	Funds	Total	
Sources of Funds												
Par Amount of Bonds	\$ 996,585	\$ 478,845	\$ 629,955	\$ 1,108,800	\$ 262,940	\$ 217,805	\$ 480,745	\$ 2,586,130	\$ -	\$ -	\$ 2,586,130	
Premium	73,764	96,292	128,414	224,706	20,688	17,681	38,369	336,839	-	-	336,839	
Prior Bonds	-	-	-	-	-	-	-	-	-	382,003	382,003	
PFC Pay-As-You-Go	-	-	-	-	-	-	-	-	429,239	-	429,239	
Authority Funds	-	-	-	-	-	-	-	-	-	170,385	170,385	
Grants and Other Funds**	-	-	-	-	-	-	-	-	-	640,164	640,164	
Total Sources	\$ 1,070,349	\$ 575,137	\$ 758,369	\$ 1,333,506	\$ 283,628	\$ 235,486	\$ 519,114	\$ 2,922,969	\$ 429,239	\$ 1,192,552	\$ 4,544,760	
Uses of Funds												
Project Costs												
South Terminal Phase 1	\$ 845,000	\$ 159,682	\$ 575,000	\$ 734,682	\$ -	\$ 194,000	\$ 194,000	\$ 1,773,682	\$ 241,000	\$ 288,441	\$ 2,303,124	
South Terminal Phase 1X	-	182,417	150,000	332,417	182,417	19,000	201,417	533,835	137,000	48,041	718,876	
	\$ 845,000	\$ 342,100	\$ 725,000	\$ 1,067,100	\$ 182,417	\$ 213,000	\$ 395,417	\$ 2,307,517	\$ 378,000	\$ 336,483	\$ 3,022,000	
Other CIP	-	147,811	-	147,811	30,504	8,868	39,372	187,183	51,239	856,070	1,094,491	
Total Project Costs	\$ 845,000	\$ 489,911	\$ 725,000	\$ 1,214,911	\$ 212,921	\$ 221,868	\$ 434,789	\$ 2,494,700	\$ 429,239	\$ 1,192,552	\$ 4,116,491	
Financing Costs												
2017 Subordinated Bonds FY 2021 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 43,375	\$ -	43,375	\$ 43,375	\$ -	\$ -	\$ 43,375	
Capitalized Interest Fund	149,349	56,858	-	56,858	10,894	-	10,894	217,101	-	-	217,101	
Debt Service Reserve Fund	60,047	20,575	27,067	47,642	13,801	11,432	25,232	132,921	-	-	132,921	
Line of Credit Interest Reimbursement	1,000	3,000	-	3,000	-	-	-	4,000	-	-	4,000	
Costs of Issuance, Underwriters Discount, Rounding	14,953	4,793	6,302	11,095	2,638	2,186	4,824	30,872	-	-	30,872	
Total Uses	\$ 1,070,349	\$ 575,137	\$ 758,369	\$ 1,333,506	\$ 283,628	\$ 235,486	\$ 519,114	\$ 2,922,970	\$ 429,239	\$ 1,192,552	\$ 4,544,761	

Sources: Bonds: the Authority's independent registered municipal advisors: Raymond James & Associates, Inc., Frasca & Associates LLC, National Minority Consultants, Inc.

All other information: Greater Orlando Aviation Authority.

* Estimated, subject to change based upon market rates as of August 27, 2019, plus 30 basis points (bp) for the proposed 2019 Bonds and 175 bp for the 2021 Bonds.

** Includes \$160 million in the 2018 CFC Bank Loan as described in the text.

Exhibit B

Application of PFC Revenues Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
PFC Revenues									
Enplaned Passengers	21,718	23,382	24,913	25,766	26,428	27,094	27,766	28,428	29,078
Percent of PFC Eligible Passengers	88.2%	88.8%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
PFC Eligible Enplaned Passengers	19,162	20,754	21,911	22,662	23,243	23,830	24,421	25,002	25,574
PFC Collection Level	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
Less: PFC Airline Collection Fee	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Net PFC Collection Level	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39	\$ 4.39
PFC Collections (excluding interest)	\$ 84,121	\$ 91,109	\$ 96,191	\$ 99,485	\$ 102,039	\$ 104,612	\$ 107,206	\$ 109,760	\$ 112,270
Interest Earnings	2,407	3,743	4,255	2,906	1,394	817	1,155	1,539	1,971
Total Annual PFC Revenues	\$ 86,528	\$ 94,852	\$ 100,447	\$ 102,391	\$ 103,433	\$ 105,429	\$ 108,361	\$ 111,299	\$ 114,240
PFC Cashflow									
PFC Fund Beginning Balance	\$ 236,918	\$ 265,723	\$ 294,962	\$ 225,067	\$ 130,042	\$ 40,317	\$ 59,546	\$ 81,554	\$ 106,507
Interim Financing (under bank line of credit)	-	-	-	-	-	-	-	-	-
Deposits:									
Annual PFC Revenues	86,528	94,852	100,447	102,391	103,433	105,429	108,361	111,299	114,240
PFC Coverage from Prior Year ¹	7,891	-	-	-	-	-	-	-	-
Withdrawals ²									
PAYGO - Projects not in 2018-2025 CIP	-	-	(9,543)	-	-	-	-	-	-
PAYGO - Projects in 2018-2023 CIP	(41,242)	(34,849)	(129,865)	(125,732)	(121,245)	-	-	-	-
Interim Financing Interest Expenses	(2,548)	-	-	-	-	-	-	-	-
Adjustments / Transfers	8,721	104	-	-	-	-	-	-	-
Debt Service on PFC-Backed Bonds									
Outstanding Bonds	(12,887)	(12,759)	(12,825)	(12,821)	(12,821)	(12,825)	(10,360)	(10,833)	(10,364)
Series 2015A	(9,308)	(9,306)	(9,306)	(9,310)	(9,310)	(9,307)	(9,307)	(9,306)	(9,310)
Series 2016B	(5,789)	(5,987)	(5,992)	(5,987)	(5,989)	(5,991)	(5,989)	(5,987)	(5,992)
Series 2016C	(2,561)	(2,814)	(2,811)	(2,812)	(2,812)	(2,815)	(5,275)	(4,799)	(5,298)
STC Phase 1 Oct 19*	-	-	-	(32,322)	(32,502)	(32,502)	(32,503)	(32,503)	(32,506)
STC Phase 1X Oct 19*	-	-	-	(8,431)	(8,479)	(8,481)	(8,478)	(8,480)	(8,480)
STC Phase 1 Oct 21*	-	-	-	-	-	(12,265)	(12,404)	(12,403)	(12,400)
STC Phase 1X Oct 21*	-	-	-	-	-	(1,203)	(1,215)	(1,215)	(1,214)
CIP Oct 21*	-	-	-	-	-	(812)	(822)	(821)	(819)
PFC Fund Ending Balance	\$ 265,723	\$ 294,962	\$ 225,067	\$ 130,042	\$ 40,317	\$ 59,546	\$ 81,554	\$ 106,507	\$ 134,365

1. Equal to 25% of PFC-eligible debt service in current year.

2. Includes approved applications and amendments through PFC 20 and new PFC 21 which is expected to be approved in 2020.

* Estimated, subject to change based upon market rates as of August 27, 2019, plus 30 basis points (bp) for the proposed 2019 Bonds and 175 bp for the 2021 Bonds.

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

Exhibit C

Debt Service Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Airport Facilities Revenue Bonds									
<u>Non-PFC Supported</u>									
Series 1998	\$ 543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2003A (refunded by 2013B)	5,512	5,090	-	-	-	-	-	-	-
Series 2007A (partially refunded by 2016D)	13,897	3,575	-	-	-	-	-	-	-
Series 2008A	33,920	27,697	-	-	-	-	-	-	-
Series 2009A ¹	15,488	15,486	-	-	-	-	-	-	-
Series 2010A	1,825	1,821	1,823	1,821	1,822	1,820	1,821	1,823	1,824
Series 2010B	5,718	12,891	-	-	-	-	-	-	-
Series 2011A	24	-	-	-	-	-	-	-	-
Series 2011B	2,480	2,480	2,610	2,613	2,609	7,327	6,972	6,959	6,915
Series 2011C	80	80	595	595	604	-	-	-	-
Series 2011D	2,293	2,292	30,245	30,243	-	-	-	-	-
Series 2012A	1,384	1,384	1,384	1,384	29,069	-	-	-	-
Series 2013A Baggage Loan	4,298	4,298	4,295	4,294	4,299	4,294	4,296	4,294	4,297
Series 2015A	83	2,581	4,642	4,642	4,642	4,641	4,641	4,644	4,643
Series 2016A	209	2,879	5,480	5,477	5,480	5,474	5,479	5,475	5,476
Series 2016B	13	332	574	571	577	573	569	577	571
Series 2016D	2,344	12,458	31,928	6,114	8,668	16,034	3,758	-	-
Proposed 2019 Bonds									
CIP Oct 19*	-	-	-	-	-	24,540	24,543	24,543	24,541
STC Phase 1 Oct 19*	-	-	-	-	-	7,735	9,790	9,793	9,790
ST Phase 1X Oct 19*	-	-	-	-	-	-	11,527	11,526	11,524
Proposed 2021 Bonds									
Interest on 2017 Subordinated Bonds**	-	-	-	-	-	2,742	2,774	2,771	2,775
ST Phase 1X Oct 21*	-	-	-	-	-	-	11,696	11,700	11,698
CIP Oct 21*	-	-	-	-	-	-	2,555	2,560	2,557
Subtotal - Non-PFC Backed	\$ 90,110	\$ 95,343	\$ 83,577	\$ 57,754	\$ 57,769	\$ 75,181	\$ 90,421	\$ 86,661	\$ 86,610

Exhibit C

Debt Service Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Airport Facilities Revenue Bonds						-			
<u>PFC-Supported</u>									
Series 2009C (partially ref w/ 2016C)	\$ 2,491	\$ 2,487	\$ 2,489	\$ 2,486	\$ 2,488	\$ 2,489	\$ 22	\$ 502	\$ -
Series 2010A	3,951	3,954	3,953	3,954	3,954	3,951	3,953	3,955	3,951
Series 2010B	1,166	1,162	-	-	-	-	-	-	-
Series 2011A	130	-	-	-	-	-	-	-	-
Series 2011B	684	684	1,914	1,912	1,910	1,914	1,913	1,910	1,909
Series 2011C	3,057	3,058	3,059	3,059	3,058	3,057	3,058	3,059	3,055
Series 2011D	941	945	941	941	942	945	946	939	-
Series 2012A	469	469	469	469	469	469	469	469	1,449
Series 2015A	9,308	9,306	9,306	9,310	9,310	9,307	9,307	9,306	9,310
Series 2016B	5,789	5,987	5,992	5,987	5,989	5,991	5,989	5,987	5,992
Series 2016C	2,561	2,814	2,811	2,812	2,812	2,815	5,275	4,799	5,298
Proposed 2019 Bonds									
STC Phase 1X Oct 19*	-	-	-	8,431	8,479	8,481	8,478	8,480	8,480
STC Phase 1 Oct 19*	-	-	-	32,322	32,502	32,502	32,503	32,503	32,506
Proposed 2021 Bonds									
STC Phase 1 Oct 21*	-	-	-	-	-	12,265	12,404	12,403	12,400
STC Phase 1X Oct 21*	-	-	-	-	-	1,203	1,215	1,215	1,214
CIP Oct 21*	-	-	-	-	-	812	822	821	819
Subtotal - PFC-Supported	<u>\$ 30,546</u>	<u>\$ 30,867</u>	<u>\$ 30,934</u>	<u>\$ 71,683</u>	<u>\$ 71,912</u>	<u>\$ 86,201</u>	<u>\$ 86,352</u>	<u>\$ 86,346</u>	<u>\$ 86,383</u>
Accrued Aggregate Debt Service (Senior Bonds)	\$ 120,655	\$ 126,210	\$ 114,511	\$ 129,437	\$ 129,681	\$ 161,382	\$ 176,773	\$ 173,007	\$ 172,993

Exhibit C

Debt Service Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Subordinated Indebtedness									
2016 Subordinated Bonds ³	\$ 7,558	\$ 7,557	\$ 7,555	\$ 7,557	\$ 7,556	\$ 7,558	\$ 7,556	\$ 7,555	\$ 7,554
FDOT Loan Repayment for ITF	-	-	1,639	2,493	2,547	2,603	2,660	2,718	2,778
2017 Subordinated Bonds	-	-	-	-	-	43,375	52,790	52,789	52,785
Secondary Subordinated Indebtedness									
Repayment Obligations (Bank Lines of Credit)	-	-	-	-	-	-	-	-	-
Total Subordinated Indebtedness	\$ 7,558	\$ 7,557	\$ 9,195	\$ 10,050	\$ 10,103	\$ 53,535	\$ 63,006	\$ 63,062	\$ 63,117
Total Debt Service	\$ 128,214	\$ 133,767	\$ 123,705	\$ 139,487	\$ 139,784	\$ 214,917	\$ 239,779	\$ 236,069	\$ 236,110
Cost Center Allocations									
Airfield	\$ 11,149	\$ 12,475	\$ 16,552	\$ 15,955	\$ 14,930	\$ 11,099	\$ 19,936	\$ 19,809	\$ 19,805
Terminal Apron	521	438	503	243	225	2,603	5,152	5,151	5,151
Terminal									
Terminal	\$ 77,806	\$ 82,268	\$ 64,455	\$ 46,682	\$ 47,758	\$ 171,004	\$ 184,083	\$ 181,466	\$ 181,460
FIS	1,051	1,558	1,371	1,368	1,368	1,469	1,460	1,460	1,460
Subtotal	\$ 78,856	\$ 83,826	\$ 65,826	\$ 48,050	\$ 49,126	\$ 172,472	\$ 185,542	\$ 182,927	\$ 182,920
Other Buildings and Grounds	4,847	4,403	7,850	48,498	48,335	6	2	1	1
Hotel	48	46	76	73	68	2	0	-	-
Ground Transportation	32,792	32,578	32,897	26,667	27,100	28,736	29,146	28,181	28,233
Total	\$ 128,214	\$ 133,767	\$ 123,705	\$ 139,487	\$ 139,784	\$ 214,917	\$ 239,779	\$ 236,069	\$ 236,110

1. Reflects the Authority's intention to cash redeem the 2009A Bonds in October 2019.

2. Assumed bonds to fund capitalized interest for the 2017 Subordinated Bonds for FY 2021.

3. Previously the 1997B Gulf Breeze Loan.

* Estimated, subject to change based upon market rates as of August 27, 2019, plus 30 basis points (bp) for the proposed 2019 Bonds and 175 bp for the 2021 Bonds.

Source: The Authority's independent registered municipal advisors: Raymond James & Associates, Inc., Frasca & Associates LLC, National Minority Consultants, Inc.

Exhibit D

Operation and Maintenance Expenses Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Direct Expenses	\$ 149,600	\$ 164,965	\$ 179,993	\$ 191,466	\$ 200,081	\$ 209,085	\$ 218,494	\$ 228,326	\$ 238,601
Indirect Expenses									
Operation	\$ 18,147	\$ 21,039	\$ 25,906	\$ 29,859	\$ 31,202	\$ 32,607	\$ 34,074	\$ 35,607	\$ 37,209
Maintenance	14,665	12,867	14,610	15,424	16,118	16,843	17,601	18,393	19,221
Aircraft Rescue and Firefighting (ARFF)	9,077	10,423	11,178	12,171	12,719	13,291	13,890	14,515	15,168
Orlando Police Department	11,995	13,971	15,756	15,756	16,465	17,206	17,980	18,790	19,635
Property	1,027	1,550	2,107	2,145	2,242	2,342	2,448	2,558	2,673
Administration	49,101	58,517	73,180	79,300	82,869	86,598	90,495	94,567	98,823
Insurance and Other	3,503	2,954	4,344	4,159	4,346	4,542	4,746	4,960	5,183
Total Indirect Expenses	\$ 107,514	\$ 121,322	\$ 147,081	\$ 158,814	\$ 165,961	\$ 173,429	\$ 181,234	\$ 189,389	\$ 197,912
Percent Increase / Prior to Incremental	5.3%	12.8%	21.2%	8.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Subtotal	\$ 257,114	\$ 286,286	\$ 327,074	\$ 350,280	\$ 366,043	\$ 382,514	\$ 399,728	\$ 417,715	\$ 436,513
Incremental Expenses for New Facilities	-	-	-	-	-	94,782	115,540	120,535	125,752
Operation and Maintenance Expenses	\$ 257,114	\$ 286,286	\$ 327,074	\$ 350,280	\$ 366,043	\$ 477,296	\$ 515,268	\$ 538,251	\$ 562,264
Percent Increase / After Incremental						30.4%	8.0%	4.5%	4.5%
<u>By Cost Center and Sub-Cost Center</u>									
Airfield	\$ 26,132	\$ 30,087	\$ 35,102	\$ 38,690	\$ 40,431	\$ 42,318	\$ 43,748	\$ 45,716	\$ 47,774
Terminal Apron	3,213	3,438	4,868	5,286	5,524	6,435	6,652	6,951	7,264
Terminal									
Terminal	\$ 152,636	\$ 159,972	\$ 182,680	\$ 194,865	\$ 203,634	\$ 290,593	\$ 321,640	\$ 335,909	\$ 350,818
FIS	6,057	7,047	8,140	9,715	10,152	20,839	21,777	22,757	23,781
Subtotal	\$ 158,693	\$ 167,019	\$ 190,820	\$ 204,580	\$ 213,786	\$ 311,432	\$ 343,417	\$ 358,666	\$ 374,599
Other Buildings and Grounds	6,607	7,268	8,092	8,621	9,009	8,787	9,084	9,493	9,920
Hotel	31,776	32,359	33,278	34,334	35,879	37,273	38,916	40,667	42,498
Ground Transportation	30,694	46,115	54,915	58,770	61,415	71,050	73,450	76,756	80,210
Total	\$ 257,114	\$ 286,286	\$ 327,074	\$ 350,280	\$ 366,043	\$ 477,296	\$ 515,268	\$ 538,251	\$ 562,264

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

Exhibit E
Revenues
Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Airline Revenues									
Participating Airlines									
Landing Fees	\$ 31,593	\$ 35,773	\$ 45,548	\$ 51,077	\$ 51,869	\$ 48,376	\$ 58,186	\$ 60,711	\$ 61,996
Terminal Rents	63,385	67,837	69,818	75,390	78,419	109,289	115,398	118,845	124,332
South Terminal Common Use Fees	-	-	-	-	-	5,573	5,935	6,587	7,383
Apron Fees	2,504	2,641	3,827	4,137	4,295	5,935	7,541	7,942	8,355
Equipment Charges	3,807	4,454	4,727	5,110	5,298	6,126	6,300	5,940	6,261
Baggage System Fees	47,304	51,384	52,375	53,359	55,534	95,331	101,053	103,982	108,237
Participating Airlines (excl. Facility Fees/FIS)	\$ 148,593	\$ 162,089	\$ 176,295	\$ 189,073	\$ 195,416	\$ 270,630	\$ 294,413	\$ 304,008	\$ 316,563
Facility Fees/FIS									
Terminal Facility Fees	11,079	12,285	13,165	16,034	16,984	25,797	28,146	29,020	30,512
FIS Fees	8,774	10,759	11,600	11,560	11,904	13,826	14,315	14,808	15,304
Ramp Parking & RON Fees	1,539	1,522	2,045	1,888	2,000	2,409	2,765	2,808	2,978
Cargo Landing Fees	1,473	1,610	2,300	2,518	2,518	2,311	2,740	2,820	2,844
Non-Participating Airlines									
Landing Fees	2,672	3,424	3,210	3,505	3,485	3,136	3,710	3,808	3,825
Baggage System Fees	2,903	3,466	3,834	3,906	4,065	6,901	7,315	7,527	7,835
Space Use Permits	1,080	1,092	1,131	1,142	1,188	1,606	1,660	1,700	1,769
Other	22	(0)	-	-	-	-	-	-	-
Total Airline Revenues	\$ 178,136	\$ 196,247	\$ 213,579	\$ 229,626	\$ 237,560	\$ 326,616	\$ 355,064	\$ 366,500	\$ 381,630
Less: Cargo Landing Fees	(1,473)	(1,610)	(2,300)	(2,518)	(2,518)	(2,311)	(2,740)	(2,820)	(2,844)
Passenger Airline Payments	\$ 176,663	\$ 194,637	\$ 211,279	\$ 227,108	\$ 235,041	\$ 324,304	\$ 352,324	\$ 363,679	\$ 378,787

Exhibit E
Revenues
Orlando International Airport
(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Non-airline Revenues									
Terminal									
Terminal Area Rents - Nonairline	\$ 11,042	\$ 11,517	\$ 11,216	\$ 11,204	\$ 11,547	\$ 15,086	\$ 15,538	\$ 15,882	\$ 16,468
Advertising	4,460	4,273	5,258	5,101	5,152	5,204	5,256	5,309	5,362
Food and Beverage	28,057	28,953	28,732	29,843	30,908	31,996	33,110	34,230	35,354
General Merchandise	20,326	21,332	20,381	19,728	20,431	21,151	21,887	22,627	23,371
Services	9,013	10,171	14,007	11,137	11,423	11,711	12,001	12,287	12,568
Other Rentals	2,125	2,205	2,071	2,042	2,076	2,398	2,439	2,470	2,524
Ground Transportation									
Off-airport Parking	2,023	2,099	2,170	2,225	2,304	2,386	2,469	2,552	2,636
Parking Facilities	64,685	68,148	74,801	76,798	79,492	81,497	84,289	86,284	88,247
Car Rentals	95,931	98,655	99,046	100,869	102,280	103,706	105,151	106,575	107,978
Intermodal Terminal Facility	-	3,855	6,538	4,311	4,071	4,405	6,745	6,776	6,808
Commercial Lane	14,018	18,098	16,679	18,859	19,273	19,759	20,249	20,731	21,205
Other									
Other Buildings and Grounds	16,238	17,466	19,170	19,337	19,530	19,726	19,923	20,122	20,323
Hotel	43,963	45,508	43,544	48,045	48,035	48,931	49,845	50,778	51,729
Other Operating Revenue	3,557	3,418	2,953	3,037	3,068	3,098	3,129	3,160	3,192
Fuel	2,152	2,226	2,024	2,070	2,070	5,237	5,236	5,238	5,237
Total Non-airline Revenues	\$ 317,589	\$ 337,923	\$ 348,589	\$ 354,607	\$ 361,660	\$ 376,291	\$ 387,266	\$ 395,021	\$ 403,002
Percent Change	5.3%	6.4%	3.2%	1.7%	2.0%	4.0%	2.9%	2.0%	2.0%
Operating Revenues	\$ 495,724	\$ 534,170	\$ 562,167	\$ 584,233	\$ 599,220	\$ 702,907	\$ 742,330	\$ 761,520	\$ 784,632
Interest Earnings	4,970	11,715	10,228	9,176	8,655	11,063	11,809	11,885	12,031
Other Non-Operating Revenues	-	-	165	141	-	-	-	-	-
Revenues¹	\$ 500,694	\$ 545,885	\$ 572,560	\$ 593,549	\$ 607,875	\$ 713,969	\$ 754,139	\$ 773,405	\$ 796,663
Percent Change	7.5%	9.0%	4.9%	3.7%	2.4%	17.5%	5.6%	2.6%	3.0%

1. Revenues for FY 2018 exclude the net proceeds from the sale of the Poitras property due to the one-time nature and magnitude (\$63 million) of this transaction
Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

Exhibit E-1

**Landing Fee and Apron Use Fee
Orlando International Airport
(for the Fiscal Years ending September 30; numbers in thousands, except as noted)**

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Airfield Requirements									
Operation and Maintenance Expenses	\$ 26,132	\$ 30,087	\$ 35,102	\$ 38,690	\$ 40,431	\$ 42,318	\$ 43,748	\$ 45,716	\$ 47,774
Operating Reserve Requirement	538	226	836	598	290	314	238	328	343
Debt Service									
Non-PFC Supported	9,821	11,146	15,218	14,621	13,596	6,343	13,918	13,792	13,779
PFC-Supported	1,326	1,327	1,333	1,332	1,332	1,333	1,333	1,332	1,341
Subordinated Indebtedness	2	2	2	2	2	3,422	4,684	4,685	4,684
Debt Service Coverage	-	-	-	-	-	-	-	690	1,846
Amortization of 2009A Bond Principal				2,359	2,359	2,359	2,359	2,359	-
Amortization for GOAA-Funded R&R Projects	1,397	1,571	1,923	2,271	2,534	3,155	3,643	3,724	4,193
Amortization for GOAA-Funded CIP Projects	-	-	-	630	730	1,149	1,282	1,282	1,282
Less: Available PFC Revenues for Senior Bonds	(1,326)	(1,327)	(1,333)	(1,332)	(1,332)	(1,333)	(1,333)	(1,332)	(1,341)
Total Airfield Requirement	\$ 37,891	\$ 43,033	\$ 53,081	\$ 59,171	\$ 59,942	\$ 59,061	\$ 69,873	\$ 72,577	\$ 73,902
Adjusted Airfield Requirement	\$ 37,891	\$ 43,033	\$ 53,081	\$ 59,171	\$ 59,942	\$ 59,061	\$ 69,873	\$ 72,577	\$ 73,902
Less: Fuel System Revenues, Fuel Flowage Fees (RON Fees)	(2,152)	(2,226)	(2,024)	(2,070)	(2,070)	(5,237)	(5,236)	(5,238)	(5,237)
Net Airfield Requirement	\$ 35,738	\$ 40,807	\$ 51,057	\$ 57,100	\$ 57,872	\$ 53,824	\$ 64,637	\$ 67,339	\$ 68,664
 Total Maximum Gross Landed Weight (1,000 pounds)									
Passenger Airline	23,505	24,988	26,082	26,928	27,582	28,245	28,916	29,576	30,223
Cargo Carrier	1,010	1,026	1,230	1,242	1,255	1,267	1,280	1,293	1,306
Total Maximum Gross Landed Weight	24,516	26,015	27,312	28,171	28,837	29,512	30,196	30,869	31,529
 Landing Fee Rate (per 1,000 pound unit)	\$ 1.46	\$ 1.57	\$ 1.87	\$ 2.03	\$ 2.01	\$ 1.82	\$ 2.14	\$ 2.18	\$ 2.18
 Passenger Airline Landing Fees	\$ 34,265	\$ 39,198	\$ 48,758	\$ 54,582	\$ 55,354	\$ 51,512	\$ 61,897	\$ 64,519	\$ 65,820
Cargo Landing Fees	1,473	1,610	2,300	2,518	2,518	2,311	2,740	2,820	2,844
Total Landing Fees	\$ 35,738	\$ 40,807	\$ 51,057	\$ 57,100	\$ 57,872	\$ 53,824	\$ 64,637	\$ 67,339	\$ 68,664
 Participating Airline Landing Fee Revenues	\$ 31,593	\$ 35,773	\$ 45,548	\$ 51,077	\$ 51,869	\$ 48,376	\$ 58,186	\$ 60,711	\$ 61,996
Non-Participating Airline Landing Fee Revenues	2,672	3,424	3,210	3,505	3,485	3,136	3,710	3,808	3,825
Cargo Landing Fee Revenue	1,473	1,610	2,300	2,518	2,518	2,311	2,740	2,820	2,844
Total Landing Fee Revenue	\$ 35,738	\$ 40,807	\$ 51,057	\$ 57,100	\$ 57,872	\$ 53,824	\$ 64,637	\$ 67,339	\$ 68,664

Exhibit E-1

Landing Fee and Apron Use Fee Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Terminal Apron Requirement									
Operation and Maintenance Expenses	\$ 3,213	\$ 3,438	\$ 4,868	\$ 5,286	\$ 5,524	\$ 6,435	\$ 6,652	\$ 6,951	\$ 7,264
Operating Reserve Requirement	40	16	238	70	40	152	36	50	52
Debt Service									
Non-PFC Supported	521	438	503	243	225	545	2,647	2,647	2,646
PFC-Supported	-	-	-	-	-	-	-	-	-
Subordinated Indebtedness	-	-	-	-	-	2,058	2,505	2,505	2,505
Debt Service Coverage	-	-	-	-	-	-	-	132	267
Amortization for GOAA-Funded R&R Projects	25	43	47	47	46	77	77	77	77
Amortization for GOAA-Funded CIP Projects	-	-	-	-	-	3	3	3	3
Less: Available PFC Revenues for Senior Bonds	-	-	-	-	-	-	-	-	-
Terminal Apron Requirement	\$ 3,799	\$ 3,935	\$ 5,657	\$ 5,646	\$ 5,834	\$ 9,270	\$ 11,921	\$ 12,365	\$ 12,814
 Average NBE Remote RON Area by Position (SF in 000s)	28	28	28	28	28	28	28	28	28
Number of NBE Remote RON Positions	22	22	22	22	22	31	31	31	31
Total Remote RON Area (SF in 000s)	627	627	627	627	627	883	883	883	883
Total Terminal Apron Area (SF in 000s)	4,183	4,183	4,183	4,963	4,963	7,369	7,369	7,369	7,369
Amount of Terminal Apron Allocable to Remote RON Parking	15.0%	15.0%	15.0%	12.6%	12.6%	12.0%	12.0%	12.0%	12.0%
Terminal Apron Requirement Allocable to Remote RON Area	\$ 569	\$ 590	\$ 848	\$ 713	\$ 713	\$ 1,019	\$ 1,019	\$ 1,019	\$ 1,019
Remote RON Rate per NBE Position per Year	\$ 25,877	\$ 26,804	\$ 38,528	\$ 32,414	\$ 32,414	\$ 32,861	\$ 32,861	\$ 32,861	\$ 32,861
Remote RON Rate per NBE Position per Use	\$ 70.89	\$ 73.43	\$ 105.56	\$ 88.81	\$ 88.81	\$ 90.03	\$ 90.03	\$ 90.03	\$ 90.03
 Terminal Apron Requirement Allocable to Gates	\$ 3,230	\$ 3,346	\$ 4,809	\$ 4,933	\$ 5,121	\$ 8,252	\$ 10,902	\$ 11,346	\$ 11,796
Total Narrow Body Equivalent Gates	93	93	93	93	93	114	120	120	120
Average Terminal Apron Rate per Gate	\$ 34,731	\$ 35,975	\$ 51,711	\$ 53,044	\$ 55,067	\$ 72,382	\$ 90,850	\$ 94,553	\$ 98,298
Rented Gates	72	73	74	78	78	82	83	84	85
Airline Terminal Apron Use Fees	\$ 2,504	\$ 2,641	\$ 3,827	\$ 4,137	\$ 4,295	\$ 5,935	\$ 7,541	\$ 7,942	\$ 8,355

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

Exhibit E-2

Terminal Premises Rate Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Terminal Requirement									
Operation and Maintenance Expenses	\$ 158,693	\$ 167,019	\$ 190,820	\$ 204,580	\$ 213,786	\$ 311,432	\$ 343,417	\$ 358,666	\$ 374,599
Operating Reserve Requirement	2,727	1,992	3,967	2,293	1,534	16,274	5,331	2,542	2,655
Debt Service									
Non-PFC Supported	60,535	65,254	47,257	29,477	30,552	60,625	65,570	62,957	62,929
PFC-Supported	18,311	18,562	18,559	18,563	18,563	76,573	76,725	76,722	76,748
Subordinated Indebtedness	11	11	11	11	11	35,275	43,248	43,247	43,244
Debt Service Coverage	-	-	-	-	-	-	-	3,148	10,617
Central Energy Plant Obligation	-	-	-	-	-	11,124	11,237	11,352	11,469
Allocable SAPM O&M Expense, Debt Service, Amortization	-	-	-	-	-	8,599	8,857	9,128	9,410
Amortization of 2009A Bond Principal	-	-	-	5,717	5,717	5,717	5,717	5,717	-
Amortization for GOAA-Funded R&R Projects	5,738	7,792	10,039	11,198	11,441	13,819	13,748	12,746	13,614
Amortization for GOAA-Funded CIP Projects	-	-	982	4,836	5,236	10,192	11,054	11,054	12,677
Total Terminal Requirement	\$ 246,014	\$ 260,629	\$ 271,633	\$ 276,674	\$ 286,841	\$ 549,630	\$ 584,904	\$ 597,280	\$ 617,962
Less:									
Miscellaneous Direct Reimbursements	(2,475)	(902)	(777)	(791)	(791)	(791)	(791)	(791)	(791)
Airline Equipment Requirement	(4,912)	(5,642)	(5,941)	(6,092)	(6,317)	(8,516)	(9,108)	(8,486)	(8,839)
FIS Requirement	(17,642)	(19,952)	(23,278)	(25,353)	(26,141)	(64,654)	(67,611)	(69,677)	(72,096)
Baggage System O&M Expenses	(12,382)	(14,902)	(14,918)	(15,553)	(16,253)	(27,232)	(28,510)	(29,589)	(30,712)
Available PFC Revenues for Senior Bonds	(18,311)	(18,562)	(18,559)	(18,563)	(18,563)	(76,573)	(76,725)	(76,722)	(76,748)
Net Terminal Requirement	\$ 190,292	\$ 200,668	\$ 208,161	\$ 210,322	\$ 218,776	\$ 371,865	\$ 402,159	\$ 412,015	\$ 428,776
Rentable Space (square feet)	1,474	1,480	1,483	1,483	1,483	1,865	1,952	1,952	1,952
Enclosed Terminal Premises Rate (per square foot)	\$129.07	\$135.58	\$140.36	\$141.79	\$147.49	\$199.36	\$205.98	\$211.02	\$219.61
Airline Assigned Space (square feet)	784	795	791	826	826	922	946	949	953
Net Airline Requirement	\$ 101,170	\$ 107,745	\$ 111,067	\$ 117,060	\$ 121,766	\$ 183,816	\$ 194,784	\$ 200,294	\$ 209,219
Less Space Rental for Common Use Baggage Charges	(37,825)	(39,951)	(41,291)	(41,712)	(43,388)	(74,570)	(79,428)	(81,490)	(84,929)
Subtotal - Exclusive/Preferential Use Space Rentals	\$ 63,344	\$ 67,795	\$ 69,776	\$ 75,348	\$ 78,377	\$ 109,247	\$ 115,356	\$ 118,803	\$ 124,290
Unenclosed Terminal Premises (Existing Class 5)									
Rate (per square foot)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Airline Assigned Space (square feet)	14	14	14	14	14	14	14	14	14
Unenclosed Terminal Premises Rentals	41	42	42	42	42	42	42	42	42
Total Airline Terminal Rentals (excluding Baggage Space)	\$ 63,385	\$ 67,837	\$ 69,818	\$ 75,390	\$ 78,419	\$ 109,289	\$ 115,398	\$ 118,845	\$ 124,332
Enclosed Terminal Premises Rate (per square foot)	\$ 129.07	\$ 135.58	\$ 140.36	\$ 141.79	\$ 147.49	\$ 199.36	\$ 205.98	\$ 211.02	\$ 219.61
Other Airline Space	8	8	8	8	8	8	8	8	8
Terminal Rentals (Non-participating Airlines)	\$ 1,080	\$ 1,092	\$ 1,131	\$ 1,142	\$ 1,188	\$ 1,606	\$ 1,660	\$ 1,700	\$ 1,769

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

Exhibit E-3

Airline Payments per Enplaned Passenger Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Total Passenger Airline Payments									
Landing Fees	\$ 34,265	\$ 39,198	\$ 48,758	\$ 54,582	\$ 55,354	\$ 51,512	\$ 61,897	\$ 64,519	\$ 65,820
Terminal Rents	63,385	67,837	69,818	75,390	78,419	109,289	115,398	118,845	124,332
South Terminal Common Use Fees					-	5,573	5,935	6,587	7,383
Apron Fees	2,504	2,641	3,827	4,137	4,295	5,935	7,541	7,942	8,355
Airline Equipment Fees	3,807	4,454	4,727	5,110	5,298	6,126	6,300	5,940	6,261
Baggage System Fees	50,207	54,850	56,209	57,264	59,599	102,232	108,368	111,509	116,072
Terminal Facility Fees	11,079	12,285	13,165	16,034	16,984	25,797	28,146	29,020	30,512
FIS Fees	8,774	10,759	11,600	11,560	11,904	13,826	14,315	14,808	15,304
Ramp Parking & RON Fees	1,539	1,522	2,045	1,888	2,000	2,409	2,765	2,808	2,978
Space Use Permits	1,080	1,092	1,131	1,142	1,188	1,606	1,660	1,700	1,769
Total Passenger Airline Payments	\$ 176,641	\$ 194,638	\$ 211,279	\$ 227,108	\$ 235,041	\$ 324,304	\$ 352,324	\$ 363,679	\$ 378,787
Enplaning Passengers	21,718	23,382	24,913	25,766	26,428	27,094	27,766	28,428	29,078
Cost per Enplaned Passenger for All Airlines	\$ 8.13	\$ 8.32	\$ 8.48	\$ 8.81	\$ 8.89	\$ 11.97	\$ 12.69	\$ 12.79	\$ 13.03
Revenue Sharing Payments	(53,132)	(57,659)	(53,680)	(61,263)	(61,131)	(14,443)	(6,135)	(8,474)	(7,392)
Total Passenger Airline Payments Net of Revenue Sharing	\$ 123,509	\$ 136,978	\$ 157,599	\$ 165,845	\$ 173,910	\$ 309,861	\$ 346,189	\$ 355,205	\$ 371,395
Enplaning Passengers	21,718	23,382	24,913	25,766	26,428	27,094	27,766	28,428	29,078
Cost per Enplaned Passenger for All Airlines	\$ 5.69	\$ 5.86	\$ 6.33	\$ 6.44	\$ 6.58	\$ 11.44	\$ 12.47	\$ 12.50	\$ 12.77
Participating Airline Payments									
Landing Fee	\$ 31,593	\$ 35,773	\$ 45,548	\$ 51,077	\$ 51,869	\$ 48,376	\$ 58,186	\$ 60,711	\$ 61,996
Terminal Rent	63,385	67,837	69,818	75,390	78,419	109,289	115,398	118,845	124,332
Apron Fee	2,504	2,641	3,827	4,137	4,295	5,935	7,541	7,942	8,355
Baggage System Fees	47,304	51,384	52,375	53,359	55,534	95,331	101,053	103,982	108,237
Airline Equipment	3,807	4,454	4,727	5,110	5,298	6,126	6,300	5,940	6,261
Participating Airline Payments (excluding Facility Fees/FIS Fees)	\$ 148,593	\$ 162,089	\$ 176,295	\$ 189,073	\$ 195,416	\$ 265,057	\$ 288,477	\$ 297,421	\$ 309,180
Revenue Sharing Payments	(53,132)	(57,659)	(53,680)	(61,263)	(61,131)	(14,443)	(6,135)	(8,474)	(7,392)
Participating Airline Payments Net of Revenue Sharing	\$ 95,461	\$ 104,430	\$ 122,615	\$ 127,810	\$ 134,284	\$ 250,614	\$ 282,343	\$ 288,947	\$ 301,789
Participating Airline Enplaned Passengers	20,462	21,905	23,214	24,009	24,625	25,265	25,892	26,509	27,115
Participating Airline Cost per Enplaned Passenger	\$ 4.67	\$ 4.77	\$ 5.28	\$ 5.32	\$ 5.45	\$ 9.92	\$ 10.90	\$ 10.90	\$ 11.13

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

Exhibit F

Application of Revenues and Calculation of Revenue Sharing Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
Revenues¹									
Airline Revenues	\$ 178,136	\$ 196,247	\$ 213,579	\$ 229,626	\$ 237,560	\$ 326,616	\$ 355,064	\$ 366,500	\$ 381,630
Non-airline Revenues	317,589	337,923	348,589	354,607	361,660	376,291	387,266	395,021	403,002
Interest Earnings and Other Non-Operating Revenues	4,970	11,715	10,393	9,316	8,655	11,063	11,809	11,885	12,031
Revenues	\$ 500,694	\$ 545,885	\$ 572,560	\$ 593,549	\$ 607,875	\$ 713,969	\$ 754,139	\$ 773,405	\$ 796,663
Application of Revenues									
Operation and Maintenance Fund	\$ 257,114	\$ 286,286	\$ 327,074	\$ 350,280	\$ 366,043	\$ 477,296	\$ 515,268	\$ 538,251	\$ 562,264
Bond Fund									
Non-PFC Supported Debt Service	90,110	95,343	83,577	57,754	57,769	75,181	90,421	86,661	86,610
PFC-Supported Debt Service	-	-	-	-	-	-	-	-	-
Debt Service Reserve Account	-	-	-	-	-	-	-	-	-
Priority Subordinated Indebtedness Account	7,558	7,557	9,195	10,050	10,103	53,535	63,006	63,062	63,117
Subordinated Indebtedness Reserve Account	-	-	-	-	-	-	-	-	-
Operation and Maintenance Reserve Account	4,555	4,645	6,798	3,868	2,627	18,542	6,329	3,830	4,002
Secondary Subordinated Indebtedness Account	-	-	-	-	-	-	-	-	-
Discretionary Fund									
Central Energy Plant Obligation	-	-	-	-	-	11,124	11,237	11,352	11,469
Remaining Revenues									
Airport Exclusive Revenue Sources	-	3,732	3,717	4,071	4,071	4,405	6,745	6,776	6,808
GOAA Share	88,225	90,663	88,520	106,263	106,131	59,443	55,000	55,000	55,000
Airline Share	53,132	57,659	53,680	61,263	61,131	14,443	6,135	8,474	7,392
Total Application of Revenues	\$ 500,694	\$ 545,885	\$ 572,560	\$ 593,549	\$ 607,875	\$ 713,969	\$ 754,139	\$ 773,405	\$ 796,663

1. Revenues for FY 2018 exclude the net proceeds from the sale of the Poitras property due to the one-time nature and magnitude (\$63 million) of this transaction.

Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

Exhibit G

Debt Service Coverage and Rate Covenant

Orlando International Airport

(for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

		Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
BOND RESOLUTION RATE COVENANT										
Revenues ¹		\$ 500,694	\$ 545,885	\$ 572,560	\$ 593,549	\$ 607,875	\$ 713,969	\$ 754,139	\$ 773,405	\$ 796,663
Operating and Maintenance Expenses		(257,114)	(286,286)	(327,074)	(350,280)	(366,043)	(477,296)	(515,268)	(538,251)	(562,264)
Net Revenues	[A]	\$ 243,580	\$ 259,599	\$ 245,486	\$ 243,269	\$ 241,833	\$ 236,673	\$ 238,872	\$ 235,155	\$ 234,399
Transfer		-	-	-	-	-	-	-	-	-
Available Net Revenues for Debt Service	[B]	\$ 243,580	\$ 259,599	\$ 245,486	\$ 243,269	\$ 241,833	\$ 236,673	\$ 238,872	\$ 235,155	\$ 234,399
Accrued Aggregate Debt Service (Senior Bonds)		\$ 120,655	\$ 126,210	\$ 114,511	\$ 129,437	\$ 129,681	\$ 161,382	\$ 176,773	\$ 173,007	\$ 172,993
Less: PFC-Supported Debt Service		(30,546)	(30,867)	(30,934)	(71,683)	(71,912)	(86,201)	(86,352)	(86,346)	(86,383)
Aggregate Debt Service (Senior Bonds)	[C]	\$ 90,110	\$ 95,343	\$ 83,577	\$ 57,754	\$ 57,769	\$ 75,181	\$ 90,421	\$ 86,661	\$ 86,610
Debt Service on Subordinated Indebtedness										
Priority Subordinated Indebtedness Debt Service		7,558	7,557	9,195	10,050	10,103	53,535	63,006	63,062	63,117
Secondary Subordinated Indebtedness Debt Service		-	-	-	-	-	-	-	-	-
Total Debt Service (Senior and Subordinate)	[D]	\$ 97,668	\$ 102,900	\$ 92,772	\$ 67,804	\$ 67,872	\$ 128,716	\$ 153,427	\$ 149,723	\$ 149,727
Central Energy Plant Obligation ²		-	-	-	-	-	11,124	11,237	11,352	11,469
Total Including Central Energy Plant Obligation	[E]	\$ 97,668	\$ 102,900	\$ 92,772	\$ 67,804	\$ 67,872	\$ 139,840	\$ 164,663	\$ 161,075	\$ 161,196
Debt Service Coverage										
Airport Facilities Revenue Bonds (Senior)	[B]/[C]	2.70	2.72	2.94	4.21	4.19	3.15	2.64	2.71	2.71
Airport Facilities Revenue Bonds (Senior with PFCs in Numerator)		2.27	2.30	2.41	2.43	2.42	2.00	1.84	1.86	1.85
Total Indebtedness (Senior and Subordinate)	[B]/[D]	2.49	2.52	2.65	3.59	3.56	1.84	1.56	1.57	1.57
Senior, Subordinate, Central Energy Plant Obligation	[B]/[E]	2.49	2.52	2.65	3.59	3.56	1.69	1.45	1.46	1.45

Exhibit G

Debt Service Coverage and Rate Covenant Orlando International Airport (for the Fiscal Years ending September 30; numbers in thousands, except as noted)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Authority management, as described in the accompanying text. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

		Actual 2017	Actual 2018	Projected 2019	Forecast 2020	2021	ST DBO 2022	ST 1X DBO 2023	2024	2025
SUBORDINATE INDENTURE RATE COVENANT 10.01(a) and (b)										
Available Net Revenues	[A-C=F]	\$ 153,470	\$ 164,256	\$ 161,909	\$ 185,515	\$ 184,064	\$ 161,492	\$ 148,451	\$ 148,494	\$ 147,789
Aggregate Annual Debt Service										
Outstanding Priority Subordinated Indebtedness	[G]	\$ 7,558	\$ 7,557	\$ 9,195	\$ 10,050	\$ 10,103	\$ 53,535	\$ 63,006	\$ 63,062	\$ 63,117
Short Term Subordinated Obligations (future debt)	[H]	-	-	-	-	-	-	-	-	-
Total Aggregate Annual Subordinated Debt Service	[I]	\$ 7,558	\$ 7,557	\$ 9,195	\$ 10,050	\$ 10,103	\$ 53,535	\$ 63,006	\$ 63,062	\$ 63,117
Subordinate Debt Service Coverage - Section 10.01(b)	[F]/[I]	20.30	21.73	17.61	18.46	18.22	3.02	2.36	2.35	2.34
Coverage Requirement		1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Indenture Rate Covenant - Section 10.01(a)										
Available Net Revenues (must be greater than [H])		\$ 153,470	\$ 164,256	\$ 161,909	\$ 185,515	\$ 184,064	\$ 161,492	\$ 148,451	\$ 148,494	\$ 147,789
Total Indebtedness Coverage										
Net Revenues	[B]	\$ 243,580	\$ 259,599	\$ 245,486	\$ 243,269	\$ 241,833	\$ 236,673	\$ 238,872	\$ 235,155	\$ 234,399
Transfer		-	-	-	-	-	-	-	-	-
Available Net Revenues and Transfer		\$ 243,580	\$ 259,599	\$ 245,486	\$ 243,269	\$ 241,833	\$ 236,673	\$ 238,872	\$ 235,155	\$ 234,399
Total Aggregate Annual Debt Service (Senior and Subordinate)	[D]	\$ 97,668	\$ 102,900	\$ 92,772	\$ 67,804	\$ 67,872	\$ 128,716	\$ 153,427	\$ 149,723	\$ 149,727
All Indebtedness Coverage	[B]/[D]	2.49	2.52	2.65	3.59	3.56	1.84	1.56	1.57	1.57
ALL-IN COVERAGE WITH PFCs IN NUMERATOR										
Available Net Revenues		\$ 243,580	\$ 259,599	\$ 245,486	\$ 243,269	\$ 241,833	\$ 236,673	\$ 238,872	\$ 235,155	\$ 234,399
Available PFC Revenues		30,546	30,867	30,934	71,683	71,912	86,201	86,352	86,346	86,383
		274,125	290,466	276,420	314,953	313,745	322,874	325,224	321,501	320,782
Total Aggregate Annual Debt Service (Senior and Subordinate)		128,214	133,767	123,705	139,487	139,784	226,041	251,016	247,421	247,579
Total Gross Indebtedness Coverage (with PFCs in Numerator)		2.14	2.17	2.23	2.26	2.24	1.43	1.30	1.30	1.30

1. Revenues for FY 2018 exclude the net proceeds from the sale of the Poitras property due to the one-time nature and magnitude (\$63 million) of this transaction.
 2. Pursuant to the Global Agreement payments to OUC, in connection with its owning and operating the Central Energy Plant and the Back-up Generation Facility, are being treated as obligat which will be paid by the Authority on a subordinate basis to all Senior Bonds, Priority Subordinated Indebtedness, and Secondary Subordinated Indebtedness.
- Sources: Greater Orlando Aviation Authority (historical and budget); LeighFisher all other years, September 2019.

APPENDIX B

AMENDED AND RESTATED BOND RESOLUTION

[THIS PAGE INTENTIONALLY LEFT BLANK]

GREATER ORLANDO AVIATION AUTHORITY

AMENDED AND RESTATED
AIRPORT FACILITIES REVENUE BOND RESOLUTION
AUTHORIZING
AIRPORT FACILITIES REVENUE BONDS
OF
CITY OF ORLANDO, FLORIDA

Approved September 16, 2015

GREATER ORLANDO AVIATION AUTHORITY

AMENDED AND RESTATED
AIRPORT FACILITIES REVENUE BOND RESOLUTION
AUTHORIZING
AIRPORT FACILITIES REVENUE BONDS
OF
CITY OF ORLANDO, FLORIDA

TABLE OF CONTENTS

	PAGE
ARTICLE I DEFINITIONS AND INTERPRETATION.....	2
SECTION 101. Definitions.....	2
SECTION 102. Authority for this Resolution	22
SECTION 103. Resolution to Constitute Contract	22
ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS	23
SECTION 201. Authorization of Bonds.....	23
SECTION 202. General Provisions for Issuance of Bonds	23
SECTION 203. [Deleted]	26
SECTION 204. Additional Bonds	26
SECTION 205. Refunding Bonds	29
SECTION 206. Qualified Derivative Agreements	32
ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS	32
SECTION 301. Medium of Payment; Form and Date; Letters and Numbers; Accrual and Payment of Interest; Place of Payment.....	32
SECTION 302. Legends	33
SECTION 303. Execution and Authentication	33
SECTION 304. Interchangeability of Bonds	34
SECTION 305. Negotiability, Transfer and Registry	34
SECTION 306. Regulations With Respect to Exchanges and Transfers	35
SECTION 307. Bonds Mutilated, Destroyed, Stolen or Lost.....	35
SECTION 308. Temporary Bonds	36
SECTION 309. Cancellation and Destruction of Bonds or Coupons.....	37

ARTICLE IV ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF	37
SECTION 401. The Pledge Effected by the Resolution	37
SECTION 402. Establishment of Funds	38
SECTION 403. Construction Fund.....	38
SECTION 404. [Deleted]	40
SECTION 405. Deposit of Revenues.....	40
SECTION 406. Bond Fund - Debt Service Account	43
SECTION 407. Bond Fund - Debt Service Reserve Account	45
SECTION 408. Operation and Maintenance Fund.....	46
SECTION 409. Capital Expenditures Fund.....	47
SECTION 410. Renewal and Replacement Fund	47
SECTION 411. Discretionary Fund.....	48
SECTION 412. Improvement and Development Fund.....	49
SECTION 413. [Deleted].....	50
SECTION 414. Subordinated Indebtedness and Secondary Subordinated Indebtedness	50
SECTION 415. [Deleted]	51
SECTION 416. Released Revenues	51
ARTICLE V REDEMPTION OF BONDS	51
SECTION 501. Privilege of Redemption and Redemption Price.....	51
SECTION 502. Redemption at the Election or Direction of the City.....	51
SECTION 503. Redemption Otherwise Than at City's Election or Direction	52
SECTION 504. Selection of Bonds to be Redeemed.....	52
SECTION 505. Notice of Redemption.....	53
SECTION 506. Payment of Redeemed Bonds.....	53
ARTICLE VI DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS	54
SECTION 601. Depositaries	54
SECTION 602. Deposits.....	55
SECTION 603. Investment of Certain Funds.....	56
SECTION 604. Valuation and Sale of Investments.....	56
ARTICLE VII PARTICULAR COVENANTS OF THE AUTHORITY	57
SECTION 701. Effect of Covenants.....	57
SECTION 702. Payment of Principal, Premium, if any, and Interest.....	57
SECTION 703. Extension of Payment of Bonds and Coupons.....	57
SECTION 704. Offices for Servicing Bonds	58
SECTION 705. Further Assurance.....	58
SECTION 706. Powers as to Bonds and Pledge.....	58
SECTION 707. Powers as to the Airport System and Collection of Rates, Fees and Rentals	59

SECTION 708. Indebtedness and Liens.....	59
SECTION 709. Sale, Lease or Encumbrance of Property.....	59
SECTION 710. Operation, Maintenance and Reconstruction.....	60
SECTION 711. Rate Covenant	60
SECTION 712. Insurance	61
SECTION 713. Condemnation.....	62
SECTION 714. Airport Consultant	62
SECTION 715. Consulting Engineers	63
SECTION 716. Annual Budget.....	63
SECTION 717. Accounts and Reports	63
SECTION 718. [Deleted]	65
SECTION 719. [Deleted]	65
SECTION 720. [Deleted]	65
SECTION 721. Covenants With Respect to Airports and Aviation Facilities	65
SECTION 722. Special Purpose Facilities	65
SECTION 723. Fulfillment of Conditions Precedent.....	66
SECTION 724. Payment of Lawful Charges.....	66
SECTION 725. Compliance with Law	67
SECTION 726. Covenants With Respect to PFCs	67
SECTION 727. Available Revenues	68
SECTION 728. Federal Income Taxation Covenants, Taxable Bonds.....	69
ARTICLE VIII REMEDIES OF BONDHOLDERS.....	70
SECTION 801. Events of Default.....	70
SECTION 802. Accounting and Examination of Records After Default.....	71
SECTION 803. Application of Revenues and Other Moneys After Default.....	72
SECTION 804. Proceedings Brought By Trustee	74
SECTION 805. Restriction on Bondholder's Action.....	75
SECTION 806. Remedies Not Exclusive	76
SECTION 807. Effect of Waiver and Other Circumstances	76
SECTION 808. Notice of Default.....	76
ARTICLE IX CONCERNING THE FIDUCIARIES	76
SECTION 901. Trustee and Special Trustee; Appointment and Acceptance of Duties	76
SECTION 902. Paying Agents; Appointment and Acceptance of Duties.....	77
SECTION 903. Responsibilities of Fiduciaries	78
SECTION 904. Evidence on which Fiduciaries may Act.....	78
SECTION 905. Compensation	79
SECTION 906. Certain Permitted Acts	79
SECTION 907. Resignation of Trustee or Special Trustee	79
SECTION 908. Removal of Trustee or Special Trustee	80
SECTION 909. Appointment of Successor Trustee or Special Trustee	80

SECTION 910. Transfer or Rights and Property to Successor Trustee or Special Trustee	81
SECTION 911. Merger or Consolidation.....	81
SECTION 912. Adoption of Authentication	82
SECTION 913. Resignation or Removal of Paying Agent and Appointment of Successor	82
ARTICLE X SUPPLEMENTAL RESOLUTIONS.....	82
SECTION 1001. Supplemental Resolution Without Bondholder or Trustee Consent	82
SECTION 1002. Supplemental Resolution With Bondholder and Credit Provider Consent	84
SECTION 1003. Amendment with Consent of Credit Providers Only	86
SECTION 1004. General Provisions.....	86
SECTION 1005. Exclusion of Bonds.....	87
SECTION 1006. Notation on Bonds	87
ARTICLE XI [DELETED]	88
ARTICLE XII MISCELLANEOUS.....	88
SECTION 1201. Defeasance	88
SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds	90
SECTION 1203. Prior Obligations Not Affected	91
SECTION 1204. Moneys Held for Particular Bonds and Coupons	91
SECTION 1205. Preservation and Inspection of Documents	91
SECTION 1206. Parties Interested Herein.....	91
SECTION 1207. No Recourse on the Bonds.....	92
SECTION 1208. Publication of Notice; Suspension of Publication	92
SECTION 1209. [Deleted].....	92
SECTION 1210. Severability of Invalid Provisions	92
SECTION 1211. Available PFC Revenues; Transition.....	92
SECTION 1212. Rate Covenant; Transition	94
SECTION 1213. Additional Bonds Test; Transition.....	94
SECTION 1214. Other Provisions; Transition.....	94
ARTICLE XIII BOND FORMS AND EFFECTIVE DATE OF RESOLUTION	94
SECTION 1301. Form of Bonds and Coupons and Trustee's Certificate of Authentication	94
SECTION 1302. Effective Date of Amended and Restated Bond Resolution and Consent Amendments.....	95

AMENDED AND RESTATED
AIRPORT FACILITIES REVENUE BOND RESOLUTION
AUTHORIZING
AIRPORT FACILITIES REVENUE BONDS
OF
CITY OF ORLANDO, FLORIDA

WHEREAS, the Greater Orlando Aviation Authority (the "Authority") adopted the Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida on June 13, 1978, as codified by the Authority on September 17, 2008, and as amended, restated and supplemented (collectively, the "Airport Facilities Revenue Bond Resolution"); and

WHEREAS, on June 24, 2015, the Authority approved certain amendments to the Airport Facilities Revenue Bond Resolution which were made pursuant to Section 1002 of the Airport Facilities Revenue Bond Resolution with the consent of the Trustee and certain other entities; and

WHEREAS, the Authority approves further amendments (the "Consent Amendments") to the Airport Facilities Revenue Bond Resolution in this Amended and Restated Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida (the "Amended and Restated Bond Resolution"); and

WHEREAS, this Amended and Restated Bond Resolution shall restate in its entirety the Airport Facilities Revenue Bond Resolution; and

WHEREAS, this Amended and Restated Bond Resolution and the Consent Amendments provided herein shall take effect as provided in Section 1302 hereof and upon the effective date hereof shall supersede all other resolutions of the Authority relating to Bonds;

BE IT RESOLVED BY THE GREATER ORLANDO AVIATION
AUTHORITY, AS FOLLOWS:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 101. Definitions. In this Resolution unless a different meaning clearly appears from the context:

"Accountant's Certificate" means a certificate signed by an independent certified public accountant or a firm of certified public accountants selected by the Authority, who may be the accountant or firm of accountants who regularly audit the books of the Authority.

"Accreted Value" means the accreted value of the Capital Appreciation Bonds, on the date of calculation, including the original principal amount or discounted principal value (original offering price) thereof, plus interest or principal accreted thereon to the date of calculation, as determined by reference to the accreted value tables contained or referred to in each such Bond.

"Accrued Aggregate Debt Service" means, as of any date of calculation, an amount equal to the sum of (i) interest on the Bonds of all Series, other than Capital Appreciation Bonds, accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installments for all Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month. With respect to Variable Rate Bonds, the interest rate for the remainder of the then current calendar month shall, for purposes of this definition, be assumed to be the interest rate in effect as of the date of calculation.

"Act" means the Greater Orlando Aviation Authority Act, Chapter 57-1658, Special Laws of Florida 1957, as amended.

"Additional Bonds" means Bonds authenticated and delivered pursuant to Section 204, and thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 506 or 1006.

"Additional Project" means the acquisition and construction of any additional aviation facilities for the Airport System or any additions, extensions, improvements and betterments to and reconstructions of the Airport System to be

financed, in whole or in part, from the proceeds of any Additional Bonds issued pursuant to the provisions of Section 204.

"Aggregate Debt Service" means, as of any particular date of computation and with respect to any period, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds.

"Airport Consultant" means the airport consultant or airport consulting firm or corporation at the time retained by the Authority pursuant to Section 714 to perform the acts and carry out the duties provided for such Airport Consultant in this Resolution.

"Airport Improvement and Development Plan" means the plan prepared annually and modified as necessary by the Authority, detailing all of the Authority's proposed capital additions and improvements to the Airport System for a five-year period.

"Airport System" means (i) the Orlando International Airport owned by the City and operated by the Authority, including all improvements and facilities now in existence, as said Airport may be hereafter added to, extended, improved or constructed and equipped, and (ii) any other aviation facility or airport acquired or constructed by the Authority; provided that, the Airport System shall not include Orlando Executive Airport or any additions, extensions or improvements thereto, unless (a) the Authority shall by Supplemental Resolution, expressly add Orlando Executive Airport to the Airport System, and (b) shall deliver to the Trustee (1) confirmation from each Rating Agency then maintaining a rating at the request of the Authority on any Bonds outstanding hereunder that adding Orlando Executive Airport to the Airport System will not result in a reduction or withdrawal of the credit ratings then assigned to the Bonds, and (2) the written consent of any bond insurers or other credit provider having in effect a bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds outstanding hereunder. Special Purpose Facilities shall not be part of the Airport System except as otherwise provided by Supplemental Resolution so long as Special Purpose Facility Debt is outstanding with respect to such Special Purpose Facilities.

"Annual Budget" means the annual budget of the Authority, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 716.

"Authority" means the Greater Orlando Aviation Authority created pursuant to the Act as an agency of the City, and any board or commission succeeding to the principal functions thereof or upon whom the powers conferred by the Act to said Authority shall be given by law. As used herein, the term Authority

means the Greater Orlando Aviation Authority, acting on behalf of itself and the City.

"Authorized Newspapers" means both a newspaper or financial journal customarily published at least once a week, printed in the English language and of general circulation in the City, and a newspaper or financial journal customarily published at least once a day for at least five days (other than legal holidays) in each week, printed in the English language and of general circulation in The City of New York, New York.

"Authorized Officer of the Authority" means the Chairman, the Vice-Chairman, the Treasurer or the Secretary of the Board, or any other officer or employee of the Authority authorized by resolution of the Authority to perform specific acts or duties related to the subject matter of the authorization.

"Authorized Officer of the City" means the Mayor of the City, the City Clerk, or any other officer or employee of the City authorized by resolution of the City Council to perform specific acts or duties related to the subject matter of the authorization.

"Available CFC Account" has the meaning set forth in Section 727 hereof.

"Available CFC Revenues" means, for any period of time, the amount of CFCs specified in a Supplemental Resolution or other resolution duly adopted by the Board pursuant to Section 727 hereof.

"Available PFC Account" has the meaning set forth in Section 727 hereof.

"Available PFC Revenues" means, for any period of time, the amount of Passenger Facilities Charges specified in a Supplemental Resolution or other resolution duly adopted by the Board pursuant to Section 727 hereof.

"Available Revenues" means for any period of time, (i) the amount of Available PFC Revenues and Available CFC Revenues to be received by the Authority during such period and (ii) the amount of any other future income or revenue source not then included in the definition of "Revenues" and which the Authority designates as "Available Revenues" in a future Supplemental Resolution duly adopted by the Board; provided, however that any such Supplemental Resolution shall also establish a corresponding account and other functional provisions for the receipt, deposit and application of such source of income or revenue substantially similar to what is currently provided in Section 727 hereof for Available PFC Revenues and Available CFC Revenues.

"Board" means the Greater Orlando Aviation Authority Board, the governing body of the Authority.

"Bond" or "Bonds" means any bond or bonds and all other evidences of indebtedness authenticated and delivered pursuant to the Resolution.

"Bond Fund" means the Airport Facilities Bond Fund established by Section 402.

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

"Bond Obligation" means as of the date of computation, the sum of: (i) the principal amount of all Bonds then Outstanding other than Capital Appreciation Bonds, and (ii) the Accreted Value of all Capital Appreciation Bonds then Outstanding.

"Bond Proceeds" means all amounts received on the sale of a Series of Bonds.

"Capital Appreciation Bonds" means Bonds that bear interest at a compounded rate which is payable only at maturity or upon prior redemption thereof or Bonds issued at a discount from par value that bear no stated interest and appreciate in value over time.

"Capital Expenditures Fund" means the Airport Facilities Capital Expenditures Fund established by Section 402.

"Capitalized Interest" means the proceeds of Bonds or other moneys deposited with the Trustee or other Fiduciary, the application of which is limited by the terms of the applicable Supplemental Resolution or Issuing Instrument to the payment of interest on specified Bonds for a specified period.

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

"City Council" means the City Council of the City and any successor body.

"Composite Reserve Requirement" means an amount of money or available amount under one or more Reserve Products, or a combination thereof, equal to the lesser of (i) the Maximum Aggregate Debt Service calculated with respect to all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Subaccount, (ii) 125% of the average annual Aggregate Debt

Service calculated with respect to all Series of Bonds outstanding hereunder that are secured by the Composite Reserve Subaccount, or (iii) 10% of the aggregate stated principal amount of all Series of Bonds Outstanding hereunder that are secured by the Composite Reserve Subaccount; provided, however, that in determining the aggregate stated original principal amount of all Bonds Outstanding hereunder for purposes of (iii), the issue price of a Series (net of pre-issuance accrued interest) shall be substituted for the original principal stated amount of that Series if the Series was sold at either an original issue discount or premium exceeding two percent (2%) of the stated redemption price at maturity of such Series.

"Composite Reserve Subaccount" means the subaccount in the Debt Service Reserve Account established pursuant to Section 402.

"Construction Fund" means the Airport Facilities Construction Fund established by Section 402.

"Consulting Engineers" means the engineer or engineering firm or corporation at the time retained by the Authority pursuant to Section 715 to perform the acts and carry out the duties provided for such Consulting Engineers in this Resolution.

"Cost of Construction," with respect to any Additional Project, means the Authority's costs properly attributable to the construction or acquisition thereof, including but not limited to, the cost of acquisition by or for the Authority of real or personal property or other interest therein, costs of physical construction, and costs of the Authority incidental to such construction or acquisition, the cost of any indemnity and surety bonds and premiums on insurance during construction, engineering expenses, legal fees and expenses, cost of audits, fees and expenses of the Fiduciaries and costs of financing, administrative and general overhead and keeping accounts and making reports required by the Resolution prior to commencement of operation of such Additional Project, amounts, if any, required by the Resolution to be paid into any Fund or Account established under the Resolution upon the issuance of any Series, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Authority (other than the Bonds) incurred for such Additional Project, costs of machinery, equipment and supplies and initial working capital and reserves required by the Authority for the commencement of operation of such Additional Project, and may include reimbursement to the Authority for any such items of Cost of Construction theretofore paid by or on behalf of the Authority and such other costs and expenses as provided by Supplemental Resolution.

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

"Credit Provider" means, with respect to any Series of Bonds, the issuer of municipal bond insurance policy, letter of credit, surety bond or other credit facility insuring or securing all or a portion of the payment, when due, of the principal of and interest on such Series of Bonds.

"Customer Facility Charges" or "CFCs" means all amounts received by the Authority from the charges imposed by car rental companies upon car rental customers arriving at Orlando International Airport and renting a vehicle from a car rental company serving such Airport, which charges are established by the Authority by resolution, as the same may be amended from time to time, and shall be collected by the car rental companies for the benefit of the Airport System, together with any interest earnings thereon.

"Debt Service" for any period means, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series (other than Capital Appreciation Bonds), except to the extent that such interest is to be paid from deposits (including investment income thereon) in the Debt Service Account made from Bond Proceeds or other amounts available therein, and (ii) that portion of each Principal Installment for such Series of Bonds, which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of such Series, whichever is later). Such interest and Principal Installment for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

Except as otherwise provided herein, for purposes of calculating Debt Service with respect to Variable Rate Bonds, Variable Rate Bonds other than Taxable Bonds shall be assumed to bear interest at 125% of the Tax-Exempt Variable Rate Index as of the date of calculation and Variable Rate Taxable Bonds shall be assumed to bear interest at the Taxable Variable Rate Index as of the date of calculation.

If a Series of Bonds is subject to purchase by the Authority pursuant to a mandatory or optional tender by the holder, the "tender" date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation.

The interest rate for Variable Rate Bonds for purposes of determining the amount, if any, to be deposited into a subaccount in the Debt Service Reserve Account for such Variable Rate Bonds shall be as required by the Supplemental Resolution authorizing the issuance of such Variable Rate Bonds; provided, however, that if no other assumption is provided, the assumptions provided above shall apply.

Other than for purposes of Section 1201 hereof, if, with respect to any portion of Debt Service, the Authority enters into a Qualified Derivative Agreement providing for Qualified Derivative Payments to the Authority which are pledged to the payment of Debt Service in an amount equal to interest on a notional amount equal to the principal portion of such Debt Service (which may include the principal of all or a portion of one or more Series of Bonds), based upon a fixed rate or a variable rate index or formula different from that used to calculate interest on the principal portion of such Debt Service, then the effective synthetic rate of interest to the Authority with respect to such principal portion of Debt Service taking into account (i) the actual interest rate borne by such principal portion of Debt Service, (ii) payments to be received by the Authority pursuant to such Qualified Derivative Agreement and (iii) payment obligations of the Authority to the counterparty under such Qualified Derivative Agreement, all based upon interest on such notional amount as determined by reference to a fixed rate or variable rate index or formula, shall be used for purposes of this definition as the actual rate of interest with respect to such principal portion of Debt Service.

If two Series of Variable Rate Bonds, or one or more maturities within a Series, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Bonds taken as a whole, such composite fixed rate shall be used in determining the Debt Service with respect to such Bonds.

With respect to Designated Maturity Bonds, the unamortized principal coming due on the final maturity date thereof shall be ignored and in lieu thereof there shall be added to the Debt Service for the Bond Year in which such final maturity occurs and to each Bond Service Year thereafter through the 30th anniversary of the issuance of such Bonds (the "Reamortization Period") the amount of substantially level principal and interest payments (assuming for such purposes such interest rate as a financial advisor selected by the Authority and having national experience in the pricing of municipal bonds shall determine is a reasonable estimate of the rate that such Designated Maturity Bonds would bear based upon such Reamortization Period and the characteristics of such Designated Maturity Bonds) that if paid in each year during the Reamortization Period would be sufficient to pay in full the unamortized portion of such Designated Maturity Bonds by such anniversary.

If moneys or Permitted Investments have been irrevocably deposited with and are held by the Trustee or another Fiduciary or Capitalized Interest has been set aside exclusively to be used to pay Debt Service on specified Bonds, then the Debt Service to be paid from such moneys, Permitted Investments, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Debt Service.

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

If all or any portion of the interest or principal due or coming due on Bonds is paid or expected to be paid from cash subsidy payments or other similar payments made or expected to be made by the United States Treasury or other federal or State governmental entity to or on behalf of the Authority, the amount of principal or interest so paid or expected to be paid shall not be included in calculating Debt Service.

"Debt Service Account" means the Airport Facilities Debt Service Account established within the Bond Fund by Section 402.

"Debt Service Reserve Account" means the Debt Service Reserve Account established within the Bond Fund by Section 402.

"Debt Service Reserve Requirement" means, with respect to the Composite Reserve Subaccount, the Composite Reserve Requirement; and with respect to each Series of Bonds issued hereunder that is not secured by the Composite Reserve Subaccount, the amount of money, if any, or available amount of Reserve Product, if any, or any combination thereof, required by Supplemental Resolution adopted prior to the issuance of such Series of Bonds to be maintained in the subaccount in the Debt Service Reserve Account with respect to such Series of Bonds pursuant to Section 405-1(3) hereof, as applicable, and which amount shall be available for use only with respect to such Series of Bonds.

"Depository" means any bank or trust company qualified under Section 601, selected by the Authority pursuant to the Resolution and approved in writing by the Trustee as a depository of moneys and securities held under the provisions of the Resolution, and may include the Trustee.

"Designated Maturity Bonds" means Bonds of a Series designated as such by Supplemental Resolution adopted in connection with the issuance thereof.

for which either (i) no serial maturities or Sinking Fund Installments prior to the maturity thereof have been established, or (ii) the aggregate of such serial maturities and Sinking Fund Installments that have been established is less than the amount necessary to amortize such Bonds on a substantially level debt service basis.

"Discretionary Fund" means the Airport Facilities Discretionary Fund established by Section 402.

"Event of Default" shall have the meaning given to such term in Section 801.

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

"FAA Regulations" means the regulations of the FAA contained in Title 14, Part 158, Code of Federal Regulations, as amended from time to time, pertaining to the imposition, collection and use of PFCs.

"Fiduciary" means the Trustee, Special Trustee and any Paying Agent, or any or all of them as may be appropriate.

"Fiscal Year" means the then current annual accounting period of the Authority for its general accounting purposes which period, at the time of the adoption of the Resolution, is the period of twelve consecutive calendar months ending with the last day of September of any year.

"Fitch" means Fitch Investors Service, L.P., a limited partnership organized and existing under the laws of the State of New York, its successors and assigns and, if such entity shall no longer perform the function of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Improvement and Development Fund" means the Airport Facilities Improvement and Development Fund established by Section 402.

"Insurance Consultant" shall have the meaning specified in Section 712 hereof.

"Investment Securities" means any of the following securities, if and to the extent the same are at the time legal for investment of moneys and funds held under the Resolution:

- (i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are

unconditionally guaranteed by, the United States of America, including obligations of any federal agency to the extent such obligations are unconditionally guaranteed by the United States of America ("United States Obligations");

(ii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Association;

(iii) New Housing Authority Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(iv) negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States or any national banking association (including any Depositary or Paying Agent), provided that such certificates of deposit must be purchased directly from such bank, trust company or national banking association and must be either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, or (b) continuously and fully secured by such securities as are described in clauses (i) through (iii), inclusive, above which have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and are lodged with any Federal Reserve Bank, as custodian, by the bank, trust company or national banking association issuing such certificate of deposit. Additionally, the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured must furnish the Authority with an undertaking satisfactory to the Authority that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit;

(v) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association secured by any one or more of the securities described in clauses (i), (ii) or (iii) above;

(vi) pre-refunded obligations of any state or of any agency, instrumentality or local governmental unit of any such state meeting the following conditions:

(A) the obligations are not to be redeemed prior to maturity or the fiduciary for such obligations has been given irrevocable instructions concerning their calling and redemption;

(B) the obligations are secured by cash or United States Obligations that may be applied only to interest, principal and redemption premium payments of such obligations;

(C) the principal of and interest on the United States Obligations (plus any cash in the escrow fund) have been verified by an independent certified public accountant as being sufficient to pay the principal of, redemption premium, if any, and interest on such obligations on the maturity dates or redemption dates specified in the irrevocable instructions referred to in clause (A) above;

(D) the United States Obligations and cash serving as security for the obligations are held by an escrow agent or trustee;

(E) the United States Obligations and cash are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(F) the obligations are rated in the highest rating category by Moody's and S&P;

(vii) units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to applicable state law as a legal depository of public moneys;

(viii) commercial paper rated, at the time of purchase, at a minimum of "Prime-1" by Moody's and "A-1" or better by S&P (prime commercial paper) or equivalent ratings by two Rating Agencies;

(ix) interest-bearing time deposits or savings accounts in banks organized under the laws of Florida, in national banks organized under the laws of the United States and doing business and situated in Florida, in savings and loan associations located in Florida and organized under federal law and under federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;

(x) direct general obligations of any state of the United States of America or any political subdivision, agency or municipality thereof whose unsecured, uninsured or unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's and "A" or better by S&P, or any obligation fully and unconditionally guaranteed by any such state, political subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated at the time of purchase, "A" or better by Moody's and "A" or better by S&P;

(xi) tax-exempt revenue bond obligations of any state of the United States of America or any political subdivision, agency, municipality or governmental unit thereof rated at the time of purchase at least "Aa" by Moody's and at least "AA" by S&P;

(xii) any certificates, receipts or similar instruments ("Certificates") which were issued by or pursuant to a trust or similar arrangement and which evidence ownership or the right to receive payments of principal or interest or any securities (a) issued by a state of the United States of America or any political subdivision, agency, municipality or governmental unit thereof and (b) meeting the requirements set forth in clauses (iii), (vi), (x) or (xi) above ("Municipal Securities"), which Municipal Securities are held pursuant to such trust or similar agreement for the benefit of the holders of such Certificates; provided, however, that the holders of such Certificates are entitled to rely on an opinion of counsel rendered by a nationally recognized tax counsel that interest received on the Certificates by such holders is excluded from gross income for federal income tax purposes

under the Code and is not treated as an item of tax preference for purposes of the alternative minimum tax and is not subject to any similar tax under the Code, unless all tax-exempt bonds are subject to such tax; and

(xiii) such other investments as the Authority is permitted to make with general funds of the Authority.

"Issuing Instrument" means, with respect to Subordinated Indebtedness and Secondary Subordinated Indebtedness described in Section 414 hereof, the indenture, trust agreement, loan agreement, lease, installment purchase agreement, revolving credit agreement, or other instrument or agreement pursuant to which such obligations are issued or incurred.

"Maturity Amount" means the amount payable at maturity of a Capital Appreciation Bond consisting of the original principal amount thereof or discounted principal value (original offering price) and interest or principal accreted thereon to the maturity date thereof, as determined by reference to the accreted value tables contained or referred to in such Bond.

"Maximum Aggregate Debt Service" means, as of any date of calculation, an amount equal to the greatest amount of Aggregate Debt Service for the current or any future Fiscal Year.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall no longer perform the function of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally-recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Net Revenues" means the Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means the Authority's expenses for operation, maintenance, repairs, ordinary replacement and ordinary reconstruction of the Airport System and shall include, without limiting the generality of the foregoing, administrative expenses, insurance premiums, legal and engineering expenses, payments to pension, retirements, group life insurance, health and hospitalization funds, or other employee benefit funds, and any other expenses required to be paid by the Authority under the provisions of this Resolution or by law or consistent with standard practices for airports similar to the properties and business of the Airport System and applicable in the circumstances, the expenses, liabilities and compensation of the Fiduciaries required to be paid under this Resolution and all to the extent properly attributable to the Airport

System. "Operation and Maintenance Expenses" shall not include any capital expense, depreciation expense, or any other operation or maintenance expense funded by Special Purpose Facility Debt or funded by any source other than Revenues.

"Operation and Maintenance Fund" means the Airport Facilities Operation and Maintenance Fund established by Section 402.

"Operation and Maintenance Reserve Account" means the Operation and Maintenance Reserve Account established within the Operation and Maintenance Fund by subsection 3 of Section 408.

"Outstanding" or "outstanding," when used with reference to Bonds, means as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered under the Resolution except (a) any Bond cancelled at or before said date, (b) any Bond (or portion of Bonds) for the payment or redemption of which moneys equal to the principal amount (or, with respect to Capital Appreciation Bonds, Maturity Amount) or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall have theretofore been deposited with one or more of the Fiduciaries in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with Article V or provision satisfactory to the Trustee shall have been made for the giving of such notice, (c) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III or Section 506 or Section 1006, and (d) any Bond deemed to have been paid as provided in subsection 2 of Section 1201.

"Paying Agent" means any bank or trust company designated by the Authority as paying agent for the Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Resolution. Notwithstanding any provisions hereof to the contrary, the Authority may serve as Paying Agent for a Series of Bonds.

"PFC Account" means the PFC Account established in the Discretionary Fund by Section 402.

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

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

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

"Pledged Funds" means (1) proceeds of the sale of Bonds, (2) the Revenues, (3) all moneys and investments on deposit in all funds, accounts and subaccounts established by the Resolution (excluding any fund established to pay rebatable arbitrage), provided moneys in a subaccount of the Debt Service Reserve Account shall secure only the Series of Bonds designated by Supplemental Resolution to be secured by such subaccount, and (4) any Available Revenues, provided such Available Revenues shall secure only the Series of Bonds to which they are pledged pursuant to a Supplemental Resolution.

"Principal Installment" means, as of any date of calculation and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series (other than the Capital Appreciation Bonds) and the Maturity Amount of the Capital Appreciation Bonds of such Series, in each case, due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in subsection 5 of Section 411 or Section 504) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount, or Accreted Value with respect to Capital Appreciation Bonds, equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds other than Capital Appreciation Bonds and the Maturity Amount of Capital Appreciation Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any, for such Bonds.

"Qualified Derivative Agreement" means an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement the purpose of which is to manage the effective interest cost on the Authority's outstanding debt, between the Authority and a counterparty whose long-term unsecured debt is at all times rated at least "A" or the equivalent by S&P and "A2" or the equivalent by Moody's, creating Qualified Derivative Payments and designated by the Authority as a Qualified Derivative Agreement for purposes of this Airport Facilities Revenue Bond Resolution. In the event the credit rating of the counterparty to a Qualified Derivative Agreement is reduced below such rating categories, such agreement shall no longer constitute a Qualified Derivative Agreement for purposes hereof.

"Qualified Derivative Payment" means a payment to the Authority by a counterparty pursuant to a Qualified Derivative Agreement, the amount of which

is equal to interest on a notional amount, based upon a fixed rate or a variable rate index or formula.

"Qualified Self Insurance" shall have the meaning specified in Section 712 hereof.

"Rating Agency" means as of any time, and to the extent it is then providing or maintaining a rating on Bonds outstanding hereunder at the request of the Authority, Fitch, Moody's, S&P, or any other nationally recognized statistical ratings organization.

"Redemption Price" means, with respect to any Bond, the principal amount or, with respect to Capital Appreciation Bonds, the Accreted Value to the redemption date of such Bond, plus (in either case) the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Refunding Bonds" means all Bonds, whether issued in one or more Series, authenticated and delivered pursuant to Section 205, and thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 506 or 1006.

"Renewal and Replacement Fund" means the Airport Facilities Renewal and Replacement Fund established by Section 402.

"Released Revenues" means a category of income, receipts and other revenues of the Authority which are excluded from the definition of "Revenues" pursuant to Section 416.

"Reserve Product" means bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in the Composite Reserve Subaccount or any other subaccount in the Debt Service Reserve Account and meeting the terms and conditions of Section 405-1(3) of this Resolution, as applicable.

"Reserve Product Provider" means a bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities, at the time such Reserve Product is obtained, results in such issues (as of the date such Reserve Product is delivered) being rated in one of the two highest full rating categories by each of the Rating Agencies; provided, however, that nothing herein shall require the Authority to obtain a rating on any Bonds issued under this Resolution.

"Resolution" means this Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of City of Orlando, Florida, as the same may from time to time be amended or supplemented by a Supplemental Resolution in accordance with the terms hereof and as the same may be amended and restated from time to time, including by the Amended and Restated Bond Resolution, approved on September 16, 2015.

"Revenue Fund" means the Airport Facilities Revenue Fund established by Section 402.

"Revenues" means

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

(ii) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are lawfully available for the payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness, or payment of Operation and Maintenance Expenses;

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

(iv) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the

Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto; and

(v) Special Purpose Facility Revenues, to the extent designated as Revenues by Supplemental Resolution.

The term "Revenues" shall not include:

(a) any revenue or income from Orlando Executive Airport or any additions, extensions or improvements thereto unless Orlando Executive Airport is added to the Airport System as provided in the definition of "Airport System.";

(b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are not lawfully available for the payment of Operation and Maintenance Expenses or payment of debt service with respect to any Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness;

(c) insurance proceeds, to the extent used by the Authority to repair or replace damaged property or to the extent the use of such proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of Operation and Maintenance Expenses or the payment of debt service with respect to Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness;

(d) any Transfers;

(e) any Released Revenues;

(f) any unrealized gains on securities held for investment by or on behalf of the Authority;

(g) any gains resulting from changes in valuation of any Qualified Derivative Agreement;

(h) any unrealized gains from the write-down, reappraisal or revaluation of assets;

(i) the proceeds of Bonds, Subordinated Indebtedness and Secondary Subordinated Indebtedness;

(j) Passenger Facility Charges;

(k) Customer Facility Charges;

(l) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds, Subordinated Indebtedness or Secondary Subordinated Indebtedness;

(m) Subordinated Pledged Revenues;

(n) cash subsidy payments or similar payments made by the U.S. Treasury or other federal or State governmental entity to or on behalf of the Authority for payment coming due on the Bonds or any portion thereof;

(o) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code;

(p) interest earnings or other investment earnings on any Account in the Construction Fund established by any Supplemental Resolution unless otherwise provided in such Supplemental Resolution; and

(q) Special Purpose Facility Revenues, except as otherwise provided by Supplemental Resolution.

"Secondary Subordinated Indebtedness" means any evidence of debt referenced in, and complying with the provisions of, Section 414.

"Series" means all Bonds, including Additional Bonds, authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 506, or Section 1006, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

"Sinking Fund Installment" means, an amount so designated which is established pursuant to paragraph (2)(h) of subsection 1 of Section 202.

"Special Purpose Facilities" means any capital improvements or facilities specifically designated as such by the Authority pursuant to Section 722 hereof.

"Special Purpose Facility Debt" means any evidence of debt referred to in, and complying with the provisions of, Section 722 hereof.

"Special Purpose Facility Revenues" means (i) the revenues, income, rentals, payments or other charges arising from, or generated by or to be derived by the Authority with respect to, one or more Special Purpose Facilities which are pledged to secure Special Purpose Facility Debt, and (ii) moneys on deposit in the Discretionary Fund, Subordinated Pledged Revenues or contractual payments made or received by the Authority which the Authority has either pledged or agrees may be pledged by the owner, operator or user of one or more Special Purpose Facilities to secure Special Purpose Facility Debt.

"Special Trustee" means the special trustee appointed pursuant to Article IX, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

"Standard & Poor's" or "S&P" means Standard & Poor's, a Division of The McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee.

"Subordinated Indebtedness" means any evidence of debt referred to in, and complying with the provisions of, Section 414.

"Subordinated Pledged Revenues" means, with respect to Subordinated Indebtedness or Secondary Subordinated Indebtedness, such moneys, revenues and income which shall be pledged to payment of such Subordinated Indebtedness or Secondary Subordinated Indebtedness, other than Revenues.

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

"Tax-Exempt Bonds" shall have the meaning provided in Section 728 hereof.

"Tax-Exempt Variable Rate Index" means the average of the PSA Municipal Swap Index for the twelve (12) months preceding the date of calculation,

or, in connection with the issuance of Bonds, the twelve (12) calendar months preceding the date of pricing of the Bonds to be issued, or, if such index is no longer published, the Tax Exempt Variable Rate Index shall be determined in accordance with such formula or index or in such manner as the Authority shall in good faith determine will provide substantially the same rate and, if the Authority has Bonds outstanding hereunder rated by the Rating Agencies, then with respect to which the Authority receives confirmation from such Rating Agencies that the calculation of the Tax Exempt Variable Rate Index in such manner will not result in a reduction or withdrawal of the then applicable rating on the Bonds.

"Taxable Bonds" shall have the meaning provided in Section 728 hereof.

"Taxable Variable Rate Index" means the average yield on 30-day United States Treasury Bills for the twelve (12) calendar months preceding the date of calculation, or, in connection with the issuance of Bonds, the twelve (12) calendar months preceding the date of pricing of the Bonds to be issued, plus fifty (50) basis points.

"Transfer" shall have the meaning provided in Section 711 hereof.

"Trustee" means the trustee appointed pursuant to Article IX, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

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

SECTION 102. Authority for this Resolution. This Airport Facilities Revenue Bond Resolution is adopted pursuant to the provisions of the Act.

SECTION 103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Authority with the Holders of the Bonds and shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds and the coupons appertaining thereto; and the pledge made in this Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for equal benefit, protection and security of the Holders of any and all of the Bonds and coupons appertaining thereto, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons appertaining thereto over any other thereof except as expressly provided in or pursuant to this Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 201. Authorization of Bonds.

1. This Resolution creates an issue of Bonds of the City to be designated as "Airport Facilities Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as is or may hereafter be provided in the Resolution or as limited by law.

2. The Bonds may, if and when authorized by the Authority pursuant to this Resolution or one or more Supplemental Resolutions, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series, as the Authority may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Nothing contained in the Resolution shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Resolution of any Bonds of two or more separate Series authorized pursuant to such Supplemental Resolution to be issued pursuant to any of the provisions of Sections 202, 203, 204 and 205 into a single Series of Bonds for purposes of sale and issuance; provided that each of the tests, conditions and other requirements contained in Sections 202, 203, 204 and 205 as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Resolution, such a consolidated Series shall be treated as a single Series for all purposes of the Resolution.

SECTION 202. General Provisions for Issuance of Bonds.

1. All (but not less than all) the Bonds of each Series shall be executed by the City and countersigned by the Authority for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) A written order as to the delivery of such Bonds, signed by an Authorized Officer of the Authority;

(2) In the case of each Series of Bonds or Refunding Bonds, a copy or copies of the Supplemental Resolution or Supplemental

Resolutions authorizing such Bonds and determining (or delegating to one or more Authorized Officers authorization to determine) the terms and details thereof, certified by an Authorized Officer of the Authority, which shall specify (or delegate authority to one or more Authorized Officers to specify):

(a) The authorized principal amount, designation and Series of such Bonds;

(b) The purposes for which such Series of Bonds is being issued, which shall be (i) one or more of the purposes specified in Sections 203 or 204, or (ii) the refunding of Bonds or certain other obligations as provided in Section 205;

(c) The date, and the maturity date or dates, of the Bonds of such Series, provided that each maturity date shall fall upon an interest payment date;

(d) The interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, which rate or rates may include variable, adjustable, convertible, auction reset or other rates, original issue discounts, Capital Appreciation Bonds and zero coupon bonds, and the interest payment dates, if any, therefor;

(e) The denominations of, and the manner of dating, numbering and lettering, the Bonds of such Series;

(f) The Paying Agent or Paying Agents and the place or places of payment of the principal of, redemption premium, if any, and interest on, the Bonds of such Series;

(g) The Redemption Price or Prices, if any, and subject to Article V, the redemption terms for the Bonds of such Series; provided that if such Bonds shall be redeemable by application of any Sinking Fund Installment within the period during which such Sinking Fund Installment (as a Principal Installment) shall be deemed to accrue in accordance with the definition of Debt Service, the sinking fund Redemption Price applicable within such period shall be the same as that applicable on the due date of such Sinking Fund Installment;

(h) The amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon an interest payment date for such Bonds;

(i) If so determined by the Authority, the provisions for the sale of the Bonds of such Series;

(j) The forms of the Bonds of such Series, of the coupons to be attached to the coupon Bonds of such Series and of the Trustee's certificate of authentication;

(k) The provisions for the applications of proceeds of such Series of Bonds;

(l) A designation as to whether such Series of Bonds shall be secured by the Composite Reserve Subaccount, a separate subaccount in the Debt Service Reserve Account, or no debt service reserve, and, if secured by a separate subaccount in the Debt Service Reserve Account, the Debt Service Reserve Requirement with respect thereto;

(m) The terms, if any, upon which the holder of such Bond may elect, or may be required, to tender such Bonds for purchase by the Authority or its designated agent; and

(n) A copy of a resolution of the City Council, certified by the City Clerk, approving the issuance of the Bonds to be authenticated.

(3) The amount, if any, necessary, for deposit in the Debt Service Reserve Account in the Bond Fund so that such Account shall equal the applicable Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such Series of Bonds;

(4) Except in the case of Refunding Bonds issued for purposes of refunding Outstanding Bonds, a certificate executed by an Authorized Officer of the Authority and an Authorized Officer of the City stating that neither the Authority nor the City is in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution;

(5) A Counsel's Opinion to the effect that (i) the Authority has the right and power under the Act to adopt the Resolution and the Resolution has been duly and lawfully adopted by the Authority and approved by the City Council, is in full force and effect and is valid and binding upon the Authority and the City, and is enforceable in accordance with its terms (except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar

laws relating to the enforcement of creditors' rights) and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge which it purports to create of the moneys, securities and Funds held or set aside under the Resolution and of all Revenues, subject in each case to the application thereof to the purposes and on the conditions permitted by the Resolution; and (iii) the Bonds of such Series are valid and binding limited obligations of the City as provided in the Resolution, and are enforceable in accordance with their terms and the terms of the Resolution (except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights) and entitled to the benefits of the Resolution and of the Act, as amended to the date of such Opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, as amended to the date of such Opinion, and in accordance with the Resolution;

(6) Such further documents, moneys and securities as are required by the provisions of Sections 203, 204 or 205 or Article X or any Supplemental Resolution adopted pursuant to Article X.

2. After the original issuance of Bonds of any Series, except as otherwise provided by Supplemental Resolution, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 506 or 1006.

SECTION 203. ~~[Deleted]~~.

SECTION 204. Additional Bonds.

1. One or more Series of Additional Bonds may be authorized and delivered upon original issuance for the purpose of paying the Cost of Construction of any Additional Project. The Bonds of any such Series shall be authenticated and delivered by the Trustee only upon receipt by it from the Authority (in addition to the documents and moneys required by Section 202) of the following documents:

(a) An Authorized Officer of the Authority or an Airport Consultant has provided a certificate stating that Net Revenues and any Subordinated Pledged Revenues for either the most recent Fiscal Year for which audited financial statements of the Airport System are available or any 12 consecutive months out of the most recent 24 consecutive months immediately preceding the month of issuance of the proposed Additional Bonds would be sufficient if the same amount were received over the next three full Fiscal Years, to

satisfy the rate covenant set forth in Section 711 hereof (provided Subordinated Pledged Revenues shall not be utilized in determining compliance with the provisions of Section 711.2 hereof), when considering the projected Aggregate Debt Service on such proposed Additional Bonds for each of the next three full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from the issuance of the Additional Bonds during which there is no Capitalized Interest funded from proceeds of such Additional Bonds, whichever is later, including the Aggregate Debt Service during such Fiscal Years on such proposed Additional Bonds; or

(b) An Airport Consultant has provided a certificate stating that, based upon assumptions the Airport Consultant deems reasonable, projected Net Revenues and any Subordinated Pledged Revenues, will be sufficient to satisfy the rate covenant set forth in Section 711 hereof (provided Subordinated Pledged Revenues shall not be utilized in determining compliance with the provisions of Section 711.2 hereof), when considering the projected Aggregate Debt Service on such proposed Additional Bonds for each of the next three full Fiscal Years following issuance of the Additional Bonds, or each of the next two full Fiscal Years from issuance of the Additional Bonds during which there is no Capitalized Interest funded from proceeds of such Additional Bonds, whichever is later, including Aggregate Debt Service during such Fiscal Years on such proposed Additional Bonds.

For purposes of 1(a) above, the Authority or Airport Consultant shall be allowed to adjust Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Additional Bonds but which, during the Fiscal Year or 12-month period utilized by the Authority for purposes of 1(a) above, was not in effect for the entire Fiscal Year or 12-month period under consideration, in an amount equal to the amount by which the Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole Fiscal Year or 12-month period under consideration, as determined by an Authorized Officer of the Authority or Airport Consultant.

For purposes of 1(b) above, in estimating Revenues, the Airport Consultant may take into account (i) Revenues from new Airport System facilities or other new capital improvements reasonably expected to become available during the period for which the estimates are provided, (ii) any increase in fees, rates, charges, rentals or other sources of Revenues which has been approved by the Board and will be in effect during the period for which the estimates are provided, or (iii) any other increases in Revenues which the Airport Consultant believes to be a reasonable assumption for such period. With respect to Operation and

Maintenance Expenses, the Airport Consultant shall use such assumptions as such Airport Consultant believes to be reasonable, taking into account: (a) historical Operation and Maintenance Expenses, (b) Operation and Maintenance Expenses associated with the capital improvements to be funded with the proceeds of the Additional Bonds proposed to be issued and any other new capital improvements and Airport System facilities, and (c) such other factors, including inflation and changing operations or policies of the Authority, as the Airport Consultant believes to be appropriate. The Airport Consultant shall include in such certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Revenues and shall also set forth the calculations of Aggregate Debt Service, which calculations may be based upon information provided by the Authority.

For purposes of preparing the certificate or certificates described above, the Authorized Officer of the Authority or Airport Consultant, as applicable, may rely upon financial statements prepared by the Authority which have not been subject to audit by an independent certified public accountant or firm of independent certified public accountants if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Officer of the Authority shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles.

Neither of the certificates described under 1(a) or 1(b) above shall be required if the proceeds of Additional Bonds being issued will be used to pay costs of completing the construction of an Additional Project for which Bonds have previously been issued and the principal amount of such Additional Bonds being issued for completion purposes does not exceed an amount equal to 10% of the principal amount of the Bonds originally issued for such Additional Project as shown in a written certificate of an Authorized Officer of the Authority and there is provided (i) a certificate of an Authorized Officer of the Authority or an Airport Consultant stating that the nature and purpose of such Additional Project has not materially changed and that the proceeds of such Additional Bonds plus any other moneys in the Construction Fund available to pay the Costs of Construction of such Additional Project are expected to be sufficient to pay the Costs of completing the Construction of the Additional Project, and (ii) a certificate of an Authorized Officer of the Authority to the effect that (a) all proceeds (including investment earnings on amounts in the Construction Fund allocable to such Additional Project) of the Bonds issued to finance such Additional Project have been or will be used to pay Costs of Construction of the Additional Project, indicated the amount of such proceeds and investment earnings; and (b) the then estimated Costs of the Construction of the Additional Project.

2. The proceeds, including accrued interest, of the Additional Bonds of each Series shall be applied simultaneously with the delivery of such Bonds in accordance with the Supplemental Resolution authorizing such Bonds or determining the terms and details thereof.

3. The Supplemental Resolution authorizing a Series of Additional Bonds may provide that the holder of any Bond of such Series may demand payment of principal and interest from the Authority within a stated period after delivering notice to a designated agent for the Authority and providing a copy of the notice with the tender of the Bond to such agent and may provide that under certain circumstances the Holder thereof may be required to tender its Bond for purchase. The designated agent for the Authority, in accordance with the terms of a remarketing or replacement agreement, may provide for the resale or redelivery of the Bonds on behalf of the Authority at a price provided for in the agreement. If the Bonds shall not be resold or redelivered within a stated period, the agent for the Authority may be authorized to draw upon a previously executed credit or liquidity agreement between the Authority and one or more banks or other financial or lending institutions permitting the Authority to borrow for payment of the purchase price of the Bonds to which such credit agreement shall pertain. The particular form or forms of such demand provisions, the period or periods for payment of principal and interest after delivery of notice, the appointment of the agent for the Authority, the terms and provisions of the remarketing or replacement agreement, and the terms and provisions of the credit or liquidity agreement shall be as designated by a Supplemental Resolution of the Authority adopted prior to the sale of the applicable Series of Bonds.

Unless otherwise provided by Supplemental Resolution adopted prior to the issuance of the applicable Series of Bonds, a purchase of Bonds by or through a remarketing agent, trustee, auction agent, credit facility provider or the Authority pursuant to an optional or mandatory tender shall not be deemed a redemption of such Bonds and will not be deemed to extinguish or discharge the indebtedness evidenced by such Bonds. Any Bonds purchased by or on behalf of the Authority pursuant to an optional or mandatory tender shall be purchased with the intent that the indebtedness evidenced by such Bonds shall not be extinguished or discharged; such indebtedness shall not be extinguished or discharged and such Bonds shall remain outstanding hereunder unless and until such Bonds are delivered to the Trustee or Paying Agent therefor for cancellation.

SECTION 205. Refunding Bonds.

1. One or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund (a) all Outstanding Bonds of one or more Series or all or any portion of one or more maturities within a Series, or (b) any Subordinated Indebtedness. Refunding Bonds shall be issued in a principal

amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds under the Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds or determining the terms and details thereof.

2. Refunding Bonds of each Series issued to refund one or more Series of Outstanding Bonds, or one or more maturities, or any portion of a maturity, within a Series shall be authenticated and delivered by the Trustee only upon receipt by it from the Authority (in addition to the documents and moneys required by Section 202) of:

(1) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(2) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding 60 days, irrevocable instructions to the Trustee, satisfactory to it, to make due publication of the notice provided for in Section 1201 to the Holders of the Bonds and coupons being refunded;

(3) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of subsection 2 of Section 1201 and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2;

(4) Either of the following: (i) a certificate of an Authorized Officer of the Authority setting forth (1) the Aggregate Debt Service through the date of the latest maturity of any Bonds of any Series then Outstanding (A) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (B) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (2) that the Aggregate Debt Service set forth pursuant to (B) above is no greater than that set forth pursuant to (A) above; or (ii) the certificates required by subsection 1 of Section 204 evidencing that such Series of Refunding Bonds meets the

tests provided for by such subsection 1 considering, for all purposes of such certificate and tests, that such Series of Refunding Bonds is a Series of Additional Bonds.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Bonds for the purpose of making deposits in such Funds and Accounts under the Resolution as shall be provided in the Supplemental Resolution authorizing such Bonds or determining the terms and details thereof and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

3. Each Series of Refunding Bonds issued pursuant to clause (b) of subsection 1 of this Section to refund any outstanding Subordinated Indebtedness shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by Section 202) of:

(1) Each of the documents referred to in subsection 1 of Section 204;

(2) A certificate of the Trustee (which can be based upon a verification report) then duly appointed or acting under the indenture, resolution or other appropriate instrument securing and authorizing such Subordinated Indebtedness, or of an Authorized Officer of the Authority if there shall be no such trustee, that (i) provision has been duly made for the redemption or payment at maturity of such Subordinated Indebtedness in accordance with the terms thereof, (ii) the pledge, if any, pursuant to Section 414 securing such Subordinated Indebtedness, and all other rights granted by such indenture, resolution or instrument shall have been discharged and satisfied, and (iii) such trustee or the paying agents for such Subordinated Indebtedness hold in trust the moneys required to effect such redemption or payment; and

(3) A certificate of an Authorized Officer of the Authority stating that the Authority is not in default in the performance of any of the covenants in the Resolution.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Bonds for the purpose of making deposits in such funds and accounts as shall be provided in the Supplemental Resolution authorizing such Series or determining the terms and details thereof and shall be applied to refund such Subordinated Indebtedness, including expenses in connection therewith, in the manner provided in said Supplemental Resolution.

SECTION 206. Qualified Derivative Agreements. The Authority may enter into one or more Qualified Derivative Agreements with respect to all or a portion of the Debt Service with respect to Bonds outstanding hereunder; provided, however, that if such Qualified Derivative Agreement is not entered into at the time of initial issuance of the Bonds to which it applies, the Authority must deliver the report described in Subsection 204-1 above, applying the same to all Bonds then Outstanding, but using the assumptions provided in the definition of "Debt Service" with respect to the Qualified Derivative Agreement and the portion of Debt Service to which it relates as of the effective date of such Qualified Derivative Agreement. Qualified Derivative Payments received by the Authority under any Qualified Derivative Agreement shall be deposited upon receipt in the Revenue Fund.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 301. Medium of Payment; Form and Date; Letters and Numbers; Accrual and Payment of Interest; Place of Payment.

1. The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

2. The Bonds of each Series shall be issued in the form of coupon Bonds and/or in the form of fully registered Bonds without coupons as provided in this Resolution or the Supplemental Resolution authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in this Resolution or the Supplemental Resolution authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

4. Coupon Bonds of each Series shall be dated as provided in this Resolution or the Supplemental Resolution authorizing the Bonds of such Series. Coupon Bonds of each Series shall bear interest from their date, payable, in the case of installments due on and prior to maturity, in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. Except as may be otherwise provided by the Supplemental Resolution authorizing a Series of Bonds, registered Bonds of each Series shall be dated as of the date six months preceding the interest payment date next following the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the registered Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to

which interest has been paid in full on the Bonds surrendered; provided, further, that if the date of authentication shall be prior to the first interest payment date for the Bonds of such Series, registered Bonds shall be dated as provided in the Supplemental Resolution authorizing the Bonds of such Series or containing the terms and details thereof. Registered Bonds of each Series shall bear interest from their date.

5. The interest on, and principal and Redemption Price (if any) of, each Series of Bonds shall be payable at a designated office of each Paying Agent named in the Supplemental Resolution relating to such Series of Bonds.

SECTION 302. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

SECTION 303. Execution and Authentication.

1. The Bonds and any coupons appertaining thereto shall be signed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the Chairman of the Board. The seal of the City (or a facsimile thereof) shall be impressed, imprinted or lithographed thereon and attested by the manual or facsimile signature of the City Clerk, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed any of the Bonds or coupons appertaining thereto shall cease to be such officer before such Bonds and coupons so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds and coupons may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds and coupons had not ceased to hold such offices. Any Bond or coupons of a Series may be signed and sealed by such persons as at the time of the execution of such Bonds or coupons shall be duly authorized or hold the proper office, although at the date borne by the Bonds and coupons of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Resolution or the Supplemental Resolution authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Bond and no coupon thereunto appertaining shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the

Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

3. Except as otherwise provided in Section 307, the Trustee, before authenticating and delivering any coupon Bonds, shall cut off, cancel and destroy all matured coupons thereto attached, except matured coupons for which payment in full has not been made or provided for; provided, however, that when coupon Bonds are issued in exchange for registered Bonds of any Series upon which interest is in default, as shown by the records of the Trustee, such coupon Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown by the records of the Trustee, and in case any interest installments shall have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

SECTION 304. Interchangeability of Bonds.

1. Coupon Bonds, upon surrender thereof at the principal office of the Trustee with all unmatured coupons attached, may, at the option of the Holder thereof, and upon payment by such Holder of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any of the authorized denominations.

2. Registered Bonds, upon surrender thereof at the principal office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of coupon Bonds of the same Series and maturity with appropriate coupons attached, or of registered Bonds of the same Series and maturity of any other authorized denominations.

SECTION 305. Negotiability, Transfer and Registry.

1. Title to any coupon Bond, and to any coupons shall pass by delivery as negotiable instruments payable to bearer.

2. Each registered Bond shall be transferable only upon the books of the Authority, which shall be kept for the purpose at the principal office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered Bond the

Authority shall issue in the name of the transferee a new registered Bond or Bonds or, at the option of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount, or in the case of Capital Appreciation Bonds, of the same aggregate Maturity Amount, and Series and maturity as the surrendered Bond.

3. The Authority and each Fiduciary may deem and treat the person in whose name any registered Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

SECTION 306. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring registered Bonds is exercised, the City shall execute and the Authority shall countersign and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee or shall be retained in safekeeping by the Trustee until such Bonds are needed for a later exchange. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, governmental fee or other governmental charge required to be paid with respect to such exchange or transfer. Except as may be otherwise provided with respect to a Series of Bonds by the Supplemental Resolution authorizing such Series of Bonds, neither the Authority nor the Trustee shall be required (a) to transfer or exchange Bonds of any Series for a period of ten (10) days next preceding an interest payment date on the Bonds of such Series or next preceding any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notices of redemption, or (b) to transfer or exchange any Bonds called for redemption.

SECTION 307. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute, and the Authority shall countersign and thereupon the Trustee shall authenticate and deliver, a new Bond (with appropriate coupons attached in the case of coupon Bonds) of like Series, maturity and principal amount as the Bonds and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond and attached

coupons, if any, have been destroyed, stolen or lost and proof of ownership thereof, upon furnishing the Authority and the Trustee with a surety bond in an amount satisfactory to them, upon the payment of the cost of preparing and issuing the new Bond, and upon complying with such other reasonable conditions and regulations as the Authority and Trustee may prescribe and paying such other expenses as the Authority and Trustee may incur. All Bonds and coupons so surrendered to the Trustee shall be cancelled by it. Any such new Bonds or coupons issued pursuant to this Section in substitution for Bonds or coupons alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds and coupons so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued under the Resolution, and shall be equally secured by any moneys or securities held by the Authority or the Fiduciary for the benefit of the Bondholders.

SECTION 308. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the City may execute and the Authority may countersign, in the same manner as is provided in Section 303, and, upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive coupon Bond except as to the denominations thereof or as to exchangeability for registered Bonds, one or more temporary Bonds (which may be registerable as to principal and interest) substantially of the tenor of the definitive coupon Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in bearer form shall be payable only upon the presentation and surrender of the coupons therefor attached thereto or upon presentation of such temporary Bonds for notation thereon of the payment of such interest. The Authority at its own expense shall prepare and countersign and the City shall execute, upon the surrender of such temporary Bonds, with all unmatured coupons, and all matured coupons for which no payment or only partial payment has been provided, attached, for exchange and the cancellation of such surrendered temporary Bonds and coupons, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive coupon Bonds, with appropriate coupons attached, or, at the option of the Holder, definitive registered Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Resolution.

2. If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount and Series and maturity of any other authorized denomination or denominations, and thereupon the City shall execute the Authority shall countersign and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 306, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such Holder.

3. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

SECTION 309. Cancellation and Destruction of Bonds or Coupons. All Bonds paid or redeemed, either at or before maturity, together with all unmatured coupons, if any, appertaining thereto, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds and coupons, together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. All interest coupons shall be promptly cancelled upon their payment and delivered to the Trustee. Bonds and coupons so cancelled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds and coupons so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

ARTICLE IV

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

SECTION 401. The Pledge Effected by the Resolution.

1. There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds, in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, the Pledged Funds. A Series of Bonds may be further secured by a credit facility, guaranty or municipal bond insurance policy.

2. The Pledged Funds shall immediately be subject to the lien of this pledge as set forth in subsection 1 hereof without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority or the City, irrespective of whether such parties have notice thereof.

SECTION 402. Establishment of Funds. The following Funds are hereby established:

- (1) Airport Facilities Construction Fund, to be held by the Special Trustee;
- (2) Airport Facilities Revenue Fund, to be held by the Special Trustee;
- (3) Airport Facilities Bond Fund, to be held by the Trustee, consisting of a Debt Service Account and a Debt Service Reserve Account, consisting of a Composite Reserve Subaccount and such additional reserve subaccounts as may be established with respect to particular Series of Bonds;
- (4) Airport Facilities Operation and Maintenance Fund, to be held by the Authority, which includes the Operation and Maintenance Reserve Account;
- (5) Airport Facilities Capital Expenditures Fund, to be held by the Authority;
- (6) Airport Facilities Renewal and Replacement Fund, to be held by the Authority;
- (7) Airport Facilities Improvement and Development Fund, to be held by the Authority; and
- (8) Airport Facilities Discretionary Fund, including the PFC Account hereby established as a separate account therein, to be held by the Authority.

SECTION 403. Construction Fund.

1. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution or any Supplemental Resolution and there may be paid into the Construction Fund, at the option of the Authority, any moneys received for or in connection with the Airport System by the Authority from any other source, unless required to be otherwise applied as provided by the Resolution.

2. The Special Trustee shall establish within the Construction Fund a separate account for each Additional Project the costs of which are to be paid in whole or in part out of the Construction Fund.

3. During the period of construction, the proceeds of insurance maintained pursuant to this Resolution against physical loss of or damage to any Additional Project, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof shall be paid into the appropriate separate account in the Construction Fund.

4. Amounts in each separate account established for an Additional Project shall be applied to the purpose or purposes specified in the Supplemental Resolution authorizing the Bonds issued with respect to such Additional Project, or, if no Bonds are so issued, to the purpose or purposes specified in a resolution of the Authority, a copy of which, certified by an Authorized Officer of the Authority, shall be filed with the Special Trustee.

5. Before any such application of any amounts in the Construction Fund shall be made, the Authority shall file with the Special Trustee a requisition, signed by an Authorized Officer of the Authority designated by resolution of the Authority for such purpose, showing with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Construction Fund. Each such requisition shall be sufficient evidence to the Special Trustee:

(a) that obligations in the stated amounts have been incurred by the Authority and that each item thereof is a proper charge against the Construction Fund; and

(b) that there has not been filed with or served upon the Authority notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such requisition which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

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

7. The completion of construction of any Additional Project shall be evidenced by a certificate of the Consulting Engineers, which shall be filed promptly with the Special Trustee, stating the date of such completion and the amount, if any, required in the opinion of the signer for the payment of any remaining part of the Cost of Construction of such Additional Project, and that such Additional Project has been completed in accordance with the plans and specifications applicable thereto. Upon the filing of such certificate, the balance in the separate account in the Construction Fund established therefor in excess of the amount, if any, stated in such certificate shall be deposited in the applicable Debt Service

Reserve Account within the Bond Fund, if and to the extent necessary to make the amount in such Account equal to the Debt Service Reserve Requirement. Any balance, shall be (i) transferred by the Special Trustee to the Trustee for deposit in the Debt Service Account within the Bond Fund and applied by the Trustee to the retirement of Bonds by purchase or redemption or (ii) shall be used to pay for costs of improvements to the Airport System, as the Authority shall direct.

SECTION 404. [Deleted].

SECTION 405. Deposit of Revenues.

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

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

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

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

(4) To the trustee, paying agent or holders of any Subordinated Indebtedness, such amount and at such times as shall be sufficient, taking into account any Subordinated Pledged Revenues, to

pay the principal of and interest becoming due in the next succeeding month on any Subordinated Indebtedness, including any obligations to set aside or deposit moneys for future debt service payments, in the manner set forth in the Issuing Instrument(s) for Subordinated Indebtedness;

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

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

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

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

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

(10) To the Renewal and Replacement Fund, an amount equal to one-twelfth (or such greater fraction if the period is less than 12 months as may be appropriate) of the money appropriated for said

Fund as set forth in the then current Annual Budget; provided that, no deposit shall be required to be made into said Fund whenever and as long as uncommitted moneys in said Fund are equal to \$2,000,000 or such other greater amount as provided therefor by the Authority as necessary for the purposes of said Fund; and provided further that, if any such monthly allocation to said Fund shall be less than the required amount, the amount of the next succeeding monthly payments shall be increased by the amount of such deficiency; and

(11) To the Discretionary Fund, any amount remaining after making the deposits required by clauses (1) through (10) above.

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

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

Notwithstanding anything herein to the contrary, the Authority shall not be required to fully-fund a subaccount in the Debt Service Reserve Account at the time of issuance of any Series of Bonds hereunder, if it provides on the date of issuance of any Series of Bonds in lieu of such funds, a Reserve Product issued by a Reserve Product Provider in an amount equal to the difference between the applicable Debt Service Reserve Requirement and the sums then on deposit in the applicable subaccount in the Debt Service Reserve Account. Such Reserve Product as provided above must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for a payment with respect to the applicable Series of Bonds which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose, and which shall name the Trustee or a Paying Agent as the beneficiary thereof. If a disbursement is made from a Reserve Product as provided above, the Authority shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement.

or to replace such Reserve Product by depositing into the applicable subaccount in the Debt Service Reserve Account from the first Revenues available for deposit pursuant to clause 1.(3) above after the deposits required by clauses 1.(1) and (2) above, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, and for purposes of clause 1.(3), amounts necessary to satisfy such reimbursement obligation and other obligations of the Authority to such a Reserve Product Provider shall be deemed required deposits into the applicable subaccount in the Debt Service Reserve Account, but shall be used by the Authority to satisfy its obligations to the Reserve Product Provider.

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

2. At such time as the total amount held in the Debt Service Account and the Debt Service Reserve Account shall be sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal of, applicable sinking fund Redemption Price and interest thereon), no further deposits shall be required to be made into such Accounts and the Bonds shall no longer be deemed Outstanding pursuant to this Resolution.

SECTION 406. Bond Fund - Debt Service Account.

1. The Trustee shall pay out of the Debt Service Account to the respective Paying Agents (i) on or before each interest payment date for any of the Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal

Installment payable on such due date; and (iii) on or before the day preceding any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

Notwithstanding anything provided in this Section 406 to the contrary, if principal, interest or premium payments on Bonds have been paid on behalf of the Authority by a bond insurer or the provider of any credit or liquidity facility or any other entity insuring, guarantying or otherwise providing for the payment of the Bonds, or any Series thereof, moneys on deposit in the Debt Service Account and allocable to such Bonds shall be paid to such bond insurer or provider of the liquidity facility or credit facility or other entity having heretofore made a corresponding payment on the Bonds.

2. Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) may and, if so directed by the Authority, shall be applied by the Trustee, on or prior to the 60th day preceding the due date of such Sinking Fund Installment, to (i) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the applicable sinking fund Redemption Prices, pursuant to Article V, of such Bonds, if then redeemable by their terms. After the 60th day but on or prior to the 40th day preceding the due date of such Sinking Fund Installment, any amounts then on deposit in the Debt Service Account (exclusive of amounts, if any, set aside in said Fund which were deposited therein from the proceeds of Additional Bonds) may, and if so directed by the Authority, shall be applied by the Trustee to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. All purchases of any Bonds pursuant to this subsection 2 shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund. As soon as practicable after the 40th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 505, on such due date Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement

of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment).

3. The amount, if any, deposited in the Debt Service Account from the proceeds of each Series of Bonds, including Capitalized Interest, shall be set aside in such Fund and applied to the payment of interest on the Bonds of such Series (or Refunding Bonds issued to refund such Bonds) as the same becomes due and payable.

SECTION 407. Bond Fund - Debt Service Reserve Account.

1. If, on the final business day of any month the amount in the Debt Service Account shall be less than the amount required to be in such Account pursuant to subsection 1 of Section 405, the Trustee shall apply amounts from the applicable subaccounts in the Debt Service Reserve Account to the extent necessary to make good the deficiency; provided, however, that amounts in the separate subaccounts in the Debt Service Reserve Account shall be used only for the purpose of curing deficiencies with respect to the Series of Bonds secured by such subaccount. Any proceeds received from a Reserve Product shall be applied to cure deficiencies in the Debt Service Account only with respect to the Series of Bonds for which such Reserve Product was provided.

2. Whenever the moneys on deposit in a subaccount in the Debt Service Reserve Account shall exceed the applicable Debt Service Reserve Requirement, the Trustee, at the direction of an Authorized Officer of the Authority, shall allocate and apply the amount of such excess in the same manner as Available Revenues or Revenues, as the case may be, pursuant to Section 405.

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

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

Cash on deposit in the applicable subaccount in the Debt Service Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Product. If and to the extent that more than one Reserve Product is deposited in the applicable subaccount in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

SECTION 408. Operation and Maintenance Fund.

1. Amounts in the Operation and Maintenance Fund shall be paid out from time to time by the Authority for reasonable and necessary Operation and Maintenance Expenses.

2. Amounts in the Operation and Maintenance Fund which the Authority at any time determines to be in excess of the requirements of such Fund shall be paid over by the Authority to the Special Trustee for deposit into the Revenue Fund and applied in accordance with Section 405.

3. There is hereby established in the Operation and Maintenance Fund a separate account to be known as the Operation and Maintenance Reserve Account. Moneys to the credit of said Account shall be paid out from time to time by the Authority for reasonable and necessary Operation and Maintenance Expenses to the extent that sufficient funds are not available within the Operation and Maintenance Fund for such purposes.

4. If at any time amounts on deposit in the Operation and Maintenance Reserve Account are in excess of 1/6 of the Operation and Maintenance Expenses with respect to the Airport System as set forth in the then

current Annual Budget, the Authority shall pay such excess to the Special Trustee for application in accordance with Section 405.

SECTION 409. Capital Expenditures Fund.

1. Moneys in the Capital Expenditures Fund may be applied to purchase items of equipment and other capital items for use in connection with the Airport System.

2. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Discretionary Fund, the Improvement and Development Fund and the Renewal and Replacement Fund shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Authority, upon requisition of the Trustee, shall transfer from the Capital Expenditures Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required in subsection 2 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account), the Discretionary Fund, the Improvement and Development Fund and the Renewal and Replacement Fund shall be insufficient to pay Operation and Maintenance Expenses when due, the Authority shall transfer from the Capital Expenditures Fund to the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

SECTION 410. Renewal and Replacement Fund.

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

2. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account, the Discretionary Fund and the Improvement and Development Fund shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Trustee shall transfer from the Renewal and Replacement Fund to the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required in subsection 2 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account), the Discretionary Fund, and the Improvement and Development Fund shall be

insufficient to pay Operation and Maintenance Expenses when due, the Trustee shall transfer from the Renewal and Replacement Fund to the Authority for deposit in the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

SECTION 411. Discretionary Fund.

1. If at any time the moneys in the Debt Service Account and the Debt Service Reserve Account shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Authority, upon requisition of the Trustee, shall transfer from the Discretionary Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

2. To the extent not required to meet a deficiency as required in subsection 1 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account) shall be insufficient to pay Operation and Maintenance Expenses when due, the Authority shall transfer from the Discretionary Fund to the Operation and Maintenance Fund the amount necessary (or all moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required by subsections 1 and 2 of this Section, if at any time the amounts deposited pursuant to Sections 405(4), (5), (7) and (8) shall be insufficient for the purposes provided in such Sections, the Authority shall transfer from the Discretionary Fund the amounts necessary to make up such insufficiency for the purposes and in the order provided in such Sections.

4. Amounts in the Discretionary Fund not required to meet a deficiency as required in subsections 1, 2 and 3 of this Section may, at the discretion of the Authority, be applied to any one or more of the following purposes:

(a) the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any such Bonds;

(b) the purchase or redemption of any Subordinated Indebtedness or Secondary Subordinated Indebtedness and expenses in connection with the purchase or redemption of any such Subordinated Indebtedness or Secondary Subordinated Indebtedness;

(c) payments into any separate account or accounts established in the Construction Fund for application in a manner consistent with the purposes of such account;

(d) improvements, extensions, betterments, renewals, replacements, repairs, maintenance or reconstruction of any properties or facilities of the Airport System or the provision of one or more reserves therefor; and

(e) any other lawful purpose of the Authority;

provided that, subject to the provisions of subsection 1, 2 and 3 of this Section, amounts deposited in the Discretionary Fund and required by the Resolution to be applied to the purchase or redemption of Bonds shall be applied to such purpose in such manner as the Authority shall determine.

5. Whenever any moneys in the Discretionary Fund or the Improvement and Development Fund are to be applied to the purchase or redemption of Bonds, the Authority shall deposit such moneys with the Trustee, in a separate account established for such purpose, and shall give written instructions to the Trustee to make such purchase or redemption in accordance with the provisions of the Resolution. Upon any such purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, an amount equal to the principal amount of such Bonds so purchased or redeemed shall be credited toward a part or all of any one or more Sinking Fund Installments thereafter to become due, as directed by the Authority in a certificate in writing signed by an Authorized Officer of the Authority and filed with the Trustee, or in the absence of such direction, toward such Sinking Fund Installments in inverse order of their due dates. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

6. Amounts in the PFC Account in the Discretionary Fund not required to meet the deficiencies as required by subsections 1, 2 and 3 of this Section may be withdrawn by the Authority at any time and shall be applied by the Authority, in its discretion, for permitted purposes, in accordance with the applicable approvals and authorizations of the FAA and applicable FAA Regulations.

SECTION 412. Improvement and Development Fund.

1. Moneys in the Improvement and Development Fund may be applied to costs of the Airport Improvement and Development Plan for the then current Fiscal Year or to the purchase or Redemption of Bonds, including any expenses in connection with such purchase or redemption. Whenever moneys in the

Improvement and Development Fund are applied to the purchase or redemption of Bonds, the provisions of paragraph 5 of Section 411 shall equally apply.

2. If at any time the moneys in the Debt Service Account, the Debt Service Reserve Account and the Discretionary Fund shall be insufficient to pay the interest and Principal Installments when due on the Bonds, the Authority, upon requisition of the Trustee, shall transfer from the Improvement and Development Fund to the Trustee for deposit in the Debt Service Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

3. To the extent not required to meet a deficiency as required in subsection 2 of this Section, if at any time the moneys in the Operation and Maintenance Fund (including the Operation and Maintenance Reserve Account) and the Discretionary Fund shall be insufficient to pay Operation and Maintenance Expenses when due, the Authority shall transfer from the Improvement and Development Fund to the Operation and Maintenance Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

4. At such time as all amounts on deposit in the Improvement and Development Fund have been spent or transferred to other Funds, the Improvement and Development Fund shall be closed and no longer used in connection with this Resolution.

SECTION 413. [Deleted].

SECTION 414. Subordinated Indebtedness and Secondary Subordinated Indebtedness. The Authority may, at any time, or from time to time, issue Subordinated Indebtedness or Secondary Subordinated Indebtedness, pursuant to one or more Issuing Instruments. Such Subordinated Indebtedness or Secondary Subordinated Indebtedness shall be payable out of, and may be secured pursuant to such Issuing Instrument(s) by a pledge of the moneys deposited pursuant to Sections 405 hereof, any Subordinated Pledged Revenues and such amounts in the Discretionary Fund as may from time to time be available for the purpose of payment thereof as provided in Section 411 hereof; provided, however, that (i) such Subordinated Indebtedness or Secondary Subordinated Indebtedness shall be incurred, and the proceeds thereof utilized for, any lawful purpose of the Authority, (ii) such pledge provided for Subordinated Indebtedness or Secondary Subordinated Indebtedness in the Issuing Instrument(s) shall be, and shall be expressed to be, subordinated in all respects to the pledge created by this Resolution in favor of the Bonds, and (iii) such pledge provided for Secondary Subordinated Indebtedness in the Issuing Instrument(s) relating thereto shall be, and shall be expressed to be, subordinate in all respects (other than any pledge of Subordinated

Pledged Revenues made solely to the holders of Secondary Subordinated Indebtedness) to the pledge created for the Subordinated Indebtedness.

SECTION 415. [Deleted].

SECTION 416. Released Revenues. The Authority may cause a category of income, receipts or other revenues then included in the definition of "Revenues" in Section 101 to be excluded from such definition for all purposes of this Resolution, which exclusion shall be effective from the date the Authority satisfies the conditions of this Section 416, by filing the following with the Trustee:

1. a written request from an Authorized Officer of the Authority to release such category of income, receipts and other revenues from the definition of Revenues contained in Section 101, accompanied by a written certificate of an Authorized Officer of the Authority certifying the Authority is not in default pursuant to Section 801(i) hereof; and

2. a certificate of an Authorized Officer of the Authority or Airport Consultant to the effect that Net Revenues and any Subordinated Pledged Revenues, excluding the category of Revenues proposed to become Released Revenues, for each of the two Fiscal Years for which audited financial statements are available immediately preceding the date of such certificate or report, were sufficient to satisfy the rate covenant set forth in Section 711 for each of such two Fiscal Years, assuming that 1.10 (instead of 1.00) was used in Section 711.1 and 1.50 (instead of 1.25) was used in Section 711.2.

ARTICLE V

REDEMPTION OF BONDS

SECTION 501. Privilege of Redemption and Redemption Price. Bonds subject to redemption, in whole or in part, prior to maturity pursuant to this Resolution or a Supplemental Resolution shall be redeemable, upon published notice as provided in this Article V, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article V as may be specified in this Resolution or in the Supplemental Resolution authorizing such Series.

SECTION 502. Redemption at the Election or Direction of the City. In the case of any redemption of Bonds at the election or direction of the City, the Authority shall give written notice to the Trustee of the City's election or direction so to redeem, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the City in its sole discretion, subject to any limitations with respect thereto contained in the

Resolution). Such notice shall be given at least 45 days prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 505 there shall be paid prior to the redemption date to the appropriate Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. The Authority shall promptly notify the Trustee in writing of all such payments by it to a Paying Agent.

SECTION 503. Redemption Otherwise Than at City's Election or Direction. Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the City, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article V and, to the extent applicable, Section 506.

SECTION 504. Selection of Bonds to be Redeemed. If less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portion of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond to be redeemed no less than the authorized denomination or an integral multiple thereof as provided by Supplemental Resolution with respect to a Series of Bonds, or with respect to Capital Appreciation Bonds, the Maturity Amount of authorized denomination or an integral multiple thereof, and that in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of authorized denomination which is obtained by dividing the principal amount or, with respect to Capital Appreciation Bonds, Maturity Amount of such Bond to be redeemed in part by the authorized denomination as provided by Supplemental Resolution with respect to a Series of Bonds.

Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established in advance of their scheduled maturity or mandatory redemption date, an amount equal to the principal amount of such Bonds so purchased or redeemed shall be credited toward a part (an integral multiple of authorized denomination as provided by Supplemental Resolution with respect to a Series of Bonds) or all of any one or more Sinking Fund Installments thereafter to become due, as directed by the Authority in a certificate in writing signed by an Authorized Officer of the Authority and filed with the Trustee, or in the absence of such direction, toward such Sinking Fund Installments in inverse order of their due dates. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited

toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

SECTION 505. Notice of Redemption. When the Trustee shall receive notice from the Authority of the City's election or direction to redeem Bonds pursuant to Section 502, and when redemption of Bonds is authorized or required pursuant to Section 503, the Trustee shall give notice of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall specify the respective portions of the principal amount, or with respect to Capital Appreciation Bonds, the portion of the Maturity Amount, thereof to be redeemed, and with respect to Capital Appreciation Bonds, the applicable Accreted Value of the Bonds to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only together with interest accrued to the redemption date with respect to Bonds other than Capital Appreciation Bonds, and the Accreted Value of Capital Appreciation Bonds, and that from and after such date interest thereon shall cease to accrue and be payable and the value of Capital Appreciation Bonds shall cease to accrue. Notice of redemption shall be given by the deposit in the U.S. Mail of a copy of the redemption notice, postage prepaid, at least thirty and not more than sixty days before the redemption date to all registered owners of the Bonds or portions of the Bonds to be redeemed at their last addresses as they appear on the registration books maintained in accordance with the provisions hereof. Failure to mail any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no such failure or defect occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice. The foregoing notwithstanding, the Authority may provide redemption notice requirements different than those provided in this Section 505 with respect to a Series of Bonds by Supplemental Resolution authorizing such Series of Bonds.

SECTION 506. Payment of Redeemed Bonds. Notice having been given in the manner required in Section 505, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus, with respect to Bonds other than Capital Appreciation Bonds, interest accrued and unpaid to the redemption date, and, upon

presentation and surrender thereof at the office specified in such notice, together with, in the case of coupon Bonds, all appurtenant coupons maturing subsequent to the redemption date, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus, with respect to Bonds other than Capital Appreciation Bonds, interest accrued and unpaid to the redemption date not represented by coupons for matured interest installments. All interest installments represented by coupons which shall have matured on or prior to the redemption date shall continue to be payable to the bearers of such coupons. If there shall be drawn for redemption less than all of a registered Bond, the City shall execute and the Authority shall countersign and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount, or in the case of Capital Appreciation Bonds, the unredeemed balance of the Maturity Amount, of the Bond so surrendered, at the option of the owner thereof, other than with respect to Capital Appreciation Bonds which shall be delivered only as registered Bonds, either coupon Bonds (if such Series of Bonds is authorized to be issued in the form of Coupon Bonds) or registered Bonds of like Series and maturity in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, including the Accreted Value of Capital Appreciation Bonds to be redeemed on such date, and together with interest to the redemption date on Bonds other than Capital Appreciation Bonds, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as required in Section 505, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable and with respect to Capital Appreciation Bonds that bear no stated interest, principal of such Capital Appreciation Bonds or portions thereof of such Series and maturity so called for redemption shall cease to appreciate, and the coupons for interest appertaining thereto maturing subsequent to the redemption date shall be void. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and the principal of Capital Appreciation Bonds that bear no stated interest shall continue to appreciate at the same rate as it would have had such Capital Appreciation Bonds not been called for redemption.

ARTICLE VI

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

SECTION 601. Depositaries. All moneys held by the Trustee or the Special Trustee under the provisions of the Resolution shall be deposited with the Trustee or the Special Trustee as the case may be, including one or more

Depositories in trust for the Trustee or the Special Trustee. All moneys held by the Authority under the Resolution shall be deposited in one or more Depositories in the name of the Authority. Moneys to be deposited in a particular Fund or Account under the Resolution may be deposited with more than one Depository, provided that such moneys be credited to such Fund or Account. Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$1,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution. All moneys deposited under the provisions of the Resolution with the Trustee, Special Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds established by the Resolution shall be a trust fund for the purposes thereof.

SECTION 602. Deposits.

1. All moneys held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. The Authority shall not be liable for any loss or depreciation in value resulting from any investment made pursuant to the Resolution. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on time deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

2. All moneys held under the Resolution by the Trustee, Special Trustee or any Depository shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds and coupons, either (a) by lodging with the Trustee or the Special Trustee, as the case may be, as custodian, as collateral security, direct obligations of or obligations guaranteed by the United States of America having a market value (exclusive of accrued interest) not less than the amount of such moneys, or (b) in such other manner as may then be required by applicable Federal or State of Florida laws and regulations regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Fiduciaries to give security under this subsection 2 for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee, Special Trustee or any Depository to give security for any

moneys which shall be represented by obligations purchased as an investment of such moneys.

3. All moneys deposited with the Trustee, Special Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong.

SECTION 603. Investment of Certain Funds. Moneys held in the Debt Service Account and the Debt Service Reserve Account shall be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts, and in the case of the Debt Service Reserve Account not later than 15 years (unless such securities shall be redeemable at the option of the holder thereof, in which event such securities may mature at a date no later than the final maturity date of the Bonds). The Trustee shall make such investment in accordance with any instructions received from an Authorized Officer of the Authority. Moneys in the Revenue Fund and the Construction Fund may be invested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds. The Special Trustee shall make such investment in accordance with any instructions received from an Authorized Officer of the Authority. Moneys in the Operation and Maintenance Fund, including amounts in the Operation and Maintenance Reserve Account, may be invested by the Authority in Investment Securities which mature within 12 months and moneys in the Capital Expenditures Fund, the Renewal and Replacement Fund, the Improvement and Development Fund and the Discretionary Fund may be invested in Investment Securities which mature within 5 years, and in any case not later than such times as shall be necessary to provide moneys when needed for payments from such respective Funds.

Interest earned on any moneys or investments in any such Accounts or Funds other than the Construction Fund shall be paid into the Revenue Fund. Interest earned on any moneys or investments in a separate account in the Construction Fund shall be held in such account for the purposes thereof.

The Authority agrees that broker confirmations of investments are not required to be issued by either the Trustee or the Special Trustee for each month in which a monthly statement is rendered by the Trustee or the Special Trustee, respectively.

SECTION 604. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Account or Fund shall be deemed at all times to be a part of such Account or Fund and any profit realized from the liquidation of such investment shall be credited to such Account or Fund and any

loss resulting from the liquidation of such investment shall be charged to the respective Account or Fund.

In computing the amount in any Account or Fund created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at cost or the principal amount thereof, whichever is lower, exclusive of accrued interest, except that such investments in the Debt Service Reserve Account shall be valued at the cost or market price thereof whichever is lower, exclusive of accrued interest. The valuation of such Accounts and Funds shall be made as of March 31 and September 30 in each year.

Except as otherwise provided in the Resolution, the Trustee and the Special Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer of the Authority so to do whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account or Fund held by the Trustee or Special Trustee. Neither the Trustee nor the Special Trustee shall be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VII

PARTICULAR COVENANTS OF THE AUTHORITY

SECTION 701. Effect of Covenants. The Authority hereby particularly covenants and agrees with the Trustee and with the Holders of the Bonds and coupons, and makes provisions which shall be a part of the contract with such Holders, to the effect and with the purpose set forth in the following Sections of this Article VII.

SECTION 702. Payment of Principal, Premium, if any, and Interest. The Authority will promptly pay or cause to be paid, but solely from the Revenues or Available Revenues, as the case may be, and the proceeds of the Bonds pledged therefor by the Resolution the principal of, interest and premium, if any, on all Bonds issued hereunder according to the terms hereof.

SECTION 703. Extension of Payment of Bonds and Coupons. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the coupons or claims for interest by the purchase or funding of such Bonds, coupons or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such coupons or claims for interest shall be extended, such Bonds, coupons or claims for interest shall not be entitled in case of any default under the Resolution to the benefit of the Resolution or to any payment out of

Revenues or Available Revenues, as the case may be, or out of any funds including the investments, if any, thereof, pledged under the Resolution or the moneys (except moneys held in trust for the payment of particular Bonds, coupons or claims for interest pursuant to the Resolution) held by any Fiduciary, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended coupons or claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of the maturity of any Bonds.

SECTION 704. Offices for Servicing Bonds. The Authority hereby irrevocably appoints the Trustee as its agent to maintain an office or agency for the registration, transfer or exchange of Bonds, and for the service of notices, presentations and demands upon the Authority. The Authority hereby appoints the Paying Agents as its respective agents to maintain such offices or agencies for the payment or redemption of Bonds and coupons.

SECTION 705. Further Assurance. At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming of all and singular the rights, Revenues or Available Revenues, as the case may be, and other moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign.

SECTION 706. Powers as to Bonds and Pledge. The Authority is duly authorized under the Act and all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Pledged Funds and other moneys, securities and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. Except as to the issuance of Bonds hereunder, the Pledged Funds and other moneys, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Resolution, and all corporate or other action on the part of the Authority and the City to that end has been duly and validly taken. The Bonds and the provisions of the Resolution are and will be in the valid and legally enforceable obligations of the City in accordance with their terms and the terms of the Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Funds and other moneys, securities and funds pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

SECTION 707. Powers as to the Airport System and Collection of Rates, Fees and Rentals. The Authority has, and will have so long as any Bonds are Outstanding, good right and lawful authority to acquire, construct, develop, operate, maintain, repair, improve, reconstruct, enlarge, and extend the Airport System and to fix rates, fees, rentals and other charges in connection therewith, all as provided in the Act.

SECTION 708. Indebtedness and Liens. The Authority shall not issue any bonds or other evidences of indebtedness other than the Bonds, payable out of or secured by a pledge of the Pledged Funds or of the moneys, securities or funds pledged by the Authority or by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Pledged Funds or such moneys, securities or funds; provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing (i) evidences of indebtedness payable out of moneys in the Construction Fund as part of the Cost of Construction of any Additional Project, and after the date the pledge of Pledged Funds provided in the Resolution shall be discharged and satisfied as provided in Section 1201, or (ii) Subordinated Indebtedness or Secondary Subordinated Indebtedness as provided in Section 414.

SECTION 709. Sale, Lease or Encumbrance of Property.

1. Except as provided in subsection 2 or subsection 3 of this Section 709 or elsewhere in the Resolution, no part of the Airport System shall be sold, or otherwise disposed of or encumbered.

2. The Authority may sell, for fair and reasonable value, at any time and from time to time, in an arm's-length transaction, any property constituting part of the Airport System which an Authorized Officer of the Authority certifies to be obsolete, uneconomical, negligible, worn out or surplus property, or property no longer necessary, useful or profitable in the operation of the Airport System.

3. The Authority may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Airport System if such lease, contract, license, easement or right does not impede or restrict the operation by the Authority of the Airport System or will be advantageous to the Airport System.

4. Proceeds from the sale or disposition of property not used to replace such property and any such payments with respect to a lease, contract, license, easement or right not otherwise required to be applied in accordance with the Resolution shall be applied in the same manner and to the same purposes as

Revenues, or shall be utilized for such other purpose as may be required by law or contract.

SECTION 710. Operation, Maintenance and Reconstruction.

1. The Authority shall at all times operate, or cause to be operated, the Airport System properly and in a sound, efficient and economical manner and shall maintain, preserve, and keep the same or cause the same to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all ordinary, necessary and proper repairs, replacements and renewals so that at all times the operation of the Airport System may be properly and advantageously conducted, and, if any useful part of the Airport System is damaged or destroyed, the Authority shall, as expeditiously as may be possible, commence and diligently prosecute the ordinary replacement or reconstruction of such part so as to restore the same to use; provided, however, that nothing in the Resolution shall require the Authority to operate, maintain, preserve, repair, replace, renew or reconstruct any part of the Airport System from sources other than the Revenues or if there shall have been filed with the Trustee a certificate executed by an Authorized Officer of the Authority stating that in the opinion of the Authority abandonment of operation of such part is economically justified and is not prejudicial to the interests of the Holders of the Bonds.

2. To the extent deemed necessary by the Authority for the efficient or economical operation of the Airport System and permitted by law, it shall maintain, preserve, and renew all the franchises, rights, powers and privileges acquired, owned or held by it.

3. The Authority shall establish and enforce reasonable rules and regulations governing the operation, use and services of the Airport System.

SECTION 711. Rate Covenant.

1. The Authority shall, while any of the Bonds remain Outstanding, establish, fix, charge, prescribe and collect rates, fees, rentals and charges in connection with the ownership and operation of the Airport System and for services rendered in connection therewith, and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that Net Revenues plus any Transfers and Subordinated Pledged Revenues in each Fiscal Year will be at least equal to 100% of the aggregate amount required to be applied and/or deposited by the Authority pursuant to Section 405 (2) - (10) during such Fiscal Year.

2. The Authority further agrees that it will establish, fix, charge, prescribe and collect rates, fees, rentals and charges in connection with the

ownership and operation of the Airport System and for services rendered in connection therewith and shall revise such rates, fees, rentals and charges as often as may be necessary or appropriate, so that for each Fiscal Year the Net Revenues plus any Transfers for such Fiscal Year will be equal to at least 1.25 times the Aggregate Debt Service on all Outstanding Bonds for such Fiscal Year.

3. The Authority covenants that if Net Revenues plus any Transfer and any Subordinated Pledged Revenues in any Fiscal Year are less than the amounts specified in subsections 1. and 2. of this Section 711, the Authority will retain and direct an Airport Consultant to make recommendations as to the revision of the Authority's schedule of rates, fees, rentals and charges for the use of the Airport System. After receiving such recommendations, the Authority will take such action as it deems appropriate to become compliant with the provisions of Section 711 hereof in the next Fiscal Year.

For purposes of this Section 711, the term "Transfer" means the lesser of (a) the sum of (i) amounts on deposit in the Discretionary Fund on the last day of the Fiscal Year, to the extent such amounts are not restricted to other uses, plus (ii) amounts paid from the Discretionary Fund during such Fiscal Year toward Operating and Maintenance Expenses and Debt Service, minus (iii) amounts deposited into the Discretionary Fund in such Fiscal Year, or (b) twenty five percent (25%) of Debt Service payable in such Fiscal Year.

SECTION 712. Insurance.

1. So long as any Bonds are Outstanding, the Authority shall at all times carry insurance with a responsible insurance company or companies authorized and qualified under the laws of any state of the United States of America to assume the risk thereof, covering such properties of the Airport System as are customarily insured, and against loss or damage from such causes as are customarily insured against, by public or private corporations engaged in a similar type of business, all in accordance with the annual written recommendations of the Insurance Consultant.

2. Any proceeds of insurance for the Airport System shall, except as provided in subsection 3 of Section 403, to the extent necessary and desirable, be applied to the repair and replacement of any damaged or destroyed properties of the Airport System. If any of said proceeds received are not used to repair or replace property, such proceeds shall be paid into the Debt Service Account in the Bond Fund.

3. Notwithstanding the provisions of this Section 712, the Authority shall be entitled to provide the coverage required by this Section 712 through Qualified Self Insurance, provided that the requirements hereinafter set

forth in this Section 712 are satisfied. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the Authority has a material interest or of which the Authority has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Authority shall comply with the following requirements:

(a) the Qualified Self Insurance program shall be approved by the Insurance Consultant;

(b) the Qualified Self Insurance program shall include a claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by the Insurance Consultant, and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant;

(c) the Qualified Self Insurance program claims reserve fund shall be held in a bank account credited for the purpose of maintaining such self insurance funds, which bank account may be under the control of the Authority and may be commingled with other Authority moneys; and

(d) in the event the Qualified Self Insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained.

For purposes of this Section 712, "Insurance Consultant" means a person, firm of persons or company of favorable repute for skill and experience in dealing with the insurance requirements of enterprises similar to the Airport System and in performing the duties to be imposed upon it by the Resolution.

SECTION 713. Condemnation. The Authority covenants that in the event the Airport System or any part thereof is taken by the exercise of eminent domain, any proceeds received in connection with such exercise of eminent domain shall, to the extent necessary and desirable, be applied to the replacement of the Airport System or such part thereof. If any of said proceeds are not applied to such replacement, such proceeds shall be paid into the Debt Service Account in the Bond Fund.

SECTION 714. Airport Consultant. The Authority shall employ an Airport Consultant from time to time whenever and for the purposes contemplated by this Resolution. Such Airport Consultant shall be an airport consultant or airport consultant firm or corporation having a wide and favorable reputation for

skill and experience with respect to the operation and maintenance of airports, in recommending rental and other charges for use of airport facilities and in projecting revenues to be derived from the operation of airports.

SECTION 715. Consulting Engineers. The Authority shall employ Consulting Engineers from time to time whenever and for the purposes contemplated or required by this Resolution. Such Consulting Engineers shall be engineer or engineering firms having a wide and favorable reputation for skill and experience in the construction and operation of airport facilities.

SECTION 716. Annual Budget.

1. Not less than five (5) days prior to the beginning of each Fiscal Year the Authority shall prepare and file with the Trustee an Annual Budget for the ensuing Fiscal Year. Such Annual Budget shall set forth in reasonable detail: the estimated Revenues and Operation and Maintenance Expenses for the Airport System for such Fiscal Year; the estimated amounts to be deposited during such Fiscal Year in each of the Funds and Accounts established under the Resolution and the estimated expenditures for the replacement of capital assets or any unusual or extraordinary maintenance or repairs, for the building and constructing of permanent improvements, alterations, buildings and other structures, including runways, taxi strips and aprons of the Airport System. The Authority may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. Copies of the Annual Budget and of any amended Annual Budget shall be promptly filed with the Trustee for inspection by Bondholders.

2. If for any reason the Authority shall not have adopted the Annual Budget for a Fiscal Year before the first day of such Fiscal Year, the Annual Budget for the preceding year shall be deemed to have been adopted and be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted and a copy thereof filed with the Trustee.

SECTION 717. Accounts and Reports.

1. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Revenues, each Fund and Account established under the Resolution and which shall at all times be subject to the inspection of the Trustee, and the Holders of an aggregate of not less than 5% of the Bond Obligation then Outstanding or their representatives duly authorized in writing.

2. The Trustee and the Special Trustee shall advise the Authority promptly after the end of each month of the respective transactions during such month relating to each Fund and Account held by the Trustee and the Special

Trustee under the Resolution and the Revenues and Available Revenues, as the case may be. The Authority shall have the right upon reasonable notice and during reasonable business hours to examine the books and records of the Trustee and the Special Trustee with respect to the Funds and Accounts held by the Trustee or the Special Trustee under the Resolution and with respect to the Revenues or Available Revenues, as the case may be.

3. The Authority shall annually, within 180 days after the close of each Fiscal Year, cause an audit to be made of its books and accounts relating to said Airport System for such Fiscal Year by an independent and recognized certified public accountant not in the regular employ of the Authority. Promptly thereafter reports of each such audit shall be filed with the Trustee. Each such audit Report shall set forth with respect to such Fiscal Year:

(a) A summary with respect to each Fund and Account established under the Resolution, of the receipts therein and disbursements therefrom;

(b) the details of all Bonds issued, paid, purchased or redeemed;

(c) the amounts on deposit at the end of such Fiscal Year to the credit of each Fund and Account established under the Resolution, showing the respective amounts on deposit to the credit thereof in each Depositary under the Resolution, as the case may be, and any security held therefor, and showing the details of any investment thereof;

(d) the amounts of the proceeds received from any sales of property consisting part of the Airport System; and

(e) a list of all insurance policies with respect to the Airport System or certificates thereof then held by the City, the Authority, or the Trustee.

4. The Authority shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in the Resolution, a certificate signed by an Authorized Officer of the Authority and specifying such Event of Default or default and (b) within 180 days after the end of each Fiscal Year, a certificate signed by an appropriate Authorized Officer of the Authority stating that, to the best of his knowledge and belief, the Authority has kept, observed, performed and fulfilled each and every one of its covenants and obligations contained in the Resolution and there does not exist at the date of such certificate any default by the Authority under the Resolution or any Event of Default or other event which, with the lapse of time specified in Section 801 would

become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the office of the Trustee and shall be mailed to each Bondholder who shall file a written request therefor with the Authority. The Authority may charge each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

SECTION 718. [Deleted].

SECTION 719. [Deleted].

SECTION 720. [Deleted].

SECTION 721. Covenants With Respect to Airports and Aviation Facilities. Nothing herein contained shall prohibit the Authority from acquiring or constructing an airport or an aviation facility and financing the same from moneys other than the proceeds of Bonds or Revenues generated by the Airport System. The Authority hereby covenants that it will not acquire or construct any such airport or aviation facility as aforesaid unless a certificate is received from the Airport Consultant and filed with the Trustee to the effect that such airport or aviation facility will not adversely affect Revenues or Available Revenues to be derived by the Authority or the rights, security and remedies of Bondholders under the Resolution.

SECTION 722. Special Purpose Facilities. The Authority may designate new or existing facilities as "Special Purpose Facilities" as permitted in this Section 722 pursuant to a Supplemental Resolution and is authorized to finance such Special Purpose Facilities from the proceeds of Special Purpose Facility Debt issued by the Authority secured by Special Purpose Facility Revenues and without regard to any requirements of this Resolution with respect to the issuance of Additional Bonds, provided that there shall be filed with the Trustee prior to the issuance of such Special Purpose Facility Debt a certificate of an Authorized Officer of the Authority, stating that:

1. the estimated amount of Special Purpose Facility Revenues with respect to the Special Purpose Facilities to be financed will be at least sufficient to pay the principal of and interest on such Special Purpose Facility Debt and all sinking fund, reserve or other payments required by the Supplemental Resolution authorizing and securing such Special Purpose Facility Debt;

2. in the case of Special Purpose Facility Debt secured solely from sources described in subsection (i) of the definition of Special Purpose Facility Revenues, the Airport Consultant shall certify that the construction and operation of the Special Purpose Facilities to be financed will not decrease the Revenues to be derived from the Airport System;

3. in the case of Special Purpose Facility Debt secured from any of the sources described in subsection (ii) of the definition of Special Purpose Facility Revenues, the Airport Consultant shall certify that the Authority will be in compliance with the rate covenant described in Section 711 hereof for each of the next three full Fiscal Years following issuance of the Special Purpose Facility Debt;

4. no Event of Default then exists under Article VIII of this Resolution; and

5. the Authority is in compliance with any and all requirements set forth in any Supplemental Resolution related to such Special Purpose Facility Debt or any outstanding Special Purpose Facility Debt which will be secured on a parity with such additional Special Purpose Facility Debt.

The Supplemental Resolution authorizing the issuance of Special Purpose Facility Debt shall specify whether (i) the Special Purpose Facilities (or any portion thereof) financed with such Special Purpose Facility Debt shall be part of the Airport System, and (ii) the Special Purpose Facility Revenues (or any portion thereof) shall constitute Revenues.

SECTION 723. Fulfillment of Conditions Precedent. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution or statutes of the State of Florida or by the Act or the Resolution to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed and such Bonds, together with all other indebtedness of the City, shall be within every applicable debt and other limit prescribed by said Constitution or statutes.

SECTION 724. Payment of Lawful Charges. The Authority shall pay from the Revenues all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Airport System, or upon any part thereof or upon any revenue therefrom, when the same shall become due, and shall duly observe and comply with all legal requirements of any municipal or governmental authority applicable to any part of the Additional Project, and shall not create or suffer to be created any lien or charge upon the Airport System or any part thereof or upon the Revenues therefrom, except the pledge and lien created by the Resolution for the payment of the principal and Redemption Price of and interest on the Bonds and except as otherwise provided

herein. The Authority shall pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within ninety (90) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects; provided, however, that nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate administrative and legal proceedings.

SECTION 725. Compliance with Law. The Authority shall observe and perform all of the terms and conditions contained in the Act and shall comply with all valid acts, rules, regulations, orders and directions applicable to the Airport System or the Authority, of any legislative, executive administrative or judicial body having lawful jurisdiction thereover.

SECTION 726. Covenants With Respect to PFCs. The Authority hereby covenants and agrees to file such applications, submit such reports and take any and all such other actions that may be necessary or desirable to preserve its rights to impose and collect PFCs from which Available PFC Revenues are derived, to enforce with reasonable diligence its right to receive PFC Revenues from which Available PFC Revenues are derived and to use the proceeds of such Available PFC Revenues and amounts required to be deposited in the PFC Account in the manner provided herein. Without limiting the generality of the foregoing, the Authority hereby covenants and agrees as follows:

(a) To apply PFC Revenues only to finance allowable costs of approved projects in accordance with the FAA Regulations and applicable FAA authorizations and approvals (including Accrued Aggregate Debt Service with respect to that portion of the Bonds issued to finance PFC Projects);

(b) To comply with the applicable requirements of Section 9304(e) and 9307 of the Airport Noise and Capacity Act of 1990 (Pub. L. 101-508, Title IX, Subtitle D);

(c) To notify the air carriers and foreign air carriers required to collect PFCs with respect to the Airport System of the FAA's approval of the imposition of such PFCs in accordance with the requirements of the FAA Regulations and to take all actions reasonably necessary to insure the proper collection and remittance of the PFC Revenues from which Available PFC Revenues are derived by the air carriers; and

(d) To comply with all reporting, recordkeeping, and auditing requirements contained in the FAA Regulations.

SECTION 727. Available Revenues.

1. At any time and from time to time, the Authority, without the consent of the Trustee or the Holder of any Bond and without the consent of any Credit Provider, may adopt a Supplemental Resolution that (a) specifies the amount of Passenger Facilities Charges that shall constitute Available PFC Revenues, the amount of Customer Facility Charges that shall constitute Available CFC Revenues or the amount of such other income or revenue source that shall constitute Available Revenues during each Fiscal Year as specified in such Supplemental Resolution or (b) specifies Bonds that shall be secured by Available Revenues. More than one Series of Bonds may be secured by Available Revenues, and no consent from any Holder of any Bond or from any Credit Provider, shall be required as a condition to the issuance or incurring of any subsequently-issued Bonds that are secured by any Available Revenues. Notwithstanding any other provision of this Resolution, the Authority may amend (including reduce) the amount of Available Revenues, specified pursuant to clause (a) above with respect to any Fiscal Year without the consent of the Trustee or any Holder of any Bond or any Credit Provider; provided the Authority shall be in compliance with the provisions of the Supplemental Resolution that specifies the Available Revenues that secure Bonds issued hereunder.

2. The Accounts set forth in clauses (a) and (b) below are hereby established with and to be held by the Authority.

- (a) Available PFC Account; and
- (b) Available CFC Account.

3. The Authority shall, promptly upon receipt, deposit, or cause to be deposited, all Available PFC Revenues in the Available PFC Account and all Available CFC Revenues in the Available CFC Account. Unless otherwise provided in the Supplemental Resolution which specifies Available Revenues pledged for one or more Series of Bonds, simultaneously with the Authority's withdrawal of amounts from the Revenue Fund for deposit into the funds and accounts as set forth in Section 405 hereof, the Authority shall withdraw amounts on deposit in the Available PFC Account, the Available CFC Account or such other account as has been established for a different source of Available Revenues, as applicable, and shall transfer the amounts so withdrawn to the Bond Fund for the applicable Series of Bonds, in such amounts as are specified or provided for in the corresponding Supplemental Resolution specifying Available Revenues for such Series of Bonds.

4. Notwithstanding any other provision of this Resolution, (a) the Available PFC Account and the Available PFC Revenues shall secure on a pari passu basis all Bonds, whenever issued, that are specified in the applicable

Supplemental Resolution to be secured by the Available PFC Account and the Available PFC Revenues; and (b) Available PFC Revenues held in the Available PFC Account shall be applied by the Authority as follows:

The Available PFC Revenues, including any investment earnings thereon, on deposit in the Available PFC Account shall be applied to the payment of such Bonds secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the Bond Fund for such purpose pursuant to Section 405.

Any Available PFC Revenues, including investment earnings thereon, in excess of amounts required to pay Bonds secured thereby may be used for fund eligible PFC Project costs or as otherwise permitted by federal statute or the FAA Regulations.

5. Notwithstanding any other provision of this Resolution, (a) the Available CFC Account and the Available CFC Revenues shall secure on a pari passu basis all Bonds, whenever issued, that are specified in the Supplemental Resolution to be secured by the Available CFC Account and the Available CFC Revenues; and (b) Available CFC Revenues held in the Available CFC Account shall be applied by the Authority as follows:

The Available CFC Revenues, including any investment earnings thereon, on deposit in the Available CFC Account shall be applied to the payment of such Bonds secured thereby and such amount shall be accounted for as a credit against the amounts required to be deposited in the Bond Fund for such purpose pursuant to Section 405.

Any Available CFC Revenues, including investment earnings thereon, in excess of amounts required to pay Bonds secured thereby may be used for any lawful purpose.

SECTION 728. Federal Income Taxation Covenants; Taxable Bonds.
The Authority covenants with the Holders of each Series of Tax-Exempt Bonds that it shall not use the proceeds of such Series of Tax-Exempt Bonds in any manner which would cause the interest on such Series of Tax-Exempt Bonds to be or become included in gross income for purposes of federal income taxation.

The Authority covenants with the Holders of each Series of Tax-Exempt Bonds that neither the Authority nor any person or entity under its control or direction will make any use of the proceeds of such Series of Tax-Exempt Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Authority nor any other person or entity under its control shall do any act or fail to do any act which would cause the interest on such

Series of Tax-Exempt Bonds to become subject to inclusion within gross income for purposes of federal income taxation.

The Authority hereby covenants with the Holders of each Series of Tax-Exempt Bonds that it will comply with all provisions of the Code necessary to maintain the exclusion from gross income of interest on the Tax-Exempt Bonds for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code. The Authority shall establish a rebate fund pursuant to Supplemental Resolution for each Series of Tax-Exempt Bonds which shall be subject to payment of rebatable arbitrage.

The Authority may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income taxation purposes, provided that the issuance thereof will not cause interest on any other Tax-Exempt Bonds theretofore issued hereunder to be or become subject to federal income taxation. The covenants set forth in this Section 728 shall not apply to any Taxable Bonds.

For purposes of this Section 728, (1) the term "Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder in effect or proposed, (2) the term "Tax-Exempt Bonds" means Bonds the interest on which is excludable from the gross income of the Holders thereof for federal income taxation purposes, and (3) the term "Taxable Bonds" means those Bonds that the interest income thereon is includable in gross income of the Holders thereof for federal income taxation purposes.

ARTICLE VIII

REMEDIES OF BONDHOLDERS

SECTION 801. Events of Default. The following events shall be "Events of Default" under the Resolution:

(i) default shall be made in the due and punctual payment of the principal of or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, or in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor when and as such interest installment or Sinking Fund Installment shall become due and payable;

(ii) default shall be made by the Authority in the performance or observance of the covenants, agreements and

conditions on its part as provided in Section 711; provided, however, that a failure to comply with the covenants in Section 711 shall not constitute an event of default unless the Authority shall fail in the succeeding Fiscal Year to comply with the covenants in Section 711 or to restore any deficiencies which occurred in any Funds in the preceding Fiscal Year;

(iii) default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution or in the Bonds and such default shall continue for a period of sixty (60) days after written notice thereof to the Authority by the Trustee or to the Authority and to the Trustee by the Holders of not less than twenty-five percent (25%) of the Bond Obligation;

(iv) the Authority or the City shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State of Florida;

(v) judgment for the payment of money shall be rendered against the Authority or the City as the result of the construction, improvement, ownership, control or operation of the Airport System, and any such judgment shall not be discharged within twenty-four (24) months after the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof; and

(vi) an order or decree shall be entered, with the consent or acquiescence of the Authority or the City, appointing a receiver or receivers of the Airport or any part thereof, or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of the Authority or the City, shall not be vacated or discharged, stayed or appealed within ninety (90) days after the entry thereof.

SECTION 802. Accounting and Examination of Records After Default.

1. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority and all other records relating to the Airport shall at all times be subject

to the inspection and use of the Trustee and of its agents and attorneys, including any engineer or firm of engineers appointed to act on behalf of the Trustee.

2. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and Funds pledged or held under the Resolution for such period as shall be stated in such demand.

SECTION 803. Application of Revenues and Other Moneys After Default.

1. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and Funds then held by the Authority or Special Trustee in any Fund or account under the Resolution, and (ii) all Revenues as promptly as practicable after receipt thereof.

2. During the continuance of an Event of Default, the Trustee shall apply such moneys, securities, Funds and Revenues and the income therefrom as follows and in the following order:

(a) to the payment of Operation and Maintenance Expenses including, without limitation, the payment of the reasonable and proper charges and expenses of the Trustee and the reasonable fees and disbursements of its counsel;

(b) to the payment of the interest and principal or Redemption Price then due on the Bonds, subject to the provisions of Section 703, as follows:

(i) unless the principal of all of the Bonds shall have become due and payable,

First: To the payment to the persons entitled thereto of all installments of interest on Bonds other than Capital Appreciation Bonds then due in order of the maturity of such installments, together with accrued and unpaid interest on the Bonds other than the Capital Appreciation Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according

to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal, or with respect to Capital Appreciation Bonds the unpaid Maturity Amount, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal, or with respect to Capital Appreciation Bonds the unpaid Maturity Amount, or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(ii) if the principal (or, with respect to Capital Appreciation Bonds, the Maturity Amount) of all of the Bonds shall have become due and payable, to the payment of the principal and interest (or, with respect to Capital Appreciation Bonds, Maturity Amount) then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, (or, with respect to Capital Appreciation Bonds, Maturity Amount) to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds and coupons.

3. If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Authority under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities, and Funds then remaining unexpended in the hands of the Trustee (except moneys, securities, and Funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon

the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

SECTION 804. Proceedings Brought By Trustee.

1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than twenty-five (25%) of the Bond Obligation shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

2. All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of not less than a majority of the Bond Obligation may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority of the Bond Obligation, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it

may be advised shall be necessary or expedient to prevent any impairment of the security under the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

6. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of a default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 805. Restriction on Bondholder's Action.

1. No Holder of any Bond or coupon shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least twenty-five percent (25%) of the Bond Obligation shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Resolution or by the Act or by the laws of Florida or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of thirty (30) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds or coupons shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Bonds and coupons.

2. Nothing in this Resolution or in the Bonds or in the coupons contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay, from the sources herein specified, at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

SECTION 806. Remedies Not Exclusive. No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

SECTION 807. Effect of Waiver and Other Circumstances.

1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. The Holders of not less than sixty-six and two-thirds percent (66-2/3%) of the Bond Obligation, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 808. Notice of Default. The Trustee shall promptly upon becoming aware of any Event of Default mail to registered Holders of Bonds, the original purchasers of the Bonds and the financial consultant to the Authority and to all Bondholders who shall have filed their names and addresses with the Trustee for such purpose, written notice of the occurrence of any Event of Default. If any Fiscal Year Revenues shall be insufficient to comply with the provision of Section 711, the Trustee, on or before the 30th day after receipt of the annual audit, shall mail to such registered Holders and such Bondholder written notice of such failure.

ARTICLE IX

CONCERNING THE FIDUCIARIES

SECTION 901. Trustee and Special Trustee; Appointment and Acceptance of Duties.

1. The Authority shall appoint the Trustee in the Supplemental Resolution authorizing the issuance of the initial Series of Bonds hereunder. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing the certificate of authentication endorsed upon the Bonds, and by executing such certificate upon any Bond the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the

Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

2. The Authority shall appoint the Special Trustee in the Supplemental Resolution authorizing the issuance of the initial Series of Bonds hereunder. The Special Trustee shall signify its acceptance of duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and the Trustee a written acceptance thereof.

SECTION 902. Paying Agents; Appointment and Acceptance of Duties.

1. The Authority shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 913 for a successor Paying Agent. The Trustee or the Special Trustee may be appointed a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds.

SECTION 903. Responsibilities of Fiduciaries.

1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds or coupons issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection 2 of this Section 903, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 903.

SECTION 904. Evidence on which Fiduciaries may Act.

1. Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under

the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may seem reasonable.

3. Except as otherwise expressly provided in this Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer of the Authority.

SECTION 905. Compensation. The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution and each Fiduciary shall have a lien therefor on any and all Funds at any time held by it under this Resolution. Subject to the provisions of Section 903, the Authority further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence, misconduct or default.

SECTION 906. Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds and coupons, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 907. Resignation of Trustee or Special Trustee. The Trustee or Special Trustee may at any time resign and be discharged of the duties and obligations created by the Resolution by giving not less than ninety (90) days' written notice to the Authority and posting notice of such resignation with the Municipal Securities Rulemaking Board via its Electronic Municipal Marketplace Access ("EMMA") system or any successor thereto, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of

such successor; provided, however, that in no event shall the resignation of the Trustee or Special Trustee become effective until a successor Trustee or Special Trustee shall have been appointed pursuant to the provisions of this Article. Notwithstanding anything herein to the contrary, the only remedy for the failure by the Trustee to post any notice with the Municipal Securities Rulemaking Board shall be an action by the holders, as applicable, in mandamus for specific performance or similar remedy to compel performance.

SECTION 908. Removal of Trustee or Special Trustee. The Trustee or Special Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and Special Trustee, and signed by the Holders of a majority of the Bond Obligation then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority, or, so long as the Authority is not then in default hereunder, by a certificate of an Authorized Officer of the Authority filed with the Trustee and the Special Trustee.

SECTION 909. Appointment of Successor Trustee or Special Trustee.

1. In case at any time the Trustee or Special Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or Special Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or Special Trustee, or of its property or affairs, a successor may be appointed by the Authority, so long as the Authority is not then in default hereunder, or, if the Authority is then in default hereunder or the Authority has not appointed a successor Trustee or Special Trustee as the case may be within forty-five (45) days of the occurrence of such event, by the Holders of a majority of the Bond Obligation then outstanding, excluding any Bonds held by or for the account of the Authority. Such appointment by the Holders shall be by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee or Special Trustee, notification thereof being given to the Authority and the predecessor Trustee and Special Trustee; provided, nevertheless, that unless a successor Trustee or Special Trustee shall have been appointed by the Bondholders as aforesaid, the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority shall forthwith appoint a Trustee or Special Trustee to fill such vacancy until a Successor Trustee or Special Trustee shall be appointed by the Bondholders as authorized in this Section 909. The Authority shall mail notice of any such appointment made by it to each registered owner of Bonds within 20 days of such appointment and, unless all of the Bonds outstanding are in registered form, the Issuer shall publish notice of any such appointment made by it in an Authorized Newspaper, such publication to be made within 20 days after such appointment. If the Authority shall be in default

hereunder at the time of the appointment of a Successor Trustee or Special Trustee, any Successor Trustee or Special Trustee appointed by the Authority shall, immediately and without further act, be superseded by a Trustee appointed by the Bondholders.

If no successor Trustee shall have been so appointed and accepted appointment within ninety (90) days of the resignation, removal, incapability or the occurrence of a vacancy in the office of the Trustee or the Special Trustee in the manner herein provided, the Trustee or the Special Trustee, as applicable, or any Bondholder may petition any court of competent jurisdiction for the appointment of a successor Trustee or Special Trustee, as applicable, until a successor shall have been appointed as above provided.

SECTION 910. Transfer or Rights and Property to Successor Trustee or Special Trustee. Any successor Trustee or Special Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor Trustee or Special Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee or Special Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee or Special Trustee, with like effect as if originally named as Trustee or Special Trustee; but the Trustee or Special Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee or Special Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainty vesting and confirming in such successor Trustee or Special Trustee all the right, title and interest of the predecessor Trustee or Special Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee or Special Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee or Special Trustee for more fully and certainly vesting in and confirming to such successor Trustee or Special Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee or Special Trustee shall promptly notify all Paying Agents of its appointment as Trustee or Special Trustee.

SECTION 911. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or

a national banking association, shall have a net worth after such merger, conversion, consolidation, sale or transfer at least equal to the net worth of the Fiduciary immediately prior thereto, and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 912. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall have not been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have such full force.

SECTION 913. Resignation or Removal of Paying Agent and Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least ninety (90) days' written notice to the Authority, the Trustee, and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a bank or trust company or a national banking association, and having capital stock and surplus aggregating at least \$20,000,000 and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

SECTION 1001. Supplemental Resolution Without Bondholder or Trustee Consent. The Authority, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders or Trustee

(which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(1) To cure any ambiguity or formal defect or omission or to correct any inconsistent or obsolete provisions in the Resolution or to clarify any matters or questions arising hereunder.

(2) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(3) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of the Resolution other conditions, limitations and restrictions thereafter to be observed.

(4) To add to the covenants and agreements of the Authority in the Resolution other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power herein reserved to or conferred upon the Authority.

(5) To authorize Additional Bonds or Refunding Bonds or to determine the terms and details thereof and, in connection therewith, specify and determine the matters and things referred to in Sections 202, 204 or 205 hereof, including the issuance of Additional Bonds or Refunding Bonds, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(6) To authorize Additional Projects or to change or modify the description of any Additional Project.

(7) To specify and determine matters necessary or desirable for the issuance of Variable Rate Bonds, federal or State subsidy bonds or Capital Appreciation Bonds.

(8) To provide for the establishment of a separate subaccount or subaccounts in the Debt Service Reserve Account which shall independently secure one or more Series of Bonds.

(9) To modify, amend or supplement the Resolution in such manner as to permit the qualification of the Resolution under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add

to the Resolution such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(10) To comply with any future laws, rules and regulations with respect to Tax-Exempt Bonds or Taxable Bonds.

(11) To provide for the establishment and utilization of Available Revenues as provided in Section 727 hereof.

(12) To make any other change that, in the opinion of the Authority, would not materially adversely affect the interests of the Bondholders. In making such determination, the Authority shall not take into consideration any bond insurance policy insuring, or other credit enhancement securing, payment of any Bonds.

SECTION 1002. Supplemental Resolution With Bondholder and Credit Provider Consent. Subject to the terms and provisions contained in this Section 1002 and Sections 1001 and 1003 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Authority for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 1002. No Supplemental Resolution may be approved or adopted which shall permit or require, without the consent of all affected Bondholders, (1) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (2) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (3) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (4) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Credit Providers of the adoption of any Supplemental Resolution as authorized in Section 1001 hereof.

Written Consent of Credit Providers. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 1002 shall also require the written consent of any Credit Provider that has provided credit enhancement to any Bonds which are Outstanding at the time such Supplemental

Resolution shall take effect if (1) such Credit Provider has been granted the right of consent pursuant to Supplemental Resolution, (2) such Credit Provider is not in default under the related credit enhancement documents, and (3) such Credit Provider has not applied for or consented to the appointment of a receiver, custodian, trustee or liquidator of all or a substantial part of its assets, has not admitted in writing as to its inability to pay its debts as they become due, has not made a general assignment for the benefit of its creditors and has not commenced voluntary bankruptcy proceedings.

Notice. If at any time the Authority shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this 1002, the Authority shall cause the Trustee to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Trustee for inspection by all Bondholders or provide an appropriate World Wide Web internet link to where the Supplemental Resolution is posted. The Authority shall not, however, be subject to any liability to any Bondholder by reason of the Trustee's failure to cause the notice required by this Section 1002 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 1002.

Effect of Supplemental Resolution. Whenever the Authority shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Authority may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto. If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof. Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 1002, the Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Resolution of the Authority and all Holders of Bonds then Outstanding shall

thereafter be determined, exercised and enforced in all respects under the provisions of the Resolution as so modified and amended.

Deemed Notice and Consent. Notwithstanding any other provision of this Section 1002, Holders of Bonds shall be deemed to have provided consent pursuant to this Section 1002 if the offering document for such Bonds expressly describes the amendments to the Resolution contained therein and states by virtue of the Holders' purchase of such Bonds the Holders are deemed to have notice of, and consented to, such amendments.

Underwriters or Agents May Provide Consent. Notwithstanding any other provision of this Section 1002, to the extent permitted by law, at the time of issuance or remarketing of Bonds under the Resolution, a broker, dealer or municipal securities dealer, serving as underwriter or remarketing agent for such Bonds, or as agent for or in lieu of Holders of the Bonds, may provide consent to amendments to the Resolution pursuant to this Section 1002.

SECTION 1003. Amendment with Consent of Credit Providers Only. For purposes of amending the Resolution pursuant to Section 1002 hereof, a Credit Provider shall be considered the Holder of such Bonds which it has insured or provided credit enhancement. The consent of the Holders of such Bonds shall not be required if the Credit Provider shall consent to the amendment as provided by this Section 1003 and such Credit Provider (1) is not in default under the related credit enhancement documents, and (2) has not applied for or consented to the appointment of a receiver, custodian, trustee or liquidator of all or a substantial part of its assets, has not admitted in writing as to its inability to pay its debts as they become due, has not made a general assignment for the benefit of its creditors and has not commenced voluntary bankruptcy proceedings. At least fifteen (15) days prior to adoption of any amendment made pursuant to this Section 1003, notice of such amendment shall be delivered to the Rating Agencies rating the Bonds. Upon filing with the Trustee evidence of such consent of the Credit Providers as aforesaid, the Authority may adopt such Supplemental Resolution. After the adoption by the Authority of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 1002 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in clauses (1) through (4) in the first paragraph of Section 1002 hereof.

SECTION 1004. General Provisions.

1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X. Nothing in this Article X shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or

other instrument pursuant to the provisions of Section 705 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 1001, 1002 or 1003 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

3. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

SECTION 1005. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article X, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article X, the Authority shall furnish the Trustee a certificate of an Authorized Officer of the Authority, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 1006. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken in this Article X may, and, if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for such purpose at the principal office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds with all unpaid coupons, if any, appertaining thereto.

ARTICLE XI

[DELETED]

ARTICLE XII

MISCELLANEOUS

SECTION 1201. Defeasance.

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds and coupons the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Pledged Funds, and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Authority all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, on Bonds or payment of coupons not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Outstanding Bonds of a particular Series and the coupons appertaining thereto the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Bonds or coupons or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section. All Outstanding Bonds of any Series, or all or any portion of one or more maturities within a Series, and all coupons appertaining to such Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to

their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to give as provided in Article V notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities the principal of and the interest on which when due will provide money which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to provide, as soon as practicable, by mail to the registered owners of all Registered Bonds so defeased. Neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under the Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable and legally permissible, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution. For purposes of this Section, Investment Securities shall mean and include only such securities as are described in clauses (i) and (vi) of the definition of "Investment Securities" in Section 101.

3. Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge for any of the Bonds or coupons which remain unclaimed for six (6) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six (6) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, unless otherwise provided by law, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds and

coupons; provided, however, that before being required to make any such payment to the Authority, the Fiduciary shall, at the expense of the Authority, cause to be published at least three times at intervals of not less than seven (7) days between publications, in Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than forty-five (45) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds or coupons appertaining thereto, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate or any notary public or other officer authorized to take acknowledgments of deed, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(2) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit

with such depositary the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depositary with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

3. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

SECTION 1203. Prior Obligations Not Affected. Nothing contained in the Resolution shall be construed as impairing or destroying the obligation of the Authority in connection with any franchise, contract, agreement, lease or other arrangement entered into by the Authority in connection with the operation of the properties of the City by the Authority prior to the adoption of this Resolution, or to release any person, firm or corporation, public or private, from any debt or other obligation to the Authority pursuant to any such franchise, contract, agreement, lease or other arrangement.

SECTION 1204. Moneys Held for Particular Bonds and Coupons. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds or coupons, shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds and coupons entitled thereto.

SECTION 1205. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Bondholder and their representatives, any of whom may make copies thereof.

SECTION 1206. Parties Interested Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries and the Holders of the Bonds and the coupons thereunto appertaining, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof, and all the covenants, stipulations, promises and agreements in the

Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, and the Holders of the Bonds and the coupons thereunto appertaining.

SECTION 1207. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any member or officer of the Authority or the City or any person executing the Bonds. Further, the Bonds do not constitute a debt of the City or a pledge of the faith and credit of the City. The Bonds and the interest thereon are payable solely from the funds pledged therefor under the Resolution. The issuance of Bonds under the Resolution shall not directly or indirectly or contingently obligate the City to levy or pledge any form of taxation whatever therefor or to make any appropriation for their payment.

SECTION 1208. Publication of Notice; Suspension of Publication.

1. Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspapers for any or all of the successive publications but may be made in a different Authorized Newspapers.

2. If, because of the temporary or permanent suspension of the publication or general circulation of Authorized Newspapers or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

SECTION 1209. [Deleted].

SECTION 1210. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

SECTION 1211. Available PFC Revenues; Transition.

1. On the date the Consent Amendments become effective in accordance with the terms hereof, the Available PFC Revenues pledged to Bonds Outstanding, including the portion of the Series 2015A Bonds which financed the 2015A PFC Projects (the "Outstanding PFC Bonds"), shall continue to be so pledged subsequent to such effective date. However, for purposes of the Resolution, Available PFC

Revenues subsequent to such effective date shall be utilized in accordance with the Amended and Restated Bond Resolution, including, in particular, Section 727 hereof. Subsequent to the effective date of the Consent Amendments, such Available PFC Revenues shall be considered Revenues only for purposes of the pledge provided by the Resolution.

2. As permitted by the Amended and Restated Bond Resolution, the Authority hereby determines that Passenger Facilities Charges shall constitute Available PFC Revenues for the Outstanding PFC Bonds in each Fiscal Year starting with the Fiscal Year during which the Consent Amendments shall become effective, in an amount for each such Fiscal Year as set forth in the certificate of an Authorized Officer delivered in connection with the issuance of the Outstanding PFC Bonds. The amount of Available PFC Revenues specified in the certificate of an Authorized Officer for each such Fiscal Year shall be the amount required to pay the amount of principal of and interest due and payable on the Outstanding PFC Bonds in each such Fiscal Year as specifically set forth in the certificate of an Authorized Officer. Such Available PFC Revenues shall be deposited into the Available PFC Account and shall be transferred to the Bond Fund for the payment of the Outstanding PFC Bonds.

3. As provided in the Amended and Restated Bond Resolution, commencing in the Fiscal Year during which the Consent Amendments shall become effective, the Debt Service on the Outstanding PFC Bonds to be paid from Available PFC Revenues shall be irrevocably committed to payment of such Debt Service pursuant to this Section 1211 and Section 727 of the Amended and Restated Bond Resolution and shall not be included in calculating Debt Service in each applicable Fiscal Year for purposes of the Amended and Restated Bond Resolution.

4. In each of the Fiscal Years specified in subsection (2) above, the Authority shall deposit an amount of Passenger Facilities Charges as received by the Authority into the Bond Fund until there have been deposited therein during such Fiscal Year an amount of Passenger Facilities Charges at least equal to the committed amounts of Available PFC Revenues specifically set forth in the certificate of an Authorized Officer.

5. Any Passenger Facilities Charges received in any of the Fiscal Years specified in subsection (2) above in excess of the committed amounts of Available PFC Revenues as specifically set forth in the certificate of an Authorized Officer, including any investment earnings thereon, may be used by the Authority for paying the cost of projects eligible to be funded with Passenger Facilities Charges or as otherwise permitted by federal statute or the regulations promulgated by the Federal Aviation Administration with respect to Passenger Facilities Charges.

SECTION 1212. Rate Covenant; Transition. The Rate Covenant provided in Section 711 of the Amended and Restated Bond Resolution shall be operative for the entire Fiscal Year in which the effective date of the Consent Amendments occurs.

SECTION 1213. Additional Bonds Test; Transition. The Additional Bonds test provided in Section 204 of the Amended and Restated Bond Resolution shall be operative for all Additional Bonds issued on or subsequent to the effective date of the Consent Amendments.

SECTION 1214. Other Provisions; Transition. The Authority may adopt pursuant to Supplemental Resolution procedures for the transition of provisions in this Resolution to those of the Amended and Restated Bond Resolution.

ARTICLE XIII

BOND FORMS AND EFFECTIVE DATE OF RESOLUTION

SECTION 1301. Form of Bonds and Coupons and Trustee's Certificate of Authentication. Subject to the provisions of the Resolution, the Bonds of each Series, the coupons (if any) to be attached hereto, the validation certificate and the Trustee's certificate of authentication shall be in the form provided in the Supplemental Resolution authorizing such Series of Bonds.

[FORM OF CERTIFICATE OF AUTHENTICATION ON ALL BONDS]

TRUSTEE'S CERTIFICATE

This bond is one of the bonds executed and delivered pursuant to the within mentioned Resolution.

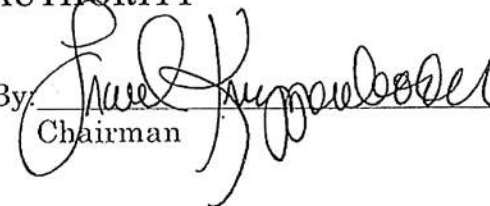
Trustee

By: _____
Authorized Officer

SECTION 1302. Effective Date of Amended and Restated Bond Resolution and Consent Amendments. Upon (i) receipt of the written consent thereto of the Holders of at least a majority of the principal amount of the Bonds Outstanding, (ii) receipt of consent or approval of any other entities which have been provided such right, including the City, and (iii) compliance with the relevant provisions of Articles X and XI of the Airport Facilities Revenue Bond Resolution, this Amended and Restated Bond Resolution will be deemed adopted and the Consent Amendments contained therein shall become effective. Upon the adoption of this Amended and Restated Bond Resolution, this Amended and Restated Bond Resolution shall supersede all other prior bond resolutions of the Authority in all respects.

Airport Facilities Revenue Bond Resolution approved and adopted by Greater Orlando Aviation Authority Board on September 16, 2015.

GREATER ORLANDO AVIATION
AUTHORITY

By:  _____
Chairman

APPENDIX C

RATE RESOLUTION AND FORM OF REVENUE SHARING AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

**SECOND AMENDED AND RESTATED RESOLUTION OF THE
GREATER ORLANDO AVIATION AUTHORITY**

RELATING TO

**AIRLINE RATES AND CHARGES AND AIRLINE
OPERATING TERMS AND CONDITIONS FOR THE
USE OF FACILITIES AND SERVICES AT
ORLANDO INTERNATIONAL AIRPORT**

**August 28, 2019
to be effective October 1, 2019**

TABLE OF CONTENTS

	Page No.
ARTICLE 1: DEFINITIONS.....	1
ARTICLE 2: EFFECTIVE DATE AND LETTERS OF AUTHORIZATION.....	11
2.1 Effective Date	11
2.2 Letters of Authorization	11
ARTICLE 3: APPLICABILITY OF RESOLUTION.....	12
ARTICLE 4: TERMINAL PREMISES.....	13
4.1 Terminal Space Assignments.....	13
4.2 Gate Assignments	13
4.3 Use and Occupancy of Terminal Premises	14
4.4 Letters of Authorization	15
4.5 Transfer of Operations	15
4.6 Terminal Equipment	17
ARTICLE 5: USE OF THE AIRPORT AND RELATED FACILITIES.....	18
5.1 Permitted Airline Activities	18
5.2 Prohibited Activities and Authority Activities.....	21
5.3 Affiliates.....	23
5.4 Airline Requirements	24
ARTICLE 6: OPERATION AND MAINTENANCE OF THE AIRPORT.....	26
6.1 Designation of Operation and Maintenance Responsibilities	26
6.2 Airline Obligations.....	26
6.3 Failure of Utilities.....	26
ARTICLE 7: RENTALS, FEES, AND CHARGES.....	28
7.1 Rate Methodology, Rates and Charges	28
7.2 Extraordinary Service Charges	29
7.3 Other Fees and Charges	29
7.4 Information to be Supplied by Airlines.....	30
7.5 Payments	32
7.6 Security for Performance	33
7.7 Calculation of Holdroom Space and Airline Equipment Charge.....	34
ARTICLE 8: CHANGES IN RATES AND CHARGES	35
8.1 Annual Rate Changes.....	35
8.2 Changes in Rates and Charges.....	35
ARTICLE 9: AIRLINE IMPROVEMENTS	36
9.1 Alterations and Improvements by Airlines	36
9.2 Removal of Improvements.....	36
9.3 Compliance with Law	36
9.4 Ownership of Improvements.....	36
ARTICLE 10: DAMAGE OR DESTRUCTION.....	37
10.1 Partial Damage	37
10.2 Substantial Damage.....	37
10.3 Destruction	37
10.4 Damage Caused By Airline.....	38

	Page No.
10.5 Limit on Authority's Responsibilities	39
ARTICLE 11: INDEMNIFICATION AND INSURANCE	39
11.1 Indemnification by Airline	39
11.2 Insurance	40
ARTICLE 12: CANCELLATION OF LETTER OF AUTHORIZATION BY THE AUTHORITY	44
12.1 Termination Events	44
12.2 Continuing Responsibilities	45
12.3 The Authority's Remedies	45
12.4 Remedies Under Federal Bankruptcy Laws	46
ARTICLE 13: CANCELLATION OF LETTER OF AUTHORIZATION BY AN AIRLINE	47
13.1 Termination of Events	47
13.2 Airline's Remedy	47
ARTICLE 14: SURRENDER OF AIRLINE PREMISES	48
14.1 Surrender and Delivery	48
14.2 Removal of Property	48
ARTICLE 15: ASSIGNMENT AND HANDLING AGREEMENTS	49
15.1 Assignment by an Airline	49
15.2 Handling Agreements	49
ARTICLE 16: AVAILABILITY OF ADEQUATE FACILITIES	51
16.1 Reassignment of Preferential Use Premises	51
16.2 Regional/Commuter Operations	51
ARTICLE 17: GOVERNMENT INCLUSION	52
17.1 Government Agreements	52
17.2 Federal Government's Emergency Clause	52
17.3 Nondiscrimination	52
17.4 Security	56
17.5 Environmental	56
17.6 Part 27 Compliance	58
ARTICLE 18: GENERAL PROVISIONS	59
18.1 Subordination to Bond Resolution	59
18.2 Passenger Facility Charge	59
18.3 Use of Airline Premises	59
18.4 Performance	59
18.5 Avigation Rights	60
18.6 Rules and Regulations and Operational Directives	60
18.7 Inspection	60
18.8 Titles	60
18.9 Severability	60
18.10 Other Agreements	60
18.11 Approvals	61
18.12 Notice	61
18.13 Agent For Service	61

	Page No.
18.14 Governing Law and Legal Forum.....	61
18.15 Third-Party Beneficiary	61
18.16 Most Favored Nation Clause.....	61
18.17 No Individual Liability.....	62

RESOLUTION

W I T N E S S E T H:

WHEREAS, the City of Orlando is the owner of the Airport located in the City of Orlando, County of Orange, State of Florida; and

WHEREAS, pursuant to an agreement dated September 27, 1976 with the City of Orlando, City Document No. 13260-1, as amended by that certain Amended and Restated Operation and Use Agreement dated August 31, 2015, the Authority has custody, control, and management of the Airport, and under its governmental responsibilities, operates the Airport for the accommodation of air commerce transportation; and

WHEREAS, the Authority has the right to lease, license, or otherwise provide for the use of land, property and facilities of the Airport and has full power and authority to establish Rates and Charges and operating terms and conditions for such use; and

WHEREAS, Airlines engaged in the business of transportation by air of persons, property, mail, parcels and/or cargo desire to conduct operations at the Airport; and

WHEREAS, the Authority desires to adopt this Resolution to establish the permitted activities and operating terms and conditions of Airlines, and Rates and Charges payable by Airlines, with respect to the use and occupancy of the Airport;

NOW, THEREFORE, BE IT RESOLVED by the Greater Orlando Aviation Authority that:

ARTICLE 1 DEFINITIONS

The following words, terms and phrases wherever used in this Resolution shall have the following meanings:

1.1 Affiliate shall mean any Airline that has signed an Operating Permit or Letter of Authorization and (i) is a parent or wholly owned subsidiary of another Airline, or (ii) operates under essentially the same trade name as another Airline at the Airport and uses essentially the same livery as such other Airline.

1.2 Airfield or Airfield Cost Center shall mean those portions of the Airport, excluding the Terminal Apron, providing for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, runway protection zones, safety areas, infield areas, taxi lanes, landing and navigational aids, fire and crash rescue support facilities, service roads, fencing, buffer areas, fuel farm, fuel hydrant and delivery systems, clear zones, avigation or other easements, access roadways, perimeter roads, runways, a fully integrated

taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes, as may be designated from time to time by the Authority in its reasonable discretion.

1.3 Airline shall mean any air carrier or foreign air carrier, as defined in 49 U.S.C. §40102, as amended, operating an Air Transportation Business from time to time at the Airport.

1.4 Airline Equipment shall mean loading bridges, pre-conditioned air, ground power/400Hz, potable water, fire bottles and related equipment used to transport passengers between the Terminal and an aircraft.

1.5 Airline Equipment Charge shall mean the amount payable by an Airline for the use of Airline Equipment, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.6 Airline Equipment Expenses shall mean the aggregate annual cost to the Authority of acquiring and maintaining all Airline Equipment, which cost (a) shall include Debt Service, O&M Expenses, Operating Reserves and Amortization, (b) may include Debt Service Coverage, as set forth in the Rate Methodology, but (c) shall not include the acquisition cost of items purchased by the Authority with PFCs or funds from federal or state grants.

1.7 Airline Premises shall mean those areas in the Terminal or Terminal Aprons assigned to an Airline from time to time, including but not limited to Committed Premises assigned in connection with a Letter of Authorization. The use or occupancy of premises at the Airport that are not in the Terminal or on the Terminal Apron (e.g. hangers), and that are leased by an Airline subject to a separate agreement between the Authority and such Airline, shall not be governed by the terms of this Resolution, except to the extent set forth in such separate agreement.

1.8 Airport shall mean Orlando International Airport, owned by the City of Orlando and operated by the Authority, including all real property easements or any other interest therein as well as all improvements and appurtenances thereto, structures, buildings, fixtures, and all tangible personal property or interest in any of the foregoing, now or hereafter owned, leased or operated by the Authority.

1.9 Air Transportation Business shall mean the scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo.

1.10 Airport System shall mean all real property owned or operated from time to time by the Authority, and any interest therein, including improvements thereto, structures, buildings, fixtures, and other personal property, which comprise part of the Airport, Orlando Executive Airport or any airport hereafter owned by the Authority or by the City of Orlando and leased or operated by the Authority.

1.11 Amortization shall mean the annualized cost of capital assets and projects (including renewal and replacement projects and other expenditures and debt paid down prior to

maturity) funded with Authority funds, amortized over the reasonably expected life of the respective asset, project or expenditure, and charged, with an imputed interest rate if, and in the amount, set forth in the Rate Methodology, to the Cost Center(s) to which the asset, project or expenditures relates and, within the Terminal Cost Center, if and to the extent appropriate, to areas or equipment having separately calculated Rates and Charges (e.g. the FIS or the Airline Equipment Expenses).

1.12 Annual Access Gate shall mean Gates included as part of an Airline's Committed Premises, including Priority Access Gates.

1.13 Apron Use Fee shall mean the amount payable by an Airline for the use of the Terminal Apron, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.14 Authority shall mean the Greater Orlando Aviation Authority, created pursuant to Chapter 57-1658, Special Laws of Florida 1957, as replaced by Chapter 98-492, Laws of Florida, as amended, and, for purposes of carrying out and exercising the obligations, rights and duties of such entity hereunder, its board and executive staff, as the context requires.

1.15 Authority Policies and Procedures shall mean the operating rules, policies, procedures, terms, conditions and directives relating to operations at the Airport, as publicly posted or available (e.g. on the Authority's website) or as announced from time to time by the Chief Executive Officer or the Chief Executive Officer's designee, or as set forth, from time to time, in the Airline Operations Procedures (or similar document), all as may be amended from time to time by the Authority, which amendments shall be effective after reasonable notice to the persons to whom such amendments apply, including, in certain cases, notice by public posting.

1.16 Baggage System shall mean the Inbound Baggage System and the Outbound Baggage System, provided that, to the extent the Rate Methodology calculates Rates and Charges for the Baggage System in the North Terminal separately from the Baggage System in the South Terminal, Baggage System shall be deemed to apply to either the North Terminal, the South Terminal or both Terminals, as the context requires.

1.17 Bond Resolution shall mean the Airport Facilities Revenue Bond Resolution Authorizing Airport Facilities Revenue Bonds of City of Orlando, Florida, adopted by the Authority on September 16, 2015 with an effective date of May 1, 2017, and as the same has and may hereafter, from time to time, be amended and supplemented by Supplemental Resolution, as defined in the Bond Resolution.

1.18 Bonds shall mean the Airport Facilities Revenue Bonds issued by the Authority pursuant to the Bond Resolution.

1.19 Chief Executive Officer shall mean the Chief Executive Officer of the Authority, and shall include such person or persons as may from time to time be authorized in writing by

the Authority or by the Chief Executive Officer or applicable law to act for the Chief Executive Officer with respect to any or all matters pertaining to the operation of the Airport.

1.20 City shall mean the City of Orlando, Florida.

1.21 Committed Premises shall mean those portions of the Terminal and Terminal Aprons assigned to an Airline pursuant to a Letter of Authorization for use and occupancy at a cost charged on a per period rate, as opposed to an activity basis, including Exclusive Use Premises, Preferential Use Premises and Annual Access Gates.

1.22 Common Use Baggage Charges shall mean charges payable by the Airlines for use of the Inbound Baggage System and the Outbound Baggage System, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.23 Common Use Premises shall mean Airline Premises, other than Committed Premises, that are assigned by the Authority from time to time for use and occupancy by an Airline and paid for on an activity basis, whether by Facility Fee, Common Use Baggage Charges, or Common Use South Ticketing Area Charges, and shall include, for example, ticket counters, baggage make-up, Baggage System, gates, holdrooms, aprons and loading bridges. Common Use Premises may be designated as such from time to time in the Authority Policies and Procedures.

1.24 Common Use South Ticketing Area Charges shall mean charges payable by the Airlines for use of the South Ticketing Area, as established from time to time by the Authority based on calculations using the Rate Methodology.

1.25 Cost Centers shall mean those distinct areas or functional activities of the Airport System established by the Authority from time to time and used for the purposes of accounting for Revenues, O&M Expenses, Operating Reserves, Amortization, Debt Service, and Debt Service Coverage, and for calculating Rates and Charges.

1.26 Debt Service shall mean any principal, interest, premium, and other fees and amounts either paid or accrued for, or required under applicable documents to be paid or accrued for, Bonds, Subordinated Indebtedness or Other Indebtedness, exclusive of amounts funded by Available PFC Revenues (as defined in the Bond Resolution).

1.27 Debt Service Coverage shall mean 1.25 times the Debt Service payable by the Authority in a particular Fiscal Year with respect to Bonds, 1.10 times the Debt Service payable by the Authority in a particular Fiscal Year with respect to Subordinated Indebtedness or Other Indebtedness, and any different amount corresponding to the debt service coverage requirement set forth in the applicable governing document for such debt.

1.28 Deplaned Passenger shall mean any passenger disembarking an aircraft at the Terminal, including any such passenger that (a) shall subsequently board another aircraft of the same or a different Airline or (b) subsequently board or remain on board the same aircraft operating under a different flight number than at the time it landed at the Airport.

1.29 Effective Date shall mean October 1, 2019.

1.30 Enplaned Passenger shall mean any passenger boarding an aircraft at the Terminal, including any such passenger that (a) previously disembarked from another aircraft of the same or a different Airline or (b) disembarked from or remained on board the same aircraft operating under a different flight number than at the time it landed at the Airport.

1.31 Environmental Laws shall have the meaning set forth in Section 17.5(a)(i) below.

1.32 Exclusive Use Premises shall mean those portions of the Terminal available for use and occupancy for a fixed monthly amount, and assigned to an Airline on an exclusive basis. Exclusive Use Premises may be designated as such from time to time in the Authority Policies and Procedures.

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

1.34 Facility Fee shall mean a Per Turn fee payable by an Airline for the right to use Common Use Premises assigned to an Airline (other than the Baggage System or, with respect to Airlines operating out of Committed Premises, the South Ticketing Area), for the processing of passengers and baggage (e.g. gate, check-in counter, queue space, holdroom, bag make-up space and equipment, Airline Equipment, Terminal Apron, etc.), as established from time to time by the Authority based on calculations using the Rate Methodology.

1.35 Fiscal Year shall mean the annual accounting period of the Authority for its general accounting purposes which, as of the Effective Date, is the period of twelve consecutive months, ending with the last day of September of any year.

1.36 FIS shall mean the Federal Inspection Services facilities located in the Terminal.

1.37 FIS Fees shall mean the per person-on-board fee payable by Airlines for the use of the FIS, as established from time to time by the Authority in accordance with the Rate Methodology.

1.38 FIS Space shall mean those areas in the Terminal used for the processing of arriving international passengers that require federal processing, including associated sterile corridors, customs and immigration control, international baggage claim areas, federal agency offices, and any other Federal Inspection Services facilities.

1.39 Gates shall mean that portion of the Terminal consisting of individual portals used for loading and unloading passengers to and from aircraft, and related holdrooms and all appurtenant space.

1.40 Ground Transportation Cost Center shall mean those areas of the Airport designated from time to time by the Authority for public automobile parking, automobile rental

agencies, taxi, bus, transportation network companies, and limousine parking areas, and other nonaeronautical transportation related accommodations and services for the public arriving at or leaving the Terminal, as designated as such from time to time by the Authority.

1.41 Hotel shall mean the hotel facility, including guest rooms, meeting rooms, restaurants and lobby areas, located in the landside Terminal building.

1.42 Identified Affiliate shall have the meaning set forth in Section 5.3 below.

1.43 Inbound Baggage System shall mean the Airport space, facilities and equipment used to process passenger bags from the time a bag is removed from an aircraft until it is claimed by, or delivered to, the passenger, including bag claim, bag drop off, and, to the extent applicable, 50% of the tug road, but excluding bag make-up and any remote (non-Terminal) screening facilities and equipment for which the Authority incurs no operational or maintenance costs.

1.44 Landing Fee shall mean the amount payable by an Airline for the use of the Airfield, as designated from time to time by the Authority based on calculations using the Rate Methodology.

1.45 Letter of Authorization shall mean a written commitment by an Airline, in a form acceptable to the Authority, to use and occupy Committed Premises for a stated duration.

1.46 Maximum Gross Landed Weight shall mean the maximum gross certificated landing weight in one thousand pound units for each Revenue Landing operation at the Airport by an Airline, as certificated by the FAA or its successor.

1.47 Non-Revenue Landing shall mean any aircraft landing by an Airline at the Airport for a flight for which the Airline receives no revenue, which shall include any flight, that after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

1.48 North Terminal shall mean the Terminals and the associated automated people movers in operation on the Effective Date, currently identified as Terminals A and B, as such facilities may be modified from time to time. The North Terminal shall not include the Hotel located in the landside terminal building and its entrance curbside.

1.49 Operation and Maintenance Expenses (or O&M Expenses) shall mean all direct, indirect or general administrative, operational and maintenance expenses, paid, payable or accrued, of the Authority to operate, maintain, and conduct ordinary current repairs or replacements of or at the Airport and shall include, without limiting the generality of the foregoing, insurance premiums, insurance claims and related costs, self-insurance retentions, administrative fees, administrative expenses of the Authority, employment compensation and costs, engineering, architectural, legal, accounting and airport consultant fees and costs, replacement and/or repair of all vehicles, rolling stock and moveable equipment, fees and

expenses relating to any Bonds not included in Debt Service, and expenditures for the purpose of paying the cost of rebuilding, reconstructing, altering, replacing and renewing the facilities of the Airport (other than expenditures of casualty insurance proceeds), construction and acquisition of improvements to capital assets of the Airport, and such other current expenses of the Authority incurred in connection with the operation of the Airport. O&M Expenses shall not include any allowance for depreciation or obsolescence of capital assets used at the Airport, or any operating expenses of special purpose facilities buildings where the lessees thereof are obligated to pay such operating expenses. Direct and indirect O&M Expenses shall be allocated by the Authority from time to time to the Cost Center to which those expenses relate.

1.50 Operating Permit shall mean a written acknowledgment by an Airline, in a form acceptable to the Authority, of the applicability of this Resolution to such Airline's use of the Airport, including the Airfield, Terminal Apron and Terminal space, facilities and equipment.

1.51 Operating Reserve Requirement (or O&M Reserve Requirement) shall mean the operating reserve amount required to be created and maintained in accordance with the Bond Resolution, or, in the absence thereof, such amount deemed reasonable in the discretion of the Chief Executive Officer.

1.52 Operating Reserves shall mean all repair, replacement, operating, maintenance and other reserves (including the Operating Reserve Requirement) required or deemed prudent in the reasonable discretion of the Authority.

1.53 Other Buildings and Grounds Cost Center shall mean those areas of the Airport not in the Airfield Cost Center, Terminal Cost Center, Ground Transportation Cost Center, or Other Cost Center.

1.54 Other Cost Center shall mean those areas of the Airport specifically designated from time to time by the Authority in its reasonable discretion as not belonging in another Cost Center, including, but not limited to, rail corridors, terminals and operations.

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

1.56 Outbound Baggage System shall mean the Airport space, facilities, and equipment used to process passenger bags from the time a bag is checked until it is loaded on an aircraft, including the in-line baggage handling system and, to the extent applicable, 50% of the tug road, but excluding bag make-up and any remote (non-Terminal) screening facilities and equipment for which the Authority incurs no operational or maintenance costs.

1.57 Passenger Facility Charge (or PFC) shall mean the fees authorized by 49 U.S.C. 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended.

1.58 Performance Security shall have the meaning set forth in Section 7.6(a) below.

1.59 Per Turn shall mean a single inbound and outbound flight operation, for which an Airline uses certain Terminal space, facilities and/or equipment, other than Committed Premises.

1.60 Preferential Use Premises shall mean those portions of the Terminal, other than Annual Access Gates, assigned to an Airline pursuant to a Letter of Authorization for use and occupancy charged on a per period rate and to which such Airline will have scheduling priority over other users. Preferential Use Premises may be designated as such from time to time in the Authority Policies and Procedures.

1.61 Priority Access Gate shall mean a Committed Gate that qualifies for certain enhanced occupancy rights, as such qualifications and rights are set forth in the Authority Policies and Procedures from time to time.

1.62 Public Space shall mean all public sidewalks, stairways, hallways, corridors, elevators, escalators, entrance-ways, lobbies and waiting areas, passenger screening areas, passenger transit system, restrooms, and other similar areas made available by the Authority from time to time for use by passengers, Authority and Airline employees, and other members of the public; areas used by the Orlando Police Department and TSA that are not rented; and areas used for the operation, maintenance or security of the Terminal, even if used solely by the Authority (such as utility rooms, ductways, janitorial rooms and closets), as such may be designated from time to time.

1.63 Rate and Revenue Sharing Agreement shall mean an agreement between one or more Airlines and the Authority, whereby the Authority agrees to share with such Airlines certain net Revenues, as set forth in such agreement.

1.64 Rate Methodology shall mean the formulas, methods and calculations used to derive Rates and Charges, as such are adopted by the Authority from time to time and set forth in a rate book or rate package that is delivered to Airlines, published or otherwise made available for review each year, but exclusive of any tables or other attachments thereto.

1.65 Rates and Charges shall have the meaning set forth in Section 7.1 below.

1.66 Rentable Space, with respect to the Terminal, shall mean the areas in the Terminal that are rentable to tenants, including office and administrative space used by the Authority, but specifically excluding Public Space, and Hotel space; as such may be determined from time to time by the Authority. Unrentable areas committed for leasing to a future tenant when renovated shall not be considered rentable during the period of such commitment until the lease period commences.

1.67 Resolution shall mean this resolution, including the Rate Methodology and resulting Rates and Charges incorporated herein, as modified, amended or replaced by the Authority from time to time.

1.68 Revenue Landing shall mean any aircraft landing by an Airline at the Airport for which such Airline receives revenue for either or both of the arrival or departure portions of the operation.

1.69 Revenues shall mean income received or accrued by the Authority in accordance with generally accepted accounting principles, including investment earnings, from or in connection with the ownership or operation of the Airport or any part thereof, or the leasing or use thereof; provided, however, Revenues shall specifically exclude: (a) gifts, grants and other funds which are restricted by their terms to purposes inconsistent with the payment of general O&M Expenses, Operating Reserves or payment of Debt Service; (b) insurance proceeds; (c) any gain from the sale, exchange or other disposition of real property of the Airport, (d) any unrealized gains on securities held for investment by or on behalf of the Authority; (e) any gains resulting from changes in valuation of any Swap; (f) any unrealized gains from the reappraisal or revaluation of assets; (g) the proceeds of debt; (h) Passenger Facility Charges and the interest earned therefrom, (i) customer facility charges (e.g. rental car CFCs) and interest earned therefrom; (j) investment income derived from any moneys or securities placed in escrow or trust to defease Debt Service; (k) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code; (l) any exclusions from the definition of Revenues in the Bond Resolution, (m) Available PFC Revenues (as defined in the Bond Resolution) whether applied to Debt Service, or deposited into the PFC Fund, and (n) interest earnings or other investment earnings on any account in the construction fund established by any supplement to the Bond Resolution unless otherwise provided in such supplement.

1.70 South Terminal shall mean the Terminal under construction on the Effective Date, expected to be initially identified as Terminal C, as such facilities may be modified from time to time.

1.71 South Ticketing Area shall mean the ticket counter, queue areas and bag make up space in the South Terminal identified from time to time by the Authority.

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

1.73 Subordinated Bond Resolution shall mean a bond resolution, indenture or related document granting a pledge subordinate to the pledge granted by the Bond Resolution, and authorizing the issuance by the Authority of Subordinated Indebtedness, as such may be supplemented or amended from time to time.

1.74 Substantial Completion shall mean the date on which the Authority's architects and/or engineers certify any premises at the Airport to be substantially complete as to permit use and occupancy sufficient for its intended use.

1.75 Terminal or Terminal Cost Center shall mean all passenger terminal buildings, including all landside and airside passenger terminal facilities, and, to the degree appropriate,

access roadways, tunnels, sidewalks and people mover systems used to access the terminals, as such may be designated from time to time by the Authority.

1.76 Terminal Aprons shall mean those areas of the Airport surrounding the Terminal that are designated by the Authority from time to time for the parking, including overnight parking and remote parking, of passenger aircraft, support vehicles and equipment, and the loading and unloading of passenger aircraft, but excluding taxi lanes for circulation.

1.77 Terminal Rental Rate shall be the amount per square foot used to determine Rates and Charges, as designated from time to time by the Authority based on calculations using the Rate Methodology.

1.78 TSA shall mean the Transportation Security Administration of the Department of Homeland Security, created under the Aviation and Transportation Security Act (“ATSA”), Public Law 107-71 of 2001, as amended, or any successor or any successor agency thereto..

Additional words and phrases used but not defined herein shall have the meanings as defined under the Bond Resolution or, if not so set forth, shall have their usual and customary meaning.

ARTICLE 2
EFFECTIVE DATE AND LETTERS OF AUTHORIZATION

2.1 Effective Date. This Resolution, along with the determination of Rates and Charges set forth herein, shall be effective for the first Fiscal Year beginning on or after the Effective Date, shall supersede the Amended and Restated Resolution dated August 21, 2016 (the "Prior Rate Resolution") as of the Effective Date, and shall continue in effect until modified, amended or terminated by the Authority. The Prior Rate Resolution shall terminate and be of no further force and effect for Fiscal Years beginning on or after the Effective Date, but shall remain in effect as to Fiscal Years ending prior to the Effective Date, including for purposes of any payments, adjustments or true-ups calculated or implemented after the Effective Date, but applicable to Fiscal Years ending prior to the Effective Date.

2.2 Letters of Authorization. At the Effective Date, any and all Letters of Authorization between Airlines and the Authority for the use of particular Terminal facilities at the Airport shall terminate and be of no further force and effect, except that (a) any obligations of payment by either an Airline or the Authority to the other under such Letters of Authorization, and (b) any other obligations intended to survive termination pursuant to the terms of such Letters of Authorization or the Prior Rate Resolution, shall survive termination until such obligations have been satisfied.

ARTICLE 3
APPLICABILITY OF RESOLUTION

This Resolution shall apply to all Airlines operating at the Airport and/or making use of the Airfield or Terminal at the Airport, whether or not such Airline specifically agrees in writing to the terms hereof. All Airlines operating at the Airport are expected to sign and deliver to the Authority either a Letter of Authorization or an Operating Permit prior to the Effective Date of this Resolution or prior to commencement of operations at the Airport. In any event, use of the Airfield or Terminal by an Airline in connection with its operations shall constitute the agreement by such Airline with the terms and conditions hereof, including, in particular, the Rate Methodology and the Rates and Charges described or authorized herein.

ARTICLE 4 TERMINAL PREMISES

4.1 Terminal Space Assignments.

Airlines shall use such Terminal space, facilities and equipment (e.g. Gates, ticket counters and corresponding queue space, bag make up, administrative offices, club space, ramp operations and crew base facilities) as shall be assigned to them from time to time by the Authority. Use of particular Baggage System equipment (e.g. bag claim devices) shall be assigned by the Authority to Airlines from time to time based on operational efficiencies and Airline needs. All such assignments shall be made by the Authority after consultation with, or receipt of information from, an Airline regarding such Airline's anticipated space, facilities and equipment needs, or, in the absence of any consultation or receipt of information, after a reasonable evaluation and estimation by the Authority of such Airline's anticipated space, facilities and equipment needs.

4.2 Gate Assignments

(a) Subject to the Authority Policies and Procedures relating to Gate assignment and usage, an Airline that includes a Gate as part of its Committed Premises will receive occupancy and use of a Gate and corresponding Terminal Apron, as assigned from time to time by the Authority, but will not receive preferential occupancy and use of any particular Gate. Airlines may qualify for certain enhanced occupancy rights for Gates that qualify as a Priority Access Gate.

(b) All flights of an Airline that has included one Gate as part of its Committed Premises shall be considered to have used, and shall be charged as if it used, a single Gate as part of its Committed Premises, even if such flights are assigned by the Authority to different Gates, but only if such flights using different Gates do not have overlapping dwell times (i.e., such flights could have used the same Gate if they were assigned by the Authority to the same Gate). If any flights of an Airline that has included one Gate as part of its Committed Premises have overlapping dwell times, only one of such flights shall be deemed to have used, and shall be charged as if it used, a Gate as part of its Committed Premises, and the other overlapping flights shall be charged a Facility Fee for use of a Gate on a Per Turn basis. Likewise, all flights of an Airline that includes more than one Gate as part of its Committed Premises, up to the corresponding number of flights with overlapping dwell times, shall be charged as if such flights used Gates as part of its Committed Premises, with any number of flights having overlapping dwells times in excess of the number of Gates included as part of an Airline's Committed Premises being charged a Facility Fee for use of such Gates on a Per Turn basis. For example, if an Airline has included five (5) Gates as part of its Committed Premises, all flights operated at the Airport each day shall be deemed to have used, and shall be charged as if it used, the five (5) Gates included as its Committed Premises, regardless of the number or location of actual Gates used due to Authority assignment; provided, however, that if more than five (5) flights have overlapping dwell times at any point

during the day (e.g. at 9:00 a.m., the Airline has seven aircraft occupying Gates) the excess flights (numbers 6 and 7 in our example) shall not be deemed to have used, and shall not be charged as if it used, Committed Premises; but shall be charged a Facility Fee for use of such sixth and seventh Gates on a Per Turn basis.

(c) Dwell time and excess dwell time charges shall apply to all Gates used by an Airline, including Gates included as part of an Airline's Committed Premises, as set forth in the Authority Policies and Procedures. Overnight parking locations at Gates shall be assigned by the Authority, with Airlines that have included a Gate as part of its Committed Premises entitled, at no additional cost, to one assigned overnight parking location at a Gate or a remote overnight location for each Gate included as part of Committed Premises. The time when an aircraft may begin and a time when an aircraft must end overnight parking at a Gate shall be established from time to time by Authority Policies and Procedures.

4.3 Use and Occupancy of Terminal Premises.

(a) At such time as (i) the Airline Premises are, in the reasonable discretion of the Chief Executive Officer, insufficient to support an Airline's operations, (including operations of an Identified Affiliate), as evidenced by actual use or occupancy by such Airline of space, facilities or equipment not assigned to such Airline, either under a Letter of Authorization or on a Per Turn basis, and such Airline fails to promptly and permanently vacate use or occupancy of such unassigned space, facilities or equipment following notice from the Authority to vacate such premises, or (ii) use of the Airline Premises exceeds the legal capacity for such space, facilities or equipment, then in either such event, the Authority shall be entitled to assign and charge to such Airline on a Per Turn basis additional space, facilities or equipment actually used by such Airline, on a retroactive basis, or reasonably sufficient for such Airline's needs, on a prospective basis. Alternatively, such Airline may commit to occupy and use such space, facilities or equipment in accordance with a Letter of Authorization.

(b) Each Airline shall accept the Airline Premises assigned to it, "as is". The Authority shall have no obligation to do any work on, or make any improvements to or with respect to, the Airline Premises or the condition thereof, unless otherwise specifically agreed to by the Authority.

(c) The Authority may (i) make changes in the Airport boundaries, the categories of space (e.g. Public Space to Rentable Space) or the configuration or amount of space, and (ii) identify new, destroyed, demolished, untenable, decommissioned or re-commissioned facilities or space. If any such event impacts the Rentable Space or configuration of the particular Committed Premises assigned to an Airline, the Authority may, in its reasonable discretion, amend any applicable Letters of Authorization, or exhibits thereto, to reflect such changes in Committed Premises, and, upon notice to the affected Airline, such amended Letter of Authorization or exhibits shall replace any prior Letter of Authorization or exhibits; provided, however, that Rates and Charges for any

resulting changes in Committed Premises hereunder may not be increased by any material amount (e.g. 15% or greater) without the agreement of the affected Airline.

(d) The Authority may, from time to time, establish minimum or maximum space, facilities and/or equipment usage requirements pursuant to Authority Policies and Procedures. For example, Airlines desiring to use a Gate and holdroom on either a Per Turn basis or pursuant to a Letter of Authorization may be assigned a corresponding minimum amount of ticket counter and related queue space.

4.4 Letters of Authorization and Committed Premises.

(a) Letters of Authorization may be signed by an Airline at any time in order to classify Airline Premises as Committed Premises, but shall not be effective until signed by the Authority. Letters of Authorization may be for any duration of three (3) months or longer, and may expire at the end of any month; provided that Letters of Authorization designating Gates as Committed Premises may only expire at the end of a Fiscal Year.

(b) Airlines beginning operations at the Airport may be granted, by Authority Policies and Procedures or the Chief Executive Officer, a period of time following the commencement of operations to sign a Letter of Authorization having an effective date retroactive to the date operations commenced.

(c) If an Airline has a Priority Access Gate, the Authority may assign to another Airline the right to use or occupy such Priority Access Gate only in the circumstances described in the Authority Policies and Procedures. An Airline with a Priority Access Gate shall not be entitled to be paid or receive credit for any Rates and Charges or other fees paid by the other Airline using its Priority Access Gate.

(d) Letters of Authorization may not be signed for, and Committed Premises may not include, any portion of the Baggage System or the South Ticketing Area, which shall be assigned by the Authority from time to time based on operational considerations and shall be paid for by the Airlines using the Baggage System and South Ticketing Area in accordance with the Common Use Baggage Charges and Common Use South Ticketing Area Charges.

4.5 Transfer of Operations.

(a) The Authority may at any time, and from time to time, assign to an Airline (i) Gates not included as part of the Airline's Committed Premises and (ii) Annual Access Gates (other than Priority Access Gates) as set forth in Section 4.2(a) above. The Authority may at any time, and from time to time, permanently relocate an Airline's Priority Access Gates or Exclusive Use Premises to alternative Terminal locations and facilities if the Authority determines that such relocation is required (1) to accommodate a new Airline, (2) to make available sufficient contiguous space to accommodate the

expansion or growth of another Airline, (3) as a result of the destruction of Priority Access Gates or Exclusive Use Premises as described in Section 10.2 or 10.3 below, or (4) to utilize Airport Terminal facilities in a fair and efficient manner, including new and expanded facilities, such as the South Terminal; provided that (A) the Authority will provide any affected Airline at least ninety (90) days advance notice of such relocation, except that shorter notice may be provided when circumstances dictate (e.g. an emergency situation), and (B) except as described below, in the event an Airline's Exclusive Use Premises are relocated to a different Terminal airside as the Airline's then current Exclusive Use Premises, the Authority will reimburse the reasonable out of pocket costs incurred by such Airline to build out the relocated space (including, without limitation, all installation costs). The Authority will use commercially reasonable efforts, but is not required, to cause the alternative Priority Access Gates or Exclusive Use Premises to be comparable in square footage, quality, appearance, layout or appointments to the Airline Premises being vacated. The Authority shall have no obligation to reimburse an Airline for costs incurred by such Airline to relocate such Airline, if such relocation was requested by Airline or determined by the Authority as being necessary, in the reasonable judgment of the Authority, to accommodate such Airline's expansion or growth. A relocated Airline may install in its Priority Access Gates and Exclusive Use Premises in such relocated space, its own equipment, subject to the Authority Policies and Procedures, at a time reasonably determined by the Authority to satisfy construction schedules, which time will not be less than forty five (45) days prior to the estimated move date. Such Airline shall begin its operations from any relocated space on the move date, unless otherwise directed by the Authority.

(b) The Authority may at any time, and from time to time, temporarily relocate an Airline's Priority Access Gates or Exclusive Use Premises to alternative Terminal locations and facilities to accommodate any damage to such Airline Premises as described in Section 10.2 below or any Authority construction or renovation project affecting the use of such Committed Premises; provided, that (1) the Authority will provide any affected Airline, to the extent possible, at least sixty (60) days advance notice of such relocation, and (2) in the event an Airline's Exclusive Use Premises are relocated to a different Terminal airside as the Airline's then current Exclusive Use Premises, the Authority will reimburse the reasonable out of pocket costs incurred by such Airline to build out the relocated space and to return to the renovated or repaired Airline Premises; provided the damage prompting such relocation was not caused by, or the responsibility of, Airline.

(c) An Airline may request in writing that the Authority relocate any Airline Premises, which request may be accepted or denied by the Authority in its exclusive discretion. An Airline shall pay all costs of any relocation requested by an Airline, including any costs necessary to relocate another Airline in order to accommodate the requesting Airline's relocation.

(d) No relocation of Airline Premises, either temporarily or permanently, shall have any effect on Airline's obligation to pay Rates and Charges

herein, except for any change caused by a difference in the total Rentable Space for Exclusive Use Premises or Preferential Use Premises assigned under a Letter of Authorization. If an Airline's cost of Exclusive Use Premises increases by a material amount (i.e. 15% or more) as a result of an unrequested relocation of Exclusive Use Premises, such Airline may, within thirty (30) days after such relocation, terminate the portion of the Letter of Authorization relating to such new Exclusive Use Premises.

(e) No Airline shall have any continuing use or occupancy rights in any assigned Airline Premises, other than Priority Access Gates and Exclusive Use Premises covered by a Letter of Authorization, and the Authority may reassign such Airline Premises at any time, and from time to time, in its exclusive discretion, without any obligation to Airline.

(f) In addition to the reimbursement obligation described above, the Authority may choose, in its exclusive discretion, in unusual or extraordinary circumstances, to reimburse all or a portion of the reasonable out-of-pocket relocation costs incurred by an Airline in connection with the relocation of Airline Premises other than Exclusive Use Premises.

(g) The Authority may satisfy any payment obligation described in this Section 4, in its exclusive discretion, by having the Airline pay all relocation expenses and then reimbursing such Airline for reimbursable expenses incurred by such Airline out of, and as a reduction to, Net Shared Revenues as defined in the Rate and Revenue Sharing Agreement.

4.6 Terminal Equipment. Terminal equipment owned or acquired by the Authority for use by Airlines shall remain the property, and under the control, of the Authority.

ARTICLE 5

USE OF THE AIRPORT AND RELATED FACILITIES

5.1 Permitted Airline Activities. Each Airline may, subject to its compliance with this Resolution and Authority Policies and Procedures, use, in common with others so authorized by the Authority, all Airline Premises, including related space, facilities, equipment, Public Space, the Airfield and Terminal Aprons for the operation of each Airline's Air Transportation Business and all activities reasonably necessary to such operations, including but not limited to:

(a) The landing, taking off, flying over, taxiing and towing of aircraft and, in areas designated or approved by the Authority, the extended parking, servicing, deicing, loading or unloading, storage, or maintenance of aircraft and support equipment subject to Sections 5.1(f), 5.1(g), and 5.2(c) below and subject to the availability of space; provided, however, an Airline may not permit the use of the Airfield by any aircraft operated or controlled by such Airline which exceeds the design strength or capability of the Airfield as described in the then-current FAA approved Airport Layout Plan or other engineering evaluations performed subsequent thereto, including the then-current Airport Certification Manual.

(b) The sale of air transportation tickets and services, the processing of passengers and their baggage for air travel, the sale, handling, and providing of mail, freight, cargo and express services, and reasonable and customary airline activities.

(c) The training of employees or prospective employees and the testing of aircraft and other equipment being utilized at the Airport in areas designated or approved by the Authority; provided, however, such training and testing must be incidental to the use of the Airport in the operation by such Airline of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others. The Authority may restrict or prohibit any such training and testing operations that it deems to interfere with the use of the Airport.

(d) The sale, disposition, or exchange of aircraft, engines, accessories, gasoline, oil, grease, lubricants, fuel, or other similar equipment or supplies; provided, however, an Airline may not, and must cause its agents not to, sell or permit to be sold aviation fuels or propellants except (i) to any Airline that is a successor company to the selling Airline, (ii) for use in aircraft of others that are being used solely in the operation of selling Airline's Air Transportation Business, including, but not limited to, such Airline's Affiliates, (iii) when a comparable grade and type of fuel desired by others is not available at the Airport except from the selling Airline, or (iv) in accordance with sales of fuel through the Airport's fuel hydrant system, to the extent the Authority has authorized by an agreement one or more Airlines or an entity owned by one or more Airlines to operate the fuel flowage systems at the Airport.

(e) The purchase at the Airport or elsewhere, of fuels, lubricants, and any other supplies and services, from any person or company, subject to Section 5.1(d) and to the Authority's right to require that each provider of services and/or supplies secures a permit from the Authority to conduct such activity at the Airport, pays required fees, and abides by all reasonable rules and regulations established by the Authority. Nothing herein shall be construed to permit an Airline to store aviation fuels at the Airport. The granting of the right to store and dispense aviation fuels shall be subject to the execution of a separate agreement between an Airline and the Authority. Fuel tenders are prohibited on Terminal Aprons serviced by the fuel hydrant system.

(f) The servicing of aircraft and other equipment being utilized at the Airport on the Terminal Aprons or such other locations as may be designated by the Authority Policies and Procedures; provided that routine servicing or maintenance of ground equipment on Terminal Aprons is not permitted, unless specifically authorized by the Authority.

(g) The loading and unloading of persons, property, cargo, parcels and mail by motor vehicles or other means of conveyance reasonably approved by the Authority on Terminal Aprons or such other locations as may be designated by the Authority Policies and Procedures; provided an Airline shall not use Terminal Aprons immediately adjacent to the Terminal to load or unload all-cargo aircraft unless otherwise authorized in writing by the Authority.

(h) The provision, either alone or in conjunction with others, or through a nominee, of porter/skycap service for the convenience of the public.

(i) The installation and maintenance of identifying signs in an Airline's Committed Premises; provided that any permanent signage may not be installed without the prior consent of the Authority, which may be withheld in the Authority's exclusive discretion. All signage shall be subject to the Authority Policies and Procedures. Furthermore, the general type and design of such signs shall be compatible with and not detract from the pattern and decor of the Terminal areas, in the exclusive discretion of the Authority. Subject to the foregoing, Airlines may install on the walls behind ticket counters or in holdrooms, whether occupied in accordance with a Letter of Authorization or used on a Per Turn basis, temporary signage on Authority provided LCD monitors identifying such Airline, displaying such Airline's company logo or other content, subject to the approval of the Authority; provided that any such installation must be performed in accordance with the Authority Policies and Procedures.

(j) The installation, maintenance, and operation of such radio communication (including radio frequency identification ("RFID") devices and beacons), company telephone system, computer, meteorological and aerial navigation equipment as may be necessary or convenient for the operation of an Airline's Air Transportation Business; provided, however, that (i) such installations and the subsequent use of such equipment shall be subject to applicable law, regulation, Section 5.2(g) below and the

Authority Policies and Procedures, (ii) the location of all such equipment shall be determined by the Authority in its exclusive discretion, (iii) the Authority's telephone system must be used in all locations other than Exclusive Use Premises, and (iv) any use of wireless communications systems not provided by the Authority shall not interfere with any the Authority wireless communications system. Subject to Authority Policies and Procedures, an Airline may install in the holdroom of any Priority Access Gate and, with the Authority's consent, Preferential Use Premises, such Airline's Gate Information Display System (GIDS). The Authority shall have unrestricted access to all communication equipment owned or used by an Airline and located on Airline Premises, if any of the Authority equipment or systems interfaces with such equipment. Prior to any such installation, an Airline shall provide the Chief Executive Officer with all necessary supporting documentation related to such installations. All Airlines are required to use the Authority's compatible multi-user flight information display systems (MUFIDS); provided that an Airline may install and maintain its own MUFIDS if it is compatible in all material respects, in the exclusive discretion of the Authority, with the Authority's MUFIDS.

(k) Such rights of way as may reasonably be required by an Airline for communications, computer equipment, telephone, interphone, conveyor systems and power, and other transmission lines in Airline's Committed Premises, subject to the availability of space and/or ground areas as determined by Authority Policies and Procedures. The Authority may require the execution of a separate agreement between the Authority and an Airline for the lease and use of space and/or ground area outside Terminal areas or for the provision of such service directly to an Airline.

(l) The installation of personal property, including furniture, furnishings, supplies, machinery, and equipment, in an Airline's Exclusive Use Premises and, subject to prior approval by the Authority, Preferential Use Premises and Priority Access Gates, as such Airline may deem necessary, useful or prudent for the operation of its Air Transportation Business. Title to such personal property shall remain with such Airline, except as otherwise provided herein.

(m) The construction of modifications, finishes and improvements in an Airline's Exclusive Use Premises and, subject to the prior approval of the Authority, Preferential Use Premises and Priority Access Gates as such Airline may deem necessary or prudent for the operation of its Air Transportation Business, subject to the Authority Policies and Procedures and subject to Article 9.

(n) An Airline shall have rights of ingress to and egress from the Airport and its Airline Premises for its Airline's officers, employees, agents, and invitees, including passengers, suppliers of materials, furnishers of services, aircraft, equipment, vehicles, machinery and other property, subject to 49 CFR Part 1542, the Airport's security program, applicable laws, and any Authority Policies and Procedures governing (i) the general public, including passengers, (ii) access to non-public areas at the Airport by an Airline's employees, suppliers of materials, and furnishers of services, or (iii) safety

and security. In addition to the foregoing, the Authority may at any time, temporarily or permanently, close, re-route, or consent to or request the closing or re-routing of any roadway or access to the Airport, so long as a means of ingress to and egress from the Airport and the Airline Premises is concurrently made available to each Airline. Each Airline hereby releases and discharges the Authority from any and all claims, demands, or causes of action which each such Airline may now or at any time hereafter have arising or alleged to arise out of such a closing or re-routing. The Authority shall have no liability or obligation to an Airline for temporary blockages or closings of means of ingress to or egress from the Airport and the Airline Premises caused by factors beyond the reasonable control of the Authority.

(o) Subject to any restrictions in the Authority's agreements with its food and beverage concessionaires, nothing in this paragraph shall prohibit an Airline from (i) providing food and beverages, at such Airline's sole cost and expense, or installing or maintaining vending machines or credit union automated teller machines in its non-public Exclusive Use Premises, for the sole use of such Airline's employees, the type, kind, and locations of such machines being subject to the Authority Policies and Procedures, (ii) providing, under a separate agreement with the Authority and subject to the Authority Policies and Procedures, including the payment of fees based on gross receipts, for its own flight kitchen or for catering services to its passengers and crews for consumption aboard aircraft, (iii) entering into a separate agreement if required by the Authority for the distribution, without charge, of food and beverage in a non-public "VIP room" or similar private club at the Airport, or (iv) selling food and beverages, including alcoholic beverages, to VIP room or private club members or paid invitees in such Committed Premises, subject to the payment to the Authority of a percentage of sales (including access fees) as determined by Authority Policies and Procedures. Airlines may not conduct or permit the sale of food or beverages to passengers in holdroom areas.

(p) An Airline may exercise on behalf of any other Airline that has signed a Letter of Authorization or Operating Permit in favor of the Authority any of the activities permitted herein, so long as such Airline is concurrently performing the same activities in the operation of its own Air Transportation Business at the Airport, subject to the Authority's Policies and Procedures. Any Airline providing services to another Airline shall provide notice thereof to the Authority in advance of commencing such services.

(q) An Airline may only enter into revenue generating agreements, such as for advertising or sponsorship, in its non-public Exclusive Use Premises (e.g. airline clubs and VIP rooms), and shall not enter into any such revenue generating agreements anywhere else within the Terminal.

5.2 Prohibited Activities and Authority Activities.

(a) Airlines are prohibited from conducting any business or engaging in any activities at the Airport other than the conduct of its Air Transportation Business, except as otherwise permitted herein or by the Authority in writing.

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

(c) As soon as reasonably possible after an Airline's disabled aircraft is released from the control or jurisdiction of all applicable authorities, an Airline shall remove any such disabled aircraft from the Airfield and Terminal Aprons, shall place any such disabled aircraft only in such storage areas as may be reasonably approved by Authority Policies and Procedures, and shall store such disabled aircraft only upon such terms and conditions as may be established by the Authority. In the event a disabled aircraft is not removed as expeditiously as is reasonably possible, the Authority may, but shall not be obligated to, cause the removal of such disabled aircraft. In such case, the owner of such aircraft shall pay to the Authority, upon receipt of an invoice therefor, the costs incurred for such removal plus ten percent (10%).

(d) Airlines shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted at an airport. If an Airline shall do or permit to be done any act not permitted hereunder, or fail to do any act required hereunder, which act or failure, in and of itself, or in combination with other acts or failures of the Airline, causes an increase in the Authority's insurance premiums, such Airline shall immediately remedy such actions and/or pay the increase in premiums, upon notice from the Authority to do so.

(e) An Airline shall not maintain or operate in the Terminal or elsewhere at the Airport a cafeteria, restaurant, bar, or cocktail lounge for the purpose of selling food and beverages to the public or to its employees and passengers, except as permitted herein or by Authority Policies and Procedures.

(f) The Authority may, at its sole option, install or cause to be installed advertising and revenue generating devices or concessions, including vending machines and power poles, anywhere in the Airport other than an Airline's Exclusive Use Premises; provided, however, that any advertising at an Airline's Priority Access Gate or Preferential Use Premises shall not promote competing Airlines, power poles will only be

installed in holdrooms assigned to an Airline as a Priority Access Gate with such Airline's prior consent, and such installations shall not unreasonably interfere with such Airline's operations authorized hereunder or diminish the square footage contained in Committed Premises in a material way. The Authority may also, at its sole option, install business center and other amenities in any part of the Terminal, excluding Exclusive Use Premises. The Authority shall be entitled to access Airline Premises to install or service power poles, vending machines and other amenities.

(g) The Authority may install anywhere in the Terminal, and require use of, a Common Use Passenger Processing System (CUPPS), Common Use Self-Service (CUSS) equipment, Common Use Terminal Equipment (CUTE) and/or other equipment designed to facilitate the handling and processing of passengers and baggage in the Terminal. The Authority shall be entitled to reasonable access upon all Airline Premises to install and maintain such hardware/software for any of such equipment.

(h) The Authority may, for a fee established by the Authority from time to time, make area(s) at the Airport available for vehicular parking and provide transportation to the Terminal for Airline personnel employed at the Airport; provided, however, such area(s) shall not be used for the storage of vehicles or trailers, and usage of the area(s) is subject to Authority Policies and Procedures.

(i) All activities of an Airline permitted hereunder, and in particular this Article 5, shall be subject to Authority Policies and Procedures.

5.3 Affiliates. Upon written request by an Airline to the Authority, and provided the requirements of this Section are satisfied, any Affiliate of such Airline identified in such written request ("Identified Affiliate") shall be treated for calculating Rates and Charges for Committed Premises as described in Section 4.2(b) above as one and the same as the Airline, provided the Identified Affiliate shall remain responsible to pay the applicable Rates and Charges for such Airline Premises (a) for as long as the Identified Affiliate remains an Affiliate of such Airline, and (b) only if the Identified Affiliate enters into an Operating Permit or Letter of Authorization for operations at the Airport. Each Airline making such written request shall be deemed to have agreed to guaranty full payment of all Rates and Charges incurred by its Identified Affiliates at the Airport. The Authority may, at its exclusive option, invoice an Airline and its Identified Affiliates separately for amounts owed hereunder, or may invoice an Airline for the aggregate amounts owed by such Airline and its Identified Affiliates hereunder. Each Airline shall be responsible to pay any and all Rates and Charges of any Identified Affiliate for which it receives an invoice or, if an Airline does not receive an invoice with the Identified Affiliate's Rates and Charges, a notice of non-payment by the Identified Affiliate issued by the Authority, which payment by the Airline shall be made on the due date of such invoice or within fifteen (15) days after receipt of the notice of non-payment, whichever applies. Any failure of an Airline or its Identified Affiliate to pay such amounts when due shall be deemed a failure of such Airline. An Airline may, at any time, give the Authority at least thirty (30) days prior written notice that an Affiliate shall no longer be considered an Identified Affiliate of such Airline, and such Airline shall have no responsibility for any Rates and Charges incurred by the Affiliate after the

conclusion of such notice period, but shall remain liable for Rates and Charges incurred by the Affiliate prior to the conclusion of such notice period.

5.4 Airline Requirements.

(a) Each Airline shall hold all certificates, permits, licenses, insurance or other entitlements required by federal, state or local laws, rules, or regulations in order to enable it to conduct its operations and engage in the Air Transportation Business at the Airport, and that said certificates, permits, licenses or other entitlements are and will be kept current, valid and complete throughout the duration of Airline's operations at the Airport.

(b) Each Airline shall, at its sole cost and expense, comply, and cause its employees, agents, contractors, licensees and invitees to comply, with all present and future applicable laws, rules or regulations of all applicable federal, state and local governmental or quasi-governmental authorities, subdivisions, departments, agencies and the like, including the Authority Policies and Procedures. Each Airline shall obtain any permits necessary to occupy the Airline Premises and shall promptly pay all fines, penalties, and expenses to remedy or correct any violations of applicable laws, and damages that may arise out of or be imposed because of its failure to comply with the provisions of this paragraph.

(c) Each Airline shall faithfully observe and comply with any Authority Policies and Procedures.

(d) Except as otherwise provided herein or in the Authority Policies and Procedures, each Airline shall have the right to obtain supplies or services from suppliers, vendors or contractors of its own choice for its operations at the Airport, provided that the Authority may license and regulate all persons or companies doing business on the Airport and impose charges for the privilege of conducting any such business and prohibit persons from engaging in aeronautical activities, the provision of ground transportation services or any commercial activities at the Airport, except in accordance with agreements, concession contracts, permits or operating agreements entered into between the Authority and such persons. Notwithstanding any Authority Policies and Procedures to the contrary, a service provider properly operating at the Airport shall not be required to pay the Authority a percentage of revenues received in connection with the performance of services (e.g. ground handling) for any Airline or its Identified Affiliate, while such Airline is party to a Rate and Revenue Sharing Agreement and is not in breach thereof. (Please see Section 15.2 for an exclusion from the requirement to pay fees to the Authority for ground handling and other services provided by an Airline.)

(e) Each Airline shall comply with all applicable state and federal regulations relating to Airport security and shall control its Airline Premises so as to prevent or deter unauthorized persons from obtaining access to the air operations area or

any other secure area of the Airport. Each Airline shall also take such security precautions, with respect to its Airline Premises and the Airline's operations and service personnel related thereto, as the Authority may, from time to time, reasonably require pursuant to the Authority Policies and Procedures. Each Airline shall reimburse the Authority for all fines or charges imposed by any applicable governmental authority against the Authority as a result of such Airline's violation of any laws, rules and regulations promulgated by such governmental authority.

(f) Each Airline acknowledges that a portion of the Airline Premises is to be used by the traveling public. Each Airline shall make available such space to its passengers and to the traveling public on a nondiscriminatory basis, including ensuring accessible paths of travel for disabled persons, and shall make reasonable efforts to coordinate its activities and operations with abutting tenants and the Authority, so as to maximize efficient use of available space.

(g) No Airline may injure, deface or otherwise harm their respective Airline Premises in any manner that will constitute waste, and shall not cause or permit any unlawful conduct, unreasonable annoyance or nuisance to exist on the Airline Premises, nor permit any activity or omission which constitutes or results in unlawful conduct, unreasonable annoyance or nuisance, nor permit the emission of any objectionable noise, vibration or odor, nor overload the floor of the Airline Premises, nor permit any use of the Airline Premises which will invalidate or increase the premiums on any of the Authority's insurance; provided that the conduct of the Airline's Air Transportation Business in accordance with applicable law shall not be deemed a nuisance or an unreasonable annoyance.

(h) Each Airline shall participate in any lawful Airport-wide programs or initiatives of general applicability as the Authority may require upon notice to such Airline, provided such program or initiative shall not result in any material cost or expense or result in any undue burden to such Airline.

ARTICLE 6 OPERATION AND MAINTENANCE OF THE AIRPORT

6.1 Designation of Operation and Maintenance Responsibilities. In addition to the obligations of the Airlines set forth in this Article 6, each Airline shall have those responsibilities for maintenance, cleaning, and operation of the Airport as shall be set forth in the Authority Policies and Procedures. The Airlines shall each timely perform all such obligations.

6.2 Airline Obligations.

(a) Each Airline shall, at all times, preserve and keep its Airline Premises, including loading bridges and related equipment, in an orderly, clean, neat, and sanitary condition, free from trash and debris resulting from such Airline's operations.

(b) Each Airline shall keep, at its own expense, its assigned Terminal Apron space free of fuel, oil, debris, and other foreign objects.

(c) Each Airline shall operate and maintain, at its own expense, any improvements and/or equipment installed by such Airline for the exclusive use of such Airline or its passengers.

(d) Each Airline shall perform such other routine operational and maintenance responsibilities with respect to its Airline Premises or assigned Terminal Apron space as may be established from time to time by the Authority Policies and Procedures.

(e) No Airline may store any obsolete or derelict equipment on any Airline Premises, and shall promptly remove any such equipment.

(f) Should an Airline fail to perform any of its material obligations hereunder, or if the Authority is requested, or, in order to maintain the Airport as a first class facility, deems it necessary, to make repairs or otherwise maintain an Airline's Airline Premises, the Authority shall have the right to enter the Airline Premises and perform such activities; provided, however, other than in a case of emergency, the Authority shall give Airline ten (10) business days advance written notice of non-compliance, prior to the exercise of this right. If the Authority has performed services in accordance with this paragraph, the Airline shall pay the Authority, upon receipt of an invoice, the cost of such services plus ten percent (10%).

(g) Each Airline must comply with all applicable laws and regulations, including, without limitation, 14 CFR 382, including rules requiring an Airline to provide accessible boarding assistance for passengers with disabilities.

6.3 Failure of Utilities. The Authority shall make diligent efforts to supply Airline with utility services as provided herein, but if the Authority is not able to provide such utility

services, such failure shall not constitute a constructive eviction. Further, the Authority shall not be liable to Airline in damages, or for any reduction in Airline Rates and Charges, or otherwise, for the interruption of utility services (including heating, ventilation or air conditioning) (i) to the extent any utility shall become unavailable from any public utility company, public authority or any other person or entity supplying or distributing such utility, or (ii) for any interruption in any service hereunder (including, without limitation, any heating, ventilation or air conditioning) caused by the making of any necessary repairs or improvements, or (iii) which results from any cause beyond the reasonable control of the Authority. In no event shall the Authority be responsible to Airline for indirect or consequential damages.

ARTICLE 7 RENTALS, FEES, AND CHARGES

7.1 Rate Methodology, Rates and Charges.

(a) Each Airline shall pay to the Authority for the use and occupancy of the Airfield, Terminal Apron, and Terminal all fees, tariffs, costs, rates and charges ("Rates and Charges") established for each Fiscal Year by the Authority, including, but not limited to: Landing Fees, monthly charges for Committed Premises and other assigned Preferential Use Premises and Exclusive Use Premises, Facility Fees, FIS Fees, Airline Equipment Charges, Apron Use Fees, Common Use South Ticketing Area Charges, and Common Use Baggage Charges. Notice of such Rates and Charges shall be provided to the Airlines or otherwise published or made available by the Authority prior to the start of each Fiscal Year. The Rate Methodology shall be provided to an Airline upon request. The Rate Methodology used to calculate Rates and Charges each year, and the Rates and Charges established in accordance with the Rate Methodology, and any additional, ancillary Rates and Charges that are imposed in accordance with the terms hereof or the Authority's Policies and Procedures, but not determined in accordance with the Rate Methodology (e.g. phone system charges, parking charges and identification badges), shall be incorporated herein and shall be a part of this Resolution for all purposes. The Authority does not guaranty the accuracy of any estimates, projections, assumptions or results in the tables and other attachments to the Rate Methodology, which are provided with the Rate Methodology merely for illustration purposes.

(b) The specific Rates and Charges payable by Airlines during a Fiscal Year and calculated using the Rate Methodology are based on estimates by the Authority of projected costs and Airline activity for the Fiscal Year. Airlines shall pay such estimated Rates and Charges in accordance with the payment provisions in Section 7.5 below. Debt Service, Debt Service Coverage, O&M Expenses, Operating Reserves and Amortization may be included in the Rates and Charges for any Fiscal Year in which the facility or equipment to which such relates comes into service, and for each Fiscal Year thereafter.

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

from the Authority, or the Authority may, in its discretion, recover such underpayment by offsetting such amount from any revenue sharing or other payments owed by the Authority to the affected Airline; provided, however, that any such offset shall not eliminate Airline's right to object to the Authority's determination of the amount owed by Airline.

(d) Rates and Charges for Committed Premises are based on the Terminal Rental Rates for such Committed Premises, regardless of an Airline's frequency or volume of use of such Committed Premises (e.g. one monthly charge for a Gate or for an administrative office). Rates and Charges for other Airline Premises, including the Baggage System, are based on the frequency or volume of an Airline's use of such Airline Premises (e.g. a Per Turn Facility Fee for certain Common Use Premises, such as a Gate). All Rates and Charges shall be determined in accordance with the Rate Methodology, or as described herein (e.g. see Section 7.3 below).

7.2 Extraordinary Service Charges. Each Airline shall pay the Authority for additional equipment and services provided by the Authority for such Airline's use (e.g., club room finishes, or any other systems or equipment that are unique or special to such Airline's operation). The charges for equipment and services purchased and/or provided by the Authority, as referred to above, shall be as set forth in a separate agreement between the Airline and the Authority.

7.3 Other Fees and Charges.

(a) Each Airline shall also pay the following Rates and Charges, each as established from time to time by the Authority, which amounts, when allocated, shall be allocated to and between Cost Centers deemed most appropriate in the reasonable discretion of the Authority:

(i) Fees for services provided by an Airline for another Airline, if such services or concessions would otherwise be available from a concessionaire or licensee of the Authority; provided, however, that no fees shall be collected in connection with services provided by an Airline to Airline's Identified Affiliates, to an Airline by its Identified Affiliates, or if the exemptions described in Sections 5.4(d) or 15.2 apply.

(ii) Fees for services, equipment or facilities not otherwise enumerated in this Resolution (including the Rate Methodology), but provided by the Authority or its contractors and utilized by an Airline, including, but not limited to, fees and charges for special maintenance of Airline Premises or mechanical lifts.

(iii) All costs, charges or expenses for the provision of any services or facilities which the Authority is required or mandated to provide by any governmental entity (other than the Authority acting within its proprietary capacity) having jurisdiction over the Airport.

(b) The Authority may charge an Airline or its employees a fee based on the Authority's cost of providing services and facilities for the employee parking area(s) provided at the Airport. All such charges received by the Authority shall be allocated to the Ground Transportation Cost Center.

(c) Each Airline shall pay all applicable sales, use, intangible and ad valorem taxes of any kind, payable in connection with the use or occupancy of Airline Premises, the real property and any improvements thereto or any Letter of Authorization related thereto, whether levied against an Airline or the Authority. Each Airline shall also pay any other taxes or assessments against the Airline Premises or any Letter of Authorization related thereto. Airlines may reserve the right to contest such taxes and withhold payment of such taxes upon written notice to the Authority of its intent to do so, so long as the nonpayment of such taxes does not result in a lien against any property of the Authority or any improvements thereon or a direct liability on the part of the Authority. The Authority agrees to promptly forward to the appropriate Airlines any notices of such taxes and assessments due upon receipt of same.

(d) Airlines shall pay all other fees and costs associated with their use of the Airport (e.g. utilities), including such fees and costs as may be set forth from time to time in the Authority Policies and Procedures.

7.4 Information to be Supplied by Airlines.

(a) Each Airline shall provide the Authority with such information and written or electronic reports describing activity conducted by such Airline and its Identified Affiliates at the Airport, as is requested by the Authority from time to time as being helpful or necessary for the smooth operation of the Airport or to calculate Rates and Charges, in the Authority's exclusive discretion. Such activity reporting shall be submitted at such times as requested by the Authority and on forms or in a format provided or approved by the Authority from time to time, and may include, but not be limited to, real time "type-B messages", AHM 583 Loadmessages, movement messages, revenue and non-revenue Enplaned Passengers and Deplaned Passengers (in total, by Terminal and/or by flight), pounds of cargo and mail, Revenue Landings by aircraft type, number of incoming passenger bags delivered from airplanes to passengers using any part of the Inbound Baggage System, Maximum Gross Landed Weight by aircraft type, and number of Per Turn uses for Airline Premises (other than Committed Premises) for which Facility Fees are payable (including the number of remote-over-night (RON) aircraft apron uses).

(b) The Authority shall have the right, but shall not be required, to rely on information and activity reports provided by Airline in determining Rates and Charges due hereunder. The Authority may also rely on alternative sources of information, such as FAA statistics and electronic data collection systems and/or shall be entitled to approximate such activity information using any sources or methods deemed reasonable by the Authority (e.g. using aircraft seats as a proxy for passenger information), to

determine Rates and Charges due hereunder. Use of such alternative sources by the Authority shall not relieve an Airline of its reporting obligations hereunder. To the extent there is a discrepancy between the information provided by an Airline and information gathered from other sources and methods, the Authority's determination as to the most reliable and accurate information shall be conclusive and binding on the parties, absent fraud or manifest error. Each Airline shall have full responsibility for the accuracy of its reports. Payment deficiencies of more than ten percent (10%) by category of Rates and Charges due on an annual basis hereunder that are due to incomplete or inaccurate activity reports shall be subject to interest charges, at a rate of eighteen percent (18%) per annum. In the event an Airline fails or refuses to timely deliver or make available to the Authority any requested information or reports, the Airline shall be subject to any consequences set forth herein, in the Authority Policies and Procedures or a Rate and Revenue Agreement.

(c) Each Airline shall at all times maintain and keep records reflecting the statistics of its activities at the Airport to be reported pursuant to Section 7.4(a). Such records shall be retained for a period of three (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249, and upon written notice to an Airline, shall be made available at Orlando, Florida for audit and/or examination by the Authority or its duly authorized representative during all normal business hours. Each Airline shall produce such books and records at Orlando, Florida within thirty (30) calendar days of the Authority's notice to do so or pay all reasonable expenses, including, but not limited to, transportation, food, and lodging, necessary for an auditor selected by the Authority to audit said books and records at alternative facilities. The cost of such audit (other than an Airline's cost to prepare, maintain and deliver access to such records, and the expenses referenced in the immediately preceding sentence) shall be borne by the Authority, unless either or both of the following conditions exist, in which case, the cost of the audit shall be borne by the audited Airline:

(i) The audit reveals an underpayment of more than ten percent (10%) by category of Rates and Charges due on an annual basis hereunder, as determined by said audit;

(ii) Such Airline has failed to maintain true and complete records in accordance with this Section 7.4(c).

(d) Unless otherwise required by the Authority Policies and Procedures, Airlines shall (i) provide to the Chief Executive Officer or designee on or before each March 1 and October 1 a projected flight schedule for Airline flights to and from the Airport for the upcoming season, as described in the Authority Policies and Procedures; and (ii) notify the Chief Executive Officer or designee prior to any schedule changes affecting flights to or from the Airport.

7.5 Payments.

(a) Payments of one-twelfth (1/12) of the total Rates and Charges for Committed Premises and Common Use South Ticketing Area Charges based on operations out of Committed Premises shall be due in advance, without demand or invoice, on the first day of each month. Such payment shall be deemed delinquent if payment is not received by the tenth (10) day of the month.

(b) Payment of Landing Fees shall be due fifteen (15) days from the Authority's issuance of an invoice therefor, and shall be deemed delinquent if not received within ten (10) days after the due date.

(c) Payment of Common Use Baggage Charges, Common Use South Ticketing Area Charges not based on operations out of Committed Premises, Facility Fees, FIS Fees and RON aircraft parking charges shall be due fifteen (15) days from the Authority's issuance of an invoice therefor, and shall be deemed delinquent if not received within ten (10) days after the due date.

(d) Payment of fees payable on account of any concession type activity shall be due without demand or invoice on the fifteenth (15th) day following the month revenue is earned by an Airline, or, if different, in accordance with Authority Policies and Procedures, and shall be deemed delinquent if payment is not received within thirty (30) days after the due date.

(e) Payment for all other fees and charges due the Authority shall be due fifteen (15) days from the Authority's issuance of an invoice therefor, and shall be deemed delinquent if payment is not received within ten (10) days after the due date for such amounts.

(f) The Authority shall provide notice of any and all payment delinquencies, including any deficiencies which may be due as a result of the Authority's estimates of activity pursuant to Section 7.5(g) below, or due to an audit performed pursuant to Section 7.4(c) above; provided, however, interest at the rate of eighteen percent (18%) per annum shall accrue against any and all delinquent payment(s) from the due date until the date payments are received by the Authority. In the event the Authority sends an invoice in error (as opposed to an invoice based on estimates or budgets that happens to differ from the final True-Up amount due, which would not be deemed an invoice sent in error) and an Airline pays such invoice, the Authority shall promptly refund the erroneous payment, plus interest at a rate of eighteen percent (18%) per annum, accruing from the date payment was received by the Authority.

(g) The Authority shall estimate Rates and Charges that are based on Airline activity using the sources and methods permitted in Section 7.4(b) above, or, if the Authority is not comfortable with the reliability of such sources and methods in its exclusive discretion, Rates and Charges may be based on the highest month of the

previous twelve (12) month's activity reported by the Airline. The Authority may issue an invoice to Airline based on such activity estimates. Airlines shall be liable for any deficiencies in payments based on estimates made under this provision. Payment for said deficiencies shall be deemed due as of the date such rental fee or charge was due and payable. If such estimate results in an overpayment by Airline, the Authority shall apply such overpayment as a credit against subsequent amounts due for such rentals, fees, and charges from Airline; provided, however, Airline shall not be entitled to any interest or credit for interest on payments of such estimated amounts.

(h) In the event any Airline's obligations with respect to Airline Premises or any privileges granted hereunder shall commence or terminate on any date other than the first or last day of the month, as applicable, such Airline's rentals, fees, and charges shall be prorated, as appropriate, on the basis of the number of days such Airline Premises or privileges were assigned or available to Airline during that month.

(i) All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, in the manner (e.g. check, wire transfer, etc.), and to the location specified by the Authority from time to time, with such payment made payable to the Authority.

(j) The acceptance by Authority of any payment made by an Airline shall not preclude Authority from verifying the accuracy of an Airline's report and computations or from recovering any additional payment actually due from such Airline.

7.6 Security for Performance.

(a) Unless an Airline has both (i) executed and fulfilled its obligations under a Rate and Revenue Sharing Agreement with the Authority and (ii) operated regularly scheduled flights to and from the Airport during the eighteen (18) months prior to the Effective Date without the occurrence of any Event of Default under this Resolution in the exclusive discretion of the Authority, each Airline shall provide the Authority with a contract bond, irrevocable letter of credit or other similar security acceptable to the Authority ("Performance Security") in an amount equal to the estimate of three (3) months' Rates and Charges, to guarantee the faithful performance by such Airline of its obligations to the Authority hereunder and the payment of all Rates and Charges due hereunder. Such Performance Security shall be in a form and with a company reasonably acceptable to the Authority and licensed to do business in the State of Florida. In the event that any such Performance Security expires or is canceled, the applicable Airline shall provide a renewal or replacement Performance Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation. The amount of Performance Security required to be maintained may be adjusted from time to time by the Authority based on updated estimates of Rates and Charges payable by an Airline. Each Airline shall deposit increased Performance Security promptly after receipt of notice of adjustment from the Authority. The Authority may waive any requirement herein in its exclusive discretion.

(b) In the event the Authority is required to draw down or collect against an Airline's Performance Security for any reason, such Airline shall, within ten (10) business days after the Authority's written demand, take such action as may be necessary to replenish the existing Performance Security to its original amount (three months' estimated Rates and Charges) or to provide additional or supplemental Performance Security from another source so that the aggregate of all Performance Security is equal to three months' estimated Rates and Charges payable.

(c) If an Airline is not required to have Performance Security in place at any time, then, upon the occurrence of any act or omission that is a breach of any obligation hereunder, or upon the failure of such Airline to pay any Rates and Charges hereunder when due for sixty (60) consecutive days, the Authority, by written notice to such Airline given at any time within ninety (90) days after the date such event becomes known to the Authority, may impose or reimpose the Performance Security requirements of this Section on such Airline. In such event, such Airline shall provide the Authority with the required Performance Security within ten (10) days from its receipt of such written notice and shall thereafter maintain such Performance Security in effect until the requirement for such Performance Security has been waived by the Authority.

(d) If an Airline shall fail to obtain and/or keep in force the Performance Security required hereunder, such failure shall be grounds for immediate termination of all Letters of Authorization with the Airline and for requiring such Airline to pay Rates and Charges in advance.

(e) Any Performance Security provided hereunder is not 'property of the estate' for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Performance Security is property of the third party providing it (subject to the Authority's ability to draw against the Performance Security).

(f) To the extent permitted by applicable law, all PFCs collected by Airlines with respect to Enplaned Passengers at the Airport, are property of the Authority when collected, and, to the extent held by an Airline, are being held in trust for the Authority.

7.7 Calculation of Holdroom Space and Airline Equipment Charge. The number of square feet of holdroom space assigned to an Airline under a Letter of Authorization shall, for purposes of calculating the Terminal Rental Rate payments due under the Letter of Authorization for each such holdroom, be calculated as follows: total square footage of all holdroom space in the Terminal, divided by the number of operational narrow body equivalent Gates in the Airport, as described in the Rate Methodology. For purposes of calculating Gate holdroom charges, Airline Equipment Charges and other Rates and Charges, the number of operational gates in the Airport, from time to time, shall be determined by the Authority in its reasonable discretion.

ARTICLE 8 CHANGES IN RATES AND CHARGES

8.1 Annual Rate Changes.

(a) Prior to the end of each Fiscal Year, the Authority shall, subject to any consultation requirements imposed by applicable law, notify the Airlines of the proposed schedule of initial Rates and Charges for the ensuing Fiscal Year and of any proposed changes in the Rate Methodology. The Chief Executive Officer shall have the authority to modify the Rate Methodology as deemed appropriate, and such modification shall be an amendment hereof, and the modified Rate Methodology shall thereafter be incorporated herein, without any further action by the Authority Board being required.

(b) If calculation of the new Rates and Charges is not completed by the Authority and the notice provided in Section 8.1(a) is not given on or prior to the end of the then current Fiscal Year, the Rates and Charges then in effect shall continue to be paid by the Airlines until such calculations are concluded and such notice is given. Upon the completion of such calculations and the giving of such notice, the Authority shall determine the difference(s), if any, between the actual Rates and Charges paid by the Airlines to date for the then current Fiscal Year and the Rates and Charges that would have been paid by each Airline if such Rates and Charges had been in effect beginning on the first day of the Fiscal Year. Such differences shall be applied to the particular Rates and Charges for which a difference resulted in an overpayment or underpayment, and shall be remitted by the affected Airlines or credited or refunded by the Authority to the affected Airlines in the month immediately following the calculation of the Rates and Charges for the new Fiscal Year and the giving of written notice to the Airlines by the Authority of such new Rates and Charges.

(c) The Authority may recalculate Rates and Charges, in its exclusive discretion, any time during a Fiscal Year when the unaudited monthly financial data collected by the Authority indicates that the amounts projected to be owed by one or more Airlines for that Fiscal Year are reasonably likely to fall short of, or exceed, by a material amount, the amounts to be paid by such Airlines.

8.2 Changes in Rates and Charges. Adjustments to Rates and Charges based on the True-Up or in accordance with Section 8.1(c) above, shall apply without the necessity of a formal consultation with the Airlines, Authority Board action or any other approvals; provided there has been no change in the Rate Methodology.

ARTICLE 9 AIRLINE IMPROVEMENTS

9.1 Alterations and Improvements by Airlines. In accordance with Section 5.1(m) above, an Airline may construct and install, at such Airline's sole expense, such improvements at its Priority Access Gates as such Airline deems to be necessary for its operations; provided, however, that the plans and specifications, location, and, in the Chief Executive Officer's exclusive discretion, construction schedule for such improvements shall be approved by the Chief Executive Officer in writing prior to the commencement of any and all such construction or installation and further provided that such Airline complies with the requirements of the Authority in effect from time to time, including Authority Policies and Procedures. No reduction or abatement of Rates and Charges shall be allowed for any interference with an Airline's operations by such construction.

9.2 Removal of Improvements. Subject to Section 9.4 below, upon any relocation or withdrawal of an Airline from space containing Airline improvements, such Airline shall remove, at the Airline's cost, such improvements and, except as may be directed or approved by the Authority, shall return such space to the condition it was in prior to such improvements being made, normal wear and tear excepted.

9.3 Compliance with Law. As a condition to making any improvements at the Airport, an Airline shall comply with all applicable laws and Authority Policies and Procedures relating to such improvements, including the 2010 ADA Standards for Accessible Design, 49 CFR Section 27, and any successor laws and regulations.

9.4 Ownership of Improvements. All improvements made to Airline Premises and all additions and alterations thereto made by an Airline, except those financed by the Authority, shall be and remain the property of such Airline until the relocation or withdrawal of the Airline from the improved space. Upon such relocation or withdrawal, said additions and alterations shall become the property of the Authority or at the Authority's option, shall be removed by Airline, in accordance with Section 9.2 above; provided, however, that any trade fixtures, signs, equipment and other movable personal property of an Airline not permanently affixed to Airline Premises shall, if timely removed, remain the property of such Airline.

ARTICLE 10

DAMAGE OR DESTRUCTION

10.1 Partial Damage. If any part of Committed Premises, or adjacent facilities directly and substantially affecting the use of Committed Premises, shall be partially damaged by fire or other casualty or by any Authority required construction or renovation project, but such circumstances do not render the Committed Premises untenable as reasonably determined by the Authority, the same shall be repaired, constructed or renovated to usable condition with due diligence by the Authority as hereinafter provided. No abatement of Rates and Charges or modifications to the applicable Letter of Authorization shall occur, so long as the Committed Premises remain tenantable.

10.2 Substantial Damage. If any part of Committed Premises, or adjacent facilities directly and substantially affecting the use of Committed Premises, shall be so extensively damaged by fire or other casualty or by any Authority required construction or renovation project, as to render any portion of the Committed Premises untenable, but capable of being repaired, as reasonably determined by the Authority, the same shall be repaired to usable condition with due diligence by the Authority as hereinafter provided. If such repairs have not been commenced (defined as any material construction related activity, such as preparing plans, applying for permits, etc.) by the Authority within ninety (90) days after such damage, and Airline has not been provided comparable alternative facilities, Airline shall have the option to terminate the Letter of Authorization to the extent relating to the damaged Committed Premises. In the case of damage described herein, the Rates and Charges payable with respect to an Airline's affected Committed Premises shall be paid up to the time of such damage and, in the absence of the Authority making alternative Committed Premises available to Airline, shall thereafter be abated equitably in proportion as the part of the area rendered untenable bears to total Committed Premises until such time as the damaged Committed Premises are again tenable or comparable alternative facilities are made available to Airline. The Authority shall use commercially reasonable efforts to provide Airline with comparable, alternative facilities sufficient to allow Airline to continue its operations while repairs are being completed, at Rates and Charges applicable to such alternative facilities, as if such alternative facilities were covered by the Letter of Authorization applicable to the damaged Committed Premises; provided, however, that Airline shall not be charged more for alternative space than was rendered untenable in accordance with this Section unless and until such temporary alternative space shall be assigned to Airline by the Authority as Airline's permanent Committed Premises.

10.3 Destruction.

(a) If any part of Committed Premises, or adjacent facilities directly and substantially affecting the use of Committed Premises, shall be damaged by fire or other casualty or by any Authority required construction or renovation project, and is so extensively damaged as to render any portion of the Committed Premises untenable and not economically feasible to repair, as reasonably determined by the Authority, the Authority shall notify the affected Airline within a period of forty five (45) days after the date of such damage of its decision whether to reconstruct or replace such premises or

facilities; provided, however, the Authority shall be under no obligation to replace or reconstruct such premises or facilities. The Rates and Charges payable hereunder with respect to affected Committed Premises shall be paid up to the time of such damage and, in the absence of the Authority making alternative Committed Premises available to Airline, thereafter shall abate until such time as replacement or reconstructed space becomes available for use by Airline.

(b) In the event the Authority elects to reconstruct or replace affected Committed Premises, the Authority shall use commercially reasonable efforts to provide Airline with comparable, alternative facilities sufficient to allow Airline to continue its operation while reconstruction or replacement facilities are being completed, at Rates and Charges applicable to such alternative facilities as if such alternative facilities were covered by a Letter of Authorization applicable to the damaged Committed Premises; provided, however, that Airline shall not be charged more for alternative space than was rendered untenable in accordance with this Section unless and until Airline and Authority agree that such temporary alternative space shall become Airline's permanent Committed Premises pursuant to Section 4.4(b)(i).

(c) In the event the Authority elects to not reconstruct or replace damaged Committed Premises, the Authority shall either relocate Airline, pursuant to Section 4.4(b)(i) above, or if no premises are available to accomplish such relocation, to terminate that portion of the Airline's Letter of Authorization that relates to the damaged facilities. In any event, the Authority agrees to amend an Airline's Letter of Authorization to reflect related additions and deletions to Committed Premises. In the event Airline is not relocated and, after termination of the Letter of Authorization as to the damaged facilities, the remaining tenable portion of the Committed Premises is not sufficient to maintain operations at the Airport, Airline may terminate the entire Letter of Authorization upon at least sixty (60) days advance notice given within ninety (90) days after receipt by Airline of notice of termination of its Letter of Authorization as to the damaged facilities.

10.4 Damage Caused By Airline. Notwithstanding any provision of this Article 10 to the contrary, in the event that due to the negligence or willful act or omission of Airline, its employees, its agents, or licensees ("Responsible Airline"), Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of Rates and Charges during the repair or replacement of such Airline Premises. To the extent that the costs of repairs are not fully recovered from any insurance proceeds payable to the Authority by reason of such damage or destruction, the Responsible Airline shall pay the amount of such additional costs to the Authority and shall pay any other costs incurred by Authority as a result of such damage or destruction, such as the costs of relocating other Airlines. Upon the evacuation of any premises by Airline, whether due to relocation or otherwise, Airline shall reimburse the Authority for the cost to repair any damage to such premises caused by the Responsible Airline, other than normal wear and tear.

10.5 Limit on Authority's Responsibilities. The Authority's obligations to repair, reconstruct, or replace any part of the affected Airline Premises or adjacent facilities under the provisions of this Article 10 shall, in any event, be limited to restoring affected Airline Premises or adjacent facilities to the extent of insurance proceeds and other similar funds available to the Authority for such repair, reconstruction, or replacement, but, in any case, to a condition no better than substantially the same condition that existed at the date of damage or destruction; provided further, that the Authority shall in no way be responsible for the insuring of, or the restoration or replacement of, any equipment, furnishings, property, improvements, signs, or other items installed and/or owned by Airline.

ARTICLE 11 INDEMNIFICATION AND INSURANCE

11.1 Indemnification by Airlines.

(a) Indemnification. Each Airline shall, as a condition of operating at the Airport, protect, defend, reimburse, indemnify and hold each of the Authority, the City, their respective agents, employees, board members and elected officers (hereinafter collectively referred to as "Authority Indemnatee") free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including actually incurred reasonable attorney's fees and appellate cost) and causes of action of every kind and character, whether or not meritorious, including but not limited to, claims or damages relating to any damage to property (including but not limited to, any environmental damage) personal injury, or bodily injury (including death) incurred or sustained by any person or organization (including, but not limited to, by an Authority Indemnatee) against or incurred by any Authority Indemnatee and arising out of, or incident to, or in connection with, (i) such Airline's use, operation, maintenance or occupancy of the Airline Premises; or (ii) the operation of such Airline's Air Transportation Business, including the use or access by such Airline's ticketed passengers of the Airport; or (iii) the performance, non-performance or purported performance of such Airline under any Letter of Authorization; or (iv) any breach by such Airline of the terms of this Resolution or any agreement between the Authority and the Airline; provided, however, nothing contained in this Section shall require indemnification by an Airline of an Authority Indemnatee from or against any loss, liability or claim to the extent arising from the gross negligence or willful misconduct of the Authority Indemnatee or the negligence or willful misconduct of any third party not contractually related to Airline or not acting on behalf of Airline.

(b) Notice and Defense of Claims. Upon the filing by anyone of a claim with the Authority for damages arising out of incidents for which an Airline must indemnify and hold the Authority or another Authority Indemnatee harmless, the Authority shall promptly notify such Airline of such claim and, in the event that such Airline does not settle or compromise such claim, then such Airline shall undertake the legal defense of such claim both on behalf of such Airline and on behalf of each involved Authority Indemnatee. It is specifically agreed, however, that in the event of any conflict

between an Authority Indemnatee, including the Authority, and the indemnifying Airline, an Authority Indemnatee may, at its option, provide its own legal defense and such Airline will promptly reimburse any such Authority Indemnatee for the reasonable cost, including attorney's fees, incurred by or on behalf of the Authority Indemnatee in the legal defense of such claim.

(c) No Voluntary Waiver of Immunity. The obligation of each Airline to indemnify an Authority Indemnatee is not intended to waive any sovereign immunity otherwise applicable to an Authority Indemnatee.

(d) Consideration, Survival of Indemnity Obligation and Additional Remedy. Each Airline's indemnity obligation shall survive the termination of any Letter of Authorization and an Airline's use of the Airport for its Air Transportation Business. Compliance with the insurance requirements of this Article 11 shall not relieve an Airline of, or otherwise limit, an Airline's obligation to indemnify an Authority Indemnatee as set forth in this Article 11.

11.2 Insurance.

(a) Except to the extent the Authority, in its sole discretion, otherwise agrees to the contrary, each Airline shall provide, pay for and maintain the types and amounts of insurance described herein, or as may be updated or modified in the Authority Policies and Procedures. All such insurance shall be issued by insurers which are eligible to do business in the State of Florida or, if permitted by applicable law, as otherwise approved by the Authority. In addition, all such insurers shall have and maintain evidence of financial integrity and responsibility reasonably acceptable to the Authority.

(b) The insurance coverage and limits required shall be evidenced by properly executed certificates of insurance. These certificates shall be signed by the authorized representative of the insurance company shown on the certificate and will show all deductibles or self-insurance retentions. The Airline liability/commercial general liability primary and excess coverage insurance policies shall be endorsed to name the Authority, the City of Orlando, members of their governing body, and their officers, volunteers, and employees as Additional Insureds. In addition, certified, true, and exact copies of all insurance policies shall be made available to the Authority at an Airline's headquarters, at the Authority's cost, on a timely basis, if requested by the Authority.

(c) All required insurance coverages of each Airline shall be primary to any insurance or self-insurance program of the Authority. In addition, any insurance, or self-insurance maintained by the Authority shall be excess of, and shall not contribute with, the insurance provided by Airline.

(d) The acceptance of delivery to the Authority of any certificate of insurance evidencing the insurance coverages and limits required does not constitute

approval or acceptance by the Authority that the insurance requirements herein have been met.

(e) No Airline may conduct operations at the Airport unless and until the required certificates of insurance are in effect and approved by the Authority.

(f) The insurance coverages and limits required of Airline are designed to meet the minimum requirements of the Authority. They are not designed as a recommended insurance program for any Airline. Each Airline is responsible for insuring its real and personal property located at the Airport. Each Airline, alone, shall be responsible for the sufficiency of its own insurance program. Should an Airline have any question concerning its exposures to loss, or the possible insurance coverages needed therefor, it should seek professional advice.

(g) An Airline shall give, or cause its insurance representative to give, the Authority thirty (30) days prior written notice, seven (7) days in the case of war risk, by registered or certified mail of any cancellation, intent not to renew, or material reduction in any policy's coverage instigated by such Airline and prompt notice of any such event instigated by an insurance company.

(h) Renewal Certificates of Insurance must be provided to the Authority as soon as practical but in every instance prior to expiration of current coverages.

(i) Should at any time an Airline not, in the opinion of the Authority, provide or maintain the insurance coverages required, the Authority may terminate or suspend operation of such Airline's Air Transportation Business at the Airport or any Letters of Authorization applicable to Airline.

(j) Except to the extent updated or modified by the Authority's Policies and Procedures, the amounts and types of insurance shall conform to the following minimum requirements.

(i) Workers Compensation and Employer's Liability Insurance shall be maintained in force by each Airline for all employees engaged in the operations on the Airport. The limits of coverage shall not be less than:

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

(ii) Airline Liability Insurance/Commercial General Liability shall be maintained by each Airline and shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual Liability, Products and Completed Operations Coverage,

Hangarkeepers, Liquor Liability, Terrorism or War Risk and Allied Perils (to the extent available from, or subsidized by, the federal government), and Environmental Liability. Coverage shall be applicable to the operation of all owned, non-owned, leased or hired, licensed and unlicensed motor vehicles and ground equipment operating within the Aircraft Operations Area (AOA) at the Airport. The limits of coverage shall not be less than:

Airline Liability:	
Bodily & Personal Injury & Property Damage Liability	\$200,000,000 Each Occurrence & Aggregate, with no less than \$25,000,000 sublimit for Personal Injury to non-passengers

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

Liquor Liability Coverage – for any facility of an Airline serving alcoholic beverages on the Airport in an amount not less than \$1,000,000 per occurrence.

Hangarkeepers Liability Coverage – in an amount adequate to cover any non-owned property in the care, custody, and control of an Airline on the Airport, but in any event in an amount not less than \$5,000,000 per occurrence.

Motor Vehicle Liability Coverage – to cover all licensed and unlicensed motor vehicles and ground equipment owned, non-owned, or hired by an Airline which are operated in the AOA. This coverage will be in an amount not less than \$5,000,000 per person and per occurrence.

Terrorism or War Risk and Allied Perils (to the extent available from, or subsidized by, the federal government) – in an amount not less than \$50,000,000.

Environmental Liability – in an amount not less than \$10,000,000 for sudden and accidental pollution, or, to the extent not prohibited by any applicable law, an Airline may provide for reasonable limits of self-insurance against environmental liability risks. All amounts paid to the Authority by an Airline on account of any self-insurance program shall be deemed insurance proceeds. To the extent an Airline self-insures as to environmental liability, the protections afforded the Authority by such Airline shall be the same as if insurance were provided by a third-party insurer, and such Airline shall have all the obligations and liabilities of a third party insurer hereunder (e.g. obligation to provide a defense).

(iii) Aircraft Liability Insurance shall be maintained by each Airline for all owned, non-owned, leased or hired aircraft, including passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury & Property Damage Liability	\$200,000,000 Each Occurrence & Aggregate, with no less than \$25,000,000 sublimit for Personal Injury to non-passengers

(iv) Business Automobile Liability Insurance shall be maintained by each Airline as to the ownership, maintenance, and use of all owned, non-owned, leased or hired vehicles. The limits of coverage shall not be less than:

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

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

ARTICLE 12

CANCELLATION OF LETTER OF AUTHORIZATION BY THE AUTHORITY

12.1 Termination Events. The occurrence of any of the following with respect to the applicable Airline shall be an event of default hereunder ("Event of Default"):

(a) The conduct by an Airline of any business or performance of any acts at the Airport not specifically authorized by this Resolution or by other agreements between the Authority and such Airline, and such business or acts do not cease within thirty (30) days after receipt of the Authority's written notice to cease such business or acts.

(b) The failure by an Airline to cure a default in the performance of any of the terms, covenants, and conditions required herein (except Performance Security requirements, insurance requirements, and payment of Rates and Charges, all as provided for below) within thirty (30) days after receipt of written notice by the Authority of such default; or, if by reason of the nature of such default, the same cannot be cured within thirty (30) days following receipt of written demand from the Authority to do so, such Airline fails to commence curing such default within such thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof and, in any event, fails to cure such default within a reasonable time or ninety (90) days after receipt of notice of such default, whichever is earlier. The defaulting Airline shall have the burden of proof to demonstrate (i) that the default cannot be cured within thirty (30) days, and (ii) that it is proceeding with diligence to cure said default, and that such default can be cured within the earlier of a reasonable period of time or ninety (90) days.

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

(d) The failure by an Airline to provide and keep in force the Performance Security, to the extent required.

(e) The failure by an Airline to obtain and keep in force the insurance coverages described herein.

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

(g) The divestiture of an Airline's rights under this Resolution, a Letter of Authorization or Operating Permit by operation of law, by dissolution, or by liquidation (not including a merger or sale of assets).

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

(i) The abandonment by an Airline of any Committed Premises, or its conduct of business at the Airport; and, in this connection, suspension of operations for a period of thirty (30) days will be considered abandonment in the absence of a labor dispute or other governmental action in which such Airline is directly involved.

(j) The failure by an Airline to remit PFCs in accordance with Section 18.2.

(k) The breach by an Airline of any Rate and Revenue Sharing Agreement to which the Airline is a party.

12.2 Continuing Responsibilities. Notwithstanding the occurrence of any Event of Default applicable to it, an Airline shall remain liable to the Authority for all Rates and Charges payable hereunder and for all preceding breaches of any obligation owed the Authority. Furthermore, unless the Authority elects to cancel any Letters of Authorization, an Airline shall remain liable for and promptly pay all Rates and Charges accruing thereunder through the end of the term of such Letter of Authorization.

12.3 The Authority's Remedies. Upon the occurrence of an Event of Default with respect to an Airline, the following remedies, which shall be cumulative, shall be available to the Authority:

(a) The Authority may exercise any remedy provided by law or in equity, including, but not limited to, the remedies hereinafter specified.

(b) The Authority may cancel any Letters of Authorization with such Airline, or, any Operating Permit signed by such Airline, effective upon the date specified in the notice of cancellation; provided, however, that Airline shall remain liable for damages to the Authority arising out of the breach of such Letters of Authorization or Operating Permit without regard to such cancellation. Upon such date, the defaulting Airline shall be deemed to have no further rights thereunder and the Authority shall have the right to take immediate possession of Airline's Committed Premises.

(c) The Authority may reenter the Airline Premises and may remove all of such Airline's persons and property from same upon the date of reentry specified in the Authority's written notice of reentry. Upon any removal of an Airline's property by the Authority hereunder, such Airline property may be stored at a public warehouse or elsewhere at such Airline's sole cost and expense.

(d) The Authority may reassign Committed Premises and any improvements thereon or any part thereof at such Rates and Charges and upon such other terms and conditions as the Authority, in its sole discretion, may deem advisable, with the right to make alterations, repairs or improvements on such Committed Premises.

(e) No reentry or reassignment of Committed Premises by the Authority shall be construed as an election on the Authority's part to cancel the applicable Letter of Authorization, unless a written notice of cancellation is given to Airline.

(f) The Authority shall have no obligation to reassign any Committed Premises pursuant to a Letter of Authorization prior to the assignment of any other similar Terminal space pursuant to a Letter of Authorization. The Authority shall have exclusive discretion as to which Terminal space to assign at any time.

(g) Airline shall pay to the Authority all other costs incurred by the Authority in the exercise of any remedy in this Article 12, including, but not limited to, reasonable attorneys' fees, disbursements, court costs, and expert fees.

12.4 Remedies Under Federal Bankruptcy Laws. Notwithstanding the foregoing, upon the filing by or against an Airline of any proceeding under federal bankruptcy laws, if such Airline has defaulted in the performance of any provision of a Letter of Authorization or Operating Permit within the six (6) months preceding such filing, the Authority shall have the right to cancel such Letter of Authorization or Operating Permit, as applicable, in addition to other remedies provided under provisions of the Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984, as such may be subsequently amended, supplemented, or replaced. Such cancellation shall be by written notice to the affected Airline within sixty (60) days from the date of Airline's initial filing in bankruptcy court.

ARTICLE 13

CANCELLATION OF LETTER OF AUTHORIZATION BY AN AIRLINE

13.1 Termination Events. An Airline will be entitled to terminate a Letter of Authorization upon the occurrence of any of the following events applicable to such Airline:

(a) The Authority fails to keep, perform, or observe any term, covenant, or condition herein contained, to be kept, performed, or observed by the Authority and such failure continues for thirty (30) days after receipt of written notice of such failure from an Airline; or, if by its nature such default cannot be cured within such thirty (30) day period, the Authority shall not commence to cure such default within said thirty (30) days and thereafter to cure or remove the same as promptly as reasonably practicable.

(b) Airport is closed to flights in general or to the flights of an Airline, for reasons other than those circumstances within the Airline's control or caused by Airline, and Airport fails to be reopened to such flights within sixty (60) consecutive days from such closure.

(c) The Airport is permanently closed as an air carrier airport by act of any federal, state, or local government agency having competent jurisdiction; or an Airline is unable to use the Airport for a period of at least forty-five (45) consecutive days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport; or any court of competent jurisdiction issues an injunction preventing the Authority or such Airline from using Airport for airport purposes, for reasons other than those circumstances within such Airline's control or resulting from such Airline's actions, and such injunction remains in force for a period of at least forty-five (45) consecutive days.

(d) The United States Government or any authorized agency thereof (by executive order or otherwise) assumes the operation, control, or use of the Airport in such a manner as to substantially restrict an Airline from conducting its operations, if such restriction continues for a period of sixty (60) consecutive days or more.

13.2 Airline's Remedy. So long as an Airline is not in default of any obligation hereunder, including but not limited to payments due to the Authority, such Airline may cancel any Letter of Authorization or part thereof impacted by, and upon the occurrence of, an event described in Section 13.1 above, upon delivery of written notice of cancellation to the Authority and the surrender of such Committed Premises to the Authority any time prior to such event being cured. All obligations of Airline to pay Rates and Charges under that part of the Letter of Authorization cancelled hereby, other than Rates and Charges payable for periods and activities prior to such cancellation, shall cease as of the date of such cancellation and surrender of the Committed Premises to the Authority. The Airline shall continue to be responsible for all Rates and Charges applicable to its use or occupancy of the Airfield, Terminal or Terminal Apron.

ARTICLE 14

SURRENDER OF AIRLINE PREMISES

14.1 Surrender and Delivery. Upon expiration or cancellation of a Letter of Authorization or Operating Permit, or a reassignment of any Airline Premises, an Airline shall promptly and peaceably surrender to the Authority its Airline Premises and all improvements thereon to which the Authority is entitled in good and fit condition, and at least in substantially the same condition as such Airline Premises was delivered to Airline, reasonable wear and tear, as well as damage or repair which is the responsibility of the Authority hereunder, excepted; provided, however, nothing in this Section 14.1 shall be construed to modify the obligations of the parties set forth in Article 9, Article 10, and Article 11.

14.2 Removal of Property. Provided an Airline is not in default for payment of Rates and Charges hereunder, an Airline is permitted at any time to remove from the Airport its aircraft, tools, equipment, trade fixtures, and other personal property, title to which shall remain in the Airline, unless otherwise set forth herein, and shall remove such aircraft, tools, equipment, trade fixtures, and other personal property from any Airline Premises no longer assigned to such Airlines within five (5) business days following any notice to such Airline that such Airline Premises are no longer assigned to it, subject to any valid lien which the Authority may have thereon for unpaid Rates and Charges. No Airline may abandon any portion of its property at the Airport without the written consent of the Authority. Any and all property not removed by Airline from former Airline Premises, as required hereby, shall, at the option of the Authority, (i) become the property of the Authority at no cost to the Authority; (ii) be stored by the Authority, at no cost to the Authority; (iii) be sold at public or private sale at no cost to the Authority, with the proceeds thereof being retained by the Authority or (iv) be dealt with in accordance with Section 12.3(c). Except as may be agreed to otherwise by the Authority and an Airline, all Authority property damaged by or as a result of the removal of Airline's property shall be restored by Airline to the condition existing before such damage at Airline's expense.

ARTICLE 15

ASSIGNMENT AND HANDLING AGREEMENTS

15.1 Assignment by an Airline.

(a) No Airline may, directly or indirectly, assign, sell, hypothecate, or otherwise transfer its rights under a Letter of Authorization, an Operating Permit or any portion of Airline Premises assigned to such Airline, without the prior written consent of the Authority; provided, however, Airline may assign such rights to any person, firm or corporation with which Airline may merge or consolidate or which may succeed to the business of Airline or which purchases all or substantially all of such Airline's assets. The Authority may withhold its consent hereunder for any reason, including the availability for assignment to others of alternative space.

(b) No Airline may allow any third party Airline to use of any Airline Premises assigned to such Airline, other than an Identified Affiliate, without the prior written consent of the Authority, which consent may be withheld if the Authority has alternative unassigned space available or if the Authority can make such space available for assignment within a reasonable time.

(c) An Airline shall include with its request for permission to assign Committed Premises, a copy of the proposed assignment agreement. The assignment agreement submitted with Airline's request shall include the following information: (i) the term; (ii) the area or space to be assigned; (iii) the amounts to be charged; and (iv) a provision that assignee must execute a separate Operating Permit or Letter of Authorization with the Authority for operating at the Airport. Any other information reasonably requested by the Authority pertaining to said assignment shall be promptly provided by Airline. A fully executed copy of such assignment shall be submitted to the Authority for final approval prior to the occupancy of the Committed Premises, or any portion thereof, by the assignee.

(d) Nothing in this Article 15 shall be construed to release an Airline from its obligations under a Letter of Authorization, including but not limited to, the payment of Rates and Charges provided herein, with respect to the Airline Premises, including such portion of the Airline Premises assigned, unless otherwise agreed in writing by the Authority.

15.2 Handling Agreements. In the event any Airline agrees to ground handle any portion of the operations of another Airline, other than an Identified Affiliate, such Airline shall provide the Authority advance written notice of such proposed activities, including a description of the type and extent of services to be provided, and shall comply with all Authority Policies and Procedures in effect from time to time applicable to such activity, including, without limitation, policies relating to the payment to the Authority of a percentage of fees received by Airline for such service. Notwithstanding the foregoing or any Authority Policies and Procedures to the contrary, an Airline shall have no obligation to pay to the Authority a

percentage of fees received by Airline for performing ground handling or other permitted services if and to the extent the Airline receiving the services is a party to a Rate and Revenue Sharing Agreement and is not in breach thereof. (Please see Section 5.4(d) for an exclusion from the requirement to pay fees to the Authority for ground handling and other services provided by a third party to an Airline.)

ARTICLE 16

AVAILABILITY OF ADEQUATE FACILITIES

16.1 Award and Revocation of Committed Premises and Priority Access Gates. Upon request by an Airline to include a Gate as part of its Committed Premises under a Letter of Authorization or as a Priority Access Gate, the Authority may, in its exclusive discretion, accept or deny such request based on operational considerations, such as Terminal limitations and Gate availability. An Airline's Priority Access Gate may lose such status and the rights related thereto in accordance with the eligibility requirements set forth from time to time in the Authority's Policies and Procedures. The Authority may revoke the designation of one or more of an Airline's Gates as part of its Committed Premises under a Letter of Authorization if: (a) such Airline's scheduled average utilization for such Gate(s) falls below four (4) turns per Gate per day; (b) the Authority determines that there is a reasonable need for the use of such Gate(s) by another Airline; and (c) such other Airline meets the required four (4) turns per Gate per day minimum. Prior to such revocation becoming effective, the Airline shall have a sixty (60) day period to adjust its schedule to equal or exceed four (4) turns per Gate per day so as not to be subject to such revocation during the term of its Letter of Authorization. When determining specific Committed Premises to be revoked, the Authority will use reasonable efforts to choose facilities that will not disrupt the continuity and staffing of an Airline's operation.

16.2 Regional/Commuter Operations.

(a) To the extent practical, and unless otherwise directed by the Authority, aircraft that are capable of connecting to a loading bridge must use a Terminal Apron equipped with a loading bridge for the enplaning and deplaning of passengers.

(b) Aircraft that are not capable of connecting to a loading bridge will use those areas of the Terminal Aprons designated by the Authority and will be accessed from the ramp level through commuter facilities unless otherwise approved by the Authority.

ARTICLE 17

GOVERNMENT INCLUSION

17.1 Government Agreements. The terms of this Resolution shall be subordinate to, and shall be automatically modified to comply with, the provisions of any existing or future agreements between the Authority and the United States Government or other governmental authority, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal or other governmental funds for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States or other governmental authority as a condition to receiving such funds. The Authority agrees to provide Airlines written advance notice of any provisions which would adversely modify the terms of this Resolution in a material respect.

17.2 Federal Government's Emergency Clause. All provisions of this Resolution shall be subordinate to the rights of the United States of America to operate the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Resolution inconsistent with the operations of the Airport by the United States of America. The Authority shall have no liability to an Airline to the extent the Authority is prohibited or hindered from performing its obligations hereunder as a result of rights exercised in this paragraph.

17.3 Nondiscrimination.

(a) General Civil Rights Provisions: Each Airline agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If an Airline transfers its obligation to another, the transferee is obligated in the same manner as the Airline.

This provision obligates each Airline, its personal representatives, successors in interest and assigns, for the period during which the property is owned, used or possessed by the Airline and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

(b) Compliance with Nondiscrimination Requirements: During the performance of this Resolution, each Airline, for itself, its assignees, and successors in interest (hereinafter referred to as the "Airline"), agrees as follows:

(i) Compliance with Regulations: Each Airline (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Resolution.

(ii) Nondiscrimination: Each Airline, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Each Airline will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

(iii) Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Airline for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Airline of the Airline's obligations under this Resolution and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

(iv) Information and Reports: Each Airline will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of an Airline is in the exclusive possession of another who fails or refuses to furnish the information, the Airline will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

(v) Sanctions for Noncompliance: In the event of an Airline's noncompliance with the non-discrimination provisions of this Resolution, the Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(A) Withholding payments to the Airline under the contract until the Airline complies; and/or

(B) Cancelling, terminating, or suspending a contract, in whole or in part.

(vi) Incorporation of Provisions: Each Airline will include the provisions of paragraphs (i) through (vi) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Each Airline will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Airline becomes involved in, or is threatened with litigation by a

subcontractor, or supplier because of such direction, the Airline may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, the Airline may request the United States to enter into the litigation to protect the interests of the United States.

(c) Incorporation of Provisions: Each Airline will include the provisions of paragraphs (i) through (vi) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Each Airline will take action with respect to any subcontract or procurement as the Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Airline becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Airline may request the Authority to enter into any litigation to protect the interests of the Authority. In addition, the Airline may request the United States to enter into the litigation to protect the interests of the United States.

(d) In the event of breach of any of the above nondiscrimination covenants, the Authority will have the right to cancel any Letters of Authorization, Operating Permit or other contract with such Airline and enter or re-enter and repossess said Airline Premises and hold the same as if said agreement had never been made or issued.

(e) Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Resolution, the Airline, for itself, its assignees, and successors in interest (hereinafter referred to as the “Airline”) agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

(i) Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

(ii) 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

(iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

(iv) Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;

(v) The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

(vi) Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

(vii) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

(viii) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

(ix) The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

(x) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

(xi) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

(xii) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

(f) Each Airline acknowledges that the provisions of 49 CFR, Part 23, Disadvantaged Business Enterprises (“DBE”), as such regulations may be amended, and such other similar regulations as may be enacted, may be applicable to the activities of Airline at the Airport, unless exempted by said regulations, and by choosing to operate at the Airport, each Airline shall be deemed to have agreed to comply with the regulatory

agencies, in reference thereto. These requirements may include, but not be limited to, compliance with DBE participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the submission of various reports and, if so directed, the contracting of specified percentages of goods and services contracts to DBEs.

17.4 Security. Each Airline, its officers, employees, agents, and those under its control, shall comply with all security measures required of Airline by the Authority, TSA, FAA or contained in any Airport master security plan approved by the TSA or FAA. If an Airline, or its officers, employees, agents, or those under its control, shall fail or refuse to comply with such measures and such non-compliance results in a monetary penalty being assessed against the Authority, then, in addition to any other remedies available to the Authority, such non-complying Airline shall be responsible for, and shall reimburse the Authority in the full amount of, any such monetary penalty or other damages. This Resolution shall be deemed to be automatically amended to the extent required, in the Authority's discretion, to satisfy any federal security requirements or directives. The Authority shall provide notice to each Airline in advance of, or as soon as practically possible after, any such automatic amendment.

17.5 Environmental.

(a) General Conditions.

Each Airline must:

(i) be knowledgeable of all applicable federal, state, regional, and local environmental laws (including common law), ordinances, rules, regulations and orders, which apply to Airline's operations at the Airport (collectively, "Environmental Laws") and acknowledge that such Environmental Laws change from time-to-time. Each Airline must keep informed of any such future changes.

(ii) comply with all applicable Environmental Laws, which apply to Airline's operations, and all permits issued to Airline pursuant to any Environmental Laws. Airline's indemnity obligation under Section 11.1 for violation of this Section shall include, but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures or monitor environmental conditions and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against Airline, its employees, invitees, suppliers, or service providers or the Authority by reason of such Airline's violation or non-compliance.

(iii) cooperate with any investigation, audit or inquiry by the Authority or any governmental or quasi-governmental agency, regarding possible violation by Airline of any Environmental Law upon the Airport, to the extent applicable or potentially applicable to Airline.

(iv) promptly provide to the Authority any notice of violation, notice of non-compliance, or other enforcement action relating to the Airport promptly after receipt by Airline or Airline's agent.

(b) Stormwater.

(i) Each Airline shall observe and abide by all stormwater rules and regulations as may be applicable to Airline and its use of the Authority's property.

(ii) Any stormwater discharge permit issued to the Authority may name such Airline as a co-permittee. Each Airline shall closely cooperate with the Authority to ensure compliance with any applicable stormwater discharge permit terms and conditions. Each Airline shall undertake such actions necessary to minimize the exposure of stormwater to "significant materials" generated, stored, handled or otherwise used by such Airline, as such term may be defined by applicable stormwater rules and regulations, by implementing and maintaining "best management practices" as that term may be defined in applicable stormwater rules and regulations.

(iii) Within ten (10) days after receipt of any written notice from the Authority or any governing authority relating to stormwater discharge requirements applicable to Airline, an Airline shall notify the Authority in writing if it disputes any of the stormwater permit requirements it is being directed to undertake. If an Airline does not provide such timely notice, such Airline shall undertake at its sole expense, unless otherwise agreed to in writing between the Authority and Airline, those stormwater permit requirements for which it has received written notice from the Authority, and Airline will hold harmless and indemnify the Authority for any violations or non-compliance by such Airline with any such permit requirements.

(c) Solid and Hazardous Waste.

(i) Each Airline shall comply with all applicable federal, state and local laws relating to such Airline's transportation, handling, storage, treatment or disposal of solid or hazardous waste at the Airport, and any rules and regulations promulgated thereunder, including, but not limited to, ensuring that the transportation, storage, handling and disposal of such hazardous wastes are conducted in full compliance with applicable law.

(ii) Each Airline shall provide the Authority, or, at Authority's option, make available for review by the Authority, upon request, copies of all hazardous waste permit application documentation, permits, monitoring reports, transportation, responses, storage, disposal and contingency plans and material safety data sheets applicable to Airline's operations at the Airport, within ten (10) days after any such requests by the Authority, all of which shall be maintained in compliance with applicable Environmental Laws. Each Airline shall have, and shall implement as needed, to the extent required by applicable Environmental Laws, a written plan addressing containment and clean up of fuel and/or oil spills.

(d) Air Quality. Each Airline agrees to comply with all applicable Environmental Laws relating to the quality of air in any confined or indoor spaces.

17.6 Part 27 Compliance. Pursuant to Title 49 CFR Part 27, the Authority provides accessible facilities and services to individuals with disabilities, including mechanical lifts for enplaning and deplaning passengers with disabilities that are available to all Airlines (both foreign and domestic) that do not have access to passenger loading bridges. Access to services and mechanical lifts can be achieved by contacting the Airport Operations Center at the Airport. Maintenance and service records are available upon request by contacting the Airport Operations Center or making a formal public records request to the Authority. Notwithstanding the foregoing, each Airline is responsible for providing assistance to its passengers in enplaning and deplaning, including the provision of mechanical lifts or other boarding assistance devices, as needed, in the event that the Authority's mechanical lifts are not available. As and to the extent required by Title 14 CFR Part 382, each Airline shall promptly provide or ensure the provision of assistance requested by or on behalf of its passengers with a disability, or offered by the Airline or Authority personnel and accepted by passengers with a disability, in enplaning and deplaning, including the use of wheelchairs, mechanical lifts or other boarding assistance devices, where boarding and deplaning by level-entry loading bridges or accessible passenger lounges is not available.

ARTICLE 18

GENERAL PROVISIONS

18.1 Subordination to Bond Resolution.

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

(b) With respect to property assigned by the Authority to an Airline hereunder, which was or is to be acquired or constructed by the Authority with proceeds of Bonds, the interest on which is, or is intended to be, excludable from the gross income of the holders of such Bonds for federal income tax purposes, each such Airline shall protect the tax-exempt status of the Bonds, including by not taking any depreciation deductions relating to such property.

(c) Each Airline shall execute all instruments, certificates, or other documents reasonably requested by the Authority to assist the Authority and bond counsel in determining and assuring that Bonds are issued in compliance with applicable rules and regulations of the Internal Revenue Service and the Securities and Exchange Commission, and each Airline shall provide whatever additional relevant information is reasonably requested by the Authority initially or on an ongoing basis in connection with complying with any of those rules and regulations.

18.2 Passenger Facility Charge. The Authority reserves the right to assess and collect PFCs subject to the terms and conditions set forth in the Aviation Safety and Capacity Expansion Act of 1990, now Codified as 49 U.S.C. §40117, and implementing regulations as may be supplemented or amended from time to time. Each Airline shall collect and pay all PFC's for which it is responsible under applicable law or regulation. If Airline fails to remit PFC revenue to Authority within the time limits established by the PFC Regulations and within ten (10) calendar days after receipt of a written notice of non-payment from Authority, such condition shall be deemed an Event of Default. In addition, any late payment of the PFC may be subject to late fees computed at the rate of one and one-quarter percent (1.25%) per month from the due date until paid to the extent allowed by law.

18.3 Use of Airline Premises. Consistent with the nature of each Airline's business, each Airline's occupancy of its Airline Premises will be lawful and quiet and each Airline will not knowingly use or permit the use of Airline Premises in any way that would violate the terms of this Resolution or any Letter of Authorization, create a nuisance, or disturb other tenants or

the general public. Each Airline shall be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision

18.4 Performance. Time is of the essence with respect to the obligations in this Resolution and in each Letter of Authorization.

18.5 Avigation Rights. The Authority reserves unto itself, its successors, and assigns for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport, including Airline Premises, for navigation or flight in such airspace for landing on, taking off from, or operating at the Airport.

18.6 Rules and Regulations and Operational Directives.

(a) Each Airline, its officers, employees, agents, and others under its control shall observe and obey all laws, regulations, and orders of the federal, state, county, municipal governments and the Authority (acting in its governmental capacity) applicable to such Airline's operations at the Airport.

(b) The Chief Executive Officer and/or Authority staff may, from time to time, adopt, amend, or revise the Authority Policies and Procedures for reasons of safety, health, preservation of property, or the good, efficient and orderly appearance and/or operation of the Airport. Each Airline, and its officers, employees, agents, and others under its control, shall faithfully comply with and observe all lawful Authority Policies and Procedures, of which Airline has received actual or constructive notice.

(c) Each Airline shall be strictly liable and responsible for obtaining, maintaining current, and fully complying with, any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time by any federal, state, or local governmental entity or any court of law having jurisdiction over such Airline or such Airline's operations and activities.

18.7 Inspection. The Authority's authorized representatives shall have access to Committed Premises for the purpose of examining and inspecting such premises, for purposes necessary, incidental to, or connected with the performance of its operational obligations, or, in the exercise of its governmental functions. Except in the case of an emergency, the Authority shall conduct such inspections during reasonable business hours, after reasonable prior notice to an Airline and in the presence of such Airline's representative.

18.8 Titles. Paragraph titles are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or extent of any provision of this Resolution.

18.9 Severability. In the event that any covenant, condition, or provision of this Resolution is held to be invalid by any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not materially prejudice either the Authority or any

Airline in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Resolution or any Letter of Authorization.

18.10 Other Agreements. Other than as set forth herein, nothing contained in this Resolution shall be deemed or construed to nullify, restrict, or modify in any manner the provisions of any other lease or contract between the Authority and an Airline authorizing the use of the Airport, its facilities, and appurtenances.

18.11 Approvals. Unless otherwise stated, whenever the Resolution calls for approval by the Authority, such approval shall be evidenced by the written approval of the Chief Executive Officer.

18.12 Notice.

(a) All notices, requests, consents, and approvals served or given under this Resolution shall be served or given in writing with proof of delivery. If intended for the Authority, notices shall be delivered to:

Chief Executive Officer
Greater Orlando Aviation Authority
Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, FL 32827-4399

or to such other address as may be designated by the Authority by written notice to Airline.

(b) Notices to an Airline shall be delivered to the address on file with the Director of Board Services of the Authority, or to such other address as may be designated by an Airline by written notice to the Authority.

18.13 Agent For Service. Each Airline shall, upon request, notify the Authority, in writing, of the name and address of its agent for service of process in Florida. Such service shall be made as provided by the laws of the State of Florida for service upon a non-resident engaging in business in the State of Florida.

18.14 Governing Law and Legal Forum. This Resolution, all Letters of Authorization and all Operating Permits are to be read and construed in accordance with the laws of the State of Florida. Exclusive venue for all dispute resolution, including litigation, concerning or arising out of this Resolution, all Letters of Authorization and all Operating Permits shall be in Orange County, Florida.

18.15 Third-Party Beneficiary. Each Airline understands and agrees that the City is a third party beneficiary to this Resolution, each Letter of Authorization and each Operating Permit, with full rights of enforcement therein.

18.16 Most Favored Nation Clause. In the event the Authority offers an Airline the opportunity to use the Airfield and Terminal on terms and conditions that are materially different, and more favorable than the terms and conditions described herein, such offer shall also be made to all similarly situated Airlines (e.g. an Airline that makes substantially similar use of the Airport, operates substantially similar aircraft and utilizes substantially similar facilities as the Airline offered the more favorable terms and conditions), subject to the same conditions and limitations as the original offer. The foregoing Authority obligation shall not apply to lawfully permitted incentive programs or to differences set forth in the Rate Methodology.

18.17 No Individual Liability. No member, officer, agent, director or employee of either the Authority or an Airline shall have any personal liability under this Resolution for the failure of the Authority or such Airline, as applicable, to comply with the terms hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Amended and Restated Resolution was approved and adopted by the Greater Orlando Aviation Authority on August 28, 2019.

**GREATER ORLANDO AVIATION
AUTHORITY**

By: _____
Domingo Sanchez
Chairman

ATTEST:

By: _____
Dayci S. Burnette-Snyder
Assistant Secretary

[THIS PAGE INTENTIONALLY LEFT BLANK]

RATE AND REVENUE SHARING AGREEMENT
FISCAL YEAR 2020 - FISCAL YEAR 2024

This Rate and Revenue Sharing Agreement is made as of this ____ day of _____, 20__ (the "Effective Date") by and between the Greater Orlando Aviation Authority (the "Authority") and _____ ("Airline").

Background

A. The Authority has adopted rates and charges for operations at Orlando International Airport (the "Airport") by Airlines pursuant to a Second Amended and Restated Resolution of the Greater Orlando Aviation Authority relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the uses of Facilities and Services at Orlando International Airport dated August 28, 2019, to be effective October 1, 2019, as such may be amended from time to time (the "Rate Resolution").

B. The Authority has offered to share Net Shared Revenues with the passenger Airlines in exchange for certain long-term commitments to the Authority by the Airlines and acceptance by the Airlines of the Rate Resolution and the methodology for calculating rates and charges thereunder.

Agreement

NOW, THEREFORE, in consideration of the promises set forth herein, the Authority and Airline hereby agree as follows:

1. Definitions.

(a) "Airport Exclusive Revenue Sources" shall mean (i) that certain real property commonly referred to as the "Poitras Property", (ii) rail, rail corridors or rail terminals located on the Airport, as such facilities exist today or may be developed in the future, and (iii) the Airfield.

(b) "Long Term Committed Premises" shall mean Committed Premises for which Airline makes a contractual commitment to the Authority under a Letter of Authorization through the end of Fiscal Year 2024.

(c) "Net Shared Revenues" shall mean (i) the first Ten Million Dollars (\$10,000,000) of Remaining Revenues, and then (ii) Fifty Percent (50%) of all Remaining Revenues thereafter.

(d) "Participating Airlines" shall mean all passenger Airlines that have executed and are parties to an effective Rate and Revenue Sharing Agreement for the applicable Fiscal Year.

(e) "Participating Operating Payments" shall mean all Landing Fees, FIS Fees, Common Use Baggage Charges, Common Use South Ticketing Area Charges to the extent associated with Long Term Committed Premises, Facility Fees paid for the use of bag make-up space, Airline Equipment Fees for Long Term Committed Premises, and Rates and Charges paid

for Long Term Committed Premises under a Letter of Authorization for the use and occupancy of Terminal facilities and the Terminal Apron by a passenger Airline, which, for the avoidance of doubt, excludes all Facility Fees (other than Facility Fees paid for the use of bag make-up space), ramp parking fees, RON fees and certain ancillary charges, such as phone or utility charges, in each case only to the extent such payments are made with respect to periods after (i) the Effective Date, or (b), if the Effective Date is not on October 1 or April 1 of a year, the first October 1 or April 1 following the Effective Date.

(f) "Rate and Revenue Sharing Agreement" shall mean an agreement between the Authority and an Airline in a form substantially similar to this agreement.

(g) "Remaining Revenues" shall mean the amount by which (i) the difference between (A) all Revenues generated by the operation of the Airport for a Fiscal Year (with the exception of, and not including, Revenues generated from the operation, use, sale, lease or other exploitation of Airport Exclusive Revenue Sources), minus (B) all Debt Service and O&M Expenses and Operating Reserves, incurred in connection with the operation of the Airport (with the exception of, and not including, any such expenses in the Airfield) for such Fiscal Year exceeds; (ii) Fifty Five Million Dollars (\$55,000,000) in such Fiscal Year.

(h) "Revenue Share Percentage" shall equal a fraction, the numerator of which is the total amount of Participating Operating Payments paid to the Authority by Airline, on behalf of itself and its Identified Affiliates, for a Fiscal Year and the denominator of which is the total amount of Participating Operating Payments paid to the Authority by all Participating Airlines, on behalf of themselves and their Identified Affiliates, for a Fiscal Year.

(i) Capitalized terms not defined herein shall have the definitions assigned to such terms in the Rate Resolution.

2. Airline Covenants.

(a) Airline agrees not to challenge the Rate Resolution, the rate making methodology thereunder (the "Methodology"), or the rates and charges determined in accordance with the Methodology for a period of five (5) years (i.e. Fiscal Years 2020 through 2024). The agreement of Airline in this paragraph means that Airline shall not file, participate in, finance, contribute to or otherwise support a formal complaint or lawsuit with, or a specific request for action to, the United States Department of Transportation ("USDOT"), the Federal Aviation Administration ("FAA"), or any state or federal court objecting to or challenging the Authority's Rate Resolution, the rates and charges determined thereunder, or the rate Methodology therein, including but not limited to commencing a "rocket docket" proceeding under 49 U.S.C. § 47129 with the USDOT or a Part 16 complaint with the FAA.

(b) Airline agrees to pay Rates and Charges for its use and occupancy of space, facilities and equipment at the Airport calculated in accordance with the Methodology for Fiscal Years 2020 through 2024, and acknowledges that this Agreement constitutes a written agreement with air carriers within the meaning of 49 U.S.C. § 47129(e)(1).

(c) Airline shall execute a Letter of Authorization committing to pay for the use of at least one Annual Access Gate and corresponding ticket counter, queue space and bag make-up space, as prescribed by Airport Policies and Procedures, through September 30, 2024.

3. Revenue Sharing.

(a) (i) In the event Airlines accounting for seventy five percent (75%) or more of the enplaned passengers at the Airport for the twelve (12) months ending September 30, 2019 sign a Rate and Revenue Sharing Agreement on or prior to October 1, 2019, the Authority will agree not to materially modify the Methodology through Fiscal Year 2024. Airline acknowledges that Rates and Charges are likely to, and are permitted to, change from year to year, even though the rate Methodology does not change.

(ii) Notwithstanding the foregoing, in the event (1) the Methodology is successfully challenged by one or more Airlines, whether or not such Airlines signed a Rate and Revenue Sharing Agreement, (2) the Authority deems it to be in the Authority's best interest to settle a challenge to the Methodology, (3) the Authority is otherwise required to modify the Methodology in accordance with applicable law, regulation or directive, or (4) Airlines accounting for seventy five percent (75%) or more of the enplaned passengers for the most recent twelve (12) full months preceding an agreement to change the Methodology do agree with the Authority on changes to the Methodology, then the Authority shall be released of its obligation under Section 3(a)(i) above not to materially modify the Methodology.

(iii) In the event the Authority materially modifies the Methodology for any reason other than as set forth in Section 3(a)(ii)(4) then Airline shall have the option, for a period of sixty (60) days after receipt of notice of such material modification, to terminate this Agreement and the remaining period of the Letter of Authorization signed pursuant to Section 2(c) above; and upon such termination or upon any challenge by Airline to the Rate Resolution, the Methodology or rates and charges determined in accordance with the Methodology, the obligation of the Authority to make any Revenue Sharing Payment hereunder shall terminate and be of no further force and effect and Airline shall reimburse to the Authority all Revenue Sharing Payments made to Airline hereunder for the Fiscal Years to which the challenge relates or to which the termination applies. Reimbursed Revenue Sharing Payments from any other airline party to a Rate and Revenue Sharing Agreement shall be retained by the Authority and not redistributed to Airline or any other airlines.

(b) (i) For each Fiscal Year from Fiscal Year 2020 through Fiscal Year 2024, Authority will pay to Airline an amount equal to Airline's Revenue Share Percentage of any Net Shared Revenues generated in such Fiscal Year ("Revenue Sharing Payment").

(ii) In the event of a breach by Airline of this Agreement and, in the case of a failure to timely pay Rates and Charges under Section 2(b) above, such breach is not cured within fifteen (15) business days after written notice to Airline, (1) the obligation of Authority to make any Revenue Sharing Payment hereunder shall terminate and be of no further force and effect, and (2), except in the case where such breach was a failure to timely pay Rates and Charges under Section 2(b) above, Airline shall reimburse to the Authority all Revenue Sharing Payments previously made to Airline hereunder. Reimbursed Revenue Sharing

Payments from any other airline party to a Rate and Revenue Sharing Agreement shall be retained by the Authority and not redistributed to Airline or any other airlines.

(iii) Authority shall use commercially reasonable efforts to pay to Airline the Revenue Sharing Payment owed to Airline each Fiscal Year within thirty (30) days after acceptance of the audit for the applicable Fiscal Year by the Authority Board. To the extent reliable information is available to the Authority to make Revenue Sharing Payment calculations, the Authority will pay seventy five percent (75%) of the estimated final Revenue Sharing Payment on or before December 31 of each year for the prior Fiscal Year. In the event Airline is delinquent in submitting flights schedules or other information required by the Authority under the Rate Resolution, the Authority may withhold such Airline's Revenue Sharing Payment until such information is submitted.

(iv) In the event the Authority is prohibited by applicable law or regulation from sharing Revenues from any particular source, the Authority and Airline agree that Revenues from such source shall not be shared. In such case, the Authority shall identify specific sources from which Revenues may be shared and, to the extent possible, attribute Net Shared Revenues as being derived from such sources.

(v) The Authority shall be entitled to offset any Revenue Sharing Payment payable to an airline by any amounts owed by such Airline to the Authority; provided that such offset shall not eliminate Airline's right to object to the Authority's determination of the amount owed by Airline.

4. Notice.

(a) All notices, requests, consents, and approvals served or given under this Agreement shall be served or given in writing with proof of delivery. If intended for Authority, notices shall be delivered to:

Executive Director
Greater Orlando Aviation Authority
Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4399

or to such other address as may be designated by Authority by written notice to Airline.

(b) Notices to Airline shall be delivered to:

Attn.: _____

or to such other address as may be designated by Airline by written notice to Authority.

5. Amendment.

Except as specifically set forth herein, nothing herein shall amend, modify, or terminate the terms of the Rate Resolution or the terms of any Letter of Authorization or Operating Permit between the Authority and Airline.

6. Entire Agreement.

This Rate and Revenue Sharing Agreement is the entire agreement of the parties with respect to the subject matter herein, and supersedes all prior agreements relating to such subject matter, whether written or oral.

7. Governing Law, Jurisdiction, and Venue.

This Agreement shall be governed by the laws of the State of Florida. The parties hereto consent to the personal jurisdiction of, and agree that exclusive venue for any and all actions or lawsuits filed in connection with the Agreement shall be in, the state and federal courts in and for Orange County, Florida or the Middle District of Florida.

The Remainder of the Page is Intentionally Left Blank

This agreement has been executed by the parties as of the date set forth above.

	_____	Greater Orlando Aviation Authority
By:	_____	By: _____
Name:	_____	Name: _____
Title:	_____	Title: _____

Signature Page for Rate and Revenue Sharing Agreement

APPENDIX D

**AUDITED FINANCIAL STATEMENTS AND REPORT OF THE INDEPENDENT
AUDITORS THEREON FOR THE FISCAL YEARS
ENDED SEPTEMBER 30, 2018 AND 2017**

[THIS PAGE INTENTIONALLY LEFT BLANK]



INDEPENDENT AUDITOR'S REPORT

The Authority Board
Greater Orlando Aviation Authority
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Orlando Aviation Authority (the "Authority") as of and for the fiscal years ended September 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2018 and 2017, and the changes in its financial position and its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

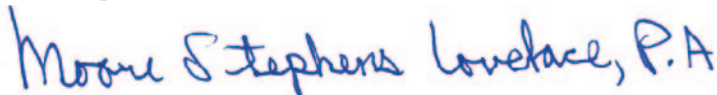
Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, supplemental schedules, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



MOORE STEPHENS LOVELACE, P.A.

Certified Public Accountants

Orlando, Florida
February 21, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS



Photo credit: Joe Brooks Photography

One Jeff Fuqua Boulevard
Orlando, Florida 32827-4392
407.825.2001 | orlandoairports.net



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The following discussion and analysis of the Greater Orlando Aviation Authority (the Authority) provides an introduction to the basic financial statements for the fiscal years ended September 30, 2018 and 2017 with selected comparative information for the fiscal year ended September 30, 2016. This discussion has been prepared by management and should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

Overview of the Financial Statements

The Authority is structured as an enterprise fund with separate accounts for Orlando International Airport and Orlando Executive Airport. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated over their useful lives, except for land and assets held for future use. See "Notes to the Financial Statements" for a summary of the Authority's significant accounting policies and practices.

The Statements of Net Position present information on all of the Authority's assets, deferred outflows, liabilities and deferred inflows, with the difference between total assets and deferred outflows and total liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Authority's financial position.

The Statements of Revenues, Expenses and Changes in Net Position present information reflecting current year changes in the Authority's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for certain items that will result in cash flows in future fiscal periods.

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

Authority Activity Highlights

Overall, total enplanements increased 7.66% during fiscal year 2018 while flight operations (landings and take-offs) increased by 5.28%. The increase in enplanements was due to a 7.11% increase in domestic and an 11.35% increase in international travelers. During fiscal year 2017, total enplanements increased at Orlando International Airport with a 4.73% increase from fiscal year 2016, while operations increased by 2.63%. Fiscal year 2016 saw a significant increase in total enplanements of 10.14% over 2015.

The following chart shows total enplaned passengers and flight operations at Orlando International Airport for the three-year comparative period:

ENPLANEMENTS AND OPERATIONS ACTIVITY FOR 2016 TO 2018

	2018	2017	2016
Enplaned Passengers	23,382,273	21,718,551	20,737,056
Operations	325,108	308,810	300,898

Total passengers served by the Authority during fiscal year 2018 increased by approximately 3.3 million from 43.6 million to 46.9 million. This follows an increase of approximately 2.0 million total passengers during fiscal year 2017 from 41.6 million to 43.6 million. The Authority continues to monitor changes in passenger levels, making adjustments when necessary to accommodate the demands on the airport facilities.

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



Financial Highlights

Participating Airline Revenues

Effective November 1, 2013, the Authority began operating under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at Orlando International Airport, adopted by the Authority Board October 16, 2013, amended, and restated as of August 10, 2016, (the Resolution). The Resolution, which has no expiration date, provides for a compensatory ratemaking methodology for use of the terminal facilities, including certain activity based charges for use of the baggage system, and a residual ratemaking methodology to establish landing fees for the use of the airfield. Any airline may commit to use certain terminal space on an exclusive or preferential basis and, as a result, pay a fixed monthly charge for such space. Otherwise, airlines pay for terminal space assigned by the Authority on a per use basis.

In addition, effective November 1, 2013 the Authority entered into a three-year Rate and Revenue Sharing Agreement (Rate Agreement) with certain participating airlines. Under the Rate Agreement, the airlines affirmatively agreed to the Resolution and the rate-setting methodology therein and further agreed not to challenge the rates and charges calculated under the Resolution's rate-setting methodology through any judicial or regulatory process throughout the term of the agreement. Airlines that signed and complied with the terms of a Rate Agreement with the Authority were entitled to share in certain revenues remaining after the payment of all Authority debt service and operating expenses, including fund deposit requirements (Remaining Revenues). Pursuant to the agreement, the Authority received the first \$55.0 million of Net Remaining Revenues for FY 2016, with participating airlines sharing in a pool of all Net Remaining Revenues in excess of these respective amounts. The Authority entered into a new three-year rate agreement with Participating Airlines effective October 1, 2016. Under this agreement the Authority receives the first \$65.0 million of Net Remaining Revenues for FY 2017, 2018 and 2019, with participating airlines sharing in a pool of 65% of all Net Remaining Revenues in excess of the first \$65.0 million up to \$39.0 million for FY 2017, \$40.0 million for FY 2018, and \$58.0 million for FY 2019, 100% of the next \$10.0 million of remaining revenues and then 65% of all remaining revenues thereafter.

The Participating Airline revenues of \$162.1 million, \$148.6 million and \$133.9 million for fiscal years 2018, 2017 and 2016 respectively, represented approximately 30%, 30% and 29% of total operating revenue. The Authority's total revenues increased in fiscal year 2018 primarily due to an increase in passenger traffic, which resulted in significant increases to airline revenues, passenger facility charges, parking revenues and concessions. Those results are as follows:

TOTAL REVENUES (IN THOUSANDS)

	2018	2017	2016
Total Operating Revenues	\$ 537,476	\$ 498,193	\$ 465,251
Total Nonoperating Revenues	205,671	131,193	116,625
Total Revenues	\$ 743,147	\$ 629,386	\$ 581,876

Operating Revenues

Overall, the operating revenues of the Authority increased \$39.3 million in fiscal year 2018, or 7.9% from the previous year due to greater airline revenues, parking revenues and concessions revenues. Participating Airline Revenue increased \$13.5 million or 9.1% as a result of an increase in terminal area rents and landing fees, as well as an increase in passengers which contributed to an increase in baggage fees. Non-Participating Airline Revenue increased \$4.5 million or 15.2% due in large part to an increase in federal inspection station and facilities fees, and baggage system revenue consistent with the increase in passengers. Overall Concession Revenues increased \$3.6 million or 4.7%. Food and Beverage and General Merchandise combined revenues increased \$1.9 million or 3.9% while Service Concession and Other Terminal Area Revenues increased \$1.7 million or 5.9%. Ground Transportation revenues increased \$10.2 million or 5.6% primarily due to an increase in parking revenue. An increase in the hotel average daily room rate and an increase in food and beverage revenues contributed to the \$1.6 million or 3.9% increase in hotel revenues. Rail Station Revenue was a new source of revenue beginning in November 2017 and totaled \$3.9 million for fiscal year 2018.

Overall, the operating revenues of the Authority increased \$32.9 million in fiscal year 2017, or 7.1% from the previous year due to greater airline revenues, parking revenues and concessions revenues. Participating Airline Revenue increased \$14.6 million or 10.9% as a result of an increase in terminal area rents, baggage system fees and landing fees. Non-Participating Airline Revenue increased \$2.5 million or 9.1% due in large part to an increase in federal inspection station and facilities fees, and baggage system fees consistent with the increase in passengers. Overall Concession Revenues increased \$5.4 million or 7.6%. Food and Beverage and General Merchandise combined revenues increased \$3.2 million or 7.1% while Service Concession and Other Terminal Area Revenues increased \$2.2 million or 8.5%. Ground Transportation revenues increased \$8.2 million or 4.9% primarily due to an increase in parking revenue. An increase in hotel occupancy and the average daily room rate contributed to the \$1.4 million or 3.4% increase in hotel revenues.

OPERATING REVENUES BY MAJOR SOURCE (IN THOUSANDS)

	2018	2017	2016
Participating Airlines			
Landing Fees	\$ 35,773	\$ 31,594	\$ 29,844
Terminal Area Rents	67,837	63,385	55,746
Other Participating Revenue	58,479	53,595	48,350
Participating Airline Revenues	162,089	148,574	133,940
Nonparticipating Airlines			
Landing Fees	5,058	4,158	3,913
Terminal Area Rents	1,092	1,133	1,019
Other Nonparticipating Revenue	28,015	24,359	22,242
Nonparticipating Airline Revenues	34,165	29,650	27,174
Other Airfield Revenues	2,616	2,576	2,493
Concession			
General Merchandise	21,332	20,326	20,952
Food and Beverage	28,953	28,057	24,206
Services	14,444	13,473	11,529
Other Terminal Area	15,398	14,712	14,444
Concession Revenues	80,127	76,568	71,131
Ground Transportation			
Rental Car (RAC)	98,655	95,930	94,259
Parking Facilities	69,122	65,785	61,016
Other Ground Transportation	20,197	16,041	14,232
Ground Transportation Revenues	187,974	177,756	169,507
Other Buildings and Grounds	23,800	21,828	21,120
Hotel	42,850	41,241	39,886
Rail Station	3,855	-	-
Total Operating Revenues	\$ 537,476	\$ 498,193	\$ 465,251

The following charts show major sources and the percentage of operating revenues for the years ended September 30, 2018, 2017 and 2016:



Nonoperating Revenues

Nonoperating revenues consist of Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), investment income, and other nonoperating revenue. PFC revenues were \$91.6 million in fiscal year 2018, \$87.0 million in fiscal year 2017, and \$80.7 million in fiscal year 2016. The increase in PFC revenues in fiscal year 2018 over fiscal year 2017 and 2016 is due to an increase in passenger enplanements. The Authority approved the collection of CFCs effective October 1, 2008. Certain rental car companies (RACs) agreed to assess and collect CFCs to pay the costs and expenses of financing, designing, constructing, operating, relocating, and maintaining the rental car related facilities. Revenue related to the collection of CFCs amounted to \$44.8 million during fiscal year 2018, \$29.3 million during fiscal year 2017, and \$26.5 million during fiscal year 2016. Effective October 1, 2017 the CFC collection rate increased from \$2.50 to \$3.50 per day and the number of transaction days increased from five to seven. Investment income was \$15.0 million in fiscal year 2018, \$8.3 million in fiscal year 2017, and \$6.0 million in fiscal year 2016. Investment fair market value adjustment was (\$4.9) million for fiscal year 2018, (\$2.5) million for fiscal year 2017 and \$0.6 million for fiscal year 2016. The fair market value adjustment reflects the unrealized gain or loss if the investment is sold prior to maturity. Since the Authority typically holds investments to maturity, these unrealized gains and losses would not be realized.

Operating Expenses

Operating Expenses before Depreciation increased \$23.7 million or 8.4% from fiscal year 2017 to 2018. Operations and facilities expenses increased primarily due to an increase in maintenance contracts for elevators, electrical wiring, and terminal and baggage signage, as well as an increase in janitorial services due to the increase in passenger traffic and the opening of the South Terminal APM Complex and Parking Garage C. Safety and security increased primarily as a result of increases in other professional services related to additional security patrols; which include the South APM Complex and contract rate increases with the City of Orlando. Administration expenses increased primarily from other professional services related to IT consulting projects related to security systems integration and staff support extensions.

Operating Expenses before Depreciation increased \$15.6 million or 5.8% from fiscal year 2016 to 2017. Operations and facilities expenses increased primarily due to an increase in maintenance contracts for elevators, electrical wiring, and terminal and baggage signage. Safety and security increased primarily as a result of increases in other professional services related to employee screening contracts. Administration expenses increased due primarily to a reclassification of expenses from Other Operating expenses to Administration, as well as increases in professional services in Planning and Engineering due to the increase in construction projects in the Capital Programs and Information Technology increases related to mobile application development.

OPERATING EXPENSES (IN THOUSANDS)

	2018	2017	2016
Operations and Facilities	\$ 150,372	\$ 143,882	\$ 137,357
Safety and Security	44,311	39,359	35,989
Administration	76,769	65,535	54,550
Hotel	29,967	29,500	29,229
Other	4,424	3,865	9,439
Total Operating Expenses Before Depreciation	305,843	282,141	266,564
Depreciation	165,527	127,872	124,339
Total Operating Expenses	\$ 471,370	\$ 410,013	\$ 390,903

The following charts show major cost centers and the percentage of operating expenses (excluding depreciation) for the years ended September 30, 2018, 2017, and 2016:



Nonoperating Expenses

Nonoperating expenses consist of interest expense and Participating Airline net revenue sharing required by the Rate and Revenue Sharing Agreement. Interest expense amounted to \$35.5 million in fiscal year 2018, \$34.4 million in fiscal year 2017 and \$40.8 million in fiscal year 2016. Participating Airline net revenue sharing was \$57.7 million for fiscal year 2018, \$53.1 million for fiscal year 2017, and \$63.1 million for fiscal year 2016. In accordance with the Rate and Revenue Sharing Agreement, the Authority receives the first \$65.0 million of Net Remaining Revenues for FY 2018 and 2017 versus \$55.0 million in 2016. Additionally, the Participating Airlines received the entire excess of these amounts in fiscal year 2016; however in fiscal year 2018 and 2017, after the Authority receives the first \$65.0 million, the Participating Airlines receive only 65% of the net remaining revenues up to \$40.0 million in fiscal year 2018 and \$39.0 million in fiscal year 2017 and 100% of the next \$10.0 million and then 65% of all remaining revenues. The Participating Airline revenue share increased by 8.5% for fiscal year 2018 over 2017 and decreased 15.8% for fiscal year 2017 over 2016.

TOTAL EXPENSES (IN THOUSANDS)

	2018	2017	2016
Total Operating Expenses	\$ 471,370	\$ 410,013	\$ 390,903
Total Nonoperating Expenses	93,170	87,544	105,644
Total Expenses	\$ 564,540	\$ 497,557	\$ 496,547

Capital Contributions

Capital contributions received from the federal and state governments and others, amounted to \$59.4 million during fiscal year 2018. Funding received on major projects for fiscal year 2018 are as follows:

CAPITAL CONTRIBUTIONS (IN MILLIONS)

Airfield Rehabilitation	\$ 15.7
Intermodal Terminal Facility	13.9
South Terminal Phase C	10.2
Ticket Lobby	7.4
TSA In-Line Baggage	6.4
Baggage System Optimization	3.3
Close Circuit TV	1.7
Other Projects (<\$0.5 million)	0.8
Total Capital Contributions	\$ 59.4

The changes in net position for the fiscal years ended September 30 are as follows:

CHANGES IN NET POSITION (IN THOUSANDS)

	2018	2017	2016
Operating Revenues	\$ 537,476	\$ 498,193	\$ 465,251
Operating Expenses	471,370	410,013	390,903
Operating Income	66,106	88,180	74,348
Net Nonoperating Revenues (Expenses)	112,501	43,649	10,981
Income Before Capital Contributions	178,607	131,829	85,329
Capital Contributions	59,437	98,581	101,082
Increase in Net Position	\$ 238,044	\$ 230,410	\$ 186,411
Beginning Net Position	2,290,253	2,059,843	1,887,158
Prior Period Adjustment (GASB 75)	-	-	(13,726)
Ending Net Position	\$ 2,528,297	\$ 2,290,253	\$ 2,059,843

Financial Position

The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets, deferred outflows, liabilities and deferred inflows of the Authority. Net position is the difference between total assets and deferrals and total liabilities, and is an indicator of the current fiscal health of the Authority.

During fiscal year 2017, the Authority implemented GASB 74 and 75, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. These statements replace the requirements of GASB Statement No. 45 and requires governments to report a liability on the face of the financial statements for the Other Postemployment Benefits (OPEB) they provide. For the Authority, this statement includes a prior period adjustment of \$13.7 million.

During fiscal year 2018, Total Net Position increased by approximately \$238.0 million, or 10.4% as compared with fiscal year 2017. The following is a summarized comparison of the Authority's assets, deferred outflows, liabilities, deferred inflows and net position at September 30:

CONDENSED STATEMENT OF NET POSITION (IN THOUSANDS)

	2018	2017	2016
Assets:			
Current Assets	\$ 548,128	\$ 530,302	\$ 459,623
Other Assets	1,515,871	750,952	905,376
Capital Assets	3,021,370	2,676,319	2,231,277
Total Assets	5,085,369	3,957,573	3,596,276
Deferred Outflows of Resources	28,925	40,006	33,829
Liabilities:			
Current	397,666	405,264	362,639
Noncurrent Liabilities	2,177,121	1,297,453	1,201,631
Total Liabilities	2,574,787	1,702,717	1,564,270
Deferred Inflows of Resources	11,210	4,609	5,992
Net Position:			
Net Investment in Capital Assets	1,325,599	1,352,647	1,143,911
Restricted	903,869	710,039	710,607
Unrestricted	298,829	227,567	205,325
Total Net Position	\$ 2,528,297	\$ 2,290,253	\$ 2,059,843

The majority of the Authority's net position at September 30, 2018 represents its investment in capital assets less the related indebtedness outstanding used to acquire those capital assets. The Authority uses these capital assets to provide services to the airlines and to its passengers and visitors to the airports; consequently, these assets are not available for future spending. The Authority's investment in its capital assets is reported net of related debt. The resources required to repay this debt must be provided annually from operations since it is unlikely that the capital assets themselves will be liquidated to pay the liabilities.

Net position restricted for debt service and capital acquisitions at September 30, 2018 represents funds subject to external restrictions under the Authority's Bond Resolution, PFCs restricted by federal regulations, and CFCs restricted by the Rental Car Agreements. Restricted assets necessary to meet current obligations are classified as current assets on the Statement of Net Position. Restricted Assets are restricted for disbursements in the acquisition or construction of noncurrent assets, or are segregated for the liquidation of long-term debts are classified as noncurrent assets. The unrestricted portion of net position, \$298.8 million at September 30, 2018, may be used to meet the Authority's ongoing obligations.

Airline Rates and Charges

Effective November 1, 2013, the Authority began operating under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions for the Use of Facilities and Services at Orlando International Airport, adopted by the Authority Board on October 16, 2013 and amended and restated as of August 10, 2016 (the "Resolution"). In the chart below, the actual landing fees and average terminal rental rate are shown for fiscal years 2016 through 2018. See the Airline Rates by Resolution (Note 17) for additional information.

AIRLINE RATES AND CHARGES

	Rates Effective for FY 2018	Rates Effective for FY 2017	Rates Effective for FY 2016
Terminal Average Square Foot Rate	\$ 135.58	\$ 129.07	\$ 121.77
Landing Fee – per 1,000 lbs. Unit	1.5686	1.4578	1.4148
Cargo Landing Fee – per 1,000 lbs. Unit	1.5686	1.4578	1.4148

Passenger Facility Charges

As part of the Safety and Capacity Expansion Act of 1990, the Authority received approval from the Federal Aviation Administration (FAA) to impose a passenger facility charge per eligible enplaned passenger at Orlando International Airport and has imposed the PFC since February 1993. For fiscal year 2018, the Authority collected PFCs at \$4.50. PFCs may be used to pay either eligible capital improvements or debt service on bonds issued to finance projects eligible for PFC funding. Through September 2018, the Authority has approved applications to impose PFCs of approximately \$4.1 billion to fund project costs of various airport improvements. PFC collections to date (including investment earnings) are \$1.4 billion. Expenditures on PFC-approved projects and debt service to date are \$1.1 billion.

Capital Acquisitions and Construction Activities

During fiscal year 2018, the Authority expended \$509.0 million on capital projects. This included \$14.33 million funded by FAA contributions; \$38.6 million funded by Florida Department of Transportation (FDOT), \$3.0 million funded by the Transportation Security Administration (TSA) and \$31.0 million funded by CFCs. The balance was paid from tenant and other Authority funds, including bonds and PFCs. See the Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance section for additional information regarding grant expenditures.

Major projects under construction and the amounts expended during fiscal year 2018 are as follows (in millions):

PROJECTS UNDER CONSTRUCTION (IN MILLIONS)

South Terminal C	\$ 279.0
Airside 4 Renovation	40.5
Ticket Lobby Improvements	39.6
Intermodal Terminal Facility	19.1
Airfield Rehabilitation	17.2
Airside 1 & 3 Automated People Movers	17.0
Hotel Renovations & Infrastructure Improvements	12.9
Baggage System Optimization	11.5
Roadway & Pavement	8.3
South Airport Automated People Mover Complex – Parking	7.2
South Airport Automated People Mover Complex – System	6.4
Parking Lots	5.6
South Airport Automated People Mover Complex – Station	5.5
South Airport Automated People Mover Complex – Master Site/Civil	3.4
Airside 4 Security & Operational Improvements	3.3
North Terminal Building System Replacement	3.3
North Security Checkpoint	3.3
HVAC Rehabilitation	3.2
South Airport Automated People Mover Complex – Roadways	2.8
RAC Storage Facility	2.7
Closed Circuit TV	2.4
RAC Quick Turnaround Facility	2.2
OEA Airfield Improvements	1.6
South Airport Automated People Mover Complex – Guideway	1.4
Hangar Blvd Sanitary Sewer	1.1
Other Projects (<\$1.0 million)	8.5
Total	\$ 509.0

Major projects completed and the amounts transferred to fixed assets during the fiscal year are as follows (in millions):

PROJECTS COMPLETED (IN MILLIONS)

Intermodal Terminal Facility	\$ 215.0
South Airport Automated People Mover Complex – Parking	108.1
South Airport Automated People Mover Complex – System	87.6
Ticket Lobby Improvements	80.1
South Airport Automated People Mover Complex – Station	80.7
Airside 4 Improvements	78.4
Baggage System Optimization	69.8
South Airport Automated People Mover Complex – Roadway	57.6
South Airport Automated People Mover Complex – Master Site/Civil	50.1
Airside 1 & 3 Automated People Movers	34.3
South Airport Automated People Mover Complex – Guideway	28.3
HVAC Rehabilitation	10.8
Roadway & Pavement	8.5
Hanger Blvd Sanitary Sewer	4.7
Parking Lots	4.1
Closed Circuit TV	3.7
Electrical and Lighting Rehabilitation	2.0
Other Projects (< \$1.0 million)	9.4
Total	\$ 933.2

More detailed information about the Authority's capital assets is presented in Note 6 to the financial statements.

Debt Activities

The Authority has outstanding revenue bonds that are secured by a pledge of and lien on Revenues and Net Revenues as defined in the Bond Resolution. This senior indebtedness is expressly senior and superior to the pledge and lien securing subordinated indebtedness and secondary subordinated indebtedness.

On September 16, 2015, the Aviation Authority Board approved Amendments to the senior bond resolution (Consent Amendments). The primary goals of the amendments were to modernize the Bond Resolution and provide greater flexibility for the Authority in financing and refinancing its debt financed capital projects. The amendments include, but are not limited to, substantive changes to certain definitions, the additional bonds test, the flow of funds, the rate covenant, the process for adopting supplemental resolutions, the amendment and bondholder consent process, various covenants, treatment and release of certain revenues. For these Consent Amendments to become effective, the Aviation Authority, among other things, was required to receive consent from a simple majority of the Bondholders. Effective May 1, 2017, the Authority received all required consents, including positive consent from 51% of the outstanding bondholders, necessary to make effective the Amended and Restated Bond Resolution dated September 16, 2015. These amendments made changes to the then existing bond resolution creating a Secondary Subordinated Indebtedness lien category and allowing available PFC revenues to be used to offset PFC debt service when calculating debt service coverage. Pursuant to the Amended and Restated Bond Resolution, the revisions regarding PFC offset and rate covenant shall be operative for the entire fiscal year in which the effective date of the Consent Amendments occur. Accordingly, those changes are reflected in the notes to the financial statements and statistical information provided herein.

Senior Indebtedness

Pursuant to the Bond Resolution, the Authority has issued various series of Airport Facilities Revenue Bonds to finance additions and improvements at the airport. The aggregate principal amount of such senior bonds outstanding as of September 30, 2018 and 2017 was \$2.1 billion and \$1.2 billion respectively.

On October 13, 2016, the Authority issued \$80.2 million in Airport Facilities Revenue Bonds, Series 2016A (AMT) (the Series 2016A Bonds) with a true interest rate of 3.60%. The Series 2016A Bonds were issued for the purpose of providing funds to finance costs of a portion of the Loop Road Overlay, South Automated People Mover, and Airside 1 & 3 Automated People Mover projects, pay the Bank of America and Wells Fargo lines of credit draws totaling \$37.3 million and the associated interest, establish debt service reserve funds for the Series 2016A bonds, pay capitalized interest, and certain costs of issuance.

On October 13, 2016, the Authority issued \$101.6 million in Airport Facilities Revenue Bonds, Series 2016B (Non-AMT) (the Series 2016B Bonds) with a true interest rate of 3.40%. The Series 2016B Bonds were issued for the purpose of providing funds to finance costs of a portion of the Loop Road Overlay, South Automated People Mover, pay the Wells Fargo line of credit draws totaling \$65.4 million and the associated interest, establish debt service reserve funds for the Series 2016B bonds, pay capitalized interest, and certain costs of issuance.

On October 13, 2016, the Authority issued \$71.1 million in Airport Facilities Taxable Refunding Revenue Bonds, Series 2016C (the Series 2016C Bonds) with a true interest rate of 3.26%. From the \$71.1 million issuance and the \$0.3 million of Authority funds, \$70.7 million was deposited into the BNY Mellon escrow account to advance refund the outstanding \$70.7 million of the 2009C Series Bonds. The remaining \$0.7 million was used to pay related issuance costs.

On December 19, 2016, the Authority issued \$75.0 million in Airport Facilities Taxable Refunding Revenue Bonds, Series 2016D (the Series 2016D Bonds) with a true interest rate of 2.26%. From the \$75.0 million issuance and the \$0.6 million of Authority funds, \$75.5 million was deposited into the BNY Mellon escrow account to advance refund the outstanding \$72.3 million of the 2007A Series Bonds. The remaining \$3.2 million was used to pay interest and related issuance costs.

Priority Subordinated Indebtedness

Priority subordinated indebtedness as defined in the Master Indenture of Trust consists of Priority Subordinate Obligations and the FDOT Indebtedness. As of September 30, 2018 and 2017, the aggregate principal amount of subordinated indebtedness was \$1.0 billion and \$105.4 million respectively.

Effective July 1, 2016, the Authority adopted an amended and restated its Master Subordinated Indenture of Trust. Pursuant to the amended and restated Master Subordinated Indenture of Trust, subordinate indebtedness is payable from revenues deposited into the Subordinated Revenue Fund and subordinate to senior indebtedness of the Authority.

Priority Subordinate Obligations — On October 3, 2017, the Authority issued \$923.8 million in Priority Subordinated Airport Facilities Revenue Bonds, Series 2017A (AMT) (the Series 2017A Bonds) with a true interest rate of 3.88%. The Series 2017A Bonds were issued for the purpose of providing funds to finance costs of a portion of the South Terminal Complex, pay certain draws on the lines of credit totaling \$102.5 million used to finance a portion of the costs of the South Terminal Complex, establish debt service reserve funds for the Series 2017A bonds, pay capitalized interest, and certain costs of issuance. The average life of the Series 2017A Bonds is 24.65 years.

FDOT Indebtedness — The FDOT indebtedness is described in a Joint Participation Agreement (JPA), as amended between the Authority and the Florida Department of Transportation (FDOT), under which the FDOT, combined with other FDOT grants, will provide total funding of approximately \$211.0 million to fund the Intermodal Terminal Facility (ITF). The Authority is required to reimburse FDOT \$52.7 million of the funds under the JPA, and the balance will be a grant. Proceeds of the loan will be used to pay for portions of the ITF that are related to the construction of the passenger rail terminal being developed as part of the ITF adjacent to the Automated People Mover system. Under the JPA, the Authority is obligated to repay the FDOT loan over a period of 18 years with no interest commencing January 1, 2020. As of September 30, 2018 and 2017, the Authority had an outstanding balance of \$48.33 million and \$42.6 million, respectively, related to the FDOT loan.

Pursuant to the agreement, the FDOT advanced \$30.0 million for approximately three months cash flow needs. As of September 30, 2018 and 2017, respectively the Authority had an outstanding balance of \$8.0 million and \$0.

Secondary Subordinated Indebtedness

Lines of Credit — The Authority uses the lines of credit as a source of interim financing for capital projects in anticipation of issuance of long-term bonds and or receipt of grants and PFCs, CFCs, and or other permanent funding sources. The Authority has established lines of credit with Wells Fargo, Bank of America and PNC Bank, as of September 30, 2018 and 2017; the Authority had total outstanding balances of \$41.2 million and \$102.5 million respectively on the lines of credit. See the Noncurrent Liabilities Note 11 for additional information.

According to the Revolving Credit Agreements between the Greater Orlando Aviation Authority and Line of Credit provider banks, the banks agreed that upon the effective date of the Amended and Restated Bond Resolution, the Lines of Credit shall automatically become Secondary Subordinated Indebtedness. Accordingly, the Line of Credit became Secondary Subordinated Indebtedness effective May 1, 2017.

Special Purpose Facilities Bonds

The Authority has issued Special Purpose Facilities Taxable Revenue Bonds, Series 2009 to pay costs and expenses of designing, constructing, and relocating automobile rental facilities at Orlando International Airport including quick turnaround facilities. These bonds are payable solely from and secured by a pledge of Pledged Revenues derived by the Authority from CFCs. The principal amount of such bonds outstanding as of September 30, 2018 and 2017 was \$0 and \$9.0 million, respectively.

On March 29, 2018, the Authority issued \$160 million in Taxable Revenue Note (CFC Ground Transportation Project), Series 2018 (the Series 2018 Note) with an interest rate of 3.48%. This debt is structured as a drawdown note, with the full amount to be drawn by October 1, 2019. The Series 2018 Note was issued for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating and maintaining the CFC Ground Transportation Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance. The average life of the Series 2018 Note is 9.01 years. As of September 30, 2018, the Authority has drawn \$13.6 million on this note.

Debt Service Coverage

Airport revenue bond covenants require that revenue available to pay debt service, as defined in the Bond Resolution, be equal to or greater than 1.25 times the debt service on the senior lien airport revenue bonds and 1.00 times the debt service on subordinated bonds. Further, the Master Subordinate Indenture of Trust, provides that the coverage requirement will be equal to or greater than 1.10 times the debt service on Priority Subordinated Obligations. Coverage ratios for the past three years are shown in the following table:

COVERAGE RATIOS

	2018	2017	2016
Senior Lien Debt	2.72	2.70	2.21
Priority Subordinate Obligations	21.73	20.31	9.27
All Indebtedness	2.52	2.49	1.95

More detailed information about the Authority's noncurrent liabilities is presented in Note 11 to the financial statements.

Request For Information

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or request for additional information should be addressed to the Chief Financial Officer, Greater Orlando Aviation Authority, One Jeff Fuqua Boulevard, Orlando, FL 32827-4392.



Kathleen M. Sharman
Chief Financial Officer



Pamela J. L'Heureux
Director of Finance

BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary of the financial position and operating results of the Authority which consists of two airports, Orlando International Airport and Orlando Executive Airport. They also serve as an introduction to the more detailed financial statements and supplemental schedules that are in the following subsections.



Photo credit: Joe Brooks Photography



GREATER ORLANDO
AVIATION AUTHORITY

Orlando, Florida

GREATER ORLANDO AVIATION AUTHORITY
COMBINED STATEMENTS OF NET POSITION
As of September 30, 2018 and 2017
(in thousands)

ASSETS AND DEFERRALS	2018	2017
Current Assets		
Cash and cash equivalents	\$ 242,194	\$ 231,525
Restricted cash and cash equivalents	260,512	266,316
Accounts receivable, less allowance for uncollectibles of \$151 and \$138	23,366	19,266
Investments	12,530	5,247
Interest receivable	659	277
Due from other governmental agencies	1,391	1,015
Prepaid expenses and inventory	7,476	6,656
Total current assets	<u>548,128</u>	<u>530,302</u>
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	596,657	224,944
Accounts receivable	17,622	16,023
Investments	754,353	408,320
Interest receivable	3,830	1,041
Due from other governmental agencies	33,631	36,364
Prepaid expenses	824	853
Total restricted assets	<u>1,406,917</u>	<u>687,545</u>
Unrestricted assets:		
Investments	108,954	63,363
Prepaid expenses	-	44
Total unrestricted assets	<u>108,954</u>	<u>63,407</u>
Capital assets, net of accumulated depreciation:		
Property and equipment	2,232,781	1,434,877
Property held for lease	276,209	304,889
Construction in progress	512,380	936,553
Total capital assets, net of accumulated depreciation	<u>3,021,370</u>	<u>2,676,319</u>
Total noncurrent assets	<u>4,537,241</u>	<u>3,427,271</u>
Total assets	<u>5,085,369</u>	<u>3,957,573</u>
Deferred outflows of resources	<u>\$ 28,925</u>	<u>\$ 40,006</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
COMBINED STATEMENTS OF NET POSITION
As of September 30, 2018 and 2017
(in thousands)

LIABILITIES, DEFERRALS, AND NET POSITION	2018	2017
Current Liabilities		
Accounts payable and accrued liabilities	\$ 35,171	\$ 34,690
Unearned revenue	17,410	17,663
Deposits	7,589	6,701
Advance rent from tenants, current	5,781	7,122
Due to other governmental agencies	1,792	4,033
Accrued airline revenue sharing	69,411	68,739
Payable from restricted assets:		
Accrued interest	45,044	25,733
Accounts payable and accrued liabilities	117,969	146,454
Due to other governmental agencies	180	248
Revenue bonds payable, current	89,331	93,881
FDOT indebtedness, current	7,988	-
Total current liabilities	<u>397,666</u>	<u>405,264</u>
Noncurrent Liabilities		
Revenue bonds payable, long-term	2,056,618	1,107,831
FDOT indebtedness, long-term	48,298	42,641
Line of credit, long-term	41,180	102,500
Net pension liability	20,676	30,076
Net OPEB liability	6,930	10,024
Advance rent from tenants, long-term	896	1,000
Other long-term liabilities	2,523	3,381
Total noncurrent liabilities	<u>2,177,121</u>	<u>1,297,453</u>
Total liabilities	<u>2,574,787</u>	<u>1,702,717</u>
Deferred inflows of resources	<u>11,210</u>	<u>4,609</u>
Net Position		
Net investment in capital assets	1,325,599	1,352,647
Restricted for:		
Debt service	253,796	123,794
Capital acquisitions and construction	650,073	586,245
Unrestricted	<u>298,829</u>	<u>227,567</u>
Total Net Position	<u>\$ 2,528,297</u>	<u>\$ 2,290,253</u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
 COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 For the Years Ended September 30, 2018 and 2017
 (in thousands)

	2018	2017
Operating Revenues		
Airfield area	\$ 47,448	\$ 42,187
Terminal area	231,549	215,181
Ground transportation	187,974	177,756
Other buildings and grounds	23,800	21,828
Hotel	42,850	41,241
Rail station	3,855	-
Total operating revenues	<u>537,476</u>	<u>498,193</u>
Operating Expenses		
Operations and facilities	150,372	143,882
Safety and security	44,311	39,359
Administration	76,769	65,535
Hotel	29,967	29,500
Other	4,424	3,865
Total operating expenses before depreciation	<u>305,843</u>	<u>282,141</u>
Operating income before depreciation	231,633	216,052
Depreciation	<u>(165,527)</u>	<u>(127,872)</u>
Operating income	66,106	88,180
Nonoperating Revenues (Expenses)		
Investment income	14,964	8,260
Net decrease in the fair value of investments	(4,870)	(2,531)
Interest expense	(35,511)	(34,404)
Participating Airline net revenue sharing	(57,659)	(53,140)
Passenger facility charges	91,647	86,990
Customer facility charges	44,847	29,345
Federal and state grants	701	6,125
Other	58,382	3,004
Income before capital contributions	<u>178,607</u>	<u>131,829</u>
Capital Contributions	<u>59,437</u>	<u>98,581</u>
Increase in net position	238,044	230,410
Total Net Position, Beginning of Year	<u>2,290,253</u>	<u>2,059,843</u>
Total Net Position, End of Year	<u><u>\$ 2,528,297</u></u>	<u><u>\$ 2,290,253</u></u>

See accompanying notes to basic financial statements

GREATER ORLANDO AVIATION AUTHORITY
 COMBINED STATEMENTS OF CASH FLOWS
 For the Years Ended September 30, 2018 and 2017
 (in thousands)

	2018	2017
Cash flows from operating activities		
Cash received from customers, tenants and governmental agencies	\$ 543,852	\$ 524,189
Cash paid to suppliers and governmental agencies	(241,002)	(208,711)
Cash paid to employees for services	(67,450)	(66,524)
Cash paid to airlines	(68,625)	(73,793)
Other operating cash receipts	537	647
Net cash provided by operating activities	<u>167,312</u>	<u>175,808</u>
Cash flows from noncapital financing activities		
Operating grants	2,958	4,361
Passenger facility charges	(92)	908
Net cash provided by noncapital financing activities	<u>2,866</u>	<u>5,269</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of bonds	1,048,387	363,866
Proceeds from FDOT indebtedness	13,645	25,768
Proceeds from line of credit	47,180	49,500
Passenger facility charges	91,161	83,254
Customer facility charges	44,260	26,914
Principal payments - bonds and line of credit	(202,381)	(281,650)
Payment to refunded bond escrow agent	-	(63,065)
Bond issuance costs	(5,841)	(2,453)
Deferred amount on refunding	-	(10,013)
Interest paid	(70,526)	(50,460)
Proceeds from sale of assets	65,760	3,906
Acquisition and construction of capital assets	(504,662)	(528,096)
Capital contributed by federal, state and other agencies	61,405	109,113
Net cash provided by (used for) capital and related financing activities	<u>588,388</u>	<u>(273,416)</u>
Cash flows from investing activities		
Purchase of investments	(1,036,629)	(462,325)
Proceeds from sale and maturity of investments	632,851	455,633
Interest received	21,790	7,711
Net cash (used for) provided by investing activities	<u>(381,988)</u>	<u>1,019</u>
Net increase (decrease) in cash and cash equivalents	376,578	(91,320)
Cash and Cash Equivalents, Beginning of Year	722,785	814,105
Cash and Cash Equivalents, End of Year (1)	<u>\$ 1,099,363</u>	<u>\$ 722,785</u>
(1) Cash and Cash Equivalents - Unrestricted Assets	\$ 242,194	\$ 231,525
Cash and Cash Equivalents - Restricted Assets - Current	260,512	266,316
Cash and Cash Equivalents - Restricted Assets - Noncurrent	596,657	224,944
	<u>\$ 1,099,363</u>	<u>\$ 722,785</u>

(continued)

GREATER ORLANDO AVIATION AUTHORITY
 COMBINED STATEMENTS OF CASH FLOWS
 For the Years Ended September 30, 2018 and 2017
 (in thousands)

	<u>2018</u>	<u>2017</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	<u>\$ 66,106</u>	<u>\$ 88,180</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	165,527	127,872
Participating Airline net revenue sharing	(57,659)	(53,140)
Other income	537	647
(Increase) Decrease in operating assets:		
Accounts receivable	(4,100)	(2,546)
Due from other governmental agencies	(500)	(35)
Prepaid expenses	(820)	165
Deferred outflows of resources	8,054	(1,233)
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(703)	5,310
Due to other governmental agencies	(2,241)	1,165
Accrued airline revenue sharing	672	(5,054)
Unearned revenue	(253)	13,517
Deposits	888	460
Advanced rent from tenants	(1,445)	(907)
Net pension liability	(9,400)	4,434
Net OPEB liability	(3,094)	(1,548)
Other liabilities	(858)	(96)
Deferred inflows of resources	6,601	(1,383)
Total adjustments	<u>101,206</u>	<u>87,628</u>
Net cash provided by operating activities	<u>\$ 167,312</u>	<u>\$ 175,808</u>
Noncash Investing, Capital and Financing Activities		
Decrease in fair value of investments	\$ (4,871)	\$ (2,531)
Capital contributions to/from other governments	\$ (1,968)	\$ (10,532)
Capitalized interest	\$ 41,086	\$ 17,293
Amortization of bond insurance	\$ (44)	\$ (191)
Amortization of bond premium/discount	\$ 10,269	\$ 6,249
Amortization of bond defeasement loss	\$ (3,027)	\$ (4,032)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Practices
2. Operation and Use Agreement – City of Orlando
3. Cash Deposits and Investments
4. Due from Other Governmental Agencies
5. Restricted Assets
6. Capital Assets
7. Lease and Concession Agreements
8. Pension Plans
9. Postemployment Benefits
(Other than Pension Benefits)
10. Risk Management
11. Noncurrent Liabilities
12. Conduit Debt Obligations
13. Deferred Amount on Refunding of Bonds
14. Bond Issuance (Other than Refunding Issues)
15. Deferred Outflows and Inflows of Resources
16. Capital Contributions
17. Airline Rates by Resolution
18. Outstanding Contracts
19. Commitments and Contingencies
20. Environmental Liabilities
21. Subsequent Events

Photo credit: Joe Brooks Photography



GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

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

Reporting Entity: In defining the Greater Orlando Aviation Authority for financial reporting purposes, management applied the requirements of Governmental Accounting Standards Board (GASB) Statements Number 14, *The Financial Reporting Entity* and GASB Statement Number 39, *Determining Whether Certain Organizations Are Component Units*. These statements establish the basis for defining the reporting entity and whether it is considered a component unit of another entity and whether other entities are component units. Based on these criteria, the reporting entity includes only the accounts of the Authority in the reporting entity. The Authority identified no potential component units to include in these basic financial statements nor identified any other entity that should include the Authority in its basic financial statements.

Basis of Presentation and Accounting: The Authority's financial statements are prepared using the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred.

The principal operating revenues of the Authority are from sources such as airlines, concessions, rental cars and parking. Investment income, passenger and customer facility charges, federal and state operating grants and other revenues not related to the operations of the airport are considered nonoperating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and Participating Airline net revenue sharing are considered nonoperating expenses.

Cash and Cash Equivalents: Demand deposits, certificates of deposits, cash on hand and repurchase agreements with an original maturity of three months or less from the date of purchase are considered to be cash and cash equivalents.

Accounts Receivables: Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible accounts is based on an analysis of past due amounts that are not covered by security deposits, letters of credit or contract bonds. When continued collection activity results in receipts of amounts previously reserved, revenue is recognized in the period collected.

Investments: The Authority's investment policy is determined by the Finance Committee and approved by the Authority Board. Permitted investments are set within the policy and the Finance Committee appoints an Authorized Investment Officer. The Authorized Investment Officer submits a semi-annual report as of March 31 and September 30 to the Finance Committee summarizing the investment portfolio.

The Authority accounts for all investments, regardless of time to maturity or their acquisition date, at fair value on the statement of net position with unrealized gains and losses charged or credited to investment income. The Authority uses quoted market prices to determine these fair values.

Investments consist of commercial paper, corporate securities, local government investment pool, money market funds, and United States government and agency obligations.

Prepaid Expenses and Inventory: Prepaid expenses consist primarily of insurance, employee benefits and any other expenditures expected to benefit future periods. Inventory primarily consists of fuel, repairs and maintenance items and office supplies held for consumption and is valued using the average cost method.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

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

Noncurrent Assets:

- **Restricted Assets and Liabilities:** Assets restricted to specific purposes by legally enforceable requirements are segregated on the statement of net position. Requirements include: externally imposed requirements by creditors (such as through debt covenants), grantors or contributors; laws and regulations of other governments; and enabling legislation. The Authority's restricted assets are expendable. The Authority's policy is to determine on a case by case basis whether to spend restricted assets or unrestricted assets when both are available for the same purpose. Restricted assets necessary to meet current obligations that are payable from the restricted assets are classified as current assets on the statement of net position. Restricted assets that are restricted for disbursements in the acquisition or construction of noncurrent assets or that are segregated for the liquidation of long-term debts are classified as noncurrent assets.

Assets restricted for construction include funds available for the design and construction of capital improvements. Assets restricted for construction include cash, investments and receivables obtained from debt proceeds, grants, Authority funds restricted by the bond indenture for construction purposes, customer facility charges and passenger facility charges. Assets restricted for debt service include cash and investments required to pay the interest payments, principal for the annual bond payments, as well as payments due on the lines of credit. The restricted assets for debt service reserve include cash, investments and interest receivable totaling the maximum amount required by the bond indentures. The debt service reserve accounts are revalued each March 31 and September 30. Any amounts in excess of the debt service reserve requirements may be transferred to the Revenue Account to be used in accordance with the Revenue Account's purposes. If the debt service reserve account is undervalued, the Authority transfers funds into the account.

- **Unrestricted Assets:** A portion of unrestricted assets is reported as noncurrent. This represents amounts of unrestricted investments with maturities greater than one year.
- **Capital Assets, Net of Accumulated Depreciation:** Capital assets, net of accumulated depreciation is shown as noncurrent assets on the statement of net position.

Lease and Concession Agreements: The Authority's operations consist of agreements for use of land, buildings, terminal space and Minimum Annual Guarantees from concessionaires. The agreements consist of (a) one year, cancelable space and use permits, and (b) non-cancelable agreements for land, buildings, terminal space and concessions, which expire between the years 2018 and 2039. The Authority accounts for revenue from these agreements under the operating method and reports revenue over the terms of the agreements.

Property and Equipment and Property Held for Lease: Property and equipment and property held for lease are recorded at cost when purchased or at fair value when donated, with a capitalization threshold of \$1,000. Donated capital assets received in a service concession arrangement are reported at acquisition value, as of September 30, 2018. There were no service concession arrangements. The Authority accounts for intangible assets as required under GASB Statement No. 51.

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

Building	10 to 50 years
Improvements	5 to 50 years
Equipment	3 to 30 years
Motor vehicles	5 to 15 years

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

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

Deferred Inflows/Outflows of Resources: Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

Pension Plans: The Authority's policy is to fund accrued defined benefit pension costs which include normal costs for regular employees as actuarially determined. The Authority recognizes plan member contributions to the defined contribution plan in the period in which contributions are due, and the Authority has made a formal commitment to provide contributions.

Other Postemployment Benefit Plans: The Authority obtains actuarial valuation reports for its Other Post Employment Benefits (OPEB) plan and records the expenses, assets and liabilities for OPEB as required under Governmental Accounting Standards Board (GASB) Statement No. 75. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB Expense, information about the fiduciary net position of the Authority's Retiree Health Care Plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payment when due and payable in accordance with the benefits terms. Investments are reported at fair value, except for money market investments and participating interest-earning contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The Authority funds its OPEB obligation to a qualifying, irrevocable trust. Additional information is disclosed in Note 9.

Compensated Absences: The Authority recognizes expenses relating to compensated absences as incurred and includes the current portion of the liabilities in accrued expenses and the noncurrent portion in other long-term liabilities.

Passenger Facility Charges: The Federal Aviation Administration (FAA) approved the collection of passenger facility charges (PFCs). The Authority uses PFCs for pre-approved airport projects that meet at least one of the following criteria: preserve or enhance safety, security or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers. The airlines collect and remit this revenue to the Authority and the Authority records PFCs as nonoperating revenues.

Customer Facility Charges: The Authority approved the collection of customer facility charges (CFCs) effective October 1, 2008. Certain rental car companies (RACs) agreed to assess and collect CFCs to pay the costs and expenses of financing, designing, constructing, operating, relocating, and maintaining the rental automobile related facilities and other facilities that benefit RACs. The RACs collect and remit this revenue to the Authority and the Authority records CFCs as nonoperating revenues.

Arbitrage Rebate: The U.S. Treasury issued regulations on calculating the rebate due the federal government on arbitrage profits, calculating arbitrage penalties, and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the Authority temporarily invests the proceeds of tax exempt debt in securities with higher yields. The Authority records the rebate payable and reduction in investment income in accordance with the rebate calculation.

Revenue Classifications: The components of the major operating revenue classifications are as follows:

- Airfield Area – Fees for landings of passenger and cargo aircraft, apron use, and fuel flow system rental and fees.
- Terminal Area – Space rentals, privilege fees for the operation of terminal concessions, baggage fees and other miscellaneous airline fees.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

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

- Ground Transportation – Revenue associated with rental car concessions, taxi, shuttle and bus ground transportation, and public parking.
- Other Buildings and Grounds – Fees associated with fixed base operators, cargo apron use, in-flight catering and other building and land rentals.
- Hotel – Revenue associated with rooms, food and beverage, telecommunications, and other rentals and income.

Capital Contributions: Capital contributions consist primarily of grants and contributions from federal and state governmental agencies, airlines, and tenants. The Authority recognizes contributions as earned as related project costs are incurred. The Authority recognizes donated property at fair value when received.

Interest During Construction: The Authority capitalizes interest during construction to Construction in Progress. Capitalized interest consists of interest cost on certain borrowings in excess of interest earned on related investments acquired with the proceeds of borrowings.

Airline Rates By Resolution: Effective November 1, 2013, the Authority operates under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions For the Use Of Facilities And Services At Orlando International Airport, adopted by the Authority Board October 16, 2013 (the “Resolution”) and Amended and Restated as of August 10, 2016. The Resolution, which has no expiration date, provides for a compensatory rate-making methodology for use of the terminal facilities, including certain activity based charges for use of the baggage system, and a residual rate-making methodology to establish landing fees for the use of the airfield. An airline may also sign a Rate and Revenue Sharing Agreement (“Rate Agreement”), whereby the airline affirmatively agrees to the Resolution and the rate-setting methodology. Airlines that participate are entitled to share in certain revenues remaining after the payment of all Authority debt service and operating expenses. Additional information is disclosed in Note 17.

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

Bond Issue Costs and Bond Discounts and Premiums: The Authority expenses bond issue costs (excluding prepaid bond insurance) at the time of issuance in accordance with generally accepted accounting principles. Bond discounts and premiums are deferred in the year of issuance and amortized using the effective interest method over the life of the issuance. Losses on bond refundings are deferred and amortized over the shorter of the remaining life of the original issue or the life of the new issue.

Estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

Significant Upcoming Pronouncements: In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for certain asset retirement obligations (“AROs”). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement establishes the criteria for determining if the Authority would be required to recognize a liability associated with legal obligations to perform future asset retirement activities related to its tangible capital assets and disclosure of information about the nature of the Authority’s AROs, the methods and assumptions used for estimates of liabilities, and the estimated remaining useful life of the associate tangible capital assets. This statement is effective for the Authority’s fiscal year ended September 30, 2019.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

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

of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement is effective for the Authority's fiscal year ended September 30, 2021.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement is effective for the Authority's fiscal year ended September 30, 2019.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement is effective for the Authority's fiscal year ended September 30, 2021.

The Authority has not determined what impact, if any, these statements will have on its financial statements.

2. OPERATION AND USE AGREEMENT – CITY OF ORLANDO

The City of Orlando and the Authority signed an Operation and Use Agreement, dated September 27, 1976, which grants the Authority the right to occupy, operate, control and use Orlando International Airport and Orlando Executive Airport for a term of fifty years commencing on October 1, 1976.

In 1976, the City of Orlando transferred assets, liabilities and equity to the Authority at the carrying amounts in the accounts of the Aviation Division of the City of Orlando, which reflected historical or estimated historical costs, with accumulated depreciation at September 30, 1976. The property and equipment, net of accumulated depreciation transferred from the Aviation Division of the City of Orlando to the Authority, amounted to approximately \$31.5 million.

Effective October 1, 2015 the Authority entered into a new Operation and Use Agreement which extends the term of the original contract through September 30, 2065. At the end of the lease term, unless otherwise extended, the Authority is obligated to return full ownership and control of all its assets to the City of Orlando.

The City of Orlando provides certain police and fire protection services to the Authority. Total charges for these services amounted to approximately \$15.1 million and \$13.1 million for 2018 and 2017, respectively. Approximately, \$2.5 million and \$3.7 million are recorded as liabilities due to the City of Orlando in connection with these services at September 30, 2018 and 2017, respectively.

3. CASH DEPOSITS AND INVESTMENTS

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

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

3. CASH DEPOSITS AND INVESTMENTS (continued)

The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Authority's deposits in qualified public depositories are considered totally insured. The qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125%, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State of Florida's Chief Financial Officer (State's CFO) or, with the approval of the State's CFO, to a bank, savings association, or trust company provided a power of attorney is delivered to the State's CFO.

In accordance with generally accepted accounting principles, the Authority adjusts the carrying value of investments to fair value to be presented as a component of investment income. The fair value of investments is based on available market values. The Florida Prime operated by the SBA, and the Florida Income Trust are a "2a-7-like" pool and are also presented in accordance with generally accepted accounting principles; therefore, it is not presented at fair value but at its actual pooled share price which approximates fair value.

At September 30, 2018 and September 30, 2017, the fair value of all securities, regardless of the statement of net position, classification, was as follows (in thousands):

	September 30, 2018	September 30, 2017
Securities:		
U.S. Treasury and government agency securities	\$ 820,276	\$ 439,358
Asset Backed Securities	12,390	-
Commercial paper	-	-
Corporate securities	43,171	5,291
Local government investment pool	5,797	32,979
Investment in money market funds	627,231	342,801
Securities total	<u>\$ 1,508,865</u>	<u>\$ 820,429</u>

These securities are classified on the statement of net position as follows (in thousands):

	September 30, 2018	September 30, 2017
Current assets		
Unrestricted cash and cash equivalents	\$ 242,194	\$ 231,525
Restricted cash and cash equivalents	260,512	266,316
Investments	12,530	5,247
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents	596,657	224,944
Investments	754,353	408,320
Unrestricted assets		
Investments	108,954	63,363
Total cash, cash equivalents and investments	1,975,200	1,199,715
Less cash on deposit	(466,335)	(379,286)
Total securities, at fair value	<u>\$ 1,508,865</u>	<u>\$ 820,429</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

3. CASH DEPOSITS AND INVESTMENTS (continued)

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of September 30, 2018, and September 30, 2017, the Authority held the following investments as categorized below in accordance with generally accepted accounting principles:

Investment Maturities at September 30, 2018 (in thousands):

Investment Type	Less than 1 Year	1 to 5 Years	Total	Level
U.S. Treasury and government agency securities	\$ 584,418	\$235,858	\$ 820,276	1
Commercial paper	-	-	-	1
Asset Backed Securities	-	12,390	12,390	1
Corporate securities	12,226	30,945	43,171	1
Local government investment pool	5,797	-	5,797	N/A
Money market funds	627,231	-	627,231	N/A
	<u>\$1,229,672</u>	<u>\$279,193</u>	<u>\$1,508,865</u>	

Investment Maturities at September 30, 2017 (in thousands):

Investment Type	Less than 1 Year	1 to 5 Years	Total	Level
U.S. Treasury and government agency securities	\$239,549	\$199,809	\$439,358	1
Commercial paper	-	-	-	1
Corporate securities	5,006	32,564	37,570	1
Local government investment pool	700	-	700	N/A
Money market funds	342,801	-	342,801	N/A
	<u>\$588,056</u>	<u>\$232,373</u>	<u>\$820,429</u>	

The Authority had \$0.7 million invested in the Florida Prime as of September 30, 2018 and 2017.

The Authority had \$5.1 million invested in the Fixed Income Trust as of September 30, 2018.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority generally holds investments to maturity except for those portions of the portfolio that are actively managed by the Authority's Investment Advisor. The Authority's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they become due. To the extent possible, investment maturities match known cash needs and anticipated cash flow requirements. Investments under the Bond Resolution shall mature no later than needed, except for 1) investments in the Debt Service Reserve Account which shall mature not later than fifteen years (unless such investment is redeemable at the option of the holder, in which event the maturity shall not exceed the final maturity date of the Bonds secured by such investment), 2) investments in the Operation and Maintenance Fund and Operation and Maintenance Reserve Account shall mature within twelve months, and 3) investments in the Capital Expenditure Fund, the Renewal and Replacement Fund, Improvement and Development Fund, and the Discretionary Fund shall mature within five years. Investments under the Amended and Restated Master Subordinated Indenture of Trust shall mature no later than needed, except for investments in the Reserve Fund which shall mature not later than fifteen years from the date of such investment. The Authority portfolio holds a limited number of callable securities. The schedules above present the maturity date of the securities. According to the SBA, the dollar weighted average days to maturity ("WAM") of the Florida Prime at September 30, 2018 is 33 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the Florida Prime at

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

3. CASH DEPOSITS AND INVESTMENTS (continued)

September 30, 2018, is 72 days. According to the Florida Fixed Income Trust, the dollar weighted average days to maturity ("WAM") of the Fixed Income Trust at September 30, 2018 is 120 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the Fixed Income Trust at September 30, 2018, is 84 days.

Credit Risk: The Authority's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. Authority policy limits the purchase of certain investments to specific rating requirements. Investment in commercial paper is limited to A-1, P-1, or F1 for short-term investments by two of the three rating agencies: S&P, Moody's and Fitch (without regard to gradation). Investment in dollar denominated Corporate securities is limited to companies in the United States which are rated "A" or better by two of the three rating agencies (without regard to gradation). Investments held in obligations of U.S. government agencies were rated AAA by Fitch, Aaa by Moody's and AA+ by S&P. Investments held in the portfolio as of September 30, 2018, were rated consistent with the Authority's investment policy and bond resolutions. Funds invested in money market funds and the Florida Prime are rated AAAM by S&P. Funds invested with the Fixed Income Trust are rated AAaf by S&P.

Custodial Credit Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All the Authority's investments are either held in the name of the Authority or held in trust under the Authority's name.

Concentration of Credit Risk: Concentration of credit risk is the inability to recover the value of deposit, investment, or collateral securities in the possession of an outside party caused by a lack of diversification. The authority mitigates its concentration of credit risk by diversifying its investment portfolio. At September 30, 2018 and 2017, the Authority did not hold investments exceeding 5 percent of the total investment portfolio (including cash and cash equivalents) except those expressly permitted pursuant to GASB statement No. 40. The investment policy limits the maximum investment in any one issuer of commercial paper to \$5 million dollars.

Foreign Currency Risk Disclosure: The Authority invests only in securities that are denominated in U.S. dollars. Per the SBA, the Florida Prime was not exposed to any foreign currency risk during the period October 1, 2017 through September 30, 2018.

Valuation of Investments: The Authority utilizes the market approach to mark-to-market the fair value of its investment holdings.

GASB 72 established a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs-other than quoted prices-included within Level 1 that are observable for the asset or liability either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgage of a mortgage-backed security.

GASB 72 generally requires investments to be measured at fair value. Investments not measured at fair value continue to include, for example, money market investments, 2a-7-like external investment pools such as the Florida Prime. GASB 72 requires disclosures be made about fair value measurements, the level of fair value hierarchy, and the valuation techniques. The Authority utilizes a third-party pricing service to mark-to-market holdings of U.S. Treasury securities, corporate securities, and government sponsored enterprise securities, such as Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Association. The Authority derives pricing for commercial paper holdings directly from the custody statements for each account that has commercial paper holdings. Regarding fair value hierarchy disclosure, GASB 72 characterizes Level 1 inputs as quoted prices in active markets for identical assets or liabilities therefore, the Authority has denoted Level 1 for each of the various holdings except for money market and Florida Prime investments. Per the SBA, the Florida Prime meets all of the necessary criteria to elect to measure all of the investments in Florida Prime at amortized cost. Therefore, the Authority's participant account balance is considered the fair value of its investment and is considered exempt from the GASB 72 fair value hierarchy disclosures.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

3. CASH DEPOSITS AND INVESTMENTS (continued)

GASB 79 states that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates).

According to the SBA, with regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case, may the time limit set by the Trustees exceed 15 days." With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

4. DUE FROM OTHER GOVERNMENTAL AGENCIES

The following amounts were due from other governmental agencies as of September 30, 2018 and 2017 (in thousands):

	2018	2017
Unrestricted		
Florida Department of Transportation (FDOT)	\$ 794	\$ 691
Orlando Orange County Expressway Authority (OOCEA)	362	330
Federal Aviation Administration (FAA)	235	(6)
Total Unrestricted	<u>\$ 1,391</u>	<u>\$ 1,015</u>
Restricted		
Florida Department of Transportation (FDOT)	\$ 13,043	\$ 25,766
Federal Aviation Administration (FAA)	10,545	5,312
Department of Homeland Security	6,425	-
Transportation and Security Administration (TSA)	3,618	5,286
Total Restricted	<u>\$ 33,631</u>	<u>\$ 36,364</u>

(Remainder of this page intentionally left blank)

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

5. RESTRICTED ASSETS

The Bond Resolution and the Amended and Restated Master Subordinated Indenture of Trust authorizing the issuance of the revenue bonds for Orlando International Airport and the Release of Federal Surplus Property Obligations for Orlando Executive Airport require segregation of certain assets into restricted accounts. At September 30, 2018 and 2017, composition of restricted accounts is as follows (in thousands):

	2018	2017
Debt Service Accounts	\$ 360,156	\$ 198,334
Capital Acquisition Accounts	298,301	308,236
Bond Construction Accounts	592,457	95,017
Passenger Facility Charges Account	305,329	263,566
Customer Facility Charges Account	59,818	41,884
Operating Reserve Account	51,368	46,824
Total Restricted Assets	<u>\$ 1,667,429</u>	<u>\$ 953,861</u>

Reported in the accompanying financial statements as follows:

	2018	2017
Restricted Cash and Cash Equivalents - Current	\$ 260,512	\$ 266,316
Total Restricted Assets – Non Current	<u>1,406,917</u>	<u>687,545</u>
Total Restricted Assets	<u>\$ 1,667,429</u>	<u>\$ 953,861</u>

(Remainder of this page intentionally left blank)

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

6. CAPITAL ASSETS

A summary of capital assets activity for the years ended September 30, 2018 and 2017 is as follows (in thousands):

	Balance October 1, 2017	Additions and Reclassifications	Deductions	Balance September 30, 2018
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 273,582	\$ 837	\$ 7,869	\$ 266,550
Assets Held for Future Use	78,221	-	-	78,221
	<u>351,803</u>	<u>837</u>	<u>7,869</u>	<u>344,771</u>
Other Property and Equipment				
Building	462,584	564,387	-	1,026,971
Improvements	1,905,869	204,957	14	2,110,812
Equipment	264,714	130,140	649	394,205
Motor Vehicles	56,579	40,985	1,112	96,452
	<u>2,689,746</u>	<u>940,469</u>	<u>1,775</u>	<u>3,628,440</u>
Accumulated Depreciation				
Building	179,959	28,931	-	208,890
Improvements	1,252,119	73,632	10	1,325,741
Equipment	152,585	28,160	645	180,100
Motor Vehicles	22,009	4,785	1,095	25,699
	<u>1,606,672</u>	<u>135,508</u>	<u>1,750</u>	<u>1,740,430</u>
Net Property and Equipment	<u>1,434,877</u>	<u>805,798</u>	<u>7,894</u>	<u>2,232,781</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,131	-	-	8,131
Other Property and Equipment				
Building	909,952	1,339	-	911,291
Improvements	81,586	-	-	81,586
Equipment	9,300	-	-	9,300
	<u>1,000,838</u>	<u>1,339</u>	<u>-</u>	<u>1,002,177</u>
Accumulated Depreciation				
Building	627,327	26,602	-	653,929
Improvements	67,729	3,251	-	70,980
Equipment	9,024	166	-	9,190
	<u>704,080</u>	<u>30,019</u>	<u>-</u>	<u>734,099</u>
Net Property and Equipment - Held for Lease	<u>304,889</u>	<u>(28,680)</u>	<u>-</u>	<u>276,209</u>
Construction Work in Progress				
Capital Assets not Depreciated	936,553	509,026	933,199	512,380
Net Capital Assets	<u>\$ 2,676,319</u>	<u>\$ 1,286,144</u>	<u>\$ 941,093</u>	<u>\$ 3,021,370</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

6. CAPITAL ASSETS (continued)

	Balance October 1, 2016	Additions and Reclassifications	Deductions	Balance September 30, 2017
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 271,227	\$ 3,880	\$ 1,525	\$ 273,582
Assets Held for Future Use	78,221	-	-	78,221
	<u>349,448</u>	<u>3,880</u>	<u>1,525</u>	<u>351,803</u>
Other Property and Equipment				
Building	372,408	90,176	-	462,584
Improvements	1,877,779	28,090	-	1,905,869
Equipment	247,299	18,595	1,180	264,714
Motor Vehicles	25,095	31,572	88	56,579
	<u>2,522,581</u>	<u>168,433</u>	<u>1,268</u>	<u>2,689,746</u>
Accumulated Depreciation				
Building	166,578	13,381	-	179,959
Improvements	1,186,513	65,606	-	1,252,119
Equipment	137,778	15,978	1,171	152,585
Motor Vehicles	20,125	1,972	88	22,009
	<u>1,510,994</u>	<u>96,937</u>	<u>1,259</u>	<u>1,606,672</u>
Net Property and Equipment	<u>1,361,035</u>	<u>75,376</u>	<u>1,534</u>	<u>1,434,877</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	8,131	-	-	8,131
Other Property and Equipment				
Building	909,171	781	-	909,952
Improvements	81,586	-	-	81,586
Equipment	9,136	164	-	9,300
	<u>999,893</u>	<u>945</u>	<u>-</u>	<u>1,000,838</u>
Accumulated Depreciation				
Building	600,746	26,581	-	627,327
Improvements	64,381	3,348	-	67,729
Equipment	8,018	1,006	-	9,024
	<u>673,145</u>	<u>30,935</u>	<u>-</u>	<u>704,080</u>
Net Property and Equipment - Held for Lease	<u>334,879</u>	<u>(29,990)</u>	<u>-</u>	<u>304,889</u>
Construction Work in Progress				
Capital Assets not Depreciated	<u>535,363</u>	<u>556,624</u>	<u>155,434</u>	<u>936,553</u>
Net Capital Assets	<u>\$ 2,231,277</u>	<u>\$ 602,010</u>	<u>\$ 156,968</u>	<u>\$ 2,676,319</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

6. CAPITAL ASSETS (continued)

During 2018, the Authority capitalized interest in the amount of \$41.1 million to Construction Work in Progress (WIP), representing the excess of interest cost (\$53.0 million) on certain borrowings during the construction period over the interest earned (\$11.9 million) on related interest-bearing investments acquired with the proceeds of the borrowings.

During 2017, the Authority capitalized interest in the amount of \$17.3 million to WIP, representing the excess of interest cost (\$18.4 million) on certain borrowings during the construction period over the interest earned (\$1.1 million) on related interest-bearing investments acquired with the proceeds of the borrowings.

7. LEASE AND CONCESSION AGREEMENTS

The Authority's operations consist of agreements for use of land, buildings, terminal space and Minimum Annual Guarantees from concessionaires. The agreements consist of (a) one year, cancelable space and use permits, and (b) non-cancelable agreements for land, buildings, terminal space and concessions, which expire between the years 2018 and 2039.

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

2019	\$ 449,044
2020	109,365
2021	63,362
2022	61,517
2023	47,945
Later years	337,984
Total minimum future revenues	<u><u>\$ 1,069,217</u></u>

Minimum future revenues do not include contingent revenues which may be received under agreement for use of land and buildings on the basis of revenue or fuel flow fees earned. Contingent revenues amounted to approximately \$34.0 million and \$31.6 million for the years ended September 30, 2018 and 2017 respectively.

8. PENSION PLANS

The Authority maintains two defined benefit plans for its employees, a single-employer plan covering non-firefighter employees and a multiple-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 multiple-employer defined contribution plan for firefighters. The Authority authorized all full time employees hired before October 1, 1999, other than firefighters to participate in the Defined Benefit Plan (DB Plan). The Authority authorized employees hired after September 30, 1999 to participate in the single-employer Defined Contribution Retirement Plan (DC Plan), other than firefighters. The Authority allowed employees who were participants of the DB Plan to convert to the DC Plan during the period February 23, 2001 to June 30, 2001.

Single-Employer Defined Benefit Pension Plan

General: The Authority contributes to the Retirement Plan for Employees of the Greater Orlando Aviation Authority (DB Plan), a single-employer retirement plan, a closed plan. The DB Plan provides retirement and death benefits to DB Plan members and beneficiaries. Comerica, Inc. (Comerica) currently holds the assets of the Plan in various managed accounts. Comerica currently pays the DB Plan benefits. The Authority' actuary prepares an actuarial valuation report which includes required supplementary information for the DB Plan, which may be obtained by writing to Greater Orlando Aviation Authority, One Jeff Fuqua Boulevard, Orlando, Florida 32827, Attention: Human Resources.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Plan Description: Each full-time employee became eligible on the date of completion of 12 months of employment. The Authority credits all service from date of hire. Retirement benefits equal 3% of the average of the three years of highest annual earnings multiplied by years of credited service, for the employees final 10 years, with a maximum of 75% of the average earnings. In the event of early retirement, there is a 3% benefit reduction per year that the benefit commencement date precedes age 65. Normal retirement date is the first day of the month following, or coinciding with, the earliest of a participant's sixty-fifth birthday and seven years of credited service, or twenty-five years of credited service. An employee is 20 % vested after the first year of credited service and achieves 100% vesting after five years of service. A member may elect to retire earlier than the normal retirement eligibility upon attainment of age 55 and seven years of credited service. Benefit provisions are established and may be amended by the Authority Board. The Plan is administered by a Retirement Benefits Committee appointed by the Authority Board.

If a member dies prior to actual retirement, the Beneficiary will receive a monthly benefit beginning on the earliest date on which the member could have retired had death not occurred. The benefit for a spouse Beneficiary is equal to one-half the amount that would have been payable had the member terminated employment a day prior to the date of death and selected the 50% Contingent Annuity Form. If the Beneficiary is not the spouse, then the benefit will be paid in the actuarial equivalent amount over a five year period commencing within one year of death. If the member dies after actual retirement, payment to the Beneficiary will begin the first day of the month following the date of death.

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

Current plan membership as of October 1, 2016, is as follows:

Inactive Plan members or Beneficiaries currently receiving benefits	301
Inactive Plan members Entitled to but not yet receiving benefits	104
Active Plan members	<u>106</u>
	<u>511</u>

Net Pension Liability

The total pension liability was measured as of September 30, 2017. The total pension liability used to calculate the net pension liability was determined as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017, using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50 %
Salary Increases	4.25%
Investment Rate of Return	7.00%
Mortality	RP-2000 Fully Generational with Scall BB, with collar and annuitant adjustments.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	50.0 %	7.50 %
International Equity	15.0	8.50
Fixed Income (Core)	25.0	2.50
Fixed Income (Non-Core)	10.0	3.50
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the Authority's contribution will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes to Net Pension Liability as of September 30, 2018 (in thousands)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances at September 30, 2017	\$ 139,178	\$ 122,964	\$ 16,214
Changes for a Year:			
Service Cost	1,234	-	1,234
Interest	9,541	-	9,541
Contribution – Employer	-	5,446	(5,446)
Net Investment Income	-	15,754	(15,754)
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Differences in Expected and Actual experience	(534)	-	(534)
Benefits Payments Including Refunds of employee Contributions	(8,207)	(8,207)	-
Administrative Expense	-	(22)	22
Net Changes	<u>2,034</u>	<u>12,971</u>	<u>(10,937)</u>
Balance at September 30, 2018	<u>\$ 141,212</u>	<u>\$ 135,935</u>	<u>\$ 5,277</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Changes to Net Pension Liability as of September 30, 2017 (in thousands)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2016	\$ 128,881	\$ 115,213	\$ 13,668
Changes for a Year:			
Service Cost	1,405	-	1,405
Interest	9,210	-	9,210
Contribution – Employer	-	6,198	(6,198)
Net Investment Income	-	9,033	(9,033)
Changes in Assumptions	4,868	-	4,868
Changes in Benefit Terms	465	-	465
Differences in Expected and Actual experience	1,789	-	1,789
Benefits Payments Including Refunds of employee Contributions	(7,440)	(7,440)	-
Administrative Expense	-	(40)	40
Net Changes	10,297	7,751	2,546
Balance at September 30, 2017	\$ 139,178	\$ 122,964	\$ 16,214

Sensitivity of net pension liability to changes in the discount rate. The following presents the net pension liability of the Authority, calculated using the discount rate of 7.00%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.00%) or 1 percent higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority Net Pension Liability 9/30/2018	\$19,486	\$ 5,277	\$(6,813)
Authority Net Pension Liability 9/30/2017	\$30,579	\$ 16,214	\$4,007

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2018 the Authority recognized a pension expense of \$5.2 million. On September 30, 2018 the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ -
Difference Between Expected and Actual Experience	-	-
Difference Between Projected and Actual Earnings on Pension Plan Investments	4,259	6,658
Employer Contributions Subsequent to the Measurement date	3,071	-
Total	<u>\$ 7,330</u>	<u>\$ 6,658</u>

For the year ended September 30, 2017 the Authority recognized a pension expense of \$7.4 million. On September 30, 2017 the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,434	\$ -
Difference Between Expected and Actual Experience	894	-
Difference Between Projected and Actual Earnings on Pension Plan Investments	6,389	2,581
Employer Contributions Subsequent to the measurement date	5,446	-
Total	<u>\$ 15,163</u>	<u>\$ 2,581</u>

The deferred outflows of resources related to the Pension Plan, totaling \$3.1 million resulting from the Authority's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to the Pension Plan will be recognized in pension expense as follows (in thousands):

Year Ended September 30:	
2019	\$ 124
2020	528
2021	(1,601)
2022	(1,449)
Total	<u>\$ 2,398</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Funded Status and Funding Progress: As of October 1, 2017, the most recent actuarial valuation date, the DB Plan was 93.5% funded. The actuarial accrued liability for benefits was \$142.8 million, and the actuarial value of assets was \$133.6 million resulting in an unfunded actuarial accrued liability (UAAL) of \$9.2 million. The covered payroll was \$7.1 million, and the ratio of the UAAL to the covered payroll was 129.4%.

Other required schedules of Changes in Net Pension Liability and Related Ratios, and Schedule of Contributions are presented as required supplementary information immediately following the notes to the financial statements.

Single-Employer Defined Contribution Retirement Plan

Plan Description: The single-employer Defined Contribution Retirement Plan (DC Plan) provides benefits upon retirement to employees of the Authority. At September 30, 2018, there were 559 active plan members. The plan provides retirement and death benefits to plan participants and beneficiaries.

General: The DC Plan is administered by a Retirement Benefits Committee appointed by the Authority Board. The Authority can modify, alter or amend the DC Plan.

The DC Plan authorizes employees, other than firefighters, hired on or after October 1, 1999, to participate. Eligible employees include regular full-time employees and regular part-time employees who are normally scheduled to work 20 or more hours per week. The DC Plan allows employees to participate after three full months of service. The DC Plan has separate accounts for each employee, and employees can choose between investment options that are provided by the Plan Record-keeper. The Authority contributes 6% of base wages and up to another 4% as a matching contribution. The employee may contribute up to 10%. The DC Plan allows the employee's first 4% contribution to be pre-tax or after-tax. Employee contributions and earnings are 100% vested. The Authority's contributions vest at 20% per year of service, starting at one year of service. Employees hired prior to October 1, 1999, continued in the Authority's DB Plan, or converted at their option from the DB Plan to the DC Plan during the period of February 23, 2001 to June 30, 2001.

The Authority's payroll for employees covered by the DC Plan was \$30.3 million and \$27.0 million for the years ended September 30, 2018 and 2017 respectively. The Authority contributed \$2.8 million and \$2.7 million for the years ended September 30, 2018 and 2017 respectively. Participants contributed \$1.4 million and \$1.1 million for the years ended September 30, 2018 and 2017 respectively.

Multiple-Employer Pension Plans

Plan Description: All firefighters employed by the Authority participate in the Florida Retirement System (FRS), a cost-sharing, multiple-employer defined benefit public retirement plan. The FRS provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan participants and beneficiaries. Florida Statutes establish benefit provisions. The FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Florida Retirement System, Division of Retirement, Post Office Box 9000, Tallahassee, Florida 32315-9000, or by calling (877) 377-1737.

Participation in the FRS is compulsory for all firefighters employed by the Authority. The FRS categorizes participants as members of a special risk class. A member receives one month credit for each month in which any salary is paid for services performed. The FRS authorizes members who meet certain requirements to purchase additional service credits to increase their retirement benefit. The FRS provides vesting of benefits after six years of creditable service (or eight years if enrolled on or after July 1, 2011). Special risk members enrolled in the FRS before July 1, 2011 meet eligibility for normal retirement after: (a) six years of special risk creditable service and attaining age fifty-five, (b) a combined total of twenty-five years of special risk creditable service and military service and attaining age fifty-two, (c) twenty-five years of special risk creditable service, or (d)

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

thirty years of any creditable service, regardless of age. Special risk members enrolled in the FRS on or after July 1, 2011 meet eligibility for normal retirement after: (a) eight years of special risk creditable service and attaining age sixty, (b) a combined total of thirty years of special risk creditable service and military service and attaining age fifty-seven, (c) thirty years of special risk creditable service, or (d) thirty-three years of any creditable service, regardless of age. The FRS allows early retirement any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age or date. Options at retirement include benefits for life or reduced benefits with beneficiary rights.

As a participant in FRS, the Authority is also a participant in the Retiree Health Insurance Subsidy (HIS) Program, which is a cost-sharing, multiple employer defined benefit plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2018 and 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment was \$30 for fiscal year 2018 and 2017 and the maximum is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

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

The Authority's required contribution rates were as follows:

	<u>Special Risk</u>	<u>DROP</u>
July 1, 2018 – September 30, 2018	24.50%	14.03%
July 1, 2017 – June 30, 2018	23.27%	13.26%
July 1, 2016 – June 30, 2017	22.57%	12.99%
July 1, 2015 – June 30, 2016	22.04%	12.88%

The Authority's contributions to the FRS for each of the years ended September 30, 2018, 2017 and 2016 were approximately \$1.5 million, \$1.2 million and \$1.1 million, respectively, which represents the required contributions for each year.

At September 30, 2018 the Authority reported a liability of \$13.4 million and \$2.0 million for its proportionate share of the net pension liability for the FRS Pension Plan and HIS Program respectively. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the date. The Authority's proportion of the net pension liability was based on the historical contributions made by the Authority. At June 30, 2018, the Authority's proportion was 0.044420507 percent and 0.019114604 percent for the FRS Pension Plan and HIS Program respectively, which was an increase from 0.040634130 percent and 0.0172240683 percent respectively from its proportionate share as of June 30, 2017.

For the year ended September 30, 2018 and 2017 the Authority recognized pension expense of \$2.6 million and \$2.2 million related to the FRS and HIS plans.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Actuarial Assumptions:

Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumption Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008 through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long term expected rate of return used for FRS Pension Plan investments is 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were used on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2018:

- FRS: The long-term expected rate of return was decreased from 7.10% to 7.00%, and the active member mortality assumption was updated.
- HIS – The municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

Sensitivity Analysis

The following represents the sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact of the authority's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2018 and 2017 (in thousands).

FRS Net Pension Liability

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2018	\$24,418	\$13,376	\$4,211
June 30, 2017	\$21,754	\$12,019	\$3,937

HIS Net Pension Liability

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2018	\$2,304	\$2,023	\$1,789
June 30, 2017	\$2,104	\$1,843	\$1,627

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Pension Expense and Deferred Outflows/(Inflows) of Resources

In accordance with GASB, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumption or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employee)
- Changes in proportion and differences between contributions and proportionate share of contributions- amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

Contributions to the pension plans from the Authority are not included in collective pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2018 was 6.4 years for FRS and 7.2 years for HIS. The components of collective pension expense reported in the pension allocation schedules for the fiscal year ended June 30, 2018, are presented below for each plan (in thousands):

(Remainder of this page intentionally left blank)

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Florida Retirement System

	Recognized in Expense Fiscal Year Ending 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 1,076	\$ -	\$ -
Interest Cost	5,707	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	287	1,133	(41)
Effect of assumptions changes or inputs	1,037	4,372	-
Member Contributions	(1,266)	-	-
Projected investment earnings	(4,753)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,071	(184)
Net difference between projected and actual investment earnings	(738)	-	(1,033)
Administrative Expenses	9	-	-
Contributions Subsequent to Measurement Date	-	377	-
Total	<u>\$ 1,359</u>	<u>\$ 6,953</u>	<u>\$ (1,258)</u>

Health Insurance Subsidy

	Recognized in Expense Fiscal Year Ending 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 49	\$ -	\$ -
Interest Cost	74	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	4	31	(3)
Effect of assumptions changes or inputs	23	225	(214)
Member Contributions	-	-	-
Projected investment earnings	(1)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	209	-
Net difference between projected and actual investment earnings	1	1	-
Administrative Expenses	-	-	-
Contributions Subsequent to Measurement Date	-	29	-
Total	<u>\$ 150</u>	<u>\$ 495</u>	<u>\$ (217)</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Florida Retirement System

	Recognized in Expense Fiscal Year Ending 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 843	\$ -	\$ -
Interest Cost	5,073	-	-
Effect of plan changes	37	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	228	1,103	(66)
Effect of assumptions changes or inputs	807	4,039	-
Member Contributions	(303)	-	-
Projected investment earnings	(4,280)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	650	(325)
Net difference between projected and actual investment earnings	(410)	-	(298)
Administrative Expenses	7	-	-
Contributions Subsequent to Measurement Date	-	308	-
Total	<u>\$ 2,002</u>	<u>\$ 6,100</u>	<u>\$ (689)</u>

Health Insurance Subsidy

	Recognized in Expense Fiscal Year Ending 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Service Cost	\$ 53	\$ -	\$ -
Interest Cost	58	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	(1)	-	(3)
Effect of assumptions changes or inputs	30	259	(160)
Member Contributions	-	-	-
Projected investment earnings	(1)	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	57	-
Net difference between projected and actual investment earnings	1	1	-
Administrative Expenses	-	-	-
Contributions Subsequent to Measurement Date	-	26	-
Total	<u>\$ 140</u>	<u>\$ 343</u>	<u>\$ (163)</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

8. PENSION PLANS (continued)

Deferred outflows of resources of \$0.4 million related to employer contributions paid subsequent to the measurement date and prior to the Authority's fiscal year end for the FRS Pension Plan and HIS Program, will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows (in thousands):

Reporting Period Ending September 30	FRS Expense	HIS Expense
2019	\$ 1,716	\$ 28
2020	1,171	28
2021	163	19
2022	780	4
2023	522	(27)
Thereafter	77	(12)
Totals	<u>\$ 4,429</u>	<u>\$ 40</u>

The required schedules of Proportionate Share of Net Pension Liability and Schedule of Contributions as required supplementary information are presented immediately following the notes to the financial statements.

Multi-Employer Defined Contribution Retirement Plan

Effective July 2002, the FRS offered its members the Florida Retirement System Investment Plan (Investment Plan) as a second retirement plan option. The Investment Plan is a defined contribution plan funded by employer contributions established by law. Employees that do not elect this plan automatically enroll in the defined benefit plan. Employees vest after one year of service. Participants of the FRS have one lifetime option of transferring the value of their plan to Investment Plan. The employers' contributions are based on salary and FRS membership class. Effective July 1, 2011, all FRS employees, with the exception of DROP participants and reemployed retirees who are initially reemployed under covered employment on or after July 1, 2010, are required to make pretax retirement contributions of 3% of their gross salary to the plan. As of September 30, 2018 and 2017, the Authority had six and four participants in this plan, respectively.

Pension Expense

The combined pension expense across all plans for September 30, 2018 and 2017 was \$10.6 million and \$12.3 million respectively.

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

During 2017, the Authority implemented GASB Statement No. 74 and 75; *Financial Reporting for Postemployment Benefit plans Other Than Pension Plans*, and *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB No. 74 establishes new accounting and financial reporting requirements for OPEB, while Statement No. 75 replaces the requirements of Statement No. 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. This statement requires governments in all types of OPEB plans to present more extensive note disclosures and Required Supplementary Information (RSI) about their OPEB liabilities, including a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government, new RSI including a schedule showing the causes of increases and decreases in the OPEB liability, and a schedule comparing a government's actual OPEB contributions to its contributions requirements.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Plan Description: The Greater Orlando Aviation Authority Healthcare Plan (GOAAHP) is a single-employer healthcare plan administered by the Authority. The GOAAHP provides postemployment healthcare benefits to those participants who, in accordance with Article 4 of the Retirement Plan for Employees of the Greater Orlando Aviation Authority and Article 5 of the Greater Orlando Aviation Authority Defined Contribution Retirement Plan, retire at a participant's normal retirement date or early retirement date and who receive pension benefits immediately upon termination. The Authorities' actuary issues an actuarial report that includes required

supplementary information for GOAAHP, which may be obtained by writing to Greater Orlando Aviation Authority, One Jeff Fuqua Boulevard, Orlando, Florida 32827, Attention: Human Resources.

Funding Policy and Annual Cost: The Authority establishes and amends benefit provisions and contribution obligations. The Authority provides medical, dental, and vision coverage at no cost to employees who retired prior to August 2, 1997.

For employees that retire after August 2, 1997 and employees hired prior to October 1, 2006, eligibility for retirement healthcare benefits will be determined by the years of credited service, and whether the employee immediately begins to receive pension benefits. Employees who do not elect to receive pension benefits immediately upon termination of employment forfeit eligibility for any healthcare coverage under this policy. The Authority's premium contribution for employees retiring after August 2, 1997 and for employees hired prior to October 1, 2006 is as follows:

<u>Credited Service</u>	<u>Contribution</u>
20 or more years	100%
15 but less than 20 years	75%
10 but less than 15 years	50%
Less than 10 years	0%

The premiums for employees hired on or after October 1, 2006, will be paid by the employee at 100%. Dependent coverage is available at the retiree's expense provided the retiree is eligible to receive health benefits under this policy. The Authority is not required to fund the GOAAHP. However, on September 30, 2011, the Authority funded its OPEB obligation to a qualifying, irrevocable trust in the amount of \$26.3 million. The annual contribution of the employer, an amount actuarially determined in accordance with GASB, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a closed twenty year period.

As of September 30, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members, Covered Spouses, or Beneficiaries currently Receiving Benefits	387
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	685
	<u>1,072</u>

Net OPEB Liability: The Authority's net OPEB Liability was measured as of September 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Actuarial Assumptions. The total OPEB liability in the September 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	4.25%
Discount Rate	6.50%
Investment Rate of Return	6.50%
Health cost trend rates	4.00% - 8.75%

For all Authority employees, mortality rates were based on the RP-2000 mortality tables. For female lives, 100% of the white collar table was used. For male lives, a 50% white collar table, 50% blue collar table blend was used. All tables include fully generational adjustments for mortality improvements using improvement scale BB. For disabled lives, mortality rates were based on the RP-2000 sex-distinct disabled mortality tables with female lives set forward

two (2) years, male lives set back for (4) years. Disabled mortality has not been adjusted for mortality improvements.

The actuarial assumptions used in the October 1, 2016 valuation were based on the results of an experience study dated September 29, 2016.

The long term investment objective of the OPEB trust is the preservation of principal and to meet the actuarial return assumptions as revised with each annual actuarial report. The RBC shall review and monitor this rate upon receipt of the annual actuarial report. On an annual basis, the RBC shall determine the total expected annual rate of return for the current year. The RBC shall use this determination only to notify the Aviation Authority Board, the plan's sponsor, and the consulting actuary of material differences between the total expected annual rate of return and the actuarial assumed rate of return.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Equity	50%	7.50%
International Equity	15%	8.50%
US Fixed Income	35%	2.50%
	<u>100%</u>	

Discount Rate: The projection of cash flows used to determine the Discount Rate assumed that current Authority contributions will be made at the current contribution rate (100%). Based on this assumption, the OPEB Plans' Fiduciary Net Position was projected to provide all future benefit payments. Therefore, the single equivalent discount rate was set equal to the investment rate of return assumption, 6.50%.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Changes in Net OPEB Liability as of September 30, 2018 (in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at September 30, 2017	\$ 63,812	\$ 53,788	\$ 10,024
Changes for a Year:			
Service Cost	1,424	-	1,424
Interest	4,180	-	4,180
Differences in Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions – Employer	-	2,440	(2,440)
Net Investment Income	-	6,258	(6,258)
Benefits Payments	(1,882)	(1,882)	-
Other Income	18	18	-
Net Changes	3,740	6,835	(3,095)
Balance at September 30, 2018	\$ 67,552	\$ 60,622	\$ 6,930

Changes in Net OPEB Liability as of September 30, 2017 (in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at September 30, 2016	\$ 60,200	\$ 48,628	\$ 11,572
Changes for a Year:			
Service Cost	1,366	-	1,366
Interest	3,948	-	3,948
Differences in Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions – Employer	-	2,216	(2,216)
Net Investment Income	-	4,646	(4,646)
Benefits Payments	(1,702)	(1,702)	-
Administrative Expense	-	-	-
Net Changes	3,612	5,160	(1,548)
Balance at September 30, 2017	\$ 63,812	\$ 53,788	\$ 10,024

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Sensitivity of the Net OPEB Liability to the changes in the Discount Rate: The following present the Net OPEB Liability of the Authority, as well as what the Authority's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate (in thousands):

	Net OPEB Liability (Asset)		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
September 30, 2018	\$ 15,317	\$ 6,930	\$ (9,384)
September 30, 2017	\$ 11,416	\$ 10,024	\$ (3,604)

The following present the Net OPEB Liability of the Authority, as well as what the Authority's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates (in thousands):

	Net OPEB Liability		
	1% Decrease 3.00% - 7.75%	Healthcare Cost Trend Rate 4.00% - 8.75%	1% Increase 5.00% - 9.75%
September 30, 2018	\$ (1,505)	\$ 6,930	\$ 17,291
September 30, 2017	\$ 2,297	\$ 10,024	\$ 19,508

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2018 and 2017, the Authority recognized OPEB Expense of \$1.9 million and \$2.5 million respectively.

As of September 30, 2018, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net difference between Projected and Actual	-	-
Earnings on Plan investments	1,282	3,077
Employer contributions subsequent to the measurement date	1,854	-
	<u>\$ 3,136</u>	<u>\$ 3,077</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended September 30:

2019	\$ (202)
2020	(202)
2021	(843)
2022	(548)
Total	<u>\$ (1,795)</u>

As of September 30, 2017, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net difference between Projected and Actual	-	-
Earnings on Plan investments	1,921	1,176
Employer contributions subsequent to the measurement date	2,441	-
	<u>\$ 4,362</u>	<u>\$ 1,176</u>

The required schedule of contributions and changes in Net OPEB Liability and related ratios is presented as required supplementary information immediately following the notes to the financial statements.

10. RISK MANAGEMENT – WORKER’S COMPENSATION

Effective October 1, 2000, the Authority became self-insured for workers compensation and employer’s liability insurance up to \$150,000 per occurrence. The Authority purchases excess coverage for workers compensation and employer’s liability claims to provide stop loss coverage for claims in excess of \$150,000 per occurrence with limits that are consistent with statutory requirements. The Authority uses a third party administrator to provide claims administration and associated reporting services. The Authority records workers compensation liabilities when it is probable that a loss occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for the claims that have been incurred but not reported (IBNR). The Authority includes liabilities for unpaid claims at year-end in accrued expenses as current liabilities.

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

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

10. RISK MANAGEMENT – WORKER’S COMPENSATION (continued)

Changes in the Authority’s workers compensation claims liability are as follows as of September 30, 2018 and 2017 (in thousands):

	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 441	\$ 779
Incurred claims and claims adjustment expenses:		
Provisions for insured events of the current fiscal year	112	339
Increase (Decrease) in provision for insured events of prior years	<u>65</u>	<u>(485)</u>
Total incurred claims and claims adjustment expenses	<u>177</u>	<u>(146)</u>
Payments:		
Claims and claims adjustment expenses attributable to insured events of current year	(42)	(151)
Claims and claims adjustment expenses attributable to insured events of prior year	<u>(217)</u>	<u>(301)</u>
Total payments	<u>(259)</u>	<u>(452)</u>
Expected Recoveries of prior year claims	86	260
Ending Balance	<u>\$ 445</u>	<u>\$ 441</u>

This liability is reported in the accompanying financial statements as accounts payable and accrued liabilities payable from restricted assets.

	<u>2018</u>	<u>2017</u>
Orlando International Airport	\$ 403	\$ 400
Orlando Executive Airport	42	41
Total	<u>\$ 445</u>	<u>\$ 441</u>

(Remainder of this page intentionally left blank)

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

11. NONCURRENT LIABILITIES

A summary of noncurrent liability activity for the year ended September 30, 2018 is as follows (in thousands):

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds						
Senior Lien Bonds						
Series 1998	\$ 515	\$ -	\$ 515	\$ -	\$ -	\$ -
Series 2007A (AMT)	15,730	-	12,325	3,405	3,405	-
Series 2008A (AMT)	57,230	-	30,915	26,315	26,315	-
Series 2009A (AMT)	80,570	-	10,865	69,705	11,515	58,190
Series 2009C	13,125	-	1,885	11,240	1,960	9,280
Series 2010A (NON-AMT)	75,450	-	2,100	73,350	2,205	71,145
Series 2010B (AMT)	19,490	-	6,010	13,480	13,480	-
Series 2011B (AMT)	70,040	-	-	70,040	-	70,040
Series 2011C (NON-AMT)	34,990	-	1,460	33,530	1,505	32,025
Series 2011D (Taxable)	64,100	-	910	63,190	940	62,250
Series 2012A (AMT)	37,065	-	-	37,065	-	37,065
Series 2013A (AMT)	41,515	-	2,845	38,670	2,945	35,725
Series 2013B (NON-AMT)	10,270	-	5,295	4,975	4,975	-
Series 2015A (AMT)	212,200	-	2,420	209,780	2,515	207,265
Series 2016A (AMT)	80,200	-	-	80,200	-	80,200
Series 2016B (NON-AMT)	101,570	-	1,420	100,150	1,510	98,640
Series 2016C (Taxable)	71,120	-	450	70,670	635	70,035
Series 2016D (Taxable)	75,000	-	1,016	73,984	10,786	63,198
Priority Subordinated Indebtedness						
Series 2016 Priority Subordinated (AMT)	62,765	-	4,420	58,345	4,640	53,705
Subordinated Indebtedness						
Series 2017A	-	923,830	-	923,830	-	923,830
Special Purpose Facilities Bonds						
Series 2009CFC (Taxable)	9,030	-	9,030	-	-	-
Series 2018CFC (Taxable)	-	13,604	-	13,604	-	13,604
Total Revenue Bonds	1,131,975	937,434	93,881	1,975,528	89,331	1,886,197
Add unamortized premiums and (discounts)	69,737	110,953	10,269	170,421	-	170,421
Net Revenue Bonds	1,201,712	1,048,387	104,150	2,145,949	89,331	2,056,618
 FDOT Indebtedness	42,641	13,645	-	56,286	7,988	48,298
 Line of Credit	102,500	47,180	108,500	41,180	-	41,180
 Net Pension Liability	30,076	20,312	29,712	20,676	-	20,676
 Net OPEB Liability	10,024	5,605	8,699	6,930	-	6,930
 Advanced rent from tenants	8,121	109,375	110,819	6,677	5,781	896
 Other Liabilities						
Compensated Absences (1)	5,157	6,005	5,768	5,394	4,502	892
Pollution Remediation Liability (1)	2,251	264	243	2,272	641	1,631
Total Other Liabilities	7,408	6,269	6,011	7,666	5,143	2,523
Total Liabilities	\$ 1,402,482	\$ 1,250,773	\$ 367,891	\$ 2,285,364	\$ 108,243	\$ 2,177,121

(1) Compensated absences and the pollution remediation liability due within one year are included in current accounts payable and accrued liabilities on the statement of net position.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

11. NONCURRENT LIABILITIES (continued)

A summary of noncurrent liability activity for the year ended September 30, 2017 as restated is as follows (in thousands):

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds						
Senior Lien Bonds						
Series 1998	\$ 1,325	\$ -	\$ 810	\$ 515	\$ 515	\$ -
Series 2007A (AMT)	99,815	-	84,085	15,730	12,325	3,405
Series 2008A (AMT)	77,660	-	20,430	57,230	30,915	26,315
Series 2009A (AMT)	90,820	-	10,250	80,570	10,865	69,705
Series 2009C	77,985	-	64,860	13,125	1,885	11,240
Series 2010A (NON-AMT)	77,470	-	2,020	75,450	2,100	73,350
Series 2010B (AMT)	25,135	-	5,645	19,490	6,010	13,480
Series 2011A (NON-AMT)	5,310	-	5,310	-	-	-
Series 2011B (AMT)	70,040	-	-	70,040	-	70,040
Series 2011C (NON-AMT)	36,410	-	1,420	34,990	1,460	33,530
Series 2011D (Taxable)	64,990	-	890	64,100	910	63,190
Series 2012A (AMT)	37,065	-	-	37,065	-	37,065
Series 2013A (AMT)	44,260	-	2,745	41,515	2,845	38,670
Series 2013B (NON-AMT)	24,515	-	14,245	10,270	5,295	4,975
Series 2015A (AMT)	214,450	-	2,250	212,200	2,420	209,780
Series 2016A (AMT)	-	80,200	-	80,200	-	80,200
Series 2016B (NON-AMT)	-	101,570	-	101,570	1,420	100,150
Series 2016C (Taxable)	-	71,120	-	71,120	450	70,670
Series 2016D (Taxable)	-	75,000	-	75,000	1,016	73,984
Priority Subordinated Indebtedness						
Series 2016 Priority Subordinated (AMT)	76,930	-	14,165	62,765	4,420	58,345
Special Purpose Facilities Bonds						
Series 2009CFC (Taxable)	17,620	-	8,590	9,030	9,030	-
Total Revenue Bonds	1,041,800	327,890	237,715	1,131,975	93,881	1,038,094
Add unamortized premiums and (discounts)	41,047	35,976	7,286	69,737	-	69,737
Net Revenue Bonds	1,082,847	363,866	245,001	1,201,712	93,881	1,107,831
FDOT Indebtedness	14,132	28,509	-	42,641	-	42,641
Line of Credit	160,000	49,500	107,000	102,500	-	102,500
Net Pension Liability	25,642	28,942	24,508	30,076	-	30,076
Net OPEB Liability	11,572	5,314	6,862	10,024	-	10,024
Advanced rent from tenants	9,029	124,099	125,007	8,121	7,121	1,000
Other Liabilities						
Compensated Absences (1)	5,066	3,567	3,476	5,157	3,438	1,719
Pollution Remediation Liability (1)	2,796	168	713	2,251	589	1,662
Total Other Liabilities	7,862	3,735	4,189	7,408	4,027	3,381
Total Liabilities	\$ 1,311,084	\$ 603,965	\$ 512,567	\$ 1,402,482	\$ 105,029	\$ 1,297,453

(1) Compensated absences and the pollution remediation liability due within one year are included in current accounts payable and accrued liabilities on the statement of net position.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

11. NONCURRENT LIABILITIES (continued)

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

	Fiscal Year	Principal	Interest	Total
Revenue Bonds				
	2019	\$ 89,331	\$ 88,043	\$ 177,374
	2020	104,522	84,582	189,104
	2021	76,897	80,895	157,792
	2022	75,860	77,493	153,353
	2023	61,793	74,471	136,264
	2024-2028	239,485	339,143	578,628
	2029-2033	233,345	283,692	517,037
	2034-2038	248,800	226,954	475,754
	2039-2043	283,235	161,575	444,810
	2044-2048	295,000	89,621	384,621
	2049-2053	267,260	28,853	296,113
Total Revenue Bonds		1,975,528	<u>\$ 1,535,322</u>	<u>\$ 3,510,850</u>
Add unamortized premiums and discounts		170,421		
Net Revenue Bonds		<u>\$ 2,145,949</u>		
Line of Credit				
	2019*	5,000		
	2021	36,180		
Total Line of Credit		<u>\$ 41,180</u>		
Total FDOT Indebtedness	2020	<u>\$ 56,286</u>		

*The line of credit due in fiscal year 2019 was excluded from current liabilities, as all of the line of credit debt can be repaid with other long term credit lines.

BOND RESOLUTION

On September 16, 2015, the Aviation Authority Board approved Amendments to the senior bond resolution "Consent Amendments." The primary goals of the amendments were to modernize the Bond Resolution and provide greater flexibility for the Authority in financing and refinancing its debt financed capital projects. The amendments include, but are not limited to, substantive changes to certain definitions, the additional bonds test, the flow of funds, the rate covenant, the process for adopting supplemental resolutions, the amendment and bondholder consent process, various covenants, treatment and release of certain revenues. For these Consent Amendments to become effective, the Aviation Authority, among other things, was required to receive consent from a simple majority of the Bondholders. Effective May 1, 2017, the Authority received all required consents, including positive consent from 51% of the outstanding bondholders, necessary to make effective the Amended and Restated Bond Resolution dated September 16, 2015. These amendments made changes to the then existing bond resolution, including but not limited to creating a Secondary Subordinated Indebtedness lien category and allowing available PFC Revenues to be used to offset PFC debt service when calculating debt service coverage. Pursuant to the Amended and Restated Bond Resolution, the revisions regarding PFC offset and rate covenant shall be operative for the entire Fiscal Year in which the effective date of the Consent Amendments occur.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

11. NONCURRENT LIABILITIES (continued)

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

Airport Facilities Revenue Bonds

The Authority has pledged future airport revenues, net of specified operating expenses, to repay \$2.0 billion in Airport Facilities Revenue Bonds issued from 1998 to 2017. Proceeds from the bonds provided financing for various airport capital projects and refundings for previously issued debt. The bonds are payable solely from the airport system revenues and are payable through the year 2053. The Authority has agreed to maintain rates and charges each year to provide net revenues, as defined in the applicable bond agreements, equal to at least 1.25 times the sum of the aggregate debt service on senior lien bonds each fiscal year, at least 1.10 times the aggregate annual subordinated debt, and at least 1.00 time on all other debt. Total principal and interest remaining on the bonds as of September 30, 2018 is \$3.5 billion with annual requirements ranging from \$177.1 million due in fiscal year 2019 to \$59.1 million in the final year, with the highest requirement of \$179.2 million in fiscal year 2020. For the twelve month period ended September 30, 2018, principal and interest requirements were \$133.8 million. The total airport net revenues pledged for the year were \$290.5 million. This represents \$259.6 million in airport net revenues as calculated per the bond resolution as amended and restated on September 16, 2015 and \$30.9 million of available PFC revenues as a direct offset of PFC debt service as required under the bond resolution as amended and restated on September 16, 2015.

Senior Lien Bonds:

\$46,640,000 Airport Facilities Refunding Revenue Bonds, Series 1998, dated August 15, 1998 of which \$42,530,000 Serial Bonds due October 1 of each year beginning 1999 through 2013; and \$4,110,000 Term Bonds due October 1, 2017. Coupon interest rate range from 4.00% to 5.50% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, the unamortized premium is \$0. These bonds, along with Authority funds, refunded \$47,574,000 of the 1995 swap termination agreement. The Airport Facilities Refunding Revenue Bonds, Series 1998, were paid off as of October 2, 2017.

\$141,485,000 Airport Facilities Refunding Revenue Bonds, Series 2007A (AMT), dated August 9, 2007, of which a portion is due October 1 of each year beginning in 2012 through 2023. Coupon interest rate range from 4.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium is \$0 and \$36,000. These bonds, along with Authority funds, refunded \$143,800,000 of the Airport Facilities Revenue Bonds, Series 1997.

\$248,070,000 Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT), dated March 31, 2008, of which a portion is due October 1 of each year beginning in 2009 through 2018. Coupon interest rate range from 5.00% to 5.25% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium of \$0 and \$153,000. These bonds, along with Authority funds, refunded \$282,325,000 of the Airport Facilities Variable Rate Subordinated Revenue Refunding Bonds, Series 1998 A, B, C and D.

\$98,550,000 Airport Facilities Refunding Revenue Bonds, Series 2009A (AMT), dated June 16, 2009, of which \$79,130,000 is due October 1 of each year beginning in 2015 through 2021; \$19,420,000 in Term Bonds due October 1, 2023. Coupon interest rate range from 5.50% to 6.25% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium is \$173,000 and \$250,000. These bonds, along with Authority funds, refunded \$113,450,000 of the Airport Facilities Variable Rate Revenue Refunding Bonds, Series 2002E.

\$87,110,000 Airport Facilities Revenue Bonds, Series 2009C, dated December 17, 2009 of which \$43,630,000 Serial Bonds due October 1 of each year beginning in 2010 through 2029; \$19,095,000 Term Bonds due October 1, 2034; and \$24,385,000 Term Bonds due October 1, 2039. Coupon interest rate range from 2.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium is \$11,000 and \$16,000.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

11. NONCURRENT LIABILITIES (continued)

\$79,705,000 Airport Facilities Revenue Bonds, Series 2010A (NON-AMT), dated April 15, 2010, of which \$26,885,000 Serial Bonds due October 1 of each year beginning in 2014 through 2025; \$25,515,000 in Term Bonds due October 1, 2032; and \$27,305,000 in Term Bonds due October 1, 2039. Coupon interest rate range from 4.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium is \$687,000 and \$744,000.

\$84,105,000 Airport Facilities Refunding Revenue Bonds, Series 2010B (AMT), dated April 15, 2010, of which a portion is due October 1 of each year beginning in 2011 through 2018. Coupon interest rate range from 4.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium is \$0 and \$137,000. These bonds, along with an associated premium, refunded \$85,725,000 of the Airport Facilities Revenue Bonds, Series 1999A.

\$70,040,000 Airport Facilities Refunding Revenue Bonds, Series 2011B (AMT), dated September 20, 2011, of which a portion is due October 1 of each year beginning in 2019 through 2028. Coupon interest rate range from 3.25% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized discount is \$53,000 and \$60,000. These bonds refunded \$69,525,000 of the outstanding Airport Facilities Revenue Bonds, Series 1999A.

\$40,425,000 Airport Facilities Refunding Revenue Bonds, Series 2011C (NON-AMT), dated October 12, 2011, of which \$24,880,000 Serial Bonds due October 1 of each year beginning in 2013 through 2026; \$14,505,000 and \$1,140,000 Term Bonds due October 1, 2032. Coupon interest rate range from 3.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium of \$1,701,000 and \$1,922,000. These bonds, along with Authority funds, refunded \$42,710,000 of the outstanding Airport Facilities Revenue Bonds, Series 2002A.

\$67,945,000 Airport Facilities Taxable Refunding Revenue Bonds, Series 2011D, dated October 12, 2011, of which a portion is due October 1 of each year beginning in 2012 through 2024. Coupon interest rate range from 0.84% to 4.33% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$66,260,000 of the outstanding Airport Facilities Revenue Bonds, Series 2002B.

\$37,065,000 Airport Facilities Refunding Revenue Bonds, Series 2012A (AMT), dated July 3, 2012, of which a portion is due October 1 of each year beginning in 2021 through 2032. Coupon interest rate at 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium of \$1,892,000 and \$2,273,000. These bonds, along with Authority funds, refunded \$40,725,000 of the outstanding Airport Facilities Revenue Bonds, Series 2002B.

\$46,915,000 Airport Facilities Revenue Bonds, Series 2013A (AMT), dated September 19, 2013, of which a portion is due October 1 of each year beginning in 2015 through 2028. Coupon interest rate at 3.50% due semi-annually on April 1 and October 1.

\$35,895,000 Airport Facilities Refunding Revenue Bonds, Series 2013B (NON-AMT), dated September 4, 2013, of which a portion is due October 1 of each year beginning in 2014 through 2018. Coupon interest rate range from 0.63% to 2.27% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$37,965,000 of the outstanding Airport Facilities Refunding Revenue Bonds, Series 2003A.

\$214,450,000 Airport Facilities Revenue Bonds, Series 2015A (AMT), dated October 20, 2015, of which \$106,170,000 Serial Bonds due October 1 of each year beginning in 2016 through 2035; \$20,000,000 and \$27,880,000 Term Bonds due October 1, 2040 and \$60,400,000 Term Bond due October 1, 2045. Coupon interest rate range from 2.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium of \$19,194,000 and \$20,341,000.

\$80,200,000 Airport Facilities Revenue Bonds, Series 2016A (AMT), dated October 13, 2016, of which \$56,495,000 of Serial Bonds due October 1 of each year beginning in 2019 through 2041; and \$23,705,000 of Term

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

11. NONCURRENT LIABILITIES (continued)

Bonds due October 1, 2046. Coupon interest rate at 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium is \$13,863,000 and \$14,647,000.

\$101,570,000 Airport Facilities Revenue Bonds, Series 2016B (NON-AMT), dated October 13, 2016, of which \$54,890,000 of Serial Bonds due October 1 of each year beginning in 2017 through 2037; \$2,500,000 and \$6,205,000 of Term Bonds due October 1, 2039, \$14,705,000 due October 1, 2042; and \$23,270,000 due October 1, 2046. Coupon interest rate range from 3.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium of \$18,469,000 and \$19,533,000.

\$71,120,000 Airport Facilities Taxable Refunding Revenue Bonds, Series 2016C, dated October 13, 2016, of which \$50,290,000 of Serial Bonds are due October 1 of each year beginning in 2017 through 2036; and \$20,830,000 in Term Bond due October 1, 2039. Coupon interest rate range from 1.07% to 3.59% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$63,065,000 of the outstanding Airport Facilities Revenue Bonds, Series 2009C. The \$63,065,000 of defeased debt is still outstanding at September 30, 2018.

\$75,000,000 Airport Facilities Taxable Refunding Revenue Bonds, Series 2016D, dated December 19, 2016, of which a portion is due October 1 of each year beginning in 2017 through 2023. Coupon interest rate at 2.26% due semi-annually on April 1 and October 1. These bonds, along with Authority funds, refunded \$72,345,000 of the outstanding Airport Facilities Refunding Revenue Bonds, 2007A.

Priority Subordinated Indebtedness:

\$76,930,000 Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2016 (AMT), dated July 12, 2016, of which a portion is due October 1 of each year beginning in 2016 through 2027. Coupon interest rate range from 1.00% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018 and 2017, respectively, the unamortized premium is \$8,094,000 and \$9,746,000.

\$923,830,000 Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2017A (AMT), dated October 3, 2017, of which a portion is due October 1 of each year beginning in 2023 through 2052. Coupon interest rates range from 3.50% to 5.00% due semi-annually on April 1 and October 1. As of September 30, 2018, the unamortized premium is \$106,392,000.

FDOT Indebtedness: On November 5, 2014 the Authority entered into a Joint Participation Agreement (JPA), as amended between the Authority and the Florida Department of Transportation (FDOT), under which the FDOT, combined with other FDOT grants will provide total funding of approximately \$211.0 million of funds, of which the Authority is required to reimburse, FDOT for \$52.7 million of the funds provided by FDOT under the JPA, and the balance will be a grant. The proceeds of the Loan will be used to pay for portions of the Intermodal Terminal Facility (ITF) that are related to the construction of the passenger rail terminal being developed as part of the ITF adjacent to the Automated People Mover system. Under the JPA the Authority is obligated to repay the FDOT Loan over a period of 18 years with no interest commencing January 1, 2020. As of September 30, 2018 and 2017, respectively, the Authority had an outstanding balance of \$48.3 million and \$42.6 million.

Pursuant to the agreement, the FDOT advance \$30 million for approximately three months cash flow needs. As of September 30, 2018 and 2017, respectively, the Authority had an outstanding balance of \$8 million and \$0 million.

Secondary Subordinated Indebtedness:

Line of Credit: In June 29, 2018, the Authority entered into a new revolving credit agreement with Wells Fargo to provide the Authority with a \$175 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was three years, with an expiration date of June 29, 2021. As of September 30, 2018, the Authority has drawn \$18,100,000 on this line of credit.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

11. NONCURRENT LIABILITIES (continued)

In July 31, 2015, the Authority entered into a revolving credit agreement with Wells Fargo to provide the Authority with a \$250 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was for three years and expired on June 29, 2018. As of September 30, 2017, the Authority has drawn \$14,500,000 on this line of credit.

In May 22, 2013, the Authority entered into a revolving credit agreement with Bank of America, N.A. to provide the Authority with a \$150 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was for three years. Effective July 18, 2014, the line of credit was increased to \$200 million. Effective March 31, 2017, the expiration date was extended to July 31, 2019. As of September 30, 2018 and 2017, respectively, the Authority has drawn \$5,000,000 and \$35,000,000 on this line of credit.

In June 29, 2018, the Authority entered into a new revolving credit agreement with Bank of America N.A. to provide the Authority with a \$75 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long term bonds and/or receipt of grants, PFCs, CFC, Authority funds and other permanent funding sources. The initial term of the line of credit was for three years, with an expiration date of June 29, 2021. As of September 30, 2018, respectively, the Authority has drawn \$18,100,000 on this line of credit.

In November 6, 2015, the Authority entered into a revolving credit agreement with PNC Bank, N.A. to provide the Authority with a \$100 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The term of the line of credit was for one year. Effective October 3, 2017, the expiration date was extended to November 6, 2018. The expiration date can be automatically renewed through October 6, 2019. As of September 30, 2018 and 2017, respectively, the Authority has drawn \$0 and \$53,000,000 on this line of credit.

Special Purpose Facilities Bonds:

\$62,800,000 Special Purpose Facilities Taxable Revenue Bonds (Rental Car Facility Project), Series 2009, dated October 7, 2009, of which a portion is due October 1 of each year beginning in 2010 through 2017. Coupon interest rate range from 2.14% to 5.47% due semi-annually on April 1 and October 1. The Special Purpose Facilities Taxable Revenue Bonds (Rental Car Facility Project), Series 2009, were paid off on October 1, 2017.

Customer Facility Charge Taxable Revenue Note:

On March 21, 2018, the Authority authorized the \$160,000,000 Taxable Revenue note (CFC Ground Transportation Project) Series 2018, dated March 29, 2018, the proceeds of which can be drawn over an 18 month period. At September 30, 2019, the entire \$160 million must be drawn. The coupon interest rate is 3.48% due semi-annually on April 1 and October 1.

The Authority has pledged future customer facility charges revenue to repay \$160.0 million in Taxable Revenue Note (CFC Ground Transportation Project) issued in 2018. Proceeds from the note provided financing for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating and maintaining the Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance. The Series 2018 Note is payable solely from the Customer Facility Charges and are payable on April 1 and October 1 beginning April 1, 2020, through the year 2027.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

12. CONDUIT DEBT OBLIGATIONS

As of September 30, 2018 and 2017, the Authority has outstanding the following series of conduit debt obligations (in thousands):

	<u>2018</u>	<u>2017</u>
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. The Bonds are scheduled to mature October 1, 2023 (\$11,905) and October 1, 2035 (\$6,380).	\$ 18,285	\$ 18,285
Special Purpose Facilities Revenue Bonds issued to provide for the acquisition, construction and equipping of a corporate training facility and an aircraft maintenance hangar facility; payable solely from a pledge of lease payments to be received from the lease agreement and secured by the Leasehold Mortgage. The Bonds are scheduled to mature November 15, 2026 (\$12,665) and November 15, 2036 (\$29,655).	42,320	42,320

These bonds are special limited obligations of the Authority, payable as described above. The bonds do not constitute a debt, liability or obligation of the Authority, the City of Orlando, or the State of Florida or any political subdivisions thereof and accordingly have not been reported in the accompanying financial statements.

13. DEFERRED AMOUNT ON REFUNDING OF BONDS

On October 13, 2016, the Authority issued \$71.1 million in Airport Facilities Taxable Refunding Revenue Bonds, Series 2016C (the "Series 2016C Bonds") with a true interest rate of 3.26%. From the \$71.1 million issuance and the \$0.3 million of Authority funds, \$70.7 million was deposited into the BNY Mellon escrow account to refund in advance the outstanding \$70.7 million of the Airport Facilities Revenue Bonds, Series 2009C. The remaining Series 2016C Bond proceeds of \$0.7 million were used to pay related issuance costs.

The refunding resulted in a loss of \$7.6 million between the amount of the Series 2016C Bonds and the net carrying amount of the refunded bonds. This deferred loss is reported in the financial statements as a deferred outflows of resources and will be charged to operations over the life of the Series 2016C bonds using the effective-interest method. The Authority completed the advance refunding to reduce its total debt service payment over the next 23 years by approximately \$7.6 million and to obtain an economic gain (difference between the present values of the defeased and new debt service payments) of approximately \$5.4 million.

On December 19, 2016, the Authority issued \$75.0 million in Airport Facilities Taxable Refunding Revenue Bonds, Series 2016D (the "Series 2016D Bonds") with a true interest rate of 2.26%. From the \$75.0 million issuance and the \$0.6 million of Authority funds, \$75.5 million was deposited into the BNY Mellon escrow account to refund in advance the outstanding \$75.5 million of the Airport Facilities Revenue Bonds, Series 2007A (AMT). The remaining Series 2016D Bond proceeds to \$0.1 million were used to pay related issuance costs.

The refunding resulted in a loss of \$1.7 million between the amount of the Series 2016D Bonds and the net carrying amount of the refunded bonds. This deferred loss is reported in the financial statements as a deferred outflows of resources and will be charged to operations over the life of the Series 2016D bonds using the effective-interest method. The Authority completed the advance refunding to reduce its total debt service payment over the next 7 years by approximately \$6.3 million and to obtain an economic gain (difference between the present values of the defeased and new debt service payments) of approximately \$5.3 million.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

13. DEFERRED AMOUNT ON REFUNDING OF BONDS (continued)

At September 30, 2018, the Authority reported long term debt deferred loss from the following bonds:

	2018	2017
Long Term Debt Deferred Loss (Gain):		
Series 1998	\$ -	\$ 328
Series 2007A	-	11
Series 2008B	-	436
Series 2009A	1,419	2,152
Series 2010B	-	44
Series 2011B	180	204
Series 2011C	1,031	1,165
Series 2011D	630	1,002
Series 2012A	229	275
Series 2013B	-	(21)
Series 2016C	6,630	7,099
Series 2016D	892	1,343
Total Long Term Debt Net Deferred Loss	<u>\$ 11,011</u>	<u>\$ 14,038</u>

14. BOND ISSUANCE (OTHER THAN REFUNDING ISSUES)

On March 29, 2018, the Authority issued \$160 million in Taxable Revenue Note (CFC Ground Transportation Project), Series 2018 (the "Series 2018 Note") with an interest rate of 3.48%. This debt is structured as a drawdown note, with the full amount to be drawn by October 1, 2019. Therefore, the timing and amount of draws will be variable, and thus true interest rate over the life of the debt obligation, is indeterminable. The Series 2018 Note was issued for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating and maintaining the CFC Ground Transportation Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance. The average life of the Series 2018 Note is 9.01 years. As of September 30, 2018, the Authority has drawn \$13.6 million.

On October 3, 2017, the Authority issued \$923.8 million in Priority Subordinated Airport Facilities Revenue Bonds, Series 2017A (AMT) (the "Series 2017A Bonds") with a true interest cost of 3.88%. The Series 2017A Bonds were issued for the purpose of providing funds to finance costs of a portion of the South Terminal Complex, pay certain draws on lines of credit totaling \$102.5 million used to finance a portion of the costs of the South Terminal Complex, establish debt service reserve funds for the Series 2017A bonds, pay capitalized interest, and certain costs of issuance. The average life of the Series 2017A Bonds is 24.65 years.

On October 13, 2016 the Authority issued \$80.2 million in Airport Facilities Revenue Bonds, Series 2016A (AMT) (the "Series 2016A Bonds") with a true interest rate of 3.60%. The Series 2016A were issued for the purpose of providing funds to finance a portion of the costs of various capital improvements projects (2016 Project); fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account; pay capitalized interest on the Series 2016A; repay draws made on existing lines of credit; and pay certain costs of issuance of the Series 2016A.

On October 13, 2016 the Authority issued \$101.6 million in Airport Facilities Revenue Bonds, Series 2016B (NON-AMT) (the "Series 2016B Bonds") with a true interest rate of 3.40%. The Series 2016B Bonds were issued for the purpose of providing funds to finance a portion of the costs of various capital improvements projects (2016 Project); fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account; pay capitalized interest on the Series 2016B; repay draws made on existing lines of credit; and pay certain costs of issuance of the Series 2016B.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

15. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets and liabilities, the Authority separately reports deferred outflows of resources and deferred inflows of resources, respectively. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows has a positive effect on net position, similar to assets. Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period. Deferred inflows has a negative effect on net position, similar to liabilities.

At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources from the following:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
GOAA Defined Benefit Pension Plan	\$ 7,330	\$ 6,658
Florida Retirement System Defined Benefit Plan	6,953	1,258
Florida Retirement System Health Insurance Subsidy Plan	495	217
Other Post-Employment Benefits	3,136	3,077
Long Term Debt Deferred Loss	11,011	-
Total Deferred Outflows of Resources	\$ 28,925	\$ 11,210

At September 30, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources from the following:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
GOAA Defined Benefit Pension Plan	\$ 15,163	\$ 2,581
Florida Retirement System Defined Benefit Plan	6,100	689
Florida Retirement System Health Insurance Subsidy Plan	343	163
Other Post-Employment Benefits	4,362	1,176
Long Term Debt Deferred Loss	14,038	-
Total Deferred Outflows of Resources	\$ 40,006	\$ 4,609

16. CAPITAL CONTRIBUTIONS

Grants and other contributions used to acquire capital assets are classified as capital contributions in the Statements of Revenues, Expenses, and Changes in Net Position. Capital contributions consisted of the following at September 30, 2018 and 2017 (in thousands):

	2018	2017
Federal Grants	\$ 23,716	\$ 16,860
State of Florida Grants/Other Grants	35,721	81,721
Total Capital Contributions	\$ 59,437	\$ 98,581

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

17. AIRLINE RATES BY RESOLUTION

Effective November 1, 2013, the Authority began operating under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions For the Use Of Facilities And Services At Orlando International Airport, adopted by the Authority Board October 16, 2013 and amended and restated as of August 10, 2016 (the “Resolution”).

The Resolution, which has no expiration date, provides for a compensatory rate-making methodology for use of the terminal facilities, including certain activity based charges for use of the baggage system, and a residual rate-making methodology to establish landing fees for the use of the airfield. Any airline may commit to use certain terminal space on an exclusive or preferential basis and, as a result, pay a fixed monthly charge for such space. Otherwise, airlines pay for terminal space assigned by the Authority on a per use basis.

Effective November 1, 2013, airlines had the option to sign a Rate and Revenue Sharing Agreement (“Rate Agreement”), whereby the airline affirmatively agreed to the Resolution and the rate-setting methodology therein, and further agreed not to challenge the rates and charges calculated under the Resolution’s rate-setting methodology through any judicial or regulatory process throughout the term of the agreement which expired on September 30, 2016. The Authority entered into a new three year rate agreement with Participating Airlines effective October 1, 2016. Airlines that sign, and comply with the terms of a Rate Agreement with the Authority are entitled to share in certain revenues remaining after the payment of all Authority debt service and operating expenses, including fund deposit requirements (“Net Remaining Revenue”). The Authority receives the first \$65 million of Net Remaining Revenues for FY 2017, 2018 and 2019, with participating airlines sharing in a pool of 65% of all Net Remaining Revenues in excess of the first \$65 million up to \$39 million for FY 2017, \$40 million for FY 2018, and \$58 million for FY 2019, 100% of the next \$10 million of remaining revenues and then 65% of all remaining revenues.

18. OUTSTANDING CONTRACTS

As of September 30, 2018, the Authority had entered into construction contracts totaling approximately \$3.3 billion for construction, engineering services and equipment, approximately \$1.3 billion of which remains unincurred. Grants, passenger facility charges and customer facility charges will be utilized to fund a portion of these projects.

19. COMMITMENTS AND CONTINGENCIES

Grants: The Authority receives grants from federal and state assistance programs. Amounts received or receivable under these programs are subject to audit and adjustment. The amount, if any, of disallowed claims, including amounts already collected, cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

City of Orlando: The Operation and Use Agreement with the City of Orlando (Note 2) provided for certain future payments by the Authority to the City of Orlando in the amount of \$2.0 million in total plus 6% interest. The Agreement provides that all principal payments will be deferred and interest payments will be abated during the full term of airport revenue bonds issued for the construction of major new terminal facilities, runways or appurtenances at Orlando International Airport. It is improbable that this liability and related interest will be paid since the term of the revenue bonds issued for such items and the outstanding revenue bonds balance will extend beyond the terms of the Agreement. As of September 30, 2018, 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. This contingent liability of the Authority amounted to approximately \$0 and \$425,000 as of September 30, 2018 and 2017 respectively.

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

19. COMMITMENTS AND CONTINGENCIES (continued)

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

The Authority has completed the wetland mitigation activities for mitigation enhancements projects at the site of the Disney Wilderness Preserve and Heintzelman Boulevard Extension. The mitigation was for wetland impacts to areas associated with the future South Terminal and Fourth Runway and related development areas. The mandated agency success criteria has been achieved and long term maintenance endowments have been fully funded. In 2011, the Authority completed the purchase of approximately \$11.5 million in mitigation credits from approved mitigation banks to offset proposed impacts to the East Airfield development area. Unlike the mitigation projects discussed previously, such purchases satisfy permit requirements and do not require ongoing endowments. The mitigation banks assume the full responsibility to complete the off-site mitigation improvements. On May 21, 2018, the Authority purchased \$195 thousand in mitigation credits from approved mitigation banks to offset proposed impacts to the Heintzelman Boulevard Extension.

Construction Disputes: The Authority is aware of a dispute with a contractor arising from the construction of improvements at Orlando International Airport. The contractor has filed a lawsuit resulting from a delay and impact claim against the Authority in the aggregate amount of approximately \$17,100,000 in addition to a separate delay claim in the amount of approximately \$96,000. The Authority vigorously contests both claims. Additionally, it is too early to evaluate any potential loss arising from the claims. As a result, no amounts have been recognized in the financial statements arising from these claims.

Concentration of Revenues: The Authority leases facilities to the airlines pursuant to the Resolution (see Note 17) and to other businesses to operate concessions at the Authority. For fiscal years ended September 30, 2018 and 2017, revenues realized from the following sources exceeded 5% of the Authority's total operating revenues:

	<u>2018</u>	<u>2017</u>
Southwest Airlines Co.	7.85 %	8.06 %
Enterprise Leasing Co. of Orlando	7.43	7.70
Delta Air Lines	5.22	5.19

(Remainder of this page intentionally left blank)

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

20. ENVIRONMENTAL LIABILITIES

The Authority has certain polluted sites primarily from chemical and fuel spills, asbestos, and former landfills whereas the Authority is named or will be named a responsible or potentially responsible party or where pollution remediation has already commenced with monitoring being completed as necessary. The Authority recorded a pollution remediation liability as of October 1, 2008, measured at \$2.2 million, using the expected cash flow technique. Under this technique, the Authority estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts. The possibility of recovery of some of these costs from outside governmental funding or other parties exists; however, the Authority only recognizes these recoveries in the financial statements as they become probable. A summary of the changes in liability for the year ended September 30, 2018 and 2017, is as follows (in thousands):

	Balance October 1 2017	Additions or Adjustments	Payments Current Year	Balance September 30, 2018
Pollution remediation liability	\$ 2,251	\$ 264	\$ (243)	\$ 2,272
Unrealized recoveries	-	-	-	-
Net Pollution Remediation Liability	<u>\$ 2,251</u>	<u>\$ 264</u>	<u>\$ (243)</u>	<u>\$ 2,272</u>

Reported as follows (shown in Current
Accrued Liabilities and Other
Long-Term Liabilities):

Due within one year	\$ 589	\$ 295	\$ (243)	\$ 641
Due after one year	<u>1,662</u>	<u>(31)</u>	<u>-</u>	<u>1,631</u>
Net Pollution Remediation Liability	<u>\$ 2,251</u>	<u>\$ 264</u>	<u>\$ (243)</u>	<u>\$ 2,272</u>

Realized Recoveries (shown in Cash
and Cash Equivalents)

	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ 1</u>

	Balance October 1 2016	Additions or Adjustments	Payments Current Year	Balance September 30, 2017
Pollution remediation liability	\$ 2,796	\$ 168	\$ (713)	\$ 2,251
Unrealized recoveries	-	-	-	-
Net Pollution Remediation Liability	<u>\$ 2,796</u>	<u>\$ 168</u>	<u>\$ (713)</u>	<u>\$ 2,251</u>

Reported as follows (shown in Current
Accrued Liabilities and Other
Long-Term Liabilities):

Due within one year	\$ 1,070	\$ 232	\$ (713)	\$ 589
Due after one year	<u>1,726</u>	<u>(64)</u>	<u>-</u>	<u>1,662</u>
Net Pollution Remediation Liability	<u>\$ 2,796</u>	<u>\$ 168</u>	<u>\$ (713)</u>	<u>\$ 2,251</u>

Realized Recoveries (shown in Cash
and Cash Equivalents)

	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ 9</u>

GREATER ORLANDO AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2018 and 2017

20. ENVIRONMENTAL LIABILITIES (continued)

The Authority has certain land sites that are being evaluated for potential remediation, in accordance with GASB 49, or are in the post-remediation stage with monitoring being completed as necessary.

In addition, the Authority has a polluted site from chemical and fuel spills, whereas the Authority is involved in litigation at Orlando International Airport. The liabilities associated with these sites are not reasonably estimable and, as such are not recorded in the financial statements.

21. SUBSEQUENT EVENTS

As of February 21, 2019, the Authority has drawn an additional \$18,000,000 on the Wells Fargo revolving line of credit entered into on June 29, 2018. Therefore, the total drawn on this line of credit as of February 21, 2019 is \$36,100,000.

As of February 21, 2019, the Authority has drawn an additional \$8,900,000 on the \$160,000,000 Taxable Revenue note (CFC Ground Transportation Project) Series 2018 which is structured as a drawdown loan. Therefore, the principal and interest outstanding on this note as of February 21, 2019 has increased to \$22,600,000.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years (1)
(in thousands)

Fiscal Year Measurement Date	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014	9/30/2014 9/30/2013	9/30/2013 9/30/2012
Total Pension Liability						
Service Cost	\$ 1,234	\$ 1,405	\$ 1,606	\$ 1,675	\$ 1,562	\$ 1,456
Interest	9,541	9,210	8,964	8,642	8,296	7,934
Changes of benefit terms	-	465	-	-	-	-
Difference in Expected versus Actual Experience	(534)	1,789	(651)	-	-	-
Changes of assumptions	-	4,868	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(8,207)	(7,440)	(6,162)	(5,436)	(4,962)	(4,044)
Net Change in Pension Liability	2,034	10,297	3,757	4,881	4,896	5,346
Total Pension Liability Beginning	139,178	128,881	125,124	120,243	115,347	110,001
Total Pension Liability Ending (a)	<u>\$ 141,212</u>	<u>\$ 139,178</u>	<u>\$ 128,881</u>	<u>\$ 125,124</u>	<u>\$ 120,243</u>	<u>\$ 115,347</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 5,446	\$ 6,198	\$ 6,970	\$ 7,565	\$ 7,366	\$ 5,314
Contributions - Other	-	-	-	-	4	-
Contributions - Employee	-	-	-	-	113	-
Net Investment Income	15,754	9,033	(2,200)	9,698	12,221	13,828
Benefit Payments, Including Refunds of Employee Contributions	(8,207)	(7,440)	(6,162)	(5,436)	(4,962)	(4,044)
Administrative Expense	(22)	(40)	(37)	(24)	(47)	(45)
Net Change in Plan Fiduciary Net Position	12,971	7,751	(1,429)	11,803	14,695	15,053
Plan Fiduciary Net Position - Beginning	122,964	115,213	116,642	104,839	90,144	75,091
Plan Fiduciary Net Position - Ending (b)	<u>\$ 135,935</u>	<u>\$ 122,964</u>	<u>\$ 115,213</u>	<u>\$ 116,642</u>	<u>\$ 104,839</u>	<u>\$ 90,144</u>
Net Pension Liability	<u>\$ 5,277</u>	<u>\$ 16,214</u>	<u>\$ 13,668</u>	<u>\$ 8,482</u>	<u>\$ 15,404</u>	<u>\$ 25,203</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.26 %	88.35 %	89.39 %	93.22 %	87.19 %	78.15 %
Covered Payroll	\$ 7,150	\$ 8,080	\$ 9,142	\$ 10,709	\$ 10,828	\$ 11,443
Net Pension Liability as a Percentage of Covered Payroll	73.80 %	200.67 %	149.51 %	79.20 %	142.26 %	220.25 %

(1) This schedule is intended to present 10 years of data, currently, only those years with information available are presented.

**GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)**

	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 3,071	\$ 4,446	\$ 5,197	\$ 5,969	\$ 6,565
Contributions in Relation to the Actuarially Determined Contributions	<u>3,071</u>	<u>5,446</u>	<u>6,197</u>	<u>6,969</u>	<u>7,565</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
Covered Payroll	\$ 7,715	\$ 7,612	\$ 8,080	\$ 9,142	\$ 10,709
Contributions as a percentage of covered payroll	39.81 %	71.54 %	76.70 %	76.23 %	70.64 %

Notes to Schedule

Valuation Date: 10/1/2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method: Entry Age Normal

Actuarial Asset Method: All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five years period.

Mortality: RP-2000 Combined Healthy Table (sex distinct) with fully generational mortality

Interest Rate: 7.00% per year compounded annually, net of investment related expenses.

Normal Retirement Age: Below are the rates assumed once the Member has attained normal retirement eligibility:

Net Pension Liability as a Percentage of Covered Payroll:	<u>Number of Years Following NR Age</u>	<u>Age 65 with 7 Years Service</u>	<u>25 Years of Service</u>
	0	25%	50%
	1	20%	60%
	2	20%	70%
	3	20%	80%
	4	20%	90%
	5	100%	100%

**GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)**

	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2009</u>
Actuarially Determined Contribution	\$ 6,470	\$ 5,314	\$ 5,347	\$ 5,770	\$ 5,368
Contributions in Relation to the Actuarially Determined Contribution	<u>7,366</u>	<u>5,314</u>	<u>5,347</u>	<u>5,770</u>	<u>5,368</u>
Contribution Deficiency (Excess)	<u>\$ (896)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,828	\$ 11,443	\$ 11,913	\$ 12,371	\$ 12,761
Contributions as a percentage of covered payroll	68.03 %	46.44 %	44.88 %	46.64 %	42.07 %

Early Retirement Age:

Upon attaining early retirement eligibility, members are assumed to retire 10% at the first year of eligibility, and 5% for each subsequent year prior to normal retirement thereafter.

Disability Rate:

Members are assumed to become disabled at varying rates based on age and gender.
Sample rates as follows:

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
35	0.090%	0.158%
40	0.137%	0.276%
45	0.241%	0.418%
50	0.443%	0.597%
55	0.758%	0.744%
60	1.361%	1.247%

Termination Rate:

Members are assumed to terminate employment prior to retirement at varying rates based on age.
Sample rates are as follows:

<u>Age</u>	<u>Rate</u>
35	6.0%
40	4.5%
45	3.0%
50	1.5%
55	0.0%
60	0.0%

Salary Increases:

5% per year until the assumed retirement age

Payroll Growth:

N/A

Marital Status:

100% of active members are assumed to be married.
Additionally, male spouses are assumed to be three years older than female spouses.

**GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
MULTIPLE-EMPLOYER PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Fiscal Years (1)
(in thousands)**

	FRS Plan				
	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.044420507 %	0.040634130 %	0.039587447 %	0.035205549 %	0.034121231 %
Proportionate share of the net pension liability (asset)	\$ 13,380	\$ 12,019	\$ 9,996	\$ 4,547	\$ 2,082
Covered payroll	\$ 6,628	\$ 5,713	\$ 5,573	\$ 5,214	\$ 4,857
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	201.87 %	210.38 %	179.36 %	87.21 %	42.87 %
Plan fiduciary net position as a percentage of the total pension liability (2)	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

(2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Comprehensive Annual Financial Report.

**Multi-Employer Pension Plan
Schedule of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)
(in thousands)**

	HIS Plan				
	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.019114604 %	0.017240683 %	0.016983689 %	0.016908717 %	0.016348268 %
Proportionate share of the net pension liability (asset)	\$ 2,023	\$ 1,843	\$ 1,979	\$ 1,724	\$ 1,528
Covered- payroll	\$ 6,628	\$ 5,713	\$ 5,573	\$ 5,214	\$ 4,857
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	30.52 %	32.26 %	35.51 %	33.06 %	31.46 %
Plan fiduciary net position as a percentage of the total pension liability (2)	2.15 %	1.64 %	0.97 %	0.50 %	0.99 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

(2) The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the FRS Comprehensive Annual Financial Report.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
MULTIPLE-EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS (1)
Last 10 Fiscal Years
(in thousands)

FRS Plan

	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,266	\$ 1,058	\$ 965	\$ 858	\$ 747
Contributions in Relation to the Actuarially Determined Contributions	<u>1,266</u>	<u>1,058</u>	<u>965</u>	<u>858</u>	<u>747</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	6,628	5,593	5,357	5,130	4,857
Contributions as a percentage of covered payroll	19.10 %	18.92 %	18.01 %	16.73 %	15.38 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

Multi-Employer Pension Plan - FRS
Schedule of Contributions
Last 10 Fiscal Years (1)
(in thousands)

HIS Plan

	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 104	\$ 91	\$ 87	\$ 64	\$ 56
Contributions in Relation to the Actuarially Determined Contributions	<u>104</u>	<u>91</u>	<u>87</u>	<u>64</u>	<u>56</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	6,628	5,593	5,357	5,130	4,857
Contributions as a percentage of covered payroll	1.57 %	1.63 %	1.62 %	1.25 %	1.15 %

(1) GASB 68 requires information for 10 years. However, only the information currently available is presented.

**GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)**

	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Actuarially Determined Contribution	\$ 1,854	\$ 2,441	\$ 1,571	\$ 1,773	\$ 2,073
Contributions in Relation to the Actuarially Determined Contribution	1,854	2,441	2,216	3,024	3,890
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (645)</u>	<u>\$ (1,251)</u>	<u>\$ (1,817)</u>
Covered Payroll	\$ 43,723	\$ 41,412	\$ 38,901	\$ 36,934	\$ 35,067
Contributions as a percentage of covered payroll	4.24 %	5.89 %	5.70 %	8.19 %	11.09 %

Notes to Schedule

Valuation Date: 10/1/2017

Actuarially determined contribution rates shown above are calculated as of October 1, 2016 for the plan/fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Plan/Fiscal Year End:	9/30/2017
Funding Method:	Entry Age Cost Method (Level Percentage of Pay)
Actuarial Value of Assets:	Market Value
Mortality Rate:	Healthy Lives Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB Male: RP2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB Disabled Lives: Female: 100% RP2000 Disabled Female set forward two years Male: 100% RP2000 Disabled Male setback for years, White Collar with no setback, no projection scale.
Discount Rate:	6.50% per year
20 Years Municipal Bond Rate:	N/A
Assumed Investment Return:	6.50% per year, net of investment expenses

(continued)

**GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years
(in thousands)**

	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>	<u>9/30/2010</u>
Actuarially Determined Contribution	\$ 2,877	\$ 3,889	\$ 5,580	\$ 7,432
Contributions in Relation to the Actuarially Determined Contribution	<u>5,640</u>	<u>5,640</u>	<u>27,312</u>	<u>1,103</u>
Contribution Deficiency (Excess)	<u>\$ (2,763)</u>	<u>\$ (1,751)</u>	<u>\$ (21,732)</u>	<u>\$ 6,329</u>
Covered Payroll	\$ 34,028	\$ 32,957	\$ 31,866	\$ 32,526
Contributions as a percentage of covered payroll	16.57 %	17.11 %	85.71 %	3.39 %

Retirement Rates:	<u>Age</u>	<u>Retirement Rate</u>
	55-60	15%
	61-64	10%
	65-69	20%
	70	100%

Termination Rates:	<u>Age</u>	<u>Retirement Rate</u>
	25	5.29%
	30	5.07%
	35	4.70%
	40	3.50%
	45	1.77%
	50	0.41%
	55+	0.00%

Payroll Growth: 0.00% per year

Inflation: 3.00% per year

Salary Increase: 4.25% per year

Administrative Expenses: Included in medical claims

Marital Status: 80% assumed married, with male spouses 3 years older than female spouses.

GREATER ORLANDO AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SINGLE-EMPLOYER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(in thousands)

Fiscal Year	9/30/2018	9/30/2017	9/30/2016
Measurement Date	9/30/2017	9/30/2016	9/30/2015
Total OPEB Liability			
Service Cost	\$ 1,424	\$ 1,366	\$ 1,310
Interest	4,180	3,948	3,719
Change of benefit terms	-	-	-
Difference in Expected versus Actual Experience	-	-	-
Changes of assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,864)	(1,702)	(1,447)
Net Change in Pension Liability	3,740	3,612	3,582
Total OPEB Liability Beginning	63,812	60,200	56,618
Total OPEB Liability Ending (a)	<u>\$ 67,552</u>	<u>\$ 63,812</u>	<u>\$ 60,200</u>
Plan Fiduciary Net Position			
Contributions – Employer	\$ 2,440	\$ 2,216	\$ 3,024
Net Investment Income	6,258	4,609	(87)
Benefit Payments	(1,882)	(1,702)	(1,447)
Other Income	18	38	-
Administrative Expense	-	-	-
Net Change in Plan Fiduciary Net Position	6,834	5,161	1,490
Plan Fiduciary Net Position – Beginning	53,788	48,627	47,137
Plan Fiduciary Net Position – Ending (b)	<u>\$ 60,622</u>	<u>\$ 53,788</u>	<u>\$ 48,627</u>
Net OPEB Liability	<u>\$ 6,930</u>	<u>\$ 10,024</u>	<u>\$ 11,573</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	89.74%	84.29%	80.78%
Covered Payroll	\$ 41,412	\$ 38,901	\$ 36,934
Net Pension Liability as a Percentage of Covered Payroll	16.73%	25.77%	31.33%

(1) This schedule is intended to present 10 years of data, currently, only those years with information available are presented.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

FORM OF CO-BOND COUNSEL OPINION

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

FORM OF OPINIONS OF NABORS, GIBLIN & NICKERSON, P.A. AND D. SEATON AND ASSOCIATES, P.A. WITH RESPECT TO THE SERIES 2019A BONDS

Upon delivery of the Series 2019A Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida and D. Seaton and Associates, P.A., Orlando, Florida, Co-Bond Counsel, propose to render their respective opinions in relation to such Series 2019A Bonds in substantially the following form:

[Closing Date]

Greater Orlando Aviation Authority
Orlando, Florida

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$1,135,370,000 Greater Orlando Aviation Authority Airport Facilities Revenue Bonds, Series 2019A (AMT) of the City of Orlando, Florida (the "Series 2019A Bonds").

The Series 2019A Bonds are issued under and pursuant to the Greater Orlando Aviation Authority Act, Chapter 98-492, Laws of Florida, as amended (the "Act"), and the Amended and Restated Airport Facilities Revenue Bond Resolution, adopted by the governing board of the Greater Orlando Aviation Authority (the "Authority") on September 16, 2015, and effective on May 1, 2017, as amended and supplemented from time to time, particularly as supplemented by the Authority's Resolution Authorizing the Issuance and Sale of Airport Facilities Revenue Bonds, Series 2019A (AMT), adopted on August 28, 2019, and approved by the City Council of the City of Orlando, Florida (the "City") on September 16, 2019 (collectively, the "Bond Resolution"). Capitalized but undefined terms used herein shall have the meanings assigned thereto in the Bond Resolution.

The Series 2019A Bonds are dated and shall bear interest from the date hereof, except as otherwise provided in the Bond Resolution. The Series 2019A Bonds will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, as provided in the Bond Resolution and the Bond Purchase Agreement

relating to the sale of the Series 2019A Bonds (the "Bond Purchase Agreement"). Interest on the Series 2019A Bonds shall be payable on April 1 and October 1 of each year, commencing on April 1, 2020. The Series 2019A Bonds are subject to redemption prior to maturity in accordance with the terms of the Bond Resolution and the Bond Purchase Agreement.

The Series 2019A Bonds are being issued for the principal purposes of providing funds to: (a) finance a portion of the costs associated with the 2019 Project; (b) refinance certain draws on various Lines of Credit; (c) make a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal the Composite Reserve Requirement; (d) pay capitalized interest on a portion of the Series 2019A Bonds; and (e) pay certain costs of issuance with respect to the Series 2019A Bonds.

As to questions of fact material to our opinion, we have relied upon the representations of the Authority contained in the Bond Resolution and in the certified proceedings relating thereto and to the issuance of the Series 2019A Bonds and other certifications of public officials furnished to us in connection therewith without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2019A Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. We have also relied upon the opinion of Nelson Mullins Riley & Scarborough LLP as to the due creation and valid existence of the Authority and the opinion of the Office of Legal Affairs of the City as to the due adoption by the City of its approving resolution.

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

1. The Authority is a duly created and validly existing agency of the City under the provisions of the Act.

2. The Authority has the right and power under the Act and the Constitution and Laws of the State of Florida to adopt the Bond Resolution, and the Bond Resolution has been duly and lawfully adopted by the Authority and approved by the City, is in full force and effect in accordance with its terms and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Bond Resolution is required. The Bond Resolution creates the valid pledge which it purports to create of the Pledged Funds (as such term is defined in the Bond Resolution), subject to

the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution.

3. The Authority is duly authorized and entitled to issue the Series 2019A Bonds, and the Series 2019A Bonds have been duly and validly authorized and issued by the Authority in accordance with the Act and the Constitution and Laws of the State of Florida and the Bond Resolution. The Series 2019A Bonds constitute valid and binding obligations of the Authority as provided in the Bond Resolution, are enforceable in accordance with their terms and the terms of the Bond Resolution and are entitled to the benefits of the Bond Resolution and the laws pursuant to which they are issued. The Series 2019A Bonds are issued on parity with certain other obligations of the Authority pursuant to the terms of the Bond Resolution. The Series 2019A Bonds do not constitute a general indebtedness of the Authority, the City, the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are payable solely from the Pledged Funds in the manner and to the extent provided in the Bond Resolution. The Authority has no taxing power. The Series 2019A Bonds are not secured by a lien on the Airport System (as defined in the Bond Resolution), or any other real or tangible property.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2019A Bonds is excluded from gross income for federal income tax purposes, except for any period during which a Series 2019A Bond is held by a "substantial user" of the facilities financed or refinanced with proceeds of the Series 2019A Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Such interest on the Series 2019A Bonds is an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth above are subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2019A Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2019A Bonds to be so included in gross income retroactive to the date of issuance of the Series 2019A Bonds. The Authority has covenanted in the Bond Resolution to comply with all such requirements. Ownership of the Series 2019A Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2019A Bonds.

It should be noted that (1) except as may expressly be set forth in an opinion delivered by us to the underwriters (on which opinion only they may rely) for the Series 2019A Bonds on the date hereof, we have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2019A Bonds and we express no opinion relating thereto, and (2)

we have not been engaged or undertaken to review the compliance with any federal or state law with regard to the sale or distribution of the Series 2019A Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that the enforceability of the Bond Resolution and the Series 2019A Bonds may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2019A Bonds and, in our opinion, the form of the Series 2019A Bonds is regular and proper.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE AGREEMENT

by and between

GREATER ORLANDO AVIATION AUTHORITY

and

DIGITAL ASSURANCE CERTIFICATION L.L.C.

relating to:

\$1,135,370,000

GREATER ORLANDO AVIATION AUTHORITY

AIRPORT FACILITIES REVENUE BONDS,

SERIES 2019A (AMT)

OF THE CITY OF ORLANDO, FLORIDA

Dated October 3, 2019

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") dated October 3, 2019, is executed and delivered by the **GREATER ORLANDO AVIATION AUTHORITY**, an agency of the City of Orlando, Florida (the "Authority") and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, a limited liability company duly organized and existing under the laws of the State of Florida, and any successor dissemination agent serving hereunder pursuant to Section 11 hereof (the "Dissemination Agent" or "DAC").

RECITALS:

A. Contemporaneously with the execution and delivery of this Disclosure Agreement, the Authority issued \$1,135,370,000 in original aggregate principal amount of its Airport Facilities Revenue Bonds, Series 2019A (AMT) of the City of Orlando, Florida (the "Series 2019A Bonds"), pursuant to Chapter 57-1658, Special Laws of Florida 1957 which was subsequently repealed, re-codified and amended by Chapter 98-492, Special Laws of Florida 1998, as amended, and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution, authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida adopted by the governing board of the Authority (the "Board"), on September 16, 2015, having an effective date of May 1, 2017 as may be further restated, supplemented and amended, from time to time (the "Amended and Restated Bond Resolution"), and as specifically supplemented by that certain Supplemental Airport Facilities Revenue Bond Resolution authorizing the issuance of the Series 2019A Bonds, adopted by the Authority on **August 28, 2019** (the "2019A Supplemental Resolution" and together with the Amended and Restated Bond Resolution, the "Bond Resolution").

B. The Series 2019A Bonds are being issued for the purposes of providing funds to: (a) finance a portion of the costs associated with the 2019 Project; (b) refinance certain draws made on certain of the Existing Lines of Credit; the proceeds of which were used to finance a portion of the costs of the 2019 Project and associated accrued interest; (c) fund a deposit to the Composite Reserve Subaccount of the Debt Service Reserve Account to bring the balance therein equal the Composite Reserve Requirement; (d) pay capitalized interest on a portion of the Series 2019A Bonds; and (e) pay certain costs of issuance of the Series 2019A Bonds.

C. The Authority has authorized the preparation and distribution of the Preliminary Official Statement dated September 10, 2019 with respect to the Series 2019A 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 the Rule (as defined herein).

D. Upon the initial sale of the Series 2019A Bonds to the Participating Underwriter (as defined herein), the Authority authorized the preparation and distribution of the Official Statement dated September 20, 2019 with respect to the Series 2019A Bonds (the "Official Statement").

E. As a condition precedent to the initial purchase of the Series 2019A Bonds by the Participating Underwriter in accordance with the terms of the Bond Purchase Agreement dated September 20, 2019 by and between the Authority and the Participating Underwriter, and in

compliance with the Participating Underwriter's obligations under the Rule (as defined herein), the Authority has agreed to undertake, for the benefit of the holders of the Series 2019A Bonds, to provide certain annual financial and operating information and notice of the occurrence of certain events on an ongoing basis for so long as the Series 2019A Bonds remain outstanding as set forth herein.

NOW THEREFORE, in consideration of the purchase of the Series 2019A Bonds by the Participating Underwriter and the mutual promises and agreements made herein, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the Authority and the Dissemination Agent do hereby certify and agree as follows:

Section 1. Incorporation of Recitals. The above recitals are true and correct and are incorporated into and made a part hereof.

Section 2. Definitions.

(a) For the purposes of this Disclosure Agreement, all capitalized terms used, but not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution and the Official Statement, as applicable.

(b) In addition to the terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Disclosure Agreement:

"Annual Filing" means any annual report provided by the Authority, pursuant to and as described in Sections 4 and 6 hereof.

"Annual Filing Date" means the date, set forth in Sections 4(a) and 4(e) hereof, by which the Annual Filing is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (f)(9) of the Rule and specified in Section 6(a) hereof.

"Audited Financial Statements" means the financial statements of the Authority for the prior Fiscal Year, certified by an independent auditor and prepared in accordance with generally accepted accounting principles, as in effect from time to time, and audited by an independent certified public accountant in conformity with generally accepted accounting principles, as modified by applicable State of Florida requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board.

"Beneficial Owner" means any beneficial owner of the Series 2019A Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday or a Sunday; (b) a day on which the City is authorized or required to be closed; or (c) a day on which banks are authorized or required by law to close.

"Disclosure Representative" means the Chief Financial Officer of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

"Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as initial Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority pursuant to Section 11 hereof.

"EMMA" means the Electronic Municipal Market Access system, a service of the MSRB, or any successor thereto.

"Financial Obligation" as used in the Disclosure Agreement is defined in the Rule, as may be amended, as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) and (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Filing" means, as applicable, any Annual Filing, Notice Event Filing, Voluntary Filing or any other notice, report, or information made public under this Disclosure Agreement.

"Fiscal Year" means the fiscal year of the Authority, which currently is the twelve-month period beginning October 1 and ending on September 30 of the following year or any such other twelve-month period designated by the Authority, from time to time, to be its fiscal year.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any), the Notice Event Filings, and the Voluntary Filings.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Notice Event" means an event listed in Sections 5(a) and 5(b) hereof.

"Notice Event Filing" shall have the meaning specified in Section 5(c) hereof.

"Obligated Person" means the Authority and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Series 2019A Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

The Authority confirms that, as of the date hereof, it is the only Obligated Person with respect to the Series 2019A Bonds.

"Participating Underwriter" means, collectively, the original purchasers of the Series 2019A Bonds required to comply with the Rule in connection with the offering of the Series 2019A Bonds.

"Repository" means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The repositories currently approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through its EMMA website at <http://emma.msrb.org>.

"Rule" means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Third-Party Beneficiary" shall have the meaning specified in Section 3(b) hereof.

"Unaudited Financial Statements" means the financial statements (if any) of the Authority for the prior Fiscal Year which have not been certified by an independent auditor.

"Voluntary Filing" means the information provided to the Dissemination Agent by the Authority pursuant to Section 8 hereof.

Section 3. Scope of this Disclosure Agreement.

(a) The Authority has agreed to enter into this Disclosure Agreement and undertake the disclosure obligations hereunder, at the request of the Participating Underwriter and as a condition precedent to the Participating Underwriter's original purchase of the Series 2019A Bonds, in order to assist the Participating Underwriter with compliance with the Rule. The disclosure obligations of the Authority under this Disclosure Agreement relate solely to the Series 2019A Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Authority, nor to any other securities issued by or on behalf of the Authority.

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

(c) This Disclosure Agreement shall terminate upon: (i) the defeasance, redemption or payment in full of all Series 2019A Bonds, in accordance with the Bond Resolution or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the Authority to the effect that continuing disclosure is no longer required under the Rule as to the Series 2019A Bonds.

Section 4. Annual Filings.

(a) The Authority shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent on or before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to the Repository, in an electronic format as prescribed by the MSRB. The April 30th immediately following the preceding Fiscal Year ended September 30, commencing April 30, 2020 shall be the Annual Filing Date. If April 30th falls on a day that is not a Business Day, the Annual Filing will be due on the first Business Day thereafter. Such date and each anniversary thereof is the Annual Filing Date. The Annual Filing may be submitted as a single document or as separate documents composing a package, and may cross-reference other information as provided in Section 6 hereof.

(b) If on the second Business Day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Filing, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email) to remind the Authority of its undertaking to provide the Annual Filing pursuant to Section 4(a) hereof. Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Filing no later than 6:00 p.m. Eastern Time on the Annual Filing Date (or if such Annual Filing Date is not a Business Day, then the first Business Day thereafter), or (ii) instruct the Dissemination Agent in writing as to the status of the Annual Filing within the time required under this Disclosure Agreement, and state the date by which the Annual Filing for such year is expected to be provided. If the Dissemination Agent has not received either (i) the Annual Filing by 6:00 p.m. Eastern Time on the Annual Filing Date, or (ii) evidence from the Authority that it has delivered the Annual Filing to the Repository by 11:59 p.m. Eastern Time on the Annual Filing Date, the Authority hereby irrevocably directs the Dissemination Agent, and the Dissemination Agent agrees, to immediately send a notice to the Repository the Business Day following the Annual Filing Date in substantially the form attached to this Disclosure Agreement as Exhibit A without reference to the anticipated filing date for the Annual Filing, and stating only that the “Notice Event” is that the Authority has failed to file the Annual Report by the deadline imposed by this Agreement, without any additional information or commentary.

(c) If the Audited Financial Statements are not available prior to the Annual Filing Date, the Authority shall provide the Unaudited Financial Statements and when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Dissemination Agent for filing with the Repository.

(d) The Dissemination Agent shall:

(i) upon receipt, and no later than the Annual Filing Date, promptly file each Annual Filing received under Section 4(a) hereof with the Repository in an electronic format as prescribed by the MSRB;

(ii) upon receipt, and no later than the Annual Filing Date, promptly file each Audited Financial Statement or Unaudited Financial Statement received under Sections 4(a) (and, upon receipt, promptly file any Audited Financial Statements received under Section 4(c)) hereof with the Repository in an electronic format as prescribed by the MSRB;

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

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

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

Section 5. Reporting of Notice Events.

(a) In accordance with the Rule, the Authority or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner not in excess of ten (10) Business Days after the occurrence of any of the following Notice Events with respect to the Series 2019A Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2019A Bonds, or other material events affecting the tax status of the Series 2019A Bonds;

- (vii) Modifications to rights of Holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Series 2019A Bonds, if material;
- (xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership, or a similar proceeding on the part of an Obligated Person. Such an event is considered to have occurred when there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person, or the sale of all or substantially all of the assets of an Obligated Person other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a Financial Obligation of the Obligated Person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar items of a Financial Obligation of the Obligated Person, any of which affect bond holders, if material; and

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

(b) In accordance with the Rule, the Authority or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner, after the occurrence of a failure of the Authority to provide the Annual Filing on or before the Annual Filing Date.

(c) The Authority shall promptly notify the Dissemination Agent in writing of the occurrence of a Notice Event; provided, however, to the extent any such Notice Event has been previously and properly disclosed on the Repository by or on behalf of the Authority, the Authority shall not be required to provide such additional notice of such Notice Event in accordance with this subsection. Such notice shall instruct the Dissemination Agent to immediately report the occurrence pursuant to Section 5(e) hereof. Such notice shall be accompanied with the text of the disclosure that the Authority desires to make (each a "Notice Event Filing"), the written authorization of the Authority for the Dissemination Agent to disseminate such information, and the date on which the Authority desires for the Dissemination Agent to disseminate the information.

(d) The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will instruct the Dissemination Agent that: (i) a Notice Event has not occurred and no filing is to be made, or (ii) a Notice Event has occurred and provide the Dissemination Agent with the Notice Event Filing and the date the Dissemination Agent should file the Notice Event Filing.

(e) The Dissemination Agent shall upon receipt, and no later than the required filing date, promptly file each Notice Event Filing received under Sections 5(a) and 5(b) hereof with the Repository in an electronic format as prescribed by the MSRB;

Section 6. Content of Annual Filings. Each Annual Filing shall contain the following:

(a) Updates to the operating data or financial information set forth in the Official Statement:

(i) the table entitled, "Airlines Serving Orlando International Airport" under the heading "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM-Airlines Serving Orlando International Airport";

(ii) the table entitled, "Historical Airline Market Shares Percentage of Total Passengers" under the heading "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM-Airline Market Shares";

(iii) the table entitled, "Greater Orlando Aviation Authority Orlando International Airport Historical Domestic, International and Total Enplaned Passengers" under the heading "THE GREATER ORLANDO AVIATION AUTHORITY AND THE AIRPORT SYSTEM-Enplaned Passengers at the Airport";

(iv) the table entitled, "Passenger Facility Charges" under the heading "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES-Passenger Facility Charges";

(v) the table entitled, “Greater Orlando Aviation Authority Orlando International Airport Statement of Revenues, Expenses and Changes in Net Position” under the heading “AUTHORITY FINANCIAL INFORMATION-Historical Statement of Revenues and Expenses”;

(vi) the table entitled, “Greater Orlando Aviation Authority Orlando International Airport Historical Debt Service Coverage Per Amended and Restated Bond Resolution” under the heading “AUTHORITY FINANCIAL INFORMATION-Historical Debt Service Coverage”; and

(vii) the table entitled, “Greater Orlando Aviation Authority Orlando International Airport Available Net Revenues Available for Payment of Outstanding Priority Subordinated Indebtedness Per Amended and Restated Bond Resolution under the heading “AUTHORITY FINANCIAL INFORMATION-Historical Debt Service Coverage.”

(b) If available at the time of such filing, the Audited Financial Statements for the prior Fiscal Year. If the Audited Financial Statements are not available by the time the Annual Filing is required to be filed pursuant to Section 4(a) hereof, the Annual Filing shall contain Unaudited Financial Statements of the Authority prepared in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available. The Audited Financial Statements (if any) will be provided pursuant to Section 4(c) hereof.

Any or all of the items listed above may be included by specific reference to documents previously filed with the Repository or the SEC, including official statements for debt issues with respect to which the Authority is an Obligated Person. If the document incorporated by reference is a final official statement, it must be available from the Repository. The Authority will clearly identify each such document so incorporated by reference.

Section 7. Responsibility for Content of Reports and Notices.

(a) The Authority shall be solely responsible for the content of each Filing (or any portion thereof) provided to the Dissemination Agent pursuant to this Disclosure Agreement and such other identifying information prescribed by the MSRB from time to time

(b) Each Filing distributed by the Dissemination Agent pursuant to Section 4 or 5 hereof shall be in a form suitable for distributing publicly and shall contain the CUSIP numbers of the Series 2019A Bonds and such other identifying information prescribed by the MSRB from time to time. Each Notice Event Filing shall be in substantially the form set forth in Exhibit A attached hereto. If an item of information contained in any Filing pursuant to this Disclosure Agreement would be misleading without additional information, the Authority shall include such additional information as a part of such Filing as may be necessary in order that the Filing will not be misleading in light of the circumstances under which it is made.

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

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

Section 8. Voluntary Filings.

(a) The Authority may instruct the Dissemination Agent to file information with the Repository, from time to time (a "Voluntary Filing").

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

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

(d) The Dissemination Agent shall upon receipt promptly file each Voluntary Filing received under Section 8 hereof with the Repository in an electronic format as prescribed by the MSRB.

Section 9. Defaults; Remedies.

(a) A party shall be in default of its obligations hereunder if it fails or refuses to carry out or perform its obligations hereunder for a period of five (5) Business Days following notice of default given in writing to such party by any other party hereto or by any Third-Party Beneficiary hereof, unless such default is cured within such five (5) Business Day notice period. An extension of such five (5) Business Day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

(b) If a default occurs and continues beyond the cure period specified above, any nondefaulting party or any Third-Party Beneficiary may seek specific performance of the defaulting party's obligations hereunder as the sole and exclusive remedy available upon any such default; excepting, however, that the party seeking such specific performance may recover from the defaulting party any reasonable attorneys' fees and expenses incurred in the course of

enforcing this Disclosure Agreement as a consequence of such default. Each of the parties hereby acknowledges that monetary damages will not be an adequate remedy at law for any default hereunder, and therefore agrees that the exclusive remedy of specific performance shall be available in proceedings to enforce this Disclosure Agreement.

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

Section 10. Amendment or Modification.

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section 10. No modification, amendment, alteration or termination of all or any part of this Disclosure Agreement shall be construed to be, or operate as, altering or amending in any way the provisions of the Bond Resolution.

(b) Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if: (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person, or type of business conducted by such Obligated Person; (ii) such amendment or waiver would have complied with the requirements of the Rule at the time of the primary offering of the Series 2019A Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or waiver does not materially impair the interests of the Beneficial Owners of the Series 2019A Bonds, as determined either by parties unaffiliated with the Authority or the Obligated Person, or by the approving vote of a majority of the Beneficial Owners of the Series 2019A Bonds pursuant to the terms of the governing instrument at the time of the amendment.

(c) If any provision of Section 6 hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

(d) If the provisions of this Disclosure Agreement specifying the accounting principles to be followed in preparing the Authority's financial statements are amended or waived, the Annual Filing for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners of the Series 2019A Bonds to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative.

(e) Notwithstanding the foregoing, the Dissemination Agent shall not be obligated to agree to any amendment expanding its duties or obligations hereunder without its consent thereto.

(f) The Authority shall prepare or cause to be prepared a notice of any such amendment or modification and shall direct the Dissemination Agent to make such notice public in accordance with Section 8 hereof.

Section 11. Agency Relationship.

(a) The Dissemination Agent agrees to perform such duties, but only such duties, as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations of any kind shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports, certificates or other materials furnished to the Dissemination Agent pursuant to this Disclosure Agreement, and in the case of notices and reports required to be furnished to the Dissemination Agent pursuant to this Disclosure Agreement, the Dissemination Agent shall have no duty whatsoever to examine the same to determine whether they conform to the requirements of this Disclosure Agreement.

(b) The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the Dissemination Agent engaged in negligent conduct or willful misconduct in ascertaining the pertinent facts related thereto.

(c) The Dissemination Agent shall perform its rights and duties under this Disclosure Agreement using the same standard of care as a prudent person would exercise under the circumstances, and the Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Disclosure Agreement unless it shall be proven that the Dissemination Agent was negligent or engaged in willful misconduct.

(d) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, and shall be entitled to the advice of counsel concerning all matters arising hereunder, and may in all cases pay, at its sole expense such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall be responsible for the acts or negligence of any such attorneys, agents or counsel.

(e) None of the provisions of this Disclosure Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Disclosure Agreement.

(f) Except as expressly provided herein, the Dissemination Agent shall not be required to monitor the compliance of the Authority with the provisions of this Disclosure

Agreement or to exercise any remedy, institute a suit or take any action of any kind without indemnification satisfactory to the Dissemination Agent.

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

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

(i) 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 12. Miscellaneous.

(a) Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Disclosure Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Disclosure Agreement under applicable law and any resolutions, ordinances, or other actions of such party now in effect, (iii) that the execution and delivery of this Disclosure Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party or its property or assets is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Disclosure Agreement, or its due authorization, execution and delivery of this Disclosure Agreement, or otherwise contesting or questioning the issuance of the Series 2019A Bonds.

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

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

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

Section 13. Identifying Information. All documents provided to the Repository pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 14. Severability. In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

[SIGNATURE PAGES TO FOLLOW]

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2019A (AMT)
OF THE CITY OF ORLANDO, FLORIDA**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

(SEAL)

**GREATER ORLANDO AVIATION
AUTHORITY**

By: _____
Domingo Sanchez, Chairman

ATTEST:

By: _____
Assistant Secretary

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

**SIGNATURE PAGE TO
CONTINUING DISCLOSURE AGREEMENT
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2019A (AMT)
OF THE CITY OF ORLANDO, FLORIDA**

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first above written by their respective duly authorized officers.

**DIGITAL ASSURANCE CERTIFICATION,
L.L.C., as Dissemination Agent**

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A
NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]
Relating to
\$1,135,370,000
GREATER ORLANDO AVIATION AUTHORITY
AIRPORT FACILITIES
REVENUE BONDS,
SERIES 2019A (AMT)
OF THE CITY OF ORLANDO, FLORIDA

Originally Issued on October 3, 2019

Initial
CUSIP No.
392274Y26
392274Y34
392274Y42
392274Y59
392274Y67
392274Y75
392274Y83
392274Y91
392274Z25
392274Z33
392274Z41
392274Z58
392274Z66
392274Z74
392274Z82
392274Z90
3922742A3
3922742B1
3922742C9
3922742D7
3922742F2
3922742E5
3922742H8
3922742G0
3922742K1
3922742J4

Notice is hereby given by the Greater Orlando Aviation Authority (the "Authority"), as obligated person with respect to the above-referenced Series 2019A Bonds issued by the Authority, under the Securities and Exchange Commission's Rule 15c2-12, that ****INSERT THE NOTICE EVENT**** has occurred. ****DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO****].

This Notice is based on the best information available to the Authority at the time of dissemination hereof and is not guaranteed by the Authority as to the accuracy or completeness of such information. The Authority will disseminate additional information concerning ****NOTICE EVENT****, as and when such information becomes available to the Authority, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the Authority's obligation under that certain Continuing Disclosure Agreement dated October 3, 2019. ****Any questions regarding this notice should be directed in writing only to the Authority. However, the Authority will not provide additional information or answer questions concerning **NOTICE EVENT** except in future written notices, if any, disseminated by the Authority in the same manner and to the same recipients as this Notice****].

DISCLAIMER: All information contained in this Notice has been obtained by the Authority from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness or completeness. Under no circumstances shall the Authority have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: _____

**GREATER ORLANDO AVIATION
AUTHORITY**

By: _____

Name: _____

Title: _____

[THIS PAGE INTENTIONALLY LEFT BLANK]



**GREATER ORLANDO
AVIATION AUTHORITY**



Mixed Sources
Product group from well managed
forests, controlled sources and
recycled wood or fibres.

Printed by: ImageMaster, LLC
www.imagemaster.com