NEW ISSUE - BOOK ENTRY ONLY

Moody's: "A2" (stable)
S&P: "A" (stable)
Fitch: "A" (stable)
(See "Ratings" herein)

In the opinion of Bond Counsel, under existing law and assuming compliance with certain arbitrage rebate and other tax requirements referred to herein, interest on the Subordinated 2013A Bonds is excludable from gross income for federal income tax purposes, except no opinion is expressed as to the exclusion from gross income of interest on any Subordinated 2013A Bond for any period during which such Subordinated 2013A Bond is held by a person who is a "substantial user," within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, of any project financed or refinanced with proceeds of the Subordinated 2013A Bonds or a "related person" to such a "substantial user." It is also the opinion of Bond Counsel that interest on the Subordinated 2013A Bonds will be treated as an item of tax preference in computing the alternative minimum tax. For a further description of the alternative minimum tax and a description of the consequences to holders of Subordinated 2013A Bonds of other provisions of the Internal Revenue Code of 1986, as amended, see "TAX MATTERS."

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA

Tampa International Airport

$168,865,000
Tampa International Airport
Subordinated Revenue Refunding Bonds,
2013 Series A (AMT)

Dated: Date of Delivery **Due:** October 1 as shown on the inside front cover

The Hillsborough County Aviation Authority, Florida (the "Authority") is issuing its Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT) in the principal amount of $168,865,000 (the "Subordinated 2013A Bonds"). The Subordinated 2013A Bonds are being issued under a Subordinated Trust Agreement and a Resolution (both as defined herein).

Proceeds from the Subordinated 2013A Bonds, together with other legally available funds, will be used for the purpose of refunding the Outstanding Tampa International Airport Revenue Bonds, 2003 Series A (AMT) (the "Refunded 2003A Bonds") and repaying $89,140,605 of advances under the Revolving Credit Agreement with SunTrust Bank and its affiliates (see "THE REFUNDING PLAN" and the "OUTSTANDING DEBT – SunTrust Revolving Credit Agreement"), making a deposit into the Reserve Account for the Subordinated 2013A Bonds in the amount of $17,997,874.97 and paying certain costs of issuance incurred in connection with the issuance of the Subordinated 2013A Bonds. See "SECURITY FOR THE SUBORDINATED 2013A BONDS – Pledge of Revenues under the Subordinated Trust Agreement – Subparagraph C."

The Subordinated 2013A Bonds are being issued in fully registered form and, when initially issued, will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases of beneficial interests in the Subordinated 2013A Bonds will be made in book-entry form only in the principal amount of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Subordinated 2013A Bonds will not receive physical delivery of bond certificates. Interest on the Subordinated 2013A Bonds will accrue from their date of issuance and will be payable semi-annually on April 1 and October 1 in each year, commencing April 1, 2014.

The Subordinated 2013A Bonds will be subject to optional redemption prior to their stated maturity dates as set forth herein. See "DESCRIPTION OF THE SUBORDINATED 2013A BONDS – Redemption."

The Subordinated 2013A Bonds are payable solely from and secured by a lien on the Revenues derived by the Authority from the operation of the Airport System, that are available for payment of subordinated indebtedness under the Senior Trust Agreement and Available PFC Revenues (as defined herein) available to pay subordinated PFC Indebtedness under the Senior Trust Agreement. The lien of the Subordinated 2013A Bonds on Revenues is subordinate to the lien thereon of all Senior Bonds (as defined in the Subordinated Trust Agreement). The lien of the Subordinated 2013A Bonds on the Available PFC Revenues is subordinate to all Senior Bonds designated as PFC Bonds and to Senior PFC Indebtedness (as defined in the Senior Trust Agreement). The only Senior PFC Bonds to be outstanding after the refunding of the Refunded 2003A Bonds will be the Tampa International Airport Revenue Bonds, 2009 Series A (PFC), the outstanding principal balance of which is $32,125,000. No Senior PFC Indebtedness is currently outstanding. See "OUTSTANDING DEBT."

The Subordinated 2013A Bonds do not constitute a general indebtedness of the Authority, Hillsborough County, the City of Tampa, or any other political subdivision in the State of Florida within the meaning of any constitutional, statutory or charter provision or limitation. Neither the faith and credit nor taxing power of the Authority, Hillsborough County, the City of Tampa, the State of Florida or any other political subdivision of the State is pledged to the payment of the Subordinated 2013A Bonds.

The Subordinated 2013A Bonds are offered when, as and if issued, subject to the approval of legality by Holland & Knight LLP, Tampa, Florida, Bond Counsel. GrayRobinson, P.A., Tampa, Florida, is acting as Disclosure Counsel for the Authority. Certain legal matters are being passed upon for the Underwriters by their counsel, Bryant Miller Olive P.A., Tampa, Florida and for the Authority by its General Counsel, Gigi Garber Rechel, Esquire. It is expected that definitive Subordinated 2013A Bonds will be available for delivery in New York, New York, on or about October 30, 2013.

RBC Capital Markets

BofA Merrill Lynch **Citigroup**
J.P. Morgan **Morgan Stanley** **Raymond James**

Dated: October 16, 2013

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

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA
$168,865,000
Tampa International Airport
Subordinated Revenue Refunding Bonds,
2013 Series A (AMT)

Maturity (October 1)	Amount	Interest Rate	Yield	Price	CUSIP Numbers**
2014	$12,195,000	2.000%	0.30%	101.559	432308 A38
2015	13,690,000	4.000	0.70	106.280	432308 A46
2016	710,000	2.000	1.20	102.287	432308 A53
2016	13,520,000	5.000	1.20	110.868	432308 C28
2019	25,000	3.000	2.62	102.069	432308 A61
2019	8,035,000	5.000	2.62	112.969	432308 C36
2020	8,465,000	5.000	3.00	112.410	432308 A79
2021	475,000	3.375	3.40	99.825	432308 A87
2021	8,410,000	5.000	3.40	111.024	432308 C44
2022	9,320,000	5.000	3.73	109.558	432308 A95
2023	9,790,000	5.000	3.95	108.545	432308 B29
2024	725,000	4.000	4.19	98.345	432308 B37
2024	9,555,000	5.500	4.19	110.539*	432308 C51
2025	10,835,000	5.000	4.41	104.695*	432308 B45
2026	11,375,000	5.000	4.57	103.395*	432308 B52
2027	1,100,000	4.500	4.71	97.870	432308 B60
2027	10,845,000	5.250	4.71	104.236*	432308 C69
2028	12,560,000	5.500	4.76	105.792*	432308 B78
2029	13,255,000	5.500	4.90	104.664*	432308 B86
2030	1,025,000	5.000	5.08	99.094	432308 B94
2030	12,955,000	5.250	5.08	101.307*	432308 C77

* Priced to the first optional redemption date of October 1, 2023.

** The Authority is not responsible for the use of CUSIP numbers referenced herein, nor is a representation made by the Authority as to their correctness. The CUSIP numbers provided herein are included solely for the convenience of the readers of this Official Statement.

HILLSBOROUGH COUNTY AVIATION AUTHORITY

MEMBERS

Robert I. Watkins, Chairman
Martin L. Garcia
Gary W. Harrod
Bob Buckhorn
(Mayor, City of Tampa)
Victor D. Crist
(County Commissioner, Board of County Commissioners of Hillsborough County)

AUTHORITY MANAGEMENT

Joseph W. Lopano, Chief Executive Officer
Al Illustrato, Jr., Vice President of Facilities and Administration
Christopher D. Minner, Vice President of Marketing
Damian L. Brooke, Vice President of Finance and Information Technology
Gigi Garber Rechel, Vice President of Legal Affairs and General Counsel
John M. Tiliacos, Vice President of Operations and Customer Service
Janet M. Zink, Assistant Vice President of Media and Government Relations
Ann Davis, Director of Finance

BOND COUNSEL

Holland & Knight LLP
Tampa, Florida

DISCLOSURE COUNSEL

GrayRobinson, P.A.
Tampa, Florida

INDEPENDENT AUDITORS

CliftonLarsonAllen LLP
Tampa, Florida

FINANCIAL ADVISOR

Public Financial Management, Inc.
Largo, Florida

AIRPORT CONSULTANT

Ricondo & Associates, Inc.
Cincinnati, Ohio

No dealer, broker, account executive, financial consultant or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Subordinated 2013A Bonds described herein, and if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell the Subordinated 2013A Bonds or a solicitation of an offer to buy nor shall there be any sale of the Subordinated 2013A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except where otherwise indicated, the information set forth herein has been furnished by the Authority and by other sources which are believed to be reliable. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not expressly so stated, are intended as such and are not representations of fact, and the Authority expressly makes no representation that such estimates, assumptions or opinions will be realized or fulfilled. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SUBORDINATED 2013A 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 SUBORDINATED 2013A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST AGREEMENT 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 SUBORDINATED 2013A BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SUBORDINATED 2013A BONDS HAVE BEEN REGISTERED OR QUALIFIED 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 SUBORDINATED 2013A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The Underwriters have provided the following sentence 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 (except for information under the section captioned "UNDERWRITING").

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OFFICIAL STATEMENT

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA

$168,865,000
Tampa International Airport
Subordinated Revenue Refunding Bonds,
2013 Series A (AMT)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices, furnishes information relating to the Hillsborough County Aviation Authority, Florida (the "Authority") and its Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT) in the principal amount of $168,865,000 (the "Subordinated 2013A Bonds"). The Subordinated 2013A Bonds are being issued under a Subordinated Trust Agreement and a Resolution (both as defined herein).

Proceeds from the Subordinated 2013A Bonds, together with other legally available funds, will be used for the purpose of refunding the Outstanding Tampa International Airport Revenue Bonds, 2003 Series A (AMT) and repaying $89,140,605 of advances under the Revolving Credit Agreement with SunTrust Bank and its affiliates (as hereinafter defined under "OUTSTANDING DEBT – SunTrust Revolving Credit Agreement") (see "THE REFUNDING PLAN"), making a deposit into the Subordinated Reserve Account for the Subordinated 2013A Bonds in the amount of $17,997,874.97 and paying certain costs of issuance incurred in connection with the issuance of the Subordinated 2013A Bonds. See "SECURITY FOR THE SUBORDINATED 2013A BONDS – Pledge of Revenues under the Subordinated Trust Agreement – Subparagraph C."

The Subordinated 2013A Bonds are being issued under the provisions of a Subordinated Trust Agreement, dated October 1, 2013, as supplemented (the "Subordinated Trust Agreement") by and between the Authority and The Bank of New York Mellon, as Trustee (the "Subordinated Trustee," "Subordinated Paying Agent" and "Subordinated Registrar"). The Authority adopted Resolution No. 2013-107 on September 5, 2013 (the "Resolution") authorizing the issuance of the Subordinated 2013A Bonds and the execution of the Subordinated Trust Agreement.

The Subordinated 2013A Bonds will be secured equally and on a parity with any other Additional Bonds issued on a parity with the Subordinated 2013A Bonds by the Authority. Currently there are no other Subordinated Bonds of the Authority outstanding. See "OUTSTANDING DEBT."

Definitions of certain words and terms having initial capitals used herein relating to the Subordinated 2013A Bonds are contained in APPENDIX D – "FORM OF SUBORDINATED TRUST AGREEMENT."

The Authority, a public body, corporate and politic and an independent special district, operates Tampa International Airport (sometimes referred to herein as the "Airport") and three general aviation reliever airports. The Airport is primarily an origin-destination airport, serving the Tampa Bay region and surrounding area. See "AIR TRADE AREA."

A copy of the Senior Trust Agreement (as defined herein) is included in this Official Statement. See APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS." A form of the Subordinated Trust Agreement is also included in this Official Statement. See

APPENDIX D – "FORM OF SUBORDINATED TRUST AGREEMENT." All references in this Official Statement to the Senior and Subordinated Trust Agreements are qualified by reference to the Senior and Subordinated Trust Agreements in their entirety, and all references to the Senior Bonds Outstanding and Subordinated 2013A Bonds are qualified by reference to the definitive forms of such Bonds included in the Senior and Subordinated Trust Agreements, as applicable.

THE AUTHORITY

The Authority is a public body corporate and is an independent special district pursuant to the provisions of Chapter 2012-234, Laws of Florida, Acts of 2012 and acts amendatory thereof and supplemental thereto (the "Act"). The Act provides that the Authority shall have exclusive jurisdiction, control, supervision and management over all publicly owned airports in Hillsborough County, Florida (the "County"). Pursuant to the Act, there are five Authority Board members, consisting of three residents of the County appointed to the Authority by the Governor of the State of Florida (the "State") for four year terms; the Mayor of the City of Tampa, Florida (the "City"), ex officio; and a Commissioner of (and selected by) the Board of County Commissioners of the County, ex officio.

Under the Act, the Authority has no power at any time or in any manner to pledge the taxing power of the County, the City, or any political subdivision or agency thereof, nor shall any of the obligations issued by the Authority be deemed to be obligations of the County, the City, the State or any political subdivision or agency thereof secured by and payable from ad valorem taxes.

Under the Act, the State has pledged to any person acquiring bonds issued by the Authority for the construction, extension, improvement or enlargement of Authority Facilities defined in the Act as "an airport, airports and other aviation facilities and facilities related thereto and any portion thereof, air navigation facilities and special purpose facilities and any portion thereof," that the State will not limit or alter the rights vested in the Authority by the Act until all bonds at any time issued, together with the interest thereon, are fully paid and discharged.

AUTHORIZATION OF THE SUBORDINATED 2013A BONDS

The Subordinated 2013A Bonds are authorized to be issued under and secured by the Subordinated Trust Agreement, pursuant to and in accordance with the provisions of the Resolution and the Act.

DESCRIPTION OF THE SUBORDINATED 2013A BONDS

General

The Subordinated 2013A Bonds will bear interest at the respective rates and mature on the dates and in the respective amounts set forth on the inside cover page of this Official Statement. Interest on the Subordinated 2013A Bonds will accrue from their date of delivery and is payable on April 1, 2014, and semi-annually thereafter on October 1 and April 1 of each year. Principal and premium, if any, on the Subordinated 2013A Bonds will be paid by the Subordinated Trustee at its corporate trust office in New York, New York. Interest on the Subordinated 2013A Bonds will be paid by check or draft mailed to the registered owners at their addresses as they appear on the registration books 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 subsequent to the Record Date and prior to such interest payment date. Payment of principal of, upon presentation and surrender, or interest on the Subordinated 2013A Bonds may, at the election of a registered owner of $1,000,000 or more in aggregate principal amount of Subordinated 2013A Bonds, by written request delivered to the Subordinated Trustee at least 10 days prior to the applicable Record Date, be transmitted to such registered owner by wire transfer to an account in the continental United States designated by such registered owner. Any such written election may state that it will apply to all subsequent payments due with respect to the Subordinated 2013A Bonds held by such registered owner until a subsequent written notice is filed with the Subordinated Trustee.

The Subordinated 2013A Bonds are being issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as securities depository for the Subordinated 2013A Bonds. Purchases of beneficial interests in the Subordinated 2013A Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Subordinated 2013A Bonds will not receive certificates representing their interests in the Subordinated 2013A Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner, payments with respect to the Subordinated 2013A Bonds will be made directly to Cede & Co. Disbursements of such payments to the Direct Participants of the DTC book entry system are the responsibility of DTC, and disbursements of such payments to beneficial owners are the responsibility of the Direct Participants and the Indirect Participants. Neither the Authority nor the Subordinated Trustee shall be responsible for distributions to the beneficial owners. Transfers of beneficial interests will be accomplished by DTC, Direct Participants and Indirect Participants acting on behalf of the beneficial owners in accordance with DTC procedures and applicable state laws. See "BOOK-ENTRY ONLY SYSTEM."

Redemption

The Subordinated 2013A Bonds maturing on and after October 1, 2024, may be redeemed prior to their maturity, at the option of the Authority, on or after October 1, 2023, in whole or in part, from time to time, on any date, in the order of maturity determined by the Authority and set forth in its notice of redemption to the Subordinated Trustee, and by lot, or as the Authority may designate within a maturity if less than all, at the redemption price of one-hundred percent (100%) of the principal amount of the Subordinated 2013A Bonds to be redeemed, plus accrued interest to the redemption date.

THE REFUNDING PLAN

Proceeds from the Subordinated 2013A Bonds, combined with other available funds of the Authority, will be used by the Authority to refund its Tampa International Airport Revenue Bonds, 2003 Series A (AMT) outstanding as of October 2, 2013 in the principal amount of $96,115,000 (the "Refunded 2003A Bonds"). The Refunded 2003A Bonds will be redeemed on or about November 20, 2013 (the "Redemption Date") at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Refunded 2003A Bonds plus accrued and unpaid interest not otherwise paid on the Redemption Date. The proceeds from the sale of the Subordinated 2013A Bonds together with other legally available funds of the Authority will be sufficient, without investment, to pay the principal of and interest on the Refunded 2003A Bonds on the Redemption Date.

The Authority and The Bank of New York Mellon (the "Escrow Agent"), upon delivery of the Subordinated 2013A Bonds, will enter into an Escrow Deposit Agreement for the Refunded 2003A Bonds (the "Escrow Agreement") which provides for an irrevocable account (the "Escrow Account") to be held by the Escrow Agent. Immediately upon the issuance and delivery of the Subordinated 2013A Bonds, the Authority will deposit proceeds from the sale of the Subordinated 2013A Bonds together with certain cash deposits of the Authority into the Escrow Account. The proceeds from the sale of the Subordinated 2013A Bonds together with other legally available funds of the Authority will be sufficient, without investment, to pay the principal of and interest on the Refunded 2003A Bonds on the Redemption Date.

The moneys held in the Escrow Account will be used only to pay the principal of and accrued interest on the Refunded 2003A Bonds to the Redemption Date and will not be available for payment of debt service on the Subordinated 2013A Bonds.

The Subordinated 2013A Bonds will also be used to repay $89,140,605 of advances outstanding under the SunTrust Revolving Credit Agreement. See "OUTSTANDING DEBT – SunTrust Revolving Credit Agreement."

SECURITY FOR THE SUBORDINATED 2013A BONDS

Pledge of Revenues under the Subordinated Trust Agreement

The Subordinated 2013A Bonds are payable solely from Pledged Revenues. "Pledged Revenues" are the Subordinated Revenues and, to the extent pledged pursuant the Subordinated Supplemental Trust Agreement, shall include Subordinated PFC Revenues, and any other revenues of the Authority expressly pledged by the Authority to secure the Bonds issued under the Subordinated Trust Agreement which are not included in, or have been subsequently excluded from, the definition of Gross Revenues under the Senior Trust Agreement (as defined herein).(1)

"Subordinated Revenues" are the funds, if any, available for payment of subordinated indebtedness pursuant to the Senior Trust Agreement. "Subordinated PFC Revenues" are Available PFC Revenues, if any, available for payment of subordinated indebtedness under the Senior Trust Agreement whether or not Available PFC Revenues are pledged under the Senior Trust Agreement after payment of Senior PFC Indebtedness and after first depositing into the Interest Account, the Principal Account and Redemption Account under the Senior Trust Agreement, respectively, in amounts equal to that portion of each monthly deposit requirements therein that are attributable to the debt service requirements with respect to the PFC Bonds.

Limited Liability of Subordinated 2013A Bonds

The Subordinated 2013A Bonds do not constitute a general indebtedness of the Authority, the County, the City or any other political subdivision in the State within the meaning of any constitutional, statutory or charter provision or limitation. The Subordinated 2013A Bonds shall not constitute or be a lien upon any property of the Authority, except the Subordinated Revenues derived from the operation of the Airport System and certain funds pledged under the Subordinated Trust Agreement, or any property of the County, the City or any other political subdivision in the State. No holder of the Subordinated 2013A Bonds shall ever have the right to require payment from ad valorem tax proceeds or to compel the exercise of the ad valorem taxing powers of the Authority, the County, the City or of any other political subdivision in the State, for the payment of the Subordinated 2013A Bonds or any interest thereon and the Authority is not and shall never be under any obligation to pay the principal of or interest on the Subordinated 2013A Bonds except in the manner provided in the Subordinated Trust Agreement.

Disposition of Subordinated Revenues under the Subordinated Trust Agreement

All Subordinated Revenues, as defined in the Subordinated Trust Agreement, derived from the Airport System (but not including Subordinated PFC Revenues), shall be deposited with the Authority in the Subordinated Sinking Fund in the amounts necessary to satisfy the deposit requirements set forth

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(1) The Pledged Revenues currently secure indebtedness under the Revolving Credit Agreement. The lien securing the Revolving Credit Agreement will be subordinate to the Subordinated 2013A Bonds. See "OUTSTANDING DEBT – SunTrust Revolving Credit Agreement."

below, after taking into account the deposits from Subordinated PFC Revenues as set forth below under "– Disbursement of Subordinated PFC Revenues under the Subordinated Trust Agreement." The moneys in the Subordinated Sinking Fund shall be disbursed and applied by the Authority on a monthly basis in the following order:

(A) Pro rata into the Interest Account and the Qualified Hedge Payment Account created under the Subordinated Trust Agreement (the "Subordinated Interest Account" and "Subordinated Qualified Hedge Payment Account") in an amount which, together with funds on deposit therein, is necessary to make the funds on deposit therein equal the interest component of the Accrued Aggregate Debt Service Requirement for such month with respect to the Outstanding under the Subordinated Trust Agreement (the " Subordinated Bonds") (including any net Subordinated Qualified Hedge Payment then due or to become due within such month); provided, however, that such deposits shall not be required to be made to the extent sufficient moneys are then on deposit in the special fund in said Subordinated Interest Account either from the proceeds of said Subordinated Bonds or from any other source (see APPENDIX D – "FORM OF SUBORDINATED TRUST AGREEMENT – Article V, Section 5.02 – Disposition of Pledged Revenues");

(B) Principal Account in the Subordinated Sinking Fund (the "Subordinated Principal Account") necessary to make the funds on deposit therein equal the scheduled principal component of Serial Bonds included within the Accrued Aggregate Debt Service Requirement for such month;

(C) The Subordinated Reserve Fund and pro rata into each separate Reserve Account created therein pursuant to Subordinated Supplemental Trust Agreements entered into with respect to each Series of Additional Bonds issued under the Subordinated Trust Agreement (the "Additional Subordinated Bonds") an amount which, together with funds currently deposited in the Subordinated Reserve Fund and each such Subordinated Reserve Account, will be sufficient to make the funds on deposit therein equal to the aggregate Reserve Requirement under the Subordinated Trust Agreement (the "Subordinated Reserve Requirement"); provided, that no further deposits shall be required to be made into the Subordinated Reserve Fund or into any separate Subordinated Reserve Account therein whenever and as long as the amount then on deposit therein is equal to the Subordinated Reserve Requirement for the common Subordinated Reserve Fund or, with respect to Subordinated Bonds secured by a separate Subordinated Reserve Account, for the respective Series of Subordinated Bonds then Outstanding and secured thereby;

"Subordinated Reserve Requirement" shall mean:

(1) with respect to Bonds secured by the Subordinated Reserve Fund for which a separate Reserve Account has not been established, the lesser of (i) the Maximum Bond Service Requirement for such Bonds, in the aggregate, (ii) 125% of the average Bond Service Requirement for such Bonds, or (iii) 10% of the aggregate stated original principal amount of all such Bonds on their respective dates of issue; provided however that in determining the aggregate stated original principal amount of Bonds for purposes of this clause (iii), the issue price of Bonds (net of pre-issuance accrued interest) shall be substituted for the original stated principal amount of those Bonds, if such Bonds were sold at either an original issue discount or premium exceeding 2% percent of the stated redemption price at maturity; and

(2) with respect to each Series of Bonds for which a separate Reserve Account within the Subordinated Reserve Fund is established pursuant to the terms hereof, the aggregate amount required to be deposited in such separate Reserve Account, as specified in the respective Subordinated Supplemental Trust Agreement entered into in connection with the issuance of such Additional Bonds under the Subordinated Trust Agreement.

(3) With respect to the Subordinated 2013A Bonds, the common PFC Reserve Account has been created in the Subordinated Reserve Fund and the Subordinated Reserve Requirement with respect to such Account will be the amount described in (1) above. Future PFC Subordinated Bonds may be secured by the common PFC Reserve Account so long as the Subordinated Reserve Requirement is satisfied with respect thereto.

If, pursuant to any such Subordinated Supplemental Trust Agreement, the Authority is authorized to fund the initial designated amount, or deficiencies therein, over time, the Subordinated Reserve Requirement for any period shall include only the incremental portion of the deposit requirement for that series of Additional Bonds as specified in the Subordinated Supplemental Trust Agreement authorizing the issuance of such Additional Bonds. For the avoidance of doubt, the Authority may designate in a Subordinated Supplemental Trust Agreement that the Subordinated Reserve Requirement for a Series of Bonds issued thereunder is zero, in which case, such Series of Bonds will be deemed secured by a separate Reserve Account, the Subordinated Reserve Requirement for which will be zero.

The moneys in the Subordinated Reserve Fund shall be used only for the payment of the interest on all Bonds, including both Serial Bonds (the "Subordinated Serial Bonds") and Term Bonds (the "Subordinated Term Bonds"), the principal of Subordinated Serial Bonds and the required deposits into the Subordinated Redemption Account for Subordinated Term Bonds as the same mature or become due, whenever the moneys in the Subordinated Interest Account, Subordinated Principal Account and Subordinated Redemption Account are insufficient therefor. If separate accounts in the Subordinated Reserve Fund have been established for Additional Subordinated Bonds, deficiencies in the Subordinated Interest Account, Subordinated Principal Account and Subordinated Redemption Account with respect to such Additional Subordinated Bonds shall be payable solely from the funds deposited in each respective special Subordinated Reserve Account created with respect to such Additional Subordinated Bonds, or from the respective Reserve Fund Credit Enhancement acquired with respect thereto, and not from other funds deposited in the Subordinated Reserve Fund. Funds on deposit in the Subordinated Reserve Fund or the separate Subordinated Reserve Accounts therein established for a Series of Subordinated Bonds, in excess of the respective Subordinated Reserve Requirement, may be withdrawn at the Authority's request and deposited (i) into the Subordinated Sinking Fund to pay principal, interest or redemption premium on the applicable Series of Subordinated Bonds next coming due, (ii) into the Subordinated Redemption Account for redemption of such Series of Subordinated Bonds from which such surplus funds were derived or (iii) into the Construction Fund or the Revenue Fund as directed by the Authority, provided that the Authority first receives an opinion from bond counsel that the use of such funds will not adversely affect the excludability from gross income for federal income tax purposes of interest on any Series of Subordinated Bonds then Outstanding under the terms of the Subordinated Trust Agreement (other than any Series of Subordinated Bonds issued with the intent that interest thereon be includable in gross income for federal income tax purposes) and further provided that such funds held in a Subordinated Reserve Account for PFC Bonds issued under the Subordinated Trust Agreement (the "PFC Subordinated Bonds") shall be used solely for PFC Projects or debt service on PFC Subordinated Bonds. All deficiencies in the Subordinated Reserve Fund shall be restored from the first Subordinated Revenues and other moneys pledged under the Subordinated Trust Agreement which are available after making all prior required deposits into the Subordinated Interest Account, Subordinated Principal Account and Subordinated Redemption Account.

Upon the issuance of a series of Additional Subordinated Bonds, or at any time in replacement of moneys then on deposit in the Subordinated Reserve Fund, in lieu of making a cash deposit to the Subordinated Reserve Fund, or in substitution therefor, the Authority may deliver to the Subordinated Trustee a Reserve Fund Credit Enhancement in an amount which, together with moneys, securities or other Reserve Fund Credit Enhancements on deposit in or credited to the Subordinated Reserve Fund and any special Subordinated Reserve Account created with respect to Additional Subordinated Bonds, equals or exceeds the largest amount of principal, interest and required deposits into the Subordinated Redemption Account with respect to the Subordinated Bonds which will mature or become due in any succeeding year. See APPENDIX D – "FORM OF SUBORDINATED TRUST AGREEMENT – Article V, Section 5.02(c) – Reserve Fund."

(D) The Redemption Account in the Subordinated Sinking Fund in an amount which, together with funds on deposit therein, shall be necessary to make the funds on deposit therein equal to the Subordinated Sinking Fund Installment portion of the Accrued Aggregate Debt Service Requirement for such month with respect to Term Bonds maturing within such Fiscal Year.

A separate subaccount shall be set up and maintained in said Redemption Account for each separate issue of Additional Bonds; provided, however, that the separate account for any Additional Bonds issued for the completion of any project shall be the same separate subaccount as for the Bonds originally issued to finance such project.

Subordinated Revenues not required to make the deposits contemplated above shall remain in the Revenue Fund held under the Senior Trust Agreement and shall be available as needed to pay other subordinated indebtedness as contemplated thereunder.

Disbursement of Subordinated PFC Revenues under the Subordinated Trust Agreement

Subordinated PFC Revenues, as available under the Senior Trust Agreement, shall first be deposited into the Interest Account, the Principal Account and the Redemption Account, respectively, in amounts equal to that portion of each monthly deposit requirements therein that are attributable to the debt service requirements with respect to the PFC Bonds issued under the Subordinated Trust Agreement; and then shall be used to fund any deficiency in the Subordinated Reserve Fund (or any special account therein) allocable to or set aside for the benefit of PFC Bonds or any separate series thereof.

Subordinated PFC Revenues not required to make the deposits contemplated shall remain in the PFC Revenue Fund under the Senior Trust Agreement and shall be available as needed to pay other PFC subordinated indebtedness or PFC projects as contemplated by the Senior Trust Agreement.

The Authority may cause the Subordinated Trustee to release its pledge of Subordinated PFC Revenues at any time provided that before the lien is effectively released, the Authority shall have delivered to the Subordinated Trustee (i) a certificate of the Authority that there are no PFC Bonds outstanding or (ii)(A) a report from the Airport Consultant that the Authority has been in compliance with the Rate Covenant set forth in the Subordinated Trust Indenture for a period of 24 consecutive months out of the last 36 full calendar months preceding the date of the Report during which all then currently outstanding PFC Bonds have been outstanding, without taking into account any Subordinated PFC Revenues in the calculation of Revenues and (B) evidence that the release will not, in and of itself, cause any of the national rating agencies then maintaining ratings on any Outstanding Bonds, to reduce or withdraw their then current underlying or unenhanced ratings on such Bonds.

Rate Covenant under the Subordinated Trust Agreement

The Authority shall at all times while Subordinated Bonds are Outstanding, comply with its obligations under the Senior Trust Agreement. In addition, the Authority will fix, revise from time to time when necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always satisfy one hundred percent (100%) of the deposit requirements under the Senior Trust Agreement and that will always provide (i) Pledged Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of the Subordinated Trust Agreement, One Hundred Twenty-Five percent (125%) of the Bond Service Requirement for such Fiscal Year; (ii) Subordinated Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of the Subordinated Trust Agreement, One Hundred Twenty-Five percent (125%) of the Bond Service Requirement on Outstanding Subordinated Bonds in such Fiscal Year, the debt service on which is not eligible to be paid from Subordinated PFC Revenues (the "Subordinated Rate Covenant") (the Authority has covenanted that it shall not permit such fees, rates, rentals and other charges to be reduced so as to be insufficient to provide Subordinated Revenues for such purposes); and (iii) Available Revenues in each Fiscal Year that will be sufficient to pay One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) for such Fiscal Year on all Senior Bonds outstanding under the Senior Trust Agreement and on all Outstanding Subordinated Bonds.

For purposes of the Subordinated Rate Covenant, moneys remaining in the Senior Surplus Fund (other than moneys set aside for the payment of Derivative Non-Scheduled Payments) at the end of any Fiscal Year which the Authority elects to redeposit into the Senior Revenue Fund in the following Fiscal Year may be considered as fees, rates, rentals and other charges in the Fiscal Year in which they are so redeposited for purpose of satisfying the Subordinated Rate Covenant as set forth above.

Additional Bonds Issued under the Subordinated Trust Agreement

The Subordinated Trust Agreement permits the Authority to issue Additional Subordinated Bonds for the purpose of constructing or acquiring additions, extensions and improvements to the Airport System, upon compliance with the provisions of the Subordinated Trust Agreement. For Additional Subordinated Bonds, either of the following is required:

(x) A statement signed by the Chief Financial Officer of the Authority to the effect that: (i) the Authority's Pledged Revenues for any twelve (12) consecutive months within the eighteen (18) month period immediately preceding the month in which such Additional Subordinated Bonds are to be issued (the "Annual Review Period"), were not less than One Hundred Twenty-Five percent (125%), of the Maximum Bond Service Requirement in any succeeding Bond Year, on account of the Subordinated Bonds of each Series then Outstanding (including the Additional Subordinated Bonds proposed to be issued but excluding those Outstanding Subordinated Bonds to be defeased by the issuance of such Additional Subordinated Bonds) (the "Included Bonds"), (ii) the Authority's Subordinated Revenues for the Annual Revenue Period selected in clause (i) were not less than One Hundred Twenty-Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Bond Year, on account of the Included Bonds (or portions thereof as determined by the Authority) for which the annual debt service is not eligible to be paid from Subordinated PFC Revenues; and (iii) Available Revenues in the Annual Review Period were not less than One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) for such period on all Senior Bonds outstanding under the Senior Trust Agreement and on the Included Bonds; or

(y) A statement of the Airport Consultant that in its opinion, (i) the Pledged Revenues during the Bond Year in which such Additional Subordinated Bonds are issued and for each Bond Year thereafter through the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than One Hundred Twenty-Five percent (125%) of the Bond Service Requirement in each such corresponding Bond Year during the Period of Review, on account of the Included Bonds, (ii) the Subordinated Revenues during the Bond Year in which such Additional Subordinated Bonds are issued and for each Bond Year thereafter through the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than One Hundred Twenty-Five percent (125%) of the Bond Service Requirement in each such corresponding Bond Year during the Period of Review, on account of the Included Bonds (or portions thereof as determined by the Authority) for which the annual debt service is not eligible to be paid from Subordinated PFC Revenues; and (iii) Available Revenues in each corresponding Bond Year during the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) in each such corresponding Bond Year during the Period of Review, on account of all Senior Bonds outstanding under the Senior Trust Agreement and on the Included Bonds.

"Available Revenues" means the sum of (i) Gross Revenues, less Operating Expenses, in each case as such terms are defined in the Senior Trust Agreement plus (ii) the actual or projected, as the case may be, net PFC Revenues collected or expected to be collected by the Authority during the applicable period, after all deposit requirements under and with respect to Senior PFC Indebtedness.

For purposes of the Subordinated Trust Agreement, the "Period of Review" shall be that period beginning on the first day of the Bond Year of the Authority in which such Additional Subordinated Bonds are issued and ending on the last day of the Bond Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Subordinated Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Subordinated Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

For purposes of this requirement, moneys remaining in the Senior Surplus Fund under the Senior Trust Agreement at the end of any Bond Year which the Authority elects to redeposit into the Senior Revenue Fund in the following Bond Year may be considered as Gross Revenues (and thus, to the extent available pursuant to the Senior Trust Agreement, "Pledged Revenues" and "Subordinated Revenues" for purposes of this test) in the Bond Year in which they are, or are projected to be so redeposited; provided that without regard to the use of such funds, the Authority shall have collected, or shall be projected to collect, as the case may be, sufficient rates and charges under its Senior Rate Covenant so that the actual or projected Pledged Revenues, as the case may be, for the Bond Year or years in question, were, or are projected to be, at least sufficient to pay 100% of the yearly deposit requirements into the Subordinated Sinking Fund and the Subordinated Reserve Fund, without regard to carry over amounts from the Senior Surplus Fund.

If Available PFC Revenues are included in determining compliance with the foregoing requirements, the following rules will apply:

(i) The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report;

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Bond Years immediately preceding the year the report of the Airport Consultant is issued;

(iii) Available PFC Revenues, so long as they are pledged as Subordinated Revenues under this Subordinated Trust Agreement, may be taken into account in determining compliance with the

Additional Subordinated Bonds test requirements of the Subordinated Trust Agreement, in an amount equal to the lesser of (A) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (B) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

The Authority may issue Additional Subordinated Bonds without complying with the above requirements (a) to complete projects specifically authorized and theretofore funded with Additional Subordinated Bonds under the Subordinated Trust Agreement, provided that the aggregate principal amount of such completion Bonds does not exceed 15 percent of the aggregate principal amount of the Subordinated Bonds or portions of Subordinated Bonds issued to fund such projects, and to refund any Subordinated Bond or Subordinated Bonds Outstanding, provided that prior to the issuance of refunding Bonds the Airport Consultant or another qualified independent consultant must deliver to the Subordinated Trustee a statement stating (i) that in each Bond Year in which the bonds to be refunded were scheduled to be outstanding, the debt service with respect to the refunding Subordinated Bonds will be equal to or less than the debt service with respect to the Subordinated Bonds to be refunded, or (ii) (a) that in any Bond Year in which the bonds to be refunded were scheduled to be Outstanding the debt service with respect to the refunding Subordinated Bonds will be equal to or less than the debt service with respect to the Subordinated Bonds to be refunded, and (b) that the Maximum Bond Service Requirement with respect to all Subordinated Bonds Outstanding after the issuance of the refunding Subordinated Bonds (excluding the Subordinated Bonds to be refunded and including the refunding Subordinated Bonds) will be equal to or less than the Maximum Bond Service Requirements on all Subordinated Bonds Outstanding prior to the issuance of the refunding Subordinated Bonds. See APPENDIX D – "FORM OF SUBORDINATED TRUST AGREEMENT – Article III, Section 2.08 – Completion Bonds and Refunding Bonds."

For purposes of the foregoing, if the Outstanding Subordinated Bonds or the proposed refunding Additional Subordinated Bonds, or both, include Variable Rate Bonds, the assumed interest rate thereon for purposes of the foregoing calculations shall be determined in accordance with the procedures set forth in the definition of Bond Service Requirement (see APPENDIX D – "FORM OF SUBORDINATED TRUST AGREEMENT – Article I, Section 1.01 – Definitions – Bond Service Requirement"), determined on or as of the date of calculation.

SECURITY FOR THE SENIOR BONDS

Senior Bonds Outstanding

Senior Bonds Outstanding (see "OUTSTANDING DEBT – Senior and Subordinated Bonds") have been issued under the provisions of a Trust Agreement, dated as of October 1, 1968, as amended and supplemented from time to time, as codified and restated in a Codified and Restated Trust Agreement effective as of September 1, 2006, as amended and supplemented, by and between the Authority and The Bank of New York Mellon (successor trustee to JPMorgan Chase Bank, N.A. which was successor trustee to The Chase Manhattan Bank National Association), New York, New York, as Trustee (the "Senior Trustee", "Senior Paying Agent" and "Senior Registrar") (the "Senior Trust Agreement").

Definitions of certain words and terms having initial capitals used herein relating to the Senior Bonds Outstanding are contained in APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article I, Section 1.01 – Definitions."

Pledge of Revenues for the Senior Bonds

The Senior Bonds are payable solely from the Revenues of the Authority derived from the operation of the Airport System after payment of the Operating Expenses and are secured on a parity with the Outstanding Bonds under the Senior Trust Agreement (for purposes of the Official Statement and not APPENDIX C, "Senior Bonds Outstanding") and any Additional Bonds issued as Bonds thereunder (for purposes of this Official Statement and not APPENDIX C, the "Additional Senior Bonds"). Gross Revenues or Revenues means all rates, fees, rentals or other charges or income received by the Authority or accrued to the Authority from the operation of the Authority's Airport System, which includes Tampa International Airport and three general aviation airports, all as calculated in accordance with sound accounting practice and other moneys pledged in the Senior Trust Agreement. Gross Revenues or Revenues shall also include all "Available PFC Revenues" unless such funds have been released from the lien of the Senior Trust Agreement. See "– Available PFC Revenues" and "– Disposition of Available PFC Revenues" and APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article I, Section 1.01 – Definitions and Article V, Section 5.03 – Receipt and Disbursement of PFC Revenues."

Gross Revenues or Revenues do not include gifts, grants, either federal, state or any other public body, ad valorem taxes or moneys paid to the Authority by the City or the County, moneys derived by the Authority from Special Purpose Facilities, except ground rentals, or any other moneys not derived from the operation of the Airport System. "Operating Expenses" means the current expenses, paid or accrued, of operation, maintenance and ordinary current repairs of the Airport System including insurance premiums, administrative expenses of the Authority relating solely to the Airport System, including engineering, architectural, legal, airport consultants and accounting fees and expenses, and fees and expenses of the Senior Trustee, and such other reasonable current expenses as shall be in accordance with sound accounting practice. Pursuant to the Senior Trust Agreement, the Authority may, without Bondholder consent, exclude from "Gross Revenues" all revenue sources not directly related to the handling of passengers and greeters to, from and around the Airport System. See APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article XI, Section 11.05(B)."

"Operating Expenses" also include the fees, costs and expenses of the Senior Trustee, Liquidity Provider, Credit Provider, Tender Agent, Auction Agent, Remarketing Agent and other agents employed by the Authority in connection with one or more series of Bonds issued under the Senior Trust Agreement, but do not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of Special Purpose Facilities or airside buildings where the lessees thereof are obligated to pay such operating expenses.

After the refunding of the Refunded 2003A Bonds, the only PFC Bonds outstanding under the Senior Trust Agreement will be the Tampa International Airport Revenue Bonds, 2009 Series A (the "2009A Bonds") and any Additional Senior Bonds so designated as PFC Bonds by the Authority at the time of issuance and delivery thereof, the proceeds of which are used solely to fund PFC Projects (following PFC Approval thereof), to fund the Reserve Requirement with respect thereto, and to pay the costs of issuance thereof (or to refund the 2009A Bonds or Additional Senior Bonds meeting such requirements). The 2009A Bonds are secured by Available PFC Revenues. See "– Available PFC Revenues," "– Disposition of Available PFC Revenues" and APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article I, Section 1.01 – Definitions and Article V, Section 5.03 – Receipt and Disbursement of PFC Revenues."

Disposition of Revenues under the Senior Trust Agreement

All Revenues derived from the Airport System are deposited in the Revenue Fund established under the Senior Trust Agreement (the "Senior Revenue Fund"). Moneys in the Senior Revenue Fund are to be deposited into the following funds and accounts on a monthly basis in the following order:

- Operation and Maintenance Fund in an amount equal to one-twelfth (1/12th) of the amount provided in the Annual Budget for Operating Expenses, as defined herein;

- Pro rata into the Interest Account and the Qualified Hedge Payment Account in the Sinking Fund established under the Senior Trust Agreement (the "Senior Interest Account," "Senior Qualified Hedge Payment Account" and "Senior Sinking Fund") in an amount necessary to make the funds on deposit therein equal to the interest component of the Accrued Aggregate Debt Service Requirement (see APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article V, Section 5.02 – Disposition of Revenues") for such month with respect to Senior Bonds (including any net Qualified Hedge Payment then due within such month); provided however, that such deposit shall not be required to the extent sufficient moneys are then on deposit in the special fund in said Senior Interest Account either from the proceeds of Senior Bonds or from any other source;

- Senior Principal Account in the Senior Sinking Fund in an amount necessary to make the funds on deposit therein equal to the scheduled principal component of Serial Bonds included within the Accrued Aggregate Debt Service Requirement for such month;

- Deposit into the Reserve Fund for the Senior Bonds (the "Senior Reserve Fund"), and pro rata into each separate Reserve Account created therein pursuant to Supplemental Trust Agreements entered into with respect to the Additional Senior Bonds, an amount which, together with funds then deposited in the Senior Reserve Fund and each such Senior Reserve Account will be sufficient to make the funds on deposit therein equal to the aggregate Reserve Requirement with respect to the Senior Bonds (the "Senior Reserve Requirement"); provided that no further deposits shall be required to be made into the Senior Reserve Fund or into any separate Senior Reserve Account therein whenever and as long as the amount then on deposit is equal to the Senior Reserve Requirement for each respective Series of Senior Bonds Outstanding (see – " Senior Reserve Fund");

- Redemption Account in the Senior Sinking Fund for the Senior Bonds (the " Senior Redemption Account") in an amount necessary to make the funds on deposit therein equal to the Sinking Fund Installment portion of the Accrued Aggregate Debt Service Requirement for the Senior Bonds for such month with respect to Senior Bonds that are Term Bonds maturing within such Fiscal Year;

- Payment of debt service on junior and subordinate lien debt obligations of the Authority having a lien on the Revenues[(1)]; and

- Operating Reserve Account in the Senior Revenue Fund in the amount necessary, together with the moneys then on deposit in such Fund, to make the amount then on

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[(1)] This is the priority in the flow of funds from which Subordinated Revenues will be derived. The lien securing the Revolving Credit Agreement will be subordinate to the Subordinated 2013A Bonds. See "OUTSTANDING DEBT – SunTrust Revolving Credit Agreement."

deposit therein equal to one-sixth (1/6) of the annual amount of Operating Expenses provided for in the Annual Budget. The moneys in the Operating Reserve Account shall be used only for the payment of Operating Expenses when the moneys in the Operation and Maintenance Fund are insufficient therefor.

After making all the deposits or payments provided for above, including all deficiencies for prior required payments, the Authority shall on the first day of each month, withdraw all moneys then remaining in the Senior Revenue Fund and deposit the same into the Surplus Fund established under the Senior Trust Agreement (the "Senior Surplus Fund"). Moneys in the Senior Surplus Fund may be used by the Authority first for the payment of all Reimbursement Obligations and Derivative Non-Scheduled Payments then due under the Senior Trust Agreement, and then to reduce airline rental payments or may be used by the Authority for any other lawful purpose. See APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article V, Section 5.02(H) – Surplus Fund."

Available PFC Revenues under the Senior Trust Agreement

"PFCs" or "Passenger Facility Charges" means the passenger facility charges authorized to be charged by the Authority pursuant to the PFC Act and the PFC Regulations (currently collected at the rate of $4.50 per enplaned passenger), the imposition and use of which have been approved by the Federal Aviation Administration (the "FAA") pursuant to PFC Approvals. The current legal expiration date for the Authority's authorization to impose PFC changes is November 2019. "PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time. "PFC Regulations" means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act. "PFC Approvals" means the Records of Decision of the FAA, made pursuant to the PFC Act and the PFC Regulations, relating to passenger facility charges imposed by the Authority, as the same may be issued and amended from time to time. "PFC Revenues" means all revenues received by the Authority from PFCs authorized to be charged at the Airport pursuant to the PFC Act, the PFC Regulations and the PFC Approvals, including any interest earned thereon after such revenues have been remitted to the Authority as provided in the PFC Regulations. See "PASSENGER FACILITY CHARGES AND FEDERAL AND STATE GRANTS – Passenger Facility Charges."

As set forth above under "—Pledge of Revenues," Gross Revenues or Revenues shall also include "Available PFC Revenues." "Available PFC Revenues" means (i) with respect to the pledge and deposit requirements under the Senior Trust Agreement, the actual net PFC Revenues (as defined below) collected by the Authority, after all deposit requirements under and with respect to Senior PFC Indentures and (ii) for any historical or projected twelve month period relating to compliance with the Additional Senior Bonds parity test under the Senior Trust Agreement (see "—Additional Senior Bonds" herein) or for the purposes of determining compliance with the Rate Covenant under the Senior Trust Agreement (the "Senior Rate Covenant") (see "—Senior Rate Covenant" herein), the actual net PFC Revenues collected or projected to be collected by the Authority during such period, less an amount equal to 100 percent of the Maximum Annual Bond Service Requirement on the Senior PFC Indebtedness Outstanding at the time of such calculation. PFC Revenues may only be treated as Available PFC Revenues to the extent they are then included in the definition of Revenues and are pledged under the Senior Trust Agreement. Available PFC Revenues are junior and subordinate to senior lien pledges of PFC Revenues made by the Authority to secure Senior PFC Indebtedness. Currently there is no Senior PFC Indebtedness outstanding. If Senior PFC Indebtedness was issued by the Authority in the future, such Senior PFC Indebtedness would be payable solely from a pledge of PFC Revenues. The Authority may cause the Trustee to release its pledge of Available PFC Revenues at any time provided that before the lien is effectively released, the Authority shall have delivered to the Trustee (i) a certificate of the Authority that there are no PFC Bonds outstanding or (ii) (A) a report from the Airport Consultant (as defined herein) that the Authority has been in compliance with the Senior Rate Covenant set forth in the Senior Trust Agreement for a period of 24 consecutive months out of the last 36 full calendar months preceding the date of the report during which all then currently outstanding PFC Bonds under the Senior Trust Agreement (the "PFC Senior Bonds") have been outstanding, without taking into account any PFC Revenues in the calculation of Revenues and (B) evidence that the release will not, in and of itself, cause any of the national rating agencies then maintaining ratings on any Outstanding Bonds, including the 2009A Bonds, to reduce or withdraw their then current ratings on such Bonds.

Disposition of Available PFC Revenues under the Senior Trust Agreement

Available PFC Revenues received by the Authority and pledged under the Senior Trust Agreement shall be deposited into the PFC Revenue Fund and applied on a monthly basis in the following order:

- First to the Senior Interest Account, Senior Principal Account and Senior Redemption Account, respectively, amounts representing the monthly deposit requirements that are attributable to the debt service requirements with respect to PFC Bonds;

- Next to fund any deficiency in the Senior Reserve Fund (or any special account therein) allocable to or set aside for the benefit of PFC Senior Bonds or any separate series thereof;

- Next for the payment of debt service on, and other required deposits with respect to, obligations having a junior and subordinate lien on the PFC Revenues;[(1)]

- Next to replenish funds in the Senior Revenue Fund that were used to pay or to satisfy the monthly deposit requirements with respect to the principal of, interest on or redemption premiums with respect to the PFC Senior Bonds that were paid from non-PFC Revenues because PFC Revenues at the time of such deposit requirement were insufficient or ineligible for such purpose; and

- After making all the deposits or payments provided for above, including all deficiencies for required payments, the Authority shall on the first business day of each month, withdraw all moneys remaining in the PFC Revenue Fund and not otherwise set aside for such purposes and deposit the same into the PFC Capital Fund. Funds in the PFC Capital Fund may be used by the Authority for any lawful purpose in accordance with the PFC Act, the PFC Regulations and the PFC Approvals.

PFC Revenues not pledged under the Senior Trust Agreement would be available for PFC-eligible Additional Senior Bonds or PFC-eligible Additional Subordinated Bonds issued in the future.

Rate Covenant under the Senior Trust Agreement

The Authority will fix, revise from time to time when necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always provide Revenues in each Fiscal Year that

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[(1)] This is the priority in the flow of funds from which Subordinated Revenues will be derived. The lien securing the Revolving Credit Agreement will be subordinate to the Subordinated 2013A Bonds. See "OUTSTANDING DEBT – SunTrust Revolving Credit Agreement."

will be sufficient to pay, in accordance with provisions of the Senior Trust Agreement, (i) all amounts required to be deposited in the Senior Reserve Fund, the Operation and Maintenance Fund and the Operating Reserve Account in the Senior Revenue Fund, including in each case all accounts therein, plus (ii) 125 percent of the Bond Service Requirement for such Fiscal Year (see APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article V, Section 5.01 – Rate Covenant"). The Authority has covenanted that it shall not permit such fees, rates, rentals and other charges to be reduced so as to be insufficient to provide Revenues for such purposes. For purposes of determining compliance with this requirement, the Authority may include Available PFC Revenues in an amount not to exceed 125 percent of the amount required to be deposited into the Senior Interest Account, Senior Principal Account and Senior Redemption Account for such year on the Outstanding PFC Bonds or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time. See APPENDIX C - "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article I, Section 1.01 – Definitions and Article V, Section 5.01 – Rate Covenant." As noted above, the Authority may take into account Available PFC Revenues in determining its compliance with the foregoing covenants.

Moneys remaining in the Senior Surplus Fund (other than moneys set aside for the payment of any Derivative Non-Scheduled Payments) at the end of any Fiscal Year which the Authority elects to redeposit into the Senior Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are so redeposited for purposes of satisfying the rate covenant. The Authority shall always establish its rates and charges so that Revenues collected in the current Fiscal Year, without regard to carry over amounts from the Senior Surplus Fund, will be at least sufficient to pay 100 percent of the annual deposit requirements into the Operation and Maintenance Fund, the Senior Sinking Fund, the Senior Reserve Fund and subordinated indebtedness accounts.

Additional Bonds under the Senior Trust Agreement

The Senior Trust Agreement permits the Authority to issue Additional Senior Bonds for the purpose of constructing or acquiring additions, extensions and improvements to the Airport System, upon compliance with the provisions of the Senior Trust Agreement. For Additional Senior Bonds to be issued, either of the following is required:

> (x) A statement signed by the Executive Director or Senior Director of Finance of the Authority to the effect that the Authority's Revenues for the last Fiscal Year preceding the issuance of such Additional Senior Bonds for which audited statements are available (provided that the last day of the latest audited Fiscal Year falls within the 24 month period immediately preceding the issuance of such Additional Senior Bonds), were not less than the sum of (i) all amounts required to be deposited in the Operation and Maintenance Fund, the Senior Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness in such Fiscal Year, plus (ii) one hundred twenty-five percent (125%), of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Senior Bonds of each Series then Outstanding (including the Additional Senior Bonds proposed to be issued but excluding those Senior Bonds Outstanding to be defeased by the issuance of such Additional Senior Bonds); or
>
> (y) A statement of the Airport Consultant that in its opinion, the Revenues to be derived from the Airport System during the Fiscal Year

> in which such Additional Senior Bonds are issued and for each Fiscal Year thereafter through the Period of Review (defined below), taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than the sum of (i) all amounts required to be deposited into the Operation and Maintenance Fund and the Senior Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness during the Period of Review, plus (ii) one hundred twenty-five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Senior Bonds of each Series then Outstanding (including the Additional Senior Bonds proposed to be issued but excluding those Senior Bonds Outstanding to be defeased by the issuance of such Additional Senior Bonds).

See "CONCEPTUAL AND PROPOSED AMENDMENTS TO CERTAIN PROVISIONS OF THE SENIOR TRUST AGREEMENT – Proposed Amendments to Certain Provisions of the Senior Trust Agreement to Take Effect Upon the Requisite Bondholder Consent" for changes to subparagraph (y) above.

The "Period of Review" shall be that period beginning on the first day of the Fiscal Year of the Authority in which such Additional Senior Bonds are issued and ending on the last day of the Fiscal Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Senior Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Senior Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

For purposes of this requirement, moneys remaining in the Senior Surplus Fund at the end of any Fiscal Year which the Authority elects to redeposit into the Senior Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are, or are projected to be, so redeposited; provided that without regard to the use of such funds, the Authority shall have collected, or shall be projected to collect, as the case may be, sufficient rates and charges under its Senior Rate Covenant so that the actual or projected Revenues, as the case may be, for the Fiscal Year or years in question, were, or are projected to be, at least sufficient to pay 100 percent of the yearly deposit requirements into the Operation and Maintenance Fund, the Senior Sinking Fund, the Senior Reserve Fund and subordinated indebtedness accounts, without regard to carry over amounts from the Senior Surplus Fund.

If Available PFC Revenues are included in determining compliance with the foregoing requirements, the following rules will apply:

(i) The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report;

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Airport Consultant is issued;

(iii) Available PFC Revenues, so long as they are pledged as Revenues under the Senior Trust Agreement, may be taken into account in determining compliance with the requirements of subparagraph (x) above, in an amount equal to the lesser of (1) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (2) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

(iv) The amount of Available PFC Revenues included in determining compliance with the requirements of subparagraph (x) or (y) above shall be limited to Available PFC Revenues in an amount not to exceed 125 percent of the Maximum Bond Service Requirement on the Outstanding PFC Senior Bonds, and the PFC Senior Bonds, if any, proposed to be issued, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

The Authority may issue Additional Bonds without complying with the above requirements (a) to complete projects specifically authorized and theretofore funded with Additional Senior Bonds, provided that the aggregate principal amount of such completion Bonds does not exceed 15 percent of the aggregate principal amount of the Bonds or portions of Bonds issued to fund such projects, and (b) to refund any Senior Bond or Senior Bonds Outstanding, provided that prior to the issuance of refunding Senior Bonds the Airport Consultant or another qualified independent consultant must deliver to the Senior Trustee a statement stating (i) that in each Fiscal Year, the debt service with respect to the refunding Bonds will be equal to or less than the debt service with respect to the Senior Bonds to be refunded, or (ii) (a) that the aggregate debt service with respect to all Senior Bonds Outstanding after the issuance of the refunding Senior Bonds (excluding the Senior Bonds to be refunded and including the refunding Senior Bonds) will be equal to or less than the aggregate debt service with respect to all Senior Bonds Outstanding prior to the issuance of the refunding Senior Bonds, and (b) that the Maximum Bond Service Requirement becoming due in any subsequent Fiscal Year with respect to all Senior Bonds Outstanding after the issuance of the refunding Senior Bonds (excluding the Senior Bonds to be refunded and including the refunding Senior Bonds) will be equal to or less than the Maximum Bond Service Requirements on all Senior Bonds Outstanding prior to the issuance of the refunding Senior Bonds. See APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article II, Section 2.10 – Refunding Bonds."

For purposes of the foregoing, if the Senior Bonds Outstanding or the proposed refunding Additional Senior Bonds, or both, include Variable Rate Bonds, the assumed interest rate thereon for purposes of the foregoing calculations shall be determined in accordance with the procedures set forth in the definition of Debt Service Requirement in the Senior Trust Agreement (see APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article I, Section 1.01 – Definitions"), determined on or as of the date of calculation.

Senior PFC Indebtedness

The Authority has covenanted that it will not issue Senior PFC Indebtedness payable from PFC Revenues having a lien thereon superior to the lien thereon created by the Senior Trust Agreement unless at the time of issuance thereof (i) the Authority is not in default under the Senior Trust Agreement, (ii) the Authority shall have delivered to the Trustee a certificate to the effect that it is in compliance with the

PFC Act, the PFC Regulations and the PFC Approvals and that the Senior PFC Indebtedness is being issued for the purpose of funding the cost of PFC Projects, and (iii) the Authority shall have delivered to the Senior Trustee on or immediately prior to the issuance of such Senior PFC Indebtedness a statement of the Airport Consultant that in its opinion, the PFC Revenues to be received by the Authority during the Fiscal Year in which such Senior PFC Indebtedness is issued and for each Fiscal Year thereafter through the Period of Review, shall not be less than one hundred twenty-five percent (125%) of an amount equal to the largest amount of principal, interest and the required deposits into a redemption account or amortization fund that will mature or become due in any succeeding Fiscal Year on account of all Senior PFC Indebtedness and PFC Senior Bonds then Outstanding (including the Senior PFC Indebtedness proposed to be issued but excluding any Senior PFC Indebtedness or PFC Senior Bonds to be defeased by the issuance of such Senior PFC Indebtedness). Currently, there is no Senior PFC Indebtedness outstanding. If Senior PFC Indebtedness was issued by the Authority in the future, such Indebtedness would be payable solely from a pledge of PFC Revenues.

For purposes of determining compliance with the foregoing requirements, the following rules will apply:

(i) The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report; and

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Airport Consultant is issued.

Additional PFC Covenants

The Authority has covenanted that so long as Available PFC Revenues are used in the calculation of the Authority's compliance with the Senior Rate Covenant or are used in part to satisfy the requirements of the Additional Senior Bonds Test, it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the Authority and all provisions of the PFC Approvals, and will not take any action or omit to take any action with respect to the PFC Revenues, the PFC Projects funded by PFC Senior Bonds, the Airport System or otherwise if such action or omission would, pursuant to the PFC Regulations, cause the termination of the Authority's ability to impose passenger facility charges or prevent the use of the PFC Revenues as contemplated by the Senior Trust Agreement. The Authority has covenanted that all moneys in the PFC Revenue Fund and the PFC Capital Fund will be used in compliance with all provisions of the PFC Act, the PFC Regulations and the PFC Approvals applicable to the Authority. Without limiting the generality of the foregoing, the Authority has covenanted that, to the extent necessary to comply with the foregoing covenants:

(a) it will diligently seek approval to impose and use PFC Revenues for those projects constituting or that it expects to constitute PFC Projects within the time periods set forth in the PFC Regulations and will begin implementation of such PFC Projects within the time periods set forth in the PFC Regulations;

(b) it (i) will impose a Passenger Facility Charge to the full extent approved by the FAA for Tampa International Airport, and (ii) will not unilaterally decrease the level of the Passenger Facility Charge to be collected from any passenger;

(c) it will not impose any noise or access restrictions at Tampa International Airport not in compliance with the Airport Noise and Capacity Act of 1990, Pub. L 101-508, Title IX, Subtitle D (the "Airport Noise and Capacity Act"), if the imposition of such restriction may result in the termination or suspension of the Authority's ability to impose or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved passenger facility charge revenue has been collected;

(d) it will take all action necessary to cause all collecting air carriers to collect and remit to the Authority all Passenger Facility Charges at Tampa International Airport required by the PFC Regulations to be so collected and remitted; and

(e) it will contest any attempt by the FAA to terminate or suspend the Authority's ability to impose, receive or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge revenue has been collected.

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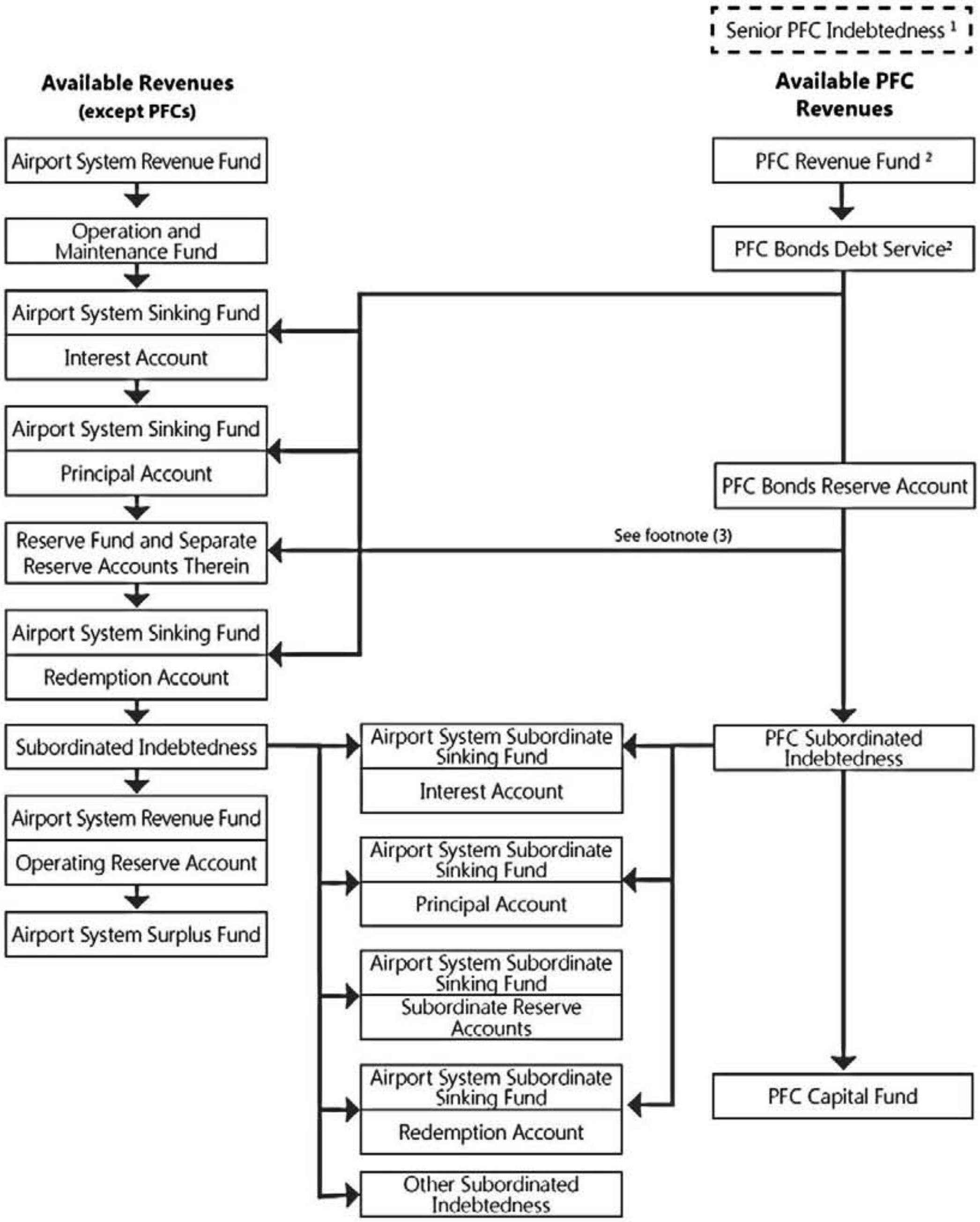
FLOW OF FUNDS UNDER THE SENIOR AND SUBORDINATED TRUST AGREEMENTS



(1) No such debt is presently outstanding.
(2) Available PFC Revenues are required to be deposited into the Senior Interest Account, the Principal Account and the Redemption Account Under the Senior Trust Agreement in an amount equal to, and monthly deposit requirements with respect to the PFC Bonds, and then to the replenishment of any reserve account established for PFC Bonds, and then to the payment of debt service on subordinated PFC Indebtedness.
(3) To the extent required to fund deficiencies in the separate reserve accounts established in the Senior Reserve Fund for a particular series of PFC Bonds.

Prepared By: Ricondo & Associates, Inc., October 1, 2013.

CONCEPTUAL AND PROPOSED AMENDMENTS TO CERTAIN PROVISIONS OF THE SENIOR TRUST AGREEMENT

Conceptual Amendments to Certain Provisions of the Senior Trust Agreement

By acceptance of the Subordinated 2013A Bonds, the holders of the Subordinated 2013A Bonds will join holders of all Senior Bonds Outstanding in consenting to the conceptual amendment of the definition of "Gross Revenues" or "Revenues" to specifically exclude, in addition to the moneys currently excluded from the definition of that term, all the revenue sources available to the Authority that are not directly related to the handling of passengers and greeters to, from and around the Airport facilities or the granting of rights in or with respect to the core terminal facilities. (Airline landing fees and parking revenues, and the fees generated from leases and concessionaire agreements in or with respect to the terminal facilities for all purposes of the Senior Trust Agreement, shall be treated as Gross Revenues.) Any such amendment shall provide that before it shall become effective, the Authority shall submit to the Senior Trustee (i) a certificate to the effect that the remaining Revenues in the year in which the exclusion is to be made will be sufficient to meet the Authority's Senior Rate Covenant in such year as described in the Senior Trust Agreement and (ii) a certificate from an airport consultant reasonably acceptable to the bond insurers, if any, to the effect that, based on its projections and subject to customary assumptions and limitations, the deletion of such revenues from the lien of the Senior Trust Agreement will not adversely affect the Authority's ability to meet the Authority's Senior Rate Covenant in each of the five Fiscal Years following the effective date of such amendment. See APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article XI, Section 11.05 – Approved Conceptual Amendments."

Prior to the delivery of the Subordinated 2013A Bonds, one-hundred percent (100%) of the holders of Senior Bonds Outstanding have consented to the terms and provisions of certain other conceptual amendments as set forth in the Senior Trust Agreement which, as of the date hereof, have not been implemented. By acceptance of the Subordinated 2013A Bonds, the holders thereof will have also consented to the terms and provisions of such conceptual amendments set forth in the Senior Trust Agreement. See APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Article XI, Section 11.05 – Approved Conceptual Amendments."

Proposed Amendments to Certain Provisions of the Senior Trust Agreement to Take Effect Upon the Requisite Bondholder Consent

The Authority and the Trustee intend to consent to, approve and agree to the following two amendments to the Senior Trust Agreement, the first of which is subject to the consent thereto by the holders of not less than two-thirds (2/3) of the Senior Bonds Outstanding and the second of which is subject to the consent of 100% of the holders of the Senior Bonds Outstanding.

A. Change in Additional Bonds Test.

The (y) test for the coverage of Additional Senior Bonds under the Senior Trust Agreement would be changed to limit the Maximum Bond Service Requirement as follows:

> "(y) A statement of the Airport Consultant that in its opinion, the Revenues to be derived from the Airport System during the Fiscal Year in which such Additional Senior Bonds are issued and for each Fiscal Year thereafter through the Period of Review referred to below, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than the sum of (i) all amounts required to be

> deposited into the Operation and Maintenance Fund and the Senior Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness during the Period of Review, plus (ii) One Hundred Twenty-Five percent (125%) of the Bond Service Requirement in each such corresponding Fiscal Year during the Period of Review, on account of the Senior Bonds of each Series then Outstanding (including the Additional Senior Bonds proposed to be issued but excluding those Senior Bonds Outstanding to be defeased by the issuance of such Additional Bonds)."

This amendment will become effective only upon receipt by the Authority of the consent of 100% of the aggregate principal amount of Senior Bonds Outstanding.

B. Change in Percentage of Bondholders Required to Consent to Amendments.

The section of the Senior Trust Agreement requiring consent of at least two-thirds (2/3) in aggregate principal amount of Senior Bonds Outstanding to effect certain amendments to the Senior Trust Agreement will be amended to reduce that percentage to not less than a majority in aggregate principal amount of Senior Bonds then Outstanding. This amendment will become effective only upon receipt by the Authority of the consent of 100% of the aggregate principal amount of Senior Bonds Outstanding.

By acceptance of the Subordinated 2013A Bonds, the holders thereof consent to and approve the above proposed amendments to the Senior Trust Agreement. However, the proposed amendments still require the requisite approval of holders of the Outstanding Senior Bonds to become effective.

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ESTIMATED SOURCES AND USES OF FUNDS

The following is the estimated sources and uses of proceeds of the Subordinated 2013A Bonds, together with other legally available funds of the Authority:

Sources	
Principal Amount	$168,865,000.00
Net Original Issue Premium	11,113,749.65
Release of funds held in the Sinking Fund for the Refunded 2003A Bonds	1,866,596.62
Release of funds from the Refunded 2003A Bonds Reserve Fund	22,805,122.27
Other Authority Revenues	874,272.65
Total Sources	$205,524,741.19
Uses	
Deposit to Escrow Account for the Refunded 2003A Bonds	$96,817,141.08
Deposit to Subordinated Reserve Account	17,997,874.97
Repayment of Refunded Note	89,140,605.00
Cost of Issuance, including Underwriters' Discount[(1)]	1,569,120.14
Total Uses	$205,524,741.19

(1) Includes the fees and expenses of Bond Counsel, Disclosure Counsel, Financial Advisor, Airport Consultant, Underwriters' Discount, printing, ratings, and other associated costs of issuance.

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OUTSTANDING DEBT

Senior and Subordinated Bonds

After the issuance of the Subordinated 2013A Bonds, the Authority will have Outstanding Senior Bonds and Outstanding Subordinated Bonds in the aggregate principal amount of $613,915,000, as follows:

Series of Bonds	Principal Amount Outstanding After Issuance of the Subordinated 2013A Bonds
Senior Bonds:	
Revenue Bonds, 1996 Series B (the "1996 Bonds")	$ 9,085,000
Revenue Refunding Bonds, 2001 Series A (the "2001A Bonds")	13,080,000
Revenue Bonds, 2003 Series B (the "2003B Bonds")	41,290,000(1)
Revenue Refunding Bonds, 2003 Series C (the "2003C Bonds")	44,085,000(1)
Revenue Refunding Bonds, 2003 Series D (the "2003D Bonds")	35,530,000(1)
Revenue Bonds, 2005 Series A (the "2005A Bonds")	59,170,000
Revenue Refunding Bonds, 2005 Series B (the "2005B Bonds")	23,910,000
Revenue Refunding Bonds, 2006 Series A (the "2006A Bonds")	13,750,000
Revenue Refunding Bonds, 2006 Series B (the "2006B Bonds")	10,565,000
Revenue Bonds, 2008 Series A (the "2008A Bonds")	133,000,000
Revenue Bonds, 2008 Series B (the "2008B Bonds")	16,725,000
Revenue Refunding Bonds, 2008 Series C (the "2008C Bonds")	9,625,000
Revenue Refunding Bonds, 2008 Series D (the "2008D Bonds")	3,110,000
2009A Bonds	32,125,000
Total Senior Bonds	$445,050,000
Subordinated Bonds:	
Subordinated 2013A Bonds	168,865,000
Total	$613,915,000

(1) The Authority has issued a request for proposals to financial institutions for the purchase of Additional Senior Bonds to currently refund the 2003B and 2003D Bonds and refund a portion of the amounts outstanding under the Revolving Credit Agreement before December 31, 2013. Requests for proposals to financial institutions for the purchase of Additional Senior Bonds to currently refund the 2003C Bonds before December 31, 2013 are expected to be issued before October 31, 2013.

The Authority anticipates issuing Additional Senior Bonds in the approximate principal amount of $703.2 million and approximately $319 million in aggregate principal amount of Additional Subordinated Bonds for the CONRAC and APM projects (as defined herein) and other projects in its Master Plan Phase I. The Airport Consultant's Report assumes these additional bond issues will occur before December 31, 2014. The Airport Consultant's Report also assumes Additional Senior Bonds will be issued for the Master Plan Phase II projects in the approximate amount of $117.7 million in 2017 and approximately $75.4 million in aggregate principal amount in 2020. See "FUTURE CAPITAL PROJECTS" and APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – 3. The Capital

Program and Funding Sources – 3.1 The Airport Master Plan – 3.2.1 Estimated Project Costs and Timing - 6. Financial Analysis – 6.5 Debt Service."

SunTrust Revolving Credit Agreement

The Authority entered into a Revolving Credit Agreement (the "Original Revolving Credit Agreement") between the Authority and SunTrust Bank ("SunTrust Bank"), dated as of June 21, 2011, and issued its Note, dated June 21, 2011 (the "Original Revolving Credit Note") in the aggregate principal amount of not to exceed $105,000,000 (the "Original Commitment Amount"). The Original Revolving Credit Agreement was amended and a 2012 Replacement Note dated March 1, 2012 (the "Replacement Revolving Credit Note") was issued pursuant to Amendment One to Revolving Credit Agreement dated as of March 1, 2012 (collectively, with the Original Revolving Credit Agreement, the "Amended Revolving Credit Agreement"). In connection with the amendment and replacement of the Original Revolving Credit Note, the Original Commitment Amount was increased to $130,000,000. The Amended Revolving Credit Agreement will be amended and restated pursuant to the Amended and Restated Revolving Credit Agreement to be dated October 18, 2013 among the Authority, SunTrust Bank, STI Institutional & Government, Inc., and SunTrust Bank, as agent (the "Revolving Credit Agreement") and the Replacement Revolving Credit Note will be replaced with the Tax-Exempt Subordinated Revenue Note and the Taxable Subordinated Revenue Note (collectively, the "2013 Revolving Credit Notes").

The Revolving Credit Agreement increases the Original Commitment Amount to two-hundred million dollars ($200,000,000). The $200,000,000 availability will be restricted periodically based on an estimated funding need schedule submitted by the Authority semi-annually, projecting the monthly funding need for the upcoming six months. If needed, the Authority may submit to SunTrust Bank a revised schedule should the funding need change during the six-month period. Incremental draws to the Revolving Credit Agreement would require that the Authority be in compliance with its covenants and that all of its financial reporting be current. Additionally, each draw on the Revolving Credit Agreement would be tied to a specific project or group of projects. The draw request would also state which of the following or combination of the following would be the expected repayment source: (i) a future bond/bonds issued for the specific project or projects related to that draw; (ii) a Transportation Infrastructure Finance and Innovation Act ("TIFIA") loan; (iii) a specific grant funding request; or (iv) operational cash flow of the Authority.

The Authority will covenant in the Revolving Credit Agreement that the proceeds of any new Senior Bonds, Subordinated Bonds, TIFIA loans and grant proceeds received to refinance or repay costs associated with projects initially financed under the Revolving Credit Agreement will be used first to repay the draw or draws made specifically for that project on the Revolving Credit Agreement.

Amounts due and payable under the Revolving Credit Agreement will be secured by the "Pledged Funds," which include the Subordinated Revenues and all income received from the investment of moneys deposited in certain funds and account created and held under the Revolving Credit Agreement. "Subordinated Revenues" are defined in the Revolving Credit Agreement to include the Revenues of the Authority, if any, available for the payment of subordinated indebtedness pursuant to Section 5.02(F) of the Senior Trust Agreement, after making all distributions required under the Subordinated Trust Agreement. "Pledged Funds" also include "Subordinated PFC Revenues" which include "Available PFC Revenues" as defined in the Senior Trust Agreement available for payment of subordinated PFC indebtedness under Section 5.03(C) thereof, after making all deposits required under the Subordinated Trust Agreement to be paid from Available PFC Revenues, but only to the extent debt service on the 2013 Revolving Credit Notes is eligible to be paid from PFCs. Thus, the Subordinated 2013A Bonds will have a superior payment position to the Revolving Credit Agreement on Revenues pursuant to Section 5.02(F) of the Senior Trust Agreement and on Available PFC Revenues under Section 5.03 of the Senior Trust Agreement.

As of the date of issuance of the Subordinated 2013A Bonds and the prepayment of $89,140,605 in advances of the 2013 Revolving Credit Notes, approximately $173,000,000 in aggregate principal amount would be available for future draws under the Revolving Credit Agreement. The Authority anticipates that it will draw approximately $85,000,000 in principal amount under the Revolving Credit Agreement during Fiscal Year 2014 for capital projects of the Authority. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Capital Program and Funding Sources."

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SENIOR BONDS OUTSTANDING DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Senior Bonds.

Fiscal Year Ending Sept. 30[1]	Senior Outstanding Bonds Debt Service Requirements[2]
2014	$62,058,506
2015	62,053,619
2016	54,578,419
2017	54,586,088
2018	61,180,719
2019	36,995,244
2020	37,962,544
2021	22,710,406
2022	22,676,100
2023	22,645,400
2024	18,297,063
2025	18,257,188
2026	18,216,013
2027	14,827,263
2028	14,827,788
2029	14,824,913
2030	14,827,219
2031	14,824,469
2032	14,830,569
2033	14,828,656
2034	14,822,675
2035	14,828,625
2036	14,830,525
2037	14,826,750
2038	14,825,625
	$670,142,381

(1) The payments due on October 1 of a given year are reflected in the preceding Fiscal Year, which ends September 30.
(2) Does not include debt service for the Refunded 2003A Bonds being refunded by the Subordinated 2013A Bonds. Includes debt service for the 2003B Bonds, 2003C Bonds and 2003D Bonds. The Authority is anticipating directly placing Additional Senior Bonds with a financial institution(s) to currently refund those Bonds before December 31, 2013.

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SUBORDINATED 2013A BONDS DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Subordinated 2013A Bonds.

Fiscal Year Ending Sept. 30[(1)]	Subordinated 2013A Bonds		
	Principal	Interest	Total
2014	$12,195,000	$7,479,295.54	$19,674,295.54
2015	13,690,000	7,890,681.26	21,580,681.26
2016	14,230,000	7,343,081.26	21,573,081.26
2017	--	6,652,881.26	6,652,881.26
2018	--	6,652,881.26	6,652,881.26
2019	8,060,000	6,652,881.26	14,712,881.26
2020	8,465,000	6,250,381.26	14,715,381.26
2021	8,885,000	5,827,131.26	14,712,131.26
2022	9,320,000	5,390,600.00	14,710,600.00
2023	9,790,000	4,924,600.00	14,714,600.00
2024	10,280,000	4,435,100.00	14,715,100.00
2025	10,835,000	3,880,575.00	14,715,575.00
2026	11,375,000	3,338,825.00	14,713,825.00
2027	11,945,000	2,770,075.00	14,715,075.00
2028	12,560,000	2,151,212.50	14,711,212.50
2029	13,255,000	1,460,412.50	14,715,412.50
2030	13,980,000	731,387.50	14,711,387.50
	$168,865,000	$83,832,001.86	$252,697,001.86

(1) The payments due on October 1 of a given year are reflected in the preceding Fiscal Year, which ends September 30.

AIR TRADE AREA

General

The demand for air transportation at airports serving primarily origin-destination passengers to a large degree is dependent upon the demographic and economic characteristics of an airport's air trade area – the geographical area served by an airport.

The primary air trade area (the "Air Trade Area") for the Airport is the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (the "Tampa Bay MSA"), as defined by the federal government's Office of Management and Budget. The Tampa Bay MSA consists of four counties in the State of Florida: Hernando, Hillsborough (the county in which the Airport is located), Pasco and Pinellas.

Population in the Air Trade Area increased from approximately 2.1 million in 1990, to approximately 2.4 million in 2000, and to approximately 2.9 million in 2012. Population growth in the Air Trade Area between 1990 and 2012 (compound annual growth rate of 1.5 percent) was less than that experienced by Florida (compound annual growth rate of 1.8 percent) and greater than the nation (compound annual growth rate of 1.1 percent) during this period. According to the most recent U.S. Census Bureau data, Tampa has been the twelfth fastest-growing large city in the United States since the 2010 Census, with a 3.1 percent increase in population over this period. The Air Trade Area was impacted by the 2007-2009 recession especially in the housing sector and employment. However, the Air Trade Area's economy has had one of the strongest recoveries from that recession in the nation. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Demographic and Economic Analysis."

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, the Airport service area extends to a secondary air trade area. This secondary air trade area includes the additional State counties of Citrus, De Soto, Hardee, Manatee, Sarasota, Sumter and a portion of Polk. The borders of this extended service area are established by the Orlando International Airport approximately 80 miles to the east of the Airport and the Southwest Florida International Airport (Fort Myers) approximately 130 miles to the south of the Airport. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Tampa International Airport System – Air Trade Area."

Airports in the Primary and Secondary Air Trade Area

The St. Petersburg-Clearwater International Airport (the "St. Petersburg-Clearwater Airport") is approximately 12 miles west of the Airport and located within the Air Trade Area; however, its scheduled passenger service is limited in scope. The majority of scheduled passenger service to the St. Petersburg-Clearwater Airport is provided by leisure-oriented carriers (primarily Allegiant Air and Canadian carriers Sunwing and Air Transit) to markets with smaller populations on a less than daily basis.

Sarasota-Bradenton International Airport (the "Sarasota Airport") is located approximately 50 miles south of Tampa International Airport within the secondary air trade area. Based upon Airport booking data by zip codes, sixty-one percent of the Sarasota/Manatee County passengers drive to Tampa to take advantage of Tampa International Airport's more diverse flight selections to major origin-destination markets.

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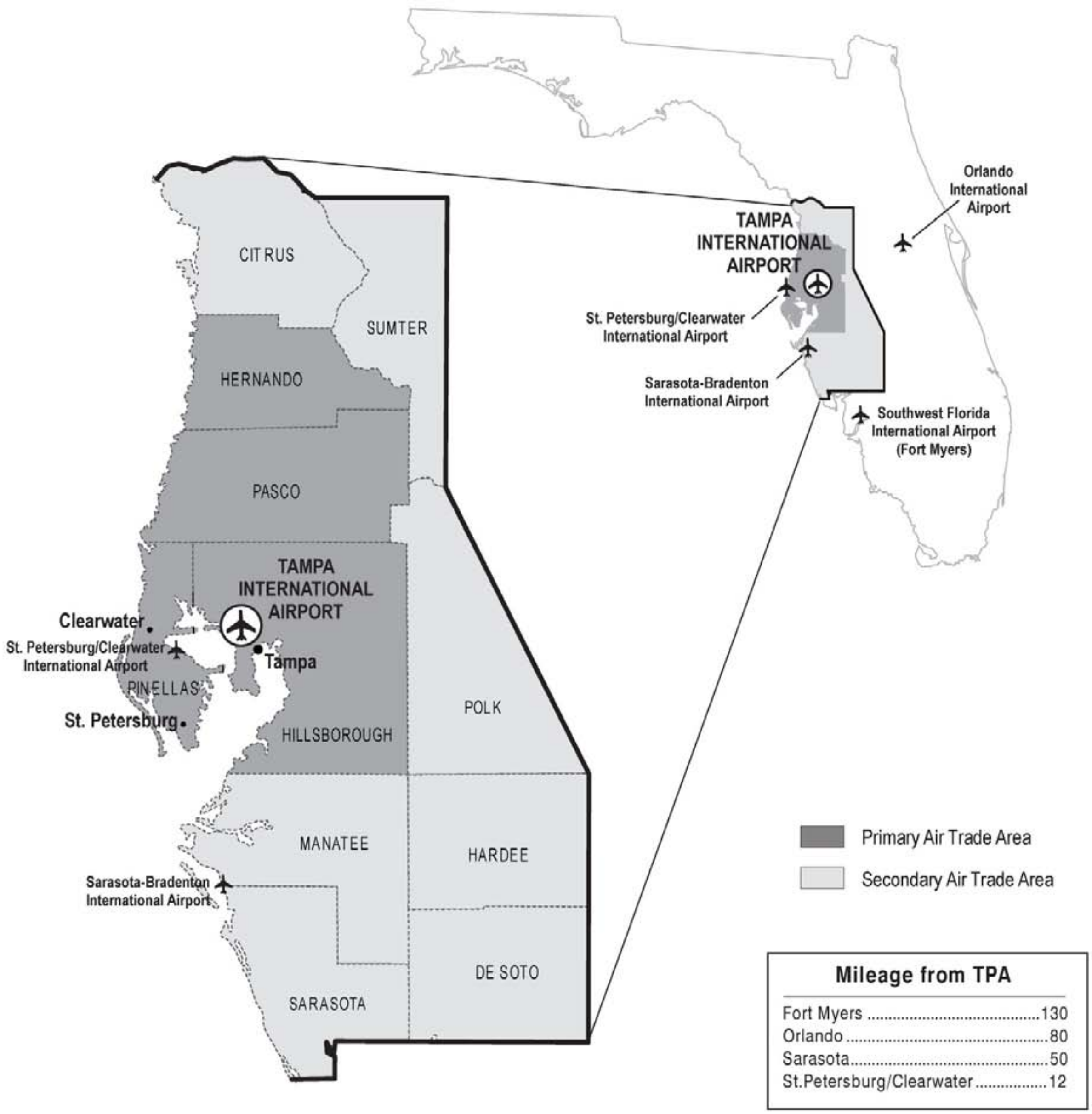
AIR TRADE AREA MAP



THE AIRPORT SYSTEM

The Airport System includes Tampa International Airport (the "Airport"), Peter O. Knight Airport, Plant City Airport and Tampa Executive Airport. The latter three are general aviation airports which serve as reliever airports. The Airport, an approximate 3,400 acre facility, is utilized primarily for commercial aviation purposes by certificated scheduled airlines. There are two full service general aviation executive terminals located at the Airport. Peter O. Knight Airport, a 107 acre facility, is located six miles southeast of the Airport; Plant City Airport, a 199 acre facility, is located 22 miles east of the Airport; and Tampa Executive Airport, a 409 acre facility, is located 12 miles east of the Airport.

Management

Joseph W. Lopano, Chief Executive Officer, joined the Authority in January 2011. Prior to accepting the Chief Executive Officer position in Tampa, Mr. Lopano worked at the Dallas/Fort Worth International Airport for 14 years as its Executive Vice President for Marketing and Terminal Management. Additionally, he has 22 years of airline and airport expertise. Mr. Lopano has extensive experience in the airline business, having held management positions at Continental Airlines, Lufthansa, BWIA and Pan Am.

Al Illustrato, Jr., Vice President of Facilities and Administration, joined the Authority in 1989 as a manager in the maintenance department. Prior to joining the Authority, he managed the electric traction division of the Long Island Rail Road Company in New York.

Christopher D. Minner, Vice President of Marketing, joined the Authority in March 2011. Mr. Minner was the Assistant Vice President of Air Service Development at Dallas/Fort Worth International Airport. Prior to that, he worked eight years at the Oakland International Airport as a manager of marketing research and analysis during which time passenger traffic increased from nine million to fifteen million.

Damian L. Brooke, Vice President of Finance and Information Technology, joined the Authority in March 2011. Mr. Brooke was the Assistant Vice President, Market Planning and Analysis at Dallas/Fort Worth International Airport. Prior to that, he headed up the international airport and government consulting practice for Sabre Holdings Inc. Mr. Brooke also has extensive experience in airline route planning, having worked in Doha, Qatar for Qatar Airways and in Dallas for American Airlines.

Gigi Garber Rechel, Vice President of Legal Affairs and General Counsel, joined the Authority in 1999, becoming the Authority's first in-house attorney. Prior to her association with the Authority, she practiced law for fifteen years concentrating in the areas of Real Estate Development, Business Law and Local Government Law.

John M. Tiliacos, Vice President of Operations, joined the Authority in June 2012. Mr. Tiliacos has worked in the airline industry for 27 years, most recently serving as managing director for American Airlines in Los Angeles, leading one of the company's largest operations in the U.S./Canadian Division with more than 150 daily flights and 1,200 employees.

Janet M. Zink, Assistant Vice President of Media and Government Relations, joined the Authority in September 2011. Prior to her joining the Authority, she had 30 years of journalism and media relations in the private sector, which included The Tampa Tribune, The Tampa Bay Times, and the Miami Herald.

Ann Davis, Director of Finance, joined the Authority in July 1993. She is a Certified Public Accountant and prior to joining the Authority, she had 10 years of accounting management experience in the private sector.

The Authority had a total of 546 employees as of December 31, 2012 including professional staff, office clerical workers, maintenance personnel, equipment operators and police officers. The Authority's budget for the Fiscal Year ending September 30, 2013 provides funding for up to 586 positions.

Tampa International Airport

The Airport is primarily an origin-destination airport. Based on U.S. Department of Transportation ticket sample data, origin-destination passengers accounted for approximately 90 percent of the total passengers at the Airport for the 12 months ended December 31, 2012. The Airport ranked 30th nationally in number of total passengers in 2012, according to airport activity reports compiled by the Airports Council International, with 8.4 million enplaned passengers. The Airport is a large air traffic hub, as defined by the FAA. Domestic passenger traffic enplaned at the Airport accounted for 1.2 percent of total United States domestic passenger traffic, according to airport activity statistics published by the U.S. Department of Transportation for the 12 months ended September 30, 2012.

The Airport is an integral component of the Tampa Bay community offering nonstop air service to over 70 domestic and international cities with easy connections to every major city in the world and competitive, low fares for the community. In fact, over 59 percent of the Airport's enplaned passengers are served by low cost carriers. During 2012, over 16.7 million arriving and departing passengers traveled through the Airport.

For the 17th consecutive year, the FAA recognized the Airport in their annual safety inspections with no discrepancies. FAA inspectors examine runway and taxiway surfaces, fire and rescue training, performance of an airport's self-inspection and maintenance program, airfield construction, aircraft fueling procedures and other safety related items.

In 2013, Tampa Jet Center at Tampa International Airport was ranked Florida's No. 1 fixed based operator in an Airport International News survey.

In February 2013, the Airport's staff was awarded Best Concessions Management Team at the Airport Revenue News Conference. The concessions team is credited with a large portion of the revenue growth in a year-over-year comparison, thanks to a concessions redevelopment in 2012 that incorporated local flavor into the food and beverage program.

In March 2013, the Airport was recognized for world-class service, placing third among all airports in North America in Airports Council International's Airport Service Quality ("ASQ") awards. The Airport was behind only Indianapolis and Ottawa. The awards are presented annually to airports around the world that rate the best in ACI's passenger satisfaction survey. In addition to the North American Region award, the Airport placed fifth among all airports worldwide in the 15-25 million passenger category.

Airports Council International – North America named the Columbia Cafe at Airside E at the Airport the Best New Food and Beverage concept in 2012. Columbia Café, one of the concessions team's most successful additions, has received several awards beginning soon after it opened its doors. It was also recognized by TheDailyMeal.com as one of the 31 Best Airport Restaurants Around the World in November 2012, One of America's Best Historic Restaurants according to CNN in September 2012, and

Fox News named the Columbia Cafe at Airside E as one of the world's best airport restaurants featuring local flavor in September 2012.

In September 2012, Creative Loafing Magazine named the Airport as the Best New Dining District in the Tampa Bay area. Creative Loafing also named Chief Executive Officer Joe Lopano as the Best Public Agency Head.

In November 2011, CNNgo.com, a CNN website devoted to international travel and tourism, rated the Airport number six in its listing of the top ten most loved airports. CNN based its award on such characteristics as uniqueness and charm. The website recognized the Airport for its "affable Floridian staff" and "tasteful galleria of shops" among its many favorable traits. It was the only airport in the United States named in the survey.

In February 2010, J.D. Power and Associates ranked Tampa International Airport No. 3 among mid-sized airports in North America Airport Satisfaction Study stating that, "Tampa performs particularly well in the terminal facilities and baggage claim factors." The Airport received top marks in overall satisfaction and a four out of five for accessibility, check-in and security.

Passenger Terminal Facilities

The existing passenger terminal facilities at the Airport include a Main Terminal Building, Airside Buildings connected to the Main Terminal Building by a fully automated elevated passenger transfer system, structured parking facilities, rental car facilities, an integrated inline explosive detection outbound baggage system and a hotel. To guide passengers and traffic, the Airport utilizes the designations "Red Side" and "Blue Side," which are generally oriented north and south, respectively. Upon entering the Airport via the roadway system, patrons are guided to specific airlines, which are identified as either Red or Blue. This designation continues within the Main Terminal Building, guiding patrons to the proper baggage claim areas.

Main Terminal Building and Short-Term Parking. The Main Terminal Building is comprised of three operating levels: baggage claim and explosive detection screening; ticketing; and passenger transfer and concession area. The ground level is devoted to inline explosive detection for outbound baggage, inbound baggage claim facilities, and local surface transportation, including commercial ground transportation facilities at each of the four corners of the Main Terminal Building. The second level includes airline ticket counters, curbside passenger baggage check in and airline support offices. The third level, the passenger transfer level, includes station lobbies for the passenger transfer system connecting to the Airside Buildings, as well as restaurants, retail merchandise concessions and a connecting arcade to a 300 room hotel. Offices of the Authority are also located on the third level. Above these three operating levels are six levels of short term auto parking, which provide 3,542 vehicle public parking spaces, including valet parking spaces for approximately 150 cars, and the monorail system connecting the Main Terminal Building to the South Terminal Garage, the long-term parking garage. Expansion of the baggage claim level was completed in December 2010. This project expanded the baggage claim level on the east end of first level on both the Red and Blue sides, which created more circulation space, additional restrooms and relocation of the airline bag service offices. New baggage claim devices were added and all existing devices replaced, which increased bag capacity by approximately 40 percent.

In advance of the Republican National Convention held in Tampa in August 2012, the Authority modernized the Main Terminal Building by upgrading lighting and light levels, wall refurbishing, renovating restrooms, improving signage in baggage claim and on the Airsides, and new flooring on the ticketing level. The Authority also added a United Service Organization ("USO") facility to provide service for United States services personnel.

Adjacent to the Main Terminal Building, on its north side, is a two story, 144,000 square foot Airport administrative office building, which includes additional Authority office space as well as mechanical, electrical and communications facilities required to serve the Main Terminal Building. Included in the Airport administrative office building are an airport employees' cafeteria, storage areas, police offices, maintenance shops and truck dock with adjoining warehouse space for the support of the various activities occurring within the Main Terminal Building.

South Terminal Garage - Long-Term Parking. Adjacent to the Main Terminal Building on its south side is an eight-level South Terminal Garage with 6,854 vehicle public parking spaces on six levels for long term parking. The South Terminal Garage is connected to the Main Terminal Building by a monorail system which transports passengers to elevator lobbies on the fifth floor of the Main Terminal Building and by two pedestrian bridges on the transfer level. The latter two 120-foot walkways are covered, open-air bridges. Portions of the first and second levels accommodate on-Airport car rental operations, including check-in areas, and are connected to the ticketing level of the Main Terminal Building by two pedestrian bridges.

Terminal Car Rental Facilities. The Terminal Car Rental Facilities include the rental car counters located in buildings adjacent to the Main Terminal Building and the rental car return area located in the South Terminal Garage including quick-turnaround service areas and ready car parking spaces. The Blue and Red Side facilities currently have sufficient capacity to provide passengers with convenient direct access from baggage claim to car rentals within short walking distances; however, due to curbside congestion and the need for greater capacity in the future, the Authority is undertaking the design and construction of a consolidated rental car facility ("CONRAC") and automated people mover ("APM"). The APM is expected to be utilized by rental car customers, economy parking customers and Airport employees and customers who are dropped off or picked up at the new CONRAC facility. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – The Capital Program and Funding Sources."

Integrated Inline Explosive Detection Outbound Baggage System. The Authority installed an outbound baggage system that converted the system from a manually loaded and transported operation, utilizing baggage tugs with multiple trailers, to a fully automated high speed conveyor network providing common use check in capabilities, baggage tracking and sorting features while maintaining an equal or better delivery time to the respective baggage loading areas at each airside terminal. The outbound baggage system replaced the baggage makeup area in the Main Terminal Building with automated in-line explosion detection system screening equipment, including control rooms, baggage search/handling areas and the new baggage handling system itself. High speed belts transport screened baggage to the baggage makeup areas, which are now located at the airsides (Airsides C and E integrate the baggage makeup area within the footprint of their respective buildings, while Airsides A and F have separate baggage makeup buildings located near the Airsides). The original project, which did not include the Airside C component was completed and operational in June 2004. The Airside C baggage system was constructed during the building of Airside C and was completed in April 2005.

Airside Buildings. There are four Airside Buildings currently in operation: Airside Buildings A, C, E and F. Original Airsides B, C, D and E have been demolished. The Airside Buildings contain passenger transfer system lobbies, passenger arrival and departure holdrooms, airline operations offices, baggage makeup and mechanical and electrical facilities spaces. Each Airside Building is of a different configuration. Fueling is provided at each Airside Building through an underground hydrant fueling system. The Airside Buildings are described in greater detail in the following paragraphs.

Airside Building A has been operational since May 1995. It is a 252,300 square foot three-story structure with 15 aircraft gates capable of handling B757 aircraft simultaneously or 12 wide-body aircraft including four B747-400s. Airline ramp operations and mechanical rooms are on the ground level. The outbound baggage sort facility building for Airside A is on the site of the demolished Airside B. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The third level space is provided for airline club areas and office space.

Airside Building C has been operational since April 2005. It is a 315,000 square foot two-story structure with 16 aircraft gates capable of handling B757 aircraft simultaneously or five wide body aircraft including two B747-400s with eight B757 aircraft at the same time. Airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The aircraft ramp and hydrant fueling system were also reconstructed in 2005.

Airside Building E has been operational since October 2002. It is a 289,000 square foot three-story structure with 14 aircraft gates capable of handling B757 aircraft simultaneously or six wide body aircraft including two B747-400s with five B757 aircraft at the same time. Airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, a duty free store, children's play area and passenger transfer system lobbies are on the second level. The third level space accommodates an airline club area and office space. The aircraft ramp and hydrant fueling system were also reconstructed at the same time.

Airside Building F has been operational since 1987. It is a 229,000 square foot three-story structure with 14 aircraft gates capable of handling a mix of B-757 and A-320 aircraft simultaneously or five wide-body aircraft including the B747-400 and a mix of three B757 and three A320 aircraft at the same time. Federal Customs and Border Patrol inspection services processing, mechanical/electrical areas and airline ramp operations are on the ground level. The outbound baggage sort facility is also located on the ground level in a 20,000 square foot facility directly adjacent to the Airside. Security screening, passenger gates, concessions, duty free shop, and passenger transfer system lobbies are on the second level. The third level space provides an airline club area and office space.

Renovations and improvements to Airside F were completed in August 2013. The Airside F renovations were critical to enabling the Authority to meet existing and near-term anticipated demand for international flights and to improve the inadequate Transportation Security Administration ("TSA") passenger screening area for the benefit of all Airside F passengers. The 35,800 square foot upgrade included expanding and renovating the Customs and Border Protection area with three baggage claim devices to accommodate the concurrent arrival of three wide-body aircraft; expanding and reconfiguring the TSA passenger screening checkpoint area to six fully-equipped lanes that conform to current design criteria; expanding and creating additional retail and food and beverage concession space; upgrading the Wi-Fi system; equipping four boarding gates with passenger processing "shared use" software and associated infrastructure; and equipping four gates with an aircraft "self-docking" system.

Passenger Transfer System. A fully automated elevated passenger transfer system connects the Main Terminal Building with each of the Airside Buildings. Each Airside Building is served by four dedicated shuttle vehicles.

Airfield and Other Facilities

Airfield Facilities. The Airport has three runways: an east-west crosswind runway and two parallel, prevailing wind north-south runways. These runways are connected by a fully integrated system of taxiways. The runways are equipped with lighting and electronic aids to permit all-weather continuous operations. One north-south runway (1L/19R) is 11,002 feet in length and 150 feet wide and is equipped with high intensity edge lighting, center-line lighting, an instrument landing system and an approach lighting system. The other north south runway (1R/19L) is 8,300 feet in length and 150 feet wide and is equipped with an instrument landing system, high intensity edge lighting and an approach lighting system. The parallel north south runways are 4,300 feet apart, which permits simultaneous all-weather operations of the runways. The east-west runway (10/28) is 6,999 feet in length and 150 feet wide and is equipped with medium intensity edge lighting. Air traffic operations are served by radar approach control and departure facilities, including airport surveillance radar located at the Airport, all operated by the FAA.

To minimize take off delays, the two main north-south runways are complemented by holding aprons, which permit the bypassing of any delayed aircraft in the departure sequence. All approaches meet the FAA clearance criteria. The runway system is adequate to permit the unrestricted operation of the largest existing commercial aircraft to all North American points and to major European cities, with the exception of the Airbus A380 ("A380") – the largest passenger aircraft in the world. Runway 18R-36L is adequate for restricted operation of the A380, although the Authority does not anticipate operation of the A380 at the Airport within the planning horizon of the Report of the Airport Consultant. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

Aircraft Parking Aprons and Taxiways. Each Airside Building has a concrete aircraft parking apron containing approximately 900,000 square feet of pavement. Additional hardstand parking was constructed on the sites of demolished Airside B and Airside D. The Airport also has more than five miles of 75 foot wide taxiways and complementary installations, affording ready access from the Airport's three runways to the various aircraft parking aprons. Baggage cart tug roads, including grade separation structures, permit rapid transfer of baggage between each of the aircraft parking aprons and the baggage claim level in the Main Terminal Building.

Roadways and Economy Parking Areas. The one and one-half mile, six lane, divided George Bean Parkway connects the Airport to a traffic interchange, providing direct access to the interstate highway system. A grade separated traffic interchange has been constructed within the terminal parkway system, providing traffic separation between airline passenger terminal traffic and traffic to the Regional U.S. Post Office situated at the Airport, adjacent to the entrance parkway. The Authority also maintains an employee parking lot located to the north of the Air Cargo Complex, away from the terminal complex, which can currently accommodate 2,600 automobiles.

The 5,500 space Phase I economy garage was opened to the public on the site of the former surface economy lot behind the U.S. Post Office in two stages – 3,300 spaces came online in November 2005 and 2,200 spaces in May 2006. The 5,600 space Phase II economy garage was opened to the public on November 8, 2008 on a site immediately south of and connected to the ramps for the Phase I garage. Additional surface parking adjacent to the economy garage provides the Airport with a total capacity of 12,900 parking spaces. A complimentary shuttle service transports customers from the economy lot to the Main Terminal Building. With these additional spaces the Airport has over 24,700 public parking spaces with an additional approximately 22,430 garage spaces adjacent to the Main Terminal Building to accommodate the traveling public.

Airport Interchange Project. The Florida Department of Transportation ("FDOT") funded and constructed $202 million in roadway improvements, completed in 2010, which now provides easier access to the Airport. The project enhanced capacity to State Road 60/Memorial Highway/Veterans Expressway from I-275 to the Courtney Campbell Causeway interchange in the immediate vicinity of the Airport.

The Spruce Street/State Road 60 interchange, which is one of the entrances to the Airport, was enlarged to a four level interchange and the Courtney Campbell/State Road 60 interchange includes a three level directional interchange. These major roadway improvements, completed in 2010, have significantly reduced congestion on the adjacent interstate roadways and improve access into and out of the Airport.

In conjunction with the Airport interchange project discussed above, the Authority widened the George Bean Parkway, the access roadway leading directly into the Airport, from two lanes in each direction to three lanes from beginning to end. Additionally, a secondary return to the terminal recirculation bridge eliminated congested merging areas and improved traffic circulation.

Other Facilities. In an effort to decrease roadway congestion within the Main Terminal Building, particularly the baggage claim areas, a cell phone waiting lot was built alongside one of the remote overflow parking lots.

The Authority owns a 125,000 square foot and a 140,000-square foot maintenance facility. The 125,000 square foot facility includes an aircraft hangar which can simultaneously accommodate two L-1011 jet aircraft, aircraft ramp, engine run-up area, employee parking, support shops and other related services. The 140,000 square foot facility includes an aircraft hangar which can simultaneously accommodate one 767 and two 727 aircraft, aircraft ramp, engine run-up area, employee parking, support shops and related services. Both facilities are currently leased to Pemco World Air Services, Inc.

On May 6, 2010, H. Lee Moffitt Cancer Center and Research Institute Hospital, Inc. entered into a 20-year lease for the development and operation of an out-patient cancer treatment and imaging center located on what was previously a reservation center facility owned by the Authority.

Concorde Companies has a master lease for approximately 154 acres of Authority property located in the southeast corner of the Airport. A shopping mall, hotel and office complex have been built on that property.

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Airlines Serving Tampa International Airport

The Airport has scheduled passenger service provided by sixteen carriers serving domestic destinations, and nine carriers serving international destinations. In addition, two all-cargo carriers provide scheduled cargo service at the Airport. Domestic scheduled service at the Airport is provided by AirTran, American, Delta, ExpressJet (d/b/a Delta Connection and United Express), Frontier, JetBlue, Pinnacle (d/b/a Delta Connection), Republic (d/b/a/ US Airways Express), Silver Airways, Southwest, Spirit, United, and US Airways. Sun Country provides seasonal domestic service. International scheduled service at the Airport is provided by Air Canada, American, British Airways, Cayman Airways, Copa Airlines, Delta, Edelweiss Air and WestJet. SBG Sky King, Inc. provides international service on a charter basis.

Airlines Service the Airport(1)

Domestic Service (16)
AirTran(4)
American(2)(5)
Delta(2)
  ExpressJet (d/b/a Delta Connection)
  Pinnacle (d/b/a Delta Connection)
ExpressJet (d/b/a Delta Connection & United Express)
Frontier
JetBlue(2)
Silver Airways
Southwest(2)(7)
Spirit(2)
Sun Country(9)
US Airways(2)
  Republic (d/b/a/ US Airways Express)
United(2)
  ExpressJet (d/b/a United Express)

International Service (9)
Air Canada
American(5)
British Airways
Cayman Airways
Copa Airlines(6)
Delta
Edelweiss Air(7)
SBG Sky King, Inc.(8)
WestJet

All-Cargo Carriers (2)(3)

FedEx (2)
Flight Express, Inc.

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(1) Scheduled as of June 2013.
(2) Airlines signatory to the Airline – Airport Use and Lease Agreement. See "AIRLINE – AIRPORT USE AND LEASE AGREEMENT."
(3) All-cargo carriers as of February 2013
(4) AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012. Southwest has begun system integration and anticipate completion in late 2014.
(5) In February 2013, American and US Airways announced plans to merge. The Department of Justice filed a civil antitrust suit on August 13, 2013 challenging the proposed merger.
(6) Copa Airlines will begin four-times weekly nonstop service to and from the Airport to Panama beginning December 2013.
(7) Provides 1x weekly service.
(8) Domestic carrier that provides international charter service.
(9) Provides seasonal service during the winter months only.

Sources: Hillsborough County Aviation Authority; Diio, LLC.; October 1, 2013.
Prepared By: Ricondo & Associates, Inc., October 1, 2013.

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Enplanements and Aircraft Operations

Passenger enplanements in the Fiscal Year ended September 30, 2012 totaled 8,441,087, an increase of 0.7 percent from the 8,382,883 enplanements in the prior Fiscal Year. For the first nine months of calendar year 2013, enplanements were 7,245,838 in comparison to 7,137,670 for the same period in calendar year 2012. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Passenger Demand and Air Service Analysis."

Airline Passenger Traffic
Tampa International Airport
(Fiscal Years Ended September 30)

Fiscal Year	Enplaned Passengers	Annual Percent Increase/(Decrease)	U.S. Enplanements	U.S. Growth	Market Share
2002	7,618,598	--	627,651,689	--	1.21%
2003	7,660,785	0.6%	643,224,649	2.5%	1.19%
2004	8,465,720	10.5%	690,967,755	7.4%	1.23%
2005	9,469,020	11.9%	733,406,048	6.1%	1.29%
2006	9,391,650	(0.8%)	732,886,414	(0.1%)	1.28%
2007	9,628,144	2.5%	756,525,465	3.2%	1.27%
2008	9,350,806	(2.9%)	747,466,798	(1.2%)	1.25%
2009	8,560,662	(8.5%)	695,488,533	(7.0%)	1.23%
2010	8,334,885	(2.6%)	702,818,621	1.1%	1.19%
2011	8,382,883	0.6%	721,387,972	2.6%	1.16%
2012	8,441,087	0.7%	725,202,832(1)	0.5%	1.16%
Ten Months ended August 31, 2012	7,870,427				
Ten Months ended August 31, 2013	7,939,321	.9%			
Compounded Annual Growth Rate					
2002-2007	4.8%		1.5%		
2007-2012	(2.6%)		1.4%		
2002-2012	1.0%		1.5%		

(1) FAA estimate for 2012.

Sources: Hillsborough County Aviation Authority
FAA Terminal Area Forecast; July 2013.
Prepared by Ricondo & Associates, Inc., October 1, 2013

Top Markets for Tampa International Airport

As of June 2013, the Airport provided nonstop service to 64 destinations (54 domestic and 10 international) with a total of 219 daily flights, with 21 daily nonstop flights to New York. Four times a week service to Panama will begin in December 2013. Two times a week service is provided to Zurich, Switzerland. One time per week service is provided to three international destinations; Cancun, Mexico, Holguin, Cuba, and three times per week service is provided to Havana, Cuba. Seasonal service is also provided to three Canadian markets, Halifax, Montreal, and Ottawa. All twenty of the Airport's primary demand between two cities – origination/destination ("O&D") markets are provided nonstop service with a total of 134 daily flights. Other primary O&D markets with a significant number of daily nonstop flights include Atlanta (21 daily flights) and Chicago (11 daily flights). Nine daily nonstop flights are offered to Fort Lauderdale, and Washington DC. On July 4, 2013, Frontier initiated twice weekly service aboard 168-seat Airbus A320 jets to Wilmington, Delaware. Additional new scheduled services include: Copa's four weekly services to Panama City, Panama starting December 17, 2013 and Edelweiss Air's second weekly service to Zurich starting March 4, 2014.

The most frequent nonstop destinations of Airport passengers are shown in the table below.

Top Markets for Tampa International Airport
Origination/Destination
Twelve Months Ended December 31, 2012

Destination from Tampa	Trip Length(1)	Total O&D Passengers	Average Fare	Non-Stop Service
New York/Newark (2)	MH	1,368,417	$142	*
Chicago (3)	MH	676,698	$147	*
Washington D.C. (4)	MH	433,923	$162	*
Atlanta	MH	482,373	$133	*
Detroit	MH	475,515	$126	*
Baltimore	MH	468,914	$129	*
Philadelphia	MH	459,274	$149	*
Boston	MH	411,110	$159	*
Dallas Ft. Worth (5)	MH	320,015	$179	*
Denver	MH	287,176	$170	*
San Juan	SH	268,916	$104	*
Indianapolis	MH	265,562	$128	*
Pittsburgh	MH	262,030	$133	*
Las Vegas	LH	254,123	$180	*
Ft. Lauderdale	MH	241,079	$96	*
Houston (6)	MH	222,870	$186	*
Columbus	MH	216,042	$132	*
Hartford	MH	213,094	$147	*
Minneapolis/St. Paul	MH	212,573	$193	*
Providence	MH	212,305	$138	*
Total Top 20 Airports		7,752,008		
Other O&D Markets		8,782,504		
Total O&D Passengers		16,534,512	$175	
Airport Average		1,246	$175	
United States Average		1,367	$209	

(1) Short Haul (SH) = 0 to 600 miles, Medium Haul (MH) = 601 to 1,800 miles, Long Haul (LH) = over 1,800 miles.
(2) Includes John F. Kennedy (JFK), LaGuardia (LGA), and Newark, NJ (EWR).
(3) Includes Chicago O'Hare (ORD) and Chicago Midway (MDW).
(4) Includes Washington Reagan National (DCA) and Washington Dulles (IAD).
(5) Includes Dallas Love Field (DAL) and Dallas/Fort Worth (DFW). Non-stop is only provided to DFW.
(6) Includes Houston Hobby (HOU) and Houston Bush Intercontinental (IAH).

Source: U.S. DOT Origin & Destination Survey; Innovata, April 2013
Prepared by Ricondo & Associates, Inc., October 1, 2013

See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

The table below presents the historical share of enplanements by airline at the Airport between Fiscal Year 2008 and Fiscal Year 2012. As shown, enplanements are spread over a large number of carriers, with no carrier having more than 39 percent of annual enplanements at the Airport during the years depicted. (When AirTran and Southwest merged on May 2, 2011, on a combined basis they represented 38.8% of total enplaned passengers at the Airport for Fiscal Year 2012.) Delta and Southwest accounted for 48.3 percent of enplanements at the Airport in Fiscal Year 2012, with the next seven airlines combined accounting for an additional 48.4 percent of enplanements during this same period. Southwest has had the largest share of enplaned passengers for each of the years depicted. From Fiscal Year 2008 to Fiscal Year 2012, Southwest's shares of enplaned passengers increased from 28.8 percent to 30.8 percent; however, over the same period Southwest's enplaned passengers decreased by 3.5 percent. Over the comparable period, JetBlue has seen the largest percentage increase in enplaned passengers from Fiscal Year 2008 to Fiscal Year 2012, an increase of 41.3 percent. JetBlue's share of enplaned passengers has increased from 4.5 percent to 7.1 percent over the same period. The largest percentage decrease in enplaned passengers has occurred with United. From Fiscal Year 2008 to Fiscal Year 2012, United's enplaned passengers have decreased 21.5 percent. United's share of enplaned passengers has decreased from 5.1 percent in Fiscal Year 2008 to 4.4 percent in Fiscal Year 2012.

Airline Market Share of Enplaned Passengers
Tampa International Airport
Fiscal Years Ended September 30

	2008		2009		2010		2011		2012	
Airline(1)	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share
Southwest(2)	2,693,352	28.8%	2,626,683	30.7%	2,679,904	32.2%	2,678,256	31.9%	2,598,707	30.8%
Delta(3)	1,306,890	14.0%	1,102,267	12.9%	1,488,083	17.9%	1,466,443	17.5%	1,480,795	17.5%
US Airways(5)	1,026,376	11.0%	876,145	10.2%	847,812	10.2%	881,552	10.5%	864,385	10.2%
American(5)	836,457	8.9%	736,084	8.6%	736,778	8.8%	736,349	8.8%	766,404	9.1%
AirTran(2)	771,487	8.3%	701,924	8.2%	657,603	7.9%	688,915	8.2%	675,571	8.0%
Continental(4)	796,838	8.5%	674,206	7.9%	659,092	7.9%	618,565	7.4%	634,420	7.5%
JetBlue	423,354	4.5%	430,004	5.0%	411,997	4.9%	481,138	5.7%	598,266	7.1%
United(3)	477,620	5.1%	432,157	5.0%	418,139	5.0%	399,756	4.8%	375,045	4.4%
Spirit	211,591	2.3%	163,542	1.9%	144,977	1.7%	180,860	2.2%	169,269	2.0%
British Airways	60,879	0.7%	61,240	0.7%	59,074	0.7%	69,894	0.8%	78,704	0.9%
Air Canada	65,915	0.7%	65,014	0.8%	70,469	0.8%	69,972	0.8%	74,821	0.9%
Frontier	55,032	0.6%	73,756	0.9%	88,048	1.1%	48,543	0.6%	46,290	0.5%
WestJet	43,278	0.5%	37,070	0.4%	48,036	0.6%	43,851	0.5%	43,465	0.5%
Cayman Airways	21,339	0.2%	18,663	0.2%	17,616	0.2%	18,162	0.2%	18,292	0.2%
Northwest(3)	506,568	5.4%	550,266	6.4%	-	0.0%	-	0.0%	-	0.0%
All Others(6)	53,830	0.6%	11,641	0.1%	7,257	0.1%	627	0.0%	16,653	0.2%
Airport Total	9,350,806	100.0%	8,560,662	100.0%	8,334,885	100.0%	8,382,883	100.0%	8,441,087	100.0%

(1) Includes regional/commuter affiliates.
(2) AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012.
(3) Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.
(4) Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011.
(5) In February 2013, American and US Airways announced plans to merge. The Department of Justice filed a civil antitrust suit on August 13, 2013 challenging the proposed merger.
(6) Consists of airlines no longer serving the Airport and/or charter airlines.
(7) Totals may not add due to individual rounding.

Sources: Hillsborough County Aviation Authority; Innovata, October 1, 2013.
Prepared By: Ricondo & Associates, Inc., October 1, 2013.
See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

FINANCIAL FACTORS

Budget Procedures

The Authority operates on a Fiscal Year commencing October 1st and ending September 30th. The Authority's budget is prepared in June of each year by the Finance Department, with input from all Department Directors, Vice Presidents and the Chief Executive Officer. The airlines executing the Airline Agreement (the "Signatory Airline(s)"), through their Airlines-Airport Affairs Committee, are entitled to review and comment upon, but do not have the right to approve or disapprove the proposed operating and capital budget. After review and receipt of recommendations relating thereto by the Authority's Airport Consultant, the budget is presented to the Authority Board in August. After their review, the Board adopts the budget at the September meeting. New rates and charges to the Signatory Airlines are effective October 1 of each Fiscal Year and the budget and rates and charges may also be modified during the year, should conditions warrant.

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Historical Operating Results

The following table presents historical operating results of the Authority for the Fiscal Years ended September 30, 2008 through September 30, 2012, and for the nine months ending June 30, 2012 and 2013.

Hillsborough County Aviation Authority
Historical Operating Results (1)
Fiscal Years 2008-2012 and (Unaudited) Nine Months Ended June 30, 2012-2013(2)
(In thousands)

						(Unaudited) Nine Months Ended June 30,	
Operating Revenues	2008	2009	2010	2011	2012	2012	2013
Airfield	$12,448	$12,601	$12,514	$13,655	$13,621	$10,831	$11,141
Main Terminal Building	39,521	37,743	37,142	39,672	40,690	30,570	33,402
Airside Building	19,250	18,631	16,564	16,688	16,811	12,744	13,432
Commercial Landside	92,300	82,374	79,771	83,768	87,269	65,462	68,507
Cargo	2,062	2,101	2,174	1,982	2,236	1,684	1,694
Auxiliary airports	990	910	928	923	924	700	663
General Aviation	1,504	1,280	1,485	1,632	2,209	1,660	1,650
Other	7,616	8,847	8,641	9,966	10,309	7,512	7,158
Total Operating Revenues	175,691	164,488	159,219	168,286	174,069	131,163	137,648
Operating Grants and Reimbursements	1,224	1,230	1,230	1,230	1,153	927	469
Operating Expenses							
Airfield	8,052	8,360	8,195	9,223	9,037	6,590	6,947
Main Terminal Building	25,949	25,513	25,372	25,277	26,017	19,009	18,966
Airside Building	20,646	20,454	19,642	19,492	20,262	14,644	14,991
Commercial Landside	20,760	20,365	20,102	21,768	22,188	16,536	16,843
Cargo	548	586	612	609	570	412	459
Auxiliary airports	1,400	1,230	1,418	1,369	1,309	973	962
General Aviation	802	857	844	836	991	668	588
Passenger transfer system	3,742	3,586	3,627	3,715	3,802	2,768	2,861
Roads and grounds	7,806	8,073	7,876	7,364	7,950	5,754	6,205
Other	2,063	2,231	2,111	2,844	1,502	1,164	1,380
Total Operating Expenses	91,768	91,255	89,799	92,497	93,628	68,518	70,202
Signatory Airline Net Revenue Sharing	9,501	8,284	4,919	6,164	7,059	5,371	5,540
Operating Income Before Depreciation and Amortization	75,646	66,179	65,731	70,856	74,536	58,201	62,375
Depreciation and Amortization	72,717	75,126	81,714	81,962	87,960	63,165	64,946
Operating Income (Loss)	2,929	(8,947)	(15,983)	(11,107)	(13,425)	(4,964)	(2,571)
Non-Operating Revenues and Expenses							
Investment Income	7,890	5,160	7,346	3,612	3,109	2,246	(843)
Interest Expense	31,227	29,540	29,123	30,305	31,355	24,582	22,347
Contribution of Capital Assess to FAA	--	--	--	--	(7,448)	--	--
Change in Net Assets before Contributions	(20,408)	(33,327)	(37,760)	(37,800)	(49,119)	(27,300)	(25,761)
Contributions for Capital Projects							
Passenger Facility Charges	36,684	33,518	33,032	33,191	33,433	25,253	25,526
Federal and State Grants	23,552	35,135	17,311	7,868	19,999	11,402	19,192
Rental Car Facility Fee	--	--	--	--	7,441	6,080	6,801
Other contributions	2,501	10,399	1,067	--	--	--	--
Total Capital Contributions	62,707	79,052	51,410	41,059	60,873	42,735	51,519
Change in Net Assets	$42,299	$45,725	$13,650	$3,259	$11,754	$15,435	$25,758
Total Net Assets, Beginning of Year as previously reported	601,132	641,522	687,248	700,898	704,157	704,157	712,760
Cumulative effect of GASB 49 implementation	(1,908)	--	--	--	--	--	--
Total Net Assets – End of Year	$641,523	$687,248	$700,898	$704,157	$715,911	$719,592	$738,518

(1) The historical operating results were derived from the Authority's audited financial statements for the Fiscal Years ended September 30, 2008 through September 30, 2012. The operating results for the nine months ended June 30, 2012 and June 30, 2013 were derived from the Authority's internally generated financial records and have not been audited nor reviewed by the Authority's independent auditors.

(2) Totals may not foot due to rounding.

Management Discussion of Historical Financial Results

The following table summarizes passenger airline rents, landing fees, net revenue sharing and cost per enplaned (departing) passenger for 2012 and 2011. Cost per enplaned passenger is a standard industry measurement, and the goal of the Authority is to maintain a competitive cost per enplanement at the Airport.

	Fiscal Years	
Passenger Airline Costs	2011	2012
Airline Landing Fees	$ 13,054,974	$ 12,987,342
Landside Terminal Rentals	19,660,246	19,818,141
Airside Building Rentals	16,338,285	16,398,990
Total Airline Fees and Charges	49,053,505	49,204,473
Less: Airline Revenue Sharing	(6,163,906)	(7,058,662)
Net Airline Fees and Charges	$ 42,889,599	$ 42,145,811
Enplaned Passengers	8,382,883	8,441,087
Airline Cost per Passenger	$ 5.12	$ 4.99

Airport Activity

Passenger enplanements at the Airport for the Fiscal Year 2012, totaled 8,441,087, an increase of 0.7 percent from the prior Fiscal Year. Offsetting a slight decrease of 2 percent in domestic seat capacity was an increase in international seat capacity of 21 percent, showing a significant growth in international flight services. In 2011, passenger enplanements totaled 8,382,883, an increase of 0.6 percent from the prior Fiscal Year, representing the first increase in annual passengers since 2007. Seating capacity increased both domestic and international in 2011.

Landed weight in 2012 totaled 10,022,085 thousand pounds, compared to 10,203,461 thousand pounds and 10,063,434 thousand pounds in 2011 and 2010, respectively. The number of landings for domestic and international flights was 79,120 for 2012, compared to 80,440 and 80,645, for 2011 and 2010, respectively.

Operating Revenues.

Airfield revenues are comprised of landing fees received from the airlines based on landed weight of the aircraft. In accordance with the Airline Agreement, Signatory Airlines landing fee rates are calculated by dividing 90 percent of total expenditures in the airfield cost center by the annual total landed weight of all commercial airlines. Non-signatory airlines landing fees are calculated for the Fiscal Year based on the approved budget. A decrease in airfield revenues in 2012 was due to a reduction in landed weight and the impact on landing fee revenue from the decrease in expenses in the airfield cost centers. In addition, the Authority implemented an Air Service Incentive Program ("ASIP") in 2012 as a component of the air service marketing initiatives to attract airlines entering the Tampa Bay market, providing fee waivers to the airlines in the program. Total landing fees waived for both Signatory and non-signatory airlines were $94,100 in 2012. The change in airfield revenues in 2011 is attributed to increases in expenses in the airfield cost center as well as the increase in non-signatory landing fees. Major terminal building revenues include space rental to the airlines, food and beverage, general merchandise, and other concession revenues. Space rental fees to the airlines in the terminal building are based on the cost of providing the space to the airlines. In 2012, overall terminal building revenues increased 2.6 percent, or $1,018,800 over the prior year. Signatory Airline rental rates were up 2.7

percent, an average increase of $3.26 per square foot, adding $534,700 to airline rental revenues, offsetting a reduction of $294,700 for non-signatory airline rental revenues. The ASIP incentives for airlines offset terminal space rental revenues of $81,900. With continued development of new concession concepts at the Airport, food and beverage sales grew 5.3 percent, generating $537,800 more revenues, offsetting a reduction of $22,300 in general merchandise concession revenues. Advertising concessions experienced 7.9 percent growth, resulting in an increase of $76,700 in revenues. Consistent with the double digit growth in international passenger activities, duty free concessions were up 17.4 percent and generated $42,300 additional revenues. ATM banking concessions were increased $55,700 due to the installation of new machines and a renegotiated agreement. Reimbursable and other rental revenues include an increase in electricity and water usage of $138,000, and various commercial rentals of $32,000.

The total space leased to airlines in 2011 increased 8,360 square feet, or 4.6 percent over the prior Fiscal Year. Average terminal building rental rates to the airlines were down $2.90 per square foot, 2.9 percent lower than 2010. The overall impact of these variances resulted in an increase in 2011 airline rental revenues in the terminal building of $753,000, a 4 percent increase over the prior year. In 2011 food and beverage sales experienced 5 percent growth, generating $486,700 more in revenues. An increase in duty-free revenues, at 16.7 percent was attributable to the addition of additional international service creating a double digit growth in international passengers in 2011. General merchandise and hotel concessions revenues were relatively flat compared with the prior year. Reimbursable and miscellaneous revenues in 2011 were up $1,355,100 over 2010, primarily due to the inclusion of the reimbursed rental car facility improvement costs of $472,300, an increase in terminal building electricity and water usage reimbursements of $667,400, and additional miscellaneous revenues of $215,600.

In 2012, the overall increase in airside revenues was $122,800 and was due to a number of items. The increased use of Authority gates was offset by slight decreases in leased space due to the merger of United and Continental Airlines There was an increase of $113,900 in Federal Inspection Service fees and a reduction in airsides ATM banking concession revenues of $21,400. The Authority granted a waiver of airside airline fees of $64,100 as a part of the ASIP in 2012. In 2011 the airside rentals were impacted by leased space reductions of 14,050 square feet in airside A, C, and E, resulting in a decrease of signatory airline rental revenues of $765,100. This decrease was offset by an increase of non-signatory airline space rental of $690,100 due to United Airlines operating as a non-signatory carrier during the year. In addition, the Authority's gate use revenues increased $185,500, and federal inspection service fees were up $39,100. These factors contributed to an overall increase in airside rental revenues of $123,500 for 2011.

The commercial landside classification consists primarily of car rental, parking, and other concession revenues, which overall increased $3.5 million in 2012. The contributing factors are the increase in car rental concession revenues of $2,734,000, or 9.5% over the prior year, impacted by the implementation of rental car facility fee of $2.50 per rental day, parking revenue increases of $681,600, and additions of hotel concession revenues and grand transportation permits of $68,700, and $17,300, respectively.

Improvements were recorded in car rental revenues in 2011, impacted by the increase in passengers. Parking revenues were also up due to passengers, but also to the elimination of the first hour free (if parking for more than one hour) and increases in the use of the short-term parking facility. Car rental concessions generated $1,295,200 4.5 percent increase, and parking revenues added $2,542,700, 5.2 percent increase over the prior year.

Cargo revenues in 2012 increased $254,200 compared with the last year. Cargo complex airlines and commercial real estate rental revenues increased $210,400, due to the inclusion of full year rentals from Global Aviation Holdings, airline and non-airline lease improvements of $114,700, and rental rate adjustments allocating increased cargo building reimbursement of $95,700. In addition, cargo apron rentals and parking added $43,800 in revenues.

General aviation operating revenues in 2012 totaled $2,209,200, $577,400 over the prior year, primarily due to an increase in rental revenues of $1,526,000 from Piedmont Hawthorne Aviation offsetting a reduction of revenues from Signature Flight Support of $970,500 due to the expiration of its operating agreement in 2012. Fuel sales generated additional revenues of $13,700.

General aviation operating revenues in 2011 totaled $1,631,800, increasing $146,900 over the prior year. The increase is due to increases in rental revenues of $124,400 and fuel sales of $21,800.

Other revenues include rentals received for the fuel farm, land rent for rental car storage areas, the post office and mall, revenues received for the Pemco lease of the maintenance hangars, and revenues from the flight kitchen operations, and miscellaneous revenues. The contributing factors to an increase of $343,000 in other revenues in 2012 are full year operations for both of the hangars under the Pemco lease, Moffitt Cancer Center and Global Aviation full year leases generating $257,100 more in revenues, an increase of $127,200 in land rentals to the rental car companies, additional revenues of $182,700 from the forfeiture fund, $42,000 additional revenues from Tampa Sports Authority rentals and Bucs event parking, $35,800 more in shared tenant revenues, and miscellaneous revenues of $29,900, offsetting a reduction in flight kitchen concession revenues of $138,900, a lower asset sales revenue of $75,800, a decrease of $98,500 due to a lease expiration of Hillsborough County Mosquito Control, as well as lower insurance reimbursable revenues of $19,200.

The positive variance in 2011 revenues was primarily due to additional revenues of $387,200 received for the second maintenance hangar lease with Pemco and additional revenues of $429,000 for rental car storage areas due to increases in appraised values.

Federal reimbursements include an agreement with the TSA under which the Authority receives reimbursement for providing law enforcement services on behalf of the TSA at the passenger security checkpoints. Due to 11.6 percent reduction in the reimbursable salary rate, the reimbursements under this agreement in 2012 were $910,300, and the reimbursements in 2011 totaled $1,029,800. Grants of $242,500 and 200,500 were also received for the canine program at the Airport in 2012 and 2011, respectively.

Operating Expenses

The Authority adopted a 2012 budget turnaround plan which included a goal that operating expenses in 2012 would not exceed the 2011 budgeted operating expenses. The financial operating results showed that the plan worked effectively and the total expenses overall were $2.95 million less than the budget. In 2012, salaries and benefits were $671,400 less, a decrease of 1.5 percent, compared to 2011. The contributing factors to this positive variance were a full year reduction of $1,262,600 in contributions to the Florida Retirement System ("FRS"), offset by increases in salaries of $593,900. Effective July 1, 2011, participating employees in the FRS plan were required to contribute 3% of their gross salaries to fund their retirement benefits. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2012 AND 2011 – Note 10 – Pension and Other Employment Benefits." There was an increase of $91,800 in contracted services and a $136,700 increase in supplies, materials and contractual maintenance for 2012. Utility expenses increased $403,200, due to an increase in electricity rates. The increase in travel and conferences of $142,300 reflect the continuing marketing effort to expand air services. The Authority saved a total of $95,700 in liability insurance costs and ad valorem taxes over the prior year. During

2012, the Authority allocated $2,440,300 of project related costs to capital projects, which was a reduction of $932,900 lower than last year. Prior to the allocations, total operating expenses in 2012 increased only $46,900, or 0.1 percent over the prior year.

Major organizational changes were made in 2011 to achieve goals under the new mission and vision statements and the Authority continued to maintain sound financial operations at the Airport, which is evidenced by the fact that total expenses for 2011, while more than the prior year, came in $4.1 million less than budgeted.

In 2011, salaries and benefits decreased $1,527,300, or 3.2 percent compared to 2010. The primary contributing factors were a reduction in staff, due to organizational restructuring and vacancies, and savings in pension expenses as a result of reduced contribution rates. In the contracted services area, there were increases in airport engineering and consulting fees of $220,900, additional expenses related to the management of the new fuel system of $291,700, an increase of aircraft rescues and firefighting expenses of $559,000 and additional expenses in public parking operations of $119,000 Supplies and materials increased $122,114 and utilities expenses, totaling $12.3 million for the year were up 1.3 percent or $156,300 over last year. The Authority saved $258,500 in liability insurance costs, and $115,900 in ad valorem property tax due to lower assessed property values. The Authority's new marketing initiatives to attract new or expanded airline service resulted in higher promotional expenses of $231,800 than the prior year. These efforts have and will continue to bring additional revenues to the Authority. During 2011, the Authority allocated $3,373,200 operating and maintenance expenses to capital projects, prior to the allocations, total operating expenses in 2011 increased only $145,000 or 0.2 percent, compared with the prior year.

The 2012 operating revenues, at $175,222,100, increased $5,706,300 over the prior year, and operating expenses increased $1,131,400, compared to the prior year. Operating income before depreciation and amortization was $74,535,600, an increase of $3,680,100 over the prior year. The 2011 operating revenues, at $169,515,800, increased $9,066,400 over the prior year, and operating expenses increased $2,697,600 comparing with the prior year. Operating income before depreciation and amortization was $70,855,500, an increase of $5,124,100. Depreciation and amortization expenses, were at $87,960,500 and $81,962,300, for 2012 and 2011, respectively.

Capital contributions consist of Federal and State Grants. PFCs and Other Contributions, which are being received to fund various construction projects and the land acquisition program at the Airport. PFCs are collected at a $4.50 per passenger level by the airlines, of which $4.39 is remitted to the Authority.

In 2012, capital contributions from PFCs were $33,433,100, an increase of $241,600 over the prior year, as a result of the improvement in passenger numbers for the year. During 2012, total federal and state grants were $19,998,700, a $12,130,400 increase over the prior year, primarily due to the increase of $12,395,300 in federal grants from the federal Airport Improvement Program ("AIP") from the U.S. Department of Transportation and the Department of Homeland Security for the advanced surveillance program and other airport improvement projects, offsetting a decrease of state aviation development grants of $265,000.

During 2011, capital contributions from PFCs were $33,191,500, an increase of $159,400 over the prior year due to a slight increase in passenger traffic. In 2011, total federal and state grants were $7,868,200, $9,442,400 less than the prior year, due to grant funds received on several large projects completed in the prior year.

In 2012, Other Contributions included rental car facility fees for future development ("RCFF"). The Authority implemented this program at Tampa International Airport on October 1, 2011. The $2.50 RCFF per rental day will generate additional revenues for future rental car facility development projects or to pay debt service on future borrowings for rental car projects. In 2012, $7,441,433 was recognized as other contributions under this new program.

Net non-operating expenses for 2012 increased $9,000,700 compared with the prior year, primarily due to an exchange transaction that occurred during the year. The Authority completed the construction of the new ASR-9 facilities located in the east side development area at the northwest corner of West Cayuga Street and Air Cargo Road, and transferred the facility to the Federal Aviation Administration, resulting in expensing total assets of $7,447,800. Interest income was $503,100 lower than the prior year, as a result of historic low interest rates, and a reduction of $567,600 in unrealized gain on debt service reserve long-term investments. Bonds interest payments decreased by $2,356,900, offset by a decrease in capitalized interest of $2,737,200. Interest expenses on SunTrust Bank Notes increased $482,100, due to a higher amount of notes balance in 2012.

Net non-operating expenses for 2011, increased $4,916,600 in 2011, due to very low short-term interest rates, lower unrealized gains on long-term investments compared to the prior year, offset by a decrease in bonds interest payments of $2,082,300 and a decrease in capitalized interest.

Changes in Net Assets

Current assets at September 30, 2012, totaled $247,537,800, an increase of $32,984,200, compared to September 30, 2011. The significant changes were an increase in federal and state airport improvement grant funding of $11 million, remaining cash proceeds of 2012 SunTrust Bank Notes of $9,267,300, rental car facility fund of $7,126,900, surplus fund cash balance of $4,990,800 and PFC revenues receipts and receivable of $5,690,200, offsetting the increase in payments of $7,036,500 for construction projects and operating and maintenance costs of $1,531,200. Other increases include investments, accounts receivable, and prepaid insurance totaling $3,241,000.

Current assets at September 30, 2011, totaled $214,553,500, a decrease of $4,111,000 compared to September 30, 2010. The decrease was due to continued spending on the capital projects. Funds of $11,769,200 from the 2008 and 2009 bond issues were used during the year to pay for the related construction projects. There was also a decrease in the revenue and grants receivables of $1,987,600, offset by increases in the balances of operating revenues receipts and PFC collections of $9,577,400.

Current liabilities, with a balance of $99,245,700 at September 30, 2012, are $22,859,400 more than the end of last Fiscal Year. The increase is attributable to the classification of the current portion of the SunTrust Bank Notes in the amount of $20,442,200. Other increases include current maturity of principal payments of revenue bonds of $2,485,000, airline revenue sharing of $894,800, and accrued expenses of $297,500, offsetting decreases in deferred revenues of $1,391,800, and accounts payable of $112,900.

Current liabilities, with a balance of $76,386,200 at September 30, 2011, are $9,034,000 less than end of last Fiscal Year. The decrease is primarily due to the reduction in overall construction payable $9,005,600. The commercial paper notes, including a short-term portion of $7,000,000 were refinanced during the year by the SunTrust Bank Notes issued in 2011, offset by the increase in airline revenue sharing of $1,244,800, current maturities of principal payments of revenue bonds of $3,430,000, and deferred revenues of $1,906,100.

At September 30, 2012, non-current liabilities totaled $637,012,500, a reduction of $57,382,500 compared with the balance at the end of 2011. The decrease is due to principal maturities $53,205,000 on long-term bonds, and current Bank Note payment plan to reduce the non-current principal amount by $1,942,200 in 2012, and amortization of bonds premium or discount and deferred loss on refunding totaling $1,962,200.

At September 30, 2011, non-current liabilities totaled $694,395,000, a reduction of $44,163,300 compared with the balance at the end of 2010. The decrease is a result of principal maturities $47,290,000 on long-term bonds, offset by the additional issuance of the SunTrust Bank Notes $2,743,300.

As required by under Governmental Accounting Standards Board ("GASB"), the Authority applies all applicable pronouncements in the presentation of its financial statements. Applicable GASB statements being implemented in Fiscal Year 2013 include the following:

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*, was issued in November, 2010, is effective for the Authority in the Fiscal Year 2013. The statement provides guidance on whether the transferor or operator should report the capital asset in its financial statements, when to recognize up-front payments from an operator as revenue, and how to record any obligations of the transferor to the operator, and establishes recognition, measurement, and disclosure requirements for service concession arrangements. The Authority does not expect GASB No. 60 to have an impact on its financial statements.

GASB Statement 61, *The Financial Reporting Entity: Omnibus*, was issued in November, 2010, and is effective for the Authority in Fiscal Year 2013. This statement improves the information presented about the financial reporting entity. The Authority does not expect the adoption of GASB No. 61 to have an impact on its financial statements.

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued in June, 2011, and is effective for the Authority in Fiscal Year 2013. The statement provides a new net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Authority does not expect the adoption of GASB No. 63 to have an impact on its financial statements.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, was issued in March 2012, and is effective for the Authority in Fiscal Year 2014. The statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The Authority is in the process of adopting this GASB early during Fiscal Year 2013 and does not expect the effect of the implementation to have a material/impact on its financial statements.

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Cash and Investment Balances
As of September 30[(1)]

	2008	2009	2010	2011	2012	(Unaudited) As of Nine Months Ended June 30, 2012	2013
Operating Funds							
Revenue Fund	$18,696,223	$14,892,248	$12,930,820	$15,638,653	$15,865,515	$14,379,855	$15,971,401
Operating & Maintenance Fund	8,718,615	9,957,669	9,979,217	12,570,907	11,039,749	8,563,059	11,790,246
Operating Reserve Account	15,397,421	14,365,315	14,728,211	15,407,112	15,679,411	15,522,655	16,532,719
Other	732,372	811,824	732,045	1,080,388	1,023,284	1,247,184	1,222,485
Subtotal	$43,544,631	$40,027,056	$38,370,293	$44,697,060	$43,607,959	$39,712,753	$45,516,851
Surplus Fund	49,259,086	44,887,307	46,696,481	50,381,560	49,608,620	49,581,887	56,187,733
Total Funds Available	$92,803,717	$84,914,363	$85,066,774	$95,078,620	$93,216,579	$89,294,640	$101,704,584
Debt Service Funds	$84,697,241	$85,574,751	$87,328,404	$87,913,339	$88,076,331	$134,450,500	$126,398,473
Capital and Equipment Funds							
Capital Improvement Funds	$14,718,893	$5,891,790	$583,773	$ --	$14,899,404	$6,052,074	$5,974,569
Rental Car Facility Fee for Future Improvements	--	--	--	--	7,126,863	5,473,467	13,607,271
Bond/CP/Bank Notes Construction Funds	73,885,380	67,667,021	21,496,115	4,387,825	3,961,669	3,254,438	16,788,115
PFC Fund	9,405,749	16,304,589	8,794,013	12,994,204	19,447,443	17,141,311	14,030,281
Equipment Funds	249,537	332,729	297,019	1,314,123	143,563	460,154	673,169
Subtotal	$98,259,559	$90,196,129	$31,170,920	$18,696,152	$45,578,942	$32,381,444	$51,073,405
Total Cash & Investments	$275,760,517	$260,685,243	$203,566,098	$201,688,111	$226,871,852	$256,126,584	$279,176,462

(1) The historical cash and investment balances were derived from the Authority's audited financial statements for the Fiscal Years ended September 30, 2008 through September 30, 2012. The cash and investment balances for the nine months ended June 30, 2012 and June 30, 2013 were derived from the Authority's internally generated financial records and have not been audited nor reviewed by the Authority's independent auditors.

Historical Debt Service Coverage – Senior Bonds

The actual annual debt service coverage ratios for the five Fiscal Years ended September 30, 2012 are presented in the table below. These amounts are presented in accordance with the Trust Agreement. The Trust Agreement requires that a 1.25x debt service coverage be maintained.[1]

Hillsborough County Aviation Authority
Historical Debt Service Coverage
Fiscal Years 2008 through 2012
(dollars in thousands)

	2008	2009	2010	2011	2012
Net Revenues Available to Pay Debt Service	$122,129	$108,791	$109,001	$120,392	$122,484
Bond Debt Service, net of capitalized interest	$70,130	$73,631	$78,919	$81,240	$80,420
Debt Service Coverage	1.74x	1.48x	1.38x	1.48x	1.52x

Source: Hillsborough County Aviation Authority.

[1] The Trust Agreement allows the Authority to include in "Revenues" for purposes of the coverage requirement, moneys remaining in the Surplus Fund at the end of the preceding Fiscal Year that are deposited into the Revenue Fund. See "APPENDIX C - "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS – Surplus Fund."

Risk Management and Insurance

The Authority has in place a comprehensive airport liability insurance policy with Global Aerospace, which provides a policy limit of $250 million. This liability policy includes $150 million for war coverage. This annual policy expires at midnight September 30, 2013. The Airport is also named as an additional insured on liability policies required to be maintained by all airline operators and Airport tenants. The Airport has $300 million of property insurance coverage with Lexington, ACE, Zurich, Princeton Excess, and Swiss Re, which was extended for an additional year by the Board at its March 7, 2013 meeting for a twelve month period ending April 1, 2014. This coverage includes $100 million of property terrorism coverage, $50 million of hurricane coverage and $50 million of flood coverage. This property insurance has a 5 percent hurricane deductible subject to a $1 million minimum deductible and a $1 million all other perils deductible. The Authority's workers' compensation insurance is provided by the Florida Municipal Insurance Trust. Health insurance is self-insured (effective August 1, 2013) and managed by Aetna US Healthcare.

AIRLINE – AIRPORT USE AND LEASE AGREEMENT

The Airline Agreement adopted in 2010 establishes the operational and financial relationship between the Authority and the Signatory Airlines. The Airline Agreement went into effect on October 1, 2010 and is in effect until September 30, 2015. The Airline Agreement is substantially similar to the prior airline agreement, with the exception of the revenue sharing component. The Airline Agreement establishes a "compensatory" rate-making methodology where the Signatory Airlines pay fees and charges based on the Authority's cost of providing facilities and services to the airlines.

Rates and charges are calculated on an annual basis and reviewed and adjusted, if necessary, throughout each Fiscal Year to ensure that sufficient revenues are generated to satisfy all requirements of the Trust Agreement. At the end of each Fiscal Year, the Authority recalculates rates and charges based on audited financial data and a settlement takes place thereafter with the Signatory Airlines. Included in the Airline Agreement are rates and charges calculations with specific rebates of debt service coverage and sharing of 20 percent of net remaining revenues. Non-signatory rates and charges do not provide for a 25 percent debt service coverage reduction or the net revenue sharing component; accordingly, the Authority charges two distinct rates to Airlines operating at the Airport based on the cost of providing services for facilities utilized. Under the terms of the Airline Agreement, if the initial remaining revenue calculation results in less than $20,000,000 net remaining revenues to the Authority, the revenue sharing component to the Signatory Airlines will be reduced until the $20,000,000 threshold is met. If the revenue sharing is reduced to the Signatory Airlines, the Authority refunds the amounts as soon as uncommitted funds become available in the Surplus Fund. In years when the initial net remaining revenue calculation results in net remaining revenues to the Authority is in excess of $30,000,000, the revenue sharing percentage to the Signature Airlines will increase to 25 percent on net remaining revenues prior to the deduction for revenue sharing above $37,500,000.

The following airlines, representing 8,162,862 or 96.7 percent of the enplaned passengers at the Airport for the Fiscal Year ended September 30, 2012, have executed the Airline Agreement: AirTran Airways (which merged with Southwest Airlines, Inc. on March 1, 2012), American Airlines, Inc., Delta Air Lines, Inc., JetBlue, Southwest Airlines, Inc., Spirit Airlines, Inc., United Airlines, Inc. and US Airways, Inc. In addition, all-cargo airline Federal Express Corporation has executed the Airline Agreement and extension.

Expenditures and Revenues of the Authority are categorized into Cost and Revenue Centers or Cost Centers. Cost and Revenue Centers include those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service. Cost Centers include those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service. Rates and charges for the Signatory Airlines are based primarily on formulas in the Airfield and Terminal Complex Cost and Revenue Centers that are established to recover the costs of developing, operating and maintaining the necessary and required facilities in each respective Cost and Revenue Center. Within the Terminal Complex Cost and Revenue Center, rates and charges are calculated separately for both the Main Terminal Building and the Airside Buildings at the Airport.

Rates and charges are calculated on an annual basis, and reviewed and adjusted, if necessary, throughout each Fiscal Year to ensure that sufficient Revenues are generated to satisfy all requirements of the Trust Agreement. At the end of each Fiscal Year, the Authority will recalculate rates and charges based on audited financial data and a settlement will take place with the Signatory Airlines. Included in the rates and charges formulas are specific rebates of Debt Service Coverage and sharing of twenty percent (20 percent) net remaining Revenues after all Trust Agreement requirements are met. The Airline Agreement also provides for the Signatory Airlines to make payments in the rates for rentals, fees and charges of the Airport in any Fiscal Year in which the amount in which the Revenues less O&M Expenses and the O&M Reserve Requirement are projected to be less than 125 percent of the Debt Service Coverage (the "Extraordinary Coverage Protection"). Should Extraordinary Coverage Protection payments be made, the Authority will refund such payments to the Signatory Airlines as soon as uncommitted funds become available in the Surplus Fund.

Capital Expenditures relating to new development, planning or expansion projects in the Airfield Cost and Revenue Center with a gross project cost in excess of $10 million are the only expenditures requiring a Majority in Interest of Airlines ("MII") approval under the Airline Agreement. The Authority would notify the Airlines in writing of its intent to undertake Capital Expenditures in excess of $10 million. The Authority would also provide the Airlines with (1) a description of proposed Capital Expenditure(s), together with cost estimates, scheduling, and any preliminary drawings, if applicable; (2) a statement of the need for the proposed Capital Expenditure(s), along with the planned benefits to be derived from such expenditures; (3) the Authority's preferred means of financing or paying the costs of the proposed Capital Expenditure(s); and (4) the planned allocation of the costs thereof to the Airfield Cost and Revenue Center or the Terminal Complex Cost and Revenue Center and the projected impact on the Airlines rates and charges. Unless the Signatory Airlines constituting the MII issue written disapprovals for a particular Capital Expenditure in the Airfield Cost and Revenue Center, the Authority could proceed with the Capital Expenditure. Approximately, $112.5 million of Capital Expenditures described in APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – The Capital Program and Funding Services" will require the Authority to go through the MII procedure described in this paragraph and issue Additional Bonds on a parity with Senior Bonds. MII means at least fifty percent (50%) of the Signatory Airlines who together have landed sixty percent (60%) of the total Maximum Gross Landed Weight by all Signatory Airlines at the Airport during the immediately preceding Fiscal Year.

Capital Expenditures for new development, planning or expansion projects in the Airfield Cost and Revenue Center that have a net project cost (i.e., net of any applicable federal and state assistance and PFCs) equal to or less than $10.0 million and renovation projects in the Terminal Complex Cost and Revenue Center with net project costs equal to or less than $10.0 million do not require the MII procedure described above. Renovation projects in the Terminal Complex Cost and Revenue Center with a net project cost exceeding $10.0 million that have been approved in writing by at least one Signatory Airline leasing space in the Terminal Complex do not require the MII procedure described above.

Airlines that are not a party to the Airline Agreement operate under a separate Operating Agreement as a Non-Signatory Airline (the "Non-Signatory Airline Agreement"). The Non-Signatory

Airline Agreement calls for Non-Signatory Airlines to pay fees based on rates charged to the Signatory Airlines, prior to the debt coverage rebate. The use of Authority-owned ticket counters, gates (which are assigned by the Authority on either a preferential or common use basis), common use facilities and hardstand aircraft parking are generally charged on a per use basis in accordance with an annual schedule of fees and charges. These fees and charges are based on terminal and airside costs, including the debt service coverage of 25 percent.

Two key financial provisions in the Airline Agreement impacting the overall costs to Signatory Airlines are a Debt Service Coverage Rebate that will serve to reduce Signatory Airline rentals, fees, and charges in both the Airfield and Terminal Complex Cost and Revenue Centers; and a Revenue Sharing. In the determination of annual Revenue Sharing, the Authority's annual share, subject to availability of Net Remaining Revenues (Total Revenues less O&M Expenditures, O&M Reserve Requirement, and Debt Service), must be at least equal to $20 million. In any Fiscal Year in which the Authority's share of annual Revenue Sharing is less than $20 million, the Signatory Airline's share of annual Revenue Sharing will be reduced until the $20 million is achieved, or the Signatory Airline's share is depleted. If the Signatory Airline's annual share of Revenue Sharing is reduced to satisfy the Authority's $20 million annual minimum requirement for Revenue Sharing, the Authority will refund to the Signatory Airlines such payments made as soon as uncommitted funds become available in the Surplus Fund. Also, in any Fiscal Year in which the Authority's share of Revenue Sharing is greater than $30 million (80 percent of Net Remaining Revenues of $37.5 million), the Signatory Airlines' percentage of Revenue Sharing on Net Remaining Revenues in excess of $37.5 million will be increased to twenty-five percent (25 percent), and the Authority's percentage will be reduced to 75 percent. Availability of Revenue Sharing will be based on the Authority's ability to satisfy its obligations and meet all Trust Agreement requirements in each Fiscal Year. Upon determination of each passenger Signatory Airline share allocated based on its share of Enplaned Passengers, the Authority will promptly pay to the Airline the amount representing the Airline's share. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Financial Analysis."

For further information regarding the Airline Agreement, see "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE – AIRPORT USE AND LEASE AGREEMENT" in APPENDIX E hereto.

OTHER AGREEMENTS

Car Rental Concessions

On-Airport Car Rental. The Authority entered into an Agreement for Car Rental Concession, In and Adjacent to the Landside Building ("On-Airport RAC Agreement") with the following companies: Hertz Corporation, Avis Rent-A-Car System, Inc. (Avis and Budget), Enterprise Leasing Company of Florida, LLC (Enterprise, National and Alamo) and DTG Operations (Dollar and Thrifty). On-Airport RAC Agreements commenced October 1, 2010 and are scheduled to terminate on September 30, 2015. The On-Airport RAC Agreements provide for space rental of facilities at the Airport. In addition, each company pays the Authority a minimum privilege fee or 9.5 percent of the gross receipts from its car rental business or a minimum guarantee, whichever is greater. The Authority has received a total of approximately $83,762,773 million in minimum guarantees over the first 3 years of the On-Airport RAC Agreements. Pursuant to the Agreements, On-Airport RAC's will remit minimum guarantees of $33,416,136 over the next two years. The Authority received $31,082,577 in revenues in the Fiscal Year ended September 30, 2012.

Off-Airport Car Rental. The Authority issues an Off-Airport Rental Car Airport Use and Permit Agreement ("Off-Airport Agreement") to rental car companies located off the Airport that pick up customers at the Airport. Currently, there are nine companies, E-Z Rent A Car Inc., Ciscon, LLC, Action Car Rental, CJB Enterprises, Econo Auto Rental, Inc., Simply Wheelz, Flomco Inc., Fox Rent A Car, and Merit Rental Services, Inc. The Off-Airport Agreement required the companies operating thereunder to pay the Authority a privilege fee based on a percentage of gross receipts on revenue derived from Airport customers. The prior Off-Airport Agreements became effective January 1, 2003 and expired on December 31, 2007. The companies were operating on a month-to-month basis with all provisions of the Agreements applicable through March 31, 2008. A new Off-Airport Agreement became effective on April 1, 2008 and expires on December 31, 2013. The Off-Airport Agreements require the companies to pay 8.5 percent of gross receipts over $500,000 to the Authority. The Authority received $1,185,478 in revenues from Off-Airport Agreements in the Fiscal Year ending September 30, 2012.

Concessions and Leases

Concession Policy. The awarding of concession privileges in the terminal complex is governed by the Policy for Awarding Concession and Consumer Service Privileges, Tampa International Airport ("Concession Policy"). The Concession Policy sets forth specific criteria and procedures that must be followed in awarding such privileges to ensure that concession operations generate the maximum revenue commensurate with the highest level of public service. In most instances, concessionaires pay privilege fees based on a percentage of gross receipts against minimum annual guaranteed amounts.

The Authority plans to revise the overall Concession Policy in 2015, with a thorough review of such Policy including considering the potential for the allowance of multiple concessionaires to generate more revenue.

Advertising Concession. The Authority awarded a License and Concession Agreement for Operation and Display of Services, Landside and Airside Buildings, Tampa International Airport, ("Advertising Agreement") with Clear Channel Airports in June 2010. The Advertising Agreement commenced June 11, 2010 and now terminates on June 30, 2015. The Authority receiving 50 percent of annual gross advertising sales or a minimum annual guarantee of $975,000, whichever is greater.

Food and Beverage Concessions. The Authority entered into a Lease and Concession Agreement for Operation of Food and Beverage Services, Landside and Airside Building, Tampa International Airport, ("F&B Agreement") with Host International, Inc. ("Host") for the exclusive right to provide food and beverage service at the Airport. The F&B Agreement became effective April 1, 1994 and terminates on September 30, 2015. Under the F&B Agreement, Host pays the Authority fair market rental for the space occupied by the food and beverage concessions. In addition, Host pays the Authority a privilege fee, representing the difference between the rental and the greater of a guaranteed minimum annual privilege fee, or a percentage privilege fee of gross revenues, plus a percentage of profits in excess of a base amount.

In 2012 Host expanded the Food and Beverage Services with five kiosk locations and two new full service restaurant/bar concepts. They also enhanced the program to promote local flavor by re-concepting three full service sit down restaurants. In addition, Host expanded the retail program with three new kiosk locations and a complete renovation of the most productive newsstand. The Authority received $15,403,455 in revenues from food and beverage and retail concessions in the Fiscal Year ended September 30, 2012.

Retail Concessions. The Authority entered into a Lease and Concession Agreement for Operation of Retail Merchandise Services (except Duty Free), Landside and Airside Buildings, Tampa International Airport, ("Retail Agreement") with Host for the exclusive right to operate retail merchandise concessions. The Retail Agreement became effective May 1, 1996 and was amended and extended to 2015 in exchange for Host agreeing to pay higher percentage rents and fully fund future facility improvements out of their budget. In January 2013, the Agreement in its entirety was assigned to World Duty Free Group, a sister company to Host under the AutoGrill umbrella. Under the terms of the Retail Agreement, Host pays the Authority the fair market rental value for the space occupied by the retail shops and a minimum annual privilege fee computed as the greater of a percentage of the prior year's gross revenue or a percentage times prior year enplaned passengers.

Duty Free. The Authority entered into a Duty Free Agreement with Stellar Partners for the operation of the Airport duty free shops. The term of the original agreement was March 7, 1996 through September 30, 2007, and has been extended through September 30, 2015.

Luggage Cart Concession. The Authority entered into a Self Service Luggage Cart Concession Agreement ("Luggage Cart Agreement") with Bagport America, LLC for the right to rent, maintain and relocate luggage carts to customers at the Airport. The Luggage Cart Agreement became effective February 7, 2013 and terminates on January 31, 2018.

Hotel. The Authority entered into a Lease Agreement for Hotel-Office Complex, Tampa International Airport, (the "Hotel Agreement") with Host of Boston, LTD. for the land underlying the currently branded Marriott hotel for the construction, operation and maintenance of a first class hotel and office complex. The Hotel Agreement became effective April 29, 1969 and is scheduled to terminate December 31, 2033. The lease includes a specified minimum capital improvement cost. The original lease was for 20 years with two 10 year renewal options. An amendment to the lease, extended the termination date to December 31, 2033. In exchange for the extended term, Host agreed to increase the Authority's percentage of revenues as well as agreeing to over $13 million in improvements to the hotel complex.

The Hotel Agreement provides that Host pays to the Authority a specified minimum privilege fee of $948,000 annually, plus a percentage of gross receipts and a profit-sharing component. The percentage of gross receipts is calculated by formula and is dependent upon the type of services being provided. It is applicable when and if the percentage exceeds the minimum privilege fee. The Authority received $1,372,635 in revenue from the hotel lease for the Fiscal Year ended September 30, 2012.

Compressed Natural Gas Fuel Station. In March 2011, the Authority entered into a contract with Clean Energy CA Corp. to develop, construct and operate a Compressed Natural Gas Fuel Station ("CNG") on the Authority property. The contract term is 20 years which started on March 3, 2012.

Public Parking. The Authority entered into a Management Contract for Public Parking Facilities, (the "Parking Agreement") with AMPCO System to operate the parking facilities at the Airport. The Parking Agreement commenced on July 1, 2012 and will expire on June 30, 2017. The Authority annually reviews and approves the parking facilities operating budget. A daily accounting of the parking facility revenue is required. The Authority received $58.6 million in revenue from the Parking Agreement in the Fiscal Year ended September 30, 2012. Based upon a study of the public parking rate structure in late 2012, the Authority increased public parking rates on August 1, 2013. It was the first increase in rates since 2007.

Fixed Base Operations

There are two general aviation FBO facilities at the Airport. The first facility, which opened in 1980, is owned by the Authority and is currently managed by Piedmont Hawthorne Aviation, LLC (d/b/a Landmark Aviation). Constructed with Authority funds, the operation provides an avionics shop, maintenance shops, aircraft line service, tie down and storage, aircraft charter, sales center for Hawker

Beechcraft airplanes and related aviation services. This facility provides 140,000 square feet of hangar storage space and 60,000 square feet of hangar maintenance space. The Authority retains title to all permanent improvements of the hangar building. The facility is rated one of the top ten fixed base facilities in the United States by the Professional Pilot Magazine.

The general aviation facility currently operated by Landmark Aviation at the Airport until recently housed a small office for the Customs and Border Protection unit of the U.S. Department of Homeland Security. With the opening of the second FBO, Tampa International Jet Center LLC ("Tampa Jet Center"), it was necessary to establish a new Customs and Border Patrol facility. The stand alone facility, opened in May 2007 and located between the two FBO complexes, serves the needs of general aviation international passengers. The facility is capable of handling up to 30 passengers and their baggage at any one time while meeting the requirements of the Customs and Border Patrol.

The second facility, the Tampa Jet Center FBO, has been operational since October 2004. Under the terms of its agreement with the Authority, Tampa Jet Center constructed a 12,000-square foot terminal building, three storage hangars of 26,000 square feet each and a maintenance hangar of 26,000 square feet and other facilities necessary to provide a full service FBO serving primarily corporate aviation. Tampa Jet Center provides generally the same range of services as the Landmark Aviation FBO. The Authority participated in the FBO's development by constructing 350,000 square feet of apron and a 61,500 square foot parking lot with Authority funds. The agreement's term is for 20 years and at the end of the agreement title to all tenant improvements reverts to the Authority. In June 2004, the agreement was amended to provide additional lease space for the development of a fourth hangar. The additional hangar was completed in September 2005. Tenant facility improvement costs to date are $12,150,000.

Major Contributors to Operating Revenues

Airline payments in the form of landing fees, facility rentals and other charges, net of revenue sharing, contributed approximately 24.9 percent of operating revenues of the Authority for the Fiscal Year ended September 30, 2012, compared to approximately 26.0 percent for the Fiscal Year ended September 30, 2011. Parking revenues provided approximately 29.3 percent of the operating revenues of the Authority for the Fiscal Year ended September 30, 2012, compared to approximately 29.9 percent for the Fiscal Year ended September 30, 2011. Car rental concession revenues contributed approximately 18.4 percent of the operating revenues of the Authority for the Fiscal Year ended September 30, 2012, compared to approximately 17.4 percent for the Fiscal Year ended September 30, 2011.

FUTURE CAPITAL PROJECTS

The Authority recently approved an update to its Master Plan. Projects have been identified in such Plan that will allow the Airport facilities to accommodate the passenger and aircraft forecast through 2028. Master Plan Projects are categorized into three phases: Phase I: Decongestion; Phase II: Enabling; and Phase III: Expansion. The three phases of the Master Plan envisions expenditures of approximately $2.5 billion.

The Airport Consultant's Report incorporates Phase I and Phase II Master Plan Projects only. Phase I projects total approximately $935.2 million. The two largest Phase I Master Plan Projects include design and construction of the CONRAC project with an estimated cost of approximately $318.7 million and the design and construction of the APM project and associated infrastructure and stations with an estimated cost of approximately $417.5 million. The APM project is expected to be utilized by rental car customers, economy parking customers, airport employees and customers who are dropped off or picked up at the new CONRAC facility. Additional Phase I Master Plan Projects include a main terminal transfer level expansion and concession redevelopment, reconstruction of the Taxiway J bridge, south terminal support area roadway improvements and other projects. The Authority has requested a $242 million loan under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") administered by the Federal Highway Administration for the CONRAC project. In addition to the TIFIA loan request, the Authority has applied for approximately $294 million in grants from the FDOT for the CONRAC and APM projects.

Master Plan Phase II projects total approximately $371.0 million. The largest projects include construction of an employee parking garage in the south development area (approximate cost of $112.5 million), an eastside hangar for maintenance, repair and operations use (approximate cost of $63.2 million), and a new air traffic control tower and terminal radar approach control facilities (approximately $61.4 million).

For more information regarding the Master Plan and future capital projects, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – 3. The Capital Program and Funding Sources."

REPORT OF THE AIRPORT CONSULTANT

In connection with the issuance of the Subordinated 2013A Bonds, the Authority retained Ricondo & Associates, Inc., Cincinnati, Ohio (the "Airport Consultant") to prepare the Report of the Airport Consultant, dated October 1, 2013, attached hereto as APPENDIX A (the "Report"), which describes the economic basis for air traffic at the Airport, historical trends in airline traffic, and key factors that may affect future airline traffic. The Report also presents air traffic and financial projections for Fiscal Years 2013 through 2023 and sets forth certain assumptions upon which the forecasts are based. These assumptions were provided by, or reviewed and adopted by the Authority at the time the Report was issued. The Report has been included in this Official Statement in reliance upon the reputation of the Airport Consultant as an expert in preparing forecasts and projections with respect to airports.

On the basis of the analysis set forth in the Report, the Airport Consultant is of the opinion that the Net Revenues generated by the Airport in each year of the Projection Period set forth in the Report will be sufficient to comply with the Rate Covenant established in the Senior Trust Agreement. The Airport Consultant is also of the opinion that the Airport's airline rates and charges should remain comparable on an airline cost per enplaned passenger basis to other large-hub U.S. airports through the Projection Period set forth in the Report.

Projected Debt Service Coverage

The following table presents the Authority's projected debt service coverage for the ten year projection period utilized following the issuance of the Subordinated 2013A Bonds and the refunding of the 2003B, 2003C and 2003D Bonds before December 31, 2013 with directly placed Additional Senior Bonds. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT." Also, see "BOND DEBT SERVICE REQUIREMENTS" for the actual debt service on the Subordinated 2013A Bonds (included in the Outstanding Bonds Debt Service Requirements column).

In addition to the Subordinated 2013A Bonds, the Report projects debt service coverage based on assumed Additional Senior Bonds to be issued in 2014 in the approximate principal amount of $703.2 million, approximately $117.7 million in aggregate principal amount to be issued in 2017, and approximately $75.4 million in aggregate principal amount to be issued in 2020. The Report also projects debt service coverage based on assumed Additional Subordinated Bonds in the approximate aggregate principal amount of $319 million to be issued in 2014. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – 3. The Capital Program and Funding Sources – 3.1 The Airport Master Plan – 3.2.1 Estimated Project Costs and Timing - 6. Financial Analysis – 6.5 Debt Service."

Debt service coverage is projected by the Airport Consultant to be greater than the required 1.25x in each of the projected years for the Subordinated 2013A Bonds and Senior Bonds.

As shown in the Airport Consultant's Report, the debt service coverage ratio for the Senior Bonds is projected to range from 1.62x in Fiscal Year 2014, the first full year of repayment from Net Revenues on the Senior Bonds to 1.89x by Fiscal Year 2023. The Consultant has assumed that the CONRAC project will be funded, in part, from proceeds of customer facility charges ("CFCs"), which are not currently pledged to the Senior Bonds, for Additional Senior Bonds expected to be issued in late 2014. For more information regarding debt service coverage, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Financial Analysis – Table 6-13."

As shown in the Airport Consultant's Report, the debt service coverage ratio for the Subordinated 2013A Bonds is projected to range from 3.10x in Fiscal Year 2014, the first full year of repayment from Net Revenues on the Subordinated 2013A Bonds to 3.39x by Fiscal Year 2023.

As shown in the Airport Consultant's Report, the aggregate debt service coverage ratio for both the Senior Bonds and the Subordinated 2013A Bonds is projected to range from 1.53x in Fiscal Year 2014, the first full year of repayment from Net Revenues for both the Senior Bonds and the Subordinated 2013A Bonds to 1.70x by Fiscal Year 2023.

For more information regarding debt service coverage, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Financial Analysis – Table 6-13."

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Projected Debt Service Coverage

	BUDGET	PROJECTED[1]									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Net Revenue Available for Senior Bonds Debt Service[2]	$117,600,269	$97,248,448	$143,494,676	$145,434,008	$145,957,964	$149,093,566	$139,620,785	$142,475,908	$142,045,821	$140,556,091	$150,595,897
Total Senior Lien Bond Debt Service	$79,549,953	$59,942,066	$93,645,651	$87,072,332	$87,076,216	$94,275,250	$81,931,004	$88,293,208	$85,045,164	$80,035,617	$79,643,225
Senior Lien Debt Service Coverage	**1.48x**	**1.62x**	**1.53x**	**1.67x**	**1.68x**	**1.58x**	**1.70x**	**1.61x**	**1.67x**	**1.76x**	**1.89x**
Net Revenue Available after Senior Bonds Debt Service	$30,604,144	$35,460,466	$48,002,172	$56,515,798	$57,034,631	$52,971,628	$57,689,782	$54,182,700	$57,000,657	$60,520,474	$70,952,671
Plus: PFC Revenue available for Subordinated Lien Debt Service and Coverage	0	26,725,716	27,448,555	28,186,945	28,923,592	29,634,515	37,799,217	38,586,651	39,405,299	40,234,218	41,073,016
Net Revenue Available for Senior and Subordinated Lien Debt Service	$30,604,144	$62,186,182	$75,450,726	$84,702,744	$85,958,223	$82,606,143	$95,488,999	$92,769,351	$96,405,956	$100,754,692	$112,025,687
Total Subordinated Lien Debt Service	$0	$20,064,189	$22,323,700	$22,324,900	$23,651,425	$23,651,425	$33,026,425	$33,026,425	$33,026,425	$33,029,425	$33,026,925
Subordinated Lien Debt Service Coverage	**N/A**	**3.10x**	**3.38x**	**3.79x**	**3.63x**	**3.49x**	**2.89x**	**2.81x**	**2.92x**	**3.05x**	**3.39x**
Net Revenue Available for Aggregate Debt Service	$117,600,269	$122,128,248	$169,096,377	$171,775,075	$173,034,439	$176,881,394	$177,420,002	$181,062,559	$181,451,120	$180,790,309	$191,668,912
Total Aggregate Debt Service	$79,549,953	$80,006,255	$115,969,351	$109,397,232	$110,727,641	$117,926,675	$114,957,429	$121,319,633	$118,071,589	$113,065,042	$112,670,150
Aggregate Debt Service Coverage	**1.48x**	**1.53x**	**1.46x**	**1.57x**	**1.56x**	**1.50x**	**1.54x**	**1.49x**	**1.54x**	**1.60x**	**1.70x**

(1) The assumptions made by the Airport Consultant for the projections set forth above are included in their Report included as APPENDIX A hereto.
(2) The Consultant has assumed that the CONRAC project will be funded, in part, from proceeds of customer facility charges ("CFCs"), which are not currently pledged to the Senior Bonds, for Additional Senior Bonds expected to be issued in late 2014.

Source: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
Prepared By: Ricondo & Associates, Inc., October 1, 2013

Airline Cost Per Enplanement

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Airline Cost per Enplanement											
Airline Landing Fees (excluding Cargo)	$13,978,800	$14,791,800	$15,309,300	$17,619,700	$17,577,100	$18,528,100	$18,675,400	$20,389,400	$20,344,400	$20,925,300	$21,738,300
Terminal Building Rentals	20,555,441	22,934,532	24,045,426	25,136,941	29,540,789	30,601,384	30,759,076	33,056,438	32,713,849	34,915,028	43,255,792
Airside Building Rentals	14,746,950	15,776,000	16,238,000	16,924,000	16,912,000	16,874,000	17,286,000	18,594,000	18,736,001	19,366,002	20,250,003
Other Airside Fees	2,199,900	2,250,156	2,283,780	2,317,795	2,351,916	2,383,817	2,415,782	2,448,101	2,480,482	2,513,219	2,546,015
Total Airline Revenue	$51,481,091	$55,752,489	$57,876,506	$61,998,436	$66,381,805	$68,387,301	$69,136,257	$74,487,939	$74,274,732	$77,719,549	$87,790,110
Less: Revenue Sharing	$6,755,576	$6,878,073	$6,501,747	$7,979,300	$7,930,267	$9,025,079	$10,057,916	$8,930,218	$9,381,002	$10,002,912	$12,344,443
Less: ASIP program fee waivers[1]	522,200	531,553	542,876	554,322	565,879	576,931	589,054	601,326	614,083	627,001	640,072
Net Airline Revenues	$44,203,314	$48,342,863	$50,831,883	$53,464,814	$57,885,659	$58,785,291	$58,489,287	$64,956,395	$64,279,646	$67,089,636	$74,805,595
Total Enplanements	8,481,200	8,633,100	8,817,000	9,002,900	9,190,600	9,370,100	9,567,000	9,766,300	9,973,500	10,183,300	10,395,600
Airline Cost per Enplanement	**$5.21**	**$5.60**	**$5.77**	**$5.94**	**$6.30**	**$6.27**	**$6.11**	**$6.65**	**$6.45**	**$6.59**	**$7.20**

(1) The Air Service Incentive Program ("ASIP") provides fee waivers and marketing reimbursements for qualifying new service.

Source: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
Prepared By: Ricondo & Associates, Inc., October 1, 2013

PASSENGER FACILITY CHARGES AND FEDERAL AND STATE GRANTS

Passenger Facility Charges

Pursuant to the PFC Act and the PFC Regulations implemented by the FAA, the United States Congress has authorized commercial service airports such as the Airport to collect Passenger Facility Charges from each paying passenger enplaned at such airport in an amount up to $4.50, subject to certain limitations. The Authority has levied PFCs at the rate of $4.50 per enplaned passenger since June 1, 2002. The proceeds from PFCs are to be used to finance approved eligible airport-related projects 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 (i) eleven cents per enplaning passenger from whom a PFC is collected and (ii) 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.

On December 12, 2003, the Vision 100 – Century of Aviation Reauthorization Act ("Vision 100") into law. Vision 100 requires an airline that files for bankruptcy protection, or that has an involuntary bankruptcy proceeding commenced against it, to segregate passenger facility charge revenue in a separate account for the benefit of the eligible agencies entitled to such revenue. Based on this legislation, it is expected that the Authority would be treated as a secured creditor with respect to PFCs held by a collecting creditor that becomes involved in a bankruptcy proceeding. For information regarding PFC revenues in cases of airline bankruptcy, see "INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcy."

PFC applications are approved by the FAA to fund specific projects 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 received authorizations from eight separate FAA approval applications to impose an aggregate of $828,872,470 in PFC charges. The Authority has received $534,998,484 in PFCs from the Collecting Carriers and interest earnings of $3,436,217, totaling PFC Revenues of $538,434,701 since PFC implementation by the Authority through March 31, 2013. The legal expiration date for the Authority's authorizations to impose PFC charges is November 2019. See "SECURITY FOR THE SENIOR BONDS – Passenger Facility Charges." Authority PFCs receipts from Collecting Carriers from October 1, 2008 through September 30, 2012, were as follows:

Fiscal Years Ended September 30

2008	$36,982,004
2009	$32,857,753
2010	$32,479,400
2011	$33,369,461
2012	$34,196,122

Federal Grants

The Airport and Airway Improvement Act of 1982 created the AIP, which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by federal aviation user taxes. Grants are available to airport operators in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon 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, with total appropriations for the AIP and with any revision of the existing statutory formula for calculating such funds. In addition, pursuant to the Federal Act, an airport's annual federal entitlement grants are reduced by 50 percent following the imposition of PFCs at the $1.00, $2.00 or $3.00 level and reduced by 75 percent following the imposition of PFCs at the $4.00 or $4.50 level. From October 1, 2008 through September 30, 2012, the Authority received $46,239,111 in total AIP entitlement and discretionary grants as follows:

Fiscal Years Ended September 30

2008	$	9,531,267
2009	$	7,118,010
2010	$	13,624,942
2011	$	2,427,979
2012	$	10,883,342

Such grants were used at the Airport primarily for safety equipment, terminal, taxiway, apron and runway improvements.

The Authority also received a $8,000,000 grant under the American Recovery and Reinvestment Act of 2009 ("ARRA"). This grant was used for a portion of the funding for the Taxiway B Reconstruction and Bridge project. Reimbursements under the grant were received in Fiscals Years 2009 and 2010, and are included in the above table.

State Grants

FDOT administers a grant program funded by a state-imposed aviation fuel tax. Eligible projects under the program may be funded by up to 50 percent of the sponsors' cost of the project. Such projects include all projects eligible under AIP. General aviation facilities, including hangars, may be funded up to 80 percent of the sponsor's cost. From October 1, 2008 through September 30, 2012, the Authority received $58,798,144 in FDOT grants as follows:

Fiscal Years Ended September 30		
2008	$	14,627,122
2009	$	29,247,575
2010	$	4,916,045
2011	$	3,850,056
2012	$	1,742,945

Such grants were used primarily for land acquisition, general aviation facilities, safety equipment, terminal, taxiway, and apron and runway improvements.

INVESTMENT CONSIDERATIONS

The following section describes certain risk factors affecting the payment of and security for all Bonds Outstanding under the Subordinated Trust Agreement, including the Subordinated 2013A Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the Subordinated 2013A Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following specific factors along with all other information described elsewhere or incorporated by reference in this Official Statement in evaluating the Subordinated 2013A Bonds.

Factors Affecting the Airline Industry

General. Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Revenues available for payment of the Subordinated 2013A Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; natural disasters; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; airline bankruptcies; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the Airport; and business travel substitutes, including teleconferencing, videoconferencing and web-casting. If aviation and enplaned passenger traffic at the Airport do not meet forecast levels, a corresponding reduction could occur in forecasted Revenues.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001 and the economic recession that occurred between 2008 and 2009. Business decisions by airlines, such as the reduction, or elimination, of service to unprofitable markets, increasing the use of smaller, regional jets and changing hubbing strategies have also affected air traffic at the Airport and could have a more pronounced effect in the future.

Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, costs of aviation fuel, international conflicts and threats of terrorism and structural changes in the travel market. See also "—Aviation Security Concerns" below for additional discussion on the costs of security.

Cost of Aviation Fuel. Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America (formerly known as the Air Transport Association of America), fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policy, the rapid growth of economies such as China and India, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. According to Airlines for America, every one-cent increase in the price per gallon of jet fuel increases annual operating expenses by approximately $190 million to $200 million. The price of aviation fuel rose to an all-time high of almost $4.00 per gallon in July 2008. According to Airlines for America, the domestic price of aviation fuel averaged approximately $2.95 per gallon for the year ended December 31, 2012. For the first two months of 2013, the domestic price averaged approximately $3.01 per gallon. The average price of jet fuel in April 2013 was $2.82 per gallon, approximately 10 percent less than April 2012 and approximately 26.5 percent below the 2008 peak of $3.84 per gallon. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines.

International Conflict and the Threat of Terrorism. The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Authority cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the likelihood of future air transportation disruptions or the impact on the Authority or the airlines operating at the Airport from such incidents or disruptions.

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. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Capacity reductions by the Airlines 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.

Assumption or Rejection of Airline Agreement or Other Executory Contracts. An airline that has executed the Airline Agreement or other executory contract with the Authority and seeks protection under the U.S. bankruptcy laws after October 17, 2005, must assume or reject: (a) its Airline Agreement within 120 days after the bankruptcy filing subject to a court-approved, one-time 90-day extension (further extensions are subject to the consent of the lessor), and (b) its other executory contracts with the Authority prior to the confirmation of a plan of reorganization. Bankruptcy courts are courts of equity, however, and as such can, and often do, grant exceptions to these time limitations.

In the event of an assumption of any executory contract or lease, an airline is required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable executory contract or lease. In the event of an assumption by a debtor airline and assignment to a third party, the assurance of future performance must be demonstrated by the proposed assignee.

Rejection of an the Airline Agreement or other executory contract with the Authority gives rise to an unsecured claim of the Authority for damages, the amount of which in the case of an Airline Agreement or other lease is limited by the U.S. Bankruptcy Code generally to the amount unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15 percent of the total remaining lease payments, not to exceed three years of rent. Claims for such damages are subject to the Authority's duty to mitigate damages. The amount ultimately allowed in the event of a rejection of an Airline Agreement or other executory contract could be considerably less, however, than the maximum amount allowed under the U.S. Bankruptcy Code.

Delta, Northwest, United and US Airways were each operating at the Airport under an old airline agreement at the time of their respective filings for bankruptcy protection. All such airlines have exited from bankruptcy protection and have assumed their respective Airline Agreement and continue to operate at the Airport. American Airlines has also assumed its Airline Agreement. See "American Airlines – US Airways Announced Merger."

Southwest Airlines — Airport's Largest Carrier

On September 27, 2010, Southwest Airlines announced they would acquire AirTran Airways. May 2, 2011, Southwest announced the closing on its acquisition of AirTran Holdings, Inc., the former parent company of AirTran Airways, Inc. (AirTran) on May 2, 2011. The acquisition extended Southwest's route network and added new markets, such as Atlanta and Washington, D.C., (Reagan National Airport), and provided access to international leisure markets in the Caribbean and Mexico. The FAA granted Southwest a single operating certificate on March 1, 2012, allowing Southwest to work toward full integration. Southwest plans to operate Southwest and AirTran separately for a period of time to address issues with integration, and expects full integration by the end of 2014. AirTran and Southwest do not have any overlapping routes from the Airport.

For the year ended December 31, 2012, Southwest Airlines accounted for approximately 38.8 percent[(1)] of the total enplaned passengers at the Airport. Where an airport has a sizable market share accounted for by a single airline, there is risk associated with the potential for that airline to reduce or discontinue service. However, in the case of Southwest Airlines at the Airport, this risk is mitigated by the following factors: (a) Southwest Airlines is a consistently profitable airline; and (b) the development of service by Southwest Airlines at the Airport has demonstrated a large O&D passenger demand that could be served by other airlines at the Airport in the unlikely event Southwest Airlines were to reduce service at the Airport. Nevertheless, the Authority cannot predict what effect a reduction or discontinuation of service by Southwest Airlines would have on the Authority or Revenues, or whether another airline would absorb the service provided by Southwest.

American Airlines-US Airways Announced Merger

On February 14, 2013, American Airlines, together with its parent, AMR Corporation and American Eagle and other subsidiaries (collectively, "AMR") announced it had entered an Agreement and Plan of Merger (the "Merger Agreement") with US Airways Group, Inc. Under the terms of the Merger Agreement, the newly combined company would have operated under "American Airlines" name and would have been headquartered in AMR's existing headquarters in Fort Worth, Texas. The merger was conditioned upon the approval of the Bankruptcy Court, regulatory approvals, approval by US Airways

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[(1)] Includes AirTran which merged with Southwest.

stockholders and other customary closing conditions. The Merger Agreement can be terminated by either company if the merger has not been completed by October 14, 2013, with extensions now permissible to the later of January 18, 2014, or, if the Court in the antitrust suit disclosed below enters an order on or before January 17, 2014 in favor of American Airlines and US Airways, on the 15th day following the entry of such order. In the event of an unfavorable ruling by the Court, AMR or US Airways may terminate the merger agreement five days after the Court enters a final, but appealable, order permanently enjoining the merger.. The merger would be effected pursuant to a plan of reorganization for the debtors and is subject to confirmation and consummation in accordance with the requirements of the Bankruptcy Code. American Airlines and US Airways do not have any overlapping routes from the Airport. For more information regarding the planned merger prospective purchasers are directed to www.aa.com and www.usairways.com.

For the Fiscal Year ended September 30, 2012, US Airways accounted for 10.2 percent and American accounted for 9.1 percent of the airline traffic at the Airport.

On August 13, 2013, the Department of Justice filed a civil antitrust lawsuit challenging the merger. The Department joined in the action with the attorneys general in Texas, where American Airlines is headquartered; Arizona, where US Airways is headquartered; Florida; the District of Columbia; Pennsylvania; Tennessee; and Virginia. The Department stated in a news release "that the merger, which would result in the creation of the world's largest airline, would substantially lessen competition for commercial air travel in local markets through the United States and result in passengers paying higher airfares and receiving less service." Management of AMR and US Airways announced that they intend to mount a "vigorous and strong defense" to the Justice Department's effort to block their proposed merger.[1]

The merger had won the approval of both the US Airways shareholders and AMR's creditors.

Federal Law Affecting Airport Rates and Charges

In general, federal aviation law requires that airport fees charged to airlines and other aeronautical users 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. The Authority is not aware of any formal dispute involving the Airport over any existing rates and charges. The Authority believes that the rates and charges methodology it utilizes and the rates and charges it imposes upon air carriers, foreign air carriers and other aeronautical users are reasonable and consistent with applicable law.

Passenger Facility Charges

Termination of PFCs. The Authority's authority to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and the FAA's authorizations to impose PFCs. The Authority is in compliance with all such terms and conditions. If the Authority fails to comply with these requirements, the FAA may take action to terminate or to reduce the Authority's authority to impose or to use PFCs. In addition, failure to comply with the provisions of the Airport Noise and Capacity Act may lead to termination of the Authority's authority to impose PFCs. The FAA's agreement regarding reducing instead of eliminating the Authority's rights to collect PFCs after unremedied violations is not applicable to noise abatement violations. The Authority is in compliance with the Airport Noise and Capacity Act.

[1] AviationNews.net, *DOJ, States Sue To Block American-US Airways Merger*, August 13, 2013.

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 or any FAA authorization to impose PFCs will not be amended in a manner that would adversely affect the Authority's ability to collect and use PFC Revenues.

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.

The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. Airlines are permitted to commingle PFC collections with other revenues. Airlines that have filed for Chapter 7 or 11 bankruptcy protection, however, are required to segregate PFC revenue in a separate account for the benefit of the Airport and cannot grant a third party any security or other interest in PFC revenue. The airlines are entitled to retain interest earned on PFC collections until such PFC collections are remitted. This procedure was followed by Delta, United and Northwest during their respective bankruptcies. PFCs collected by those airlines were required by the bankruptcy court to be placed in accounts separate from other airline revenue accounts and be paid to airports monthly in accordance with the PFC regulations. However, the Authority cannot predict whether an airline that files for bankruptcy protection will properly account for the PFCs or whether the bankruptcy estate will have sufficient moneys to pay the Authority in full for the PFCs owed by such airline. The Authority has recovered all of its PFCs from each of the airlines that filed for Chapter 11 bankruptcy protection.

FAA Reauthorization and Federal Funding

On February 6, 2012, Congress passed a four-year reauthorization bill for the FAA, the FAA Modernization and Reform Act of 2012, which was signed into law on February 14, 2012 by the President. This is the first long-term FAA authorization since the last such authorization expired in 2007. Since that time, there had been 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in the summer of 2011. The final FAA reauthorization retains the federal cap on passenger facility charges at $4.50 and authorizes $3.35 billion per year for AIP through Fiscal Year 2015, which is $150 million per year less than the funding level for the past five years. The AIP provides federal capital grants to support airport infrastructure, including 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 President's budget proposal for federal Fiscal Year 2013, published on February 13, 2012, proposes to reduce AIP funding to $2.4 billion (from the $3.35 billion authorized) and eliminate "guaranteed" AIP funding for large hub airports, such as the Airport, and medium hub airports. The President's budget also proposes an increase in the passenger facility charge cap for large and medium hub airports. The Authority is unable to predict whether Congress will approve the President's budget, appropriate funds as proposed in the President's budget or otherwise predict the level of future AIP funding. If there is a reduction in the amount of AIP grants awarded to the Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund future projects, (ii) result in decreases to the Authority's Capital Improvement Plan or (iii) extend the timing for completion of certain projects. Authorization to increase PFCs above $4.50 per enplaned passenger for approved airport related projects would also reduce funds from other sources needed to fund future projects. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – The Capital Program and Funding Sources."

The Federal Budget Control Act of 2011 (the "Budget Control Act") required that the Director of United States Office of Management and Budget ("OMB") calculate, using a statutory formula, certain cuts to federal programs necessary to reduce spending to levels specified in the Budget Control Act and the President was required to issue an order implementing the reductions in spending. In August 2012, Congress required OMB to provide estimates of the reductions to specific programs that would be ordered on January 2, 2013. On September 14, 2012, OMB provided a report containing those estimates. Among the reductions identified by OMB were cuts to FAA and TSA budgets. Pursuant to the Sequestration Transparency Act of 2012 (P.L. 112-135), as a consequence of the Joint Select Committee on Deficit Reduction's failure to propose, and Congress' failure to enact, a plan to reduce the deficit by $1.2 trillion (as required by the Budget Control Act of 2011 by January 2, 2013), the President of the United States, in his report to Congress of sequestration for Fiscal Year 2013, included FAA and TSA budget reductions. On April 22, 2013, as a result, TSA furloughed air traffic controllers for one day every two weeks resulting in flight delays. On April 27, 2013, the FAA announced that it would return to regular staffing levels following the passage of federal legislation aimed at giving the FAA more flexibility in applying budget cuts.

Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. Since 2007, the rate of economic growth in the U.S. has slowed considerably, primarily due to losses in real estate values and tightening of credit in financial markets. During September 2008, significant and dramatic changes occurred in the financial markets. Several U.S. commercial and investment banks declared bankruptcy, were acquired by other financial institutions, combined with other financial institutions or sought huge infusions of capital. The volatility in the capital markets led the U.S. government to intervene by making funds available to certain institutions, taking over the ownership of others and assuming large amounts of troubled financial instruments in exchange for imposing greater regulation over certain institutions in order to restore the consumers' confidence in the nation's financial markets. The short and long term effects of these developments on the broader economy are not known at this time. There can be no assurances that such developments will not have an adverse effect on the air transportation industry.

For more information concerning the local and national economy, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Demographic and Economic Analysis – Status of the Airline Industry."

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks, increased threat levels declared by the Department of Homeland Security and world health concerns such as the SARS outbreak in 2003, may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Because of the implementation of the Congressional mandate, effective January 1, 2003, for the screening of all checked baggage for explosives, as well as the impact on airport operations of procedures mandated under "Level Yellow" (elevated), "Level Orange" (high) and "Level Red" (severe) national threat levels declared by the Department of Homeland Security under the Homeland Security Advisory System, there is the potential for significantly increased inconvenience and delays at many airports. Since its inception the threat level has never been below Level Yellow nor above Level Orange (except that between August 10, 2006 and August 13, 2006 the threat level was raised to Level Red for flights originating in the United Kingdom and bound for the United States). Historically, only minor delays have been experienced at the Airport as a result of the security procedures; however, this may change as a result of increased passenger traffic or other factors such as requirements for additional forms of screening or reductions of the TSA workforce.

Federal law also requires that eventually all passenger bags, mail and cargo be screened to prevent the carriage of weapons (including chemical and biological weapons), explosives or incendiary devices; however, no regulations regarding these enhanced security measures have been finalized as of the date of this Official Statement.

The Authority cannot predict whether the Airport will be targets of terrorists in the future. After the events of September 11th, the United States government launched a military offensive against Afghanistan and in March 2003 against Iraq, and has warned that these hostilities may continue for years.

The Authority cannot predict the duration of the effects of these hostilities on the air transportation system, the likelihood of any retaliation or the likelihood of any future terrorists attacks. Any such action could directly or indirectly reduce passenger traffic and depress airline industry revenues and Operating Revenues. The Authority cannot predict the effect of any future government-required security measures on passenger activity at the Airport.

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, without limitation, the provisions of the Airline Agreement, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the events of September 11th, the Airport also has been required to implement enhanced security measures mandated by the FAA and the Department of Homeland Security.

It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether such restrictions or legislation or regulations would adversely affect Operating Revenues.

Publicly Available Information for Signatory Airlines

Each of the Airlines subject to the Airline – Airport Use and Lease Agreement (or their respective parent corporations) is subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Certain other airlines are subject to the information reporting requirements of the Commission. Certain information, including financial information, as of particular dates concerning each of these reporting airlines (or their respective parent corporations) is disclosed in reports and statements filed with the Commission. Such reports and statements can be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549 and the Commission's regional offices at 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604 and 3 World Financial Center, Room 4300, New York, New York 10281. Copies of such material can be obtained from the Public Reference Section of the Commission at the above address at the prescribed rates. The Commission also maintains a website that contains reports, proxy and information statements and other written information regarding companies that file electronically with the Commission. In addition, each of the Airlines subject to the Airline Agreement is required to file periodic reports of financial and operating statistics with the United States Department of Transportation (the "DOT"). Such reports can be inspected at the following location: Office of Aviation Information Management, Data Requirements and Public Reports Division, Research and Special Programs Administration, Department of Transportation, 400 Seventh Street, S.W. Washington, D.C. 20590, and copies of such reports can be obtained from the DOT at prescribed rates.

Capacity of National Air Traffic Control and Airport Systems

Demands on the national air traffic control system continue to cause aircraft delays and restrictions, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. The FAA is gradually automating and enhancing the computer, radar, and communications equipment of the air traffic control system and assisting in the development of additional airfield capacity through the construction of new runways and the more effective use of existing runways. However, increasing demands on the national air traffic control and airport systems could cause increased delays and restrictions in the future.

Airport Disruption Due to Construction

As noted under "FUTURE CAPITAL PROJECTS" the Airport will be undergoing significant construction over the next five years. Such Projects will require scheduling and planning to minimize the disruption to operations at the Airport.

Uncertainties of Projections, Forecasts and Assumptions

The Report contains certain assumptions, forecasts and projections. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT." Projected compliance with certain of the covenants contained in the Trust Agreement is also based upon assumptions and projections. Projections and assumptions are inherently subject to significant uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur and actual results are likely to differ, perhaps materially, from those projected. Accordingly, the projections contained in the Report are not necessarily indicative of future performance, and neither the Authority nor the Airport Consultant assumes any responsibility for the accuracy of such projections.

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the Subordinated 2013A Bonds upon an event of default under the Subordinated Trust Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies specified by the Subordinated Trust Agreement and the Subordinated 2013A Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Subordinated 2013A Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

FINANCIAL ADVISOR

The Authority has engaged Public Financial Management Inc., as Financial Advisor (the "Financial Advisor"), in connection with the authorization, issuance and sale of the Subordinated 2013A Bonds. Under the terms of its engagement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The financial statements of the Authority as of and for the years ended September 30, 2012 and 2011, included in APPENDIX B of this Official Statement have been audited by CliftonLarsonAllen LLP as stated in their report appearing in APPENDIX B. Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and Ernst & Young has not performed any procedures subsequent to the date of its report. The auditors have not performed any services related to, and therefore are not associated with, the preparation of this Official Statement.

LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or to the knowledge of the Authority, threatened against or affecting the Authority or, to its knowledge, any basis therefor, wherein an unfavorable decision would have a material adverse affect on the transactions contemplated by this Official Statement or the validity of the Subordinated 2013A Bonds, the Senior Trust Agreement, the Subordinated Trust Agreement, the Airline – Airport Use Agreement or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

The Authority is engaged in routine litigation covered by liability insurance and common to the operation of airport facilities and therefore not material to the Authority's financial position.

TAX MATTERS

In the opinion of Bond Counsel, under existing law, interest on the Subordinated 2013A Bonds is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any Subordinated 2013A Bond for any period during which such Subordinated 2013A Bond is held by a person who is a "substantial user," within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), of any project financed or refinanced with proceeds of the Subordinated 2013A Bonds or a "related person" to such a "substantial user."

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Subordinated 2013A Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Examples include: the requirement that, unless an exception applies, the Authority rebate certain excess earnings on proceeds and amounts treated as proceeds of the Subordinated 2013A Bonds to the United States Treasury; restrictions on the investment of such proceeds and other amounts; and restrictions on the ownership and use of the facilities financed or refinanced with the proceeds of the Subordinated 2013A Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the Authority subsequent to the issuance of the Subordinated 2013A Bonds to maintain the exclusion of interest on the Subordinated 2013A Bonds from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Subordinated 2013A Bonds in the gross income of the owners thereof for federal income tax purposes, retroactive to the date of issuance of the Subordinated 2013A Bonds. The Authority has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Subordinated 2013A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the Authority complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Subordinated 2013A Bonds.

In addition, as to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations made on behalf of the Authority and certificates of appropriate officers (including certifications as to the use of proceeds of the Subordinated 2013A Bonds and of the properties financed or refinanced thereby).

Alternative Minimum Tax

An alternative minimum tax is imposed by the Code on corporations (as defined for federal income tax purposes) at a 20 percent rate and on taxpayers other than corporations at a graduated rate beginning at 26 percent and increasing to 28 percent. Interest on the Subordinated 2013A Bonds will be treated as an item of tax preference for purposes of the alternative minimum tax and included in the alternative minimum taxable income of a holder of Subordinated 2013A Bonds.

Original Issue Premium

The Subordinated 2013A Bonds maturing on October 1, 2014 through October 1, 2020, inclusive, October 1, 2021 in the principal amount of $8,410,000, October 1, 2022 through October 1, 2023, inclusive, October 1, 2024 in the principal amount of $9,555,000, October 1, 2025 through October 1, 2026, inclusive, October 1, 2027 in the principal amount of $10,845,000, October 1, 2028 through October 1, 2029, inclusive, and October 1, 2030 in the principal amount of $12,955,000 (collectively, the "Premium Bonds"), were sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(a)(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

Owners of Premium Bonds should consult their own tax advisors to determine the tax consequences to them of purchasing, holding, selling, or otherwise disposing of Premium Bonds.

Original Issue Discount

The Subordinated 2013A Bonds maturing on October 1, 2021 in the principal amount of $475,000, October 1, 2024 in the principal amount of $725,000, October 1, 2027 in the principal amount of $1,100,000 and October 1, 2030 in the principal amount of $1,025,000 (collectively, the "Discount

Bonds"), were sold to the public at an original issue discount. Generally, the original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest which is excludable from gross income rather than being treated as taxable gain.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compounded basis. The amount of original issue discount that accrues to a holder of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the holder's tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption or payment of a Discount Bond in excess of the holder's adjusted basis (as increased by the amount of original issue discount which has accrued and has been treated as tax-exempt interest in the holder's hands), will be treated as gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, 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 described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

Reference is hereby made to the proposed form of Bond Counsel opinion attached hereto as APPENDIX H.

Other Tax Consequences

Prospective purchasers of the Subordinated 2013A Bonds should be aware that ownership of Subordinated 2013A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry Subordinated 2013A Bonds. Prospective purchasers of the Subordinated 2013A Bonds should also be aware that ownership of the Subordinated 2013A Bonds may result in adverse tax consequences under the laws of various states. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Subordinated 2013A Bonds. Further, Bond Counsel has expressed no opinion regarding the state tax consequences that may arise with respect to the Subordinated 2013A Bonds. Prospective purchasers of the Subordinated 2013A Bonds should consult their tax advisors as to the collateral federal income tax and state tax consequences to them of owning Subordinated 2013A Bonds.

Future Tax Legislation

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Subordinated 2013A Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent the holders of Subordinated 2013A Bonds from realizing the full current benefit of the tax status of the interest on the Subordinated 2013A Bonds. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Subordinated 2013A Bonds. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is likely proposed legislation will be introduced in the near term that, if enacted, could change the federal tax consequences of owning the Subordinated 2013A Bonds and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Subordinated 2013A Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds, such as the Subordinated 2013A Bonds, is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Subordinated 2013A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate holders of Subordinated 2013A Bonds, under certain circumstances, to "backup withholding" at the fourth lowest rate of tax applicable under Section 1(c) of the Code (i.e., a rate applicable to unmarried individuals) with respect to payments on the Subordinated 2013A Bonds and proceeds from the sale of Subordinated 2013A Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such holder of Subordinated 2013A Bonds. This withholding generally applies if the holder of Subordinated 2013A Bonds (i) fails to furnish the Trustee (or other payor) such holder's social security number or other taxpayer identification number ("TIN"), (ii) furnished the Trustee (or other payor) an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the Trustee (or other payor) or such holder's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such holder is not subject to backup withholding.

LEGAL MATTERS

Certain legal matters relating to the authorization, issuance, sale and delivery of the Subordinated 2013A Bonds is subject to the approval of Holland & Knight LLP, Tampa, Florida, whose legal services as Bond Counsel have been retained by the Authority.

The proposed text of the legal opinion is set forth as APPENDIX H hereto. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referenced in the opinion subsequent to its date.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Subordinated 2013A Bonds and the tax-exempt status of interest thereon, as described in the section "TAX MATTERS" and will make no statement regarding the accuracy and completeness of this Official Statement.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

In their capacity as Bond Counsel, Holland & Knight LLP has reviewed the statements in this Official Statement under the captions "AUTHORIZATION OF THE SUBORDINATED 2013A BONDS," "DESCRIPTION OF THE SUBORDINATED 2013A BONDS," "SECURITY FOR THE SENIOR BONDS", "SECURITY FOR THE SUBORDINATED 2013A BONDS" and believe that insofar as such statements constitute summaries of the Trust Agreement and the provisions of the Subordinated 2013A Bonds, such statements constitute fair summaries of the portions of the documents purported to be summarized. In its capacity as Bond Counsel, Holland & Knight LLP has also reviewed the statements under the caption "TAX MATTERS" and believes such statements are accurate. Bond Counsel expresses no further opinion with respect to the accuracy, completeness or sufficiency of this Official Statement, nor do they express any opinion as to the compliance by the Authority with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Subordinated 2013A Bonds.

Certain legal matters in connection with the offering of the Subordinated 2013A Bonds will be passed upon for the Authority by its Disclosure Counsel, GrayRobinson, P.A., Tampa, Florida. Certain other legal matters will be passed upon for the Authority by Gigi Garber Rechel, Esquire, Vice President of Legal Affairs and General Counsel. The Underwriters are being represented by their counsel, Bryant Miller Olive P.A., Tampa, Florida.

The legal opinions to be delivered concurrently with the delivery of the Subordinated 2013A Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Fitch Inc. have assigned ratings of "A2" (stable), "A" (stable) and "A" (stable), respectively to the Subordinated 2013A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from such rating agencies. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their or its judgment circumstances warrant. Any such downward change in or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the Subordinated 2013A Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the Authority make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The Authority has never been in default as to principal and interest on its bonds or other debt obligations.

CONTINUING DISCLOSURE

The Authority, in accordance with the continuing disclosure requirements of Rule 15c2-12 in effect from time to time and applicable to the Subordinated 2013A Bonds (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, will provide or cause to be provided, within 180 days of the end of the Authority's Fiscal Year in accordance with the Rule, certain annual financial information as of September 30 of each year, commencing with the Fiscal Year ending September 30, 2013, consistent with the financial information included in this Official Statement, and, when available, audited financial statements prepared pursuant to generally accepted auditing standards applicable to governmental entities. The Authority will make such filings to the Municipal Securities Rulemaking Board's new Electronic Municipal Market Access System ("EMMA").

The operating data that will be provided by the Authority in addition to the annual audited financial statements will include (if not otherwise provided by the Authority to EMMA in connection with the Authority's other Outstanding Bonds), an update of the following annual operating data from the Official Statement which are in tabular form:

(i) Airline Passenger Traffic;

(ii) Top Markets for Tampa International Airport; and

(iii) Airline Market Shares of Enplaned Passengers.

The Authority will additionally provide or cause to be provided, in a timely manner, to EMMA notice of the occurrence of any of the following events with respect to the Subordinated 2013A Bonds, if such event is material:

(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 security, or other material events affecting the tax status of the Subordinated 2013A Bonds;

(vii) modifications to rights of the holders of the Subordinated 2013A Bonds;

(viii) Subordinated 2013A Bond calls, if material (other than scheduled mandatory redemption) and tender offers;

(ix) Subordinated 2013A Bond defeasances;

(x) release, substitution, or sale of property securing repayment of the Subordinated 2013A Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar proceeding of the Authority. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority 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 Authority, 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 Authority;

(xiii) a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, the entry into a definitive agreement to undertake any such action or the termination of a definitive agreement relating to any such action, other than pursuant to the terms of any definitive agreement, if material;

(xiv) appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material; and

(xv) notice of any failure on the part of the Authority to meet the requirements of the first paragraph above.

The Continuing Disclosure Agreement, the form of which is included as APPENDIX G, will be executed by the Authority prior to issuance of the Subordinated 2013A Bonds.

A review of prior filings by the Authority made pursuant to prior continuing disclosure agreements indicated that certain annual operating data specifically "Airline Market Shares of Enplaned Passengers" was not filed for Fiscal Years September 30, 2010 and 2011. The Authority filed such information with EMMA on March 29, 2013. The Authority inadvertently failed to file with EMMA its audited financial statements for the Fiscal Year ended September 30, 2010 although such statements were timely posted on the Authority's website. Such financial statements were filed with EMMA on July 30, 2013. Upon a recent review of the Authority's continuing disclosure filings, it was discovered that the Authority failed to file notices of material events which occurred between 2008 and 2013 regarding the rating downgrade(s) of Assured Guaranty Municipal Corp. (and its predecessor Financial Security Assurance Inc.) and National Public Finance Guarantee Corp (and its predecessor MBIA Inc.), the insurers of the Authority's Series 2001A, Series 2003A-D, Series 2006A-B, and Series 2008A-D Senior Bonds.. Upon realizing the failure to comply, the Authority filed the material events notices on October 1, 2013. The Authority has retained disclosure counsel and has also put in place procedures to assure that audited financial statements and all operating data required by the Continuing Disclosure Agreement are timely filed as well as timely filings of any required notices of any occurrences of events noted above. The Authority has not otherwise failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.

UNDERWRITING

The Subordinated 2013A Bonds are being purchased for reoffering by RBC Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Raymond James & Associates, Inc. (collectively, the "Underwriters") at a price of $179,517,415.83, representing the par amount of the Subordinated 2013A Bonds, net of Underwriters' discount of $461,333.82 from the initial offering prices of the Subordinated 2013A Bonds set forth on the inside cover page hereof, plus a net original issue premium of $11,113,749.65. The contract of purchase by and between the Underwriters and the Authority provides that the Underwriters will purchase all of the Subordinated 2013A Bonds if any are purchased.

The Underwriters may offer and sell the Subordinated 2013A Bonds to certain dealers (including depositing the Subordinated 2013A Bonds into investment trusts) and others at prices lower than the initial public offering prices stated on the inside cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Subordinated 2013A Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of UBSFS and CS& Co. will purchase Subordinated 2013A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Subordinated 2013A Bonds that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the Subordinated 2013A Bonds, has entered into a retail distribution arrangement with 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 Subordinated 2013A Bonds.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Subordinated 2013A Bonds, the security for the payment of the Subordinated 2013A Bonds, and the rights and obligations of holders thereof.

The information contained in this Official Statement involving matters of opinion or of estimates, 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 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 Subordinated 2013A Bonds.

The execution and delivery of this Official Statement by its Chairman and its Chief Executive Officer have been duly authorized by the Authority.

HILLSBOROUGH COUNTY AVIATION AUTHORITY

/s/ Robert I. Watkins
Robert I. Watkins
Chairman

/s/ Joseph W. Lopano
Joseph W. Lopano
Chief Executive Officer

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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Report of the Airport Consultant

Hillsborough County Aviation Authority
Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT)

PREPARED BY:

RICONDO & ASSOCIATES, INC.
105 East Fourth Street, Suite 1700
Cincinnati, OH 45202
(513) 651-4700 (phone)
(513) 412-3570 (facsimile)

RICONDO® & ASSOCIATES

October 1, 2013

October 1, 2013

Mr. Joseph Lopano
Chief Executive Officer
Hillsborough County Aviation Authority
Tampa International Airport
3rd Level, Blue Side
PO Box 22287
Tampa, FL 33622-2287

RE: Report of the Independent Airport Consultant for the Hillsborough County Aviation Authority, *Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT)*

Dear Mr. Lopano:

Ricondo & Associates, Inc. (R&A) is pleased to present this Report of the Independent Airport Consultant (Report) for inclusion as Appendix A in the Official Statement for the Hillsborough County Aviation Authority (the Authority), Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT) (Subordinated 2013A Bonds). The Subordinated 2013A Bonds are being issued pursuant to provisions of the Subordinated Trust Agreement, expected to be dated as of October 1, 2013, as supplemented and amended by the 2013 Subordinated Supplemental Trust Agreement expected to be dated as of October 1, 2013 (collectively, the Subordinated Trust Agreement. The Authority adopted Resolution No. 2013-107 on September 5, 2013 (the Subordinated Bonds Resolution) authorizing the issuance of the Subordinated 2013A Bonds.

The Authority also intends to issue the Tampa International Airport Revenue Refunding Bonds, 2013 Series A (AMT) (Senior 2013A Bonds) and Tampa International Airport Revenue Refunding Bonds, 2013 Series B (Non-AMT) (Senior 2013B Bonds) prior to the end of 2013 through either a fixed rate direct placement with one or more major banks or a public offering. If the direct placement approach is employed, it is possible that the Senior 2013A Bonds (AMT) will be divided into two separate series. The Senior 2013A Bonds and Senior 2013B Bonds collectively will be referred to in this report as the Senior 2013 A/B Bonds and the debt service included in this Report reflects the assumed financing structure. The Senior 2013 A/B Bonds are being issued pursuant to provisions of the Authority's Trust Agreement, dated as of October 1, 1968, as amended and supplemented from time to time, as codified and restated in a Codified and Restated Trust Agreement effective as of September 1, 2006, as supplemented and amended prior to the date hereof (collectively, the "2006 Trust Agreement"), and as supplemented by Supplemental Trust Agreements with respect to each such series (collectively, the 2013 Supplemental Trust Agreement and, collectively with the 2006 Trust Agreement, the Trust Agreement). The Authority expects to adopt a resolution later in 2013 (the Resolution) authorizing the issuance of the Senior 2013 A/B Bonds and the execution of the 2013 Supplemental Trust Agreement.

The Subordinated 2013A Bonds and the Senior 2013 A/B Bonds, collectively, will be referred to as the 2013 Bonds.

The 2013 Bonds are payable from the Net Revenues generated from the operation of the Tampa International Airport (the Airport), the primary air carrier airport serving the Tampa Bay region, and three general aviation reliever airports, Peter O. Knight, Plant City, and Tampa Executive airports (collectively, the Airport System.) Proceeds of the 2013 Bonds will be used to refund the following:

- Tampa International Airport Revenue Bonds, 2003 Series A (Series 2003A Bonds)
- Tampa International Airport Revenue Bonds, 2003 Series B (Series 2003B Bonds)
- Tampa International Airport Revenue Refunding Bonds, 2003 Series C (Series 2003C Bonds)
- Tampa International Airport Revenue Refunding Bonds, 2003 Series D (Series 2003D Bonds)
- A portion of Tampa International Airport Replacement Subordinate Revenue Note, Series 2012, (SunTrust 2012 Bank Note)[1]

Additionally, proceeds from the 2013 Bonds will be used to pay certain costs of issuance incurred in connection with the issuance of the 2013 Bonds including, if selected by the Authority, the premiums with respect to Bond Insurance. Unless otherwise defined herein, all capitalized terms in this report are used as defined in the Official Statement, the Trust Agreement, or the Subordinated Trust Agreement.

This report presents the analysis undertaken by R&A to demonstrate the ability of the Authority to comply with the requirements of the Trust Agreement and Subordinated Trust Agreement on a *pro forma* basis for Fiscal Years (FY) 2014 through 2023 (the Projection Period) based on the assumptions regarding the planned issuance of the 2013 Bonds established by the Authority through consultation with its financial advisor and construction manager. In developing its analysis R&A has reviewed historical trends and formulated projections, based on the assumptions put forth in this report which have been reviewed and agreed to by the Authority and its professionals, regarding the ability of the Air Trade Area (defined herein) to generate demand for air service at the Airport, trends in air service and

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[1] The refunded portion of the SunTrust 2012 Bank Note will be referred to as the Refunded Note.

passenger activity at the Airport, and the financial performance of the Airport. The report is organized as follows:

- Summary of Findings
- Chapter 1: The 2013 Project and the 2013 Bonds
- Chapter 2: The Tampa International Airport System
- Chapter 3: The Capital Program and Funding Sources
- Chapter 4: Demographic and Economic Analysis
- Chapter 5: Passenger Demand and Air Service Analysis
- Chapter 6: Financial Analysis

On the basis of our assumptions and the analysis put forth in this report, R&A is of the opinion that the Gross Revenues less Operating Expenses (Net Revenues) generated by the Airport in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the Trust Agreement and the Pledged Revenues will be sufficient to comply with the Rate Covenant established in the Subordinated Trust Agreement. R&A is also of the opinion that the Airport's airline rates and charges will remain comparable on an airline cost per enplaned passenger (CPE) basis to other large-hub U.S. airports through the Projection Period.

Founded in 1989, R&A is a full-service aviation consulting firm providing airport physical and financial planning services to airport owners and operators, airlines, and federal and state agencies. R&A has prepared Reports of the Airport Consultant in support of over $22 billion of airport related revenue bonds since 1996. Based on the definition of "Municipal Advisor" put forth in the Securities and Exchange Commission's (SEC) proposed rule implementing Section 975 of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which cites firms providing feasibility studies for inclusion in an official statement for a municipal bond transaction, R&A has registered with both the SEC and the Municipal Securities Rulemaking Board as a Municipal Advisor.

The techniques and methodologies used by R&A in the preparation of this report are consistent with industry practices for similar studies in connection with airport revenue bond sales. While R&A believes that the approach and assumptions used in this report are reasonable, some assumptions regarding future trends and events detailed in this report including, but not limited to, the implementation schedule and the projections of passenger activity and financial performance may not materialize. Therefore, actual performance will likely differ from the projections put forth in this report and the variations may be material. In developing its analysis, R&A has utilized information from various sources including the Authority, the financial advisor, federal and local governmental agencies, and independent private providers of economic and aviation industry data which are identified in the notes accompanying the related tables and exhibits in this report. R&A believes these sources to be reliable, but has not audited this data and does not warrant its accuracy. The analysis presented is based on conditions known as of the date of this letter. R&A has no obligation to update this report on an ongoing basis.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

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Summary of Findings

The Authority commissioned Ricondo & Associates, Inc., (R&A) to prepare this Report of the Airport Consultant (Report) to demonstrate the Airport's compliance with the Additional Bonds Test and Rate Covenants regarding the issuance of the Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT) (Subordinated 2013A Bonds). This Report also incorporates the debt service resulting from the issuance of the Tampa International Airport Revenue Refunding Bonds, 2013 Series A (AMT) (Senior 2013A Bonds), and the Tampa International Airport Revenue Refunding Bonds, 2013 Series B (Non-AMT) (Senior 2013B Bonds), (collectively referred to in this Report as the Senior 2013 A/B Bonds). The Senior 2013 A/B Bonds are planned to be issued later in 2013 through either a fixed rate direct placement with one or more major banks or a public offering. The Subordinated 2013A Bonds and the Senior 2013 A/B Bonds will be collectively referred to as the 2013 Bonds.

This Report will demonstrate that the Pledged Revenues will be sufficient to comply with the Rate Covenant established in the Subordinated Trust Agreement expected to be effective on October 1, 2013, as supplemented and amended by the 2013 Subordinated Supplemental Trust Agreement also expected to be effective on October 1, 2013 (collectively, the Subordinated Trust Agreement), including but not limited to the Additional Bonds Tests and Rate Covenants, on a pro forma basis for Fiscal Years (FY) 2014 through FY 2023 (the Projection Period). This Report will also demonstrate the Authority's ability to generate Gross Revenues less Operating Expenses (Net Revenues) sufficient to meet its obligations under the Codified and Restated Trust Agreement effective as of September 1, 2006, as supplemented and amended prior to the date hereof (collectively, the 2006 Trust Agreement), and as supplemented by Supplemental Trust Agreements with respect to each such series (the 2013 Supplemental Trust Agreement and, collectively with the 2006 Trust Agreement, the Trust Agreement).

In developing our analysis, R&A reviewed the terms of the Trust Agreement, Subordinated Trust Agreement and related documents that govern the Airport's debt; the terms of the 2013 Bonds as provided by the Authority's financial advisor; the Airport's outstanding financial obligations; the capacity of the Airport's existing and planned facilities to accommodate current and anticipated demand; and certain projects included in the Airport's Master Plan update (Master Plan Projects) approved in 2013 and other projects included in the capital improvement program (CIP), collectively referred to as the Capital Program and proposed funding sources including the potential for additional borrowing beyond the 2013 Bonds.

To develop the pro forma analysis of the Airport's financial performance, R&A reviewed the agreements that establish the business arrangements between the Airport and its various tenants, including but not limited to the commercial airlines serving the Airport. The Airport generates the majority of its operating revenues from commercial airlines and private aircraft operators through airfield usage fees and various rentals for terminal and other spaces; fees and rents assessed concessionaires providing various goods and services to passengers and other users of airport facilities; fees and rents assessed rental car operators serving the airport; and fees for public parking and commercial vehicle access to airport facilities. These revenues are in large measure driven by passenger demand for air service from the Airport, which is a function of national and local economic conditions, and the ability and willingness of the commercial airlines to supply service at a level commensurate with this demand. Thus, R&A reviewed the historical relationships between economic activity and demand for air service, the airlines' provision of air service, and the financial performance of the Airport. Based on this historical review, R&A developed assumptions regarding these factors and relationships through the Projection Period which provide the basis for the forecasts of passenger activity and financial performance presented in this Report. The following sections present a summary of R&A's assumptions, projections and findings that are detailed in the body of the Report, which should be read in its entirety.

2013 Bonds

The Authority is issuing the 2013 Bonds to refund certain previously issued bonds (2013 Transaction) and a portion of a bank note. Specifically, proceeds of the 2013 Bonds will be used to refund the following:

- Tampa International Airport Revenue Bonds, 2003 Series A (Series 2003A Bonds)
- Tampa International Airport Revenue Bonds, 2003 Series B (Series 2003B Bonds)
- Tampa International Airport Revenue Refunding Bonds, 2003 Series C (Series 2003C Bonds)
- Tampa International Airport Revenue Refunding Bonds, 2003 Series D (Series 2003D Bonds)
- A portion of Tampa International Airport Replacement Subordinate Revenue Note, Series 2012, (SunTrust 2012 Bank Note)[1]

Table **S-1** reflects the 2013 Bonds refunding plan:

Table S-1: Bonds Refunding Plan

SERIES DESIGNATION	PURPOSE OF BONDS	TAX STATUS
Senior 2013A Bonds[1/]	Refund 2003B, 2003D, and the portion of the Refunded Note supported by Airport Revenues	AMT
Senior 2013B Bonds	Refund 2003C Bonds	Non-AMT
Subordinated 2013A Bonds	Refund 2003A Bonds (PFC) and the portion of the Refunded Note supported by PFC Revenues	AMT

NOTE:
1/ If the direct placement approach is employed, it is possible that the Senior 2013A Bonds (AMT) will be divided into two separate series.

SOURCE: Hillsborough County Aviation Authority, September 2013.
PREPARED BY: Ricondo & Associates, Inc., September 2013.

1 The refunded portion of the SunTrust 2012 Bank Note will be referred to as the Refunded Note.

The Authority intends to refund the 2003B, 2003C and 2003D Bonds later in 2013 through either a fixed rate direct placement with one or more major banks or a public offering of bonds. The Authority has indicated that, regardless of the method by which the Senior 2013 A/B Bonds are sold, the debt service on such bonds will be structured as reflected in this Report.

Tampa International Airport System

In addition to the Airport, the Authority operates three general aviation reliever airports, Peter O. Knight, Plant City, and Tampa Executive airports, collectively known as the Airport System. The Airport is classified as a large hub by the Federal Aviation Administration (FAA.)

Chapter 2 presents a review of the existing Airport facilities and Chapter 3 presents a brief summary of the Capital Program, including funding sources. Master Plan Phase I Projects total approximately $935.2 million, Master Plan Phase II Projects total approximately $371.0 million and the CIP totals approximately $595.8 million.

Demographic and Economic Analysis

The demand for air transportation at a particular airport is, to a large degree, dependent upon the demographic and economic characteristics of the airport's air trade area. This relationship is particularly true for origin and destination (O&D) passenger traffic, meaning passengers that either begin or end their trips at the Airport rather than connecting through the Airport to other destinations, which has historically been the largest component of demand at the Airport. Therefore, the major portion of demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity.

Chapter 4 presents data indicating that the Airport's Air Trade Area has an economic base capable of supporting increased demand for air travel during the Projection Period. A summary of demographic and economic data described in Chapter 4 is presented in **Table S-2**, while key findings include the following:

Table S-2: Summary of Demographic and Economic Characteristics

POPULATION	HISTORICAL 2012	PROJECTED 2023	CAGR [2/]
Air Trade Area	2,878,979	3,314,736	1.3%
Florida	19,358,309	22,794,481	1.5%
United States	314,659,200	350,537,844	1.0%

PER CAPITA PERSONAL INCOME (current dollars)	HISTORICAL 2012	PROJECTED 2023	CAGR
Air Trade Area	$ 38,595	$ 60,973	4.2%
Florida	$ 39,815	$ 63,677	4.4%
United States	$ 42,567	$ 68,437	4.4%

GRP/GDP (millions of 2005 dollars)	HISTORICAL 2012	PROJECTED 2023	CAGR
Air Trade Area	$ 108,684	$ 143,404	2.6%
Florida	$ 691,205	$ 920,768	2.6%
United States	$ 12,911,575	$ 16,655,719	2.3%

NON-SEASONALLY ADJUSTED UNEMPLOYMENT RATES	AIR TRADE AREA	UNITED STATES	VARIANCE
2002	5.6%	5.8%	-0.2%
2010 [1/]	11.8%	9.6%	2.2%
May-13	6.9%	7.3%	-0.4%

OTHER DEMOGRAPHIC/ECONOMIC CHARACTERISTICS	AIR TRADE AREA	FLORIDA	UNITED STATES
% of population that is foreign-born (or PR)	15.7%	22.6%	14.4%
CAGR total non-ag. employment (2002-2012)	0.2%	N/A	0.3%
CAGR total non-ag. employment (2011-2012)	2.3%	N/A	1.8%

NOTES:
1/ The Air Trade Area's non-seasonally adjusted unemployment rate peaked in January 2010.
2/ CAGR = Compound Annual Growth Rate

SOURCE: Woods and Poole Economics, Inc., *2013 Complete Economic and Demographic Data Source (CEDDS)* , (Population, Income, GDP/GRP); U.S. Department of Labor, Bureau of Labor Statistics (Unemployment and Total Nonagricultural Employment), July 2013. U.S. Department of Commerce, Bureau of the Census, *American Community Survey 2011* , (% of population that is foreign-born).
PREPARED BY: Ricondo & Associates, Inc., July 2013.

- The Airport primarily serves the four-county Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area[2] (the Air Trade Area) which has a total population of approximately 2,879,000 residents. According to recent U.S. Census Bureau data, Tampa has been one of the fastest-growing large cities in the United States since the 2010 Census, with a 3.6 percent increase in population between April 1, 2010 and July 1, 2012. Population growth in the Air Trade Area over the past twelve years has been significantly faster than the population growth experienced by the United States, though somewhat slower than the State of Florida (Florida), and this trend is expected to continue throughout the Projection Period. There is typically a positive correlation between population growth in a local area and air travel demand.

- According to the most recent U.S. Census Bureau data, the percentage of the total Air Trade Area population that is foreign-born (including U.S. territories such as Puerto Rico) is higher than the equivalent percentage for the United States as a whole. In a global economy, ethnic diversity within a region's labor force is a distinct economic advantage because employees with cultural and linguistic ties to international markets give companies an edge in establishing trade and investment opportunities. An ethnically diverse population, particularly those individuals that are foreign-born, also retains family ties that create demand for air travel services to and from homeland countries.

- Average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were below or equal to the unemployment rates for Florida from 2002-2004 and higher than Florida's between 2005-2012. Average annual unemployment rates for the Air Trade Area were below the unemployment rates for the nation from 2002-2007, and higher than the nation's between 2008-2012. The Air Trade Area's unemployment rate was 6.9 percent in May 2013, which is the most recent month of data available. This rate was below the unemployment rates experienced by Florida and the nation during the same period (7.0 and 7.3 percent, respectively).

- There are approximately 25 private or public entities in the Air Trade Area with 3,000 or more employees. The largest employer in the Air Trade Area is the Hillsborough County School District with approximately 25,887 employees, followed by the BayCare Health System (19,600 employees); MacDill Air Force Base (18,283 employees); the Pinellas County School District (17,000 employees); and Publix Super Markets (13,800 employees).

- According to the Greater Tampa Chamber of Commerce's Tampa 2012 Media Center, the Air Trade Area's economy is: "*founded on a diverse base that includes tourism, agriculture, construction, finance, health care, government, technology, and the Port of Tampa*." These characteristics of the Air Trade Area's employment base should act to insulate future demand for air travel at the Airport from extreme cyclical volatility. However, there is some potential downside risk from continued budget reductions in the government sector, particularly given the significant role that MacDill Air Force Base plays in the Air Trade Area economy.

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[2] The four counties included in the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area are Hernando, Hillsborough, Pasco and Pinellas, all of which are located in the State of Florida.

- The Air Trade Area tourism sector is showing recent signs of strength, stimulating demand for air travel at the Airport. For example, the Port of Tampa reported a record annual cruise passenger throughput for its fiscal year 2012 (ending September 30, 2012) and Visit St. Pete-Clearwater statistics show that a record number of people visited Pinellas County in calendar year 2012.

- As discussed in Section 4.3, the Air Trade Area is projected to show moderate growth in most key economic indicators, both in the near future (e.g., 2013-2016) and over the full Projection Period, that have been shown to have a correlation with air travel demand.

Passenger Demand and Air Service Analysis

As presented in Chapter 5 of the Report, the Airport has had the benefit of a resilient passenger base, served by a core of airlines offering scheduled service to hub airports throughout the nation. In addition to this service, Southwest offers point to point service to many large, medium and small hub airports. The Airport has scheduled passenger service provided by fourteen carriers serving domestic destinations, and six carriers serving international destinations. In addition, two all-cargo carriers provide scheduled cargo service at the Airport. The Airport is classified by the FAA as a large-hub facility based on its percentage of nationwide enplaned passengers, with approximately 16.7 million enplaned and deplaned passengers. Other key points regarding historical and projected aviation activities at the Airport are discussed below:

- Since FY 2002, the Airport has experienced a 1.0 percent compound annual growth rate in enplaned passengers, compared to 1.5 percent growth for the nation. Since FY 2010, the Airport has experienced a 0.6 percent compound annual increase in enplaned passengers compared to a 1.6 percent increase nationwide. Fiscal year-to-date 2013 (Oct – Jul) enplaned passengers have increased 1.1 percent compared to the same period in 2012.
- As of June 2013, average daily nonstop service is scheduled to 64 cities (54 domestic and 10 international) with a total of 219 daily flights, with 21 daily nonstop flights to New York, the Airport's top O&D market. All 20 of the Airport's primary O&D markets are provided nonstop service with a total of 134 daily flights.
- International service is provided by Air Canada, American, British Airways, Cayman Airways, Copa Airlines[3], Delta, Edelweiss Air, SBG Sky King, Inc. and WestJet, to the following cities[4]:
  - Cancun, Mexico
  - Georgetown, Grand Cayman Island
  - Halifax, Nova Scotia, Canada
  - Havana, Cuba

[3] Scheduled to start in December 2013. Copa Airlines will offer four flights per week to Panama City, Panama.

[4] Some cities are served seasonally.

- Holguin, Cuba
- London, England
- Montreal, Quebec, Canada
- Ottawa, Ontario, Canada
- Panama City, Panama[5]
- Zurich Switzerland[6]

- Southwest represents the largest passenger carrier group at the Airport based on enplaned passengers and takeoff weight.

Based on local and national socioeconomic and demographic factors, the Airport's historical share of U.S. domestic enplanements, the impacts of the factors described in Section 5.3 herein, and anticipated usage of the Airport by airlines, total enplaned passengers at the Airport are projected to increase from 8,441,087 in FY 2012 to approximately 10,395,600 in FY 2023. The projected increase between FY 2012 and FY 2023 represents a compound annual growth rate of approximately 1.9 percent, compared to approximately 2.1 percent projected nationwide by the FAA.[7]

Table S-3 presents a summary of projected enplanements at the Airport through the Projection Period and provides a comparison to the FAA's most recent projections of enplanements for the United States.

Financial Analysis

Chapter 6 of the Report presents the analysis undertaken by R&A to demonstrate the ability of the Authority to comply with the requirements of the Trust Agreement and the Subordinated Trust Agreement on a *pro-forma* basis in each year of the Projection Period based on the assumptions regarding the planned issuance of the 2013 Bonds.

Based on the analysis in this Report and the financial projections presented in Chapter 6, R&A is of the opinion that the Net Revenues generated by the Airport in each year of the Projection Period will be sufficient to comply with the Additional Bonds Tests and the Rate Covenants established in the Trust Agreement and the Subordinated Trust Agreement. R&A is also of the opinion that the Airport's airline rates and charges should remain comparable on an airline cost per enplaned passenger (CPE) basis to other large-hub U.S. airports through the Projection Period.

5 Scheduled to start service December 2013.

6 Edelweiss Air is scheduled to add a second weekly service to Zurich on March 4, 2014.

7 The FAA Terminal Area Forecasts (TAF) are prepared to meet the budget and planning needs of FAA and provide information for use by state and local authorities, the aviation industry, and the public.. The TAF are unconstrained forecasts and generally more aggressive than a financial forecast. For TPA, the FAA TAF projects a 2.3 percent annual increase in enplaned passenger over the comparable period.

Table S-3: Summary of Enplanement Projections

(Fiscal Years Ended September 30)

	AIRPORT		UNITED STATES	
FISCAL YEAR	**TOTAL ENPLANEMENTS**	**ANNUAL GROWTH**	**U.S. TOTAL ENPLANEMENTS**	**ANNUAL GROWTH**
Historical				
2002	7,618,598	-	627,651,689	-
2003	7,660,785	0.6%	643,224,649	2.5%
2004	8,465,720	10.5%	690,967,755	7.4%
2005	9,469,020	11.9%	733,406,048	6.1%
2006	9,391,650	(0.8%)	732,886,414	(0.1%)
2007	9,628,144	2.5%	756,525,465	3.2%
2008	9,350,806	(2.9%)	747,466,798	(1.2%)
2009	8,560,662	(8.5%)	695,488,533	(7.0%)
2010	8,334,885	(2.6%)	702,818,621	1.1%
2011	8,382,883	0.6%	721,387,972	2.6%
2012	8,441,087	0.7%	725,202,832 1/	0.5%
FYTD (Oct - Jul)				
2012	7,188,034			
2013	7,270,114	1.1%		
Projected				
2013	8,481,200	0.5%	718,759,702	(0.9%)
2014	8,633,100	1.8%	737,799,083	2.6%
2015	8,817,000	2.1%	758,211,744	2.8%
2016	9,002,900	2.1%	778,125,966	2.6%
2017	9,190,600	2.1%	797,734,600	2.5%
2018	9,370,100	2.0%	816,183,933	2.3%
2019	9,567,000	2.1%	835,092,733	2.3%
2020	9,766,300	2.1%	854,476,505	2.3%
2021	9,973,500	2.1%	874,354,302	2.3%
2022	10,183,300	2.1%	894,524,428	2.3%
2023	10,395,600	2.1%	915,214,538	2.3%
Compound Annual Growth Rate				
2002 - 2012	1.0%		1.5%	
2012 - 2023	1.9%		2.1%	

NOTE:

1/ FAA estimate for 2012.

SOURCES: Hillsborough County Aviation Authority; FAA Terminal Area Forecast; August 2013.

PREPARED BY: Ricondo & Associates, Inc., August 2013.

Results of the financial analysis presented in the following sections can be summarized as follows:

- After the issuance of the 2013 Bonds, total debt service on bonds issued and outstanding under the Trust Agreement (Senior Lien Bonds) is projected to be approximately $59.9 million in FY 2014 and is projected to decrease throughout the Projection Period to approximately $22.5 million in FY 2023. Future Senior Lien Bonds anticipated to be issued to fund certain future capital projects are also included in the analysis, with projected debt service in the amount of $32.3 million in FY 2015, increasing throughout the Projection Period to $57.2 million in FY 2023. A portion of this future Senior Lien Bonds debt service is projected to be repaid with passenger facility charge (PFC) revenues to the extent permitted under the Trust Agreement and customer facility charges (CFC) for eligible rental car projects to the extent pledged under the Trust Agreement.[8]
- The Subordinated 2013A Bonds will be subordinate to Senior Lien Bonds and will be secured by PFCs[9] and a subordinated pledge of Authority Revenues. Debt service on the Subordinated 2013A Bonds will total approximately $20.1 million in FY 2014 and is projected to decrease to approximately $7.1 million in FY 2017 and FY 2018, then increase to approximately $16.5 million in FY 2019 and remain level through the projection period. Future subordinated lien bonds are anticipated to be issued in FY 2014 with annual debt service of approximately $16.6 million beginning in FY 2017 and remaining level through the projection period.
- The Authority's Other Debt Service[10] includes a revolving credit agreement with SunTrust Bank, dated as of June 21, 2011 and subsequently amended with a replacement note dated March 1, 2012 in the amount not to exceed $130 million (SunTrust 2012 Bank Note). The revolving credit agreement expires on June 21, 2018. The Authority has negotiated certain amendments to its agreement with SunTrust which are expected to become effective prior to, or simultaneously with, the issuance of the Subordinated 2013A Bonds. Such amendments will increase the amount available under the revolving credit agreement to $200 million and lower the SunTrust note to third lien status.
- The Authority's total debt service (including projected debt service on the 2013 Bonds, future bonds, and the SunTrust 2012 Bank Note) is projected to be approximately $80.1 million in FY 2013 then increase to between approximately $112.7 million and $121.3 million annually through the Projection Period.
- O&M Expenses are projected to increase between FY 2013 and FY 2023 based on the type of expense, and expectations of future inflation rates (assumed to be 3.0 percent annually), with total O&M expenses projected to increase to approximately $179.1 million in FY 2023.

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8 CFCs are not currently pledged to pay debt service on either the Authority's Senior Lien Bonds or Subordinated Bonds. However, this Report assumes that certain projects described later in this Report will be funded, in part, from the proceeds of CFC-supported GARBs, to be issued in late 2014. This Report also assumes that CFCs would be pledged toward the repayment of such bonds at the time they are issued.

9 PFCs remaining after payment of Senior Lien Debt secured by PFCs.

10 Other Debt Service is defined as any principal, interest, premium, and other fees and amounts, either paid or accrued, on Other Indebtedness of the Authority. Other Indebtedness is defined as any debt incurred by the Authority for Airport System purposes which is outstanding and not authenticated and delivered under and pursuant to the Trust Agreement and the Subordinated Trust Agreement.

- Non-agreement revenues, including all revenues generated for the Airport except for those revenues generated from the Airline Agreement, and excluding CFC Revenues, are projected to increase from approximately $133.2 million in FY 2013 to approximately $190.3 million in FY 2023.
- Airline revenues calculated based on the terms of the Airline Agreement are projected to increase from approximately $44.2 million in FY 2013 to approximately $74.8 million in FY 2023. The increase in airline revenues is primarily attributed to impacts associated with Master Plan Phase I and II projects as well as increases in O&M Expenses included in the airline rate requirements. The Airport's estimated average Airline CPE is projected to increase from approximately $5.21 in FY 2013 (budgeted) to a high of approximately $7.20 in FY 2023.
- Calculated pursuant to the Trust Agreement, Senior Lien Bonds debt service coverage is projected to be 1.62x in FY 2014, the first full year of debt service on the 2013 Bonds, and is expected to exceed the 1.25x debt service coverage requirement established in the Trust Agreement in each year of the Projection Period.
- Calculated pursuant to the Subordinated Trust Agreement, Subordinated debt service coverage is projected to exceed the 1.25X debt service coverage requirement in each year of the projection period, ranging between 2.81x and 3.79x.
- Calculated pursuant to the Subordinated Trust Agreement, aggregate debt service coverage is projected to exceed the 1.15X debt service coverage requirement in each year of the projection period, ranging between 1.46x and 1.70x.

1. The 2013 Bonds

1.1 Plan of Finance

Proceeds of the 2013 Bonds will be used to refund the following:

- Tampa International Airport Revenue Bonds, 2003 Series A (Series 2003A Bonds)
- Tampa International Airport Revenue Bonds, 2003 Series B (Series 2003B Bonds)
- Tampa International Airport Revenue Refunding Bonds, 2003 Series C (Series 2003C Bonds)
- Tampa International Airport Revenue Refunding Bonds, 2003 Series D (Series 2003D Bonds)
- A portion of Tampa International Airport Replacement Subordinate Revenue Note, Series 2012, (SunTrust 2012 Bank Note)[1]

The Authority intends to refund its 2003B, 2003C and 2003D Bonds later in 2013 through either a fixed rate direct placement with one or more major banks or through the public offering of bonds The Authority has indicated, regardless of the method by which the Senior 2013 A/B Bonds are sold the debt service on such bonds will be structured as reflected in this Report.

1 The refunded portion of the SunTrust 2012 Bank Note will be referred to as the Refunded Note.

Table 1-1 reflects the 2013 Bonds refunding plan:

Table 1-1: 2013 Bonds Refunding Plan

SERIES DESIGNATION	PURPOSE OF BONDS	TAX STATUS
Senior 2013A Bonds[1/]	Refund 2003B, 2003D, and the portion of the Refunded Note supported by Airport Revenues	AMT
Senior 2013B Bonds	Refund 2003C Bonds	Non-AMT
Subordinated 2013A Bonds	Refund 2003A Bonds (PFC) and the portion of the Refunded Note supported by PFC Revenues	AMT

NOTE:

1/ If the direct placement approach is employed, it is possible that the Senior 2013A Bonds (AMT) will be divided into two separate series.

SOURCE: Hillsborough County Aviation Authority, September 2013.
PREPARED BY: Ricondo & Associates, Inc., September 2013.

This chapter includes a description of the Subordinated 2013A Bonds, a description of the Senior A/B Bonds, key provisions of the Trust Agreement, and key provisions of the Subordinated Trust Agreement.

1.1.1 THE SUBORDINATED 2013A BONDS

Table 1-2 presents the estimated sources and uses for the Subordinated 2013A Bonds.

Table 1-2: Subordinated 2013A Bonds Sources and Uses

	SUBORDINATED 2013A BONDS
Sources	
Par Amount of Bonds:	$ 186,205,000
Original Issue Premium:	2,611,426
Debt Service Funds Available	1,866,549
Debt Service Reserve Funds Available	19,529,000
Total Sources of Funds at Closing	$ 210,211,975
Uses	
Escrow Fund Deposit:	$ 185,745,494
Debt Service Reserve Fund Deposit	$ 18,427,229
Original Issue Discount:	4,544,141
Cost of Issuance:	1,495,112
Total Uses of Funds at Closing	$ 210,211,975

SOURCE: Public Financial Management, August 2013.
PREPARED BY: Ricondo & Associates, Inc., August 2013.

The Subordinated 2013A Bonds are being issued pursuant to provisions of the Subordinated Trust Agreement. The Authority adopted Resolution No. 2013-107 on September 5, 2013 (the Subordinated Bonds Resolution) authorizing the issuance of the Subordinated 2013A Bonds. For the Subordinated 2013A Bonds, the Authority's Financial Advisor has assumed the following:

	SUBORDINATED 2013A BONDS
First Maturity Date:	10/1/2014
Last Maturity Date:	10/1/2030
Overall Interest Rate:	4.41%

1.1.2 THE SENIOR A/B BONDS

Table 1-3 shows the estimated sources and uses of the Senior 2013 A/B Bonds.

Table 1-3: Senior 2013 A/B Bonds Sources and Uses of Bond Funds

	SENIOR 2013A BONDS	SENIOR 2013B BONDS
Sources		
Par Amount of Bonds:	$ 79,875,000	$ 41,670,000
Original Issue Premium:	1,935,474	2,038,488
Debt Service Funds Available	667,030	723,688
Debt Service Reserve Funds Available	464,097	257,853
Total Sources of Funds at Closing	$ 82,941,601	$ 44,690,029
Uses		
Escrow Fund Deposit:	$ 82,294,144	$ 44,354,408
Original Issue Discount:	0	0
Cost of Issuance:	647,458	335,620
Total Uses of Funds at Closing	$ 82,941,601	$ 44,690,029

SOURCE: Public Financial Management, August 2013.
PREPARED BY: Ricondo & Associates, Inc., August 2013.

The Senior 2013 A/B Bonds will be issued pursuant to provisions of the Authority's Trust Agreement.

For the Senior 2013 A/B Bonds, the Authority's Financial Advisor has assumed the following:

	SENIOR 2013A BONDS	SENIOR 2013B BONDS
First Maturity Date:	10/1/2014	10/1/2014
Last Maturity Date:	10/1/2023	10/1/2019
Overall Interest Rate:	4.10%	2.63%

1.1.3 TRUST AGREEMENT

The Trust Agreement authorizes the Authority to issue Additional Bonds or other financing obligations to fund Airport projects including additions, extensions and improvements to the Airport System. The requirements of the Trust Agreement were utilized in the preparation of this report. Several key provisions of the Trust Agreement are described in the following paragraphs:

1.1.3.1 Revenues

Revenues are defined to mean all Qualified hedge receipts and all rates, fees, rentals or other charges or income received by the Authority or accrued to the Authority from the operation of the Airport System and Available PFC Revenues until released from the pledge as provided in the Trust Agreement. "Revenues" do not include gifts, grants or any other moneys not derived from the operation of the Airport. In general, Available PFC Revenues are available only for the payment of debt service on PFC Bonds (currently the Series 2003A Bonds, the Series 2009A Bonds and upon issuance, the Subordinated 2013A Bonds).

1.1.3.2 Additional Bonds

The Trust Agreement permits the Authority to issue Additional Bonds for the purpose of constructing or acquiring additions, extensions and improvements to the Airport System, upon compliance with the provisions of the Trust Agreement. For Additional Bonds, either of the following is required:

(x) A statement signed by the Executive Director[2] or Senior Director of Finance[3] of the Authority to the effect that the Authority's Revenues for the last Fiscal Year preceding the issuance of such Additional Bonds for which audited statements are available (provided that the last day of the latest audited Fiscal Year falls within the 24 month period immediately preceding the issuance of such Additional Bonds), were not less than the sum of (i) all amounts required to be deposited in the Operation and Maintenance Fund, the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for payment of subordinated indebtedness in such Fiscal Year, plus (ii) one hundred twenty-five percent (125%), of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then outstanding (including the Additional Bonds proposed to be issued but excluding those outstanding Bonds to be defeased by the issuance of such Additional Bonds); or

[2] Subsequent to the adoption of the Trust Agreement, the title Executive Director was changed to Chief Executive Officer.

[3] Subsequent to the adoption of the Trust Agreement, the title Senior Director of Finance was changed to Director of Finance.

(y) A statement of the Airport Consultant that in his opinion, the Revenues to be derived from the Airport System during the Fiscal Year in which such Additional Bonds are issued and for each Fiscal Year thereafter through the Period of Review (defined below), taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than the sum of (i) all amounts required to be deposited into the Operation and Maintenance Fund and the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness during the Period of Review, plus (ii) one hundred twenty-five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then outstanding (including the Additional Bonds proposed to be issued but excluding those outstanding Bonds to be defeased by the issuance of such Additional Bonds).[4]

The "Period of Review" shall be that period beginning on the first day of the Fiscal Year of the Authority in which such Additional Bonds are issued and ending on the last day of the Fiscal Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

“Bond Service Requirement” means for a given Bond Year the remainder after subtracting any accrued and capitalized interest for that year that has been deposited into the Interest Account in the Sinking Fund or separate subaccounts in the Construction Fund for that purpose, from the sum of: (1) The amount required to pay the interest coming due on Bonds during that Bond Year; (2) The amount required to pay the principal of Serial Bonds in that Bond Year, and the principal of Term Bonds maturing in that Bond Year that are not included in the Sinking Fund Installments for such Term Bonds; (3) The Sinking Fund Installments for all series of Term Bonds for that Bond Year; and (4) The premium, if any, payable on all Bonds required to be redeemed in that Bond Year in satisfaction of the Sinking Fund Installment.

If Variable Rate Bonds are then Outstanding, the interest rate on such Bonds for purpose of determining the Bond Service Requirement shall be calculated pursuant to the provisions included in the definition of Debt Service Requirement.

“Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Sinking Fund Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Sinking Fund Installments to be made in prior Bond Years.

4 In connection with the issuance of the Senior A/B Bonds as Additional Bonds, the Airport Consultant will provide a statement required by this subparagraph (y).

1.1.3.3 Available PFC[5] Revenues

"Available PFC Revenues" means (i) with respect to the pledge and deposit requirements under the Trust Agreement, the actual net PFC Revenues collected by the Authority, after all deposit requirements under and with respect to Senior PFC Indebtedness and (ii) for any historical or projected twelve month period relating to compliance with the Additional Bonds parity test under the Trust Agreement or for the purposes of determining compliance with the Rate Covenant under the Trust Agreement, the actual net PFC Revenues collected or projected to be collected by the Authority during such period, less an amount equal to 100% of the Maximum Bond Service Requirement on the Senior PFC Indebtedness, if any, Outstanding at the time of such calculation. PFC Revenues may only be treated as Available PFC Revenues to the extent they are then included in the definition of Revenues and are pledged under the Trust Agreement. Available PFC Revenues are junior and subordinate to senior lien pledges of PFC Revenues made by the Authority subsequently to secure Senior PFC Indebtedness. The Authority may cause the Trustee to release its pledge of Available PFC Revenues at any time provided that before the lien is effectively released, the Authority shall have delivered to the Trustee (i) a certificate of the Authority that there are no PFC Bonds outstanding or (ii) (A) a report from the Airport Consultant that the Authority has been in compliance with the Rate Covenant set forth in the Trust Agreement for a period of 24 consecutive months out of the last 36 full calendar months preceding the date of the Report during which all then currently outstanding PFC Bonds have been outstanding, without taking into account any PFC Revenues in the calculation of Revenues and (B) evidence that the release will not, in and of itself, cause any of the national rating agencies then maintaining ratings on the outstanding Bonds to reduce or withdraw their then current underlying or unenhanced ratings on such Bonds (including the Senior A/B Bonds).

If Available PFC Revenues are included in determining compliance with the requirements described in 1.1.3.2, the following rules will apply:

i. The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's Report;

ii. The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three calendar years immediately preceding the year the report of the Airport Consultant is issued;

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5 "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 (the "PFC Act") and Part 158 of the Federal Aviation Regulations (14 CFR Part 158), and any other regulation issued with respect to the PFC Act, the imposition and use of which has been approved by the Federal Aviation Administration pursuant to the Records of Decision of the Federal Aviation Administration.

iii. Available PFC Revenues, so long as they are pledged as Revenues under the Trust Agreement, may be taken into account in determining compliance with the requirements of subparagraph (x) in paragraph 2.09(h), of the Trust Agreement in an amount equal to the lesser of (1) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (2) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

iv. The amount of Available PFC Revenues included in determining compliance with the requirements of subparagraph (x) or (y) of paragraph 2.09(h)of the Trust Agreement shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Maximum Bond Service Requirement on the outstanding PFC Bonds, and the PFC Bonds, if any, proposed to be issued, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

1.1.3.4 Rate Covenant

The Authority will fix, revise from time to time when necessary, maintain and collect fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always provide Revenues in each Fiscal Year that will be sufficient to pay, in accordance with provisions of the Trust Agreement, (i) all amounts required to be deposited in the Reserve Fund, the Operation and Maintenance Fund and the Operating Reserve Account in the Revenue Fund, including in each case all accounts therein, plus (ii) 125 percent of the Bond Service Requirement for such Fiscal Year.

For purposes of this requirement, moneys remaining in the Surplus Fund at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are, or are projected to be so redeposited; provided that without regard to the use of such funds, the Authority shall always establish its rates and charges so that Revenues for the Fiscal Year or years in question, were, or are projected to be, at least sufficient to pay 100% of the yearly deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts, without regard to carry over amounts from the Surplus Fund.

1.1.3.5 Application of Revenues

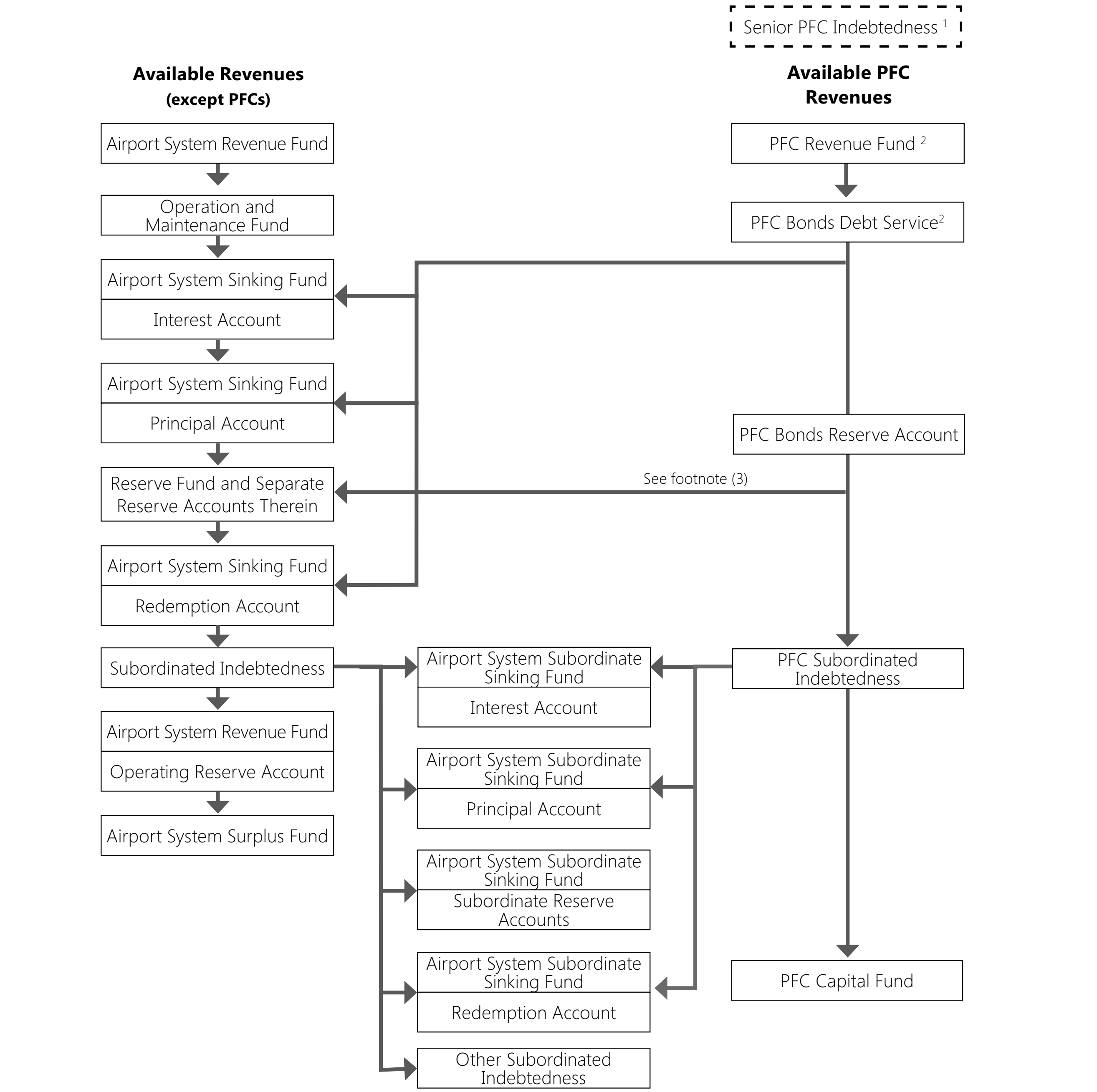
Article V of the Trust Agreement creates certain funds and accounts and establishes the principal functions and uses of each fund and account. The requirements of the Trust Agreement and the rate-making methodology adhered to by the Authority were utilized to develop the estimated application of revenues included in these financial analyses. **Exhibit 1-1** presents the application of revenues as specified in the Trust Agreement.

1.1.4 SUBORDINATED TRUST AGREEMENT

Unless otherwise defined therein, all defined terms in the Subordinated Trust Agreement shall have the same meaning as those terms in the Trust Agreement. Certain provisions of the Subordinated Trust Agreement are presented in the following sections:

1.1.4.1 Subordinated Revenues

Subordinated Revenues means the funds, if any, available for payment of subordinated indebtedness pursuant to paragraph (F) of Section 5.02 of the Senior Trust Agreement.



NOTES:

1/ No such debt is presently outstanding.

2/ Available PFC Revenues are required to be deposited into the Interest Account, the Principal Account and the Redemption Account Under the Senior Trust Agreement in an amount equal to, and monthly deposit requirements with respect to the PFC Bonds, and then to the replenishment of any reserve account established for PFC Bonds, and then to the payment of debt service on PFC Subordinated Indebtedness.

3/ To the extent required to fund deficiencies in the separate reserve accounts established in the Reserve Fund for a particular series of PFC Bonds.

SOURCE: Hillsborough County Aviation Authority, July 2013.
PREPARED BY: Ricondo & Associates, Inc., August 2013.

EXHIBIT 1-1

Application of Revenues as Defined in Trust Agreement

1.1.4.2 Subordinated PFC Revenues

Subordinated PFC Revenues means the Available PFC Revenues, if any, available for payment of subordinated indebtedness and other required deposits pursuant to Section 5.03(C) of the Trust Agreement.

1.1.4.3 Pledged Revenues

Pledged Revenues means the Subordinated Revenues and, to the extent pledged pursuant to a Subordinated Supplemental Trust Agreement, shall include Subordinated PFC Revenues, and any other revenues of the Authority expressly pledged by the Authority to secure the Bonds issued hereunder which are not included in, or have been subsequently excluded from, the definition of Gross Revenues under the Trust Agreement.

1.1.4.4 Additional Bonds

The Subordinated Trust Agreement permits the Authority to issue Additional Bonds for the purpose of constructing or acquiring additions, extensions and improvements to the Airport System, upon compliance with the provisions of the Subordinated Trust Agreement. For Additional Bonds, either of the following is required:

(x) A statement signed by the Chief Financial Officer of the Authority to the effect that: (i) the Authority's Pledged Revenues for any twelve (12) consecutive months within the eighteen (18) month period immediately preceding the month in which such Additional Bonds are to be issued (the "Annual Review Period"), were not less than One Hundred Twenty Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Bond Year, on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds to be defeased by the issuance of such Additional Bonds) (the "Included Bonds"); (ii) the Authority's Subordinated Revenues for the Annual Review Period selected in clause (i) were not less than One Hundred Twenty Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Bond Year, on account of the Included Bonds (or portions thereof as determined by the Authority) for which the annual debt service is not eligible to be paid from Subordinated PFC Revenues; and (iii) Available Revenues in the Annual Review Period were not less than One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) for such period on all Senior Bonds outstanding under the Senior Trust Agreement and on the Included Bonds; or

(y) A statement of the Airport Consultant that in his opinion: (i) the Pledged Revenues during the Bond Year in which such Additional Bonds are issued and for each Bond Year thereafter through the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than One Hundred Twenty Five percent (125%) of the Bond Service Requirement in each such corresponding Bond Year during the Period of Review, on account of the Included Bonds; (ii) the Subordinated Revenues during the Bond Year in which such Additional Bonds are issued and for each Bond Year thereafter through the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than One Hundred Twenty Five percent (125%) of the Bond Service Requirement in each such corresponding Bond Year during the Period of Review, on account of the Included Bonds (or portions thereof as determined by the Authority) for which the annual debt service is not eligible to be paid from Subordinated PFC Revenues; and (iii) Available Revenues in each corresponding Bond Year during the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) in each such corresponding Bond Year during the Period of Review, on account of all Senior Bonds outstanding under the Senior Trust Agreement and on the Included Bonds.

For purposes of the Subordinated Trust Agreement, the "Period of Review" shall be that period beginning on the first day of the Bond Year of the Authority in which such Additional Bonds are issued and ending on the last day of the Bond Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

1.1.4.5 Rate Covenant

The Authority shall at all times while Bonds are Outstanding under the Subordinated Trust Agreement, comply with its obligations under Section 5.01 of the Trust Agreement. In addition, the Authority will fix, revise from time to time when necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always satisfy one hundred percent (100%) of the deposit requirements under the Trust Agreement and that will always provide:

(i) Pledged Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of the Subordinated Trust Agreement, One Hundred Twenty Five percent (125%) of the Bond Service Requirement for such Fiscal Year;

(ii) Subordinated Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of the Subordinated Trust Agreement, One Hundred Twenty Five percent (125%) of the Bond Service Requirement on Bonds in such Fiscal Year, the debt service on which is not eligible to be paid from Subordinated PFC Revenues. The Authority covenants that it shall not permit such fees, rates, rentals and other charges to be reduced so as to be insufficient to provide Subordinated Revenues for such purposes; and

(iii) Available Revenues in each Fiscal Year that will be sufficient to pay One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Trust Agreement with respect to the Senior Bonds) for such Fiscal Year on all Senior Bonds outstanding under the Trust Agreement and on all Bonds outstanding hereunder.

2. Tampa International Airport System

2.1 Tampa International Airport

In addition to the Airport, the Authority operates three general aviation reliever airports, Peter O. Knight, Plant City, and Tampa Executive airports, collectively known as the Airport System. The Airport is classified as a large hub by the Federal Aviation Administration (FAA.)

2.2 The Air Trade Area

The geographical area served by an airport is commonly known as the airport's "air trade area." The borders of an airport's air trade area are influenced by the location of other metropolitan areas and their associated airport facilities. For purposes of these analyses, the ***primary air trade area*** for the Airport consists of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (Tampa Bay MSA) as defined by the federal government's Office of Management and Budget. According to the federal government, a Metropolitan Statistical Area (MSA) is a geographical area with a large population nucleus, along with any adjacent communities that have a high degree of economic and social interaction with that nucleus.[1] The Tampa Bay MSA consists of four counties in Florida: Hernando, Hillsborough (the county in which the Airport is located), Pasco and Pinellas.

2.2.1 SURROUNDING AIRPORTS WITHIN OR NEAR THE AIR TRADE AREA

Based on location, accessibility and services available at other commercial service airports within nearby service areas, it is recognized that the area served by the Airport extends to a *secondary air trade area*. The secondary air trade area consists of the additional counties of Citrus, DeSoto, Hardee, Manatee, Sarasota, Sumter, and a portion of Polk. The borders of this extended service area are established by the air trade areas of Orlando International Airport to the east and Southwest Florida International Airport (Ft. Myers) to the south. Although Sarasota-Bradenton International Airport is located approximately 50 miles south of the

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[1] In 2000, the Office of Management and Budget revised its geographic Census definitions to include Metropolitan and Micropolitan Statistical Areas, collectively called Core Based Statistical Areas. The Metropolitan Statistical Areas have at least one central urbanized core area of 50,000 people and the Micropolitan Statistical Areas have at least one urbanized core area of at least 10,000 people, but fewer than 50,000.

Airport, within the secondary air trade area, a portion of its potential passengers prefer to drive to the Airport to take advantage of the more extensive flight selections to major O&D markets. St. Petersburg-Clearwater International Airport is located approximately 12 miles west of the Airport, within the primary air trade area; however, the scheduled passenger service offered there is limited in scope. The majority of passenger service at this airport is provided by leisure-oriented carriers (primarily Allegiant and Canadian carriers Sunwing and Air Transat) to markets with smaller populations on a less than daily basis. The level of service offered at these airports is discussed further in Chapter 5.

A large percentage of the Airport's local passenger traffic originates from the primary air trade area, and many of the attractions and destinations for nonresident passengers are located in this area. As a result, only socioeconomic data for the primary air trade area (hereinafter referred to as the Air Trade Area) were analyzed in Chapter 4, in conjunction with similar data for Florida and the United States. **Exhibit 2-1** presents the geographical location of the Airport's primary and secondary air trade areas, as well as the Airport's proximity to alternative facilities.

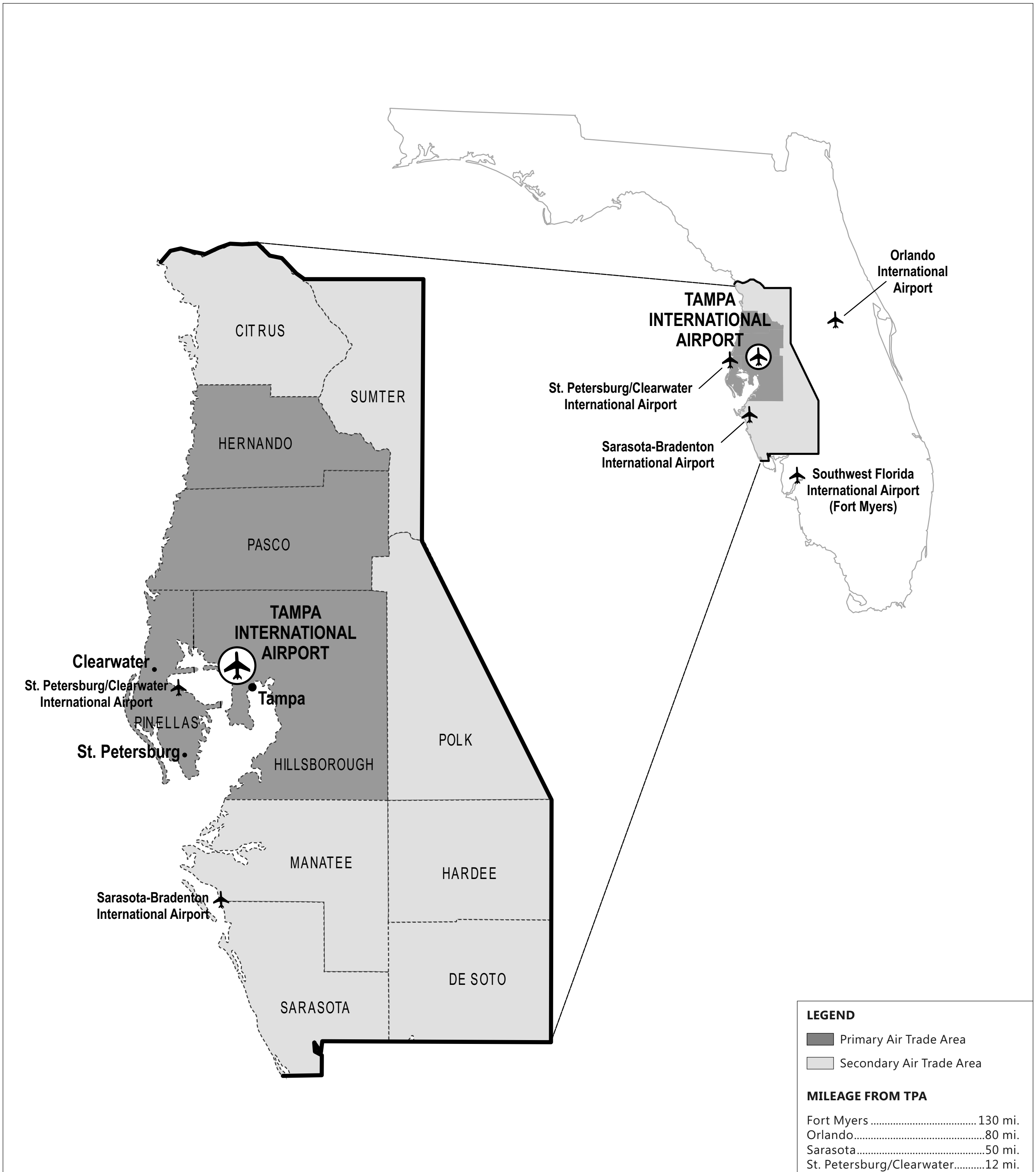
2.3 Existing Airport Facilities

This chapter presents a review of the existing Airport facilities. **Exhibit 2-2** presents an aerial view of existing Airport facilities.

2.3.1 AIRFIELD

2.3.1.1 Airfield Facilities

The Airport has three runways: an east-west crosswind runway and two parallel, prevailing wind north-south runways. These runways are connected by a fully integrated system of taxiways. The runways are equipped with lighting and electronic aids to permit all-weather continuous operations. One north-south runway (1L/19R) is 11,000 feet in length and 150 feet wide and is equipped with high intensity edge lighting, center-line lighting, an instrument landing system and an approach lighting system. The other north-south runway (1R/19L) is 8,300 feet in length and 150 feet wide and is equipped with an instrument landing system, high intensity edge lighting and an approach lighting system. The parallel north-south runways are 4,300 feet apart, which permits simultaneous all-weather operations of the runways. The east-west runway (10/28) is 6,999 feet in length and 150 feet wide and is equipped with medium-intensity edge lighting. Air traffic operations are served by radar approach control and departure facilities, including airport surveillance radar located at the Airport, all operated by the Federal Aviation Administration (FAA).



SOURCE: Ricondo & Associates, Inc., April 2013.
PREPARED BY: Ricondo & Associates, Inc., July 2013.

EXHIBIT 2-1

Air Trade Area and Alternative Facilities

SOURCE: Hillsborough County Aviation Authority, June 2013.
PREPARED BY: Ricondo & Associates, Inc., July 2013.

EXHIBIT 2-2

NORTH

0 00,000 ft.

Existing Airport Facilities

To minimize take-off delays, the two main north-south runways are complemented by holding aprons, which permit the bypassing of any delayed aircraft in the departure sequence. All approaches meet the FAA clearance criteria. The runway system is adequate to permit the unrestricted operation of the largest existing commercial aircraft to all North American points and to major European cities, with the exception of the Airbus A380 (A380) - the largest passenger aircraft in the world. Runway 1R-19L is adequate for restricted operation of the A380, although the Authority does not anticipate operation of the A380 at the Airport within the planning horizon of this Report.

2.3.1.2 Aircraft Parking Aprons and Taxiways

Each Airside Building has a concrete aircraft parking apron containing approximately 900,000 square feet of pavement. Additional hardstand parking was constructed on the sites of demolished Airside B and Airside D. The Airport also has more than five miles of 75-foot-wide taxiways and complementary installations, affording ready access from the Airport's three runways to the various aircraft parking aprons. Baggage cart tug roads, including grade separation structures, permit rapid transfer of baggage between each of the aircraft parking aprons and the baggage claim level in the Main Terminal Building.

2.3.2 PASSENGER TERMINAL FACILITIES

The existing passenger terminal facilities at the Airport include a Main Terminal Building, four Airside Buildings connected to the Main Terminal Building by a fully automated elevated passenger transfer system, structured parking facilities, rental car facilities, an integrated inline explosive detection outbound baggage system and a hotel. To guide passengers and traffic, the Airport utilizes the designations "Red Side" and "Blue Side," which are generally oriented north and south, respectively. Upon entering the Airport via the roadway system, patrons are guided to specific airlines, which are identified as either Red or Blue. This designation continues within the Main Terminal Building, guiding patrons to the proper bag claim areas.

2.3.2.1 Main Terminal Building and Short-Term Parking

The Main Terminal Building is comprised of three operating levels: baggage claim and explosive detection screening; ticketing; and passenger transfer and concession area. The ground level is devoted to inline explosive detection for outbound baggage, inbound baggage claim facilities, and local surface transportation, including commercial ground transportation facilities at each of the four corners of the Main Terminal Building. The second level includes airline ticket counters, curbside passenger baggage check in and airline support offices. The third level, the passenger transfer level, includes station lobbies for the passenger transfer system connecting to the Airside Buildings, as well as restaurants, retail merchandise concessions and a connecting arcade to a 300 room hotel. The offices of the Authority are also located on the third level. Above these three operating levels are six levels of short term auto parking, which provide 3,542 vehicle public parking spaces, including valet parking spaces for approximately 150 cars, and the monorail system connecting the Main Terminal Building to the South Terminal Garage. Expansion of the baggage claim level was completed in December 2010. This project expanded the baggage claim level on the east end of the first level on both the Red and Blue sides, which created more circulation space, additional restrooms and relocation of the airline bag service offices. New baggage claim devices were added and all existing devices replaced, which increased bag capacity by approximately 40 percent.

Adjacent to the Main Terminal Building, on its north side, is a two-story, 144,000 square foot Airport administrative office building, which includes Authority office space as well as mechanical, electrical and communications facilities required to serve the Main Terminal Building. Included in the Airport administrative office building are an airport employees' cafeteria, storage areas, police offices, maintenance shops and truck dock with adjoining warehouse space for the support of the various activities occurring within the Main Terminal Building.

In advance of the Republican National Convention held in Tampa in August 2012, the Authority modernized the Main Terminal Building by upgrading lighting and light levels, wall refurbishing, renovating restrooms, improving signage in baggage claim and on the Airsides, and installing new flooring on the ticketing level. The Authority also added a United Service Organization ("USO") facility to provide amenities for United States services personnel.

2.3.2.2 South Terminal Garage - Long-Term Parking

Adjacent to the Main Terminal Building on its south side is an eight-level South Terminal Garage with 7,635 vehicle public parking spaces on six levels for long term parking. The South Terminal Garage is connected to the Main Terminal Building by a monorail system which transports passengers to elevator lobbies on the fifth floor of the Main Terminal Building and by two pedestrian bridges on the transfer level. The latter two 120-foot walkways are covered, open-air bridges. Portions of the first and second levels accommodate on-Airport rental car operations, including check-in areas, and are connected to the ticketing level of the Main Terminal Building by two pedestrian bridges.

2.3.2.3 Terminal Car Rental Facilities

The Terminal Car Rental Facilities include the rental car counters located in buildings adjacent to the Main Terminal Building and the rental car return area located in the South Terminal Garage including quick-turnaround service areas and ready car parking spaces. The Blue and Red Side facilities currently have sufficient capacity to provide passengers with convenient direct access from baggage claim to car rentals within short walking distances; however, due to curbside congestion and the need for greater capacity in the future, the Authority is undertaking the design and construction of a consolidated rental car facility (ConRAC) and automated people mover (APM). The APM is expected to be utilized by rental car customers, economy parking customers and Airport employees and customers who are dropped off or picked up at the new ConRAC facility.

2.3.2.4 Integrated Inline Explosive Detection Outbound Baggage System

The Authority installed an outbound baggage system that converted the previous outbound baggage system from a manually loaded and transported operation utilizing baggage tugs with multiple trailers to a fully automated high speed conveyor network providing common use check in capabilities, baggage tracking and sorting features while maintaining an equal or better delivery time to the respective baggage loading areas at each airside terminal.

The outbound baggage system replaced the baggage makeup area in the Main Terminal Building with automated in-line explosion detection system screening (EDS) equipment, including control rooms, baggage search/handling areas and the new baggage handling system itself. High speed belts transport screened baggage to the baggage makeup areas, which are now located at the airsides (Airsides E and C integrate the baggage makeup area within the footprint of the building, Airsides A and F have separate baggage makeup buildings located near the airsides). The original project, which did not include the Airside C component, was completed and operational in June 2004. The Airside C baggage system was constructed during the building of Airside C and was completed in April 2005.

2.3.2.5 Airside Buildings

There are four Airside Buildings currently in operation: Airside Buildings A, C, E and F. Original Airsides B, C, D, and E were demolished. The Airside Buildings contain passenger transfer system lobbies, passenger arrival and departure holdrooms, airline operations offices, baggage makeup and mechanical and electrical facilities spaces. Each Airside Building is of a different configuration. Fueling is provided at each Airside Building through an underground hydrant fueling system. The Airside Buildings are described in greater detail in the following paragraphs.

Airside Building A has been operational since May 1995. It is a 252,300 square foot three-story structure with 15 aircraft gates capable of handling B757 aircraft simultaneously or 12 wide-body aircraft including four B747-400s. Commuter facilities, airline ramp operations and mechanical rooms are on the ground level. The outbound baggage sort facility building for Airside A is on the site of the demolished Airside B. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The third level space is provided for airline club areas and office space.

Airside Building C has been operational since April 2005. It is a 315,000 square foot two-story structure with 16 aircraft gates capable of handling B757 aircraft simultaneously or five wide body aircraft including two B747-400s with eight B757 aircrafts at the same time. Airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The aircraft ramp and hydrant fueling system were also reconstructed in 2005.

Airside Building E has been operational since October 2002. It is a 289,000 square foot three-story structure with 14 aircraft gates capable of handling B757 aircraft simultaneously or six wide body aircraft including two B747-400s with five B757 aircraft at the same time. Airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, a duty free store, children's play area and passenger transfer system lobbies are on the second level. The third level space accommodates an airline club area and office space. The aircraft ramp and hydrant fueling system were also reconstructed at the same time.

Airside Building F has been operational since 1987. It is a 229,000 square foot three-story structure with 14 aircraft gates capable of handling a mix of B-757 and A-320 aircraft simultaneously or five wide-body aircraft including the B747-400s and a mix of three B757 and three A320 aircraft at the same time. Federal Customs and Border Patrol inspection services processing, mechanical/electrical areas and airline ramp operations are on the ground level. The outbound baggage sort facility is also located on the ground level in a 20,000 square foot facility directly adjacent to the Airside. Security screening, passenger gates, concessions, duty free shop, and passenger transfer system lobbies are on the second level. The third level space provides an airline club area and office space.

Renovations and improvements to Airside F were completed in August 2013. The Airside F renovations are critical to enabling the Authority to meet existing and near-term anticipated demand for international flights and to improve the currently inadequate Transportation Security Administration (TSA) passenger screening area for the benefit of all Airside F passengers. The 35,800 square foot upgrade includes the following:

- Expanding and renovating the Customs and Border Protection (CBP) area with three baggage claim devices to accommodate the concurrent arrival of three wide-body aircraft.
- Expanding and reconfiguring the TSA passenger screening checkpoint area to six fully-equipped lanes that conform to current design criteria.
- Expanding and creating additional retail and food and beverage concession space.
- Upgrading the Wi-Fi system.
- Equipping four boarding gates with passenger processing "shared use" software and associated infrastructure.
- Equipping four gates with an aircraft "self-docking" system.

2.3.2.6 Passenger Transfer System

A fully automated elevated passenger transfer system connects the Main Terminal Building with each of the Airside Buildings. Each Airside Building is served by four dedicated shuttle vehicles.

2.3.2.7 Hotel

The 300-room hotel, currently branded as a Marriott, under a lease agreement with Host of Boston, LTD (Host Boston)., has meeting and conference facilities, 55,000 square feet of office rental space and parking spaces for 400 cars. It is attached to the Main Terminal Building at the passenger transfer level by a 300-foot long, fully enclosed shopping arcade with specialty shops and a full service bank.

2.3.3 ROADWAYS AND ECONOMY PARKING AREAS

The one and one-half mile, six-lane, divided George Bean Parkway connects the Airport to a traffic interchange, providing direct access to the interstate highway system. A grade-separated traffic interchange has been constructed within the terminal parkway system, providing traffic separation between airline passenger terminal traffic and traffic to the Regional U.S. Post Office situated at the Airport, adjacent to the entrance parkway. The Authority also maintains an employee parking lot located to the north of the Air Cargo Complex, away from the terminal complex, which can accommodate 2,600 automobiles.

The Spruce Street/State Road 60 interchange, one of the entrances to the Airport, was enlarged to a four level interchange and the Courtney Campbell/State Road 60 interchange includes a three level directional interchange. These major roadway improvements funded by Florida Department of Transportation (FDOT) and completed in 2010, have significantly reduced congestion on the adjacent interstate roadways and improve access into and out of the Airport.

In conjunction with the Airport interchange project discussed above, the Authority widened the George Bean Parkway, the access roadway leading directly into the Airport, from two lanes in each direction to three lanes from beginning to end. Additionally, a secondary return to the terminal recirculation bridge eliminated congested merging areas and improved traffic circulation.

An economy parking garage that also includes some surface parking is located behind the U. S. Post Office and has a total capacity of 12,900 parking spaces. A complimentary shuttle service transports customers from the economy lot to the Main Terminal Building. Including these economy spaces, the Airport has over 24,700 public parking spaces with approximately 22,430 garage spaces to accommodate the traveling public.

2.3.4 AIR CARGO

In April 2010, Air Cargo and General Service Equipment (GSE) facilities to the east of the Airport were opened to those 14 tenants formerly occupying facilities on the north end of the Airport. The 111,000 square foot complex provides specialized facilities and ramp space to support GSE maintenance and air cargo transporting, freight forwarding, handling, warehousing, processing, and distribution of cargo. Two additional companies, Global Aviation and Ground Services International, joined the existing tenants at the air cargo facilities, resulting in 100 percent occupancy of both buildings. Federal Express Corporation (FedEx) constructed an air cargo service facility at the Airport on a thirteen acre site of Airport property including a cargo building, apron, taxiway extensions and cargo road improvements. The regional sort facility has the capacity to handle 6,000 packages per hour. Additionally, there are parking spaces for 157 commercial and employee vehicles.

2.3.5 GENERAL AVIATION

There are two general aviation fixed base operation (FBO) facilities at the Airport. The first facility, which opened in 1980, is owned by the Authority and is currently managed by Piedmont Hawthorne Aviation d/b/a Landmark Aviation (Landmark Aviation). Constructed with Authority funds, the operation provides an avionics shop, maintenance shops, aircraft line service, tie down and storage, aircraft charter, sales center for Landmark Aviation airplanes and related aviation services. This facility provides 140,000 square feet of hangar storage space and 60,000 square feet of hangar maintenance space. The Authority retains title to all permanent improvements of the hangar building. The facility is rated one of the top ten fixed base facilities in the United States by the Professional Pilot Magazine.

The second FBO is Tampa International Jet Center, LLC (Tampa Jet Center), which has been operational since October 2004. Under the terms of its agreement with the Authority, Tampa Jet Center’s facilities include a 12,000-square foot terminal building, three storage hangars of 26,000 square feet each and a maintenance hangar of 26,000 square feet and other facilities necessary to provide a full service FBO serving primarily corporate aviation. Tampa Jet Center provides generally the same range of services as the Landmark Aviation FBO. The Authority participated in the FBO's development by constructing 350,000 square feet of apron and a 61,500 square foot parking lot with Authority funds.

In May 2007, a stand-alone CBP facility was constructed and serves the needs of general aviation international passengers. The facility is capable of handling up to 30 passengers and their baggage at any one time while meeting the requirements of the Customs and Border Patrol.

2.3.6 OTHER AREAS

In an effort to decrease roadway congestion within the Main Terminal Building, particularly the baggage claim areas, a cell phone waiting lot was built alongside one of the remote overflow parking lots.

On May 6, 2010, H. Lee Moffitt Cancer Center and Research Institute Hospital, Inc. entered into a 20-year lease for the development and operation of an out-patient cancer treatment and imaging center on the former reservations center leased by Continental until 2009.

The Authority owns a 125,000 square foot and a 140,000-square foot maintenance facility. The 125,000 square feet facility includes an aircraft hangar which can simultaneously accommodate two L-1011 jet aircraft, aircraft ramp, engine run-up area, employee parking, support shops and other related services. The 140,000 square foot facility includes an aircraft hangar which can simultaneously accommodate one 767 and two 727 aircraft, aircraft ramp, engine run-up area, employee parking, support shops and related services. Both facilities are currently leased to Pemco World Air Services, Inc.

Concorde Companies has a master lease for approximately 154 acres of Authority property located in the southeast corner of the Airport. A shopping mall, hotel and office complex have been built on that property.

3. The Capital Program and Funding Sources

This chapter presents a summary of the Master Plan Projects (Phase I and Phase II) and the CIP, collectively referred to as the Capital Program. **Table 3-1** presents the project costs for the Capital Program and **Table 3-2** presents the funding sources for the Capital Program.

3.1 The Airport Master Plan

The Authority recently approved an update to the Master Plan. Projects have been identified that will allow the Airport facilities to accommodate the passenger and aircraft forecast through 2028. Master Plan Projects are categorized into three phases:

- Phase I: Decongestion
- Phase II: Enabling
- Phase III: Expansion

The Report incorporates Phase I and Phase II Master Plan Projects; Master Plan Projects in Phase III are not expected to be undertaken until after the Projection Period of the Report. As presented in Table 3-1, Phase I projects total approximately $935.2 million. The two largest Phase I Master Plan Projects include design and construction of a consolidated rental car facility (ConRAC) with an estimated cost of approximately $318.7 million and the design and construction of an automated people mover (APM Project) and associated infrastructure and stations (APM Project) with an estimated cost of approximately $417.5 million. The APM Project is expected to be utilized by rental car customers, economy parking customers, airport employees and customers who are dropped off or picked up at the new ConRAC facility. Additional Phase I Master Plan Projects include a main terminal transfer level expansion and concession redevelopment, reconstruction of Taxiway J bridge, south terminal support area roadway improvements and other projects.

Phase II projects total approximately $371.0 million. The largest projects include construction of an employee parking garage in the south development area (approximately $112.5 million), an eastside hangar for maintenance, repair and operations use (approximately $63.2 million), and a new air traffic control tower and terminal radar approach control facilities (ATCT/TRACON) (approximately $61.4 million),

Table 3-1: Capital Program - Capital Program by Year [1/] (Page 1 of 2)

(For Fiscal Years Ending September 30)

Project Category	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
	PROJECTED											
Master Plan Phase I Projects												
APM Project	$23,834,000	$113,897,400	$179,350,800	$100,417,800								$417,500,000
ATCT Siting Re-evaluation	63,600	432,480	33,920									530,000
CUPPS - Phase 1	2,984,700											2,984,700
Construct Additional Airport Maintenance Equipment Storage Space			214,800	1,460,640	$114,560							1,790,000
Concessions Warehouse - Construction	5,231,000	3,518,900										8,749,900
ConRAC	15,406,000	81,728,000	142,036,800	79,529,200								318,700,000
Main Terminal Transfer Level Expansion and Concession Redevelopment - Construction	11,612,600	47,091,800	54,950,800	8,844,800								122,500,000
South Terminal Support Area Roadway Improvements	1,476,000	5,246,600	9,303,200	5,383,400								21,409,200
Reclaim Long Term Parking			3,079,596	3,673,904								6,753,500
Reconstruct Taxiway J and Bridge	3,579,800	17,193,900	9,919,100									30,692,800
Reconfigure Fuel Farm Access Roadway			10,800	73,440	5,760							90,000
Site Preparation Perimeter	237,600	1,792,080	1,326,240	94,080								3,450,000
Total Master Plan Phase I Projects	**$64,425,300**	**$270,901,160**	**$400,226,056**	**$ 199,477,264**	**$ 120,320**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$935,150,100**
Master Plan Phase II Projects												
New ATCT/TRACON at Red Side Garage site					$3,437,280	$16,204,320	$28,971,360	$12,767,040				$61,380,000
Demolish Red Side Garage					966,000	6,568,800	515,200					8,050,000
Employee Parking Garage in S. development area					6,300,000	29,700,000	53,100,000	23,400,000				112,500,000
HCAA Offices in South Development Area					4,668,000	31,742,400	2,489,600					38,900,000
Expand GSE secure apron equipment storage area					15,600	106,080	8,320					130,000
Demolish existing ATCT and TRACON									302,400	2,056,320	161,280	2,520,000
Demolish existing Marriott Hotel							1,063,200	7,229,760	567,040			8,860,000
Demolish existing Airport service building (Red side)								334,800	2,276,640	178,560		2,790,000
Central Plant Chillers and Main Power reconfiguration								1,010,360	17,176,120	1,243,520		19,430,000
Construct third eastside hangar for MRO use						3,284,320	26,021,920	32,843,200	1,010,560			63,160,000
Buy Out Lease of Existing Hotel							5,400,000	36,720,000	2,880,000			45,000,000
Temporary Truck Docks for Terminal (5,000 sq. ft. X $69.18)								75,600	514,080	40,320		630,000
Improve Infrastructure for MRO Cluster Area							918,000	6,242,400	489,600			7,650,000
Total Master Plan Phase II Projects					**$15,386,880**	**$87,605,920**	**$118,487,600**	**$120,623,160**	**$25,216,440**	**$3,518,720**	**$161,280**	**$371,000,000**

Table 3-1: Capital Program - Capital Program by Year [1/] (Page 2 of 2)

(For Fiscal Years Ending September 30)

	PROJECTED											
Project Category	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
CIP Projects												
Airfield	$468,700	$5,279,200	$4,388,700	$11,735,700	$6,433,300	$35,135,700	$20,118,000	$1,400,400	$3,001,300	$79,836,100	$39,167,700	$206,964,800
Terminal		1,436,300	1,907,500	2,231,300	957,600	256,900	12,527,700	13,278,200	10,390,700	7,190,200	1,877,600	52,054,000
Airsides	3,441,200	937,200	2,267,000	2,275,400	5,361,600	5,604,700	12,221,000	6,970,600	1,002,200	1,222,800	569,500	41,873,200
Commercial Landside	5,672,400	13,305,500	5,404,800	2,439,100	22,041,500	10,613,800	2,152,700	1,422,500	898,600	539,500	89,600	64,580,000
Cargo		80,500	40,200	-	762,900	791,400	227,300	11,200				1,913,500
Auxiliary	1,923,200	3,909,200	3,006,300	2,079,000	9,779,300	8,557,200	7,357,500	3,676,000	4,805,500	6,075,000	1,961,500	53,129,700
General Aviation	429,600	1,727,800	4,060,000	1,720,200	11,700	-	28,300	294,800	167,200	90,000	38,300	8,567,900
Other	3,901,900	3,770,100	3,719,800	10,892,300	8,770,800	9,227,800	6,953,700	4,280,600	3,591,700	2,711,300	786,100	58,606,100
Roads & Grounds				2,564,600	5,256,100	1,986,900	6,828,800	4,241,700	413,600	524,900	262,400	22,079,000
Passenger Transfer System		1,064,900	532,400	30,761,200	15,380,700				737,300	14,133,000	6,882,100	69,491,600
Extraordinary Facilities							11,000,000	5,500,000				16,500,000
Total CIP Projects	**$15,837,000**	**$31,510,700**	**$25,326,700**	**$66,698,800**	**$74,755,500**	**$72,174,400**	**$79,415,000**	**$41,076,000**	**$25,008,100**	**$112,322,800**	**$51,634,800**	**$595,759,800**
Total Capital Program	**$80,262,300**	**$302,411,860**	**$425,552,756**	**$266,176,064**	**$90,262,700**	**$159,780,320**	**$197,902,600**	**$161,699,160**	**$50,224,540**	**$115,841,520**	**$51,796,080**	**$1,901,909,900**

Note:

1/ Estimated expenditure by year for each project

Source: Hillsborough County Aviation Authority August 2013.

Prepared by: Ricondo & Associates, Inc. August 2013.

Table 3-2: Capital Program - Funding Sources for Capital Program (FY 2014 - FY 2024) (Page 1 of 2)

(For Fiscal Years Ending September 30)

		Funding Sources								
Project Category	**Total Project Costs**	**Public/Private Partnership**	**AIP Grants**	**FDOT Grants**	**GARBs**	**Authority Funds**	**CFC Supported GARBs**	**CFC PAYGO**	**PFC Supported GARBs**	**PFC PAYGO**
Master Plan Phase I Projects										
APM - Construction	$417,500,000				$2,000,000		$154,475,000		$261,025,000	
ATCT Siting Re-evaluation	$530,000					$530,000				
CUPPS - Phase 1	$2,984,700				$1,699,000	$1,285,700				
Construct Additional Airport Maintenance Equipment Storage Space	$1,790,000					$1,790,000				
Concessions Warehouse - Construction	$8,749,900				$8,749,900					
CONRAC - Construction	$318,700,000						$284,094,700	$34,605,300		
Main Terminal Transfer Level Expansion and Concession Redevelopment - Construction	$122,500,000				$122,500,000					
South Terminal Support Area Roadway Improvements	$21,409,200				$21,409,200					
Reclaim Long Term Parking	$6,753,500					$6,753,500				
Reconstruct Taxiway J and Bridge	$30,692,800		$3,024,100	$4,832,300	$22,836,400					
Reconfigure Fuel Farm Access Roadway	$90,000					$90,000				
Site Preparation Perimeter	$3,450,000					$3,450,000				
Total Master Plan Phase I Projects	**$935,150,100**		**$3,024,100**	**$4,832,300**	**$179,194,500**	**$13,899,200**	**$438,569,700**	**$34,605,300**	**$261,025,000**	
Master Plan Phase II Projects										
New ATCT/TRACON at Red Side Garage site	$61,380,000		$61,380,000							
Demolish Red Side Garage	$8,050,000				$8,050,000					
Employee Parking Garage in S. development area	$112,500,000				$112,500,000					
HCAA Offices in South Development Area	$38,900,000	$38,900,000								
Expand GSE secure apron equipment storage area	$130,000					$130,000				
Demolish existing ATCT and TRACON	$2,520,000				$2,520,000					
Demolish existing Marriott Hotel	$8,860,000				$8,860,000					
Demolish existing Airport service building (Red side)	$2,790,000				$2,790,000					
Central Plant Chillers and Main Power reconfiguration	$19,430,000				$19,430,000					
Construct third eastside hangar for MRO use	$63,160,000	$63,160,000								
Buy Out Lease of Existing Hotel	$45,000,000	$45,000,000								
Temporary Truck Docks for Terminal (5,000 sq. ft. X $69.18)	$630,000				$630,000					
Improve Infrastructure for MRO Cluster Area	$7,650,000				$7,650,000					
Total Master Plan Phase II Projects	**$371,000,000**	**$147,060,000**	**$61,380,000**		**$162,430,000**	**$130,000**				

Table 3-2: Capital Program - Funding Sources for Capital Program (FY 2014 - FY 2024) (Page 2 of 2)

(For Fiscal Years Ending September 30)

		Funding Sources								
Project Category	**Total Project Costs**	**Public/Private Partnership**	**AIP Grants**	**FDOT Grants**	**GARBs**	**Authority Funds**	**CFC Supported GARBs**	**CFC PAYGO**	**PFC Supported GARBs**	**PFC PAYGO**
CIP Projects										
Airfield	$206,964,800		$110,098,000	$46,686,100		$23,995,100				$26,185,600
Terminal	52,054,000			3,485,900	15,906,200	32,661,900				
Airsides	41,873,200		1,084,100	2,617,700		25,926,400				12,245,000
Commercial Landside	64,580,000			3,122,700		31,955,300				29,502,000
Cargo	1,913,500			792,500		1,121,000				
Auxiliary	53,129,700		8,384,800	12,199,960		32,544,940				
General Aviation	8,567,900			3,303,300		5,264,600				
Other	58,606,100		8,196,000	5,773,900		44,636,200				
Roads & Grounds	22,079,000			2,885,000	9,640,100	9,553,900				
Passenger Transfer System	69,491,600			5,400,000		5,545,200				58,546,400
Extraordinary Facilities	16,500,000									16,500,000
Total CIP Projects	**$595,759,800**		**$127,762,900**	**$86,267,060**	**$25,546,300**	**$213,204,540**				**$142,979,000**
Total Capital Program	**$1,901,909,900**	**$147,060,000**	**$192,167,000**	**$91,099,360**	**$367,170,800**	**$227,233,740**	**$438,569,700**	**$34,605,300**	**$261,025,000**	**$142,979,000**

Source: Hillsborough County Aviation Authority August 2013.
Prepared by: Ricondo & Associates, Inc. August 2013.

3.2 The 2014 – 2023 Capital Improvement Program

Additionally, the Authority develops and periodically updates a Business Plan in which capital projects are monitored to assess appropriate timing and funding sources. These projects are included in the Authority's CIP for FY 2014 through 2023 and will be funded through a combination of funding sources described later in this chapter. The Authority's CIP totals approximately $595.8 million and is presented in Table 3-1**.** This ten-year program includes new capacity enhancement projects based on updated passenger and operation forecasts. Table 3-1 reflects estimated expenditures by year for each project, including some expenditures in 2024 for projects included in the 2023 program year.

3.2.1 ESTIMATED PROJECT COSTS AND TIMING

The CIP will refurbish and improve existing facilities and infrastructure and includes the following:

- Airfield Projects (approximately $207.0 million). This category includes runway, taxiway and apron pavement rehabilitation, Aircraft Rescue and Fire Fighting (ARFF), and other Airfield projects.
- Terminal Complex (Main Terminal Building, Airside Buildings and Passenger Transfer System) Projects ($163.4 million). This category includes various Terminal Complex refurbishments, baggage handling system upgrades, baggage claim level ceiling replacement, elevator replacements, escalator replacements, LED technology replacement, and other Terminal Complex projects.
- Commercial Landside Projects ($64.6 million). This category includes parking revenue control system replacements, economy garage equipment, parking garages rehabilitation, access control system replacement, parking garage elevators and other Commercial Landside Projects.
- Cargo Projects ($1.9 million). This category includes cargo ramp rehabilitation and other projects.
- General Aviation and Auxiliary Airports Projects ($61.7 million). This category includes pavement rehabilitation, hangar rehabilitation, financial systems replacement, seawall rehabilitation, construction of a terminal / administration building, fuel system tank replacement, a general aviation master plan update and other projects.
- Roads & Grounds Projects ($22.1 million). This category includes sign replacement, road overlays, arrival and departure drives ceiling replacement, and other roadway projects.
- Other Projects ($58.6 million). This category includes various IT system and network projects, employee training system replacement, access control system replacement, fire alarm system upgrade, and other structural and pavement rehabilitation.
- Extraordinary Facilities ($16.5 million). This category includes a planned fuel line replacement project.

3.3 Funding Sources

Table 3-2 presents the anticipated funding sources for the Capital Program. As shown, the Airport will use a combination of funding sources including FAA Airport Improvement Program (AIP) grants, Florida Department of Transportation (FDOT) grants, future bond proceeds, customer facility charges (CFC), passenger facility charges (PFC) and Authority funds.

3.3.1 FAA AIRPORT IMPROVEMENT PROGRAM

For those projects anticipated to be eligible for FAA AIP funding, up to 75 percent of estimated projects costs are anticipated to be funded from that source. Before federal approval of any AIP grant applications can be given, eligible airports must provide written assurances that they will comply with a variety of statutorily specified conditions. One such assurance is the so-called "airport generated revenues" assurance which provides that all airport generated revenues will be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the applicant that are directly and substantially related to air transportation of passengers or property. The remainder of AIP-eligible project costs is assumed to be funded from other sources such as PFC, FDOT grants and Authority funds.

The Capital Program assumes approximately $192.2 million of projects are expected to be funded with AIP grants. Should discretionary AIP funds not become available, the Authority will determine if the projects can be delayed or will utilize other sources of funds to undertake those projects.

3.3.2 FLORIDA DEPARTMENT OF TRANSPORTATION GRANTS

FDOT Grants are funded from the State of Florida (the State) Transportation Trust Fund, which consists, in part, of funds collected through the State's aviation fuel tax. FDOT Grants supplement the AIP, providing a portion of the sponsor's matching share when federal funding is available and up to 80 percent of the overall project cost when it is not. Funding awarded via FDOT Grants is frequently distributed by the State over a multi-year period for grant-approved projects. Approximately, $91.1 million of the Capital Program is expected to be funded from FDOT grants. In addition, the Authority is in discussions with FDOT for additional funding for the APM Project, which would reduce the need for CFC-supported and/or PFC-supported GARBs described in subsequent sections.

3.3.3 GENERAL AIRPORT REVENUE BONDS

The Authority estimates approximately $367.2 million of the Capital Program will be funded with future general airport revenue bonds (GARBs), which are expected to be repaid entirely from Authority funds. Additional projects are expected to be funded with GARBs that will also be supported by CFCs and PFCs as described in subsequent sections.

3.3.4 PASSENGER FACILITY CHARGE (PFC) REVENUE

The Authority has submitted and received approval from the FAA to impose and use PFC revenues for capital projects totaling approximately $795.8 million in eight separate PFC applications. Expiration date for PFC collections is currently estimated to be May 1, 2017, based on estimates of future passenger enplanements.

The Authority intends to submit additional PFC applications to the FAA in the future to fund approximately $404.0 million of projects included in the Capital Program. A portion of those projects are expected to be funded on a pay as you go (PAYGO) basis and a portion of those projects are expected to be funded with PFC-supported GARBs.

3.3.5 CUSTOMER FACILITY CHARGE (CFC) REVENUE

The Authority entered into agreements with the rental car companies serving the Airport, which included the collection of a CFC to cover the costs associated with certain rental car related capital projects. The Authority began collecting a CFC in the amount of $2.50 on October 1, 2012. This Report assumes the CFC will increase to a level to provide enough CFC funds to pay approximately $473.2 million of rental car related capital projects using a combination of CFC supported GARBs and CFC PAYGO.

3.3.6 AUTHORITY FUNDS

The Authority anticipates utilizing approximately $227.2 million of its unencumbered available cash to fund a portion of the Capital Program for all airports.

3.3.7 TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) FUNDS

The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) was originally authorized under the Transportation Equity Act for the 21st Century (TEA-21). TIFIA was reauthorized and amended in 2005 by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The TIFIA program provides Federal credit assistance for eligible infrastructure investment projects. The program's fundamental goal is to leverage Federal funds by attracting substantial private and other non-Federal co-investment in critical improvements to the nation's surface transportation system. TIFIA was created because state and local governments that sought to finance large-scale transportation projects with tolls and other forms of user-backed revenue often had difficulty obtaining financing at reasonable rates due to the uncertainties associated with these revenue streams. The Authority is reviewing the possibility of securing a TIFIA loan to fund a portion of the ConRAC and APM projects. Should the Authority secure a TIFIA loan, the amount of CFC-supported and/or PFC-supported GARBs required for the Capital Program previously identified in this Report would be reduced.

3.3.8 PUBLIC/PRIVATE PARTNERSHIP

Certain projects included in the Master Plan Phase II are currently assumed to be funded only if the Authority was to enter into a Public/Private Partnership. The Public Private funding source is unknown at this time, however, for the purposes of this Report it is assumed that approximately $147.1 million, associated HCAA office development, a lease buyout of the existing hotel, and construction of a third eastside hangar, would be funded through a Public Private Partnership. If the Authority does not enter in to a Public/Private Partnership it is assumed that these projects would not be undertaken.

4. Demographic and Economic Analysis

The demand for air transportation at a particular airport is, to a large degree, dependent upon the demographic and economic characteristics of the airport's air trade area. This relationship is particularly true for O&D passenger traffic, which has historically been the largest component of demand at the Airport.[1] Therefore, the major portion of demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity. This chapter presents data indicating that the Airport's Air Trade Area (as defined in Chapter 2) has an economic base capable of supporting increased demand for air travel during the Projection Period.

Although impacted more severely than most major metropolitan areas by the 2007-2009 recession (ninth-worst impact overall of the 100 largest U.S. metropolitan areas according to the Brookings Institution's most recent MetroMonitor report), particularly in the housing sector and employment, the Air Trade Area's economy has had one of the strongest recoveries from the recession (twenty-third best recovery overall of the 100 largest U.S. metropolitan Areas) of any of the major metropolitan areas.[2] The recovery process in key areas such as gross regional product, employment and housing is examined in greater detail in this chapter as well.

4.1 Demographic Analysis

4.1.1 POPULATION

There is typically a positive correlation between population growth in a local area and air travel demand. Historical population for the Air Trade Area, Florida, and the United States is presented in **Table 4-1**. As shown, population in the Air Trade Area increased from 2,077,857 people in 1990 to 2,404,013 people in 2000 and to 2,878,979 people in 2012. As also shown, population growth in the Air Trade Area between 1990 and 2012 (compound annual growth rate of 1.5 percent) was less than that experienced by Florida (compound annual growth rate of 1.8 percent) and greater than the nation (compound annual growth rate of 1.1 percent) during this period. According to recent U.S. Census Bureau data, Tampa has been one of the fastest-growing

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1 Based on reconciled U.S. Department of Transportation ticket sample data, O&D passengers accounted for approximately 89 percent of total passengers at the Airport in FY 2012.

2 Source: Brookings Institution, "MetroMonitor – June 2013," July 1, 2013.

Table 4-1: Historical and Projected Population

					COMPOUND ANNUAL GROWTH RATE			
	HISTORICAL			PROJECTED	HISTORICAL			PROJECTED
AREA	1990	2000	2012	2023	1990-2000	2000-2012	1990-2012	2012-2023
Hernando County	102,726	131,390	177,899	230,893	2.5%	2.6%	2.5%	2.4%
Hillsborough County	837,028	1,003,435	1,293,639	1,523,715	1.8%	2.1%	2.0%	1.5%
Pasco County	281,937	347,038	478,198	608,315	2.1%	2.7%	2.4%	2.2%
Pinellas County	856,166	922,150	929,243	951,813	0.7%	0.1%	0.4%	0.2%
Air Trade Area	2,077,857	2,404,013	2,878,979	3,314,736	1.5%	1.5%	1.5%	1.3%
Florida	13,033,310	16,047,520	19,358,309	22,794,481	2.1%	1.6%	1.8%	1.5%
United States	249,622,800	282,162,400	314,659,200	350,537,844	1.2%	0.9%	1.1%	1.0%

SOURCE: Woods and Poole Economics, Inc., *2013 Complete Economic and Demographic Data Source (CEDDS)* .

PREPARED BY: Ricondo & Associates, Inc., July 2013.

large cities in the United States since the 2010 Census, with a 3.6 percent increase in population between April 1, 2010 and July 1, 2012.[3]

Table 4-1 also presents population projections from Woods and Poole Economics, Inc. for the Air Trade Area, Florida, and the nation for 2023. Population in the Air Trade Area is expected to increase at a compound annual growth rate of 1.3 percent between 2012 and 2023, from 2,878,979 people in 2012 to 3,314,736 in 2023. Projected population growth for the Air Trade Area is expected to be slightly less rapid than that experienced by Florida (compound annual growth rate of 1.5 percent) but more rapid than the nation (compound annual growth rate of 1.0 percent) during this period. Between 2012 and 2023, Air Trade Area population is expected to grow most rapidly in Hernando County (2.4 percent annually) and Pasco County (2.2 percent annually).

4.1.2 POPULATION DIVERSITY

The Air Trade Area has an ethnically diverse population, a characteristic that contributes to demand for air travel. In a global economy, ethnic diversity within a region's labor force is a distinct economic advantage because employees with cultural and linguistic ties to international markets give companies an edge in establishing trade and investment opportunities. An ethnically diverse population, particularly those individuals that are foreign-born, also retains family ties that create demand for air travel services to and from homeland countries.[4]

According to the most recent U.S. Census Bureau data from the *2011 American Community Survey*, the foreign-born population (including U.S. territories such as Puerto Rico) as a percentage of total population in the Air Trade Area is approximately 15.7 percent. While lower than the equivalent percentage for Florida, 22.6 percent, this is higher than the overall United States' percentage of 14.4 percent. Over half of the foreign-born population residing in the Air Trade Area comes from Latin America, while approximately 20 percent were born in Asia. Excluding those individuals born in Puerto Rico, Cuba is the most represented country of birth of the Air Trade Area's foreign-born residents, followed by Mexico and Colombia. According to the 2010 U.S. Census, the Air Trade Area had the sixth-largest population of Puerto Ricans of all U.S. MSAs, just behind the much larger Chicago metropolitan area.

4.1.3 PER CAPITA PERSONAL INCOME AND HOUSEHOLD INCOME

One measure of the relative income of an area is personal income, defined as the sum of wages and salaries, other labor income, proprietors' income, rental income of persons, dividend income, personal interest income, and transfer payments less personal contributions for social insurance. Personal income is a composite measurement of market potential and indicates the general level of affluence of local residents, which typically correlates with an area's propensity to utilize air travel as well as an area's attractiveness to business and leisure travelers. It should be noted, however, that personal income does not adjust for the cost of living in a

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3 Source: U.S. Census Bureau, "Texas Dominates List of Fastest-Growing Large Cities Since 2010 Census, Census Bureau Reports," June 28, 2012.

4 Source: The Brattle Group, "The Impact on the U.S. Economy of Lifting Restrictions on Travel to Cuba," July 2002.

particular area (see Section 4.2.3 for a discussion of the Air Trade Area's significantly below national average cost of living).

Table 4-2 presents historical per capita personal income for the Air Trade Area, Florida, and the nation between 2005 and 2012 as expressed in current dollars. As shown, per capita personal income for the Air Trade Area was lower than equivalent measures for both Florida and the nation each year between 2005 and 2012. As also shown, per capita personal income for the Air Trade Area increased at a compound annual growth rate of 1.6 percent between 2005 and 2012, slightly slower than the 1.7 percent growth rate for Florida and slower than the 2.6 percent growth rate experienced by the nation over this same period.

Table 4-2 also presents projections of per capita personal income for 2023. According to data from Woods and Poole Economics, Inc., per capita personal income for the Air Trade Area is projected to increase from $38,595 in 2012 to $60,973 in 2023. This increase represents a compound annual growth rate of 4.2 percent during this period, compared to a slightly faster 4.4 percent growth rate projected for both Florida and the nation.

An additional indicator of the market potential for air transportation demand is the percentage of households in the higher income categories. An examination of this indicator is important in that as income increases, air transportation becomes more affordable and, therefore, is generally used more frequently. Table 4-2 also presents percentages of households in selected per capita personal income categories for 2012 as expressed in 2000 dollars. As presented, 32.2 percent of households in the Air Trade Area had a per capita personal income of $60,000 or more in 2012, which was slightly lower than the percentage of households in these income categories for Florida (34.4 percent), and lower than the equivalent percentage for the nation (39.1 percent).

4.2 Economic Analysis

4.2.1 GROSS DOMESTIC PRODUCT

Gross domestic product, for the U.S. as a whole, and its state and MSA equivalent, gross regional product, are a measure of the market value of all final goods and services produced within a particular area for a specific period of time. These indicators are one of the broadest measures of the economic health of a particular area, and, consequently, the area's potential air travel demand. However, gross regional product, particularly at the MSA level, is somewhat more difficult to accurately estimate than gross domestic product, with the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) only having begun tracking data on a MSA level of detail in 2007.

Table 4-3 presents historical gross regional/domestic product for the Air Trade Area, Florida, and the nation between 2005 and 2012 as expressed in 2005 dollars. As shown, Air Trade Area gross regional product increased from $105,990 million in 2005 to $108,684 million in 2012, a compound annual growth rate of 0.4 percent. In comparison, the gross regional product for Florida increased at a 0.2 percent compound annual rate, while the nation's equivalent measure grew at an identical 0.4 percent compound annual rate.

Table 4-2: Per Capita Personal Income

(Per Capita Personal Income in Current Dollars)

YEAR	PER CAPITA PERSONAL INCOME: AIR TRADE AREA	PER CAPITA PERSONAL INCOME: FLORIDA	PER CAPITA PERSONAL INCOME: UNITED STATES	PER CAPITA PERSONAL INCOME DIFFERENTIAL: BETWEEN AIR TRADE AREA AND FLORIDA	PER CAPITA PERSONAL INCOME DIFFERENTIAL: BETWEEN AIR TRADE AREA AND UNITED STATES
Historical					
2005	$34,467	$35,489	$35,452	($1,022)	($985)
2006	$36,470	$37,996	$37,726	($1,526)	($1,256)
2007	$37,559	$39,256	$39,507	($1,697)	($1,948)
2008	$38,141	$39,978	$40,947	($1,837)	($2,806)
2009	$36,253	$37,382	$38,846	($1,129)	($2,593)
2010	$37,003	$38,210	$39,937	($1,207)	($2,934)
2011	$38,224	$39,498	$41,718	($1,274)	($3,494)
2012	$38,595	$39,815	$42,567	($1,220)	($3,972)
Projected					
2023	$60,973	$63,677	$68,437	($2,704)	($7,464)
Compound Annual Growth Rate					
2005-2012	1.6%	1.7%	2.6%		
2012-2023	4.2%	4.4%	4.4%		

Percentage of Households in Income Categories (2012)

Income Category (in 2000 dollars)	Air Trade Area	Florida	United States
Less than $29,999	32.7%	31.6%	28.8%
$30,000 to $59,999	35.0%	34.0%	32.0%
$60,000 to $74,999	11.2%	11.5%	12.3%
$75,000 to $99,999	9.8%	10.5%	12.2%
$100,000 or More	11.2%	12.4%	14.5%

SOURCE: Woods and Poole Economics, Inc., *2013 Complete Economic and Demographic Data Source (CEDDS)*.

PREPARED BY: Ricondo & Associates, Inc., July 2013.

Table 4-3: Gross Regional/Domestic Product (GRP or GDP)

(In 2005 Dollars, Amounts in Millions)

	GRP OR GDP		
YEAR	**AIR TRADE AREA (GRP)**	**FLORIDA (GRP)**	**UNITED STATES (GDP)**
Historical			
2005	$105,990	$681,225	$12,539,116
2006	$110,131	$712,077	$12,936,968
2007	$111,544	$721,273	$13,209,790
2008	$106,985	$686,705	$13,028,025
2009	$104,724	$666,199	$12,691,919
2010	$103,772	$663,310	$12,666,042
2011	$106,394	$677,921	$12,787,312
2012	$108,684	$691,205	$12,911,575
Projected			
2023	$143,404	$920,768	$16,655,719
Compund Annual Growth Rate			
2005-2012	0.4%	0.2%	0.4%
2012-2023	2.6%	2.6%	2.3%

SOURCE: Woods and Poole Economics, Inc., *2013 Complete Economic and Demographic Data Source (CEDDS)*.

PREPARED BY: Ricondo & Associates, Inc., July 2013.

Table 4-3 also presents projections of gross regional/domestic product for 2023. According to data from Woods and Poole Economics, Inc., gross regional product for the Air Trade Area is projected to increase from $108,684 million in 2012 to $143,404 million in 2023. This increase represents a compound annual growth rate of 2.6 percent, identical to the growth rate projected for Florida during this period, and more rapid than the 2.3 percent growth rate projected for the nation.

4.2.2 EMPLOYMENT TRENDS

Recent employment trends for the Air Trade Area, Florida, and the United States are presented in **Table 4-4.** As shown, the Air Trade Area's civilian labor force increased from approximately 1,223,000 workers in 2002 to approximately 1,320,000 workers in 2012. This increase represents a compound annual growth rate of 0.8 percent in the Air Trade Area's labor force during this period, compared to a 1.4 percent increase for Florida and a 0.7 percent increase for the United States.

As also shown in Table 4-4, average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were below or equal to the unemployment rates for Florida from 2002-2004 and higher than Florida's between 2005-2012. Average annual unemployment rates for the Air Trade Area were below the unemployment rates for the nation from 2002-2007, and higher than the nation's between 2008-2012. The Air Trade Area's unemployment rate was 6.9 percent in May 2013, which is the most recent month of data available. This rate was below the unemployment rates experienced by Florida and the nation during the same period (7.0 and 7.3 percent, respectively).

An analysis of nonagricultural employment trends by major industry sector is presented in **Table 4-5**, which compares the Air Trade Area's employment trends to those for the nation for 2002, 2011 and 2012. As shown, nonagricultural employment in the Air Trade Area increased from approximately 1,129,400 workers in 2002 to approximately 1,155,800 workers in 2012. This increase represents a compound annual growth rate of 0.2 percent during this period, compared to nearly identical growth nationwide (0.3 percent growth rate). Between 2011 and 2012, as the nation's economy continued its slow recovery from the recession that ended in June 2009, nonagricultural employment in the Air Trade Area increased at a greater rate than what was experienced nationwide (2.3 percent and 1.8 percent increases, respectively). Over a more recent period, May 2012-May 2013, the Air Trade Area's nonagricultural employment increased at a rate of 2.9 percent, the second-fastest increase of any of the 22 metropolitan areas in Florida.[5]

The services, government and financial sector were the major industry groups in the Air Trade Area to experienced positive employment growth between 2002 and 2012. The nation's nonagricultural employment base experienced similar decreases in most sectors over the same time period with the exception of increases in the services, transportation/utilities and government sectors. As also shown in Table 4-5, the Air Trade Area's percentages of nonagricultural employment in the services, financial and trade sectors in 2012 exceeded the national percentages by approximately, 4.7, 2.4 and 1.3 percentage points, respectively.

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5 Source: Florida Department of Economic Opportunity, "Florida's May Employment Figures Released," June 21, 2013.

Table 4-4: Civilian Labor Force and Unemployment Rates

(Civilian Labor Force in Thousands)

	CIVILIAN LABOR FORCE		
YEAR	AIR TRADE AREA	FLORIDA	UNITED STATES
2002	1,223	8,125	144,863
2003	1,226	8,219	146,510
2004	1,255	8,389	147,401
2005	1,248	8,635	149,320
2006	1,270	8,880	151,428
2007	1,305	9,206	153,124
2008	1,308	9,216	154,287
2009	1,293	9,096	154,142
2010	1,289	9,177	153,889
2011	1,308	9,275	153,617
2012	1,320	9,369	154,975
Compound Annual Growth Rate			
2002-2012	0.8%	1.4%	0.7%
2002-2005	0.7%	2.0%	1.0%
2005-2009	0.9%	1.3%	0.8%
2009-2012	0.7%	1.0%	0.2%

	UNEMPLOYMENT RATES		
YEAR	AIR TRADE AREA	FLORIDA	UNITED STATES
2002	5.6%	5.7%	5.8%
2003	5.3%	5.3%	6.0%
2004	4.5%	4.7%	5.5%
2005	3.9%	3.8%	5.1%
2006	3.4%	3.3%	4.6%
2007	4.2%	4.0%	4.6%
2008	6.6%	6.3%	5.8%
2009	10.8%	10.4%	9.3%
2010	11.8%	11.3%	9.6%
2011	10.9%	10.3%	8.9%
2012	8.8%	8.6%	8.1%
May 2013	6.9%	7.0%	7.3%

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, July 2013.

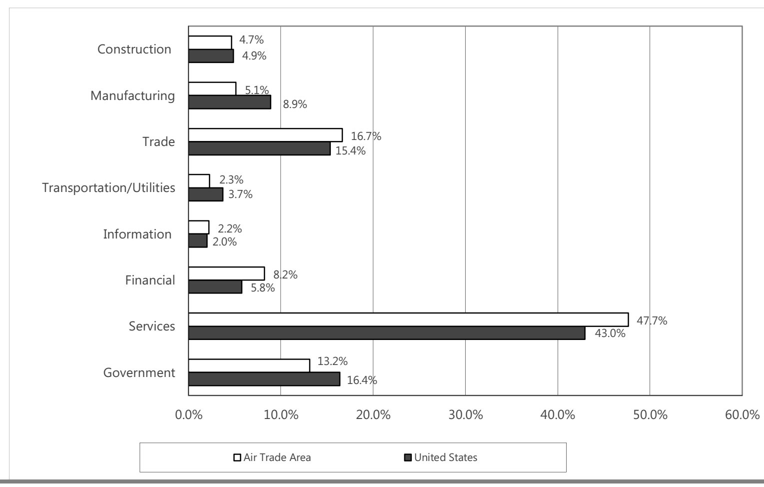
PREPARED BY: Ricondo & Associates, Inc., July 2013.

Table 4-5: Employment Trends by Major Industry Sector

(Employment in Thousands)

	AIR TRADE AREA NONAGRICULTURAL EMPLOYMENT					UNITED STATES NONAGRICULTURAL EMPLOYMENT				
SECTOR	2002	2011	2012	COMPOUND ANNUAL GROWTH RATE 2002-2012	COMPOUND ANNUAL GROWTH RATE 2011-2012	2002	2011	2012	COMPOUND ANNUAL GROWTH RATE 2002-2012	COMPOUND ANNUAL GROWTH RATE 2011-2012
Construction 1/	70.1	52.7	53.9	(2.6%)	2.3%	7,299	6,321	6,492	(1.2%)	2.7%
Manufacturing	80.3	58.8	59.4	(3.0%)	1.0%	15,259	11,726	11,919	(2.4%)	1.6%
Trade	196.1	187.6	192.6	(0.2%)	2.7%	20,677	20,211	20,548	(0.1%)	1.7%
Transportation/Utilities	32.3	25.8	26.3	(2.0%)	1.9%	4,820	4,854	4,969	0.3%	2.4%
Information 2/	35.0	25.9	25.7	(3.0%)	(0.8%)	3,395	2,674	2,678	(2.3%)	0.1%
Financial	94.0	91.6	95.1	0.1%	3.8%	7,847	7,681	7,740	(0.1%)	0.8%
Services 3/	474.9	534.0	550.8	1.5%	3.1%	49,533	55,928	57,432	1.5%	2.7%
Government	146.7	153.3	152.0	0.4%	(0.8%)	21,513	22,086	21,917	0.2%	(0.8%)
Total	1,129.4	1,129.7	1,155.8	0.2%	2.3%	130,343	131,361	133,694	0.3%	1.8%

Percent of 2012 Nonagricultural Employment



NOTES:

1/ Includes mining employment.

2/ The information sector includes telecommunications service providers, traditional publishing, motion picture and sound recording, broadcasting, software, online services and data processing.

3/ The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, July 2013.

PREPARED BY: Ricondo & Associates, Inc., July 2013.

A shifting of the Air Trade Area's industrial mix occurred between 2002 and 2012, as manufacturing employment decreased from 7.1 percent of total employment in 2002 to 5.1 percent in 2012; and services employment increased from 42.0 percent of total employment in 2002 to 47.7 percent in 2012. The trends in the Air Trade Area's industrial mix were consistent with changes in the industrial mix nationwide, as manufacturing decreased from 11.7 percent to 8.9 percent and services increased from 38.0 percent to 43.0 percent during this same period for the nation as a whole.

4.2.3 BUSINESS CLIMATE

The business climate in the Air Trade Area offers significant advantages to new, expanding, and relocating companies. These advantages include support for small businesses, business costs that are significantly below the national average, a state "right-to-work" law, and competitive local/state tax and incentive structures. In December 2011, Kiplinger.com rated Tampa as one of ten "Great Cities [in the U.S] for Starting a Business". The list highlighted Tampa for its local government initiatives and tax credits for small businesses as well as the area's extensive resources for entrepreneurs. According to the 2012 Competitive Alternatives study conducted by the audit, tax and advisory firm KPMG, business costs in Air Trade Area are the 4th lowest among the nation's 27 largest metropolitan areas and nearly four percent lower than the nationwide average.[6]

Employee recruitment and retention in the Air Trade Area is facilitated by the Air Trade Area's reputation for livability and low cost of living. The Air Trade Area was the only Florida metropolitan area to be included in Bloomberg Businessweek's "America's 50 Best Cities" list for 2012, in part, due to strong nightlife options, parks and favorable climate.[7] Over the past three years (1Q 2010 – 1Q 2013) Tampa's cost of living has been approximately 8 percent below the national average and lower than other competitive comparison cities such as Atlanta, Charlotte, and Dallas.[8]

Major employers in the Air Trade Area, as measured by the number of employees, are presented in **Table 4-6**. As shown, there are approximately 25 private or public entities in the Air Trade Area with 3,000 or more employees. The largest employer in the Air Trade Area is the Hillsborough County School District with approximately 25,887 employees, followed by the BayCare Health System (19,600 employees); MacDill Air Force Base (18,283 employees); the Pinellas County School District (17,000 employees); and Publix Super Markets (13,800 employees).[9]

6 Source: KPMG, "Competitive Alternatives 2012," March 22, 2012.

7 Source: Bloomberg Businessweek, " America's 50 Best Cities," September 28, 2012.

8 Source: Tampa Hillsborough Economic Development Center, "Cost of Living" available online at: http://www.tampaedc.com/Data-Center/Quality-of-Life/COLI-Comparison-20131Q.aspx.

9 Publix Super Markets employee numbers may include employees based at corporate headquarters in Lakeland, which is part of the secondary air trade area.

Table 4-6: Major Employers in the Air Trade Area

EMPLOYER	DESCRIPTION	# OF EMPLOYEES
Hillsborough County School District	Public primary and secondary education	25,887
BayCare Health System	Private healthcare	19,600
MacDill Air Force Base	U.S. military	18,283
Pinellas County School District	Public primary and secondary education	17,000
Publix Super Markets 1/	Retail grocer	13,800
HCA	Private healthcare	13,165
University of South Florida	Public post-secondary education	12,661
State of Florida 1/	State government	12,272
Verizon	Telecommunications services	9,957
Pasco County School District	Public primary and secondary education	9,443
US Postal Service 1/	Postal services	7,822
Tampa General Hospital	Private healthcare	6,600
Hillsborough County Government	Local government	5,939
Wal-Mart	Retail general	5,794
Florida Hospital	Private healthcare	5,179
JPMorgan Chase	Financial services	4,700
City of Tampa	Local government	4,402
H. Lee Moffit Cancer Center & Research Institute	Private healthcare	4,300
James A. Haley VA Medical Center	Public healthcare	4,240
Citigroup	Financial services	4,000
St. Petersburg College	Public post-secondary education	3,973
Hillsborough County Sheriff's Office	Local government	3,819
Bay Pines VA Health Care System	Public healthcare	3,800
Busch Gardens	Entertainment	3,800
Nielsen	Professional services	3,000

NOTES:

1/ May include employees based in parts of secondary air trade area.

SOURCE: Tampa Bay Partnership, *Tampa Bay Regional Profile*, August 2012 and Tampa Bay Business Journal, *2013 Book of Lists - Public Sector Employers*, July 2012.

PREPARED BY: Ricondo & Associates, Inc., July 2013.

Four of the fifteen 2013 Fortune 500 companies that are headquartered in Florida are located in the Air Trade Area or secondary air trade area. These companies include: Publix Super Markets (ranked 108th in 2012 revenues; one of the nation's leading food and drug stores); Tech Data (ranked 119th in 2012 revenues; one of the world's largest wholesale IT distributors); Jabil Circuit (ranked 163rd in 2012 revenues; a global electronic manufacturing services provider); and WellCare Health Plans (ranked 345th in 2012 revenues; a provider of managed care services for government-sponsored health programs).

The Air Trade Area also has a favorable climate for the growth of businesses that are headquartered abroad, stimulating potential demand for international air travel at the Airport. A 2011 study on foreign direct investment in the Air Trade Area by the Tampa Bay Partnership identified 480 companies from 41 nations operating across the entire spectrum of industry and employing over 41,500 workers.[10]

Total investment attributed to new (relocated) and expanded business development in the Air Trade Area in 2012 was approximately $273.5 million according to the Tampa Bay Partnership. This investment is anticipated to generate at least 4,300 new jobs and allow the Air Trade Area to retain existing jobs. A more recent notable expansion is the Depository Trust & Clearing Corporation's April 2013 announcement of a $4.8 million expansion investment in its Tampa facilities that will create 255 new jobs over the next three years in highly specialized sectors (e.g., information technology, operations, human resources and finance).[11]

4.2.4 EMPLOYMENT BY MAJOR INDUSTRIAL SECTOR

According to the Greater Tampa Chamber of Commerce's Tampa 2012 Media Center, the Air Trade Area's economy is: "*founded on a diverse base that includes tourism, agriculture, construction, finance, health care, government, technology, and the Port of Tampa*." The sections below address the sources of this diversity and are ordered based on the sector's percentage contribution to the Air Trade Area's economic base.

Services

Services employment in the Air Trade Area increased at a compound annual rate of 1.5 percent between 2002 and 2012 (fastest rate of increase of any Air Trade Area industry sector between 2002 and 2012) compared to an identical increase for the nation over the same period. In 2012, the services sector accounted for approximately 550,800 employees in the Air Trade Area, which accounted for 47.7 percent of total nonagricultural employment, the highest employment level among all sectors. The services sector plays a relatively larger role in the Air Trade Area's employment base than in the nation overall.

Key components of the services sector within the air trade area include travel and tourism, health services, and higher education. Professional services providers, while quite large in number, primarily employ smaller numbers of employees per firm and are not discussed separately below. However, one notable example of a larger professional services provider in the Air Trade Area is Nielsen (1,200 employees) a leading global

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10 Source: Tampa Bay Partnership, "2011 Tampa Bay Foreign Direct Investment Study," October 2011.

11 Source: Tampa Bay Business Journal, "Depository Trust to Create 255 New Jobs with Expansion," April 15, 2013.

information and measurement company that provides clients with a comprehensive understanding of consumers and consumer behavior.

Travel and Tourism

The travel and tourism industry is one of the largest services related-industries in the Air Trade Area. The growth of this industry is a significant driver of services-related employment and air travel demand at the Airport. According to Tampa Bay & Company, visitors to Hillsborough County increased from approximately 14.50 million in 2011 to 14.82 million in 2012, representing a year-over-year growth rate of 2.2 percent (the second consecutive year of positive growth in visitors). Similarly, Visit St. Pete-Clearwater statistics show that a record 5.43 million people visited Pinellas County in 2012 – 4 percent more than visited in 2011. The most recent Tampa Bay & Company data shows that approximately 56 percent of the visitors to Hillsborough County arrived by air. Approximately 15 percent of visitors to Hillsborough County were primarily traveling for business and 85 percent primarily for leisure/visiting friends and relatives.

In support of leisure travel and conventions in the Air Trade Area there are approximately 170 hotels and more than 21,000 hotel rooms in Hillsborough County alone. In 2012, according to Tampa Bay & Company, hotel occupancy increased to 64.3 percent, a 3.8 percentage point increase from 2011. The average daily room rate increased to $92.98 in 2012, an increase of 6.3 percent from 2011, and revenue per available room (measured by multiplying the average daily room rate by the occupancy rate) rose to $59.78, up 12.5 percent from 2011. Three new hotels scheduled to open in Tampa in upcoming months include: the food-focused 137-room Epicurean, located directly across from the global destination restaurant Bern's Steak House (scheduled to open in November 2013); a 130-room Le Meridien in Tampa's historic federal courthouse building (scheduled to open in April 2014); and the 130-room Aloft Tampa Downtown along the Tampa Riverwalk (scheduled to open in early 2014).

The primary convention center in the Air Trade Area is the Tampa Convention Center, a 600,000 sq. ft. facility located on the waterfront of downtown Tampa. The Convention Center included a 200,000 sq. ft. exhibit hall, a 36,000 sq. ft. ballroom, 36 meeting rooms and 80,000 sq. ft. of pre-function space.

The cruise industry has a growing presence at the Port of Tampa and is a significant source of air travel demand at the Airport. The Port reported a record annual cruise passenger throughput of 974,259 for its fiscal year 2012, which ended September 30, 2012. Cruise lines have continued to see the Air Trade Area as a strong market, reflected in the arrival of several upgraded vessel deployments over the last two years. Carnival Cruise Line home ports two ships year-round in Tampa, *Carnival Legend* and *Carnival Paradise;* while the busy winter season sees home ported vessels from Royal Caribbean - *Jewel of the Seas;* Norwegian Cruise Line - *Norwegian Dawn;* and Holland America Line - *Ryndam*. In December 2014, the 2,124 passenger flagship *Carnival Pride* will replace the *Carnival Legend* at the Port.

Primary travel and tourism-related attractions located in the Air Trade Area are discussed below:

- **Beaches.** The quality of life for which the Air Trade Area is best known is its numerous beaches located along the Gulf of Mexico. Fort De Soto Park and Caladesi Island have been ranked consistently in the top 10 best beaches in the United States: Fort DeSoto Park consists of five islands and seven miles of beach, and Caladesi Island features three-mile nature and kayak trails. Clearwater's beaches have also received numerous awards.

- **Busch Gardens and Adventure Island.** Bush Gardens Tampa Bay is home to three water adventure rides, seven world-class roller coasters, and African animal exhibits featuring more than 2,000 animals. A notable new attraction at the park is the Cheetah Hunt roller coaster, Busch Gardens' first launch coaster, which immediately propels riders from 0 to 60 mph.
- **Museum of Science and Industry.** The largest science center in the southeastern United States offers more than 400,000 sq. ft. of interactive exhibits and more than 450 hands-on activities as well as Florida's only IMAX® Dome Theatre.
- **Lowry Park Zoo.** Recognized as the nation's best zoo for kids by Parents magazine, Lowry Park Zoo features 1,700 animals on 60 acres of natural habitats that comprise seven main exhibit areas.
- **Clearwater Marine Aquarium and Florida Aquarium.** These two competing aquariums, located in Clearwater and Tampa, respectively, attracted nearly 1.4 million visitors combined in 2012. Additionally, the Clearwater Marine Aquarium, home to a dolphin that learned to swim with a prosthetic tail (and was the subject of a major motion picture, "Winter," in 2011), is planning a new $160 million, 200,000-square-foot facility in downtown Clearwater that is expected to increase visitor numbers substantially when constructed.
- **Glazer Children's Museum.** Part of Tampa's Waterfront Arts District, the Glazer Children's Museum has 170 hands-on exhibits in multiple themed areas. Exhibits are designed to engage children in the discovery process through play.
- **Ybor City.** The Air Trade Area's national landmark began when several immigrants came to live in Ybor City when they were offered home ownership for working in the cigar factories. Today the historic Latin Quarter features shopping, dining and entertainment which attracts approximately 2 million people annually.
- **Dali Museum, Tampa Art Museum and Straz Center for the Performing Arts.** In July 2012, both St. Petersburg and Tampa were named as two of the top 25 mid-sized cities for art by AmericanStyle magazine in part, due to the Dali Museum (which has nearly 1,500 Salvador Dali paintings, drawing and sculpture) and the Tampa Art Museum (which has a broad collection of modern and contemporary art and opened a new museum building in 2010). The Straz Center for the Performing Arts is home to Opera Tampa and five theaters.

Major outdoor festivals and events in the Air Trade Area attracting approximately 500,000 people include the Florida Strawberry Festival in Plant City and both the Florida State Fair and Gasparilla Pirate Fest in Tampa. Major spectator sports/events in the Air Trade Area include the Tampa Bay Buccaneers NFL franchise, The Tampa Bay Lightning NHL franchise, the Tampa Bay Rays MLB franchise, the spring training facilities for several MLB teams (e.g., New York Yankees, Philadelphia Phillies) the Outback Bowl college football game, the PGA Tour's Tampa Bay Championship event and the Honda Grand Prix of St. Petersburg.

Health Services

The health services industry plays a major role in the Air Trade Area that will continue to become more significant as the Air Trade Area population ages. With approximately 7,900 physicians and nearly 40 hospitals including nine teaching hospitals, the Air Trade Area offers a wide range of advanced medical services.

Tampa General Hospital is the primary teaching hospital affiliated with the University of South Florida College of Medicine and is the largest healthcare facility in the Air Trade Area. The private non-for-profit Hospital has approximately 1,018 beds and 1,200 affiliated physicians (including over 300 physicians in the University's residency program) on staff. Some of the Hospital's special services include a Level 1 trauma center, five patient transport helicopters and a regional burn center. The Hospital is also one of the busiest organ transplant centers in the nation. Tampa General Hospital has approximately 6,600 employees in the Air Trade Area.

Other large hospitals in the Air Trade Area are the 713 bed St. Joseph's Hospital and Children's Hospital in Tampa and the 687 bed Morton Plant Hospital in Clearwater. These two hospitals are the anchor of the BayCare Health System, a network of 10 private non-for-profit hospitals, outpatient facilities and services such as imaging, lab, behavioral health and home health care. BayCare Health System is the second-largest employer in the Air Trade Area, employing approximately 19,600 individuals. The two other main competitors to BayCare Health System in the Air Trade Area are the private-for-profit HCA West Florida system (approximately 13,165 employees) and the private non-for-profit Florida Hospital system (approximately 5,179 employees).

Considered to be one of the fastest-growing cancer centers in the United States, the private, non-for profit H. Lee Moffit Cancer Center and Research Institute is the only Florida-based National Cancer Institute-designated Comprehensive Cancer Center. The main cancer center on the campus of the University of South Florida includes a 206-bed hospital. In 2011, the Cancer Center opened a 50,000 sq. ft. outpatient facility near the Airport and in February 2013 broke ground on a new McKinley Campus which will open in 2015 and bring more than 200 jobs to Hillsborough County. In 2009, M2Gen, a for-profit collaboration between the Cancer Center and Merck and Co., opened south of the main cancer center and is focused on advancing the discover, translation and delivery of personalized therapies for cancer and other diseases. The Cancer Center has approximately 4,300 employees in the Air Trade Area.

Higher Education

Higher education is provided in the Air Trade Area by two major universities, as well as several colleges, community colleges, and technical/vocational/business schools.

The University of South Florida (USF) is one of the largest public universities in the nation (based on enrollment), and among the top 50 universities, public or private, for federal research expenditures. USF is one of only four Florida public universities classified by the Carnegie Foundation for the Advancement of Teaching in the top tier of research universities, a distinction attained by only 2.3 percent of all universities. Approximately 47,000 students are currently enrolled in over 230 undergraduate, masters, specialist and doctoral programs, including the doctor of medicine. The USF system has three campuses including the main campus in Tampa, USF St. Petersburg and USF Sarasota-Manatee. USF has approximately 12,661 employees in the Air Trade Area. The University is also home to the Center for Advanced Medical Learning and

Simulation, a state-of-the-art 90,000 square foot facility providing numerous forms of health professional education and training, for both individuals and teams, at one facility.

With approximately 6,900 enrolled students, the University of Tampa (UT) is located on 105 acres of riverfront land in downtown Tampa. UT attracts students from more than 120 countries and offers 150 undergraduate and graduate programs from its four colleges: the John H. Sykes College of Business; the College of Arts and Letters; the College of Natural and Health Sciences and the College of Social Science, Mathematics and Education. UT is in the top tier of U.S. News and World Report's "America's Best Colleges," and the Sykes College of Business is listed in Princeton Review's "Best 300 Business Schools."

Other sizeable colleges and universities in the Air Trade Area include St. Petersburg College, Hillsborough Community College, Pasco-Hernando Community College, Saint Leo University, Eckerd College, Thomas M. Cooley Law School and Stetson University College of Law.

Trade

As presented on Table 4-5, trade employment in the Air Trade Area decreased at a compound annual rate of 0.2 percent between 2002 and 2012, compared to a decrease of 0.1 percent for the nation over the same period. In 2012, the trade sector accounted for approximately 192,600 employees in the Air Trade Area, which accounted for 16.7 percent of total nonagricultural employment.

One indicator of growth in the trade sector is retail sales, defined as all net sales (gross sales minus refunds and allowances for returns) for establishments engaged primarily in retail trade. Tampa's main retail centers include the upscale International Plaza mall (anchored by Neiman Marcus and Nordstrom), WestShore Plaza mall, as well as the specialty store-focused Hyde Park Village, an open-air shopping center located within the heart of one of Tampa's older neighborhoods. A new Bass Pro Shops Outdoor World store is also planned to open in the Air Trade Area in 2014.

Table 4-7 presents total retail sales for the Air Trade Area, Florida and the United States between 2005 and 2012. As shown in Table 4-7, between 2005 and 2008 total retail sales in the Air Trade Area decreased at a compound annual rate of 0.1 percent, less than Florida's growth rate of 0.2 percent but better than the 0.3 percent decrease the United States experienced during this period. Between 2008 and 2012, primarily as a result of recent population and job growth as well as an initial rebound in home prices, Air Trade Area retail sales increased at a compound annual rate of 1.4 percent, equal to Florida's increase over this period and greater than the United States' 1.1 percent increase.

Table 4-7 also presents projections of total retail sales for 2023. According to data from Woods and Poole Economics, Inc., total retail sales for the Air Trade Area are projected to increase from approximately $42.3 billion in 2012 to approximately $54.5 billion in 2023. This increase represents a compound annual growth rate of 2.3 percent during this period, compared to a 2.4 percent growth rate for Florida and a 1.9 percent growth rate for the nation.

Table 4-7: Total Retail Sales

(In 2005 Dollars, Amounts in Millions)

YEAR	AIR TRADE AREA	FLORIDA	UNITED STATES
Historical			
2005	$40,185	$262,594	$3,998,654
2006	$41,506	$271,921	$4,093,377
2007	$41,863	$275,253	$4,124,274
2008	$40,079	$263,903	$3,957,912
2009	$37,011	$243,763	$3,663,623
2010	$38,363	$252,984	$3,796,423
2011	$40,648	$267,543	$3,998,183
2012	$42,319	$278,749	$4,141,888
Projected			
2023	$54,464	$361,134	$5,082,739
Compounded Annual Growth Rate			
2005 - 2008	-0.1%	0.2%	-0.3%
2008 - 2012	1.4%	1.4%	1.1%
2012 - 2023	2.3%	2.4%	1.9%

SOURCE: Woods and Poole Economics, Inc., *2013 Complete Economic and Demographic Data Source (CEDDS)*.
PREPARED BY: Ricondo & Associates, Inc., July 2013.

International trade is an important component of the Air Trade Area economy, though not nearly as significant as in other Florida metropolitan areas such as Miami (only other Florida MSA with a larger amount of exports than the Air Trade Area). According to a 2012 Brookings Institution study entitled "Export Nation 2012," nearly 60,000 jobs in the Air Trade Area are supported by exports. In 2011, the most recent data available from the U.S. Department of Commerce's International Trade Administration, the Air Trade Area had merchandise shipments totaling $7.7 billion. This is an increase of $1.1 billion (16.6 percent) from the $6.6 billion in merchandise exported in 2010. The Air Trade Area accounted for 12.1 percent of Florida's merchandise exports in 2011. Computer and electronic products and chemicals comprised the largest share of the Air Trade Area's exports in 2012.

Government

Government employment in the Air Trade Area increased at a compound annual rate of 0.4 percent between 2002 and 2012, compared to an increase of 0.2 percent for the nation over the same period. In 2012, this sector accounted for approximately 152,000 employees in the Air Trade Area, which accounted for 13.2 percent of total nonagricultural employment.

As shown in Table 4-6, there are numerous governmental organizations that are among the major employers in the Air Trade Area: the largest U.S. federal government employer is MacDill Air Force Base (18,283 employees); the largest public primary/secondary educational employer and the largest employer in the Air Trade Area is the Hillsborough County School District (25,887 employees); and the largest local government employer is the Hillsborough County Government (5,939 employees).

The Air Trade Area is an important center for the military. The 6th Air Mobility Wing, the U.S. Central Command, and the U.S. Special Operations Command are based at MacDill Air Force Base (which is located eight miles south of downtown Tampa).[12] The 6th Air Mobility Wing provides direct support for these two unified commands, as well as for more than 38 other mission partners that are stationed at the Air Force Base. The U.S. Central Command established "Coalition Village" at the Air Force Base in 2001, which is an intelligence program that includes over 200 representatives from 55 countries that work together to share data and information to support peacekeeping activities throughout the world. The U.S. Coast Guard also has a presence in the Air Trade Area, maintaining their largest and busiest air station at St. Petersburg-Clearwater International Airport.

Government employers in the Air Trade Area are expected to see a wide range of negative financial and employment-related impacts from federal budget sequestration-related cuts that began to be put into effect on March 1, 2013. Anticipated impacts range from delayed construction projects and civilian worker furlough days at MacDill Air Force Base to potential layoffs of social workers who help at-risk students in the Pinellas

[12] Nearly $1 billion in construction projects at MacDill have been completed since 2007 as both the base and its tenant commands have grown, from a new $75 million headquarters for Central Command to an $87 million medical clinic. A recent project that was just awarded was a $41.5 million contract to build a 350-room lodging facility. Source: Tampa Bay Times, "New 350-room Visitor Quarters Coming to MacDill AFB," November 5, 2012.

County Schools and reduced funding for over 200 National Institutes of Health research grants at the University of South Florida and Moffitt Cancer Center.[13]

Financial

The financial sector comprises financial, insurance and real estate services. Financial employment in the Air Trade Area increased at a compound annual rate of 0.1 percent between 2002 and 2012, compared to a decrease of 0.1 percent for the nation over the same period. In 2012, the financial sector accounted for approximately 95,100 employees in the Air Trade Area, which accounted for 8.2 percent of total nonagricultural employment. The financial sector plays a relatively larger role in the Air Trade Area's employment base than in the nation overall.

According to the Tampa Bay Partnership, the Air Trade Area is home to a financial services cluster that is the largest in the state of Florida and the second-largest in the southeastern United States, despite recent consolidation in the financial services sector and associated back office personnel cuts. As shown in Table 4-6, JPMorgan Chase was the largest financial services employer in the Air Trade Area with approximately 4,700 employees. Other major financial services companies in the Air Trade Area include Citigroup with approximately 4,000 employees and Air Trade Area-headquartered Raymond James Financial with approximately 3,200 employees.

Several developments in this sector over the past year are described below:

- **Depository Trust and Clearing.** In April 2013, as discussed previously in Section 4.2.3, Depository Trust and Clearing, the world's largest financial services clearing and settlement firm, announced plans to hire 255 people for an expansion of its Air Trade Area facilities.
- **Humana.** In April 2013, health insurance firm Humana announced that over the next six months the company will hire 100 new telephonic nurses and health coaches that will be based in the Air Trade Area. Most of the jobs will be at the firm's Humana Cares national operations and service center in St. Petersburg, which is also being renovated to add 8,000 sq. ft. of office space to accommodate an additional 475 associates.[14]
- **TD Bank.** In February 2013, TD Bank announced major growth plans in Florida markets "that yield the most potential opportunities." The Air Trade Area was specifically mentioned as one of these geographies. Both growth in bank branches and commercial teams to support loan growth are expected over the next few years.[15]

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13 Sources: Tampa Bay Times, "Looming Sequestration Cuts Cause Uncertainty Locally," March 1, 2013, WUSF News, "MacDill Facing Cuts in People, Flight Time and Facilities," February 25, 2013, Tampa Tribune, "USF, Moffitt Researchers Say Sequestration Hurts Work," April 22, 2013.

14 Source: Bradenton Herald, "Humana Hiring 100 Nurses and Health Coaches Across Tampa Bay Region," April 9, 2013.

15 Source: Tampa Bay Business Journal, "TD Bank Plans Florida Growth," February 26, 2013.

- **Morgan Stanley.** In January 2013, the global financial services firm Morgan Stanley announced that it would hire up to 110 people and open a new office in the Air Trade Area. The new positions will come with an average wage of $55,000 per year and will include investment advisers and financial transaction processors.[16]

Table 4-8 presents total bank deposits for the Air Trade Area, Florida and the nation between 2005 and 2012.[17] Total bank deposits are an indication of the economic activity of the financial sector. As shown, total bank deposits in the Air Trade Area increased from approximately $42.4 billion in 2005 to approximately $60.3 billion in 2012. This increase represents a compound annual growth rate of 5.1 percent during this period, which was higher than that for Florida yet lower than that for the nation (compound annual growth rates of 3.1 and 6.0 percent, respectively) during this same period.

Manufacturing

Manufacturing employment in the Air Trade Area decreased at a compound annual rate of 3.0 percent between 2002 and 2012, compared to a decrease of 2.4 percent for the nation over the same period. In 2012, the manufacturing sector accounted for approximately 59,400 employees in the Air Trade Area, representing 5.1 percent of total nonagricultural employment. The manufacturing sector plays a relatively smaller role in the Air Trade Area's employment base than in the nation overall.

Despite higher growth rates in other sectors, manufacturing continues to be an important component of the Air Trade Area's economy. The Air Trade Area encompasses the western end of an area known as the Florida High Tech Corridor. This area extends from the western coast of Florida through Orlando in the central region of Florida to the eastern coast in Cape Canaveral. The Florida High Tech Corridor, a major reason why Florida was ranked as the fifth-largest high tech hub in the nation by employment according to a 2011 study[18], includes ten key technology sectors: agritechnology; aviation and aerospace; digital media and interactive entertainment; financial services; information technology; life sciences and medical technologies; microelectronics and nanotechnology; modeling, simulation, and training; optics and photonics and sustainable energy.

A major part of the high technology industry in the Air Trade Area is medical manufacturing. According to the Tampa Bay Partnership, Florida is second in the United States in terms of FDA-registered medical device manufacturers, and the Air Trade Area leads Florida – employing 31 percent of the state's medical device manufacturing workers. The medical device industry feeds off of the large amount of medical research being undertaken at institutes in the Air Trade Area, giving medical device makers a venue to test and perfect new devices. A wide range of medical devices are manufactured in the Air Trade Area, including prosthetics by

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16 Source: Tampa Tribune, "Morgan Stanley to Hire 110, Move Office to Temple Terrace," January 16, 2013.

17 Twelve months ending June 30 for the years depicted in Table 4-8.

18 Source: Tech America Foundation, "Cyberstates 2011: The Definitive State-by-State Analysis of the U.S. High-Tech Industry," October 2011.

Table 4-8: Total Bank Deposits

(Dollar Amounts in Millions)

	TOTAL BANK DEPOSITS		
FISCAL YEAR	**AIR TRADE AREA**	**FLORIDA**	**UNITED STATES**
Historical			
2005	$42,438	$342,821	$5,933,763
2006	$45,359	$363,415	$6,449,864
2007	$49,150	$373,711	$6,702,053
2008	$54,118	$380,281	$7,025,791
2009	$57,129	$400,979	$7,559,590
2010	$55,835	$409,894	$7,676,878
2011	$57,627	$411,157	$8,249,233
2012	$60,279	$423,908	$8,947,239
Compounded Annual Growth Rate			
2005-2012	5.1%	3.1%	6.0%

NOTE: Fiscal Year Ending June 30th.

SOURCE: Federal Deposit Insurance Corporation (FDIC), *Summary of Deposits Report* , April 2013.

PREPARED BY: Ricondo & Associates, Inc., July 2013.

Restorative Care and custom extrusions by NDH Medical. Major medical technology companies located in the Air Trade Area include Bausch + Lomb Pharmaceuticals, Cryo-Cell, and SRI Surgical.

The Air Trade Area also has a significant cluster of electronics contract manufacturing companies. With approximately 1,600 employees at their headquarters in the Air Trade Area, Jabil Circuit was ranked the third-largest electronic manufacturing services provider worldwide in a 2012 ranking by the Manufacturing Market Insider newsletter. The firm is considering building a new headquarters building in Pinellas County, a project that was stalled by the recent recession.[19] Sypris Electronics, a leading provider of electronics manufacturing and engineering services for the defense industry and the avionics and aerospace community is also headquartered in the Air Trade Area. The firm operates a 300,000+ sq. ft. manufacturing facility in Hillsborough County.

Other manufacturing employers with a large presence in the Air Trade Area include fertilizer manufacturer Mosaic Fertilizer (1,950 employees) and Honeywell Aerospace (1,500 employees), a leading manufacturer of instrumental, aeronautical, and guidance systems.

Construction

Construction employment in the Air Trade Area decreased at a compound annual rate of 2.6 percent between 2002 and 2012, compared to a decrease of 1.2 percent for the nation over the same period. In 2012, the construction sector accounted for approximately 53,900 employees in the Air Trade Area, which accounted for 4.7 percent of total nonagricultural employment.

According to March 2013 research from the Atlanta Federal Reserve, construction activity in the Air Trade Area office market during Q1 2013 was up slightly from a year earlier.[20] Most of the activity has been driven by tenant improvements and build to suit construction. Most commercial real estate construction activity has been centered in the apartment market and this activity is urban and concentrated in nature. Despite large numbers of apartment units coming to market, net absorption has remained positive. Office and industrial properties have also experienced positive net absorption over the last six months while the Air Trade retail property sector remains soft. The outlook for the Air Trade Area's commercial real estate market is mostly positive. The majority of [the Atlanta Federal Reserve's] contacts expect the market will improve slightly this year. Net absorption should be slightly positive during 2013 while vacancy rates are expected to edge down. Most anticipate asking rents will stabilize or rise slightly.

Both building permits and housing sales and prices are indirect indicators of employment in the residential construction sector. As shown in **Table 4-9** Air Trade Area residential building permits and valuation experienced a significantly more pronounced "boom" and a slightly more pronounced "bust" cycle than was experienced by the United States as a whole over the 2002-2012 period. From 2002 until the peak of the

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19 Source: Tampa Bay Times, "Jabil Circuit's New CEO Mark Mondello Prone to Action," March 2, 2013.

20 Source: Atlanta Federal Reserve, "SouthPoint Blog: Conditions Improving in Tampa but Not Quite Fully Recovered," March 19, 2013.

Table 4-9: Residential Building Permits and Valuation -- 2002 - 2012

(Dollar Amounts in Thousands)

	AIR TRADE AREA		FLORDIA		UNITED STATES	
YEAR	**UNITS**	**VALUATION**	**UNITS**	**VALUATION**	**UNITS**	**VALUATION**
2002	23,542	$2,568,775	185,431	$22,467,802	1,747,678	$219,188,681
2003	29,281	$3,757,593	213,567	$28,351,596	1,889,214	$249,693,105
2004	29,557	$4,050,815	255,893	$36,959,407	2,070,077	$292,413,691
2005	34,174	$5,424,417	287,250	$46,802,753	2,155,316	$329,254,468
2006	22,640	$3,777,805	203,238	$35,716,293	1,838,903	$291,314,492
2007	12,249	$2,018,007	102,551	$17,998,784	1,398,415	$225,236,551
2008	9,613	$1,491,656	61,042	$10,769,119	905,359	$141,623,457
2009	6,962	$1,148,411	35,329	$6,788,686	582,963	$95,410,298
2010	6,501	$1,289,270	38,679	$7,823,544	604,610	$101,943,061
2011	6,342	$1,424,723	42,360	$8,814,610	624,061	$105,268,541
2012	10,299	$2,136,856	65,039	$13,138,935	815,512	$139,273,508
Compounded Annual Growth Rate						
2002-2005	13.2%	28.3%	15.7%	27.7%	7.2%	14.5%
2005-2012	-15.7%	-12.5%	-19.1%	-16.6%	-13.0%	-11.6%

SOURCE: U.S. Department of Commerce, Bureau of the Census, July 2013.
PREPARED BY: Ricondo & Associates, Inc., July 2013.

most recent residential real estate building cycle in 2005, the Air Trade Area's residential building permit units increased at a compound annual growth rate of 13.2 percent (compared to 7.2 percent for the United States) and building permit valuation increased at a compound annual growth rate of 28.3 percent (compared to 14.5 percent for the United States). From 2005 through 2012, the Air Trade Area's residential building permit units decreased at a compound annual rate of 15.7 percent (compared to a decrease of 13.0 percent for the United States) and building permit valuation decreased at a compound annual rate of 12.5 percent (compared to a decrease of 11.6 percent for the United States).

Air Trade Area home sales rose to their highest monthly sales level since 2005 in May 2013 (latest data available) and selling prices also increased in May 2013 over May 2012.[21] More than 3,400 homes sold in the Air Trade Area in May 2013 which was a twenty percent increase over May 2012 sales. Though well below the peak average selling price $245,000 in June 2006, the average house sold for $163,000 in May 2013, more than 50 percent higher than the price bottom of $107,500 in early 2011. There was only a three-month supply of homes in inventory in the Air Trade Area in May 2013 (below the typical six month supply), making buyers compete for available homes and stimulating the potential building of new supply.

According to the Atlanta Federal Reserve, the outlook for residential real estate conditions in the Air Trade area is rather positive. All of the [Atlanta Federal Reserve's] contacts polled indicated that they expect construction activity to rise in their market through September 2013. The vast majority of contacts also expected to see continued growth in home sales and in home prices.

Transportation/Utilities

Transportation/utilities employment in the Air Trade Area decreased at a compound annual rate of 2.0 percent between 2002 and 2012, compared to an increase of 0.3 percent for the nation over the same period. In 2012, the transportation/utilities sector accounted for approximately 26,300 employees in the Air Trade Area which accounted for 2.3 percent of total nonagricultural employment.

Air transportation demand in the Air Trade Area is primarily serviced by the Airport. The Air Trade Area is also supported by additional transportation infrastructure providing both passenger and freight access:

- The Air Trade Area is directly connected to major U.S. markets via an integrated network of Interstate highways. I-4 connects the Air Trade Area with Orlando and Daytona Beach on Florida's east coast where it also intersects with I-95 (the major north-south interstate on the U.S. east coast). I-75 connects the Air Trade Area with Atlanta, Cincinnati and Detroit. I-275 connects St. Petersburg with I-4 and I-75. This interstate highway network helps to supports a thriving trucking industry in the Air Trade Area, which includes over 186 trucking operations. According to the Tampa Bay Partnership, Air Trade Area trucking firms generated over $2.2 billion in sales in 2010. The Port of Tampa alone generates 11,200 truck movements daily.

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21 Source: Tampa Bay Times, "Tampa Bay's Home Sales and Prices Rise Again," June 20, 2013.

- Ocean shipping is facilitated by the Port of Tampa, Florida's largest and most diverse seaport, handling 34 million tons of cargo in FY2012. According to a June 2013 economic impact study, the Port has an annual economic impact of $15.1 billion and supports 80,000 jobs in the Air Trade Area economy. The development of a new container terminal has positioned the deep water Port as a gateway for the growing markets of Florida and the Southeast U.S. The port offers CSX rail service and over one million sq. ft. of warehouse/cold storage space. The Port also contains the largest ship repair facility in the Southeast U.S.
- Class I railway CSX provides freight rail service from the Air Trade Area to all major freight nodes and ports east of the Mississippi River. A new integrated logistics center planned in Winter Haven in the secondary air trade area will create a statewide rail-to-truck distribution center that is unique in the Southeast. The center is expected to be operational by May 2014.[22]
- Passenger rail service is provided to and from the Air Trade Area by Amtrak. The Silver Star (daily service along U.S. East Coast from Jacksonville to Washington, New York and Boston) train stops at historic Union Station in downtown Tampa.
- Public transit in the Air Trade Area is primarily provided by the Hillsborough Area Regional Transit Authority and the Pinellas Suncoast Transit Authority, which provide a variety of traditional bus transit services as well as the "In-Town-Trolley" service in the downtown area of Tampa.
- Greyhound Bus Lines provides regularly scheduled bus service to and from the Air Trade Area through depots in both Tampa and St. Petersburg.

The major utility company serving the primary Air Trade Area is TECO Energy. Tampa Electric Company and Peoples Gas System are the principal businesses of TECO Energy, which is headquartered in the Air Trade Area and has approximately 2,300 employees. Duke Energy, which has the headquarters office of its Florida operations in St. Petersburg, also provides electric service to the Air Trade Area and has approximately 2,000 employees.

Information

The information sector combines telecommunications service providers, traditional publishing, motion picture and sound recording, broadcasting, software, online services and data processing. Information employment in the Air Trade Area decreased at a compound annual rate of 3.0 percent between 2002 and 2012, compared to a decrease of 2.3 percent for the nation over the same period. In 2012, the information sector accounted for approximately 25,700 employees in the Air Trade Area which accounted for 2.2 percent of total nonagricultural employment.

According to a recent study of the Air Trade Area's IT workforce, Hillsborough and Pinellas counties have a slightly higher concentration of IT workers than the national concentration, and the Air Trade Area has the

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22 Source: TheLedger.com, "After a Wait, Ground is Broken for CSX Terminal," November 8, 2012.

highest concentration of IT workers of Florida's major metropolitan areas.[23] Additionally, IT job growth in Hillsborough and Pinellas counties is expected to outpace total job growth for the period from 2011 through 2019, adding over 4,000 new jobs during that period.

Communications service provider Verizon is a major information sector employer in the Air Trade Area (approximately 9,957 employees). Since 2004, Verizon has been in the process of outfitting the Air Trade Area with one of the most advanced broadband networks in both Florida and the United States. This development has led to the Air Trade Area being frequently named as one of the "most wired" cities in the nation in recent surveys. In June 2013, Verizon announced that it would be hiring 100 sales representatives to launch a new national customer-retention center based in its downtown Tampa offices.[24]

HSN, Inc. (otherwise known as the Home Shopping Network), headquartered in the Air Trade Area, is a $3 billion interactive multichannel retailer with strong direct-to-consumer expertise and operates two business segments, HSN and Cornerstone. HSN offers innovative, differentiated retail experiences on TV, online, via mobile, in catalogs, and in brick and mortar stores. The firm has approximately 2,800 employees in the Air Trade Area.

Another significant information sector employer headquartered in the Air Trade Area is Tech Data. The firm is a leading full-line distributor of information technology products that serves more than 125,000 technology resellers and retail dealers in more than 100 countries. With approximately 1,500 employees in the Air Trade Area, this Fortune 500 company's services include sales training and technical support, financing options and configuration services, as well as a full range of electronic commerce solutions.

4.3 Economic Outlook

4.3.1 SHORT-TERM ECONOMIC OUTLOOK

According to an April 2013 economic forecast prepared by the University of Central Florida Institute for Economic Competitiveness (the latest forecast available), between 2013 and 2016, the Air Trade Area is expected to show moderate growth in most key economic indicators.[25] Employment growth is expected to average 2.5 percent annually over the 2013-2016 period. The Air Trade Area unemployment rate is projected to fall from 8.8 percent in 2012 to 6.1 percent in 2016. Job growth is anticipated to be most rapid in the construction sector, followed by the professional and business services sector and education and health service sector. Total housing starts are expected to more than double, rising from 10,299 in 2012 to approximately 22,600 in 2016.

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23 Source: Hillsborough-Pinellas IT Workforce Initiative, "Tampa Bay Information Technology Workforce Analysis," October 2012.

24 Source: Tampa Bay Times, "Verizon to Bring 100 New Jobs to Tampa," June 27, 2013.

25 Source: University of Central Florida Institute for Economic Competitiveness, "Florida & Metro Forecast 2013-2016," April 2013.

4.3.2 LONG TERM ECONOMIC ASSUMPTIONS INCORPORATED IN PASSENGER DEMAND PROJECTIONS

As described in more detail in Section 5.4.1 of this report, the methodologies employed in developing the projections of passenger demand at the Airport included (among other methodologies) statistical linear regression modeling with local and national socioeconomic and demographic factors as independent variables and enplaned passengers as the dependent variable. Independent variables considered for this analysis included population, employment, income, and gross regional/domestic product. For each of these socioeconomic and demographic factors, the regression modeling produced a coefficient that was applied to the projection of the corresponding socioeconomic or demographic factor to provide an estimate of enplaned passengers. **Table 4-10** presents the CY 2013 and CY 2023 figures utilized in the modeling as well as the compound annual growth rate for each independent variable between CY 2013 and CY 2023.

Table 4-10: Forecast of Economic Variables Used in Passenger Demand Projections

VARIABLE	CY 2013	CY 2023	CAGR 2013-2023
ATA Population	2,913,798	3,314,736	1.3%
US Population	317,790,856	350,537,844	1.0%
ATA Total Employment1/	1,560	1,811	1.5%
US Total Employment1/	179,451	205,261	1.4%
ATA Total Personal Income2/	$97,286	$127,091	2.7%
US Total Personal Income2/	$11,728,820	$14,809,360	2.4%
ATA Per Capita Personal Income3/	$39,583	$60,973	4.4%
US Per Capita Personal Income3/	$43,756	$68,437	4.6%
ATA Gross Regional Product (GRP)4/	$111,670	$143,404	2.5%
US Gross Domestic Product (GDP)4/	$13,295,453	$16,655,719	2.3%

NOTES:
"ATA" is the Airport's Air Trade Area
1/ Figures displayed in thousands of jobs.
2/ Figures displayed in millions of 2005 dollars.
3/ Figures displayed in current dollars.
4/ Figures displayed in millions of 2005 dollars.

SOURCE: Woods and Poole Economics, Inc., *2013 Complete Economic and Demographic Data Source (CEDDS)*.
PREPARED BY: Ricondo & Associates, Inc., July 2013.

5. Passenger Demand and Air Service Analysis

This chapter describes historical and projected aviation activities at the Airport and discusses key factors affecting trends in these activities.

5.1 Airlines Serving the Airport

The Airport has scheduled passenger service provided by fourteen carriers serving domestic destinations, and six carriers serving international destinations. In addition, two all-cargo carriers provide scheduled cargo service at the Airport. Domestic scheduled service at the Airport is provided by AirTran Airways (AirTran), American Airlines (American), Delta Air Lines (Delta), ExpressJet Airlines (d/b/a Delta Connection & United Express), Frontier Airlines (Frontier), JetBlue Airways (JetBlue), Pinnacle Airlines (d/b/a Delta Connection), Republic (d/b/a US Airways Express), Silver Airways, Southwest Airlines (Southwest), Spirit Airlines (Spirit), United Airlines (United), and US Airways. Sun Country provides seasonal domestic service. International scheduled service at the Airport is provided by Air Canada, American, British Airways, Cayman Airways, Delta, Edelweiss Air and WestJet. SBG Sky King, Inc. provides international service on a charter basis. Copa Airlines will begin serving the Airport in December 2013. **Table 5-1** lists the airlines serving the Airport as of June 2013[1].

Table 5-2 presents the air carriers providing service at the Airport since FY 2003. As shown, the Airport has had the benefit of a relatively large and stable domestic air carrier base during the years depicted, which has helped promote competitive pricing and schedule diversity in the Airport's major markets. Specific points concerning the Airport's historical air carrier base are presented below:

- All of the passenger airlines with domestic scheduled service in FY 2013 have provided service at the Airport and operated there during each of the years shown in Table 5-2. Three of the air carriers providing international service at the airport have operated at the Airport for each of the years depicted.

1 Sun Country operates seasonal service during the winter months only.

Table 5-1: Airlines Serving the Airport [1/]

DOMESTIC SERVICE	INTERNATIONAL SERVICE	ALL-CARGO SERVICE [2/]
AirTran [3/]	Air Canada	FedEx
American [4/]	American [4/]	Flight Express, Inc.
Delta	British Airways	
ExpressJet (d/b/a Delta Connection)	Cayman Airways	
Pinnacle (d/b/a Delta Connection)	Copa Airlines [5/]	
Frontier	Delta	
JetBlue	Edelweiss Air [6/]	
Silver Airways	SBG Sky King, Inc. [7/]	
Southwest [3/]	WestJet	
Spirit		
Sun Country [7/]		
US Airways [4/]		
Republic (d/b/a US Airways Express)		
United		
ExpressJet (d/b/a United Express)		

NOTES:

1/ Scheduled as of June 2013 except where noted below.

2/ All-cargo carriers as of May 2013

3/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012. Southwest has begun system integration and anticipates completion in late 2014.

4/ In February 2013, American and US Airways announced plans to merge, however, on August 13, 2013 by the Department of Justice, and the attorneys general from six states and the District of Columbia filed a civil antitrust lawsuit challenging the proposed merger.

5/ Service scheduled to begin December 2013.

6/ Provides 1x weekly service.

7/ Domestic carrier that provides international charter service.

7/ Provides seasonal service during the winter months only.

SOURCES: Hillsborough County Aviation Authority; Diio, LLC.; August 2013.

PREPARED BY: Ricondo & Associates, Inc., August 2013.

Table 5-2: Historical Scheduled Passenger Air Carrier Base [1/]

(Fiscal Years Ended September 30)

AIR CARRIER	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 [2/]
Air Canada	•	•	•	•	•	•	•	•	•	•	•
American [3/]	•	•	•	•	•	•	•	•	•	•	•
British Airways	•	•	•	•	•	•	•	•	•	•	•
Cayman Airways	•	•	•	•	•	•	•	•	•	•	•
Delta [4/]	•	•	•	•	•	•	•	•	•	•	•
Frontier	•	•	•	•	•	•	•	•	•	•	•
JetBlue	•	•	•	•	•	•	•	•	•	•	•
Southwest [5/]	•	•	•	•	•	•	•	•	•	•	•
Spirit	•	•	•	•	•	•	•	•	•	•	•
United [6/]	•	•	•	•	•	•	•	•	•	•	•
US Airways [3/]	•	•	•	•	•	•	•	•	•	•	•
WestJet			•	•	•	•	•	•	•	•	•
Sun Country [7/]		•	•	•			•	•			•
SBG Sky King, Inc. [7/]										•	•
Edelweiss Air [7/]											•
Copa Airlines [8/]											•
Airlines No Longer Serving the Airport											
AirTran [5/]	•	•	•	•	•	•	•	•	•	•	•
Continental [6/]	•	•	•	•	•	•	•	•	•	•	•
Northwest [4/]	•	•	•	•	•	•	•				
Ryan International						•	•				
America West [3/]	•	•	•	•							
Independence Air			•	•							

NOTES:

1/ Where applicable, includes affiliated, regional and merged carriers.

2/ Scheduled as of June 2013

3/ In February 2013, American and US Airways announced plans to merge, however, on August 13, 2013 by the Department of Justice, and the attorneys general from six states and the District of Columbia filed a civil antitrust lawsuit challenging the proposed merger.. American West merged with US Airways in 2006.

4/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009. All data includes Northwest carriers.

5/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012. All data includes AirTran.

6/ Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011. All data includes Continental carriers.

7/ Sun Country provides seasonal service. SBG Sky Kings, Inc. and Edelweiss Air provide charter service.

8/ Service scheduled to begin December 2013.

SOURCES: Hillsborough County Aviation Authority; Innovata, August 2013.

PREPARED BY: Ricondo & Associates, Inc., August 2013

- The Air Trade Area experiences seasonal peaks attributable to its leisure-oriented travelers. During those seasonal peaks, existing air carriers increase a number of flights and other carriers such as Sun Country add seasonal service for only those peak periods. While Frontier provides only seasonal service to other Florida cities, Tampa's strong market has been able to maintain service from such carriers year round.
- International service is provided by Air Canada, American, British Airways, Cayman Airways, Copa Airlines[2], Delta, Edelweiss Air, SBG Sky King, Inc. and WestJet, to the following cities[3]:
  - Cancun, Mexico
  - Georgetown, Grand Cayman Island
  - Halifax, Nova Scotia, Canada
  - Havana, Cuba
  - Holguin, Cuba
  - London, England
  - Montreal, Quebec, Canada
  - Ottawa, Ontario, Canada
  - Panama City, Panama[4]
  - Zurich Switzerland

5.2 Air Service Analysis

5.2.1 HISTORICAL AIRLINE MARKET SHARES

Table 5-3 presents the historical share of enplanements by airline at the Airport between FY 2008 and FY 2012. As shown, enplanements are spread over a large number of carriers, with no carrier having more than 33 percent of annual enplanements at the Airport during the years depicted. Delta and Southwest accounted for 48.3 percent of enplanements at the Airport in FY 2012, with the next seven airlines combined accounting for an additional 48.4 percent of enplanements during this same period.

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2 Scheduled to start in December 2013

3 Some cities are served seasonally.

4 Scheduled to start in December 2013

Table 5-3: Historical Total Enplaned Passengers by Airline

(Fiscal Years Ended September 30)	2008		2009		2010		2011		2012	
CARRIER 1/	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
Southwest 2/	2,693,352	28.8%	2,626,683	30.7%	2,679,904	32.2%	2,678,256	31.9%	2,598,707	30.8%
Delta 3/	1,306,890	14.0%	1,102,267	12.9%	1,488,083	17.9%	1,466,443	17.5%	1,480,795	17.5%
US Airways 5/	1,026,376	11.0%	876,145	10.2%	847,812	10.2%	881,552	10.5%	864,385	10.2%
American 5/	836,457	8.9%	736,084	8.6%	736,778	8.8%	736,349	8.8%	766,404	9.1%
AirTran 2/	771,487	8.3%	701,924	8.2%	657,603	7.9%	688,915	8.2%	675,571	8.0%
Continental 4/	796,838	8.5%	674,206	7.9%	659,092	7.9%	618,565	7.4%	634,420	7.5%
JetBlue	423,354	4.5%	430,004	5.0%	411,997	4.9%	481,138	5.7%	598,266	7.1%
United 4/	477,620	5.1%	432,157	5.0%	418,139	5.0%	399,756	4.8%	375,045	4.4%
Spirit	211,591	2.3%	163,542	1.9%	144,977	1.7%	180,860	2.2%	169,269	2.0%
British Airways	60,879	0.7%	61,240	0.7%	59,074	0.7%	69,894	0.8%	78,704	0.9%
Air Canada	65,915	0.7%	65,014	0.8%	70,469	0.8%	69,972	0.8%	74,821	0.9%
Frontier	55,032	0.6%	73,756	0.9%	88,048	1.1%	48,543	0.6%	46,290	0.5%
WestJet	43,278	0.5%	37,070	0.4%	48,036	0.6%	43,851	0.5%	43,465	0.5%
Cayman Airways	21,339	0.2%	18,663	0.2%	17,616	0.2%	18,162	0.2%	18,292	0.2%
Northwest 3/	506,568	5.4%	550,266	6.4%	-	0.0%	-	0.0%	-	0.0%
All Others 6/	53,830	0.6%	11,641	0.1%	7,257	0.1%	627	0.0%	16,653	0.2%
Airport Total	**9,350,806**	**100.0%**	**8,560,662**	**100.0%**	**8,334,885**	**100.0%**	**8,382,883**	**100.0%**	**8,441,087**	**100.0%**

NOTES:

1/ Includes regional/commuter affiliates.

2/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012.

3/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

4/ Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011.

5/ In February 2013, American and US Airways announced plans to merge, however, on August 13, 2013 by the Department of Justice, and the attorneys general from six states and the District of Columbia filed a civil antitrust lawsuit challenging the proposed merger.

6/ Consists of airlines no longer serving the Airport and/or charter airlines.

7/ Totals may not add due to individual rounding.

SOURCES: Hillsborough County Aviation Authority; Innovata, April 2013.

PREPARED BY: Ricondo & Associates, Inc., August 2013.

Southwest has had the largest share of enplaned passengers for each of the years depicted. From FY 2008 to FY 2012, Southwest's shares of enplaned passengers increased from 28.8 percent to 30.8 percent; however, over the same period Southwest's enplaned passengers decreased by 3.5 percent. Over the comparable period, JetBlue has seen the largest percentage increase in enplaned passengers from FY 2008 to FY 2012, an increase of 41.3 percent. JetBlue's share of enplaned passengers has increased from 4.5 percent to 7.1 percent over the same period. The largest percentage decrease in enplaned passengers has occurred with United. From FY 2008 to FY 2012, United's enplaned passengers have decreased 21.5 percent. United's share of enplaned passengers has decreased from 5.1 percent in FY 2008 to 4.4 percent in FY 2012.

5.2.2 NON-STOP MARKETS

An important airport characteristic is the distribution of its O&D markets, which is a function of air travel demand and available services and facilities. This is particularly true for the Airport, as it services primarily O&D passengers.[1] **Table 5-4** presents historical data on the Airport's primary (i.e., top 20) O&D markets. As shown, the Airport served primarily medium-haul markets in the periods depicted, with an average stage length (i.e., passenger trip distance) of 1.176 miles in FY 2007 and 1,246 miles in FY 2012. The Airport's average stage lengths during these periods reflect the Airport's geographical location and strong local demand for major East Coast (e.g., New York, Boston, Philadelphia, and Baltimore) and Midwest (e.g., Chicago and Detroit) markets.

After remaining relatively unchanged in FY 2007, total O&D passengers decreased year over year between FY 2008 and FY 2010; however in FY 2011 and FY 2012 total O&D passengers increased at 1.2 percent and 0.6 percent, respectively. Comparing FY 2007 and FY 2012, all of the top 20 markets experienced a decrease in total O&D passengers, with the exception of San Juan and Pittsburgh. Significant decreases occurred in the Fort Lauderdale (37.4 percent), Philadelphia (31.3 percent) and Hartford (30.7 percent) markets. The San Juan market experienced a significant increase in O&D passenger levels at the Airport, with O&D passengers increasing by 63.1 percent between FY 2007 and FY 2012. This increase can be primarily attributed to new service by JetBlue in May 2011. Total O&D passengers in the Pittsburgh market increased 1.8 percent, between FY 2007 and FY 2012.

Table 5-5 presents the Airport's nonstop markets scheduled for June 2013, including the markets served, daily flights, and airlines providing nonstop flights. On June 3, 2013, daily nonstop service is scheduled to 64 cities with a total of 219 daily flights, with 21 daily nonstop flights to New York, the Airport's top O&D market. One time per week service is provided to three international destinations; Cancun, Mexico, Holguin, Cuba, and Zurich, Switzerland and three times per week services is provided to Havana, Cuba. Seasonal service is also provided to three Canadian markets, Halifax, Montreal, and Ottawa. All 20 of the Airport's primary O&D markets are provided nonstop service with a total of 134 daily flights. Other primary O&D markets with a significant number of daily nonstop flights include Atlanta (21 daily flights) and Chicago (11 daily flights). Nine daily nonstop flights are offered to Fort Lauderdale, and Washington DC. On July 4, Frontier initiated twice weekly service aboard 168-seat Airbus A320 jets to Wilmington, Delaware. Additional new scheduled services include: Copa's four weekly services to Panama City, Panama starting December 2013 and Edelweiss Air's second weekly service to Zurich starting March 4, 2014.

Table 5-4: Top 20 O&D Markets

	FY 2007				FY 2012				
RANK	MARKET	STAGE LENGTH 1/	TOTAL O&D PASSENGERS	AVERAGE FARE	MARKET	STAGE LENGTH 1/	TOTAL O&D PASSENGERS	AVERAGE FARE	NON-STOP SERVICE 2/
1	New York/Newark 3/	MH	1,642,373	$113	New York/Newark 3/	MH	1,368,417	$142	•
2	Chicago 4/	MH	915,699	$100	Chicago 4/	MH	676,698	$147	•
3	Philadelphia	MH	668,454	$93	Washington, DC 5/	MH	433,923	$162	•
4	Atlanta	SH	564,526	$132	Atlanta	MH	482,373	$133	•
5	Washington, DC 5/	MH	563,942	$113	Detroit	MH	475,515	$126	•
6	Baltimore	MH	515,989	$88	Baltimore	MH	468,914	$129	•
7	Detroit	MH	506,096	$98	Philadelphia	MH	459,274	$149	•
8	Boston	MH	479,208	$125	Boston	MH	411,110	$159	•
9	Fort Lauderdale	SH	384,930	$77	Dallas/Fort Worth 6/	MH	320,015	$179	•
10	Indianapolis	MH	361,174	$86	Denver	MH	287,176	$170	•
11	Dallas/Fort Worth 6/	MH	356,947	$140	San Juan	SH	268,916	$104	•
12	Las Vegas	LH	325,036	$153	Indianapolis	MH	265,562	$128	•
13	Denver	MH	317,191	$128	Pittsburgh	MH	262,030	$133	•
14	Hartford	MH	307,281	$119	Las Vegas	LH	254,123	$180	•
15	Providence	MH	292,138	$106	Fort Lauderdale	MH	241,079	$96	•
16	Manchester	MH	273,833	$103	Houston 7/	MH	222,870	$186	•
17	Pittsburgh	MH	257,272	$101	Columbus	MH	216,042	$132	•
18	Nashville	MH	255,730	$99	Hartford	MH	213,094	$147	•
19	Houston 7/	MH	251,615	$126	Minneapolis/St. Paul	MH	212,573	$193	•
20	Los Angeles	LH	242,496	$186	Providence	MH	212,305	$138	•
	Total Top 20 Airports		**9,481,932**				**7,752,008**		
	Other O&D Markets		**9,718,150**				**8,782,504**		
	Total O&D Passengers		**19,200,081**	$134			**16,534,512**	$175	
	Average								
	Airport	1,176		$134		1,246		$175	
	United States	1,271		$167		1,367		$209	

NOTES:

1/ Short Haul (SH) = 0 to 600 miles, Medium Haul (MH) = 601 to 1,800 miles, Long Haul (LH) = over 1,800 miles.

2/ Non-stop service as of June 2013.

3/ Includes John F. Kennedy (JFK), LaGuardia (LGA), and Newark, NJ (EWR).

4/ Includes Chicago O'Hare (ORD) and Chicago Midway (MDW).

5/ Includes Washington Reagan National (DCA) and Washington Dulles (IAD).

6/ Includes Dallas Love Field (DAL) and Dallas/Fort Worth (DFW). Non-stop is only provided to DFW.

7/ Includes Houston Hobby (HOU) and Houston Bush Intercontinental (IAH).

SOURCE: U.S. DOT Origin & Destination Survey; Innovata, April 2013

PREPARED BY: Ricondo & Associates, Inc., April 2013

Table 5-5: Non-Stop Markets [1/]

MARKET [2/]	AVG DAILY NON-STOPS	NUMBER OF AIRLINES	AIRLINE (OPERATING CARRIER) - AVERAGE DAILY DEPARTURES (AIRPORT)
Akron	1	1	AirTran
Albany	1	1	Southwest
Atlanta	21	2	AirTran (8), Delta (13)
Atlantic City	1	1	Spirit
Austin	1	1	Southwest
Baltimore	7	2	AirTran (5), Southwest (2)
Birmingham	2	1	Southwest
Boston	3	1	JetBlue
Buffalo	2	2	AirTran, Southwest
Cancun, Mexico [2/]	1	1	Delta
Charlotte	8	1	US Airways
Chicago	11	4	AirTran (1-MDW), American (3-ORD), Southwest (4-MDW), United (3-ORD)
Cincinnati	2	1	Delta
Cleveland	1	1	United
Columbus, OH	2	2	AirTran, Southwest
Dallas/Ft. Worth	8	2	American (7), Spirit (1)
Dayton	1	1	AirTran
Denver	4	3	Frontier (1), Southwest (2), United (1)
Detroit	5	1	Delta
Flint	1	1	Southwest
Fort Lauderdale	9	3	Southwest (5), Spirit (1), Silver Airways (3)
Gainsville	3	1	Silver Airways
Grand Cayman Island	1	1	Cayman Airways
Halifax, Canada		2	Air Canada (seasonal service), WestJet (seasonal service)
Hartford	2	1	Southwest
Havana, Cuba [3/]	1	1	Sky King
Holguin, Cuba [3/]	1	1	Sky King
Houston	9	3	AirTran (1-HOU), Southwest (3-HOU), United (5-IAH)
Indianapolis	3	2	AirTran (2), Southwest (1)
Jacksonville	3	1	Silver Airways
Kansas City	2	1	Southwest
Key West	4	2	Southwest (1), Silver Airways (3)
Las Vegas	2	1	Southwest
London, England	1	1	British Airways (LGW)
Long Island	2	1	Southwest
Los Angeles	1	1	Delta
Louisville	1	1	Southwest
Manchester, NH	1	1	Southwest
Memphis	1	1	Delta
Miami	6	2	American
Milwaukee	2	2	AirTran, Southwest
Minneapolis/St. Paul [4/]	2	2	Delta, Sun County (seasonal service)
Montreal, Canada		1	Air Canada
Nashville	4	1	Southwest
New Orleans	4	1	Southwest
New York/Newark	21	4	American (1-JFK), Delta (2-JFK; 4-LGA), JetBlue (1-EWR; 5-JFK; 2-LGA), United (6-EWR)
Ottawa, Canada		1	WestJet (seasonal service)
Panama City, Panama [5/]		1	Copa Airlines
Pensacola	3	1	Silver Airways
Philadelphia	7	3	AirTran (1), Southwest (1), US Airways (5)
Phoenix	3	2	Southwest (1), US Airways (2)
Pittsburgh	3	2	AirTran (2), Southwest (1)
Providence	2	1	Southwest
Raleigh	4	3	AirTran (1), Delta Connection (1), Southwest (2),
Rochester	1	1	Southwest
San Antonio	1	1	Southwest
San Juan, Puerto Rico	4	2	JetBlue (3), Southwest (1)
St. Louis	2	1	Southwest
Tallahassee	3	1	Silver Airways
Toronto, Canada	2	2	Air Canada, WestJet
Trenton	1	1	Frontier
Washington, DC	9	3	JetBlue (1-DCA), United (3-IAD), US Airways (5-DCA)
West Palm Beach	3	1	Silver Airways
Westchester County	1	1	JetBlue
Zurich, Switzerland [6/]	1	1	Edelweiss Air
Total	219		

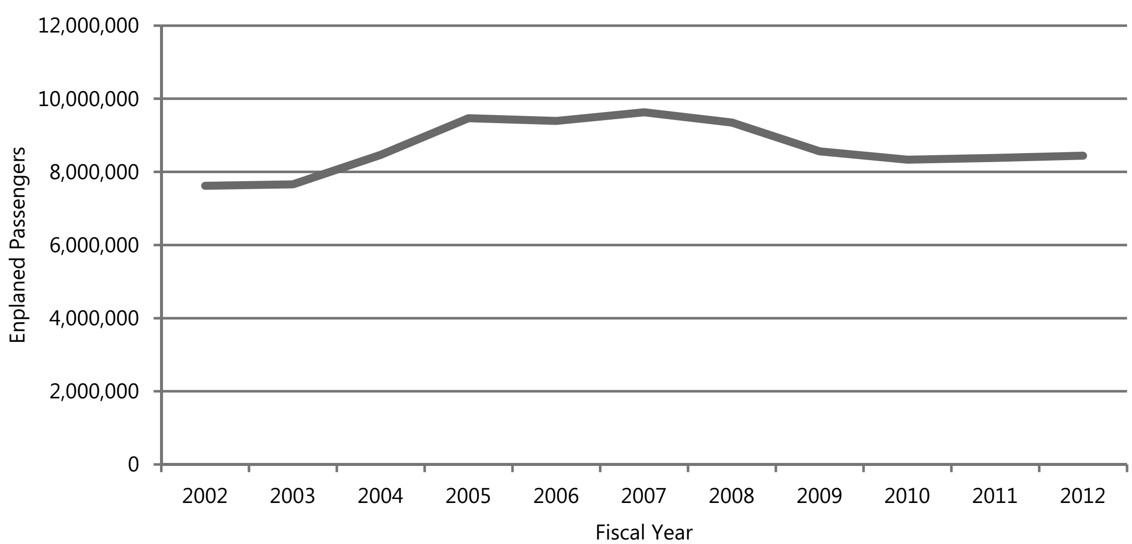
NOTES:
1/ Non-stop service as of June 2013 except where noted below.
2/ Once weekly seasonal service as of June 2013.
3/ Nonscheduled seasonal service. Three weekly services to Havana and one weely service to Holguin as of June 2013.
4/ Sun Country provides seasonal service (Dec - Apr).
5/ Service scheduled to begin December 2013.
6/ Once weekly seasonal service as of June 2013. A second weekly service is scheduled to begin March 4, 2014.

SOURCES: Hillsborough County Aviation Authority, Innovata, August 2013
PREPARED BY: Ricondo & Associates, Inc., August 2013.

5.2.3 AIRLINE TRENDS RELATED TO HISTORICAL TOTAL PASSENGER ACTIVITY AT THE AIRPORT

Table 5-6 and **Exhibit 5-1** present ten years of data regarding historical passenger activity at the Airport for enplaned passengers. As shown in Table 5-6, the Airport's historical share of nationwide enplaned passengers, has decreased over this period from approximately 1.21 percent in FY 2002 to 1.16 percent in FY 2012. The Airport experienced an increase in its share of nationwide enplanements between FY 2003 and FY 2005, when it increased from 1.19 percent to 1.29 percent. The data shows that passenger activity trends at the Airport have fluctuated and experienced lower growth rates when compared to the nation as a whole. Between FY 2002 and FY 2007, enplaned passengers at the Airport increased at an annual rate of 4.8 percent, compared to 1.5 percent for the nation. From FY 2007 to FY 2012, enplaned passengers at the Airport decreased at an annual rate of 2.6 percent, compared to an annual increase of 1.4 percent for the nation. Overall, for the ten year historical period, total passengers and enplaned passengers at the Airport increased at a compound annual growth rate of 1.0 percent compared to 1.5 percent nationwide. Fiscal Year-to-Date (FYTD) 2013 enplaned passenger activity has increased 1.1 percent compared to the same period in FY 2012.

Exhibit 5-1: Historical Enplaned Passengers



SOURCE: Hillsborough County Aviation Authority, April 2013.
PREPARED BY: Ricondo & Associates, Inc., July 2013.

The Airport has experienced periods of strong passenger growth over the past ten years, notably double-digit percentage increases in 2004 and 2005. The Airport experienced declines due to an economic recession and depressed demand for air service, evidenced by the Airport's 2.9 percent decrease in passengers in FY 2008 followed by an 8.5 percent decrease in FY 2009 and a further 2.6 percent decrease in FY 2010. Nationwide enplaned passengers also experienced declines in FY 2008 and FY 2009. From FY 2008 to FY 2010, the Airport's scheduled seat capacity decreased year-over-year at rates greater than the nation. Airport seat capacity decreased 2.6 percent in FY 2008, 12.2 percent in FY 2009, and 3.3 percent in FY 2010. Over the same period, nationwide seat capacity decreased 0.5 percent, 7.8 percent, and 1.5 percent, respectively.

Table 5-6: Historical Enplaned Passengers

(Fiscal Years Ended September 30)

FISCAL YEAR	AIRPORT ENPLANED PASSENGERS	ENPLANED GROWTH	U.S. TOTAL ENPLANEMENTS	U.S. GROWTH	MARKET SHARE
2002	7,618,598	-	627,651,689	-	1.21%
2003	7,660,785	0.6%	643,224,649	2.5%	1.19%
2004	8,465,720	10.5%	690,967,755	7.4%	1.23%
2005	9,469,020	11.9%	733,406,048	6.1%	1.29%
2006	9,391,650	(0.8%)	732,886,414	(0.1%)	1.28%
2007	9,628,144	2.5%	756,525,465	3.2%	1.27%
2008	9,350,806	(2.9%)	747,466,798	(1.2%)	1.25%
2009	8,560,662	(8.5%)	695,488,533	(7.0%)	1.23%
2010	8,334,885	(2.6%)	702,818,621	1.1%	1.19%
2011	8,382,883	0.6%	721,387,972	2.6%	1.16%
2012	8,441,087	0.7%	725,202,832 1/	0.5%	1.16%
FYTD (Oct - Jul)					
2012	7,188,034				
2013	7,270,114	1.1%			
Compound Annual Growth Rate					
2002 - 2007	4.8%		1.5%		
2007 - 2012	(2.6%)		1.4%		
2002 - 2012	1.0%		1.5%		

NOTE:

1/ FAA estimate for 2012.

SOURCES: Hillsborough County Aviation Authority (August 2013); FAA Terminal Area Forecast (April 2013).

PREPARED BY: Ricondo & Associates, Inc., August 2013.

The Airport is classified by the FAA as a large-hub facility based on its percentage of nationwide passenger activity[5] and ranked 29th in the United States in CY 2011 with 16.7 million total (enplaned and deplaned) passengers.

As shown in Table 5-6, the number of enplaned passengers utilizing the Airport increased at a compound annual growth rate of 1.0 percent between FY 2002 and FY 2012, from approximately 7.6 million enplaned passengers to approximately 8.4 million enplaned passengers. Specific details concerning passenger activity at the Airport between FY 2002 and FY 2012 are discussed below:

- **FY 2002.** The effects of September 11th and the post-September 11th economic environment caused passenger activity at the Airport to decrease from 8.2 million enplanements in FY 2001 to 7.6 million in FY 2002.
- **FY 2003 – FY 2004.** Enplanements for US Airways decreased by 287,312 passengers in FY 2003 due to its elimination of nonstop service to New York, the reduction of nonstop service to Pittsburgh, and the elimination of its low-fare MetroJet service. This decrease was offset, however, by the continued growth of AirTran at the Airport, as well as the initiation of service at the Airport by Air Wisconsin and Chautauqua in FY 2003. As a result, enplanements at the Airport increased slightly in FY 2003 from FY 2002 levels, a 0.6 percent increase during this period.

  Passenger activity at the Airport increased from 7.7 million enplanements in FY 2003 to 8.5 million enplanements in FY 2004; an increase of 10.5 percent during this period, compared to 7.4 percent for passenger activity nationwide estimated by the FAA. This significant increase was primarily due to continued growth in service by the low-cost carriers at the Airport during this period, as well as the sustained and increased service by the legacy carriers to maintain their market shares (e.g., low-fare service by Delta’s Song and United’s Ted).
- **FY 2005 – FY 2007**. Enplanements for FY 2005 increased 11.9 percent from FY 2004, due to an increase in service by AirTran, American, Southwest and Chautauqua (Delta Connection). Both Delta and Northwest voluntarily filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on November 14, 2005 (mid-FY 2006). As part of its strategy for emerging from bankruptcy, Delta reduced domestic service system wide and realigned its domestic hub system to increase load factors and enhance revenue performance. This rightsizing by Delta negatively impacted passenger activity at the Airport. In FY 2006, Airport total enplanements decreased by approximately 80,000 from FY 2005 levels while Delta’s enplanements decreased by approximately 400,000 over the same period. During Delta’s reduction in service, low-cost carriers AirTran, JetBlue, and Southwest all experienced increases in enplaned passengers, offsetting the majority of Delta’s decreased enplanements. In FY 2005, low-cost carrier Independence Air initiated service at the Airport and offered nonstop service to seven cities before ceasing operations in FY 2006[6]. Independence Air

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5 As defined by the FAA, a large primary airport enplanes between 6.1 percent and 1.1 percent of nationwide enplanements during a calendar year. This percentage range of nationwide enplanements equates to 8,174,194 to 44,414,121 enplaned passengers in CY 2011, the latest calendar year for determining airport size. The Airport enplaned 8,174,194 people in CY 2011.

6 Independence Air ceased all operations nationwide on January 5, 2006.

enplaned approximately 1.2 percent of total enplaned passengers at the Airport in FY 2005 and by FY 2006 the airline's market share decreased to 0.2 percent of total enplanements. For FY 2007, enplanements were 9.6 million, an increase of 1.7 percent, from FY 2005.

- **FY 2008 – FY 2010.** After experiencing an annual growth rate of 4.8 percent from FY 2002 through FY 2007, enplanements decreased in FY 2008, FY 2009, and FY 2010 by 2.9 percent, 8.5 percent, and 2.6 percent annually, respectively. In FY 2010, enplaned passengers were approximately 8.3 million or 13.4 percent below FY 2007 levels (9.6 million). As noted earlier, contributing to these decreases was the result of carrier capacity reductions in FY 2008 (2.6 percent) that continued through FY 2009 (12.2 percent) due to high fuel costs and lower passenger demand caused by the economic downturn. Contributing to the reductions were the following:
  - Southwest reduced capacity in nearly all markets served from the Airport. Compared to FY 2007, the following selected markets experienced capacity reductions through FY 2010: Baltimore, Birmingham, Chicago-Midway, Columbus, Fort Lauderdale, Hartford, Islip-Long Island, Jacksonville, Nashville, Philadelphia, Providence, and Washington-Dulles. Southwest eliminated nonstop service to Albuquerque. Southwest did increase capacity in the Denver, Las Vegas, and Pittsburgh markets comparing FY 2008 and FY 2010. Overall departing seat capacity for Southwest decreased from approximately 4.1 million seats in FY 2008 to 3.6 million seats in FY 2010.
  - Over this period, Delta reduced capacity to Boston, Cincinnati, Hartford, Los Angeles, New York-JFK, and Salt Lake City. Northwest, which merged with Delta, operated service to Indianapolis which was discontinued in FY 2009.
  - Continental Connection, which was operated by Gulfstream, reduced intra-state service to Fort Lauderdale, Miami, Pensacola, and Tallahassee and eliminated service to Gainesville, Naples, Jacksonville, and West Palm Beach.
  - During FY 2008, AirTran started and discontinued nonstop service to the following destinations, Boston, Detroit, Minneapolis/St. Paul, New York-LaGuardia, and Newport News. AirTran discontinued service to Philadelphia in FY 2008.
- **FY 2011 – FY 2012.** As the economy slowly recovered, enplanements increased slightly. Enplaned passengers reached 8.4 million in FY 2011, a slight 0.6 percent increase from 8.3 million in FY 2010. In FY 2012, enplaned passenger increased 0.7 percent. During this period, the majority of carriers either kept capacity unchanged or decreased it slightly as carriers remained disciplined and experienced higher load factors. American and JetBlue did increase capacity during this period. American increased service to Miami and Chicago-O'Hare, but discontinued service to San Juan in FY 2011. JetBlue initiated service to San Juan in FY 2011 and in late FY 2012 added New York-LaGuardia and Washington-Reagan. Also, Spirit added service to Dallas/Fort Worth in FY 2012.
- **FYTD 2013 (Oct – Jul).** FYTD enplaned passengers have increased 1.1 percent over the comparable period in FY 2012. Southwest (including AirTran) and Delta, the two largest carriers based on enplaned passengers, have experienced FYTD decrease of 4.8 percent and 3.2 percent, respectively. However, Southwest initiated new service to Key West in November 2012, and is schedule to add Flint, MI, Rochester, NY, and San Juan before FYE 2013. Delta initiated new service to Raleigh/Durham in

March 2013. All remaining domestic carriers have experienced an increase in enplaned passengers during this period. Spirit experienced the largest percentage increase as enplaned passengers increased from 143,478for FYTD 2012, to 185,411for FYTD 2013, an increase of 29.2 percent. This increase is primarily due to the recent addition of Dallas/Fort Worth and new service to Chicago-O'Hare in early FY 2013. During this period, two of the four scheduled foreign flag carriers experienced increased enplanements. Enplaned passengers increased for Air Canada (14.9 percent) and Cayman Airways (2.1 percent) as enplaned passengers decreased for British Airways (2.1 percent) and WestJet (7.5 percent).

5.3 Aircraft Operations

Table 5-7 and **Exhibit 5-2** present historical operations (take-offs or landings) at the Airport between FY 2007 and FY 2012. As shown, total aircraft activity at the Airport peaked at 260,424 operations in FY 2007. As also depicted, aircraft activity by passenger airlines at the Airport decreased at an average annual rate of 5.2 percent from FY 2007 to FY 2012. Total operations decreased from 260,424 in FY 2007 to 181,966 in FY 2012, an average annual decrease of 6.9 percent. FYTD total operations have decreased 1.9 percent Specific trends in operational activity by major user category at the Airport are discussed below:

- **Passenger Carriers - Domestic.** From FY 2007 to FY 2012, domestic passenger carrier operations have decreased from 195,632 to 148,494, or an average annual decline of 5.4 percent. The largest decrease occurred in FY 2009, as domestic passenger operations decreased by 17.2 percent, due to capacity reductions noted earlier in section 5.2.3. Domestic passenger operations continued to decline through FY 2012. The share of domestic operations by mainline carriers has increased from approximately 84 percent in FY 2007 to 92 percent in FY 2012. As a result, regional/commuter carrier domestic operations have decreased from approximately 16 percent in FY 2007 to 8 percent in FY 2012. FYTD domestic operations have increased 0.4 percent.
- **Passenger Carriers - International.** In FY 2007, international passenger aircraft operations total 3,040 and represented 1.5 percent of all passenger operations at the Airport. In FY 2012, international operations were 3,588 and represented 2.4 percent of all passenger operations at the Airport. From FY 2007 to FY 2012, international operations increased at an average annual rate of 3.4 percent. Between FY 2007 and FY 2011, operations fluctuated from year to year, but averaged approximately 3,040. In FY 2009, international operations reached 3,212 due to JetBlue's service to Cancun, which was initiated and discontinued in the same year. From FY 2011 to FY 2012, international operations increased 18.2 percent due to new operations by Edelweiss Air which offers nonstop service to Zurich and SGB Sky King, Inc. operating to Cuba. The majority of international operations are by scheduled foreign flag carriers: Air Canada and WestJet operating to Toronto, British Airways to London-Gatwick, and Cayman Airways to Grand Cayman. FYTD international operations have increased 8.9 percent.

Table 5-7: Historical Aircraft Operations

(Fiscal Years Ended September 30)

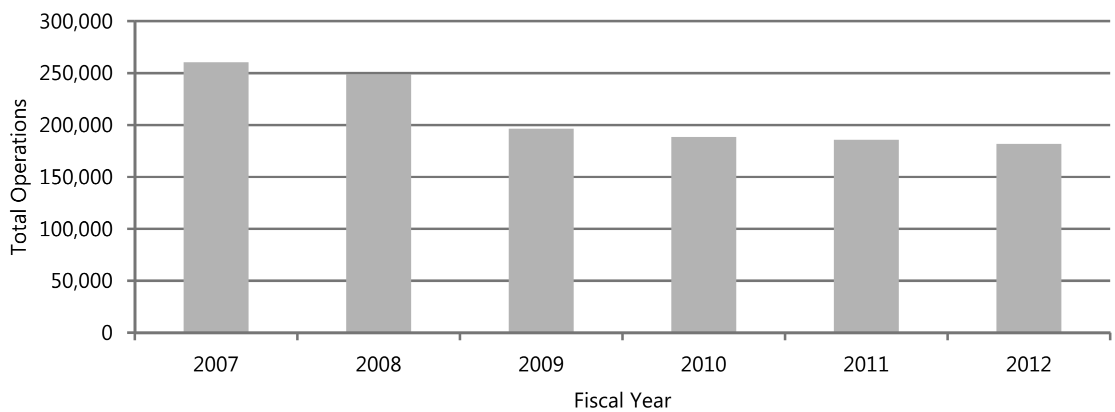
	Passenger Carriers							
FISCAL YEAR	**DOMESTIC**	**INTERNATIONAL**	**TOTAL**	**ALL-CARGO**	**GENERAL AVIATION**	**MILITARY**	**TOTAL**	**ANNUAL GROWTH**
2007	195,632	3,040	198,672	12,888	48,157	707	260,424	-
2008	191,494	2,956	194,450	11,120	42,470	638	248,678	(4.5%)
2009	158,368	3,212	161,580	6,376	28,030	639	196,625	(20.9%)
2010	151,396	2,950	154,346	6,944	26,345	695	188,330	(4.2%)
2011	151,354	3,036	154,390	6,492	24,447	562	185,891	(1.3%)
2012	148,494	3,588	152,082	6,158	23,035	691	181,966	(2.1%)
FYTD (Oct - Jul)								
2012	125,364	2,816	128,180	5,236	19,625	624	153,665	
2013	125,842	3,068	128,910	3,656	17,798	375	150,739	(1.9%)
Compound Annual Growth Rate								
2007 - 2012	(5.4%)	3.4%	(5.2%)	(13.7%)	(13.7%)	(0.5%)	(6.9%)	

SOURCES: Hillsborough County Aviation Authority, August 2013.

PREPARED BY: Ricondo & Associates, Inc., August 2013

- **All Cargo.** From FY 2007 to FY 2009, all-cargo operations decreased 50.5 percent. The majority of the decrease in operations can be attributed to service reductions by Airnet Systems and Flight Express, Inc. In FY 2009, the Emery-UPS Supply Chain Solutions (UPSSCS) merger and assignment occurred and UPSSCS relocated to St. Petersburg–Clearwater International Airport. As a result Emery ceased all-cargo operations at the Airport in FY 2009. From FY 2009 to FY 2012, all-cargo operations have decreased from 6,376 to 6,158, or at an average annual decrease of 1.2 percent. FYTD all-cargo operations have decreased 30.2 percent, due to continued service reductions by Flight Express, Inc.
- **General Aviation**. General aviation activity at the Airport has decreased from a peak of 48,157 operations in FY 2007 to 23,035 operations in FY 2012. From FY 2007 through FY 2012 activity in this category has decreased at a compounded annual growth rate of 13.7 percent due to the nationwide economic slowdown. FYTD general aviation operations have decreased 9.3 percent.
- **Military**. Due to the weekend air traffic control service and the close proximity of MacDill Air Force Base (located eight miles south of downtown Tampa), military activity at the Airport has remained limited. Military activity at the Airport averaged 655 operations between FY 2007 and FY 2012. FYTD military operations have decreased 39.9 percent.

Exhibit 5-2: Historical Airport Operations



SOURCE: Hillsborough County Aviation Authority, April 2013.
PREPARED BY: Ricondo & Associates, Inc., July 2013.

5.4 Landed Weight

Table 5-8 presents the share of landed weight by passenger airlines and combined all-cargo carriers at the Airport between FY 2008 and FY 2012. Similar to enplanements, landed weight is spread over a number of carriers, with no carrier having more than 33 percent of annual landed weight at the Airport during the years depicted. Southwest and Delta accounted for 47.3 percent of landed weight at the Airport in FY 2012, with the next eight airlines combined accounting for an additional 47.2 percent of landed weight during this same

Table 5-8: Historical Total Landed Weight by Airline

(Fiscal Years Ended September 30)	2008		2009		2010		2011		2012	
CARRIER 1/	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE
Southwest 2/	3,706,488	31.0%	3,362,126	32.1%	3,215,418	32.0%	3,221,420	31.6%	3,083,228	30.8%
Delta 3/	1,605,182	13.4%	1,298,857	12.4%	1,751,353	17.4%	1,759,575	17.2%	1,654,727	16.5%
US Airways 5/	1,176,201	9.8%	976,606	9.3%	978,114	9.7%	1,005,098	9.9%	968,238	9.7%
AirTran 2/	848,110	7.1%	730,536	7.0%	704,696	7.0%	799,872	7.8%	814,832	8.1%
American 5/	930,874	7.8%	819,427	7.8%	804,964	8.0%	815,900	8.0%	812,521	8.1%
Continental 4/	968,307	8.1%	769,361	7.4%	739,945	7.4%	684,914	6.7%	690,838	6.9%
JetBlue	481,089	4.0%	498,718	4.8%	468,705	4.7%	545,395	5.3%	671,884	6.7%
United 4/	505,446	4.2%	460,628	4.4%	509,350	5.1%	484,115	4.7%	428,106	4.3%
Spirit	260,337	2.2%	209,161	2.0%	178,710	1.8%	219,908	2.2%	191,355	1.9%
British Airways	117,298	1.0%	117,298	1.1%	116,378	1.2%	143,518	1.4%	156,398	1.6%
Air Canada	76,329	0.6%	74,401	0.7%	78,938	0.8%	76,468	0.7%	83,164	0.8%
Westjet	48,932	0.4%	39,836	0.4%	52,539	0.5%	48,552	0.5%	48,975	0.5%
Frontier	62,937	0.5%	83,891	0.8%	103,843	1.0%	53,247	0.5%	48,695	0.5%
Cayman Airways	33,727	0.3%	30,110	0.3%	29,966	0.3%	29,523	0.3%	29,500	0.3%
Northwest 3/	574,966	4.8%	631,021	6.0%	-	0.0%	-	0.0%	-	0.0%
All-Cargo	484,823	4.1%	345,731	3.3%	317,490	3.2%	314,532	3.1%	313,461	3.1%
All Others 6/	66,288	0.6%	19,506	0.2%	13,024	0.1%	1,424	0.0%	26,163	0.3%
Airport Total	**11,947,334**	**100.0%**	**10,467,214**	**100.0%**	**10,063,434**	**100.0%**	**10,203,461**	**100.0%**	**10,022,085**	**100.0%**

NOTES:

1/ Includes regional/commuter affiliates.

2/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012.

3/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

4/ Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011.

5/ In February 2013, American and US Airways announced plans to merge, however, on August 13, 2013 by the Department of Justice, and the attorneys general from six states and the District of Columbia filed a civil antitrust lawsuit challenging the proposed merger.. American West merged with US Airways in 2006.

6/ Consists of airlines no longer serving the Airport and/or charter airlines.

7/ Totals may not add due to individual rounding.

SOURCES: Hillsborough County Aviation Authority; Innovata, April 2013.

PREPARED BY: Ricondo & Associates, Inc., June 2013.

period. From FY 2008 to FY 2012, landed weight for Southwest has decreased 16.8 percent. Over the same period, JetBlue's landed weight increased 39.7 percent. As also shown, all-cargo carriers accounted for 4.1 percent of landed weight at the Airport in FY 2008 which decreased to 3.1 percent in FY 2012.

5.5 Factors Affecting Aviation Demand at the Airport

This section discusses qualitative factors that could influence future aviation activity at the Airport. While data and/or information related to these factors have not specifically been incorporated into the projections of Airport activity discussed in Section 5.6 (e.g., jet fuel prices), these factors were indirectly considered and analyzed in developing the projections.

5.5.1 NATIONAL ECONOMY

Historically, trends in demand for air travel have been closely correlated with national economic trends, most notably changes in GDP. Chapter 4 presents an analysis of general economic trends, both national and local, which may influence demand for air service over time. As noted at the conclusion of Chapter 4, national GDP is expected to increase at a 2.3 percent annual growth rate through the Projection Period, which should support generally increasing demand for air service. Actual economic activity is likely to differ from this projection, especially on a year-to-year basis, with demand for air service likely reacting in kind.

5.5.2 STATE OF THE AIRLINE INDUSTRY

In the aftermath of September 11, 2001, the U.S. airline industry saw a material adverse shift in the demand for air travel. The result was five years of reported industry operating losses between 2001 and 2005, totaling more than $28 billion (excluding extraordinary charges and gains). Following these restructuring years, the airline industry finally gained ground in 2007 with virtually every U.S. airline posting profits. In 2008 and through the first half of 2009, the combination of record-high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for U.S. network and low-cost carriers since the September 11 terrorist attacks. In 2008, many of the domestic network competitors announced significant capacity reductions; increases in fuel surcharges, fares and fees; and other measures to address the challenges. Whereas the capacity reductions following September 11 were the direct result of terror threats targeting the traveling public, the industry reductions starting in late 2008 and continuing through the first half of 2009 were economically driven. These capacity cuts have improved conditions for the airlines, even if the recovery has been uneven across the regions. After a nearly $8 billion profit for the global airline industry in 2012, the International Air Transport Association (IATA) is predicting a $10.6 billion profit in 2013. Globally, passenger traffic increased 5.3 percent from 2011 to 2012. North American airline profits are projected to be $3.6 billion in 2013, compared to $2.3 billion in 2012. This increase is due to North American carriers' strict control on capacity.

5.5.3 AIRLINE MERGERS AND BANKRUPTCIES

In recent years, airlines have experienced increased costs and industry competition both domestically and internationally. As a result, airlines have merged and acquired competitors in an attempt to increase operational synergies and become more competitive and cost-efficient. In 2009, Delta completed its merger with Northwest, initiating a wave of U.S. airline mergers and acquisitions. That same year, Republic Airways

Holdings, a regional airline, bought Frontier Airlines of Denver and Midwest Airlines of Milwaukee. In October 2010, United and Continental merged, creating the world's largest airline in terms of operating revenue and revenue passenger miles.

On September 27, 2010, Southwest announced they would acquire AirTran Airways (AirTran). On May 2, 2011, Southwest announced the closing on its acquisition of AirTran Holdings, Inc., the former parent company of AirTran. The acquisition extended Southwest's route network and added new markets, such as Atlanta and Washington, D.C., (Reagan National Airport), and provided access to international leisure markets in the Caribbean and Mexico. The FAA granted the airline a single operating certificate on March 1, 2012, allowing Southwest to work toward full integration. The company plans to operate Southwest and AirTran separately for a period of time to address issues with integration, and expects full integration by the end of 2014. The Southwest/Air Tran merger has had no substantial effects on flights at the Airport.

AMR Corporation (AMR), the parent company of American Airlines, filed for bankruptcy protection on November 28, 2011. In January 2012, US Airways Group (the parent company of US Airways) publicly expressed interest in merging with AMR. In February 2013, American and US Airways announced plans to merge, which would create the largest airline in terms of operating revenue and revenue passenger miles (surpassing United). On March 27, 2013, the U.S. Bankruptcy Court approved the merger of American and US Airways, however, on August 13, 2013, the Department of Justice, and the attorneys general from six states and the District of Columbia filed a civil antitrust lawsuit challenging the proposed merger. The department said that the merger, which would result in the creation of the world's largest airline, "would substantially lessen competition for commercial air travel in local markets throughout the United States and result in passengers paying higher airfares and receiving less service." AMR and US Airways Group announced that they intend to mount a "vigorous and strong defense" to the Justice Department's effort to block their proposed merger.[7]

In the first half of CY 2013, the four largest domestic carriers combined (American/US Airways, Delta, Southwest/AirTran, and United) scheduled 85.0 percent of the nation's domestic seat capacity. The next four largest domestic carriers (Alaska, Frontier, JetBlue, and Spirit) scheduled 10.3 percent of the nation's domestic seat capacity.

5.5.4 COST OF AVIATION FUEL

The price of fuel is one of the most significant forces affecting the airline industry today. In 2000, jet fuel accounted for nearly 14 percent of airline industry operating expenses, making it the industry's second largest operating expense behind labor. In 2008, jet fuel surpassed labor as an airline's largest operating expense, comprising approximately 30.6 percent of an airline's total operating costs according to the industry group Airlines for America (A4A), while labor represented approximately 20.3 percent of the total. As oil prices fell in the first quarter of 2009, fuel expenses retreated and labor once again became the airline industry's largest operating expense representing 25.8 percent of total operating expenses while fuel was at 21.3 percent.

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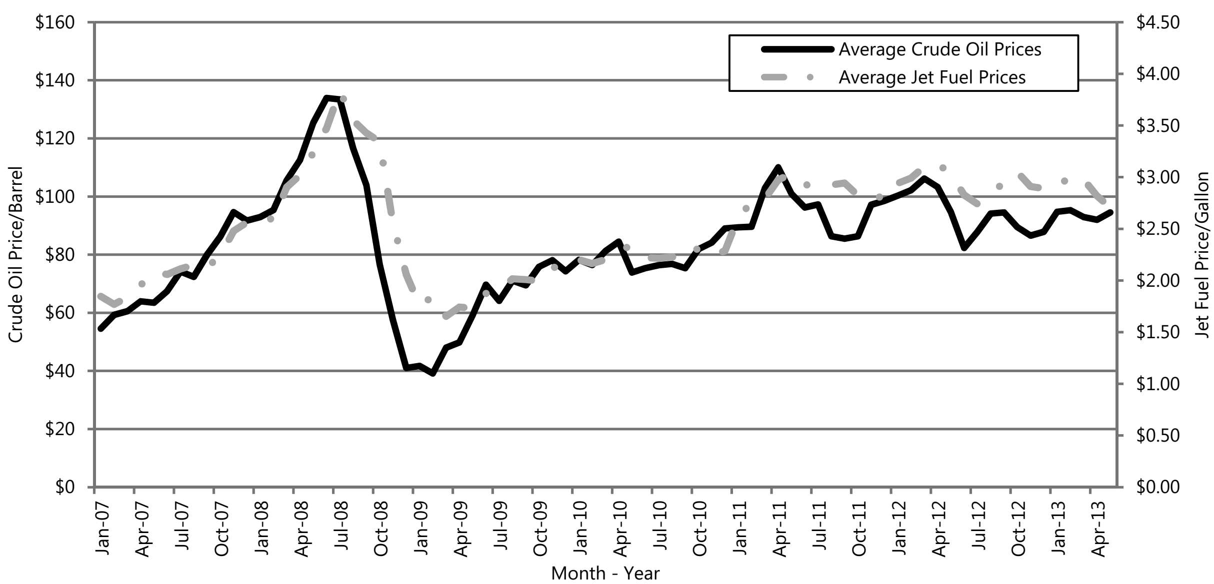
7 AviationNews.net, *DOJ, States Sue To Block American-US Airways Merger,* August 13, 2013.

The average price of jet fuel was $0.82 per gallon in 2000 compared to $2.95 per gallon in 2012, an increase of 260 percent. According to the A4A, every one-cent increase in the price per gallon of jet fuel increases annual airline operating expenses by approximately $190 million to $200 million.

Jet fuel prices approaching or surpassing their mid-2008 peak (July 2008's average price was $3.84) may have negative consequences for the aviation industry, including airports, should airlines act to further restrain capacity to a point supply does not meet demand, or raise ticket prices to a point that diminishes demand, in efforts to remain profitable. **Exhibit 5-3** presents the monthly averages of jet fuel and crude oil prices from January 2007 through May 2013. The average price of jet fuel in May was $2.71 per gallon, approximately 10.7 percent lower than in May 2012 and approximately 29.5 percent below the 2008 peak of $3.84 per gallon.

Exhibit 5-3: Historical Monthly Averages of Jet Fuel and Crude Oil Prices



SOURCE: Airlines for America, August 2013.
PREPARED BY: Ricondo & Associates, Inc., August 2013.

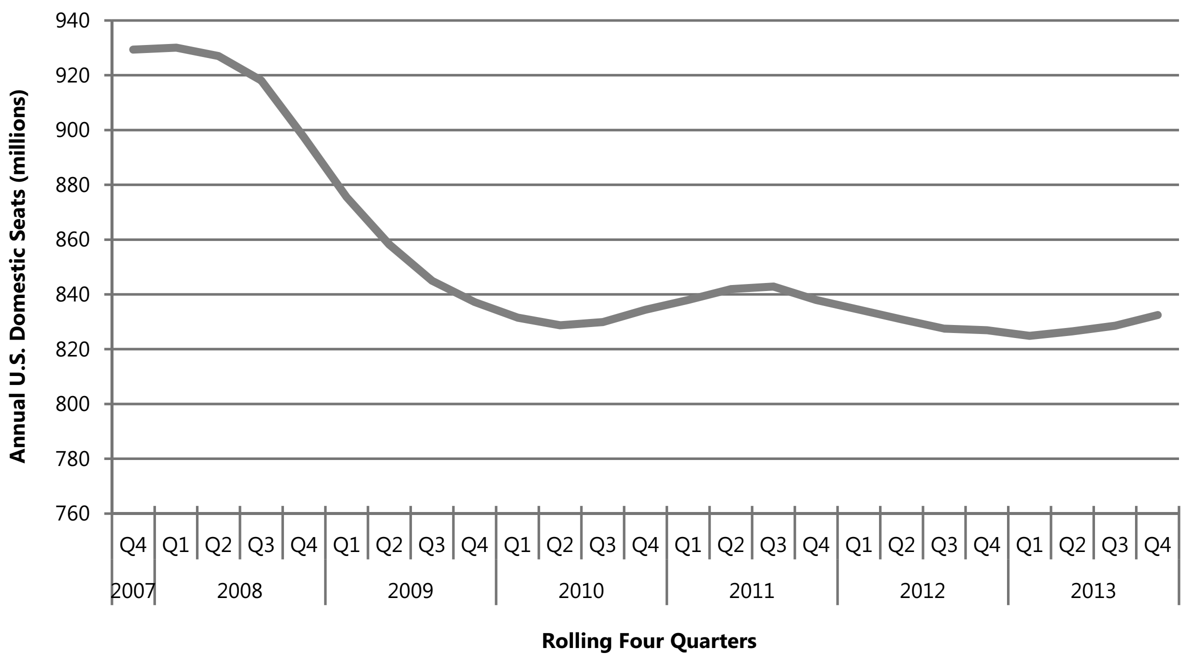
5.5.5 AIRLINE SCHEDULED SEAT CAPACITY

Exhibit 5-4 presents historical domestic seat capacity since 2007. Despite a decline in fuel prices from the record highs in 2008, the airlines continue to constrain seat capacity, keeping in place reductions implemented beginning in 2008. The largest scheduled quarterly decline occurred in the first quarter of 2009, as domestic seat capacity was decreased by 9.1 percent versus the first quarter of 2008. Demand for domestic air travel, as measured by revenue passengers, decreased at a similar rate of 11.1 percent during this period [8]. Domestic capacity continued to decline through the second quarter of 2010. As demand recovered, capacity

[8] Source: Form T-100; United States Department of Transportation Bureau of Transportation Statistics.

increased between the third quarter of 2010 and the fourth quarter of 2011 when airlines, reacting to increased fuel prices, reduced their capacity once again. Domestic capacity for the four quarters ending fourth quarter 2012 is at a level equal to the similar period ending third quarter 2010, the height of the initial decline.

Exhibit 5-4: U.S. Domestic Seat Capacity Since 2007



SOURCE: Innovata, May2013.
PREPARED BY: Ricondo & Associates, Inc., May 2013.

5.5.6 THREAT OF TERRORISM

As has been the case since September 11th, the recurrence of terrorism incidents against either domestic or world aviation during the Projection Period remains a risk to achieving the activity projections contained herein. Tighter measures have restored the public's confidence in the integrity of U.S. and world aviation security systems. Any terrorist incident aimed at aviation could have an immediate and significant impact on the demand for aviation services.

5.5.7 COMPETING AIRPORTS

In general, an airport's potential service area is limited by the distance from an airport and further defined by the availability and quality of air service at the surrounding airports. Airports evaluated as competitors for this analysis are Fort Myers Southwest Florida International (RSW), Orlando International (MCO), Sarasota-Bradenton International (SRQ) and St. Petersburg-Clearwater International (PIE). **Exhibit 5-5** presents these airports and other Florida airports and their proximity to the Airport.

SOURCE: Environmental Systems Research Institute (ESRI), 2010 (base map layers).
PREPARED BY: Ricondo & Associates, Inc., July 2013.

EXHIBIT 5-5

Regional Airports

RSW is located approximately 130 miles south along the coast on Interstate 75. Fourteen carriers provide an average of 70 daily departures to 28 domestic and two international destinations. All of the domestic destinations served at RSW are also served from the Airport.

MCO is located approximately 80 miles to the northeast. Interstate 4 provides the quickest route to MCO, where 30 carriers provide an average of 382 daily departures to 76 domestic destinations and 23 international destinations in June 2013. Fifty-one domestic and two international destinations served by MCO are also served from the Airport. MCO does not have scheduled service to three intra-state markets: Jacksonville, Tallahassee, and West Palm Beach, MCO does not have scheduled service to Grand Cayman.

The approximate 50 mile drive south to SRQ is located along the coast on Interstate 75/275. Four carriers (Delta, JetBlue, United, US Airways, and/or their regional affiliates) provide an average of 15 daily departures to seven domestic destinations. All of the seven domestic destinations served at SRQ are also served from the Airport.

PIE is located approximately 12 miles to the west. Two carriers (Allegiant and Vision) provide an average of 10 daily departures to 26 domestic destinations. None of the destinations served at PIE are served at the Airport; however the majority of Allegiant's system-wide destinations are smaller secondary airports in or near large metropolitan areas.

While these four airports are located nearest to the Air Trade Area, MCO's accessibility from the Air Trade Area, lower fares, and destinations served, may draw passengers from the Area that might otherwise use the Airport. These four airports and the additional four largest Florida airports are included in **Table 5-9** which presents a summary of domestic and international destinations served by the Airport compared with the defined competing airports and other state airports. As shown in Table 5-9, the average domestic fare at MCO is lower than that at the Airport by approximately 6 percent.

5.6 Forecast of Passenger Demand and Airline Operations

5.6.1 PROJECTION METHODOLOGY

The projection of total enplaned passengers at the Airport for the Projection Period utilizes a two-step process: a short-term projection for FY 2013 – FY 2014 and a long-term projection through FY 2023.

Table 5-9: Competing & Other Florida Airports Summary

AIRPORT	ENPLANED PASSENGERS 1/	NUMBER OF MARKETS SERVED: DOMESTIC 2/	NUMBER OF MARKETS SERVED: INTERNATIONAL 3/	NUMBER OF MARKETS SERVED: TOTAL	AVERAGE DAILY DEPARTURES	AVERAGE DOMESTIC FARE 3/	DISTANCE FROM TAMPA (MILES)
Competing Airports							
Tampa (TPA)	8,359,372	54	3	57	215	$154	-
Fort Myers (RSW)	3,624,180	28	2	30	70	$162	130
Orlando (MCO)	17,339,757	76	23	99	382	$145	80
Sarasota (SRQ)	659,842	7	0	7	15	$164	50
St. Petersburg-Clearwater (PIE)	429,106	26	0	26	10	$89	12
Other Florida Airports							
Fort Lauderdale (FLL)	11,354,098	63	34	97	269	$142	270
Jacksonville (JAX)	2,678,911	26	0	26	89	$173	215
Miami (MIA)	18,693,708	51	81	132	427	$179	285
West Palm Beach (PBI)	2,791,663	18	1	19	57	$163	210

NOTES:

1/ Enplaned passenger data based on 12-month period ending September 30. Data is U.S. DOT T100 onboard revenue passengers.

2/ Non-stop service to cities within the United States as of June 2013.

3/ Non-stop service to cities outside of the United States as of June 2013.

4/ Average domestic fare as of 12-month period ending September 30, 2012.

SOURCES: Innovata, U.S. DOT T100, April 2013.

PREPARED BY: Ricondo & Associates, Inc., August 2013.

- The short term projection or estimate for FY 2013 and FY 2014 was provided by the Authority and reviewed by Ricondo & Associates.
- The long term projection through FY 2023 was developed through investigation using two common methodologies: socioeconomic regression analysis and a market share analysis.
  - Socioeconomic Regression Approach - Both statistical linear regression and statistical multiple regression modeling were employed in this methodology, with local and national socioeconomic and demographic factors as independent variables and enplaned passengers (we assumed that the Airport remained an Origin and Destination airport, thus the connecting component remained zero throughout the period). Independent variables considered for this analysis included population, employment, income, gross regional product and per-capita personal income. Of interest in the analysis, among other factors, was how well each independent variable explained the variations in the dependent variables (i.e., the model's coefficient of determination, or "R-squared").
  - Market Share Approach - In this methodology, judgments are made as to how the Airport's rate of growth will differ from that projected for the nation by the FAA. On a macro scale, the U.S projection provides a base of comparison reflecting how industry traffic in general is anticipated to grow in the future. The growth rate used for the Airport can be reflected as an increase or decrease in its future share of the national market.

5.6.2 KEY ASSUMPTIONS

The projections are based on a number of underlying assumptions, including:

- While year-to-year fluctuations in economic activity are likely, the historical long-term trends of generally expanding economic activity, both nationally and within the Air Trade Area, will continue through the Projection Period, resulting in increased demand for air service.
- The Airport will continue its role of primarily serving O&D passengers, with the majority of destinations offered within one-stop of the Airport. Airlines will continue to operate as efficiently as possible, actively managing capacity and seeking to maintain or increase load factors on flights.
- The Airport will maintain its general market share of passenger traffic relative to its nearby competitors within the region.
- Airline consolidation/mergers that may occur during the Projection Period are less likely to materially impact passenger activity levels at the Airport due to its purely O&D passenger base as well as the fact that the majority of potential future mergers would be unlikely to involve carriers providing overlapping service at the Airport. Such combinations are unlikely to result in changes to service offered at the Airport.
- For these analyses, and similar to the FAA's assumptions for its nationwide projections, no terrorist incidents that materially impact U.S. air traffic demand during the Projection Period will occur. Additionally, any airline bankruptcies or industry consolidation during the Projection Period will not result in a major contraction within the aviation industry.

- In February 2013, American and US Airways announced plans to combine carriers with a scheduled completion date by the end of calendar year 2013. The combined carrier will retain the American name. American's parent company AMR Corporation filed for bankruptcy in November 2011 and is expected to emerge from bankruptcy when the merger closes in the third quarter of 2013. Upon completion of a merger, American would become the world's largest airline, with 6,700 daily flights and annual revenue of roughly $40 billion. As described in Section 5.5.3, on August 13, 2013, the Department of Justice, and the attorneys general from six states and the District of Columbia filed a civil antitrust lawsuit challenging the proposed merger. If the merger occurs, passenger demand at the Airport is not expected to be negatively impacted. The carriers do not operate overlapping routes to/from the Airport. As operations are combined at the Airport, it is projected that capacity may shift among routes, but not decrease due to the Air Trade Area's economics and purely O&D passenger base.
- It is also important to note that many of the factors influencing aviation demand cannot be quantified. As a result, the projection process should not be viewed as precise, particularly given the major structural changes that have occurred in the aviation industry since deregulation. Actual future traffic levels at the Airport may differ from projections presented herein because of unforeseen events.

5.6.3 PROJECTIONS OF PASSENGER DEMAND

As discussed earlier, FY 2013 and FY 2014 projections of Airport activity was estimated by the Airport.

Activity projections for the Airport are based on a number of underlying assumptions that are further based on national aviation trends, national and regional economic conditions, and local specific actions pertaining to airport activity. The following presents the specific assumptions used in developing activity projections at the Airport through 2023.

- The Airport will continue to serve O&D passengers. It is not anticipated to become a hub for any carrier and therefore no connecting passengers are expected in the projection period.
- Although marketing efforts to attract new carriers to the Airport are expected to continue through the Projection Period, domestic passenger enplanement projections do not assume any incremental increases resulting from the potential initiation of service by any new domestic carriers at the Airport.
- Over the projection period, it is assumed domestic passenger enplanements will increase through a combination of increasing demand on current and possible new routes with an average increase of one daily departure per year, an increase in load factors from approximately 82 percent in FY 2014 to 84 percent in FY 2023, and an increase in the average seats per departure.
- Over the projection period, it is assumed international passenger enplanements will increase through a combination of increasing demand on current routes and the potential initiation of service by new foreign flag carriers. In addition, it is assumed load factors will increase from approximately 83 percent in FY 2014 to 85 percent in FY 2023.
- Performing a regression analysis on the key socio-economic factors produced a range of projected passengers through FY 2023. The relationship between the socio-economic variables and the

enplaned passengers are represented by the R-squared statistic, which describes the closeness of the variable to the enplaned passengers over time.

- The market share analysis used a constant share scenario. R&A assumes the Airport maintains a constant share of national enplanements at about 1.16 percent through the Projection Period.
- From 2002 – 2007, the Airport experienced a greater passenger increase compared to the nation prior to the economic downturn. From FY 2007 – FY 2012, the Airport experienced a greater passenger decrease compared to the nation due to airline capacity reductions as noted in section 5.2.3. as a result of the economic recession. As presented in Table 5-6, from FY 2002 – FY 2012 historical Airport enplaned passengers have increased at a rate less than the nation. However over the projection period the Airport's enplaned passengers are projected to increase at a rate below the rate (2.1 percent) projected for the nation by the FAA Terminal Area Forecast (TAF) due to the following:
  - International enplaned passengers are projected to increase at a rate greater than the rate experienced from FY 2002 – FY2012. Based on the announcement that Copa Airlines would begin service to Panama City, Panama in December 2013 and additional service scheduled by Edelweiss in March 2014.
  - Domestic carriers will remain disciplined in capacity additions and reductions, due to recent industry consolidation and mergers as discussed in sections 5.5.3 and 5.5.5. Domestic carriers may add, reduce, or eliminate service over the projection period; however projected domestic passenger operations are expected to increase gradually. In the event of an economic downturn, domestic capacity is not anticipated to be reduced at the rate experienced in FY 2009 (12.2 percent) due to higher load factors. Prior to the economic downturn, load factors averaged in the mid-70 percentile evident of excess capacity. Over the projection period load factors are projected to increase from approximately 81 percent to 84 percent.

Table 5-10 presents the projection of passenger activity at the Airport through the Projection Period. Total enplaned passengers are projected to experience a compound annual growth rate of approximately 1.9 percent over the Projection Period resulting in approximately 10.4 million enplaned passengers in FY 2023. The projected growth rate reflects the lower end of the growth rate range identified in the socio-economic regression analyses and was identified as the most reasonable selection to reflect the changes in market activity in the short-term as well as the Airport's susceptibility to potential changes in the future economic climate. Load factors at the Airport are anticipated to increase from an average of approximately 81 percent in FY 2012 to approximately 84 percent in FY 2023 as the airlines continue to focus on balancing capacity to demand.

Table 5-10: Enplaned Passenger Projections

(Fiscal Years Ended September 30)

FISCAL YEAR	DOMESTIC ENPLANEMENTS	INTERNATIONAL ENPLANEMENTS	TOTAL ENPLANEMENTS	ANNUAL GROWTH
Historical				
2002	7,472,831	145,767	7,618,598	-
2003	7,505,045	155,740	7,660,785	0.6%
2004	8,306,183	159,537	8,465,720	10.5%
2005	9,305,167	163,853	9,469,020	11.9%
2006	9,221,133	170,517	9,391,650	(0.8%)
2007	9,443,876	184,268	9,628,144	2.5%
2008	9,159,395	191,411	9,350,806	(2.9%)
2009	8,351,024	209,638	8,560,662	(8.5%)
2010	8,136,275	198,610	8,334,885	(2.6%)
2011	8,178,973	203,910	8,382,883	0.6%
2012	8,197,800	243,287	8,441,087	0.7%
Projected				
2013 [1/]	8,215,000	266,200	8,481,200	0.5%
2014 [2/]	8,348,000	285,100	8,633,100	1.8%
2015	8,504,700	312,300	8,817,000	2.1%
2016	8,663,200	339,700	9,002,900	2.1%
2017	8,823,300	367,300	9,190,600	2.1%
2018	8,985,100	385,000	9,370,100	2.0%
2019	9,164,000	403,000	9,567,000	2.1%
2020	9,345,000	421,300	9,766,300	2.1%
2021	9,533,600	439,900	9,973,500	2.1%
2022	9,724,400	458,900	10,183,300	2.1%
2023	9,917,300	478,300	10,395,600	2.1%
Compound Annual Growth Rate				
2002 - 2012	0.9%	5.3%	1.0%	
2012 - 2013	0.2%	9.4%	0.5%	
2012 - 2023	1.7%	6.3%	1.9%	

NOTES:

1/ FY 2013 estimate provided by Hillsborough County Aviation Authority.

2/ FY 2014 estimate provided by Hillsborough County Aviation Authority.

SOURCES: Hillsborough County Aviation Authority (Historical), August 2013; Ricondo & Associates, Inc. (Projected), August 2013.
PREPARED BY: Ricondo & Associates, Inc., August 2013.

5.6.4 AIRCRAFT OPERATIONS PROJECTIONS

Table 5-11 presents historical and projected aircraft operations at the Airport through FY 2023. As shown, domestic passenger carrier operations are projected to increase from 148,494 in FY 2012 to 152,080 in FY 2023, a compound annual growth rate of 0.2 percent during the Projection Period. International passenger carrier operations are projected to increase from 3,588 in FY 2012 to 6,060 in FY 2023, a compound annual growth rate of 4.9 percent during the Projection Period. In general, the projected number of passenger carrier operations between 2013 and 2023 was based on historical relationships among enplaned passengers, load factors, and average seating capacities of aircraft serving the Airport. While the mainline carriers historically have kept their share of the market steady in terms of enplaned passengers and operations, the regional carriers have seen fluctuations as a general shift to larger aircraft results in a slight reduction in frequencies. In addition to regional carriers shift to larger aircraft, Southwest has added capacity to its fleet by adding seats to their Boeing 737-700 aircraft (137 to 143 seats) and take delivery of larger Boeing 737-800 aircraft (175 seats). As Southwest and the regional carriers adjust their operations with different aircraft and seat configurations, the average number of available seats per departure from the Airport is expected to increase from 135 seats in FY 2012 to 155 seats in FY 2023.

After a decrease from FY 2012 to FY 2013, all-cargo operations are projected to increase from 4,300 in FY 2013 to 6,900 in FY 2023, an annual increase of 1.0 percent. It is assumed there will not be significant decreases in all-cargo operation by Flight Express, Inc., as experienced in FY 2013. Historically, FedEx has operated an average of two daily departures at the Airport and it is projected these operation will continue and increase slightly over the projection period as all-cargo demand increases.

General aviation operations at the Airport are expected to increase modestly through the Projection Period, reaching 23,690 operations in FY 2023. The projected increase between FY 2012 and FY 2023 represents a compound annual growth rate of 0.3 percent, slightly lower than the 0.4 percent growth projected nationwide by the FAA.

FYTD 2013 military operations decreased 37.6 percent compared to the same period in 2012. The FYTD decline in operations was projected for FY 2013 and it is assumed that military operations will remain relatively constant throughout the Projection Period. As a result, military operations were held at 500 annual operations through FY 2023.

After a projected decrease of 1.4 percent in FY 2013, total airport operations are projected to increase to approximately 189,230 in FY 2023. From FY 2012 to FY 2023, total airport operations are projected to increase at a compound annual rate of 0.4 percent.

5.6.5 LANDED WEIGHT PROJECTIONS

Table 5-12 presents historical and projected landed weight at the Airport. As shown, landed weight is projected to increase from 10,022,085 thousand pound units in FY 2012 to 11,368,020 thousand pound units in FY 2023; a compound annual growth rate of 1.2 percent. This projection reflects anticipated changes in agreements between mainline and regional affiliate carriers as carriers are projected to transition to larger regional jet aircraft and Southwest introduces larger aircraft into its fleet. All-cargo landed weight is projected to increase from 313,461 thousand pound units in FY 2012 to 337,410 thousand pounds units in FY 2023; a compound annual growth rate of 0.7 percent.

Table 5-11: Aircraft Operations Projections

(Fiscal Years Ended September 30)

	PASSENGER CARRIERS				GENERAL		
FISCAL YEAR	DOMESTIC	INTERNATIONAL	TOTAL	ALL-CARGO	AVIATION	MILITARY	TOTAL
Historical							
2007	195,632	3,040	198,672	12,888	48,157	707	260,424
2008	191,494	2,956	194,450	11,120	42,470	638	248,678
2009	158,368	3,212	161,580	6,376	28,030	639	196,625
2010	151,396	2,950	154,346	6,944	26,345	695	188,330
2011	151,354	3,036	154,390	6,492	24,447	562	185,891
2012	148,494	3,588	152,082	6,158	23,035	691	181,966
Projected							
2013 1/	148,600	3,850	152,450	4,300	22,100	500	179,350
2014 2/	145,600	3,900	149,500	6,630	22,250	500	178,880
2015	146,320	4,260	150,580	6,660	22,410	500	180,150
2016	147,040	4,620	151,660	6,690	22,570	500	181,420
2017	147,760	4,980	152,740	6,720	22,730	500	182,690
2018	148,480	5,160	153,640	6,750	22,890	500	183,780
2019	149,200	5,340	154,540	6,780	23,050	500	184,870
2020	149,920	5,520	155,440	6,810	23,210	500	185,960
2021	150,640	5,700	156,340	6,840	23,370	500	187,050
2022	151,360	5,880	157,240	6,870	23,530	500	188,140
2023	152,080	6,060	158,140	6,900	23,690	500	189,230
Compound Annual Growth Rate							
2007 - 2012	-5.4%	3.4%	-5.2%	-13.7%	-13.7%	-0.5%	-6.9%
2012 - 2023	0.2%	4.9%	0.4%	1.0%	0.3%	-2.9%	0.4%

NOTES:

1/ FY 2013 estimate provided by Hillsborough County Aviation Authority.

2/ FY 2014 estimate provided by Hillsborough County Aviation Authority.

SOURCES: Hillsborough County Aviation Authority - FAA ATADS (Historical), August 2013; Ricondo & Associates, Inc. (Projected), August 2013.
PREPARED BY: Ricondo & Associates, Inc., August 2013.

Table 5-12: Landed Weight Projections

(Fiscal Years Ended September 30)

FISCAL YEAR	PASSENGER AIRLINES	ALL-CARGO AIRLINES	TOTAL
Historical			
2007	11,790,449	479,462	12,269,910
2008	11,462,511	484,823	11,947,334
2009	10,121,483	345,731	10,467,214
2010	9,745,944	317,490	10,063,434
2011	9,888,929	314,532	10,203,461
2012	9,708,624	313,461	10,022,085
Projected			
2013 1/	9,761,011	313,900	10,074,911
2014 2/	9,736,356	318,240	10,054,596
2015	9,884,118	320,346	10,204,464
2016	10,032,989	322,458	10,355,447
2017	10,182,326	324,576	10,506,902
2018	10,321,719	326,700	10,648,419
2019	10,461,388	328,830	10,790,218
2020	10,602,636	330,966	10,933,602
2021	10,744,149	333,108	11,077,257
2022	10,887,252	335,256	11,222,508
2023	11,030,610	337,410	11,368,020
Compound Annual Growth Rate			
2007 - 2012	(3.8%)	(8.1%)	(4.0%)
2012 - 2023	1.2%	0.7%	1.2%

NOTES:

1/ FY 2013 estimate provided by Hillsborough County Aviation Authority.

2/ FY 2014 estimate provided by Hillsborough County Aviation Authority.

SOURCES: Hillsborough County Aviation Authority (Historical), April 2013; Ricondo & Associates, Inc. (Projected), August 2013.

PREPARED BY: Ricondo & Associates, Inc., August 2013.

6. Financial Analysis

6.1 Financial Framework

This chapter examines the financial structure of the Airport, incorporation of the Capital Program, impact of the issuance of Series 2013 Bonds, O&M Expenditures and Non-Agreement Revenue projections, airline rates and charges projections, airline cost per enplaned passenger projections, application of Revenues, and the debt service coverage requirement.

6.1.1 AUTHORITY ACCOUNTING

Expenditures and Revenues of the Authority are categorized into Cost and Revenue Centers or Cost Centers. Cost and Revenue Centers include those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service (defined later in this chapter in 6.5.2 and which generally includes debt service, debt service coverage and other components.) Cost Centers include those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service.

Cost and Revenue Centers under the Airline Agreement include, but are not necessarily limited to:

- **Airfield.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for the Airfield. The Airfield includes those portions of the Airport, excluding the terminal aircraft aprons and the cargo aircraft aprons, provided for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, clear zones, aviation or other easements, runways, a fully integrated taxiway system, runway and taxiway lights, and other aeronautical related uses of the Airport.
- **Terminal Complex.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for the Main Terminal Building and all of the Airside Buildings, including all costs associated with the Passenger Transfer System. Subsets of the Terminal Complex Cost and Revenue Center will consist of the Main Terminal Building, the Airside Buildings and the Passenger Transfer System.
  - Main Terminal Building - Includes the passenger terminal building and the service building.
  - Airside Buildings - Includes the buildings at the Airport through which passenger aircraft are loaded or unloaded.

- Passenger Transfer System (PTS) - Includes the passenger transfer equipment and facilities, including the stations located in the Main Terminal Building and the Airside Buildings.
- **Commercial Landside.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for those areas on the Airport designated for public automobile parking, automobile rental agencies, taxi and limousine parking areas, the Airport hotel, and other non-aeronautical accommodations and services for the public.
- **Cargo.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for those areas of the Airport that are designated for the parking of cargo aircraft and support vehicles, and the loading and unloading of cargo aircraft at the Airport.
- **General Aviation.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for the general aviation facilities at the Airport.
- **Auxiliary Airports.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for all airports operated by the Authority, other than the Airport.
- **Other.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for aviation support facilities such as flight kitchens, maintenance hangars, ground support equipment buildings and reservation centers.
- **Land Bank.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for all land on the Airport that is not at the time useful for Airport purposes, but is expected to be needed in the future for Airport purposes. When land in the Land Bank Cost Center becomes useful for Airport purposes other than land bank, it will be transferred out of the Land Bank Cost and Revenue Center and into the appropriate Cost and Revenue Center.
- **Extraordinary Facilities.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for other facilities (e.g. Airline club rooms).

Cost Centers under the Airline Agreement include, but are not necessarily limited to:

- **Roads and Grounds.** Includes all Investment Service and all direct, indirect and general administrative O&M Expenditures for all public roads on the Airport and the landscaping and facilities provided therefore. The Roads and Grounds Cost Center shall be allocated to the Cost and Revenue Centers based upon the following percentages: 5 percent to the Airfield Cost and Revenue Center, 35 percent to the Terminal Complex Cost and Revenue Center, 45 percent to the Commercial Landside Cost and Revenue Center, 5 percent to the Other Cost and Revenue Center, 5 percent to the Cargo Cost and Revenue Center, and 5 percent to the General Aviation Cost and Revenue Center.
- **Administrative.** Includes all Investment Service and all direct and indirect O&M Expenditures for all administrative functions of the Airport System. The Administrative Cost Center will be allocated to the Cost and Revenue Centers and Cost Centers based on their proportionate share of all other direct O&M Expenditures.

6.1.2 AIRLINE USE AND LEASE AGREEMENT

Effective October 1, 2010, the Authority entered into a new airline-airport use and lease agreements (Airline Agreement) that establishes the operational and financial relationship between the Authority and airlines that executed the Airline Agreement (Signatory Airlines.) The basic structure of the Airline Agreement has remained intact through various amendments, and the term of the current Airline Agreement extends through September 30, 2015. The Airline Agreement incorporates the lease and use of the terminal building, Airsides A, C, E, F and any future airside buildings and the airfield at Tampa International Airport. The Airline Agreement establishes a compensatory rate making methodology where the airlines pay the Authority fees and charges based on the Authority's cost of providing facilities and services and further defines the operational and financial relationship between the Authority and the airlines executing the Airline Agreement.

The Airline Agreement establishes cost and revenue centers that are defined as functional activities of the airport system used for the purposes of accounting for revenues, operating expenditure and investment service. The costs allocated to the airlines include operating and maintenance expenditures, debt service, debt service coverage of 25 percent, trust fund minimum deposit requirements, and a return on investment for Authority funds used for capital projects, less interest earnings on the debt service reserve. Signatory Airlines are required to lease space throughout the term of the agreement and provide a guarantee of the Authority's debt coverage requirement. In return for this financial commitment by the Signatory Airlines, the Airline Agreement provides for specific rebates of debt service coverage and a 20 percent share of net remaining surplus revenues (revenues less expenditures less operating reserve requirement less debt service). The airlines 20 percent share of net remaining surplus revenues is reduced if the Authority's share falls below $20 million. The airlines share increases to 25 percent for any portion of net remaining surplus revenues in excess of $37.5 million. Non signatory airlines do not provide guarantees of space or debt service coverage, and therefore they do not participate in the rebate of debt service coverage or revenue sharing. Therefore, the Authority charges two distinct rates to airlines operating at the airport based on the cost of providing services for facilities utilized.

The Airline Agreement requires the Authority to provide comparable space throughout the terminal complex to all signatory carriers. Rates and charges for the Signatory Airlines are based primarily on formulas in the airfield cost and revenue center and terminal complex cost and revenue center that are devised to recover the costs of operating, maintaining, and developing the necessary and required facilities in each respective cost and revenue center. Within the terminal complex cost and revenue center, rates and charges are calculated separately for both the terminal building and the airside buildings at the airport. Under this compensatory Airline Agreement airside rates are equalized (meaning all signatories pay the same rate regardless of the cost structure in the individual airsides). Rates for the terminal building and airside buildings are calculated by using their total respective rentable square feet as the divisor. Common use space rental in the terminal building is determined by 1) dividing 15 percent of the cost of the common use space equally among any air carrier with 5 percent or more annual enplanements, 2) the remaining common use costs are billed to each airline based on their enplanements.

Certain capital expenditures relating to new development, planning or expansion projects are subject to review by the Signatory Airlines including the following:

1. New development, planning or expansion projects in the Airfield Cost and Revenue Center that have a net project cost (i.e., net of any applicable federal and state assistance and PFCs) greater than $10.0 million.
2. Renovation projects in the Terminal Complex Cost and Revenue Center with net project cost greater than $10.0 million.

The Authority is required to hold a meeting to describe the above projects. If within thirty (30) days of the date of the meeting, a majority in interest of Signatory Airlines (MII)[1] does not issue written disapprovals for a particular capital expenditure subject to MII consideration, the Authority may proceed with said capital expenditure. Only approximately $172.6 million of projects in the Capital Program are subject to MII consideration during the Projection Period.

Annual rates and charges are initially calculated based on the annual budget and reviewed and adjusted, if necessary, throughout each fiscal year to ensure that sufficient revenues are generated to satisfy all requirements of the Trust Agreement. At the end of each fiscal year, the Authority will recalculate rates and charges based on audited financial data to determine any over/under payment situations that need to be rectified. The Airline Agreement requires that the over/under payments be settled with the airlines at the close of each fiscal year.

Although the current agreement expires September 30, 2015, for the purposes of this analysis it was assumed that the methodology contained within the agreement is continued for FY 2013 through FY 2023.

6.2 Operating and Maintenance Expenses

Operation and Maintenance (O&M or Operating) Expenses at the Airport are budgeted by department and cost center. O&M Expenses for each of these areas are summarized into one of the following categories: including personnel, contracted services, contractual maintenance, supplies and materials, utilities, insurance, and other. These expenses are the basis for rate-setting purposes.

Historical Operating Expenses and the resulting Operating Expenses per Passenger are presented in **Table 6-1.**

1 MII shall mean at least fifty percent (50%) of the Signatory Airlines who together have landed sixty percent (60%) of the total Maximum Gross Landed Weight by all Signatory Airlines at the Airport during the immediately preceding Fiscal Year.

Table 6-1: Historical O&M Expenses, FY 2008- FY 2012

(Dollars in Thousands for Fiscal Years Ending September 30)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	COMPOUND ANNUAL GROWTH RATE
Total O&M Expenses (thousands)	$91,768	$91,254	$89,799	$92,496	$93,628	0.5%
O&M Expenses annual growth rate		-0.6%	-1.6%	3.0%	1.2%	
Enplaned Passengers(thousands)	9,351	8,561	8,335	8,383	8,441	-2.5%
Enplaned passengers growth rate		-8.5%	-2.6%	0.6%	0.7%	
Total O&M Expenses per Enplaned Passenger	$9.81	$10.66	$10.77	$11.03	$11.09	3.1%

SOURCE: Hillsborough County Aviation Authority, July 2013.
PREPARED BY: Ricondo & Associates, Inc. July 2013.

From FY 2008 through FY 2012, the Authority's Operating Expenses for the Airport remained relatively level. O&M Expenses were approximately $91.8 million in FY 2008 and decreased in FY 2009 and FY 2010 as enplaned passengers decreased, and have increased in FY 2011 and FY 2012 to approximately $93.6 million in FY 2012, reflecting a compound annual growth rate of 0.5 percent over the past five years. The Authority has been able to maintain O&M Expenses through cost-stabilization initiatives. In FY 2011, personnel expenses decreased $1,527,300 primarily due to organizational restructuring and vacancies, and savings in pension expenses as a result of reduced contribution rates. While O&M Expenses increased from FY 2010 to FY 2011, actual total O&M Expenses in FY 2011 were approximately $4.1 million less than budgeted. Total O&M Expenses were approximately $2.95 million below budget in FY 2012, primarily due to a reduction in contributions to the Florida Retirement System. O&M Expenses per enplaned passenger have increased at a compound annual growth rate of 3.1 percent from FY 2008 through FY 2012 due to decreased enplaned passengers over that period.

Table 6-2 presents actual, budgeted and projected O&M Expenses for FY 2013 through FY 2023, as distributed to the various Airport cost centers. Total O&M Expenses, including TSA Reimbursed O&M Expenses, for FY 2012 were approximately $93.6 million. Total O&M Expenses are budgeted to increase to $98.6 million in FY 2013, representing an increase of $5.0 million, or 5.3 percent, primarily attributable to inflationary factors.

The Airport's final approved FY 2013 budget serves as the base year from which O&M Expenses are projected. O&M Expenses are projected to increase based on the type of expense, expectations of future inflation rates (assumed to be 3.0 percent annually), and operational impacts. As shown, total O&M Expenses are projected to increase from $98.6 million in FY 2013 to $179.1 million in FY 2023, representing a compound annual growth rate of 6.1 percent.

Table 6-2: O&M Expenses, Expenditures and Reserve Requirement [1/]

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED										CAGR
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	(2013 - 2023)
Total Net Operating Expenses [2/]												
Airfield	$10,530,026	$11,089,557	$11,679,952	$12,302,959	$12,960,429	$13,655,015	$14,387,437	$15,160,545	$15,976,657	$16,838,226	$17,747,848	5.4%
Terminal Building	30,331,763	31,943,495	33,644,127	36,092,667	38,021,555	40,547,471	42,722,275	45,017,761	46,152,220	50,472,775	51,893,941	5.5%
Airside Buildings	21,626,398	22,775,555	23,988,097	25,547,890	26,913,211	28,435,225	29,960,400	31,570,258	33,269,620	35,063,586	36,957,553	5.5%
Commercial Landside	25,751,518	27,119,870	28,563,698	30,096,067	41,815,403	42,873,741	45,172,882	47,879,010	50,829,329	53,546,658	56,433,913	8.2%
Cargo	1,041,789	1,097,146	1,155,557	1,217,194	1,282,241	1,350,961	1,423,423	1,499,911	1,580,653	1,665,892	1,755,886	5.4%
Auxiliary Airports	1,292,143	1,360,803	1,433,251	1,509,700	1,590,379	1,675,596	1,765,471	1,860,338	1,960,482	2,066,205	2,177,824	5.4%
General Aviation	1,527,234	1,608,386	1,694,015	1,784,373	1,879,730	1,980,439	2,086,665	2,198,792	2,317,156	2,442,112	2,574,038	5.4%
Other	918,537	967,345	1,018,845	1,153,590	1,215,250	1,280,387	1,349,059	1,421,536	1,498,035	1,578,783	1,664,023	6.1%
Passenger Transfer	4,036,165	4,250,634	4,476,932	4,715,731	4,967,740	5,233,709	5,514,432	5,810,750	6,123,551	6,453,774	6,802,415	5.4%
Land Bank	194,727	205,074	215,992	227,513	239,671	253,128	266,705	281,037	296,165	312,136	328,997	5.4%
Total Net Operating Expenses	**$97,250,300**	**$102,417,866**	**$107,870,466**	**$114,647,685**	**$130,885,609**	**$137,285,672**	**$144,648,750**	**$152,699,937**	**$160,003,866**	**$170,440,147**	**$178,336,438**	6.3%
TSA Reimbursed O&M Expenses	$1,373,200	$693,400	$701,721	$710,141	$718,663	$727,287	$736,015	$744,847	$753,785	$762,830	$771,984	-5.6%
Total Operating Expenses	**$98,623,500**	**$103,111,266**	**$108,572,186**	**$115,357,827**	**$131,604,272**	**$138,012,959**	**$145,384,764**	**$153,444,784**	**$160,757,651**	**$171,202,978**	**$179,108,423**	6.1%
Total Net Operating Expenditures [2/3/]												
Airfield	$10,891,696	$11,471,927	$12,084,225	$12,730,411	$13,412,411	$14,132,956	$14,892,852	$15,695,036	$16,541,923	$17,436,064	$18,380,162	5.4%
Terminal Building	30,836,274	32,479,008	34,212,529	36,695,962	38,661,949	41,227,226	43,443,852	45,783,710	46,965,245	51,335,577	52,809,783	5.5%
Airside Buildings	21,982,016	23,153,059	24,388,821	25,973,249	27,364,741	28,914,521	30,469,165	32,110,287	33,842,816	35,671,970	37,603,266	5.5%
Commercial Landside	26,223,880	27,620,899	29,095,126	30,659,729	42,413,249	43,509,156	45,848,043	48,596,373	51,591,539	54,356,537	57,294,406	8.1%
Cargo	1,079,019	1,136,501	1,197,160	1,261,177	1,328,741	1,400,125	1,475,406	1,554,877	1,638,777	1,727,358	1,820,888	5.4%
Auxiliary Airports	1,404,005	1,478,800	1,557,729	1,641,026	1,728,940	1,821,803	1,919,757	2,023,162	2,132,330	2,247,589	2,369,287	5.4%
General Aviation	1,578,094	1,662,163	1,750,879	1,844,505	1,943,319	2,047,688	2,157,787	2,274,014	2,396,717	2,526,267	2,663,055	5.4%
Other	946,733	997,168	1,050,391	1,186,959	1,250,558	1,317,750	1,388,597	1,463,378	1,542,317	1,625,648	1,713,624	6.1%
Passenger Transfer	4,073,660	4,290,675	4,519,684	4,761,367	5,016,446	5,285,681	5,569,879	5,869,894	6,186,627	6,521,033	6,874,123	5.4%
Land Bank	201,123	211,837	223,144	235,076	247,670	261,587	275,652	290,500	306,175	322,724	340,198	5.4%
Total Net Operating Expenditures	**$99,216,500**	**$104,502,038**	**$110,079,688**	**$116,989,461**	**$133,368,024**	**$139,918,493**	**$147,440,991**	**$155,661,231**	**$163,144,465**	**$173,770,766**	**$181,868,790**	6.2%
TSA Reimbursed O&M Expenses	$1,373,200	$693,400	$701,721	$710,141	$718,663	$727,287	$736,015	$744,847	$753,785	$762,830	$771,984	-5.6%
Total Operating Expenditures	**$100,589,700**	**$105,195,438**	**$110,781,409**	**$117,699,603**	**$134,086,688**	**$140,645,780**	**$148,177,005**	**$156,406,078**	**$163,898,250**	**$174,533,597**	**$182,640,775**	6.1%
O&M Reserve Requirement												
Airfield	$56,909	$96,705	$102,050	$107,698	$113,667	$120,091	$126,649	$133,697	$141,148	$149,024	$157,350	
Terminal Building	263,433	273,789	288,920	413,905	327,665	427,546	369,438	389,976	196,923	728,389	245,701	
Airside Buildings	261,379	195,174	205,960	264,071	231,915	258,297	259,107	273,520	288,755	304,859	321,883	
Commercial Landside	80,926	232,836	245,704	260,767	1,958,920	182,651	389,814	458,055	499,194	460,833	489,645	
Cargo	20,326	9,580	10,110	10,669	11,261	11,897	12,547	13,245	13,983	14,763	15,588	
Auxiliary Airports	(29,437)	12,466	13,155	13,883	14,652	15,477	16,326	17,234	18,195	19,210	20,283	
General Aviation	50,476	14,012	14,786	15,604	16,469	17,395	18,350	19,371	20,451	21,592	22,798	
Other	26,411	8,406	8,870	22,761	10,600	11,199	11,808	12,464	13,156	13,889	14,663	
Passenger Transfer	33,266	36,169	38,168	40,281	42,513	44,873	47,366	50,002	52,789	55,734	58,848	
Land Bank	(31,221)	1,786	1,884	1,989	2,099	2,320	2,344	2,475	2,612	2,758	2,912	
Total O&M Reserve Requirement	**$732,467**	**$880,923**	**$929,608**	**$1,151,629**	**$2,729,761**	**$1,091,745**	**$1,253,750**	**$1,370,040**	**$1,247,206**	**$1,771,050**	**$1,349,671**	

Notes:

1/ Includes O&M Impacts of future capital projects, including savings to O&M associated with the APM .

2/ Net of TSA reimbursement for certain annual expenses

3/ Operating Expenditures includes Equipment and Renewal and Replacement

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.

PREPARED BY: Ricondo & Associates, Inc., August 2013

O&M Expenses are projected to increase based on the type of expense as well as impacts from capital projects to be undertaken during the Projection Period. The largest capital project impacts to O&M Expenses are associated with the consolidated rental car facility (ConRAC) and automated people mover (APM System) projects that are anticipated to be completed in FY 2017. The ConRAC and APM System are currently estimated to incur approximately $6.4 million of annual O&M Expenses and approximately $5.2 million of annual O&M Expenses, respectively, beginning in FY 2017. The total O&M Expenses associated with the ConRAC and approximately $2.0 million of APM System O&M Expenses are anticipated to be funded through CFC Revenues. There will also be O&M savings upon opening of the ConRAC and APM System, including approximately $1.3 million of annual savings associated with the reduced cost of current RAC fuel contract and utilities and $1.5 million of annual savings associated with the cessation of the economy garage shuttle bus, which have also been factored in to the O&M Expense projection.

O&M Expense categories are discussed below.

6.2.1 PERSONNEL

Personnel expenses include Airport staff compensation and benefits. Expenses for salaries, wages and employee benefits, which account for 45.5 percent of total operating expenses in FY 2013, are projected to increase at a compound annual growth rate of 6.0 percent through FY 2023. This is attributable primarily to salary increases, escalating insurance premiums, and other benefit increases.

6.2.2 CONTRACTED SERVICES

Contracted services expenses include outside legal and airport consulting services as well as aircraft rescue and firefighting and public and employee parking services. Contracted services account for approximately 15.4 percent of the total operating expenses in FY 2013, and are projected to increase at a compound annual growth rate of 6.0 percent through the projection period.

6.2.3 CONTRACTED MAINTENANCE

Contracted maintenance expenses include janitorial and trash removal services, as well as maintenance expenses associated with elevators and escalators, shuttles, monorail system, and other building maintenance. These expenses account for approximately 17.1 percent of total operating expenses and are projected to increase at a compound annual growth rate of 4.0 percent through the projection period.

6.2.4 UTILITIES

Utilities expenses include telephone, electricity, water and sewer, and natural gas expenses. Utilities expenses account for approximately 13.8 percent of total operating expenses and are projected to increase at a compound annual growth rate of 3.5 percent through FY 2023.

6.2.5 OTHER EXPENSES

Other expenses at the Airport consist of various maintenance materials and supplies, insurance, and miscellaneous expenses, such as Airport promotions, conferences, and training. All Other expenses at the

Airport account for 8.2 percent of total operating expenses and are projected to increase at a compound annual growth rate of 6.0 percent through the projection period.

The Transportation Security Administration (TSA) has provided various relief mechanisms to assist U.S. airports in the payment of added security costs. The Authority has received grants to offset certain security expenses. All grants received from the TSA are used to offset operating expenses. The portion of the projected TSA grants presented on Table 6-2 reflect anticipated reimbursement for certain expenses in the amount of approximately $1.4 million in FY 2013, and are projected to decrease to $693,400 in FY 2014, then increase at 1.2 percent annually through the projection period.

O&M Expenditures includes O&M Expenses and equipment expenditures. Equipment expenditures in FY 2012 were approximately $1.8 million and are budgeted to increase to approximately $2.0 million in FY 2013. Equipment expenditures are projected to increase at a compound annual growth rate of 6.0 percent.

6.3 Non-Agreement Revenues

Non-Agreement Revenues include all revenues generated for the Airport except for those revenues generated from the Airline Agreement. **Table 6-3** presents Non-Agreement Revenues and enplaned passengers from FY 2008 through FY 2012 in order to analyze historical Non-Agreement Revenues per enplaned passenger. As shown, Non-Agreement Revenues, excluding interest income, were approximately $127.0 million in FY 2008 then decreased in FY 2009 and FY 2010 to $118.5 million and $114.4 million, respectively, as enplanements decreased due to the economic recession in those years. As the economy recovered, Non-Agreement Revenues increased to $128.2 million in FY 2012, representing a compound annual growth rate of 0.2 percent from FY 2008 through FY 2012.

The largest contributing factor to the decrease in Non-Agreement Revenues from FY 2008 through FY 2010 was car parking revenues. Parking revenues were approximately $59.3 million in FY 2008 and decreased approximately 15.7 percent to $50.0 million in FY 2009. Parking revenues decreased further in FY 2010, to $48.6 million, before increasing in FY 2011 and FY 2012 to $51.8 million.

As shown in Table 6-3, total Non-Agreement Revenues per enplaned passenger have increased at a compound annual growth rate of 2.8 percent from $13.59 per enplanement in FY 2008 to $15.19 per enplanement in FY 2012.

Table 6-3: Historical Non-Agreement Revenues (Excluding Interest Income) FY 2008- FY 2012

(Dollars in Thousands for Fiscal Years Ending September 30)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	COMPOUND ANNUAL GROWTH RATE
Total Non-Agreement Revenues (thousands) 1/	$127,050	$118,484	$114,403	$123,169	$128,183	0.2%
Non-Agreement Revenues annual growth rate		-6.7%	-3.4%	7.7%	4.1%	
Enplaned Passengers (thousands)	9,351	8,561	8,335	8,383	8,441	-2.5%
Enplaned passengers growth rate		-8.5%	-2.6%	0.6%	0.7%	
Total Non-Agreement Revenues per Enplaned Passenger	$13.59	$13.84	$13.73	$14.64	$15.19	2.8%

NOTE:

1/ From FY 2008 through FY 2011, rental car companies paid $4.4 million in annual rents to reimburse the Authority for certain rental car project expenditures that were funded with Authority funds. In FY 2012, amortization was removed from the annual rent and replaced with a portion of the CFC Revenue reflected in Table 6-4.

SOURCE: Hillsborough County Aviation Authority, July 2013.
PREPARED BY: Ricondo & Associates, Inc. July 2013.

Table 6-4 presents Non-Agreement Revenues for FY 2013 through FY 2023. Total Non-Agreement Revenues (including interest income) are budgeted to be $133.2 million in FY 2013, and are projected to increase to approximately $190.3 million in FY 2023, reflecting a compound annual growth rate of approximately 3.6 percent. Growth in Non-Agreement Revenues results from projected increases in aviation activity as well as inflationary factors, assumed in this report to be 3 percent. Certain projects included in the Capital Program described in Chapter 3 are expected to directly generate additional Non-Agreement Revenues during the projection period and those additional revenues are reflected in the projections. Additional information regarding Non-Agreement Revenues, by cost center, is provided below.

Table 6-4: Non-Agreement Revenues (Page 1 of 2)

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED										CAGR
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	(2013-2022)
Airfield												
Non-Signatory Passenger Airline Landing Fees [1/]	$761,700	$760,164	$771,495	$782,910	$794,360	$805,059	$815,780	$826,620	$837,481	$848,462	$859,464	1.2%
Non-Signatory Cargo Airline Landing Fees	14,400	14,487	14,574	14,661	14,748	14,836	14,924	15,011	15,099	15,188	15,276	0.6%
Total Airfield	**$776,100**	**$774,651**	**$786,068**	**$797,571**	**$809,108**	**$819,895**	**$830,703**	**$841,632**	**$852,580**	**$863,650**	**$874,740**	1.2%
Terminal												
Non Signatory Space Rental [1/]	$650,600	$660,359	$670,264	$680,318	$690,523	$700,881	$711,394	$722,065	$732,896	$743,890	$755,048	1.5%
Non-Airline Space Rental	251,100	254,867	258,689	262,570	266,508	270,506	274,564	278,682	282,862	287,105	291,412	1.5%
Food and Beverage Concessions	11,730,800	11,824,000	11,469,906	11,251,618	14,114,747	14,585,302	15,094,485	15,619,037	16,168,545	16,734,661	17,317,641	4.0%
Hotel Concessions	1,370,000	1,412,730	1,460,439	1,509,564	1,560,105	1,612,115	1,668,395	1,726,374	1,787,111	1,849,684	1,914,121	3.4%
General Merchandise Concessions	4,980,000	5,074,094	4,892,796	4,527,856	6,620,699	6,841,419	7,080,258	7,326,305	7,584,058	7,849,602	8,123,057	5.0%
Duty Free Concessions	415,000	478,921	441,886	421,402	492,090	508,495	526,247	544,535	563,693	583,429	603,754	3.8%
Car Rental Concessions [2/]	32,669,000	36,628,624	37,787,233	39,055,278	45,246,129	46,754,536	48,386,771	50,068,270	51,829,767	53,644,505	55,513,303	5.4%
Advertising Concessions	1,400,000	1,443,666	1,492,420	1,542,620	1,594,268	1,647,417	1,704,930	1,764,178	1,826,245	1,890,188	1,956,036	3.4%
Parking	53,278,100	54,939,838	56,795,210	58,705,616	60,671,108	62,693,750	64,882,435	67,137,177	69,499,192	71,932,597	74,438,491	3.4%
Reimbursables and Miscellaneous	2,914,700	2,958,421	3,002,797	3,047,839	3,093,556	3,139,960	3,187,059	3,234,865	3,283,388	3,332,639	3,382,628	1.5%
Other Concessions	1,601,000	1,625,015	1,649,390	1,674,131	1,699,243	1,724,732	1,750,603	1,776,862	1,803,515	1,830,567	1,858,026	1.5%
Total Terminal	**$111,260,300**	**$117,300,534**	**$119,921,031**	**$122,678,812**	**$136,048,976**	**$140,479,112**	**$145,267,141**	**$150,198,350**	**$155,361,272**	**$160,678,867**	**$166,153,516**	4.1%
Airside												
Airside Other Rentals	$253,700	$259,496	$263,373	$267,296	$271,231	$274,910	$278,596	$282,323	$286,058	$289,833	$293,615	1.5%
Federal Inspection Services	362,300	370,577	376,114	381,716	387,335	392,589	397,853	403,176	408,509	413,900	419,302	1.5%
Extraordinary Service Charges	144,100	147,392	149,594	151,822	154,057	156,147	158,241	160,358	162,479	164,623	166,772	1.5%
Authority Gates & Hardstands	1,439,800	1,472,692	1,494,698	1,516,960	1,539,292	1,560,171	1,581,091	1,602,244	1,623,436	1,644,862	1,666,327	1.5%
TSA Security Reimbursements/Rentals	1,312,900	693,400	701,721	710,141	718,663	727,287	736,015	744,847	753,785	762,830	771,984	-5.2%
Total Airside Buildings	**$3,512,800**	**$2,943,556**	**$2,985,501**	**$3,027,936**	**$3,070,579**	**$3,111,104**	**$3,151,796**	**$3,192,948**	**$3,234,267**	**$3,276,049**	**$3,318,000**	-0.6%
Other Non-Agreement Revenues												
General Aviation	$3,170,100	$3,201,801	$3,233,819	$3,266,157	$3,298,819	$3,331,807	$3,365,125	$3,398,776	$3,432,764	$3,467,092	$3,501,763	1.0%
Cargo Complex	2,133,300	2,146,158	2,159,044	2,171,956	2,184,896	2,197,863	2,210,857	2,223,879	2,236,927	2,250,003	2,263,106	0.6%
Cargo Ramp	151,700	152,614	153,531	154,449	155,369	156,291	157,215	158,141	159,069	159,999	160,931	0.6%
Building Area Rentals	6,848,700	6,951,431	7,055,702	7,161,537	7,268,961	7,377,995	7,488,665	7,600,995	7,715,010	7,830,735	7,948,196	1.5%
Maintenance Hangar, Reservations, etc.	2,418,400	2,454,676	2,491,496	2,528,869	2,566,802	2,605,304	2,644,383	2,684,049	2,724,310	2,765,174	2,806,652	1.5%
Flight Kitchen Concessions	630,700	640,161	649,763	659,509	669,402	679,443	689,635	699,979	710,479	721,136	731,953	1.5%
Other Revenues	413,600	419,804	426,101	432,493	438,980	445,565	452,248	459,032	465,917	472,906	480,000	1.5%
Total Commercial Landside	**$15,766,500**	**$15,966,645**	**$16,169,455**	**$16,374,970**	**$16,583,228**	**$16,794,267**	**$17,008,128**	**$17,224,851**	**$17,444,476**	**$17,667,045**	**$17,892,600**	1.3%
Interest Income	$1,844,200	$1,862,642	$1,881,268	$1,900,081	$1,919,082	$1,938,273	$1,957,655	$1,977,232	$1,997,004	$2,016,974	$2,037,144	1.0%
Total Non-Agreement Revenues	**$133,159,900**	**$138,848,028**	**$141,743,324**	**$144,779,370**	**$158,430,973**	**$163,142,651**	**$168,215,424**	**$173,435,012**	**$178,889,599**	**$184,502,586**	**$190,276,000**	3.6%
CFC Revenues [3/]	$9,151,940	$45,610,216	$46,713,536	$48,730,227	$49,880,373	$51,054,671	$52,253,630	$53,477,767	$54,727,611	$56,003,702	$58,837,081	
Total Non-Agreement Revenues including RCFFs	**$142,311,840**	**$184,458,244**	**$188,456,860**	**$193,509,598**	**$208,311,346**	**$214,197,323**	**$220,469,055**	**$226,912,779**	**$233,617,211**	**$240,506,288**	**$249,113,080**	

Table 6-4: Non-Agreement Revenues (Page 2 of 2)

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED										CAGR
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	(2013-2022)
Non-Agreement Revenues by Cost Center												
Airfield	$776,100	$774,651	$786,068	$797,571	$809,108	$819,895	$830,703	$841,632	$852,580	$863,650	$874,740	1.2%
Terminal Building	25,313,200	25,732,072	25,338,588	24,917,918	30,131,739	31,030,826	31,997,935	32,992,903	34,032,313	35,101,766	36,201,723	3.6%
Airside Building	3,512,800	2,943,556	2,985,501	3,027,936	3,070,579	3,111,104	3,151,796	3,192,948	3,234,267	3,276,049	3,318,000	-0.6%
Commercial Landside	85,947,100	91,568,462	94,582,442	97,760,894	105,917,237	109,448,285	113,269,206	117,205,447	121,328,959	125,577,102	129,951,793	4.2%
Cargo	2,285,000	2,298,773	2,312,574	2,326,405	2,340,265	2,354,154	2,368,072	2,382,020	2,395,996	2,410,002	2,424,036	0.6%
Auxiliary Airports	967,500	986,850	1,006,587	1,026,719	1,047,253	1,068,198	1,089,562	1,111,353	1,133,580	1,156,252	1,179,377	2.0%
General Aviation	2,202,600	2,214,951	2,227,232	2,239,438	2,251,566	2,263,609	2,275,563	2,287,423	2,299,184	2,310,840	2,322,385	0.5%
Other	10,311,400	10,466,071	10,623,062	10,782,408	10,944,144	11,108,306	11,274,931	11,444,055	11,615,716	11,789,951	11,966,801	1.5%
Total Non-Agreement Revenues Excluding Interest	$131,315,700	$136,985,386	$139,862,055	$142,879,289	$156,511,891	$161,204,378	$166,257,769	$171,457,780	$176,892,595	$182,485,612	$188,238,856	3.7%
Interest Income	$1,844,200	$1,862,642	$1,881,268	$1,900,081	$1,919,082	$1,938,273	$1,957,655	$1,977,232	$1,997,004	$2,016,974	$2,037,144	1.0%
Total Non-Agreement Revenues	**$133,159,900**	**$138,848,028**	**$141,743,324**	**$144,779,370**	**$158,430,973**	**$163,142,651**	**$168,215,424**	**$173,435,012**	**$178,889,599**	**$184,502,586**	**$190,276,000**	3.6%
CFC Revenues [3/]	$9,151,940	$45,610,216	$46,713,536	$48,730,227	$49,880,373	$51,054,671	$52,253,630	$53,477,767	$54,727,611	$56,003,702	$58,837,081	
Total Non-Agreement Revenues including CFCs	**$142,311,840**	**$184,458,244**	**$188,456,860**	**$193,509,598**	**$208,311,346**	**$214,197,323**	**$220,469,055**	**$226,912,779**	**$233,617,211**	**$240,506,288**	**$249,113,080**	

Note:
1/ Assumes current Signatory/Non-Signatory composition remains constant during Projection Period.
2/ Includes CFC Revenues paid to the Authority for prior RAC projects.
3/ Reflects total CFC Revenues less CFC Revenues paid for prior RAC projects.

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., August 2013

6.3.1 AIRFIELD

Airfield Non-Agreement Revenues, which include non-signatory landing fees, fuel flowage fees and rentals, are budgeted to be approximately $776,100 in FY 2013.

6.3.2 TERMINAL COMPLEX

Revenues for the Terminal Complex are further differentiated into Terminal and Airside categories as described in the following paragraphs:

Terminal

Revenues include space rentals for rentals by car rental companies, general merchandise and food and beverage counters, HCAA facilities, a barber shop, currency exchange counter, traveler's aid, duty free and FIS space. Revenues also include all food & beverage and general merchandise revenues, duty free concessions, all advertising concessions and other miscellaneous concession revenues in the Terminal Complex. The Authority plans to revise the overall concession policy in 2015, including a thorough review of such policy. The potential for the allowance of multiple concessionaires to generate more revenue is under consideration, however, it is assumed for the purposes of this Report that all existing contract terms and conditions will be extended through the projection period unless otherwise noted.

The Authority entered into a Lease and Concession Agreement for operation of food and beverage services, (F&B Agreement) with Host International, Inc. (Host) for the exclusive right to provide food and beverage service at the Airport. The F&B Agreement became effective April 1, 1994 and terminates on September 30, 2015. Under the F&B Agreement, Host pays the Authority fair market rental for the space occupied by the food and beverage concessions. In addition, Host pays the Authority a privilege fee, representing the difference between the rental and the greater of a guaranteed minimum annual privilege fee, or a percentage privilege fee of gross revenues, plus a percentage of profits in excess of a base amount.

In 2012, Host expanded the Food and Beverage Services with five kiosk locations and two new full service restaurant/bar concepts. They also enhanced the program to promote local flavor by re-concepting three full service sit down restaurants. In addition, Host expanded the retail program with three new kiosk locations and a complete renovation of the most productive newsstand.

The Authority entered into a Lease and Concession Agreement for operation of retail merchandise services, except Duty Free, (Retail Agreement) with Host for the exclusive right to operate retail merchandise concessions. The Retail Agreement became effective May 1, 1996 and was amended and extended to 2015 in exchange for Host agreeing to pay higher percentage rents and fully fund future facility improvements out of their budget. In January 2013, the Agreement in its entirety was assigned to World Duty Free Group, a sister company to Host under the AutoGrill umbrella. Under the terms of the Retail Agreement, Host pays the Authority the fair market rental value for the space occupied by the retail shops and a minimum annual privilege fee computed as the greater of a percentage of the prior year's gross revenue or a percentage times prior year enplaned passengers. In FY 2012, revenues from food and beverage and retail merchandise were approximately $15.4 million. These revenues are budgeted to increase to a total of $16.7 million in FY 2013.

Food and beverage and retail merchandise revenues are assumed to increase in FY 2017 as the result of the negotiation of a new concession agreement.

The Authority awarded a License and Concession Agreement for Operation and Display of Services, Landside and Airside Buildings, Tampa International Airport, with Clear Channel Airports (Advertising Agreement) in June 2010. The Advertising Agreement commenced June 11, 2010, and terminates on June 30, 2015. The Authority received 50 percent of annual gross advertising sales or a minimum annual guarantee of $975,000, whichever is greater. In FY 2012, advertising concessions were $1.1 million and are budgeted to be $1.4 million in FY 2013.

The Authority entered into a Self Service Luggage Cart Concession Agreement (Luggage Cart Agreement) with Bagport America, LLC. (Bagport) for the right to rent, maintain, and relocate luggage carts to customers at the Airport. The Luggage Cart Agreement became effective February 7, 2013 and terminates on January 31, 2018. The Luggage Cart Agreement requires Bagport to pay annual rent for office space and for space occupied by the cart dispensing units.

Stellar Partners has a Duty Free Agreement with the Authority for the operation of the Duty Free shops. The term of the original agreement was March 7, 1996 through September 30, 2007, and has been extended through September 30, 2015.

Duty Free, Reimburseables & Miscellaneous, and Other Concessions includes revenues from the duty free shops; proceeds from sales of assets, warehouse storage rentals, and other miscellaneous revenues; permit fees for off-airport hotel and off-airport rental cars, ATM concessions, luggage carts, Verizon, privilege fees from Tele-Trip, charter buses, resort limousines and taxi cabs; and reimbursements from TSA for certain expenses in the Terminal Cost Center. Revenues from these revenue sources are budgeted to be approximately $4.9 million in FY 2013.

Airside

Airside Revenues include Hardstands; Authority Gates; Federal Inspection Services (FIS); Other Rentals; Miscellaneous Revenues; and reimbursements from TSA for certain expenses in the Airside Cost Center. Non-airline revenues in the Airside Cost Center are budgeted to total approximately $3.5 million in FY 2013.

6.3.3 COMMERCIAL LANDSIDE

Revenues for the Commercial Landside include Non-Agreement space rentals, hotel, car rentals, automobile parking and other concessions as well as certain cargo complex revenues. Total revenues in the Commercial Landside Cost Center are budgeted to be approximately $85.9 million in FY 2013.

Hotel

The Authority entered into an agreement for a hotel-office complex at Tampa International Airport, with Host Boston for the land underlying the hotel for the construction, operation and maintenance of a first class hotel and office complex. The hotel is currently branded as a Marriott. This agreement became effective April 29, 1969 and is scheduled to terminate December 31, 2033. The lease includes a specified minimum capital improvement cost. The original lease was for 20 years with two 10-year renewal options. An amendment to the lease extended the termination date to December 31, 2033. In exchange for the extended term, Host Boston agreed to increase the Authority's percentage of revenues as well as agreeing to over $13 million in improvements to the hotel complex.

The Hotel Agreement provides that Host Boston pays to the Authority a specified minimum privilege fee of $350,000 annually, plus a percentage of gross receipts and a profit-sharing component. The percentage of gross receipts is calculated by formula and is dependent upon the type of services being provided. It is applicable when and if the percentage exceeds the minimum privilege fee. Hotel revenues for FY 2013 are budgeted to be approximately $1.4 million.

Car Rentals

On-Airport Car Rental. The Authority entered into an Agreement for Car Rental Concession, in and adjacent to the Landside Building (On-Airport RAC Agreement) with the following companies: Hertz Corporation, Avis Rent-A-Car System, Inc., and Enterprise Leasing Company of Florida, LLC, and DTG Operations. On Airport RAC Agreements commenced October 1, 2010 and are scheduled to terminate on September 30, 2015. The On-Airport RAC Agreements provide for space rental of facilities at the Airport. In addition, each company pays the authority a minimum privilege or 9.5 percent of the gross receipts from its car rental business or a minimum guarantee, whichever is greater.

Off-Airport Car Rental. The Authority issues an Off-Airport Rental Car Airport Use and Permit Agreement (Off-Airport Agreement) to rental car companies located off the Airport that picks up customers at the Airport. Currently, there are nine companies E-Z Rent A Car Inc., Ciscon, LLC, Action Car Rental, CJB Enterprises, Econo Auto Rental, Inc., Simply Wheelz, and Flomco Inc., Fox Rent A Car, and Merit Rental Services, Inc. The Off-Airport Agreement required the companies operating thereunder to pay the Authority a privilege fee based on a percentage of gross receipts on revenue derived from Airport customers. The prior Off-Airport Agreements became effective January 1, 2003 and expired on December 31, 2007. The companies were operating on a month-to-month basis with all provisions of the Agreements applicable through March 31, 2008. A new Off-Airport Agreement became effective on April 1, 2008 and expires on December 31, 2013. The Off-Airport Agreements require the companies to pay 8.5 percent of gross receipts over $500,000 to the Authority.

The Authority received $1,185,478 in revenues from Off-Airport Agreements in the fiscal year ending September 30, 2012.

Total car rental revenues (excluding CFC Revenues) in FY 2013 are budgeted to be approximately $32.7 million and are projected increase at a compound annual growth rate of 5.4 percent, including an assumed increase in FY 2017 resulting from the negotiation of a new On-Airport RAC Agreement assumed to begin after the expiration of the existing Agreement.

Parking

The Authority entered into a Management Contract for Public Parking Facilities, (Parking Agreement) with AMPCO System to operate the parking facilities at the Airport. The Parking Agreement commenced on July 1, 2012 and will expire on June 30, 2017. The Authority annually reviews and approves the parking facilities operating budget. The operator assumes responsibility for the parking facilities and submits a daily accounting to the Authority. The Authority must annually approve the parking garage budget. Parking revenues for FY 2012 were approximately $51.8 million and are budgeted to be $53.3 million in FY 2013.

Compressed Natural Gas Fuel Station

In March 2011, the Authority entered into a contract with Clean Energy CA Corp. to develop, construct and operate a Compressed Natural Gas Fuel Station (CNG) on the Authority property. The contract term is 20 years which started on March 3, 2012.

6.3.4 CARGO

Cargo revenues, which include revenues from the Cargo Complex, Cargo Ramp and a TSA reimbursement, are budgeted to be approximately $2.3 million in FY 2013.

6.3.5 GENERAL AVIATION & AUXILIARY AIRPORTS

As described in Chapter 2, the Authority has two general fixed base aviation facilities at the Airport. There are also FBOs operating at each of the other airports including Atlas Aviation Tampa, Inc. at Peter O. Knight Airport, Leading Edge at Tampa Executive Airport and Mitchell Enterprises, Inc. at Plant City Airport. Budgeted Revenues from General Aviation and Auxiliary Airports for FY 2013 is approximately $3.2 million.

6.3.6 OTHER

Total Other Non-Agreement revenues are budgeted to be $10.3 million in FY 2013.

Building Rentals

There are several buildings on Airport property that are rented by a variety of tenants. Some of these tenants include CSX Real Property, City of Tampa Police, Pioneer Fuel Oil, Rubber Products, Drew Park Cold Storage, Ye Mystic Krewe, Tampa Electric, Concorde Properties, Tampa Westshore Associated LTD Partnership, Roth Investment Realty, Inc., and Crescent Resources.

Maintenance Hangars/Facilities

The Authority's maintenance facilities including a discussion of tenants are described in Chapter 2.

Flight Kitchen

LSG/Sky Chefs and Gate Gourmet provide the flight kitchen concession for the Airport.

Land Leases

The Authority has entered into several land leases with the U.S. Postal Service, dating from April 7, 1967, with terms and renewal options extending to May 1, 2020. In connection with each five-year renewal option, the ground rent is adjusted, based upon a percentage of the appraised value of the land as of the date of commencement of each five-year option.

6.4 Other Available Revenue

6.4.1 PASSENGER FACILITY CHARGE REVENUE

The Airport is currently collecting a $4.50 PFC per passenger and has submitted eight PFC applications to the FAA and received authority to impose and use approximately $795.8 million in PFC revenues. Through September 30, 2012, the Authority has collected approximately $521.3 million in PFCs from air carriers, foreign air carriers and their agents. Expenditures under the PFC applications through September 30, 2012 total approximately $699.7 million. Expenditures in excess of collections are funded from the issuance of PFC supported revenue bonds, commercial paper notes and bank notes, or from Authority funds that will be reimbursed from PFCs. The Authority will secure all required PFC authority approvals from the FAA prior to the issuance of future subordinate lien PFC supported bonds through the PFC application process.

Table 6-5 presents projected annual PFC revenue capacity based on projected enplanements, an assumed PFC level of $4.50 per enplanement, and assumed PFC collection eligibility of 90 percent of enplaned passengers. Table 6-5 assumes no increase in the current $4.50 PFC collection rate. An increase in the PFC collection rate would increase the annual PFC revenue collections; however, the Airport would continue to be limited to cumulative PFC collections in the amount authorized by the FAA unless additional approvals are obtained from the FAA.

6.4.2 CUSTOMER FACILITY CHARGE REVENUE

The Authority implemented the customer facility charge program at the Airport on October 1, 2011. The $2.50 CFC per rental car contract day will generate additional revenues to fund the ConRAC, which is anticipated to be completed in FY 2017. Projected CFC Revenues are included in Table 6-4.

CFCs are not currently pledged to pay debt service on either the Authority's Senior Lien Bonds or Subordinated Bonds. However, this Report assumes that the ConRAC and APM projects will be funded, in part, from the proceeds of CFC-supported GARBs, to be issued in late 2014. This Report also assumes that CFCs would be pledged toward the repayment of such bonds at the time they are issued.

Table 6-5: Projected PFC Revenue Collections

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Enplanements	8,481,200	8,633,100	8,817,000	9,002,900	9,190,600	9,370,100	9,567,000	9,766,300	9,973,500	10,183,300	10,395,600
Calculation of PFCs											
90% Eligibility of EPs	7,633,080	7,769,790	7,935,300	8,102,610	8,271,540	8,433,090	8,610,300	8,789,670	8,976,150	9,164,970	9,356,040
PFC Collection Level	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Less: Administrative Fee	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)
Total PFC Revenue	$33,509,221	$34,109,378	$34,835,967	$35,570,458	$36,312,061	$37,021,265	$37,799,217	$38,586,651	$39,405,299	$40,234,218	$41,073,016
PFCs Applied to Senior Lien Debt Service	$29,784,688	$7,383,663	$7,387,413	$7,383,513	$7,388,469	$7,386,750	$0	$0	$0	$0	$0
PFCs Applied to Subordinated Lien Debt Service	0	20,064,189	22,323,700	22,324,900	23,651,425	23,651,425	33,026,425	33,026,425	33,026,425	33,029,425	33,026,925
Remaining PFC Revenue	**$3,724,534**	**$6,661,527**	**$5,124,855**	**$5,862,045**	**$5,272,167**	**$5,983,090**	**$4,772,792**	**$5,560,226**	**$6,378,874**	**$7,204,793**	**$8,046,091**

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., August 2013

6.5 Debt Service

6.5.1 EXISTING DEBT SERVICE, DEBT SERVICE ON SERIES 2013 BONDS, FUTURE BONDS, AND OTHER DEBT SERVICE

Table 6-6 presents the details of the Authority's outstanding debt service as well as the debt service on the 2013 Bonds, and future bonds, as well as projected Other Debt Service[2] for FY 2013 through FY 2023.

As presented in the table, after the issuance of the 2013 Bonds, total debt service on bonds issued and outstanding under the Trust Agreement (Senior Lien Bonds) is projected to be approximately $59.9 million in FY 2014 and is projected to decrease throughout the Projection Period to approximately $22.5 million in FY 2023.

Debt service on the Senior 2013 A/B Bonds is projected to range between approximately $14.6 million and $16.1 million from FY 2014 through FY 2017, increase to approximately $22.6 million in FY 2019, then decrease in each year through FY 2023.

Debt service on the Subordinated 2013A Bonds is projected to be approximately $20.1 million in FY 2014, increase to $22.3 million annually in FY 2015 and FY 2016, decrease to $7.1 million in FY 2017 and FY 2018, and then increase to $16.5 million annually through the Projection Period.

For projection purposes, the future ConRAC, APM System, other capital projects, and Master Plan Phase I and II projects included in the Airport's CIP are expected to be funded in part with Senior Lien Bonds and Subordinated Bonds. Such future Senior Lien Bonds and Subordinated Bonds are assumed to be issued in the follow years and amounts:

FUTURE BOND ISSUANCES	BOND PAR ($ millions)
Senior Lien	
Series 2014 (CONRAC)	$314.5
Series 2014 (APM)	$167.0
Series 2014 GARBs (Other Projects)	$221.7
Series 2017 GARBs (Master Plan Phase II)	$117.7
Series 2020 GARBs (Master Plan Phase II)	$75.4
Subordinated Lien	
Series 2014 (APM)	$319.0

The estimated debt service on such assumed future bond issues is presented in Table 6-6.

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2 Other Debt Service is defined as any principal, interest, premium, and other fees and amounts, either paid or accrued, on Other Indebtedness of the Authority. Other Indebtedness is defined as any debt incurred by the Authority for Airport System purposes which is outstanding and not authenticated and delivered under and pursuant to the Trust Agreement or the Subordinated Trust Agreement.

Table 6-6: Debt Service (Page 1 of 2)

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Senior Lien Bond Debt Service											
Series 1996B	$545,100	$545,100	$545,100	$3,400,100	$3,398,800	$3,397,300	$0	$0	$0	$0	$0
Series 2001A	6,080,492	7,084,400	7,084,325	0	0	0	0	0	0	0	0
Series 2003A [1/]	22,399,588	0	0	0	0	0	0	0	0	0	0
Series 2003B	3,363,275	0	0	0	0	0	0	0	0	0	0
Series 2003C	7,660,983	0	0	0	0	0	0	0	0	0	0
Series 2003D	4,201,508	0	0	0	0	0	0	0	0	0	0
Series 2005A	8,731,467	9,791,425	9,795,463	16,765,863	16,765,913	16,766,325	0	0	0	0	0
Series 2005B	3,364,127	3,773,794	3,770,544	946,044	946,044	946,044	4,316,044	4,313,331	4,316,906	4,311,000	4,315,500
Series 2006A	3,134,198	4,503,531	4,512,281	286,031	286,031	286,031	286,031	286,031	1,701,031	1,705,281	1,700,781
Series 2006B	2,411,739	3,466,406	3,464,156	219,656	219,656	219,656	219,656	219,656	1,309,656	1,310,156	1,307,906
Series 2008A	7,260,838	7,260,838	7,260,838	7,260,838	7,260,838	7,260,838	7,260,838	7,260,838	7,260,838	7,260,838	7,260,838
Series 2008B	836,250	836,250	836,250	836,250	836,250	836,250	836,250	836,250	836,250	836,250	836,250
Series 2008C	1,650,638	553,438	553,438	553,438	553,438	553,438	553,438	553,438	1,998,438	1,975,350	1,953,813
Series 2008D	524,650	171,050	171,050	171,050	171,050	171,050	171,050	171,050	641,050	630,200	623,525
Series 2009A [1/]	7,385,100	7,383,663	7,387,413	7,383,513	7,388,469	7,386,750	0	0	0	0	0
Total Existing Senior Lien Debt Service	**$79,549,953**	**$45,369,894**	**$45,380,856**	**$37,822,781**	**$37,826,488**	**$37,823,681**	**$13,643,306**	**$13,640,594**	**$18,064,169**	**$18,029,075**	**$17,998,613**
Series 2013 Senior Lien Bond Debt Service											
Senior 2013A (AMT) [2/]	$0	$7,239,643	$7,909,650	$7,991,450	$7,992,650	$2,751,050	$14,581,050	$22,242,850	$14,569,250	$9,589,750	$4,471,500
Senior 2013B (Non-AMT)	0	7,332,530	8,049,800	8,060,200	8,059,600	8,058,000	8,060,000	0	0	0	0
Total Series 2013 Senior Lien Bond Debt Service	**$0**	**$14,572,173**	**$15,959,450**	**$16,051,650**	**$16,052,250**	**$10,809,050**	**$22,641,050**	**$22,242,850**	**$14,569,250**	**$9,589,750**	**$4,471,500**
Total Existing and Series 2013 Senior Lien Debt Service	**$79,549,953**	**$59,942,066**	**$61,340,306**	**$53,874,431**	**$53,878,738**	**$48,632,731**	**$36,284,356**	**$35,883,444**	**$32,633,419**	**$27,618,825**	**$22,470,113**
Future Senior Lien Debt Service											
Future Series 2014 (CONRAC) [3/]	$0	$0	$21,297,470	$22,191,426	$22,191,604	$22,191,169	$22,189,898	$22,187,565	$22,188,946	$22,193,592	$23,721,054
Future Series 2014 (APM System) [3/]	0	0	11,007,875	11,006,475	11,005,875	11,005,875	11,011,275	11,006,675	11,007,275	11,007,675	11,002,675
Future Series 2014 (Other Projects)	0	0	0	0	0	12,445,475	12,445,475	12,445,475	12,445,475	12,445,475	12,445,475
Future Series 2017 (Master Plan Phase II)	0	0	0	0	0	0	0	6,770,050	6,770,050	6,770,050	6,770,050
Future Series 2020 (Master Plan Phase II)	0	0	0	0	0	0	0	0	0	0	3,233,859
Total Future Senior Lien Bond Debt Service	**$0**	**$0**	**$32,305,345**	**$33,197,901**	**$33,197,479**	**$45,642,519**	**$45,646,648**	**$52,409,765**	**$52,411,746**	**$52,416,792**	**$57,173,113**
Total Senior Lien Debt Service	**$79,549,953**	**$59,942,066**	**$93,645,651**	**$87,072,332**	**$87,076,216**	**$94,275,250**	**$81,931,004**	**$88,293,208**	**$85,045,164**	**$80,035,617**	**$79,643,225**

Table 6-6: Debt Service (Page 2 of 2)

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Subordinated Lien Bond Debt Service											
Subordinated Series 2013A (AMT) [4/]	$0	$20,064,189	$22,323,700	$22,324,900	$7,078,500	$7,078,500	$16,453,500	$16,453,500	$16,453,500	$16,456,500	$16,454,000
Future Series 2014 (APM System)	0	0	0	0	16,572,925	16,572,925	16,572,925	16,572,925	16,572,925	16,572,925	16,572,925
Total Subordinated Lien Bond Debt Service	**$0**	**$20,064,189**	**$22,323,700**	**$22,324,900**	**$23,651,425**	**$23,651,425**	**$33,026,425**	**$33,026,425**	**$33,026,425**	**$33,029,425**	**$33,026,925**
Other Debt Service											
Sun Trust 2012 Note [5/]	$547,900	$1,070,101	$1,085,244	$10,011,270	$9,786,792	$386,214	$0	$0	$0	$0	$0
Total Other Debt Service	**$547,900**	**$1,070,101**	**$1,085,244**	**$10,011,270**	**$9,786,792**	**$386,214**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Debt Service	**$80,097,853**	**$81,076,356**	**$117,054,595**	**$119,408,502**	**$120,514,433**	**$118,312,889**	**$114,957,429**	**$121,319,633**	**$118,071,589**	**$113,065,042**	**$112,670,150**
Less: Senior Lien PFC Debt Service	$29,784,688	$7,383,663	$7,387,413	$7,383,513	$7,388,469	$7,386,750	$0	$0	$0	$0	$0
Less: Subordinated Lien PFC Debt Service	0	20,064,189	22,323,700	22,324,900	23,651,425	23,651,425	33,026,425	33,026,425	33,026,425	33,029,425	33,026,925
Less: CFC Supported Debt Service	0	0	32,305,345	33,197,901	33,197,479	33,197,044	33,201,173	33,194,240	33,196,221	33,201,267	34,723,729
Less: Other Debt Service	547,900	1,070,101	1,085,244	10,011,270	9,786,792	386,214	0	0	0	0	0
Total GARB Debt Service to be paid from Revenues	**$49,765,265**	**$52,558,404**	**$53,952,894**	**$46,490,919**	**$46,490,269**	**$53,691,456**	**$48,729,831**	**$55,098,969**	**$51,848,944**	**$46,834,350**	**$44,919,497**

NOTE:

1/ Series 2003A and Series 2009A are PFC-supported GARBs which are expected to be repaid from PFCs; All other existing senior lien debt service is secured solely from Authority revenues. Additional PFC supported subordinated bonds are assumed to be issued in 2014.

2/ If the direct placement approach is employed, it is possible that the Senior 2013A Bonds (AMT) will be issued as two separate series.

3/ This report assumes that CFCs will be pledged to pay debt service on such future bonds.

4/ PFC - Supported

5/ Portion of Sun Trust Loan remaining after issuance of Series 2013 Bonds, which Authority intends to pay with Airport Revenues as shown above

SOURCE: Hillsborough County Aviation Authority

PREPARED BY: Ricondo & Associates, Inc., September 2013

Future debt service on Senior Lien Bonds associated with other CIP and Master Plan Phase II projects is assumed to be paid with Airport Revenues in the amount of $12.4 million annually in FY 2018 and FY 2019, increase to $19.2 million in FY 2020 through FY 2022, and then increase to $22.4 million at the end of the Projection Period.

A PFC supported subordinated bond issuance, to fund a portion of the APM Project, is also assumed in FY 2014 with debt service of $16.6 million annually from FY 2017 through FY 2023.

The Authority's total debt service (including projected debt service on the 2013 Bonds, future bonds, and the projected Other Debt Service) is projected to be approximately $80.1 million in FY 2013 then increase to between approximately $112.7million and $121.3 million annually through the Projection Period.

Debt service to be paid with Authority Funds is budgeted to be approximately $49.8 million in FY 2013 and projected to range between approximately $44.9 million and $55.1 million throughout the Projection Period.

6.5.2 INVESTMENT SERVICE

Investment Service with respect to any Fiscal Year is comprised of the sum of (1) debt service (exclusive of capitalized interest) and Other Debt Service payable by the Authority (not from bond proceeds) on Bonds in that Fiscal Year; plus (2) a return on Authority Investment made by Authority after September 30, 1999, with its own funds (Authority funds, not bond proceeds and not proceeds from insurance resulting from casualty damage to or destruction of improvements on the Airport System) for new capital improvements or additions on the Airport System equal to the total of the annual amortization of the amount of each item of Recognized Net Investment over 25 years in equal amounts of principal plus interest, with interest computed at the Authority's True Interest Cost on the declining principal balance (Return on Authority Investment or ROAI). For the first Fiscal Year (of acquisition or completion) only one-half of the annual amortization shall be recognized, and for the last Fiscal Year of recognition only one-half of the annual amortization shall be recognized; plus (3) 25 percent of the debt service payable on Revenue Bonds in that Fiscal Year (Coverage).

The Authority's True Interest Cost will be equal to the index as of September 30th of the previous Fiscal Year provided by the Bond Buyer's 25 Bond Revenue Index. Investment Service will be reduced by the amount of any interest earnings on the Debt Service Reserve Fund.

The total Investment Service for the Authority each Fiscal Year, as calculated above, shall be allocated to the Cost Centers and Cost and Revenue Centers in proportion to the Recognized Net Investment at the end of the Fiscal Year in each Cost Center and Cost and Revenue Center.

Recognized Net Investment (RNI) is equal to the Authority's cost of an improvement or an acquisition made on or for the Airport System (including without limitation the cost of construction, testing, architects' and engineers' fees, consultants' fees, construction management fees, surveyance by the Authority engineer, condemnation, and brokers' fees), reduced by the amount of any Federal or state grant or PFCs received by Authority.

Table 6-7 presents budgeted and projected Investment Service for FY 2013 through FY 2012.

6.6 Airline Revenues

Rates will be calculated for three areas at the Airport: the Airfield Cost and Revenue Center, the Main Terminal Building, and the Airside Buildings. The resulting revenues will be collectively known as Airline Revenues. The Passenger Transfer System requirement is included in the Airside Buildings rental rates. Although the current Airline Agreement expires on September 30, 2015, Signatory Airline rates and charges presented in these analyses for FY 2013 through FY 2023 represent the methodology contained within the current Airline Agreement.

The items included in the total requirement for the landing fee, Main Terminal Building rental rate, and Airside Buildings rental rate, are as follows:

- **O&M Expenditures.** Includes the O&M Expenditures (direct and allocated indirect) attributable to the specific rate-setting area.
- **O&M Reserve Requirement.** Includes amounts needed to maintain the Trust Agreement's O&M Reserve Requirement within the specific rate-setting area.
- **Investment Service.** Includes the portion of Investment Service, as defined previously, allocated to the specific rate-setting area.
- **Coverage Rebate.** Includes the Signatory Airline portion of the Debt Service Coverage attributable to the specific rate-setting area.

The following sections present greater detail with regards to each specific rate calculation.

6.6.1 AIRFIELD

6.6.1.1 Landing Fees

A compensatory landing fee calculation is presented in **Table 6-8**. The landing fee is calculated by combining the items described above (excluding the Coverage Rebate) for the Airfield Cost and Revenue Center to determine the total Airfield requirement. Ninety percent (90 percent) of this requirement is attributed to the airlines and divided by total landed weight to yield a Non-signatory Landing Fee. Other Airport revenues cover the remaining 10 percent. The Signatory Airlines are then given the credit of the Coverage Rebate and a Signatory Landing Fee is calculated. Total Landing Fee revenues are equal to the sum of the Non-signatory Landing Fee multiplied by the Non-signatory Landed Weight; and the Signatory Landing Fee multiplied by the Signatory Landed Weight.

Table 6-7: Investment Service

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Investment Service:											
Total Debt Service	$80,097,853	$81,076,356	$117,054,595	$119,408,502	$120,514,433	$118,312,889	$114,957,429	$121,319,633	$118,071,589	$113,065,042	$112,670,150
Less: Senior Lien PFC Supported Debt Service	29,784,688	7,383,663	7,387,413	7,383,513	7,388,469	7,386,750	0	0	0	0	0
Less: Subordinated Lien PFC Supported Debt Service	0	20,064,189	22,323,700	22,324,900	23,651,425	23,651,425	33,026,425	33,026,425	33,026,425	33,029,425	33,026,925
Less: CFC Supported Debt Service	0	0	32,305,345	33,197,901	33,197,479	33,197,044	33,201,173	33,194,240	33,196,221	33,201,267	34,723,729
Less: Other Debt Service	547,900	1,070,101	1,085,244	10,011,270	9,786,792	386,214	0	0	0	0	0
GARB Debt Service	**$49,765,265**	**$52,558,404**	**$53,952,894**	**$46,490,919**	**$46,490,269**	**$53,691,456**	**$48,729,831**	**$55,098,969**	**$51,848,944**	**$46,834,350**	**$44,919,497**
GARB Debt Service Coverage	12,441,316	13,139,601	13,488,223	11,622,730	11,622,567	13,422,864	12,182,458	13,774,742	12,962,236	11,708,588	11,229,874
Return on Authority Investment [1/]	22,697,710	24,407,255	27,055,763	28,964,591	30,479,236	32,231,535	34,279,558	36,074,167	38,760,567	41,194,832	42,460,956
GARB Debt Service Reserve Fund Interest	(1,590,600)	(1,621,700)	(1,510,749)	(1,405,539)	(1,300,326)	(1,432,167)	(1,444,226)	(1,319,863)	(1,274,190)	(1,233,095)	(1,162,206)
Other Debt Service	547,900	1,070,101	1,085,244	10,011,270	9,786,792	386,214	0	0	0	0	0
Total Investment Service	**$83,861,591**	**$89,553,660**	**$94,071,375**	**$95,683,970**	**$97,078,538**	**$98,299,903**	**$93,747,621**	**$103,628,015**	**$102,297,557**	**$98,504,674**	**$97,448,121**
Percent of Recognized Net Investment: [1/]											
Airfield	7.12%	7.14%	6.88%	8.83%	8.01%	8.29%	8.18%	8.48%	7.86%	7.72%	7.71%
Terminal Building	18.16%	19.42%	19.32%	18.62%	25.23%	25.13%	24.79%	24.39%	23.32%	23.52%	24.16%
Airside Buildings	11.96%	12.22%	12.26%	12.00%	12.17%	12.08%	12.31%	12.49%	11.47%	11.36%	11.45%
Commercial Landside	45.23%	44.00%	43.35%	42.63%	38.15%	38.26%	37.73%	37.58%	41.50%	41.30%	40.69%
Cargo	4.17%	3.98%	3.83%	3.68%	3.28%	3.23%	3.23%	3.20%	2.90%	2.84%	2.78%
Auxiliary Airports	4.64%	4.62%	4.58%	4.55%	4.13%	4.02%	4.86%	5.07%	5.00%	4.95%	4.96%
General Aviation	2.63%	2.71%	2.67%	2.65%	2.60%	2.58%	2.55%	2.50%	2.27%	2.25%	2.22%
Other	1.43%	1.38%	2.14%	2.23%	2.15%	2.26%	2.23%	2.20%	2.00%	2.45%	2.40%
Land Bank	0.18%	0.18%	0.18%	0.17%	0.15%	0.15%	0.20%	0.24%	0.22%	0.21%	0.21%
Passenger Transfer	2.90%	2.82%	2.71%	2.63%	2.35%	2.30%	2.26%	2.22%	2.01%	1.97%	2.05%
Extraordinary Facilities	1.59%	1.52%	2.08%	2.00%	1.78%	1.70%	1.66%	1.63%	1.45%	1.42%	1.39%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Investment Service:											
Airfield	$5,967,010	$6,397,496	$6,473,866	$8,447,282	$7,779,061	$8,149,577	$7,669,740	$8,788,932	$8,043,108	$7,608,484	$7,509,284
Terminal Building	15,230,852	17,392,704	18,171,955	17,816,266	24,497,445	24,701,333	23,240,441	25,275,165	23,858,368	23,163,846	23,539,623
Airside Buildings	10,026,564	10,942,741	11,533,735	11,483,567	11,811,514	11,875,335	11,538,733	12,941,166	11,731,244	11,191,647	11,154,114
Commercial Landside	37,933,166	39,403,538	40,783,930	40,792,523	37,035,178	37,607,673	35,370,942	38,948,418	42,454,917	40,679,732	39,651,834
Cargo	3,495,867	3,567,111	3,598,919	3,523,832	3,182,572	3,177,965	3,029,066	3,319,610	2,963,868	2,797,882	2,711,748
Auxiliary Airports	3,887,667	4,137,698	4,304,525	4,352,074	4,013,599	3,949,876	4,554,548	5,252,258	5,112,347	4,877,548	4,831,552
General Aviation	2,205,264	2,431,155	2,512,254	2,539,436	2,522,560	2,540,698	2,386,988	2,590,535	2,321,844	2,219,791	2,160,521
Other	1,199,995	1,235,172	2,015,383	2,135,895	2,082,446	2,222,465	2,089,353	2,277,172	2,043,838	2,410,435	2,336,890
Land Bank	148,225	160,978	167,761	164,084	148,547	144,617	191,851	253,567	224,351	211,653	207,101
Passenger Transfer	2,431,875	2,527,165	2,552,444	2,519,799	2,282,410	2,262,262	2,115,830	2,297,229	2,057,888	1,943,593	1,995,674
Extraordinary Facilities	1,335,105	1,357,903	1,956,604	1,909,212	1,723,204	1,668,101	1,560,129	1,683,962	1,485,786	1,400,064	1,349,780
Total Investment Service	**$83,861,591**	**$89,553,660**	**$94,071,375**	**$95,683,970**	**$97,078,538**	**$98,299,903**	**$93,747,621**	**$103,628,015**	**$102,297,557**	**$98,504,674**	**$97,448,121**

NOTE:
1/ ROAI and Percent RNI projections based on CIP provided by Hillsborough County Aviation Authority.

SOURCE: Hillsborough County Aviation Authority

PREPARED BY: Ricondo & Associates, Inc., August 2013

Table 6-8: Landing Fee Calculation

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Non-Signatory Landing Fee Calculation											
O&M Expenditures	$10,891,696	$11,471,927	$12,084,225	$12,730,411	$13,412,411	$14,132,956	$14,892,852	$15,695,036	$16,541,923	$17,436,064	$18,380,162
O&M Reserve Requirement	56,909	96,705	102,050	107,698	113,667	120,091	126,649	133,697	141,148	149,024	157,350
Investment Service	5,967,010	6,397,496	6,473,866	8,447,282	7,779,061	8,149,577	7,669,740	8,788,932	8,043,108	7,608,484	7,509,284
Total Requirement	$16,915,615	$17,966,128	$18,660,141	$21,285,391	$21,305,138	$22,402,625	$22,689,240	$24,617,666	$24,726,178	$25,193,572	$26,046,796
Airlines' Share of Requirement	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Airlines' Airfield Revenue Requirement	$15,224,053	$16,169,515	$16,794,127	$19,156,852	$19,174,625	$20,162,362	$20,420,316	$22,155,899	$22,253,560	$22,674,215	$23,442,116
Total Landed Weight	10,074,911	10,054,596	10,204,464	10,355,447	10,506,902	10,648,419	10,790,218	10,933,602	11,077,257	11,222,508	11,368,020
Non-Signatory Landing Fee	**$1.51**	**$1.61**	**$1.65**	**$1.85**	**$1.82**	**$1.89**	**$1.89**	**$2.03**	**$2.01**	**$2.02**	**$2.06**
Signatory Landing Fee Calculation											
Total Requirement	$16,915,615	$17,966,128	$18,660,141	$21,285,391	$21,305,138	$22,402,625	$22,689,240	$24,617,666	$24,726,178	$25,193,572	$26,046,796
Less: Prior Period Coverage	914,316	885,238	938,661	928,241	1,026,091	931,335	1,112,826	996,679	1,168,268	1,019,151	904,369
Adjusted Airfield Revenue Requirement	$16,001,299	$17,080,890	$17,721,480	$20,357,149	$20,279,047	$21,471,289	$21,576,415	$23,620,987	$23,557,910	$24,174,421	$25,142,427
Airlines' Share of Requirement	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Adjusted Airlines' Airfield Revenue Requirement	$14,401,169	$15,372,801	$15,949,332	$18,321,435	$18,251,142	$19,324,160	$19,418,773	$21,258,888	$21,202,119	$21,756,979	$22,628,184
Total Landed Weight	10,074,911	10,054,596	10,204,464	10,355,447	10,506,902	10,648,419	10,790,218	10,933,602	11,077,257	11,222,508	11,368,020
Signatory Landing Fee	**$1.43**	**$1.53**	**$1.56**	**$1.77**	**$1.74**	**$1.81**	**$1.80**	**$1.94**	**$1.91**	**$1.94**	**$1.99**

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., August 2013

As presented in Table 6-8, the Signatory Landing Fee is projected to increase from a budgeted rate of $1.43 per thousand pounds landed weight in FY 2013 to $1.81 per thousand pounds of landed weight in FY 2018. The Signatory Landing Fee is projected to decrease to $1.80 per thousand pounds landed weight in FY 2019, reflecting the maturity of a portion of the Authority's bonds, and then increase in each year to $1.99 per thousand pounds landed weight in FY2023.

6.6.2 TERMINAL COMPLEX

Two different types of rates are calculated within the Terminal Complex Cost and Revenue Center, Main Terminal Building rental rates and Airside Buildings rental rates, with the Passenger Transfer System rental rates included in the Airside Building rental rates. The total requirement in each respective area is comprised of the sum of the previously described components allocated to the appropriate rate-setting area. This rate is then reduced by the amount of Coverage Rebate applicable to each area.

6.6.2.1 Main Terminal Building Rental Rate

A compensatory rental rate calculation for Main Terminal Building rental rates is presented in **Table 6-9**. The net requirement for the Main Terminal Building is equal to the sum of the previously described components for the Main Terminal Building subset of the Terminal Complex Cost and Revenue Center. An average Main Terminal Building rental rate is derived by dividing the net requirement by the rentable square feet in the Main Terminal Building. The Signatory rate is differentiated from the Non-signatory rate by allocation of the Coverage Rebate as described above.

As presented in Table 6-9, the average Main Terminal Building Rental Rate is projected to increase from $115.30 and $109.60 per square foot, without rebate and with rebate, respectively, in FY 2013 to $231.13 and $222.82 per square foot, without rebate and with rebate, respectively, in FY 2023. The increase can be primarily attributed to a reduction in rentable terminal building space in FY 2023 associated with Master Plan Phase II, as well as inflationary impacts of O&M Expenses.

6.6.2.2 Airside Building Rental Rate

A compensatory rental rate calculation for all Airside Buildings is presented in **Table 6-10**. The net requirement for the Airside Buildings, which includes the requirement for the passenger transfer system, is equal to the sum of the previously described components for the Airside Buildings subset of the Terminal Complex Cost and Revenue Center. An average Airside Building rental rate is derived by dividing the net requirement by the rentable square feet in the Airside Buildings. The Signatory rate is differentiated from the Non-signatory rate by allocation of the Coverage Rebate as described above.

Table 6-9: Terminal Building Rental Rates

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average Terminal Building Rate Calculation											
O&M Expenditures (excl PTS)	$30,836,274	$32,479,008	$34,212,529	$36,695,962	$38,661,949	$41,227,226	$43,443,852	$45,783,710	$46,965,245	$51,335,577	$52,809,783
O&M Reserve Requirement (excl PTS)	263,433	273,789	288,920	413,905	327,665	427,546	369,438	389,976	196,923	728,389	245,701
Investment Service (excl PTS)	15,230,852	17,392,704	18,171,955	17,816,266	24,497,445	24,701,333	23,240,441	25,275,165	23,858,368	23,163,846	23,539,623
Total Terminal Building Requirement	$46,330,559	$50,145,501	$52,673,405	$54,926,133	$63,487,059	$66,356,105	$67,053,731	$71,448,851	$71,020,536	$75,227,811	$76,595,107
Rentable Terminal Building Space	401,824	401,773	401,773	401,773	401,345	401,306	401,306	401,306	401,306	401,306	331,401
Average Terminal Building Rental Rate (without rebate, excl PTS)	**$115.30**	**$124.81**	**$131.10**	**$136.71**	**$158.19**	**$165.35**	**$167.09**	**$178.04**	**$176.97**	**$187.46**	**$231.13**
Net Terminal Requirement	$46,330,559	$50,145,501	$52,673,405	$54,926,133	$63,487,059	$66,356,105	$67,053,731	$71,448,851	$71,020,536	$75,227,811	$76,595,107
Less: Prior Period Airline Coverage Rebate	2,291,757	2,259,579	2,551,913	2,605,547	2,164,141	2,932,916	3,372,970	3,020,084	3,359,698	3,023,120	2,753,330
Adjusted Terminal Building Requirement	$44,038,802	$47,885,922	$50,121,491	$52,320,586	$61,322,917	$63,423,189	$63,680,761	$68,428,767	$67,660,837	$72,204,691	$73,841,776
Rentable Terminal Building Space	401,824	401,773	401,773	401,773	401,345	401,306	401,306	401,306	401,306	401,306	331,401
Average Terminal Building Rental Rate (with rebate, excl PTS)	**$109.60**	**$119.19**	**$124.75**	**$130.22**	**$152.79**	**$158.04**	**$158.68**	**$170.52**	**$168.60**	**$179.92**	**$222.82**

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., August 2013

Table 6-10: Airside Buildings Rental Rates

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Airside Buildings Rental Rate Calculation											
O&M Expenditures (incl PTS)	$26,055,676	$27,443,734	$28,908,505	$30,734,616	$32,381,186	$34,200,202	$36,039,045	$37,980,181	$40,029,443	$42,193,003	$44,477,389
O&M Reserve Requirement (incl PTS)	294,646	231,343	244,128	304,352	274,428	303,169	306,474	323,523	341,544	360,593	380,731
Investment Service (incl PTS)	12,458,439	13,469,906	14,086,178	14,003,365	14,093,925	14,137,597	13,654,563	15,238,395	13,789,132	13,135,240	13,149,788
Total Airside Buildings Requirement	$38,808,761	$41,144,983	$43,238,812	$45,042,334	$46,749,539	$48,640,968	$50,000,082	$53,542,099	$54,160,119	$55,688,836	$58,007,907
Rentable Square Feet	508,866	502,773	512,773	512,773	536,338	559,773	559,773	559,773	559,773	559,773	559,773
Average Airside Buildings Rental Rate (without rebate)	**$76.27**	**$81.84**	**$84.32**	**$87.84**	**$87.16**	**$86.89**	**$89.32**	**$95.65**	**$96.75**	**$99.48**	**$103.63**
Total Airside Buildings Requirement	$38,808,761	$41,144,983	$43,238,812	$45,042,334	$46,749,539	$48,640,968	$50,000,082	$53,542,099	$54,160,119	$55,688,836	$58,007,907
Less: Prior Period Airline Coverage Rebate	1,877,558	1,487,494	1,605,554	1,653,740	1,394,909	1,414,114	1,621,579	1,499,453	1,720,203	1,486,479	1,330,276
Adjusted Airside Buildings Requirement	$36,931,203	$39,657,488	$41,633,258	$43,388,594	$45,354,631	$47,226,854	$48,378,503	$52,042,646	$52,439,916	$54,202,358	$56,677,632
Rentable Square Feet	508,866	502,773	512,773	512,773	536,338	559,773	559,773	559,773	559,773	559,773	559,773
Average PTS Rental Rate (with rebate)	**$72.58**	**$78.88**	**$81.19**	**$84.62**	**$84.56**	**$84.37**	**$86.43**	**$92.97**	**$93.68**	**$96.83**	**$101.25**

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., August 2013

As presented in Table 6-10, the average Airside Buildings Rental Rate (including the Passenger Transfer System component) is projected to increase from $76.27 and $72.58 per square foot, without rebate and with rebate, respectively, in FY 2013 to $103.63 and $101.25 per square foot, without rebate and with rebate, respectively, in FY 2023. The increase can be primarily attributed to inflationary impacts of O&M Expenses.

6.6.3 PASSENGER AIRLINE REVENUES VERSUS OTHER AIRPORT REVENUES

Passenger airline revenues include Airline Revenues plus extraordinary service charges for Airline club room upgrades, Authority club room rental revenues, hardstand revenues, Authority gate rental revenue, and FIS revenues. As presented in **Table 6-11**, historically, passenger airline revenues have ranged from 23.8 percent to 27.5 percent of total Operating Revenues for the period FY 2002 to FY 2012. Based on revenue projections for FY 2013 through 2023, Airline Revenues are estimated to comprise between approximately 23.9 percent and 27.0 percent of total Operating Revenues.

6.6.4 COST PER ENPLANED PASSENGER

Table 6-12 presents the calculation of Airline cost per enplanement from the terminal and airside building rents, landing fees, and extraordinary service charges for Airline club room upgrades, Authority club room rental revenues, hardstand revenues, Authority gate rental revenue, and FIS revenues, projected for FY 2013 through FY 2023. As shown, the cost per enplanement is projected to increase from $5.21 in FY 2013, to a high of $7.20 in FY 2023, primarily due to impacts associated with Master Plan Phase I and II and increases in O&M.

6.7 Forecast of Financial Performance and Debt Service Coverage

Table 6-13 presents cash flow for the Airport for FY 2013 to FY 2023. Included in this cash flow are Airline Revenues, Non-Agreement Revenues, Investment Earnings, O&M Expenditures and Reserve Requirement and Debt Service. As defined, PFC Revenues in the senior lien debt service coverage calculation presented in Table 6-13 only include those PFCs available for senior lien debt service and debt service coverage on the Series 2003 A and Series 2009 A Bonds. Also presented in this table are the Debt Service Coverage ratios as required by the Trust Agreement. The senior lien debt service coverage ratio ranges from 1.48x to 1.89x. Subordinated Lien debt service coverage ranges from 2.81x to 3.79x through the projection period. Aggregate debt service coverage ranges from 1.46x to 1.70x through the projection period.

Table 6-14 presents the application of revenues projected for FY 2013 through FY 2023 and reflects the disposition of cash flow into the appropriate funds as described in the Trust Agreement.

Table 6-11: Passenger Airline Revenues vs Other Revenues

(Fiscal Years Ended September 30)

FISCAL YEAR	REVENUES ($000) PASSENGER AIRLINE REVENUES	OTHER AIRPORT REVENUES	TOTAL 1/	PERCENTAGE OF TOTAL REVENUES PASSENGER AIRLINE REVENUES	OTHER AIRPORT REVENUES
Historical					
2002	$31,184	$86,933	$118,117	26.4%	73.6%
2003	35,468	93,566	129,034	27.5%	72.5%
2004	35,630	100,516	136,146	26.2%	73.8%
2005	37,418	113,431	150,849	24.8%	75.2%
2006	40,988	123,139	164,127	25.0%	75.0%
2007	41,538	133,104	174,642	23.8%	76.2%
2008	41,779	130,971	172,750	24.2%	75.8%
2009	42,246	120,258	162,504	26.0%	74.0%
2010	42,010	115,268	157,278	26.7%	73.3%
2011	42,890	121,980	164,870	26.0%	74.0%
2012	42,146	127,467	169,613	24.8%	75.2%
Projected					
2013	40,816	$129,620	$170,436	23.9%	76.1%
2014	45,071	132,530	177,601	25.4%	74.6%
2015	47,272	135,890	183,162	25.8%	74.2%
2016	49,840	155,564	205,404	24.3%	75.7%
2017	54,646	160,854	215,500	25.4%	74.6%
2018	55,234	165,573	220,807	25.0%	75.0%
2019	54,427	171,613	226,040	24.1%	75.9%
2020	61,291	175,897	237,188	25.8%	74.2%
2021	60,122	180,944	241,066	24.9%	75.1%
2022	63,420	186,135	249,556	25.4%	74.6%
2023	71,502	193,226	264,728	27.0%	73.0%

Note:
1/ Net of airlines' portion of revenue sharing and credit for prior year coverage rebate.

SOURCES: Hillsborough County Aviation Authority (Historical); Ricondo & Associates, Inc. (Projected).
PREPARED BY: Ricondo & Associates, Inc., August 2013

Table 6-12: Airline Cost per Enplanement

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Airline Cost per Enplanement											
Airline Landing Fees (excluding Cargo)	$13,978,800	$14,791,800	$15,309,300	$17,619,700	$17,577,100	$18,528,100	$18,675,400	$20,389,400	$20,344,400	$20,925,300	$21,738,300
Terminal Building Rentals	20,555,441	22,934,532	24,045,426	25,136,941	29,540,789	30,601,384	30,759,076	33,056,438	32,713,849	34,915,028	43,255,792
Airside Building Rentals	14,746,950	15,776,000	16,238,000	16,924,000	16,912,000	16,874,000	17,286,000	18,594,000	18,736,001	19,366,002	20,250,003
Other Airside Fees	2,199,900	2,250,156	2,283,780	2,317,795	2,351,916	2,383,817	2,415,782	2,448,101	2,480,482	2,513,219	2,546,015
Total Airline Revenue	$51,481,091	$55,752,489	$57,876,506	$61,998,436	$66,381,805	$68,387,301	$69,136,257	$74,487,939	$74,274,732	$77,719,549	$87,790,110
Less: Revenue Sharing	$6,755,576	$6,878,073	$6,501,747	$7,979,300	$7,930,267	$9,025,079	$10,057,916	$8,930,218	$9,381,002	$10,002,912	$12,344,443
Less: ASIP program fee waivers 1/	522,200	531,553	542,876	554,322	565,879	576,931	589,054	601,326	614,083	627,001	640,072
Net Airline Revenues	$44,203,314	$48,342,863	$50,831,883	$53,464,814	$57,885,659	$58,785,291	$58,489,287	$64,956,395	$64,279,646	$67,089,636	$74,805,595
Total Enplanements	8,481,200	8,633,100	8,817,000	9,002,900	9,190,600	9,370,100	9,567,000	9,766,300	9,973,500	10,183,300	10,395,600
Airline Cost per Enplanement	**$5.21**	**$5.60**	**$5.77**	**$5.94**	**$6.30**	**$6.27**	**$6.11**	**$6.65**	**$6.45**	**$6.59**	**$7.20**

NOTE:
1/ The Air Service Incentive Program (ASIP) provides fee waivers and marketing reimbursements for qualifying new service.

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., August 2013

Table 6-13: Calculation of Net Revenue and Debt Service Coverage (Page 1 of 2)

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Signatory Airline Revenues											
Landing Fees	$13,662,200	$14,590,800	$15,098,600	$17,384,600	$17,339,800	$18,280,400	$18,421,500	$20,118,000	$20,067,200	$20,649,600	$21,456,600
Terminal Building Rentals	20,369,900	21,608,679	22,617,718	23,612,941	27,736,175	28,694,180	28,812,448	30,962,143	30,613,017	32,669,668	40,462,949
Airside Building Rentals	14,834,300	15,776,000	16,238,000	16,924,000	16,912,000	16,874,000	17,286,000	18,594,000	18,736,001	19,366,002	20,250,003
Total Signatory Airline Revenue	$48,866,400	$51,975,479	$53,954,318	$57,921,541	$61,987,975	$63,848,580	$64,519,948	$69,674,143	$69,416,218	$72,685,270	$82,169,552
Non-Agreement Revenues 1/	$131,315,700	$136,985,386	$139,862,055	$151,324,289	$165,168,016	$170,076,907	$175,352,110	$180,779,480	$186,447,337	$192,279,223	$198,277,307
Investment Earnings	1,844,200	1,862,642	1,881,268	1,900,081	1,919,082	1,938,273	1,957,655	1,977,232	1,997,004	2,016,974	2,037,144
Prior Year Coverage Rebate	3,386,914	3,271,723	3,560,249	3,624,710	3,239,505	3,551,751	4,062,537	3,665,104	4,157,849	3,669,180	3,303,709
Total Revenue	$185,413,214	$194,095,230	$199,257,891	$214,770,622	$232,314,579	$239,415,510	$245,892,251	$256,095,959	$262,018,408	$270,650,647	$285,787,713
Less:											
O&M Expenditures	$100,589,700	$105,195,438	$110,781,409	$117,699,603	$134,086,688	$140,645,780	$148,177,005	$156,406,078	$163,898,250	$174,533,597	$182,640,775
O&M Reserve Requirement	732,467	880,923	929,608	1,151,629	2,729,761	1,091,745	1,253,750	1,370,040	1,247,206	1,771,050	1,349,671
Total GARB and Other Debt Service	50,313,165	53,628,505	55,038,138	56,502,189	56,277,061	54,077,670	48,729,831	55,098,969	51,848,944	46,834,350	44,919,497
Net Remaining Revenue before Revenue Sharing	$33,777,882	$34,390,365	$32,508,737	$39,417,201	$39,221,070	$43,600,315	$47,731,665	$43,220,872	$45,024,009	$47,511,650	$56,877,770
Airline % of Net Remaining Revenue	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Airlines' Revenue Transfer	$6,755,576	$6,878,073	$6,501,747	$7,883,440	$7,844,214	$8,720,063	$9,546,333	$8,644,174	$9,004,802	$9,502,330	$11,375,554
Additional Revenue Transfer (if applicable) 2/	0	0	0	95,860	86,053	305,016	511,583	286,044	376,200	500,582	968,889
ASIP program fee waivers	652,100	663,779	677,919	692,212	706,644	720,445	735,585	750,908	766,840	782,971	799,294
Net Remaining Revenue	**$26,370,206**	**$26,848,513**	**$25,329,070**	**$30,745,689**	**$30,584,158**	**$33,854,791**	**$36,938,164**	**$33,539,745**	**$34,876,167**	**$36,725,767**	**$43,734,034**

Table 6-13: Calculation of Net Revenue and Debt Service Coverage (Page 2 of 2)

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Coverage Calculation											
Total Revenue	$185,413,214	$194,095,230	$199,257,891	$214,770,622	$232,314,579	$239,415,510	$245,892,251	$256,095,959	$262,018,408	$270,650,647	$285,787,713
Less: O&M Expenditures	100,589,700	105,195,438	110,781,409	117,699,603	134,086,688	140,645,780	148,177,005	156,406,078	163,898,250	174,533,597	182,640,775
O&M Reserve Requirement	732,467	880,923	929,608	1,151,629	2,729,761	1,091,745	1,253,750	1,370,040	1,247,206	1,771,050	1,349,671
Net Revenue before Transfer	$84,091,047	$88,018,870	$87,546,874	$95,919,390	$95,498,131	$97,677,985	$96,461,496	$98,319,841	$96,872,952	$94,346,000	$101,797,267
Plus: PFC Revenue available for Senior Lien Debt Service and Coverage 3/	$33,509,221	$9,229,578	$9,234,266	$9,229,391	$9,235,586	$9,233,438	$0	$0	$0	$0	$0
Plus: CFC Revenue available for Debt Service and Coverage 4/	0	0	46,713,536	40,285,227	41,224,248	42,182,143	43,159,289	44,156,067	45,172,869	46,210,091	48,798,630
Net Revenue Available for Senior Lien Debt Service	$117,600,269	$97,248,448	$143,494,676	$145,434,008	$145,957,964	$149,093,566	$139,620,785	$142,475,908	$142,045,821	$140,556,091	$150,595,897
Total Senior Lien Bond Debt Service	$79,549,953	$59,942,066	$93,645,651	$87,072,332	$87,076,216	$94,275,250	$81,931,004	$88,293,208	$85,045,164	$80,035,617	$79,643,225
Senior Lien Debt Service Coverage (1.25x)	**1.48**	**1.62**	**1.53**	**1.67**	**1.68**	**1.58**	**1.70**	**1.61**	**1.67**	**1.76**	**1.89**
Net Revenue Available after Senior Lien Debt Service	$30,604,144	$35,460,466	$48,002,172	$56,515,798	$57,034,631	$52,971,628	$57,689,782	$54,182,700	$57,000,657	$60,520,474	$70,952,671
Plus: PFC Revenue available for Subordinated Lien Debt Service and Coverage 5/	0	26,725,716	27,448,555	28,186,945	28,923,592	29,634,515	37,799,217	38,586,651	39,405,299	40,234,218	41,073,016
Net Revenue Available for Subordinated Lien Debt Service	$30,604,144	$62,186,182	$75,450,726	$84,702,744	$85,958,223	$82,606,143	$95,488,999	$92,769,351	$96,405,956	$100,754,692	$112,025,687
Total Subordinated Lien Debt Service 6/	$0	$20,064,189	$22,323,700	$22,324,900	$23,651,425	$23,651,425	$33,026,425	$33,026,425	$33,026,425	$33,029,425	$33,026,925
Subordinated Lien Debt Service Coverage (1.25x)	**N/A**	**3.10**	**3.38**	**3.79**	**3.63**	**3.49**	**2.89**	**2.81**	**2.92**	**3.05**	**3.39**
Net Revenue Available for Aggregate Debt Service 7/	$117,600,269	$122,128,248	$169,096,377	$171,775,075	$173,034,439	$176,881,394	$177,420,002	$181,062,559	$181,451,120	$180,790,309	$191,668,912
Total Aggregate Debt Service 8/	$79,549,953	$80,006,255	$115,969,351	$109,397,232	$110,727,641	$117,926,675	$114,957,429	$121,319,633	$118,071,589	$113,065,042	$112,670,150
Aggregate Debt Service Coverage (1.15x)	**1.48**	**1.53**	**1.46**	**1.57**	**1.56**	**1.50**	**1.54**	**1.49**	**1.54**	**1.60**	**1.70**

Note:

1/ Excludes interest and includes CFC Revenues used for CFC eligible O&M Expenses on ConRAC and APM System

2/ As defined in the Airline Agreement, the Signatory Airlines' percentage of Revenue Sharing on Net Remaining Revenues in excess of $37.5 million will be increased to twenty-five percent (25%),

3/ Represents the lesser of a) 125 percent of Senior Lien PFC-Supported debt service or b) Total Available PFC Revenue

4/ It is assumed that CFCs will be pledged to pay the debt service on certain future senior lien bonds.

5/ Represents Total Available PFC Revenue after Senior Lien Debt Service

6/ Excludes Senior Lien and Other Debt Service (2012 Note)

7/ Represents Net Revenue before Transfer plus all available PFC and CFC Revenue

8/ Represents total Senior Lien and Subordinated Lien Debt Service

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., September 2013

Table 6-14: Application of Airport Revenues

(For Fiscal Years Ending September 30)

	BUDGET	PROJECTED									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
REVENUE FUND - O&M ACCOUNT											
Beginning Balance	**$19,438,640**	**$20,171,107**	**$21,052,030**	**$21,981,638**	**$23,133,267**	**$25,863,027**	**$26,954,772**	**$28,208,522**	**$29,578,562**	**$30,825,767**	**$32,596,818**
Deposit: O&M Expenses	98,623,500	103,111,266	108,572,186	115,357,827	131,604,272	138,012,959	145,384,764	153,444,784	160,757,651	171,202,978	179,108,423
Deposit: O&M Reserve Requirement	732,467	880,923	929,608	1,151,629	2,729,761	1,091,745	1,253,750	1,370,040	1,247,206	1,771,050	1,349,671
Expend: O&M Expenses	98,623,500	103,111,266	108,572,186	115,357,827	131,604,272	138,012,959	145,384,764	153,444,784	160,757,651	171,202,978	179,108,423
Ending Balance	**$20,171,107**	**$21,052,030**	**$21,981,638**	**$23,133,267**	**$25,863,027**	**$26,954,772**	**$28,208,522**	**$29,578,562**	**$30,825,767**	**$32,596,818**	**$33,946,488**
DEBT SERVICE FUND											
Beginning Balance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Deposit: Debt Service	$50,313,165	$53,628,505	$55,038,138	$56,502,189	$56,277,061	$54,077,670	$48,729,831	$55,098,969	$51,848,944	$46,834,350	$44,919,497
Expend: Debt Service	$50,313,165	$53,628,505	$55,038,138	$56,502,189	$56,277,061	$54,077,670	$48,729,831	$55,098,969	$51,848,944	$46,834,350	$44,919,497
Ending Balance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
DEBT SERVICE RESERVE FUND											
Beginning Balance	**$79,190,786**	**$79,190,786**	**$79,190,786**	**$79,190,786**	**$79,190,786**	**$79,190,786**	**$54,960,286**	**$54,960,286**	**$54,960,286**	**$54,960,286**	**$54,960,286**
Deposit: Debt Service	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Expend: Debt Service	$0	$0	$0	$0	$0	$24,230,500	$0	$0	$0	$0	$0
Ending Balance	**$79,190,786**	**$79,190,786**	**$79,190,786**	**$79,190,786**	**$79,190,786**	**$54,960,286**	**$54,960,286**	**$54,960,286**	**$54,960,286**	**$54,960,286**	**$54,960,286**
SURPLUS FUND											
Beginning Balance	**$38,807,686**	**$22,611,035**	**$41,190,901**	**$45,191,662**	**$51,849,947**	**$64,480,253**	**$69,785,765**	**$78,572,085**	**$83,467,241**	**$90,187,487**	**$99,122,803**
Deposit: Equipment and R&R	1,966,200	2,084,172	2,209,222	2,341,776	2,482,416	2,632,821	2,792,241	2,961,294	3,140,599	3,330,619	3,532,352
Deposit: Net Remaining Revenues	26,370,206	26,848,513	25,329,070	30,745,689	30,584,158	33,854,791	36,938,164	33,539,745	34,876,167	36,725,767	43,734,034
Expend: Equipment and R&R	1,966,200	2,084,172	2,209,222	2,341,776	2,482,416	2,632,821	2,792,241	2,961,294	3,140,599	3,330,619	3,532,352
Expend: Capital Expenditures	39,295,133	4,708,398	17,703,599	20,847,899	14,402,101	24,486,741	24,486,741	24,486,741	24,486,741	24,486,741	24,486,741
Transfer: Coverage Rebate	3,271,723	3,560,249	3,624,710	3,239,505	3,551,751	4,062,537	3,665,104	4,157,849	3,669,180	3,303,709	3,554,659
Ending Balance	**$22,611,035**	**$41,190,901**	**$45,191,662**	**$51,849,947**	**$64,480,253**	**$69,785,765**	**$78,572,085**	**$83,467,241**	**$90,187,487**	**$99,122,803**	**$114,815,438**

SOURCE: Hillsborough County Aviation Authority; Ricondo & Associates, Inc.
PREPARED BY: Ricondo & Associates, Inc., August 2013

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2012 AND 2011

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HILLSBOROUGH COUNTY AVIATION AUTHORITY

AUDITED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2012 AND 2011

HILLSBOROUGH COUNTY AVIATION AUTHORITY
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YEARS ENDED SEPTEMBER 30, 2012 AND 2011

INDEPENDENT AUDITORS' REPORT

Board of Directors
Hillsborough County Aviation Authority
Tampa, Florida

We have audited the accompanying statements of net assets of Hillsborough County Aviation Authority (Authority), as of September 30, 2012 and 2011, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2012 and 2011 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Directors
Hillsborough County Aviation Authority

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress 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 audit 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
November 26, 2012

The following management's discussion and analysis (MD&A) of the financial performance and activity of the Hillsborough County Aviation Authority (the Authority) is to provide an introduction and understanding of the financial statements of the Authority for the years ended September 30, 2012 and 2011, with selected comparisons to prior years.

The Authority and Airport Activity Highlights

The Authority was created in 1945 and is an independent special district governed by the Hillsborough County Aviation Authority Act, Chapter 2003-370, Laws of Florida (the Act). The Act provides that the Authority will have exclusive jurisdiction, control, supervision and management over all publicly owned airports in Hillsborough County. There are five Authority Board members: three residents of Hillsborough County appointed to the Authority by the Governor of the State of Florida for four-year terms; the Mayor of the City of Tampa, ex officio; and a Commissioner of, and selected by, the Board of County Commissioners of Hillsborough County, ex officio.

The Authority owns and operates Tampa International Airport (the Airport) and three general aviation airports. The Airport occupies approximately 3,400 acres and is primarily an origination-destination (O&D) airport serving the greater Tampa Bay Area. Peter O. Knight Airport, a 139-acre facility, is located six miles southeast of the Airport; Plant City Airport, a 199-acre facility, is located 22 miles east of the Airport; and Tampa Executive Airport, a 407-acre facility, is located 12 miles east of the Airport.

The Authority is a self-supporting organization and generates revenues from airport users to fund operating expenses and debt service requirements. Capital projects are funded through the use of bonds, short-term financing, passenger facility charges, rental car facility fees, federal and state grants and internally generated funds. Although empowered to levy ad valorem property taxes, the Authority has not collected any tax funds since 1973.

The financial results for 2012 demonstrated the success of the Airport's turnaround plan which was implemented as part of the fiscal year 2012 budget. This plan emphasized new and enhanced revenue initiatives and controlled expenses to support the funding needs of the Airport for development and strengthened reserves. The total number of passengers, at 16,768,103 for 2012 increased .6% over the prior year, but also included a 19.7% increase in international passengers. Although overall passenger activity was fairly flat compared to the prior year, the impact of new concession concepts at the Airport during 2012 resulted in an increase in operating revenues of over $5,600,000 compared to the prior year. These positive results support the measures the Authority has taken to ensure and strengthen the financial viability of the organization. The Authority, a major driver in the economic growth of the Tampa Bay region, will continue on its mission to bring more international and domestic airline services to Tampa Bay in 2012 and beyond and additional revenue initiatives and programs will continue to improve the overall financial performance of the Authority.

Passenger enplanements at Tampa International for the fiscal year ended September 30, 2012, totaled 8,441,087, an increase of .3% from the prior fiscal year. Offsetting a slight decrease of 2% in domestic seat capacity was an increase in international seat capacity of 21%, showing a significant growth in international flight services. In 2011, passenger enplanements totaled 8,412,057, an increase of .93 % from the prior fiscal year, and were the first increase in annual passengers since 2007. Seating capacity increased both domestic and international in 2011, a positive recovery sign. For 2012, the top three airlines, in terms of passenger enplanement market share, have changed due to mergers and acquisitions of the carriers during the year. Southwest maintained the highest market share of 38.9% after acquiring AirTran, Delta was second at 17.1%, and United, with the acquisition of Continental, moved up to third at 11.3%. During 2011, Southwest had the highest market share of 31.2%, Delta was second at 17.8%, and US Airways was third at 10.5%.

Landed weight in 2012 totaled 10,022,085 thousand pounds, compared to 10,203,461 thousand pounds and 10,063,434 thousand pounds in 2011 and 2010, respectively. The number of landings for domestic and international flights was 79,120 for 2012, compared to 80,440 and 80,645, for 2011 and 2010, respectively. These results for landed weight and landings further demonstrate the changes in capacity discussed above.

Overview of the Financial Statements

The Authority operates as a single enterprise fund with multiple cost centers. The financial statements are prepared on the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except land, over their useful life. Reference should be made to Note 2 in the accompanying financial statements for a summary of the Authority's significant accounting policies. Following this MD&A are the basic financial statements and supplemental schedules of the Authority. These statements and schedules, along with the MD&A, are designed to provide readers with an understanding of the Authority's finances.

The statements of net assets present information on all of the Authority's assets and liabilities as of September 30, 2012 and 2011, with the difference between these reported as net assets. The statements of revenues, expenses, and changes in net assets present financial information showing how the Authority's net assets changed during the fiscal years ended September 30, 2012 and 2011. These statements summarize the recording of financial transactions when the underlying events occur, not the receipt or disbursement of cash. The statements of cash flows relate to the cash and cash equivalent inflows and outflows as a result of financial transactions during the two fiscal years and also include a reconciliation of operating income to the net cash provided by operating activities.

Financial Highlights

Operating Revenues

	Year			Percent Change	
Revenue Classification	2012	2011	2010	2011 to 2012	2010 to 2011
Airfield	$ 13,620,735	$ 13,655,170	$ 12,513,751	-0.3%	9.1%
Terminal Building	40,690,338	39,671,549	37,141,682	2.6%	6.8%
Airside Buildings	16,810,600	16,687,814	16,564,311	0.7%	0.7%
Commercial Landside	87,269,078	83,767,454	79,771,340	4.2%	5.0%
Cargo	2,236,581	1,982,430	2,174,119	12.8%	-8.8%
Auxiliary Airports	923,695	923,252	928,361	0.0%	-0.6%
General Aviation	2,209,206	1,631,769	1,484,868	35.4%	9.9%
Federal Reimbursements	1,152,761	1,230,326	1,230,326	-6.3%	0.0%
Other	10,309,071	9,965,997	8,640,559	3.4%	15.3%
Total	$ 175,222,065	$ 169,515,761	$ 160,449,317	3.4%	5.7%

The table above presents the major operating revenue classifications for 2012, 2011 and 2010. Airfield revenues are comprised of landing fees received from the airlines based on landed weight of the aircraft. In accordance with the airline agreement, signatory landing fee rates are calculated by dividing 90% of total expenditures in the airfield cost center by the annual total landed weight of all commercial airlines. Non-signatory landing fees are calculated for the fiscal year based on the approved budget. A decrease in airfield revenues in 2012 is due to a reduction in landed weight and the impact on landing fee revenue from the decrease in expenses in the airfield cost centers. In addition, the Authority implemented an Air Service Incentive Program (ASIP) in 2012 as a component of the air service marketing initiatives to attract airlines entering the Tampa Bay market, providing fee waivers to the airlines in the program. Total landing fees waived for both signatory and non-signatory airlines were $94,100 in 2012. The change in airfield revenues in 2011 is attributed to increases in expenses in the airfield cost center as well as the increase in non-signatory landing fees.

Major terminal building revenues include space rental to the airlines, food and beverage, general merchandise, and other concession revenues. Space rental fees to the airlines in the terminal building are based on the cost of providing the space to the airlines. In 2012, overall terminal building revenues increased 2.6%, or $1,018,800 over the prior year. Signatory airline rental rates were up 2.7%, an average increase of $3.26 per square foot, adding $534,700 to airline rental revenues, offsetting a reduction of $294,700 for non-signatory airline rental revenues. The ASIP incentives for airlines offset terminal space rental revenues of $81,900. With continued development of new concession concepts at the Airport, food and beverage sales grew 5.3%, generating $537,800 more revenues, offsetting a reduction of $22,300 in general merchandise concession revenues. Advertising concessions experienced 7.9% growth, resulting in an increase of $76,700 in revenues. Consistent with the double digit growth in international passenger activities, duty free concessions were up 17.4% and generated $42,300 additional revenues. ATM banking concessions were increased $55,700 due to the installation of new machines and a renegotiated agreement. Reimbursable and other rental revenues include an increase in electricity and water usage of $138,000, and various commercial rentals of $32,000.

The total space leased to airlines in 2011 increased 8,360 square feet, or 4.6% over the prior fiscal year. Average terminal building rental rates to the airlines were down $2.90 per square foot, 2.9% lower than 2010. The overall impact of these variances resulted in an increase in 2011 airline rental revenues in the terminal building of $753,000, a 4% increase over the prior year. In 2011 food and beverage sales experienced 5% growth, generating $486,700 more in revenues. An increase in duty free revenues, at 16.7% was attributable to the addition of additional international service creating a double digit growth in international passengers in 2011. General merchandise and hotel concessions revenues were relatively flat compared with the prior year. Reimbursable and miscellaneous revenues in 2011 were up $1,355,100 over 2010, primarily due to the inclusion of the reimbursed rental car facility improvement costs of $472,300, an increase in terminal building electricity and water usage reimbursements of $667,400, and additional miscellaneous revenues of $215,600.

As with terminal rentals, airside airline rental rates are based on the cost of providing the space to the airlines. In 2012, the overall increase in airside revenues was $122,800. The airside rental rates increased 2% ($1.39) per square foot in 2012. An increase in leased space of 10,415 square feet in Airside C offset a reduction of space rental of 10,293 square feet in Airside A, resulting in a net increase of signatory airline rental revenues of $291,600. The merger of United and Continental Airlines reduced non-signatory rentals $472,900, due to United Airlines operating as non-signatory carrier in the prior year and becoming part of a signatory airline in 2012. The increase of $113,900 in Federal Inspection Service fees, and $280,100 in the use of Authority gates, offset decreases in overall airline space rental revenues of $181,000 and a reduction in airsides ATM banking concession revenues of $21,400. The Authority granted a waiver of airside airline fees of $64,100 as a part of the ASIP in 2012.

In 2011 the airside rental rates were reduced by $.86 per square foot, along with a combined leased space reduction of 14,050 square feet in airside A, C, and E, resulting in a decrease of signatory airline rental revenues of $765,100. This decrease was offset by an increase of non-signatory airline space rental of $690,100 due to United Airlines operating as a non-signatory carrier during the year. In addition, the Authority's gate use revenues increased $185,500, and federal inspection service fees were up $39,100. These factors contributed to an overall increase in airside rental revenues of $123,500 for 2011.

The commercial landside classification consists primarily of car rental, parking, and other concession revenues, which overall increased $3.5 million in 2012. The contributing factors are the increase in car rental concession revenues of $2,734,000, or 9.5% over the prior year, impacted by the implementation of rental car facility fee of $2.50 per rental day, parking revenue increases of $681,600, and additions of hotel concession revenues and grand transportation permits of $68,700, and $17,300, respectively.

Improvements were recorded in car rental revenues in 2011, impacted by the increase in passengers. Parking revenues were also up due to passengers, but also to the elimination of the first hour free (if parking for more than one hour) and increases in the use of the short-term parking facility. Car rental concessions generated $1,295,200, 4.5% increase, and parking revenues added $2,542,700, 5.2% increase over the prior year.

Cargo revenues in 2012 increased $254,200 compared with the last year. Cargo complex airlines and commercial real estate rental revenues increased $210,400, due to the inclusion of full year rentals from Global Aviation Holdings, airline and non-airline lease improvements of $114,700, and rental rate adjustments allocating increased cargo building reimbursement of $95,700. In addition, cargo apron rentals and parking added $43,800 in revenues.

General aviation operating revenues in 2012 totaled $2,209,200, $577,400 over the prior year, primarily due to an increase in rental revenues of $1,526,000 from Piedmont Hawthorne Aviation offsetting a reduction of revenues from Signature Flight Support of $970,500 due to the expiration of its operating agreement in 2012. Fuel sales generated additional revenues of $13,700.

General aviation operating revenues in 2011 totaled $1,631,800, increasing $146,900 over the prior year. The increase is due to increases in rental revenues of $124,400 and fuel sales of $21,800.

Other revenues include rentals received for the fuel farm, land rent for rental car storage areas, the post office and mall, revenues received for the Pemco lease of the maintenance hangars, and revenues from the flight kitchen operations, and miscellaneous revenues. The contributing factors to an increase of $343,000 in other revenues in 2012 are full year operations for both of the hangars under the Pemco lease, Moffitt Cancer Center and Global Aviation full year leases generating $257,100 more in revenues, an increase of $127,200 in land rentals to the rental car companies, additional revenues of $182,700 from the forfeiture fund, $42,000 additional revenues from Tampa Sports Authority rentals and Bucs event parking, $35,800 more in shared tenant revenues, and miscellaneous revenues of $29,900, offsetting a reduction in flight kitchen concession revenues of $138,900, a lower asset sales revenue of $75,800, a decrease of $98,500 due to a lease expiration of Hillsborough County Mosquito Control, as well as lower insurance reimbursable revenues of $19,200.

The positive variance in 2011 revenues was primarily due to additional revenues of $387,200 received for the second maintenance hangar lease with Pemco and additional revenues of $429,000 for rental car storage areas due to increases in appraised values.

Federal reimbursements include an agreement with the Transportation Security Administration (TSA) under which the Authority receives reimbursement for providing law enforcement services on behalf of the TSA at the passenger security checkpoints. Due to 11.6% reduction in the reimbursable salary rate, the reimbursements under this agreement in 2012 were $910,300, and the reimbursements in 2011 totaled $1,029,800. Grants of $242,500 and 200,500 were also received for the canine program at the Airport in 2012 and 2011, respectively.

Operating Expenses

	Year			Percent Change	
Expense Classification	2012	2011	2010	2011 to 2012	2010 to 2011
Airfield	$ 9,037,357	$ 9,223,485	$ 8,195,258	-2.0%	12.5%
Terminal Building	26,016,758	25,276,659	25,371,635	2.9%	-0.4%
Airside Buildings	20,262,460	19,492,202	19,642,185	4.0%	-0.8%
Commercial Landside	22,188,267	21,768,151	20,102,180	1.9%	8.3%
Cargo	569,517	608,623	612,322	-6.4%	-0.6%
Auxiliary Airports	1,309,194	1,368,615	1,417,325	-4.3%	-3.4%
General Aviation	991,136	835,588	844,160	18.6%	-1.0%
Passenger Transfer System	3,801,744	3,715,518	3,626,579	2.3%	2.5%
Roads and Grounds	7,949,822	7,363,652	7,875,890	8.0%	-6.5%
Other	1,501,503	2,843,862	2,111,242	-47.2%	34.7%
Total	$ 93,627,758	$ 92,496,355	$ 89,798,776	1.2%	3.0%

The table above presents the major expense classifications for 2012, 2011, and 2010. Total operating expenses for 2012 were 93,627,800, an increase of $1,131,400, or 1.2% increase over the prior fiscal year. Total operating expenses for 2011 were $92,496,400, an increase of $2,697,600, or 3% increase over the prior fiscal year. The sections following provide a more detailed analysis of these variances.

2012 Discussion of Operating Expenses

As mentioned in the Highlights section, the Authority adopted a 2012 budget turnaround plan which included a goal that operating expenses in 2012 would not exceed the 2011 budgeted operating expenses. The financial operating results showed that the plan worked effectively and the total expenses overall were $2.95 million less than the budget. In 2012, salaries and benefits were $671,400 less, a decrease of 1.5%, compared to 2011. The contributing factors to this positive variance were a full year reduction of $1,262,600 in contributions to the Florida Retirement System, offset by increases in salaries of $593,900. There was an increase of $91,800 in contracted services and a $136,700 increase in supplies, materials and contractual maintenance for 2012. Utility expenses increased $403,200, due to an increase in electricity rates. The increase in travel and conferences of $142,300 reflect the continuing marketing effort to expand air services. The Authority saved a total of $95,700 in liability insurance costs and ad valorem taxes over the prior year. During 2012, the Authority allocated $2,440,300 of project related costs to capital projects, which was a reduction of $932,900 lower than last year. Prior to the allocations, total operating expenses in 2012 increased only $46,900, or .1% over the prior year.

2011 Discussion of Operating Expenses

Major organizational changes were made in 2011 to achieve goals under the new mission and vision statements and the Authority continued to maintain sound financial operations at the Airport, which is evidenced by the fact that total expenses for 2011, while more than the prior year, came in $4.1 million less than budgeted.

In 2011, salaries and benefits decreased $1,527,300, or 3.2% compared to 2010. The primary contributing factors were a reduction in staff, due to organizational restructuring and vacancies, and savings in pension expenses as a result of reduced contribution rates. In the contracted services area, there were increases in airport engineering and consulting fees of $220,900, additional expenses related to the management of the new fuel system of $291,700, an increase of aircraft rescues and fire fighting expenses of $559,000 and additional expenses in public parking operations of $119,000. Supplies and materials increased $122,114 and utilities expenses, totaling $12.3 million for the year were up 1.3% or $156,300 over last year. The Authority saved $258,500 in liability insurance costs, and $115,900 in ad valorem property tax due to lower assessed property values. The Authority's new marketing initiatives to attract new or expanded airline service resulted in higher promotional expenses of $231,800 than the prior year. These efforts have and will continue to bring additional revenues to the Authority. During 2011, the Authority allocated $3,373,200 operating and maintenance expenses to capital projects, prior to the allocations, total operating expenses in 2011 increased only $145,000 or 0.2%, compared with the prior year.

Summary of Changes in Net Assets

The following is a summary of the statements of revenues, expenses, and changes in net assets:

	Year			Change	Change
	2012	2011	2010	2011 to 2012	2010 to 2011
Operating Revenues	$ 175,222,065	$ 169,515,761	$ 160,449,317	$ 5,706,304	$ 9,066,444
Operating Expenses	93,627,758	92,496,355	89,798,776	1,131,403	2,697,579
Signatory Airline Revenue Sharing	7,058,662	6,163,906	4,919,104	894,756	1,244,802
Operating Income before Depreciation and Amortization	74,535,645	70,855,500	65,731,437	3,680,145	5,124,063
Depreciation and Amortization	87,960,487	81,962,284	81,714,186	5,998,203	248,098
Operating Income (Loss)	(13,424,842)	(11,106,784)	(15,982,749)	(2,318,058)	4,875,965
Net Nonoperating Expense	(35,694,289)	(26,693,601)	(21,776,996)	(9,000,688)	(4,916,605)
Capital Contributions	60,873,166	41,059,700	51,409,659	19,813,466	(10,349,959)
Increase in Net Assets	$ 11,754,035	$ 3,259,315	$ 13,649,914	$ 8,494,720	$ (10,390,599)

The 2012 operating revenues, at $175,222,100, increased $5,706,300 over the prior year, and operating expenses increased $1,131,400, compared to the prior year. Operating income before depreciation and amortization was $74,535,600, an increase of $3,680,100 over the prior year. The 2011 operating revenues, at $169,515,800, increased $9,066,400 over the prior year, and operating expenses increased $2,697,600 comparing with the prior year. Operating income before depreciation and amortization was $70,855,500, an increase of $5,124,100. Details of the operating revenues and expenses are more fully discussed in the previous section "Financial Highlights" of this MD&A. Depreciation and amortization expenses, were at $87,960,500 and $81,962,300, for 2012 and 2011, respectively.

Capital contributions consist of Federal and State Grants, Passenger Facility Charges (PFCs), and Other Contributions, which are being received to fund various construction projects and the land acquisition program at the Airport. PFCs are collected at a $4.50 per passenger level by the airlines, of which $4.39 is remitted to the Authority.

In 2012, capital contributions from PFCs were $33,433,100, an increase of $241,600 over the prior year, as a result of the improvement in passenger numbers for the year. During 2012, total federal and state grants were $19,998,700, a $12,130,400 increase over the prior year, primarily due to the increase of $12,395,300 in federal grants (AIP) from the U.S. Department of Transportation and the Department of Homeland Security for the advanced surveillance program and other airport improvement projects, offsetting a decrease of state aviation development grants of $265,000.

During 2011, capital contributions from PFCs were $33,191,500, an increase of $159,400 over the prior year due to a slight increase in passenger traffic. In 2011, total federal and state grants were $7,868,200, $9,442,400 less than the prior year, due to grant funds received on several large projects completed in the prior year.

In 2012, other contributions included rental car facility fees for future development (RCFF). The Authority implemented this program at Tampa International Airport on October 1, 2011. The $2.50 RCFF per rental day will generate additional revenues for future rental car facility development projects or to pay debt service on future borrowings for rental car projects. In 2012, $7,441,433 was recognized as other contributions under this new program.

Net non-operating expenses for 2012 increased $9,000,700 compared with the prior year, primarily due to an exchange transaction that occurred during the year. The Authority completed the construction of the new ASR-9 facilities located in the east side development area at the northwest corner of West Cayuga Street and Air Cargo Road, and transferred the facility to the Federal Aviation Administration, resulting in expensing total assets of $7,447,800. Interest income was $503,100 lower than the prior year, as a result of historic low interest rates, and a reduction of $567,600 in unrealized gain on debt service reserve long-term investments. Bonds interest payments decreased by $2,356,900, offset by a decrease in capitalized interest of $2,737,200. Interest expenses on SunTrust Bank Notes increased $482,100, due to a higher amount of notes balance in 2012.

Net non-operating expenses for 2011, increased $4,916,600 in 2011, due to very low short-term interest rates, lower unrealized gains on long-term investments compared to the prior year, offset by a decrease in bonds interest payments of $2,082,300 and a decrease in capitalized interest.

Summary of Statements of Net Assets

A summarized comparison of the Authority's total assets, total liabilities and net assets at September 30, 2012, 2011, and 2010 is as follows:

	Year			Change	Change
	2012	2011	2010	2011 to 2012	2010 to 2011
ASSETS					
Current Assets	$ 247,537,758	$ 214,553,525	$ 218,664,492	$ 32,984,233	$ (4,110,967)
Capital Assets, Net	1,199,053,437	1,253,954,644	1,298,911,815	(54,901,207)	(44,957,171)
Other Noncurrent Assets	5,577,836	6,429,934	7,299,795	(852,098)	(869,861)
Total Assets	1,452,169,031	1,474,938,103	1,524,876,102	(22,769,072)	(49,937,999)
LIABILITIES					
Current Liabilities	99,245,689	76,386,249	85,420,245	22,859,440	(9,033,996)
Noncurrent Liabilities	637,012,487	694,395,034	738,558,352	(57,382,547)	(44,163,318)
Total Liabilities	736,258,176	770,781,283	823,978,597	(34,523,107)	(53,197,314)
NET ASSETS					
Invested in Capital Assets, Net of Debt	595,120,655	622,739,295	633,766,733	(27,618,640)	(11,027,438)
Restricted	69,760,239	51,140,715	40,133,829	18,619,524	11,006,886
Unrestricted	51,029,961	30,276,810	26,996,943	20,753,151	3,279,867
Total Net Assets	$ 715,910,855	$ 704,156,820	$ 700,897,505	$ 11,754,035	$ 3,259,315

Current assets at September 30, 2012, totaled $247,537,800, an increase of $32,984,200, compared to September 30, 2011. The significant changes were an increase in federal and state airport improvement grant funding of $11 million, remaining cash proceeds of 2012 SunTrust Bank Notes of $9,267,300, rental car facility fund of $7,126,900, surplus fund cash balance of $4,990,800 and PFC revenues receipts and receivable of $5,690,200, offsetting the increase in payments of $7,036,500 for construction projects and operating and maintenance costs of $1,531,200. Other increases include investments, accounts receivable, and prepaid insurance totaling $3,241,000.

Current assets at September 30, 2011, totaled $214,553,500, a decrease of $4,111,000 compared to September 30, 2010. The decrease was due to continued spending on the capital projects. Funds of $11,769,200 from the 2008 and 2009 bond issues were used during the year to pay for the related construction projects. There was also a decrease in the revenue and grants receivables of $1,987,600, offset by increases in the balances of operating revenues receipts and PFC collections of $9,577,400.

Current liabilities, with a balance of $99,245,700 at September 30, 2012, are $22,859,400 more than the end of last fiscal year. The increase is attributable to the classification of the current portion of the SunTrust Bank Notes in the amount of $20,442,200. A detailed description of the 2011 and 2012 SunTrust Bank Notes is included "Debt Management" section. Other increases include current maturity of principal payments of revenue bonds of $2,485,000, airline revenue sharing of $894,800, and accrued expenses of $297,500, offsetting decreases in deferred revenues of $1,391,800, and accounts payable of $112,900.

Current liabilities, with a balance of $76,386,200 at September 30, 2011, are $9,034,000 less than the end of last fiscal year. The decrease is primarily due to the reduction in overall construction payable of $9,005,600. The commercial paper notes, including a short-term portion of $7,000,000 were refinanced during the year by the SunTrust Bank Notes issued in 2011, offset by the increase in airline revenue sharing of $1,244,800, current maturities of principal payments of revenue bonds of $3,430,000, and deferred revenues of $1,906,100.

At September 30, 2012, non-current liabilities totaled $637,012,500, a reduction of $57,382,500 compared with the balance at the end of 2011. The decrease is due to principal maturities of $53,205,000 on long-term bonds, and current Bank Note payment plan to reduce the non-current principal amount by $1,942,200 in 2012, and amortization of bonds premium or discount and deferred loss on refunding totaling $1,962,200.

At September 30, 2011, non-current liabilities totaled $694,395,000, a reduction of $44,163,300 compared with the balance at the end of 2010. The decrease is a result of principal maturities of $47,290,000 on long-term bonds, offset by the additional issuance of the SunTrust Bank Notes of $2,743,300.

Airline Rates and Charges

Effective October 1, 1999, the Authority entered into an airline-airport use and lease agreement (Agreement) with the signatory airlines, which had a seven-year term and incorporated the lease and use of the terminal complex and the airfield at the Airport. During 2006, this Agreement, with the same basic terms, was extended for an additional three years and in 2009 an additional year extension was agreed to. Negotiations were completed with the airlines in 2010 for a new five year agreement (New Agreement), in effect until September 30, 2015. The New Agreement is substantially similar to the prior Agreement, with the exception of the revenue sharing component, as discussed in the next paragraph. The Agreement establishes a "compensatory" rate-making methodology where the signatory airlines pay fees and charges based on the Authority's cost of providing facilities and services to the airlines.

Rates and charges are calculated on an annual basis and reviewed and adjusted, if necessary, throughout each fiscal year to ensure that sufficient revenues are generated to satisfy all requirements of the Authority's Trust Agreement. At the end of each fiscal year, the Authority will recalculate rates and charges based on audited financial data and a settlement will take place with the signatory airlines. Included in the Agreement are rates and charges calculations with specific rebates of debt service coverage and sharing of 20% of net remaining revenues. Non-signatory rates and charges do not provide for a 25% debt service coverage reduction or the net revenue sharing component; thus, the Authority charges two distinct rates to airlines operating at the airport based on the cost of providing services for facilities utilized. Under the terms of the New Agreement, if the initial net remaining revenue calculation results in less than $20,000,000 net remaining revenues to the Authority, the revenue sharing component to the signatory airlines will be reduced until the $20,000,000 threshold is met. If the revenue sharing is reduced to the signatory airlines, the Authority will refund the amounts as soon as uncommitted funds become available in the Surplus Fund. In years when the initial net remaining revenue calculation results in net remaining revenues to the Authority in excess of $30,000,000, the revenue sharing percentage to the signatory airlines will increase to 25% on net remaining revenues prior to the deduction for revenue sharing above $37,500,000.

The following table summarizes passenger airline rents, landing fees, net revenue sharing and cost per enplaned (departing) passenger for 2012 and 2011. Cost per enplaned passenger is a standard industry measurement, and the goal of the Authority is to maintain a competitive cost per enplanement at the Airport.

Passenger Airline Costs	2012	2011
Airline Landing Fees	$ 12,987,342	$ 13,054,974
Landside Terminal Rentals	19,818,141	19,660,246
Airside Building Rentals	16,398,990	16,338,285
Total Airline Fees and Charges	49,204,473	49,053,505
Less: Airline Revenue Sharing	(7,058,662)	(6,163,906)
Net Airline Fees and Charges	$ 42,145,811	$ 42,889,599
Enplaned Passengers	8,441,087	8,412,057
Airline Cost per Passenger	$ 4.99	$ 5.10

Capital Improvement Program

Typically, airports in the United States develop master plans that define the airports' ultimate configuration at full development during 20-year time spans, thereby establishing airport complex requirements. The last update to the Authority's Master Plan was completed in February 2006, and there is a current effort underway to complete the next update by 2013. Master plans do not normally provide the level of information necessary to determine detailed funding strategies. The Authority periodically prepares (or updates) a Strategic Business Plan (Business Plan) to provide a 10-year detailed funding analysis of operating expenses, revenues, and projected airline charges and establishes development and financial goals along with measurement criteria. The Plan's overriding objective is to place the Authority in a healthy financial position without overburdening the air carriers, while maintaining competitive airline rates and charges. Funding strategies and recommendations will ensure airport facilities and improvements are brought on line when needed, based on established trigger points; are funded in a manner that preserves the Authority's competitive cost structure; and maintain maximum flexibility under changing circumstances.

The Business Plan was updated during 2010 and will be updated again upon the conclusion of the Master Plan update in 2013. The 2010 Business Plan had a significant change from the last update in 2006, the timing of the construction of the north terminal complex. The 2006 Plan estimated the north terminal would be required in 2015, the 2010 Business Plan pushed this timeframe to 2023. It is anticipated the recommendations under 2013 Master Plan will further push the necessity of the north terminal beyond the 2030's. There is a concerted effort to maximize capacity in the current terminal complex through creative expansion of airsides, terminal areas and roadway systems. Another focus of the update to the Master Plan is the re-evaluation of on-airport land use recommendations for the south and eastside development areas to determine highest and best use of airport property.

Renovations to refurbish the facility are underway to meet the developmental needs of the Airport. Major projects started in 2012 include Airside F Additions and Renovations to improve capacity and increase customer services, budgeted at $27,620,000, Main Terminal Interior Modernization, budgeted at $8,472,000, Replace Main Terminal Cooling Towers, budgeted at $4,777,900, Airport Support Area Environmental Remediation, budgeted at $3 million, Short-Term and Long-Term Parking Garage Structural Rehabilitation, budgeted at $2,870,200, and West Apron & Access Road, RW 4-22 & TW A Rehabilitation, budgeted at $2,049,400. These projects will be funded with Authority funds, federal and state grants, and PFC funds.

During 2012, ASR-9 Facilities project including a reinforced concrete tower and other internal and external facilities was completed at a cost of $7,447,800, and the new tower was transferred to Federal Aviation Administration. Other substantially completed projects were CCTV Video System Update at a cost of $6,601,000, Ticket & Baggage Claim Levels Curbside Modifications ($7,740,800), Cargo Building Renovation ($2,437,000), Airside F Interior Finishes Refurbishment ($2,348,200), and Terminal and Airsides Interior Dynamic Signage ($2,818,600). The completed projects were paid by a combination of Authority funds and federal and state grants.

Major projects started in 2011 include the Refurbishment of the Main Terminal Restrooms, budgeted at $4,657,400, Renovation of Cargo Building #432, budgeted at $3,195,600, Rehabilitation of Ramps and Lighting within the short and long-term parking garages, budgeted at $3,829,900 and Rehabilitation of the Ramps within the short-term parking facility, budgeted at $3,244,000. These projects were funded with a combination of Authority funds and federal and state grants.

During 2011, portions of the Taxiway B Reconstruction and Bridge Project were completed. In 2009, the Authority received an $8,000,000 grant under the America Recovery & Reinvestment Act (ARRA) toward this project. The project, with a total budgeted cost of $52,100,000, was initially funded from the ARRA grant and the issuance of the 2009 Bonds, which will be repaid from future state grants and PFCs.

Current and prior year capital spending includes projects approved in prior years that are still underway. In 2012 and 2011, the Authority expended $30,694,700 and $40,845,100, respectively, towards the acquisition and construction of capital assets.

PFC Application #9, authorizing PFC collections in the amount of $33,030,300 was approved by the Federal Aviation Administration in September 2012, bringing the total collection authority for all PFC applications to $828,872,500. Through September 30, 2012, $521,299,000 has been collected under these approved applications. Expenditures under the PFC applications through September 30, 2012 total $699,658,200. Expenditures in excess of collections are funded from the issuance of PFC-backed revenue bonds, commercial paper notes and bank notes, or from Authority funds that will be reimbursed from PFCs.

Debt Management

At the end of the current fiscal year, the Authority had general airport revenue bonds outstanding in the total amount of $594,370,000. Of this total, $53,205,000 is current and will mature on October 1, 2013. Prior to 2009, all of the Authority's long-term bonds were issued as insured debt. There were no new bond issuances in 2012.

On September 21, 2001, the Authority entered into a Reimbursement Agreement with Landesbank Baden-Württemberg, acting through its New York Branch (the Bank). Under the agreement, the Authority is allowed to issue an aggregate principal amount of commercial paper notes not-to-exceed $105,000,000 outstanding at any one time through 2006. During 2005, the Authority negotiated an extension to the Reimbursement Agreement until 2015. Proceeds from the initial issuance of the notes were used for authorized projects in the capital improvement program. On October 1, 2009, the Authority issued $3,625,000 Series D commercial paper notes. On October 2, 2009, the funds from this issuance, along with a withdrawal from the Debt Service Reserve Fund were used to retire the 1999A Bonds outstanding in the amount of $5,655,000. On July 27, 2010, the Authority issued $2,555,000 Series D Commercial Paper Notes to refund portions of several bond series. The proceeds from the commercial paper issue were deposited into the sinking fund principal account and used to pay at maturity on October 1, 2010, $855,833 of the 2001A Bonds, $880,000 of the 2003C Bonds, $380,000 of the 2003D Bonds and $436,667 of the 2005A Bonds. This refunding continues a plan to better level the Authority's debt service in future years. The total balance of the commercial paper notes at September 30, 2010 was $85,180,000.

During 2011, as notified and expected, the letter of credit provider for the CP program, Landesbank Baden-Wurttemberg (LBBW), exercised their termination rights under the agreement, effective July 12, 2011. This action necessitated the refinancing of the outstanding CP notes prior to the date of termination. Direct bank loans have become a viable and competitive alternative for municipal borrowers during the past two years. Therefore, in addition to evaluating a potential replacement letter of credit to support the Authority's existing $105 million CP program, the Authority also evaluated utilizing a fixed or variable rate direct bank loan with revolving features. On April 7, 2011, the Board approved the selection of SunTrust to provide a variable rate direct bank loan to the Authority. The direct bank loan negotiated with the bank provides for a note with a seven year maturity term (SunTrust Bank Notes). The SunTrust Bank Notes are subject to the revolving credit agreement with the bank, and may not exceed a principal amount of $105,000,000 at any one time. The agreement includes a provision to allow the Authority to convert from a variable rate to a fixed rate of interest at a future date. The initial draw against the revolving loan was used to refinance the $85.2 million outstanding commercial paper notes. The revolving loan under the credit agreement may also be used to pay the cost of the revolving loan, to finance or refinance certain extensions, improvements and betterments to the airport system, and to refinance certain maturities of bonds issued under the trust agreement.

On June 21, 2011 the Authority issued $85,310,000 of the SunTrust Bank Notes to redeem the outstanding Series B and Series D commercial paper notes outstanding in the total amount of $85,180,000. Of the SunTrust Bank Notes, $79,120,568 is expected to be repaid from PFCs, and $6,189,432 is expected to be repaid from general revenues. The issue cost with the initial draw was $130,000. The second SunTrust Bank Note issuance of $2,743,335 was made on July 27, 2011. The proceeds from the issue of the Note were deposited into the sinking fund principal account and used to pay at maturity on October 1, 2011, $903,333 of the 2001A Bonds, $401,667 of the 2003D Bonds, $459,167 of the 2005A Bonds and $979,167 of the 2008C Bonds. This refinancing issuance continues a multi-year plan to better level the Authority's debt service in future years.

During fiscal year 2012, an amendment was made on the Bank Notes to increase the principal amount not exceeding $130,000,000. The amended principal will last for three years or until the next public bond issue.

The Authority issued multiple SunTrust 2012 Bank Notes to fund its capital projects, equipment, and debt service refundings, including $7,500,000 Bank Notes for its capital projects and shuttle buses on March 27, 2012; $11,000,000 Bank Notes to fund the Airport's terminal building and PFC 9 projects ($7,014,000), and for the partial revenue bonds refunding ($3,975,000) on July 31, 2012. The amounts refunded were $953,333 for the 2001A Bonds, $975,000 for the 2003C Bonds, $422,500 for the 2003D Bonds, $1,005,833 for the 2005A Bonds, and $618,334 for the 2008C Bonds. The issue costs of the 2012 Bank Notes were $64,995 and $11,000, respectively.

The Authority's bond covenants require that revenues available to pay debt service, as defined in the Trust Agreement, exceed 1.25 times the annual debt service amount. The debt service coverage ratio for 2012 and 2011 was 1.52 and 1.48, respectively.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives and expends. Questions concerning this report or requests for additional information should be addressed to Ann Davis, Director of Finance, Tampa International Airport, P.O. Box 22287, Tampa, FL 33622. Information of interest may also be obtained on the Authority's website at TampaAirport.com.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2012 AND 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Unrestricted:		
Cash and Cash Equivalents	$ 59,227,036	$ 37,335,514
Restricted:		
Cash and Cash Equivalents	78,471,126	75,395,482
Investments	89,173,691	88,957,117
Accounts Receivable, Net	4,866,035	2,507,445
Passenger Facility Charges Receivable	4,369,126	5,132,140
Government Grants Receivable	6,608,515	888,018
Accrued Interest Receivable	1,058,692	1,240,127
Prepaid Insurance and Other Assets	3,763,537	3,097,682
Total Restricted Assets	188,310,722	177,218,011
Total Current Assets	247,537,758	214,553,525
NONCURRENT ASSETS		
Capital Assets:		
Land	188,559,393	188,357,353
Construction in Progress	25,898,607	34,024,271
Building, Equipment and Improvements	1,933,378,939	1,896,774,284
Total	2,147,836,939	2,119,155,908
Less: Accumulated Depreciation	(948,783,502)	(865,201,264)
Total Capital Assets, Net	1,199,053,437	1,253,954,644
Debt Issue Costs (Net of Accumulated Amortization of $8,538,121 and $7,627,897, Respectively)	5,466,168	6,300,398
Other Receivables	111,668	129,536
Total Noncurrent Assets	1,204,631,273	1,260,384,578
Total Assets	$ 1,452,169,031	$ 1,474,938,103

See accompanying Notes to Financial Statements.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF NET ASSETS (CONTINUED)
SEPTEMBER 30, 2012 AND 2011

	2012	2011
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payable from Unrestricted Assets:		
Accounts Payable – Construction	$ 1,138,413	$ 894,798
Accrued Airline Revenue Sharing	7,058,662	6,163,906
Total Current Liabilities Payable from Unrestricted Assets	8,197,075	7,058,704
Payable from Restricted Assets:		
Accounts Payable – Construction	2,634,512	2,877,791
Accounts Payable – Trade	3,890,717	3,778,158
Accrued Expenses	8,639,549	8,342,055
Accrued Interest Payable	105,335	86,460
Current Maturities of Revenue Bonds Payable	53,205,000	50,720,000
Current Maturities of SunTrust Notes	20,442,175	-
Deferred Revenue and Other Liabilities	2,131,326	3,523,081
Total Current Liabilities Payable from Restricted Assets	91,048,614	69,327,545
Total Current Liabilities	99,245,689	76,386,249
NONCURRENT LIABILITIES		
Long-Term Portion of Revenue Bonds Payable, Net	547,151,264	602,318,747
Suntrust Notes and Commercial Paper Notes	86,111,160	88,053,335
Other Liabilities	3,750,063	4,022,952
Total Noncurrent Liabilities	637,012,487	694,395,034
Total Liabilities	736,258,176	770,781,283
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	595,120,655	622,739,295
Restricted	69,760,239	51,140,715
Unrestricted	51,029,961	30,276,810
Total Net Assets	$ 715,910,855	$ 704,156,820

See accompanying Notes to Financial Statements.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
OPERATING REVENUES		
Airfield	$ 13,620,735	$ 13,655,170
Terminal Building	40,690,338	39,671,549
Airside Buildings	16,810,600	16,687,814
Commercial Landside	87,269,078	83,767,454
Cargo	2,236,581	1,982,430
Auxiliary Airports	923,695	923,252
General Aviation	2,209,206	1,631,769
Federal Reimbursements	1,152,761	1,230,326
Other	10,309,071	9,965,997
Total Operating Revenues	175,222,065	169,515,761
OPERATING EXPENSES		
Airfield	9,037,357	9,223,485
Terminal Building	26,016,758	25,276,659
Airside Buildings	20,262,460	19,492,202
Commercial Landside	22,188,267	21,768,151
Cargo	569,517	608,623
Auxiliary Airports	1,309,194	1,368,615
General Aviation	991,136	835,588
Passenger Transfer System	3,801,744	3,715,518
Roads and Grounds	7,949,822	7,363,652
Other	1,501,503	2,843,862
Total Operating Expenses	93,627,758	92,496,355
Signatory Airline Net Revenue Sharing	7,058,662	6,163,906
Operating Income before Depreciation and Amortization	74,535,645	70,855,500
Depreciation and Amortization	87,960,487	81,962,284
OPERATING LOSS	(13,424,842)	(11,106,784)
NONOPERATING REVENUES AND EXPENSES		
Investment Income	3,108,713	3,611,822
Interest Expense	(31,355,190)	(30,305,423)
Contribution of Capital Asset to the FAA	(7,447,812)	-
Total Nonoperating Expenses - Net	(35,694,289)	(26,693,601)
CHANGE IN NET ASSETS BEFORE CONTRIBUTIONS	$ (49,119,131)	$ (37,800,385)

See accompanying Notes to Financial Statements.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
CAPITAL CONTRIBUTIONS		
Passenger Facility Charges	$ 33,433,108	$ 33,191,463
Federal and State Grants	19,998,625	7,868,237
Rental Car Facility Fee	7,441,433	-
Total Capital Contributions	60,873,166	41,059,700
CHANGE IN NET ASSETS	11,754,035	3,259,315
Total Net Assets - Beginning of Year	704,156,820	700,897,505
TOTAL NET ASSETS - END OF YEAR	$ 715,910,855	$ 704,156,820

See accompanying Notes to Financial Statements.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Cash Receipts from Customers	$ 170,046,070	$ 170,691,406
Cash Payments to Suppliers for Goods and Services	(67,204,180)	(64,906,326)
Cash Payments to Employees for Services	(32,843,286)	(32,019,139)
Cash Receipts from Federal Reimbursements	1,152,761	1,230,326
Net Cash Provided by Operating Activities	71,151,365	74,996,267
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Issuance of SunTrust Bank Notes	18,500,000	88,053,335
Redemption of Commercial Paper Notes	-	(85,180,000)
Payments of SunTrust Notes Issue Costs	(75,995)	(133,086)
Principal Paid on Revenue Bond Maturities	(50,720,000)	(47,290,000)
Interest Paid	(34,799,176)	(36,702,872)
Acquisition and Construction of Capital Assets	(38,136,103)	(40,845,067)
Net Proceeds from Direct Financing Lease and Other Assets	17,868	8,387
Rental Car Facility Fee	7,441,433	-
Federal and State Grants	14,278,128	8,207,381
Passenger Facility Charges	34,196,122	33,369,461
Net Cash Used by Capital and Related Financing Activities	(49,297,723)	(80,512,461)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investment Securities	(105,461,724)	(85,020,369)
Proceeds from Maturities of Investment Securities	105,586,192	85,418,857
Income Received on Investments	2,989,056	2,839,223
Net Cash Provided by Investing Activities	3,113,524	3,237,711
NET CHANGE IN CASH AND CASH EQUIVALENTS	24,967,166	(2,278,483)
Cash and Cash Equivalents - Beginning of Year	112,730,996	115,009,479
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 137,698,162	$ 112,730,996

See accompanying Notes to Financial Statements.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	$ (13,424,842)	$ (11,106,784)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	87,960,487	81,962,284
(Increase) Decrease in Accounts Receivable	(2,358,590)	1,648,443
(Increase) Decrease in Prepaid Insurance and Other Assets	(665,855)	89,203
Increase in Accounts Payable - Trade	112,559	1,181,098
Increase (Decrease) in Accrued Expenses, Deferred Revenue, and Other Liabilities	(472,394)	1,222,023
Net Cash Provided by Operating Activities	$ 71,151,365	$ 74,996,267
NONCASH ACTIVITIES		
Unrealized Gain on Investments	$ 341,042	$ 798,985
Amortization of Bond Premium - Net	$ 2,983,384	$ 3,348,672
Amortization of Deferred Loss on Bond Refundings	$ 1,020,901	$ 1,207,094
Contribution of Capital Asset to the FAA	$ 7,447,812	$ -

See accompanying Notes to Financial Statements.

NOTE 1 GENERAL

Description

The Hillsborough County Aviation Authority (the Authority) was created in 1945 as an independent special district governed by the Hillsborough County Aviation Authority Act, Chapter 2003-370, Laws of Florida (the Act). The Act provides that the Authority has exclusive jurisdiction, control, supervision and management over all public airports within Hillsborough County. As such, the Authority is authorized to issue revenue bonds to finance the construction of aviation-related projects. Revenue bonds issued by the Authority are payable solely from revenues of the Authority and are not obligations of the City of Tampa, Hillsborough County, or the State of Florida. Pursuant to the general laws of Florida, the Authority owns and operates Tampa International Airport (the Airport) and three general aviation airports (collectively, the Airport System).

In connection with the Authority's issuance and sale of $67,000,000 principal amount of Revenue Bonds dated October 1, 1968, the Authority entered into the 1968 Trust Agreement. Since the date of its execution, the Authority has, concurrently with each revenue bond issue beginning in 1981, made various amendments and modifications to the terms of the original 1968 Trust Agreement. Many of these amendments were contingent upon the receipt of the requisite consent of the bondholders. Some amendments were prepared in "conceptual" form, awaiting definitive language to be prepared at the discretion of the Authority. During fiscal year 1999, the Authority received the requisite bondholder consent for all the definitive amendments, and the 1968 Trust Agreement, as amended, was codified and restated (the Trust Agreement). In fiscal year 2006, in association with the issuance of the 2006 Revenue Refunding Bonds (see Note 8 – Debt and Other Non-Current Liabilities), the Trust Agreement was again codified and restated to implement the conceptual amendment relating to the issuance of variable rate debt.

Pursuant to the provisions of the Trust Agreement, the Authority entered into lease agreements with certain airlines (the Signatory Airlines) serving the Airport. These lease agreements provide the basis of determining airline facility rentals and landing fees on an annual basis. The agreements, in effect since 1970, with the Signatory Airlines serving Tampa International Airport expired on September 30, 1999. Effective October 1, 1999, the Authority executed Airline-Airport Use and Lease Agreements with the Signatory Airlines (the Agreements), which had terms of seven years and would have expired on September 30, 2006. In fiscal year 2006, the Authority and Signatory Airlines extended the Agreements with basically the same terms for an additional three years. During fiscal year 2009, the Agreements were again extended one more year to September 30, 2010. During the fiscal year 2010 a new agreement was negotiated with the Signatory Airlines. The new agreement maintains the compensatory rate-making methodology and is substantially similar to the Agreements, except for a modification to the revenue sharing component and the recognition of the Authority's desire to implement common use passenger processing. The new agreement has a five-year term, expiring on September 30, 2015. (See Note 3 – Rate-Making Policy).

NOTE 1 GENERAL (CONTINUED)

Basis of Presentation

The Authority operates the Airport System as a single enterprise fund with multiple cost centers to account for the costs of services. Costs are recovered in the form of charges to users for such services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority's financial statements are presented in accordance with accounting principles generally accepted in the United States. The Authority applies all applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989, and all applicable pronouncements required by the Governmental Accounting Standards Board (GASB).

The Authority has elected not to apply accounting standards issued after November 30, 1989 by the Financial Accounting Standards Board. The Authority's significant financial and accounting policies utilized in formulating these financial statements are as follows:

Cash and Cash Equivalents

The Authority classifies investments in short-term repurchase agreements and investments with original maturities less than three months from the date of purchase as cash equivalents.

Investments

The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying values of investments to fair values to be presented as a component of investment income. The Authority invests in overnight repurchase agreements and short-term direct treasuries that are recorded at cost. Since the term of the instruments is of such short duration, the Authority believes cost approximates their fair values. Investments in Florida PRIME operated by the Florida State Board of Administration (SBA) is a "2a-7-like" pool in accordance with GASB 31; therefore, the investments are not presented at fair value but at the actual pooled share price, which approximates fair value. The SBA also operates the Fund B Surplus Funds Trust Fund (Fund B), which is accounted for as a fluctuating net asset value pool in accordance with GASB 31. U.S. Treasury notes and bonds are stated at fair value, based on available market data. Investment income is credited or charged with any unrealized gain or loss, based on the change in fair value.

Restricted Assets and Liabilities

The Trust Agreement requires the segregation of certain assets into restricted accounts and limits their use to specific items as defined by the document. Current liabilities payable from restricted assets are the liabilities that are to be retired by the use of restricted assets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Authority considers the need for an allowance for doubtful accounts based on the expected collectability of outstanding balances.

Grants

Grants received from federal and state governmental agencies that are restricted for the acquisition or construction of capital assets are recorded as capital contributions when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred. Depreciation on assets acquired or constructed with government grant monies is included in Depreciation and Amortization in the accompanying statements of revenues, expenses, and changes in net assets. Operating grants received from the Federal Aviation Administration (FAA) and the Transportation Security Administration that are used to partially offset security costs for the implementation of federally mandated security requirements and other related operating and maintenance costs are recorded separately from capital grants and are included as Federal Reimbursements in the statements of revenues, expenses and changes in net assets.

Passenger Facility Charges (PFCs)

PFCs are imposed at $4.50 per enplaned passenger, of which the Authority receives $4.39. The remitting airline retains $0.11 for administrative processing costs. PFCs are restricted for use on pre-approved projects. PFCs are recorded as Capital Contributions in the accompanying statements of revenues, expenses and changes in net assets.

Rental Car Facility Fee

On October 1, 2011, the Authority implemented a $2.50 per day rental car facility fee (RCFF). The portion of the RCFF recognized as operating revenue is based upon the debt service costs on the existing rental car facilities. The remaining portion is recorded as a capital contribution and will be held for future rental car development projects.

Debt Issue Costs, Bond Discounts and Premiums, and Deferred Loss on Bond Refundings

Debt issue costs and bond discounts and premiums are deferred in the year of issuance and amortized using the declining balance method over the life of the issue since the results are not significantly different from the effective interest method of amortization. Losses on bond refundings are deferred and amortized as a component of interest expense using the declining balance method over the shorter of the remaining life of the original issue or the life of the new issue.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest Costs

Interest costs incurred during periods of construction are capitalized as a component of the assets to which these costs relate for all projects except those funded through the rate-making process (see Note 3), grants and PFCs. In situations involving qualifying assets financed with the proceeds of tax-exempt debt, the amount of interest capitalized is reduced by any interest income earned on the temporary investment of such monies. Interest is capitalized throughout the construction period and is amortized on a straight-line basis over the estimated useful life of the respective asset after the project is substantially completed.

Capital Assets

Capital assets are recorded at cost and are depreciated using the straight-line method typically over their estimated useful lives as follows:

Structures and Improvements	10-40 Years
Runways, Taxiways and Aprons	10-30 Years
Equipment, Furniture and Fixtures	3-15 Years

On an annual basis, the Authority evaluates the useful lives of capital assets and writes off net capitalized costs of assets with no future value. Net capitalized costs written off are included in Depreciation and Amortization in the accompanying statements of revenues, expenses and changes in net assets.

Pension Plans

Pension expenses include amortization of prior service costs over a period of 30 years. The Authority's policy is to fund accrued pension costs, which include normal costs and amortization of prior service costs for regular employees and amounts determined by the Florida Retirement System (see Note 10).

Operating Revenues and Expenses

Operating revenues and expenses for enterprise funds are those that result from providing services and producing and delivering goods. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Non-Operating Revenues and Expenses

Non-operating revenues and expenses represent revenue and expense items that are not incurred from the normal user activity of the Authority. This classification includes revenue received from operating grants, interest earned on bank accounts and interest paid on debt service.

Capital Contributions

Capital contributions consist primarily of grants and contributions from federal and state governmental agencies, passenger facility charges and rental car facility fees. Capital contributions resulting from grants are recognized as earned as related project costs are incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Classifications

The components of the major operating revenue classifications are as follows:

Airfield – Fees for landing of cargo and passenger aircraft.

Terminal Building – Airline space rentals in passenger terminal building, privilege fees for the operation of terminal complex concessions of food and beverage, general merchandise and duty-free store, and other miscellaneous fees in terminal building.

Airside Buildings – Rentals of facilities space at airsides and other miscellaneous fees at the airside buildings.

Commercial Landside – Automobile parking fees, rent-a-car privilege fees and space rental, privilege fees for the operation of the hotel and permit fees of off-airport rental cars and limousine/cab.

Cargo – Cargo space rentals, apron rentals, fuel flowage fees, and other grounds rental.

Auxiliary Airports – Fees from services at all airports operated by the Authority, other than Tampa International Airport.

General Aviation – Fees from services for general aviation activities at Tampa International Airport.

Other – Fees from aviation supporting facilities provided to tenants, rentals from non-aviation properties, reimbursement for utilities, and other miscellaneous income.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

Risk Management

The Authority has developed risk mitigation strategies for loss prevention to address exposure to various risks. One of those risk mitigation strategies is the purchase of commercial insurance for losses related to torts and other liabilities, theft of, damage to and destruction of assets and natural disasters.

Recent Accounting Pronouncements

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements,* was issued in November, 2010, and will be effective for the Authority in the fiscal year 2013. The statement provides guidance on whether the transferor or operator should report the capital asset in its financial statements, when to recognize up-front payments from an operator as revenue, and how to record any obligations of the transferor to the operator, and establishes recognition, measurement, and disclosure requirements for service concession arrangements. The Authority does not expect GASB No. 60 to have an impact on its financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

GASB Statement 61, *The Financial Reporting Entity: Omnibus*, was issued in November, 2010, and will be effective for the Authority in fiscal year 2013. This statement improves the information presented about the financial reporting entity. The Authority does not expect the adoption of GASB No. 61 to have an impact on its financial statements.

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, was issued in June, 2011, and will be effective for the Authority in fiscal year 2013. The statement provides a new net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Authority does not expect the adoption of GASB No. 63 to have an impact on its financial statements.

GASB Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*, was issued in June, 2011, and is effective for the Authority in fiscal year 2012. This statement improves financial reporting by clarifying the circumstances in which hedge accounting continues to be applied when a swap counterparty, or a swap counterparty's credit support provider is replaced. The Authority doesn't have hedge accounting. Thus the statement is not applicable.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, was issued in March 2012, and will be effective for the Authority in fiscal year 2014. The statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The Authority has not yet determined the effect that the adoption of this statement may have on its financial statements.

GASB Statement 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*, was issued in March 2012, and will be effective for the Authority in fiscal year 2014. This statement is for the purpose of improving accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements, *Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Authority does not expect the adoption of GASB No. 66 to have an impact on its financial statements.

GASB Statement 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, was issued in June 2012, and will be effective for the Authority in fiscal year 2014. The objective of this statement is to improve financial reporting by state and local governmental pension plans. The Authority has not yet determined the effect that the adoption of this statement may have on its financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

GASB Statement 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, was issued in June 2012, and will be effective for the Authority in fiscal year 2015. The statement addresses accounting and financial reporting for pensions provided to governmental employees through pension plans that are administered by trusts. The Authority participates in the Florida Retirement System that is administered by the State of Florida. Under this standard, the Authority will be required to report a net pension liability, pension expense, and pension-related deferred inflows and outflows of resources based on its proportionate share of the collective amounts for all the governments in the Florida Retirement System plan. The Authority has not yet determined the amounts it will be required to report on its financial statements

NOTE 3 RATE-MAKING POLICY

The Trust Agreement states the Authority, not taking into consideration any money received from federal and state grants, PFCs, ad valorem taxes, and certain other monies, will fix and establish or revise, as needed, rental rates and other charges for use of the services and facilities of the Airport System, which will be sufficient in each fiscal year to make payments and deposits, as required under the Trust Agreement. Currently, all bonds and outstanding debt of the Authority are issued under the Trust Agreement, and these covenants are reiterated in each Official Statement of bonds issued.

The Agreements incorporate the lease and use of the Terminal Building, Airsides A, C, E, F, any future Airside Buildings, and the Airfield at the Tampa International Airport. The Agreements establish a “compensatory” rate-making methodology where the airlines pay the Authority fees and charges based on the Authority’s cost of providing facilities and services. The costs to be allocated to the Signatory Airlines include operating and maintenance expenditures, debt service, debt service coverage of 25%, Trust Fund minimum deposit requirements, and a return on investment for Authority funds used for capital projects. The new Agreements incorporate all of the covenants contained in the Trust Agreement governing the issuance of Airport Revenue Bonds. They also provide the Signatory Airlines with a net revenue sharing provision. The amounts due to the Signatory Airlines under this provision for the years ended September 30, 2012 and 2011 were $7,058,662 and $ 6,163,906, respectively. The net revenue sharing is presented as a separate item after Operating Expenses on the statements of revenues, expenses, and changes in net assets. Depreciation and amortization is excluded from the rate making process.

NOTE 4 CASH AND INVESTMENTS

Included in the Authority's cash balances are amounts deposited with the Florida State Board of Administration (SBA) as well as amounts deposited with commercial banks in interest bearing demand accounts. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. Required collateral is defined under Chapter 280 of the Florida Statutes,

Security for Public Deposits Act (the Public Deposit Act). Under the Public Deposit 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 Public Deposit Act. Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company, provided a power of attorney is delivered to the State Treasurer.

SBA

The SBA is governed by a Board of Trustees (Trustees) comprised of the Governor, the Chief Financial Officer, and the Attorney General of the State of Florida. On November 29, 2007, the Trustees voted to suspend deposits and withdrawals into and from the Investment Pool. This action was taken to cease transactions that resulted in the Investment Pool's assets decreasing from approximately $27 billion to $14 billion in a month's time. During this time period, some local governments initiated withdrawals due to fears associated with securities held by the SBA that were downgraded below the credit quality guidelines set for initial purchase as well as some limited defaults.

On November 30, 2007, the SBA, through direction of the Trustees, secured the services of BlackRock on an interim basis to provide an independent financial review of the Investment Pool and to recommend a strategic course of action. As a result, the Investment Pool was split into two funds: approximately 86% was placed in Fund A and the holdings in this fund were subsequently assigned a rating of AAAm by Standard & Poor's on December 21, 2007. Fund A was reopened on December 6, 2007 for deposits and limited withdrawals. The remaining 14% of the original pool was placed in Fund B. The objective regarding Fund B was to maximize the collection of Fund B's principal and interest and to allow all or as much principal as possible to be returned to participants. Federated was selected by the Trustees to manage the Investment Pool in March 2008.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

SBA (Continued)

Since the time the fund was closed in November 2007, the SBA implemented authorized withdrawals on a periodic basis from both funds as investments matured or interest was received. As of November 30, 2007, the Authority had a total of approximately $63 million deposited in the Investment Pool. Throughout fiscal year 2008, under the SBA established withdrawal guidelines, the Authority withdrew funds to use for normal operating and capital project activities. On December 23, 2008 all balances in original Fund A, now known as Florida PRIME, became 100% liquid. Deposits and withdrawals directly into and from Fund B remain suspended; however transfers of principal and interest payments collected on existing securities held in Fund B are periodically being made from that Fund to the Florida PRIME accounts of Fund B participants in proportion to their original adjusted Fund B balances. These amounts are available as 100% liquid balance.

As of September 30, 2012, the Authority had $12,469,396 deposited in Florida PRIME and $1,134,980 remaining in Fund B. At September 30, 2012, the weighted average days to maturity of Florida PRIME was 39 days, and the weighted average life of Fund B was 4.08 years.

At September 30, 2012 and 2011, all cash and cash equivalent and investments, were as follows:

	2012	2011
U.S. Treasury Securities	$ 88,038,711	$ 87,857,208
SBA - Florida PRIME and Fund B	13,604,376	13,274,337
Investment in Money Market Bank Accounts	5,392,998	5,397,473
Investments Subtotal	107,036,085	106,529,018
Cash in Deposit Accounts	119,835,768	95,159,095
Total Cash and Investments	$ 226,871,853	$ 201,688,113
Reconciliation to Statement of Net Assets:		
Cash and Cash Equivalents – Unrestricted	$ 59,227,036	$ 37,335,514
Cash and Cash Equivalents – Restricted	78,471,126	75,395,482
Investments - Restricted	89,173,691	88,957,117
Total Cash and Investments	$ 226,871,853	$ 201,688,113

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

SBA (Continued)

The Authority is authorized to invest in securities as described in its investment policy and the Trust Agreement. As of September 30, 2012 and 2011, the Authority held the following investments as categorized below in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures.*

	Investment Maturities - 2012			
	Less Than 1 Year	1 to 5 Years	6 to 10 Years	Total
Investment Type				
U.S. Treasury Securities	$ 12,993,003	$ 30,802,301	$ 44,243,407	$ 88,038,711
SBA - Florida PRIME and Fund B	12,469,396	1,134,980	-	13,604,376
Investment in Money Market				
Bank Accounts	5,392,998	-	-	5,392,998
Total	$ 30,855,397	$ 31,937,281	$ 44,243,407	$ 107,036,085

	Investment Maturities - 2011			
	Less Than 1 Year	1 to 5 Years	6 to 10 Years	Total
Investment Type				
U.S. Treasury Securities	$ 19,626,666	$ 26,048,193	$ 42,182,349	$ 87,857,208
SBA - Florida PRIME and Fund B	12,174,428	1,099,909	-	13,274,337
Investment in Money Market				
Bank Accounts	5,397,473	-	-	5,397,473
Total	$ 37,198,567	$ 27,148,102	$ 42,182,349	$ 106,529,018

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the investments of current operating funds to maturities of less than one year. The Authority's investment policy also requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Investments of other non-operating funds will have terms appropriate to the needs for funds. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Trust Agreement.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

The Authority's banking and investment policy is to apply the prudent-person rule: investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would make, not for speculation, but for investment, considering the probable safety of the principal as well as the probable income to be derived. The Authority will also strive to maximize the return on the portfolio while minimizing risk. The Authority's policy allows investments in the SBA, money market funds with the highest credit quality from a nationally recognized rating agency, direct obligations of the U.S. Treasury, deposits secured by the Public Deposit Act and Federal agencies and instruments. Repurchase agreements are only allowed for deposits secured by the Public Deposit Act or direct obligations of the U.S. Treasury. As part of the SBA, Florida PRIME is rated AAAm and Fund B is not rated by any nationally recognized statistical rating agency. The money market bank accounts are not rated.

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. 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 means the magnitude of a government's investment in a single issuer. Excluded from this definition are investments issued or explicitly guaranteed by the U.S. government and external investments pools. The Authority's funds are held in U.S. Treasuries, investments collateralized by U.S. Treasuries, the SBA's Florida PRIME or institutions that are members of the State of Florida collateral pool. The Authority's banking and investment policy states that assets will be diversified to control the risk of loss.

NOTE 5 RESTRICTED ASSETS

The Trust Agreement, among other things, requires all airport revenues, excluding PFCs, grants, bond proceeds and their earnings, and revenues from certain nontrust funded projects, be deposited in the Revenue Fund, the establishment of certain trust accounts, and defines the priority and flow of cash receipts. Certain of these trust accounts require specified balances and are restricted as to use. Bond proceeds issued for construction are held by a trustee appointed by the Authority per the bond agreement. Debt Service and Debt Reserve accounts are held by a trustee designated by the Trust Agreement and are pledged as collateral for debt service. A summary of the balances in these accounts as of September 30, 2012 and 2011 is as follows:

	2012	2011
Restricted for Debt Service:		
Bond Principal, Interest, and Redemption Sinking Fund	$ 28,593	$ 46,203
Bond Reserve Fund	89,106,431	89,107,264
Restricted to Acquisition of Property and Equipment:		
Equipment Fund	143,563	980,913
Construction Funds	38,142,714	37,879,389
Restricted to Operating Expenses:		
Operating Reserve Account	15,679,410	15,407,112
Operation and Maintenance	2,215,833	6,146,917
	145,316,544	149,567,798
Other Restricted Funds:		
Revenue Funds	20,731,550	18,146,098
Escrow and Forfeiture Deposits	394,587	386,275
Capital Acquisition	10,977,641	6,020,158
Rental Car Facility Future Development	7,126,863	-
Prepaid Insurance and Other Assets	3,763,537	3,097,682
	42,994,178	27,650,213
Total Restricted Assets	$ 188,310,722	$ 177,218,011

NOTE 6 LEASES

The Authority has entered into various leases with the tenants for the use of property, space and facilities at Tampa International Airport. Among these properties are the concession areas, restaurants and lounges, terminal areas, airsides and rental car areas. All leases are cancelable.

NOTE 7 CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2012 and 2011 is summarized as follows:

	Balance October 1, 2011	Additions and Reclasses	Deletions and Reclasses	Balance September 30, 2012
Land	$ 188,357,353	$ 208,592	$ (6,553)	$ 188,559,393
Construction in Progress	34,024,271	41,168,228	(49,293,892)	25,898,607
Equipment	27,117,781	6,436,484	(810,876)	32,743,388
Buildings and Improvements	1,869,656,503	33,636,197	(2,657,148)	1,900,635,551
	2,119,155,908	81,449,501	(52,768,470)	2,147,836,939
Less: Accumulated Depreciation:				
Equipment	(20,876,890)	(3,196,183)	886,468	(23,186,606)
Buildings and Improvements	(844,324,374)	(83,650,131)	2,377,609	(925,596,896)
	(865,201,264)	(86,846,314)	3,264,076	(948,783,502)
Total Capital Assets – Net	$ 1,253,954,644	$ (5,396,813)	$ (49,504,394)	$ 1,199,053,437

	Balance October 1, 2010	Additions and Reclasses	Deletions and Reclasses	Balance September 30, 2011
Land	$ 183,696,379	$ 4,698,820	$ (37,846)	$ 188,357,353
Construction in Progress	95,570,824	35,501,670	(97,048,223)	34,024,271
Equipment	24,819,845	3,015,200	(717,264)	27,117,781
Buildings and Improvements	1,792,038,964	90,021,668	(12,404,129)	1,869,656,503
	2,096,126,012	133,237,358	(110,207,462)	2,119,155,908
Less: Accumulated Depreciation:				
Equipment	(18,480,095)	(3,365,883)	969,088	(20,876,890)
Buildings and Improvements	(778,734,102)	(77,424,331)	11,834,059	(844,324,374)
	(797,214,197)	(80,790,214)	12,803,147	(865,201,264)
Total Capital Assets – Net	$ 1,298,911,815	$ 52,447,144	$ (97,404,315)	$ 1,253,954,644

Depreciation expense and amortization of capitalized interest during the years ended September 30, 2012 and 2011 were $86,846,314 and $80,790,214, respectively. These amounts are included in Depreciation and Amortization in the accompanying statements of revenues, expenses, and changes in net assets.

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES

Revenue Bonds

All revenue bonds issued by the Authority are parity bonds and have been issued under the terms of the Trust Agreement and supplements thereto. The bonds are payable solely from revenues, as defined in the Trust Agreement, after the payment of the cost of operation and maintenance expenses.

During the years ended September 30, 2012 and 2011, serial revenue bonds in the amounts of $50,720,000 and $47,290,000, respectively, were redeemed. Total interest cost incurred on outstanding bonds during the years ended September 30, 2012 and 2011, was $33,674,481 and $36,031,331, respectively. Of these interest amounts, $1,460,428 and $4,197,650 was capitalized, respectively. Amortization of bond issue costs was $867,828 and $958,564 in fiscal years 2012 and 2011, respectively.

Partial bonds refundings were conducted on an annual base using the proceeds from the bank notes to save the interest costs over several years.

On July 31, 2012, the Authority drew $3,975,000 in SunTrust 2012 Bank Notes to refund portion of several bond series. The amounts refunded were $953,333 for the 2001A Bonds, $975,000 for the 2003C Bonds, $422,500 for the 2003D Bonds, $1,005,833 for the 2005A Bonds, and $618,334 for the 2008C Bonds.

On July 29, 2011, the Authority issued $2,743,335 in SunTrust 2011 Bank Notes to refund portions of several bond series. The amounts refunded were $903,334 for the 2001A Bonds, $401,667 for the 2003D Bonds, $459,167 for the 2005A Bonds and $979,167 for the 2008C Bonds.

The total principal maturities and debt service requirements for all revenue bonds through the year 2038, as of September 30, 2012 are as follows:

Year Ended September 30,	Principal	Interest	Total Debt Service
2013	$ 53,205,000	$ 31,109,119	$ 84,314,119
2014	56,055,000	28,402,094	84,457,094
2015	58,985,000	25,464,006	84,449,006
2016	54,560,000	22,418,631	76,978,631
2017	57,410,000	19,574,838	76,984,838
2018-2022	141,785,000	62,137,213	203,922,213
2023-2027	51,845,000	40,397,925	92,242,925
2028-2032	46,315,000	27,819,956	74,134,956
2033-2037	60,150,000	13,987,231	74,137,231
2038	14,060,000	765,625	14,825,625
	$ 594,370,000	$ 272,076,638	$ 866,446,638

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

Revenue bond information and activity as of and for the years ended September 30, 2012 and 2011 is presented below. All principal payments are due October 1, while interest on the fixed rate bonds is due semiannually on April 1 and October 1. Since all debt service payments required under the Trust Agreement are deposited with the Trustee as of September 1, it is the Authority's policy to record the October 1 principal and interest payments as of the close of business on the preceding September 30.

	2012		2011	
	Balance Outstanding	Amounts Due Within One Year	Balance Outstanding	Amounts Due Within One Year
Revenue and Revenue Refunding Bonds:				
1996B Series, 6.0%	$ 9,085,000	$ -	$ 9,085,000	$ -
2001A Series, 5.5%	19,115,000	6,035,000	24,835,000	5,720,000
2003A Series, 5.25% to 5.5%	112,535,000	16,420,000	128,135,000	15,600,000
2003B Series, 4.25% to 5.25%	42,540,000	1,250,000	43,735,000	1,195,000
2003C Series, 5.0% to 5.25%	50,245,000	6,160,000	56,095,000	5,850,000
2003D Series, 3.75% to 5.5%	38,210,000	2,680,000	40,745,000	2,535,000
2005A Series, 5.25%	65,520,000	6,350,000	71,555,000	6,035,000
2005B Series, 5.0% to 5.125%	26,350,000	2,440,000	28,675,000	2,325,000
2006A Series, 4.0% to 5.0%	16,530,000	2,780,000	17,245,000	715,000
2006B Series, 4.0% to 5.0%	12,705,000	2,140,000	13,255,000	550,000
2008A Series, 5.375% to 5.5%	133,000,000	-	133,000,000	-
2008B Series, 5.0%	16,725,000	-	16,725,000	-
2008C Series, 4.0% to 5.75%	10,680,000	1,055,000	14,390,000	3,710,000
2008D Series, 4.0% to 5.5%	3,450,000	340,000	4,635,000	1,185,000
2009A Series, 4.8% to 5.0%	37,680,000	5,555,000	42,980,000	5,300,000
	594,370,000	$ 53,205,000	645,090,000	$ 50,720,000
Unamortized Deferred Loss on Bond Refunding	(4,378,424)		(5,399,325)	
Unamortized Bond Premium – Net	10,364,688		13,348,072	
Total Revenue Bonds Payable	$ 600,356,264		$ 653,038,747	

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

	Balance September 30, 2011	Additions	Refunding	Paydowns	Balance September 30, 2012
1996B Revenue Bonds	$ 9,085,000	$ -	$ -	$ -	$ 9,085,000
2001A Revenue Refunding Bonds	24,835,000	-	(953,333)	(4,766,667)	19,115,000
2003A Revenue Bonds	128,135,000	-	-	(15,600,000)	112,535,000
2003B Revenue Bonds	43,735,000	-	-	(1,195,000)	42,540,000
2003C Revenue Refunding Bonds	56,095,000	-	(975,000)	(4,875,000)	50,245,000
2003D Revenue Refunding Bonds	40,745,000	-	(422,500)	(2,112,500)	38,210,000
2005A Revenue Bonds	71,555,000	-	(1,005,833)	(5,029,167)	65,520,000
2005B Revenue Refunding Bonds	28,675,000	-	-	(2,325,000)	26,350,000
2006A Revenue Refunding Bonds	17,245,000	-	-	(715,000)	16,530,000
2006B Revenue Refunding Bonds	13,255,000	-	-	(550,000)	12,705,000
2008A Revenue Bonds	133,000,000	-	-	-	133,000,000
2008B Revenue Bonds	16,725,000	-	-	-	16,725,000
2008C Revenue Refunding Bonds	14,390,000	-	(618,334)	(3,091,666)	10,680,000
2008D Revenue Refunding Bonds	4,635,000	-	-	(1,185,000)	3,450,000
2009A Revenue Bonds	42,980,000	-	-	(5,300,000)	37,680,000
	$ 645,090,000	$ -	$ (3,975,000)	$ (46,745,000)	$ 594,370,000

	Balance September 30, 2010	Additions	Refunding	Paydowns	Balance September 30, 2011
1996B Revenue Bonds	$ 9,085,000	$ -	$ -	$ -	$ 9,085,000
2001A Revenue Refunding Bonds	30,255,000	-	(903,334)	(4,516,666)	24,835,000
2003A Revenue Bonds	142,955,000	-	-	(14,820,000)	128,135,000
2003B Revenue Bonds	43,735,000	-	-	-	43,735,000
2003C Revenue Refunding Bonds	61,655,000	-	-	(5,560,000)	56,095,000
2003D Revenue Refunding Bonds	43,155,000	-	(401,667)	(2,008,333)	40,745,000
2005A Revenue Bonds	74,310,000	-	(459,167)	(2,295,833)	71,555,000
2005B Revenue Refunding Bonds	30,900,000	-	-	(2,225,000)	28,675,000
2006A Revenue Refunding Bonds	17,930,000	-	-	(685,000)	17,245,000
2006B Revenue Refunding Bonds	13,790,000	-	-	(535,000)	13,255,000
2008A Revenue Bonds	133,000,000	-	-	-	133,000,000
2008B Revenue Bonds	16,725,000	-	-	-	16,725,000
2008C Revenue Refunding Bonds	20,265,000	-	(979,167)	(4,895,833)	14,390,000
2008D Revenue Refunding Bonds	6,525,000	-	-	(1,890,000)	4,635,000
2009A Revenue Bonds	48,095,000	-	-	(5,115,000)	42,980,000
	$ 692,380,000	$ -	$ (2,743,335)	$ (44,546,665)	$ 645,090,000

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Tax Exempt Subordinated Commercial Paper Notes (Commercial Paper Notes) and SunTrust 2011 Bank Notes

On September 21, 2001, the Authority entered into a Reimbursement Agreement (Letter of Credit) with Landesbank Baden-Württemberg, acting through its New York Branch (the Bank). Under this agreement, the Authority is allowed to issue an aggregate principal amount, not to exceed $105,000,000 outstanding at any one time, of Commercial Paper Notes collateralized by the Bank's credit. Under the original agreement, the Commercial Paper Notes could be renewed until 2006 in up to 180-day increments and were subordinated to the Authority's general revenue bonds. During fiscal year 2005, the Authority negotiated an extension to the Reimbursement Agreement until 2015. In November 2010, LBBW notified the Authority of their intention to exercise their early termination option under the agreement. At September 30, 2010, there was $85,180,000 of Commercial Paper Notes outstanding with interest rates from 0.32% to 0.44%. Total interest costs incurred on Commercial Paper Notes during the year ended September 30, 2011 was $375,529. Amortization of Commercial Paper Notes issue costs in fiscal year 2011 was $4,277.

On June 21, 2011, the Authority entered into an agreement with SunTrust to provide a variable rate direct bank loan (SunTrust 2011 Bank Notes). The SunTrust 2011 Bank Notes have a seven-year term, are subject to the revolving credit agreement with SunTrust Bank and may not exceed a principal amount of $105,000,000 at any one time. The initial draw against the revolving loan of $85,310,000 was used to redeem the outstanding Series B and Series D commercial paper notes outstanding in the amount of $85,180,000. The issue cost for the initial draw was $130,000. The second draw of $2,743,335 was made on July 29, 2011, as discussed in the third paragraph of this note. As of September 30, 2011, outstanding SunTrust 2011 Bank Notes totaled $88,053,335 with an interest rate of 1.195%. Amortization of SunTrust 2011 Bank Notes issue costs was $5,195 in fiscal year 2011.

On March 1, 2012, a new amendment on the bank notes was approved to increase the principal amount not exceeding $130,000,000. This amended principal amount will last for three years or until the next public bond issue.

During the fiscal year 2012, the Authority issued multiple SunTrust 2012 Bank Notes to fund its capital projects, equipment, and revenue bonds refunding.

On March 27, 2012, the Authority issued $7,500,000 SunTrust 2012 Bank Notes for its capital projects, including $1,168,480 for purchasing shuttle buses, $6,266,525 for various capital projects. The issue costs for this draw was $64,995.

On July 31, 2012, a total of $11,000,000 SunTrust Bank Notes was issued to fund the Airport's terminal building and PFC 9 projects of $7,014,000, and for the partial revenue bonds refunding of $3,975,000 as mentioned in the previous Revenue Bonds section. The issue costs were $11,000.

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Tax Exempt Subordinated Commercial Paper Notes (Commercial Paper Notes) and SunTrust 2011 Bank Notes (Continued)

As of September 30, 2012, the outstanding SunTrust Bank Notes totaled $106,553,335 with an interest rate of 1.20159%. Amortization of the SunTrust Bank Notes issue costs was $42,397 in the fiscal year 2012.

SunTrust Bank Notes and commercial paper notes information and activity for the years ended September 30, 2012 and 2011 is presented below:

	Balance October 1, 2011	Additions	Paydowns	Balance September 30, 2012	Amounts Due Within One Year
Bank Notes	$ 88,053,335	$ 18,500,000	$ -	$ 106,553,335	$ 20,442,175

	Balance October 1, 2010	Additions	Paydowns	Balance September 30, 2011	Amounts Due Within One Year
Commercial Paper Notes Payable	$ 85,180,000	$ -	$ (85,180,000)	$ -	$ -
Bank Notes	-	88,053,335	-	88,053,335	-

Other Non-Current Liabilities

This line item consists of compensated absences (see Note 11), and pollution remediation obligations.

As required by GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* the Authority recognizes certain remediation obligations in its financial statements. There are several sites on airport property requiring the establishment of liabilities under GASB 49. The Authority's Planning and Development staff, working in conjunction with outside environmental specialists and the Florida Department of Environmental Protection (FDEP) and other government agencies, developed detailed plans and cost estimates of the pollution remediation liabilities associated with these sites. The total estimated and recorded liabilities for the four sites at September 30, 2012 and 2011 are $973,330 and $1,549,554, respectively; and the long-term portion is $584,439 and $953,554 for 2012 and 2011, respectively. There was an expected recovery of $460,600 from a former tenant of one of the sites which was recorded as a receivable in the financial statements in the fiscal year 2009. Half of the recovery funds were received in February 2010, and the remaining balance was received in 2012. There is a phase 2 remediation with a receivable balance of $185,000 and a portion of the receivable has been received in 2012. As of September 30, 2012, the remaining balance of the receivable is $161,922.

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Other Non-Current Liabilities (Continued)

Other non-current liability information and activity for the years ended September 30, 2012 and 2011 is presented below:

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012
Compensated Absences	$ 3,069,398	$ 96,225	$ -	$ 3,165,623
Environmental Liabilities	953,554	286,313	(655,427)	584,440
Total Other Liabilities	$ 4,022,952	$ 382,538	$ (655,427)	$ 3,750,063

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011
Compensated Absences	$ 3,552,610	$ -	$ (483,212)	$ 3,069,398
Environmental Liabilities	1,618,893	-	(665,339)	953,554
Total Other Liabilities	$ 5,171,503	$ -	$ (1,148,551)	$ 4,022,952

Special Purpose Revenue Bonds

Under provisions of the Trust Agreement, Special Purpose Revenue Bonds may be issued by the Authority for the purpose of construction and acquisition of special purpose facilities. Special Purpose Revenue Bonds are not an obligation of the Authority, and are issued on the credit of the facility user. Special Purpose Revenue Bonds were issued in prior years by USAirways and Delta Airlines for the construction of aircraft maintenance facilities and by the fixed base operator of the general aviation facility at the Airport for the construction of an aircraft hangar, maintenance and storage facility.

On January 16, 2003, in connection with its bankruptcy proceedings, US Airways rejected the ground lease portion of the maintenance facility they occupied and subsequently vacated the facility. Under the terms of the bond documents associated with the agreement, the Authority must use its best efforts for a two-year period to re-let the facility. The initial two-year period was extended to February 28, 2006, and the Authority subsequently approved another extension that allowed the bondholders an additional year to re-let the facility. After this time period, the ground lease was terminated and the maintenance facility became the property of the Authority. During the fiscal year ended September 30, 2008, this facility was leased to an aircraft maintenance company. Semiannual interest payments due on the bonds (principal outstanding in the amount of $27,620,000) since January 15, 2003, have not been made by US Airways and the bonds are in default.

The Delta facility was closed for aircraft maintenance in 2005, and on June 29, 2006, Delta rejected the lease associated with the facility. On July 5, 2006, under a draw on a letter of credit, the bondholders received full payment of the outstanding principal and accrued interest for the $16,544,349 portion of the issue. The remaining outstanding principal balance of $8,011,311 remained in default. In June 2009, the bondholders accepted $3,000,000 from the Authority to settle the outstanding debt on the facility.

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Special Purpose Revenue Bonds (Continued)

At September 30, 2012 and 2011, a total of $27,620,000 of Special Purpose Revenue Bonds is outstanding. The Special Purpose Revenue Bonds have been excluded from the accompanying financial statements.

NOTE 9 CONTRIBUTIONS

The Authority has received capital contributions by means of federal and state grants, passenger facility charges, and other sources as follows:

	2012	2011
Passenger Facility Charges	$ 33,433,108	$ 33,191,463
Federal Grants	14,727,813	2,227,480
State Grants	5,270,812	5,640,757
Rental Car Facility Fees	7,441,433	-
Total Capital Contributions	$ 60,873,166	$ 41,059,700

On October 1, 2011, the Authority implemented a rental car facility fee program (RCFF) at Tampa International Airport. The $2.50 RCFF per rental day will generate additional funds for rental car facility development projects or to pay debt service on future borrowings on rental car projects. In 2012, $7,441,433 was recognized as other contributions under this new program.

NOTE 10 PENSION AND OTHER POST EMPLOYMENT BENEFITS

Florida Retirement System

All Authority full-time employees are eligible to participate in the Florida Retirement System (FRS). The FRS is a cost-sharing multiple employer retirement system, administered by the Division of Retirement, Department of Management Services of the State of Florida. The Florida Retirement System has two plan options, a defined benefit pension plan and a defined contribution plan. The benefit provisions and all other requirements are established by Chapters 112 and 121, *Florida Statutes*. The FRS Annual Report provides financial statements and required supplementary information for the FRS. The report is compiled by and is available from the State of Florida, Division of Retirement, 1317 Winewood Blvd., Bldg. 8, Tallahassee, FL 32399-1560. The Florida Legislature made substantive changes to the FRS in the fiscal year 2011. The changes are disclosed in the following section.

NOTE 10 PENSION AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Defined Benefit Pension Plan (the Pension Plan)

The Pension Plan provides retirement, disability, and death benefits and an annual cost-of-living adjustment to plan members. Regular participants who retire at or after age 62, with 10 years of service (or six years of service on or after July 1, 2002, (or age 65 with 8 years of service on or after July 1, 2011); or after thirty years of service , or 33 years of service for new FRS pension plan participating members on or after July 1, 2011, regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to their years of service times a percentage value (ranging from 1.60% to 1.68%) multiplied by their average final compensation. Special risk participants who retire after age 55, with ten years of service (or six years of services on or after July 1, 2002, or age 60 with eight years of service, or age 57 with thirty years of service on or after July 1, 2011), or after twenty-five years of service (or 30 years of services on or after July 1, 2011), regardless of age, receive a similar benefit (ranging from 2.00% to 3.00%). Senior Management Service Class (SMSC) participants, who retire at or after age 62, with seven years of SMSC service; or with ten years of service (or six years of services on or after July 1, 2002; or age 65 with eight years of service on or after July 1, 2011, or with thirty years (or 33 years on or after July 1, 2011) of service regardless of age, receive a similar benefit (2.0%) multiplied by their average final compensation. Alternatively, SMSC participants may elect to participate in a local annuity plan. Average final compensation is the employee's average salary over their highest five fiscal years' earnings (or highest eight fiscal years' earnings on or after July 1, 2011). Vested employees may retire after vesting, but before normal retirement, and receive reduced retirement benefits.

Effective July 1, 1998, the Florida Legislature established a Deferred Retirement Option Program (DROP). This program allows eligible employees to defer receipt of monthly retirement Pension Plan benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred Pension Plan monthly benefits are held in the FRS Trust Fund and accrue interest.

Defined Contribution Retirement Plan

Beginning December 1, 2002, the FRS offered a second retirement plan option, the FRS Investment Plan. Under the FRS Investment Plan the employer pays all contributions, which are a percentage of salary based on the FRS Membership Class. The employer contributes to an account in the employee's name. The employee makes investment elections within the investment funds chosen by the SBA. The retirement benefit is based on the account balance, and the benefit is vested after one year of service. If an employee leaves the job, he or she can keep the benefit in the FRS, or transfer his or her account to another retirement plan. The employee can also elect to cash out the benefit when leaving, but the distribution is subject to tax penalties for taking early withdrawal. The employee in this plan is not eligible for DROP. All employees in the FRS Pension Plan were given a choice of switching from the FRS Pension Plan to the FRS Investment Plan within a designated time period.

NOTE 10 PENSION AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

FRS Contributions

FRS members are required to contribute monthly amounts on behalf of their employees, regardless of which plan the employee may participate in, at actuarially determined rates expressed as percentages of covered payroll. Effective July 1, 2011, the FRS plan participating employees are required to contribute 3% of the gross salary to fund their retirement benefits. The employer's contribution percentage of payroll rate as of September 30, 2012 was 5.18% for regular participants, 14.90% for special risk participants, and 5.44% for DROP participants and as of September 30, 2011 was 4.91% for regular participants, 14.10% for special risk participants, and 4.42% for DROP participants. Total contributions for fiscal years 2012, 2011 and 2010 were $2,827,576, $3,222,585 and $3,640,134, respectively. The Authority's contributions represented less than one percent of total contributions required of all participating members. The total contributions for fiscal years 2012, 2011, and 2010 were 100% of the required amount.

Other Post Employment Benefits (OPEB)

In addition to pension benefits, the Authority offers other post employment benefits of health, dental and life insurance. Employees that retire under the FRS have the option to continue to participate in the group insurance plans of the Authority. The retirees and their dependents are offered the same coverage as is provided to current employees. The plan is a single-employer defined benefit healthcare plan administered by the Authority through the health care insurance provider. The dental insurance plan is fully contributory and there is no OPEB liability associated with this benefit. The Authority does not issue a separate financial report for the OPEB Plan.

Effective October 1, 2007, the Authority implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* The Authority had a net OPEB obligation for the years ended September 30, 2012 and 2011 of $832,000 and $669,000, respectively, which is included in accrued expenses in the statement of net assets.

NOTE 10 PENSION AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

Benefit provisions and contribution obligations have been established and may be amended by the Authority Board. The required contributions are based on the projected pay-as-you-go financing requirements. Under the group health plan, retirees are required to pay the same monthly premium cost that is applicable to the active employee, less a subsidy of $5 times the number of years continuously employed with the Authority at the time of retirement. The maximum amount of the subsidy is $150. This subsidy is recognized as an expense in the period in which it occurs, and expenses were $49,855 and $50,320, in fiscal year 2012 and 2011, respectively. The retiree and dependents may also participate in the dental and life insurance plans, but must pay the full cost of the premiums associated with these plans. Employees are eligible for a flat $10,000 life insurance benefit upon retirement, which reduces to $5,000 at age 70. If a retiree does not participate in these plans upon retirement, he or she is not eligible to participate in the future. The Authority provided post employment health benefits for the years ended September 30, 2012 and 2011 to 116 and 98 recipients respectively. A summary of monthly required contributions for retirees for the fiscal years ended September 30, 2012 and 2011 is provided as follows:

Monthly Required Contributions for Retirees

	2012	2011
HMO Plans		
Retiree Only	$ 554	$ 495
Retiree, 1 Dependent	$ 1,133	$ 1,012
Retiree, Family	$ 1,688	$ 1,507
PPO Plans		
Retiree Only (Under 65)	$ 772	$ 689
Retiree, 1 Dependent (Under 65)	$ 1,721	$ 1,537
Retiree, Family (Under 65)	$ 2,484	$ 2,218
Retiree only (65+)	$ 664	$ 593
Retiree (65+), 1 Dependent (65+)	$ 1,328	$ 1,186
Retiree (65+), 1 Dependent (Under 65)	$ 1,614	$ 1,441
Retiree (Under 65), Dependent (65+)	$ 1,436	$ 1,282
Retiree (65+), Dependant (65+), Dependent (Under 65)	$ 1,992	$ 1,779
Dental Plans		
Retiree Only	$ 29	$ 29
Dependents	$ 43	$ 43

Life Insurance Contributions $0.115 per $1,000 of Coverage per Month

In addition, pursuant to Section 112.0801, Florida Statutes, the Authority is required to offer the option of continuing health care, hospitalization, dental care and vision care insurance benefits to retired former employees and their eligible dependents at a cost not to exceed that of active employees. Although the retiree pays the cost for any such continuation, the premiums charged are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees have higher costs, this results in the Authority subsidizing a portion of the cost of the retiree coverage.

NOTE 10 PENSION AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Annual Cost

The annual OPEB cost and Net OPEB obligation of the employer is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Beginning in the year ended September 30, 2009, the Authority's annual OPEB cost (expense) is calculated based on actuarially determined annual contribution. Recorded expense for the years ended September 30, 2012 and 2011 was $368,000 and $349,000, respectively.

The following table shows the components of the Authority's annual OPEB cost of the years ended September 30, 2012 and 2011, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation:

	2012	2011
Annual Required Contribution (ARC)	$ 365,000	$ 347,000
Interest on Net OPEB Obligation	30,000	22,000
Adjustment to Annual Contribution	(27,000)	$ (20,000)
Annual OPEB Cost (Expense)	368,000	349,000
Contributions Made	(205,000)	$ (172,000)
Increase in Net OPEB Obligation	163,000	177,000
Net OPEB Obligation – Beginning of Year	669,000	492,000
Net OPEB Obligation – End of Year	$ 832,000	$ 669,000

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

Year Ended	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	$ 368,000	$ 175,000	47.55%	$ 492,000
9/30/2011	$ 349,000	$ 172,000	49.28%	$ 669,000
9/30/2012	$ 368,000	$ 205,000	55.71%	$ 832,000

NOTE 10 PENSION AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress

The Authority's funded status of the plan as of October 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	$	3,796,000
Actual Value of Assets		-
Unfunded Actuarial Accrued Liability (UAAL)	$	3,796,000
Funded Ratio		0.00%
Covered Payroll	$	31,946,700
Unfunded Actuarial Accrued Liability (UAAL) as a Percentage of Covered Payroll		11.88%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Covered payroll is the 2010-2011 budgeted regular salaries for active employees. The required schedule of funding progress immediately following the notes presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations. A summary of actuarial methods and assumptions is listed as follows:

Actuarial Valuation Date	October 1, 2010
Actuarial Cost Method	Unit Credit
Amortization Method	Level Percentage of Projected Payroll Maximum 30 Years on an Open Basis
Asset Valuation Method	N/A
Actuarial Assumptions:	
Annual Discount Rate	4.5%
Projected Salary Increase	3%
Healthcare Inflation Rate	10% Initial 5% Ultimate

NOTE 11 COMMITMENTS AND CONTINGENCIES

Construction and Maintenance Contracts

In connection with the Authority's ongoing capital and maintenance programs, certain construction and long-term maintenance contracts have been executed for services that are incomplete. These contracts are typically cancelable by either party with advance notice ranging from 30 to 180 days.

Compensated Absences

The Authority provides for compensated absences to its employees through employee benefit programs. Under the programs, employees are provided compensated absences for sick and vacation time, as well as related retirement amounts. The amount owed under the program was $3,768,599 at September 30, 2012. Expected amounts that will be paid out in the subsequent fiscal year are recorded as accrued expenses in the Statement of Net Assets. Amounts expected to be paid out past the subsequent fiscal year are included with other non-current liabilities in the statement of net assets.

Contingencies

The Authority is involved in litigation and claims as defendant or plaintiff arising in the ordinary course of operations. In the opinion of management, based on the advice of counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Authority.

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement would become a liability of the Authority. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal laws and regulations.

NOTE 12 RELATED PARTY TRANSACTIONS

The Authority considers the City of Tampa to be a related party because the Mayor of the City of Tampa is a member of governance of both entities. The City of Tampa provides certain services to the Authority including fire fighting personnel and utilities. Total expense incurred by the Authority during the years ended September 30, 2012 and 2011, for these services were $6,240,500 and $6,077,500, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

HILLSBOROUGH COUNTY AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2012 AND 2011

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
8/1/2007	$ -	$ 2,955,000	$ (2,955,000)	-	$ 32,578,300	9%
8/1/2009	$ -	$ 3,341,000	$ (3,341,000)	-	$ 32,110,800	10%
10/1/2010	$ -	$ 3,796,000	$ (3,796,000)	-	$ 31,946,700	12%

APPENDIX C

CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS

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CODIFIED AND RESTATED

TRUST AGREEMENT

RELATING TO

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

TAMPA INTERNATIONAL AIRPORT
REVENUE BONDS

DATED OCTOBER 1, 1968, AS AMENDED

EFFECTIVE ON AND AFTER SEPTEMBER 1, 2006

[Scrivener's Note: This Codified version contains the terms of the Original Trust Agreement dated October 1, 1968, as thereafter codified and restated on October 1, 1999, and amended by the Supplemental Trust Agreement dated July 1, 2003. It was officially approved by Resolution No. 2006-119 adopted by the Authority on August 3, 2006 and thereafter re-executed by the parties, effective as of September 1, 2006. Certain conceptual amendments approved prior to 1999 and for which definitive provisions have not yet been drafted, have been included in their conceptual form in Section 11.05 as authorized amendments. This codified version does not include covenants and provisions pertaining exclusively to a single issue, such as specific bond terms, construction fund provisions, tax covenants, covenants to Bond Insurers and the like. For those provisions, reference is made to the respective Supplemental Trust Agreements.]

HILLSBOROUGH COUNTY AVIATION AUTHORITY

TABLE OF CONTENTS OF TRUST AGREEMENT

Relating To

TAMPA INTERNATIONAL AIRPORT

Page

THIS CODIFIED AND RESTATED TRUST AGREEMENT, dated for convenience of reference as of the 1st day of October, 1968 (but becoming effective as of September 1, 2006), by and between the HILLSBOROUGH COUNTY AVIATION AUTHORITY (hereinafter sometimes referred to as "Authority"), and JPMORGAN CHASE BANK, N.A. (as successor to The Chase Manhattan Bank, National Association), a national banking association duly organized and existing under the laws of the United States of America and having an office in the City and State of New York, which is authorized under such laws to exercise corporate trust powers, as Trustee under the Trust Agreement hereinafter referred to (together with its successor or successors and any other corporation which may hereafter be substituted in its place as Trustee under the Trust Agreement, the "Trustee"),

WITNESSETH

WHEREAS, the Authority was created as a public body corporate by Chapter 23339, Laws of Florida, Acts of 1945, as codified, amended and supplemented by Chapter 83-424, Laws of Florida (1983), and as further amended by acts amendatory thereof and supplemental thereto (collectively, the "Act"), for the purpose of operating airports and aviation facilities including Tampa International Airport, Peter O. Knight Airport, Plant City Airport and Vandenberg Airport and any additions, extensions and improvements thereto hereafter constructed or acquired (collectively, the "Airport System"); and

WHEREAS, the principal of and interest on said Bonds and all of the other payments provided for herein will be payable solely from the revenues derived from said Airport System and other moneys pledged therefor and the payment thereof shall not constitute an indebtedness of the Authority, the County of Hillsborough, the City of Tampa or any other political subdivision in said County within the meaning of any constitutional or statutory debt limitation or provision nor a lien upon any property of the Authority, said County or City or other political subdivision in said County and no Holder of Bonds issued hereunder shall ever have the right to require or compel the exercise of the ad valorem taxing power of the Authority, said County or City or other political subdivision in said County for the payment thereof; and

WHEREAS, the Authority represents that it has full power and authority to issue the Bonds and to pledge the revenues derived from said Airport System and other moneys pledged therefor pursuant to said Act, and the Authority has taken all actions necessary to authorize its proper officers to acknowledge, execute, sign, seal, and deliver this Trust Agreement and to execute, sign and deliver the Bonds initially issued hereunder; and

WHEREAS, the Bonds to be initially issued and secured hereby, the Trustee's authentication certificate, the validation certificate and the provisions for registration to be endorsed on all of the Bonds issued hereunder are to be substantially in the form set forth in Appendix "A" hereto, with appropriate omissions and insertions or variations permitted or authorized as hereinafter provided;

NOW, THEREFORE, this Trust Agreement witnesseth, that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Holders thereof, and also for and in consideration of the sum of

One Dollar ($1.00) to the Authority in hand paid by the Trustee at or before the execution and delivery of this Trust Agreement, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders thereof, and in order to secure its obligations under Qualified Hedge Agreements, its reimbursement obligations to the Credit Providers and Liquidity Providers and the payment of all the Bonds at any time issued and Outstanding hereunder and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions therein and herein contained, the Authority has pledged and does hereby pledge to the Trustee the revenues derived from the Airport System of the Authority and other moneys pledged therefor, to the extent provided in this Trust Agreement, as security for the payment of the Bonds and the interest thereon and as security for its obligations under Qualified Hedge Agreements, its reimbursement obligations to the Credit Providers and Liquidity Providers, and the satisfaction of any other obligation assumed by it in connection with such Bonds or other obligations, and it is mutually agreed and covenanted by and between the parties hereto, for the equal and proportionate benefit and security of all and singular the present and future Holders of the Bonds issued and to be issued under this Trust Agreement, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise, and as security for the obligations of the Authority under the Qualified Hedge Agreements and with respect to reimbursement obligations to Credit Providers and Liquidity Providers, as and to the extent herein contemplated, as follows:

ARTICLE I.
DEFINITIONS

Section 1.01 Definitions. In addition to words and terms elsewhere defined herein, the following words and terms as used in this Trust Agreement shall have the following meanings unless some other meaning is plainly intended:

"Act" shall mean collectively Chapter 23339, Laws of Florida, Acts of 1945, as codified, amended and supplemented by Chapter 83-424, Laws of Florida (1983), and as further amended by acts amendatory thereof and supplemental thereto as the same may be adopted from time to time.

"Accrued Aggregate Debt Service Requirement" shall mean, as of any date of calculation and for such period or periods referenced herein, an amount equal to the sum of the amounts of accrued and unpaid Debt Service Requirement with respect to all Series of Bonds then Outstanding for the period in question, calculating the accrued Debt Service Requirement separately with respect to each such Series, provided, however that principal and interest on Bonds, the interest on which has been fixed to maturity, shall be deemed to accrue annually on the basis of a year containing twelve thirty day months.

"Additional Bonds" shall mean Bonds of the Authority authenticated and delivered under and pursuant to the provisions of Sections 2.09 and 2.10 hereof.

"Airport Consultant" shall mean the airport consultant or firm of airport consultants retained by the Authority to perform and carry out the duties imposed on said Airport Consultant by this Trust Agreement and meeting the requirements of Section 7.05.

"Airport System" shall mean the Tampa International Airport, the Peter O. Knight Airport, the Vandenberg Airport and the Plant City Airport, and shall also include any additions, extensions and improvements thereto hereafter constructed or acquired from the proceeds of Additional Bonds or from any other sources.

"Airport System Project" means any expansion of, or additions, extensions and improvements to, the Airport System to be constructed or acquired in whole or in part from the proceeds of Additional Bonds.

"Authority" shall mean the Hillsborough County Aviation Authority.

"Available PFC Revenues" means (i) with respect to the pledge and deposit requirements hereunder, the actual net PFC Revenues collected by the Authority, after all deposit requirements under and with respect to Senior PFC Indentures and (ii) for any historical or projected twelve month period relating to compliance with the parity Additional Bonds test under Section 2.09 or for purposes of determining compliance with the Rate Covenant under Section 5.01, the actual net PFC Revenues collected or projected to be collected by the Authority during such period, less an amount equal to 100% of the Maximum Bond Service Requirement on the Senior PFC Indebtedness, if any, Outstanding at the time of such calculation. PFC Revenues may only be treated as Available PFC Revenues to the extent they are then included in the definition of Revenues and are pledged hereunder.

"Authorized Officer" of the Authority shall mean any person or persons designated by the Board of the Authority by resolution to act on behalf of the Authority under this Trust Agreement. The designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the Authority by its Chair or Executive Director.

"BMA Municipal Swap Index" means the "USD-BMA Municipal Swap Index" as such term is defined in the 2000 ISDA Definitions, as amended, published by the International Swaps and Derivatives Association, Inc., or if such index is no longer published, any successor index that the Trustee, in consultation with the Authority, deems substantially equivalent thereto.

"Bond Year" means the annual period beginning on the first day of October of each year and ending on the last day of September of the following year; provided that when such term is used to describe the period during which deposits are to be made to amortize the principal and interest on the Bonds maturing or becoming subject to mandatory redemption, the principal and interest maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Book-Entry System" means the system of registration and beneficial ownership contemplated in Section 2.04 hereof.

"Bond Insurer" means, collectively, Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto which has issued a bond insurance policy insuring the 1991, 1993 and 1996 Bonds, AMBAC Indemnity Corporation, a Wisconsin domiciled insurance company, or its successor in interest, which has issued a bond insurance policy insuring the 1992 Bonds and the 1997 Bonds, in each case so long as Bonds insured by them remain Outstanding, and any additional bond insurance company or companies issuing a policy or policies which insure the payment of the principal of and interest on any Additional Bonds.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Bonds then Outstanding paying interest at least annually, and (ii) if capital appreciation bonds are issued pursuant to a Supplemental Trust Agreement, the compounded amount of such capital appreciation bonds as provided in such Supplemental Trust Agreement pursuant to Section 11.05(A) hereof.

"Bond Counsel" means any attorney at law or firm of attorneys of nationally recognized standing in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Bonds" shall mean, except where the context refers to particular Bonds, all Bonds issued and Outstanding hereunder and any Additional Bonds authenticated and delivered pursuant to Sections 2.09 and 2.10 hereof but shall not include any Special Purpose Bonds issued pursuant to Article XIII hereof.

"Bond Service Requirement" means for a given Bond Year the remainder after subtracting any accrued and capitalized interest for that year that has been deposited into the Interest Account in the Sinking Fund or separate subaccounts in the Construction Fund for that purpose, from the sum of:

(1) The amount required to pay the interest coming due on Bonds during that Bond Year;

(2) The amount required to pay the principal of Serial Bonds in that Bond Year, and the principal of Term Bonds maturing in that Bond Year that are not included in the Sinking Fund Installments for such Term Bonds;

(3) The Sinking Fund Installments for all series of Term Bonds for that Bond Year; and

(4) The premium, if any, payable on all Bonds required to be redeemed in that Bond Year in satisfaction of the Sinking Fund Installment.

If Variable Rate Bonds are then Outstanding, the interest rate on such Bonds for purpose of determining the Bond Service Requirement shall be calculated pursuant to the provisions included in the definition of Debt Service Requirement herein.

"Book Entry Bond" shall mean a Bond issued to, and (except as otherwise provided in Section 2.04) restricted to being registered in the name of, a Securities Depository for the Participants in such Securities Depository or Beneficial Owners.

"Business Day" means, except as otherwise provided in a Supplemental Trust Agreement with respect to a Series of Bonds issued hereunder, any day except Saturday, Sunday or any day on which banking institutions located in the states of New York or Florida are required or authorized to close or on which the New York Stock Exchange is closed.

"Cede" means Cede & Co., as nominee of DTC.

"Chairman" means the Chairman, Vice Chairman or any other officer designated by the Authority to execute documents in accordance with the provisions hereof.

"Code" means the Internal Revenue Code of 1986, as amended, or any applicable corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Consulting Engineers" shall mean the engineer or engineers at the time employed by the Authority under the provisions of this Trust Agreement to perform and carry out the duties imposed on said Consulting Engineers by this Trust Agreement and meeting the requirements set forth in Section 7.05.

"Credit Facility" shall mean, with respect to the Bonds of a Series or a maturity within a Series, an insurance policy, letter of credit, surety bond or any other similar obligation acquired or secured by the Authority, under which the Credit Provider is unconditionally obligated to pay when due, the principal of and interest on such Bonds as the same become due, directly or after the Authority has defaulted in the payment thereof. The term "Credit Facility" shall not include any secondary market facilities to which the Authority shall not have expressly consented.

"Credit Provider" shall mean person or entity that is designated in a Supplemental Trust Agreement as a Credit Provider with respect to a Series of Bonds or portion thereof issued hereunder, and that provides a Credit Facility to secure such Bonds.

"Debt Service Requirement" for any period shall mean, as of any date of calculation and with respect to any Series, an unpaid amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits into the Interest Account in the Sinking Fund made from the proceeds of Bonds (including amounts, if any, transferred thereto from the Construction Fund) and (ii) that portion of each Principal Installment for such Series coming due on the next respective Principal Installment due date within each applicable Fiscal Year (including for this purpose the first day of the following Fiscal Year and excluding the first day of the current Fiscal Year) that 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 to the next succeeding Principal Installment due date. If

there shall be no such preceding Principal Installment due date, then principal shall be deemed to accrue daily from a date one year preceding the next succeeding due date of such Principal Installment, or from the date of issuance of the Bonds of such Series, whichever date is later.

The calculation of the Debt Service Requirement hereunder shall be subject to the following rules:

(1) Interest and Principal Installments 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.

(2) Tender option features of any Option Bond shall be ignored for purposes of this calculation.

(3) If the calculation of the Reserve Requirement for any separate account in the Reserve Fund created for a specific Series of Bonds takes into account the Debt Service Requirement, then, for purposes of such calculation, the Debt Service Requirement shall be calculated only with respect to the Bonds of the Series secured thereby.

(4) With respect to Bonds which are Variable Rate Bonds:

(A) the interest rate on such Bonds for any period prior to the date of calculation shall be the actual interest borne by such Bonds from the last Interest Payment Date through the date of calculation; and

(B) for any forward looking period after the date of calculation, (1) if the interest on such Variable Rate Bonds was intended at the time of issuance to be excluded from the gross income of the holders thereof for federal tax purposes, the interest rate on such Bonds shall be assumed to be the average of the BMA Municipal Swap Index for the twelve full months preceding the date of calculation, plus 0.25% per annum, or (2) if the interest on such Variable Rate Bonds is expected at the time of issuance to be included in the gross income of the holders thereof for federal tax purposes, the interest rate on such Bonds shall be assumed to be the LIBOR Swap Rate on the date of calculation, plus 0.25% per annum.

(5) If the Authority has entered into a Qualified Hedge Agreement with respect to Derivative Bonds, the interest on such Bonds (but only during the related Derivative Period) shall be calculated by adding (x) the amount of interest payable by the Authority on such Derivative Bonds pursuant to its terms (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above) and (y) the Qualified Hedge Payments payable by the Authority under the related Qualified Hedge Agreement(s), based on a notional amount equal to the principal amount of the Derivative Bonds and the interest rate assumptions stated therein (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above to any variable rate payable by the Authority under such Qualified Hedge Agreement(s), whether or not such variable rate is the BMA Municipal Swap Index or LIBOR Index), and subtracting (z) the Qualified Hedge Receipts payable by the counterparty(ies) under the related Qualified Hedge Agreement(s), using the same notional amount and the interest rate assumptions stated therein (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above to any

variable rate to be made by such counterparty(ies) under the related Qualified Hedge Agreement(s), whether or not such variable rate is the BMA Municipal Swap Index or LIBOR swap rate); provided, however, that (A) Derivative Non-Scheduled Payments and Derivative Non-Scheduled Receipts due or that may become due under any Qualified Hedge Agreement(s) shall not be taken into account and (B) from and after the expiration or termination of a Qualified Hedge Agreement relating to Derivative Bonds, the amount of interest payable on such Derivative Bonds shall be the interest calculated pursuant to the terms of such Derivative Bonds as if such Qualified Hedge Agreement had not been executed.

(6) Payments arising from mandatory redemption (other than from Sinking Fund Installments) shall be ignored.

"Derivative Bond" means one or more Bonds of a Series for which the Authority shall have entered into a Qualified Hedge Agreement, as identified in a Supplemental Trust Agreement with respect to such Bonds or pursuant to a certificate of an Authorized Officer filed with the Trustee.

"Derivative Non-Scheduled Payments" means (without duplication) payments due from the Authority (other than Qualified Hedge Payments) under a Qualified Hedge Agreement, including without limitation (i) any termination payments (whether as a result of optional, elective, early or mandatory termination), (ii) any periodic payments not based on notional amounts or indices to keep such Qualified Hedge Agreement in effect, and (iii) any payments in respect of fees, costs, indemnities, interest or expenses with respect to such Qualified Hedge Agreement.

"Derivative Non-Scheduled Receipts" means (without duplication) payments due to the Authority (other than Qualified Hedge Receipts) under a Qualified Hedge Agreement, including without limitation, (i) any termination payments (whether as a result of optional, elective, early or mandatory termination), (ii) any periodic payments not based on notional amounts or indices to keep a Qualified Hedge Agreement in effect, and (iii) any payments in respect of fees, costs, indemnities, interest or expenses with respect to such Qualified Hedge Agreement.

"Derivative Period" means the period during which a Qualified Hedge Agreement is in effect with respect to related Derivative Bonds.

"DTC" means The Depository Trust Company, New York, New York or any substitute securities depository appointed pursuant to Section 2.04.

"DTC Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book-Entry System.

"Fitch" means Fitch Ratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions 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.

"Fiscal Year" for the purposes of this Trust Agreement shall mean the period beginning with and including October 1 of each year and ending with and including the next September 30th.

"Gross Revenues" or "Revenues" shall mean Qualified Hedge Receipts and all rates, fees, rentals or other charges or income received by the Authority or accrued to the Authority from the operation of the Airport System, all as calculated in accordance with sound accounting practice, and other moneys pledged herein. Such term shall not, however, include gifts, grants, either federal, state or any other public body, ad valorem taxes or moneys paid to the Authority by the City of Tampa or County of Hillsborough, moneys derived by the Authority from Special Purpose Facilities, except ground rentals, or any other moneys not derived from the operation of said Airport System as defined herein. Pursuant to the Supplemental Trust Agreement dated July 1, 2003 and executed in connection with the issuance of the Series 2003 Bonds, "Gross Revenues" or "Revenues" shall include any Available PFC Revenues until Available PFC Revenues have been released from the pledge hereunder in accordance with Section 5.05 thereof.

"Holder of Bonds" or "Bondholder", or any similar term shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as reflected on the registration books maintained by the Trustee as Registrar hereunder.

"Interest Payment Date" means April 1 and October 1 of each year, and such other dates specified as such in the Supplemental Trust Agreement pertaining to each Series of Bonds issued hereunder.

"LIBOR Index" means "USD-LIBOR-BBA" as such term is defined in the 2000 ISDA Definitions, as amended, published by the International Swaps and Derivatives Association, Inc. with a designated maturity of one (1) month.

"LIBOR Swap Rate" means, the fixed rate, determined by the Authority as of the date of calculation, that would be paid by a party to an interest rate swap agreement to receive payments based upon the LIBOR Index assuming (i) a maturity date on such swap agreement equal to the maturity date of the applicable Variable Rate Bonds, (ii) the notional amount of such swap agreement amortizes in the same manner and on the same timing as the scheduled amortization of the principal amount of such Variable Rate Bonds and (iii) the payment dates under the interest rate swap agreement match or are substantially similar to the payment dates of such Variable Rate Bonds.

"Liquidity Facility" means a letter of credit, standby bond purchase agreement, line of credit, loan guaranty or similar agreement, by a Liquidity Provider to provide liquidity support to pay the tender price of Option Bonds of any Series or subseries tendered for purchase in accordance with the provisions of any Supplemental Trust Agreement authorizing the issuance of Option Bonds, in a form reasonably acceptable to any Credit Provider providing a Credit Facility securing such Option Bonds.

"Liquidity Provider" means the provider of a Liquidity Facility, and its successors and permitted assigns, each having been approved by the Credit Provider, if any, providing a Credit Facility securing the Option Bonds to which such Liquidity Facility pertains.

"Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Sinking Fund Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Sinking Fund Installments to be made in prior Bond Years.

"Moody's" means Moody's Investor Services, Inc. and its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions 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.

"Municipal Bond Insurance Policy" means the bond insurance policy or policies issued by the Bond Insurer insuring the payment when due of principal and interest on Bonds if, as and to the extent provided therein.

"Operating Expenses" shall mean the current expenses, paid or accrued, of operation, maintenance, and ordinary current repairs of said Airport System and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Authority relating solely to the Airport System, including engineering, architectural, legal, airport consultants, and accounting fees and expenses, and fees and expenses of the Trustee, and such other reasonable current expenses as shall be in accordance with sound accounting practice. "Operating Expenses" shall include the fees, costs and expenses of the Trustee, Liquidity Provider, Credit Provider, Tender Agent, Auction Agent, Remarketing Agent and other agents employed by the Authority in connection with one or more series of Bonds issued hereunder, but shall not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of Special Purpose Facilities or airside buildings where the lessees thereof are obligated to pay such operating expenses.

"Option Bonds" shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment or purchase by or on behalf of the Authority prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

"Outstanding," "Bonds outstanding" or "Outstanding Bonds," when used with reference to Bonds, shall mean as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Trust Agreement except:

(i) Bonds cancelled (or, in the case of Book Entry Bonds, to the extent otherwise provided in Section 2.04, portions thereof deemed to have been cancelled) by the Trustee after purchase in the open market or because of payment at or redemption prior to maturity;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which cash funds or direct obligations of the United States of America or any combination, equal to the principal amount or redemption price thereof, as the case may be, together with interest to the date of maturity or redemption date, shall be held in trust under this Trust Agreement and irrevocably set aside for such payment or redemption (whether at or prior to the maturity or redemption date) in accordance with the provisions of Article XII of this Trust Agreement, provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article III or the applicable Supplemental Trust Agreement or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(iii) Bonds which are deemed paid pursuant to Section 3.07 hereof or in lieu of which other Bonds have been authenticated under Section 2.11 of this Trust Agreement;

(iv) Bonds deemed to have been paid as provided in Section 12.01; and

(v) Bonds (or, in the case of Book Entry Bonds, to the extent otherwise provided in Section 2.04, portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Trust Agreement in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Trust Agreement.

"Paying Agent" shall mean the Trustee and any other banks or trust companies designated by the Authority to serve as Paying Agents hereunder that have agreed to arrange for the timely payment of the principal of, interest on and premiums, if any, with respect to the Bonds to the registered owners thereof.

"Period of Review" shall have the meaning ascribed to that term in Section 2.09(h).

"PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time.

"PFC Approvals" means the Records of Decision of the Federal Aviation Administration, made pursuant to the PFC Act and the PFC Regulations, relating to passenger facility charges imposed by the Authority, as the same may be issued and amended from time to time.

"PFC Bonds" means 2003A Bonds (after the projects to be funded by the proceeds thereof have received PFC Approvals for imposition and use) and any Additional Bonds so designated as PFC Bonds by the Authority at the time of issuance and delivery thereof, the proceeds of which are used solely to fund PFC Projects (following PFC Approval thereof), fund the Reserve Requirement with respect thereto, and pay the costs of issuance thereof (or to refund 2003A Bonds or Additional Bonds meeting such requirements).

"PFC Capital Fund" means the fund by that name established pursuant to Section 5.02 of the Trust Agreement.

"PFC Projects" means those projects for which the imposition and use of PFCs have been approved by one or more PFC Approvals.

"PFC Regulations" means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

"PFC Revenue Fund" means the PFC Revenue Fund established pursuant to Section 5.02 of the Trust Agreement.

"PFC Revenues" means all revenues received by the Authority from PFCs imposed by the Authority at Tampa International Airport pursuant to the PFC Act, the PFC Regulations and the PFC Approvals, including any interest earned thereon after such revenues have been remitted to the Authority as provided in the PFC Regulations.

"PFCs" or "Passenger Facility Charges" means the passenger facility charges authorized to be charged by the Authority pursuant to the PFC Act and the PFC Regulations, the imposition and use of which has been approved by the Federal Aviation Administration pursuant to PFC Approvals.

"Principal Installment" shall mean, as of any payment date of any Series of Bonds hereunder, (i) the unpaid principal amount of Serial Bonds of such Series scheduled to become due on such principal payment date for which no Sinking Fund Installments have been established, and (ii) the unsatisfied principal amount (determined as provided in Section 5.02(E) of any Sinking Fund Installments due on such payment date established for Term Bonds of such Series.

"Qualified Hedge Agreement" shall mean any agreement evidenced by any form of master agreement published by the International Swaps and Derivatives Association, Inc., including any schedule thereto, any credit support annex thereto, and any confirmation(s), entered into by the Authority as a debt management tool with respect to the Bonds or a portion thereof issued hereunder such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Authority and a counterparty whose long-term unsecured debt at the time of entering into such agreement is rated, or whose obligations are guaranteed by an entity whose long-term unsecured debt at the time of entering into such agreement is rated in one of the two (2) highest rating categories (without regard to gradations) by at least two (2) nationally recognized securities rating agencies, which agreement requires that if such counterparty or guarantor, as the case may be, does not maintain a rating in one of the three (3) highest rating categories (without regard to gradations) from at least two securities rating agencies, one of the following shall occur (a) such counterparty shall provide a new guarantor, or some form of credit facility from any entity, whose long-term unsecured debt is then rated in one of the three (3) highest rating categories (without regard to gradations)[1], or (b) such counterparty shall be obligated to post collateral for the benefit and protection of the Authority under the terms of a credit support annex or comparable agreement; provided that the Qualified Hedge Receipts to be paid by the counterparty to the Authority thereunder have been pledged to the payment of the Bonds.

"Qualified Hedge Payments" shall mean the net payment obligations of the Authority arising under a Qualified Hedge Agreement under which the Authority has expressly granted a lien on Revenues securing such obligations on a parity with the lien thereon granted to Bondholders hereunder, which net payments are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder or a particular Series or maturity thereof, based upon a fixed or a variable rate index or formula. Qualified Hedge Payments include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any Termination Payment, fee for extension, indemnification obligations or other Derivative Non-Scheduled Payments payable to the counterparty).

"Qualified Hedge Receipts" shall mean the net payment obligations of the counterparty to the Authority arising under a Qualified Hedge Agreement which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder, or a particular series or maturity thereof, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any Termination Payment, fee for extension, indemnification obligations or other Derivative Non-Scheduled Payments payable to the counterparty).

"Rate Covenant" means the Authority's covenant contained in Section 5.01 to impose rates and charges in the manner described therein.

"Reimbursement Obligations" shall mean obligations issued by the Authority to Credit Providers or Liquidity Providers pursuant to Section 2.12 in connection with the execution of any Credit Facility or Liquidity Facility, to evidence the Authority's obligations to repay advances or loans made thereunder.

"Reserve Fund" means the fund created by that name pursuant to Section 5.02 of this Trust Agreement.

"Reserve Account" means the account or accounts in the Reserve Fund created with respect to one or more series of Additional Bonds pursuant to Section 5.02 of this Trust Agreement and the Supplemental Trust Agreement pertaining to such Additional Bonds.

"Reserve Fund Credit Enhancement" means an irrevocable letter of credit, insurance policy, surety bond or other credit enhancement issued to satisfy, in whole or in part, the Authority's deposit requirements under Section 5.02(D) of this Trust Agreement with respect to the Reserve Fund, approved by each applicable Bond Insurer, and issued by a financial institution acceptable to the Bond Insurer, whose claims paying ability is rated at least "AA" or "Aa" by S&P or Moody's, respectively.

"Reserve Requirement" shall mean, with respect to each Series of Bonds for which a separate Reserve Account has not been established, the largest amount of principal, interest and required deposits into the Redemption Account which mature or become due on all such Bonds Outstanding hereunder in any succeeding year, and with respect to each Series of Bonds for which a separate Reserve Account is established pursuant to the terms hereof, the aggregate

[1] Consider mandating downgrade provisions as ATEs for the swap.

amount required to be deposited in such separate Reserve Account, as specified in the respective Supplemental Trust Agreement entered into in connection with the issuance of such Additional Bonds hereunder. If, pursuant to any such Supplemental Trust Agreement, the Authority is authorized to fund the initial designated amount, or deficiencies therein, over time, the Reserve Requirement for any period shall include only the incremental portion of the deposit requirement for that series of Additional Bonds as specified in the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds.

"S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

"Securities Depository" shall mean the Depository Trust Company, New York, New York, or its nominee, and its successor and assigns.

"Senior PFC Indebtedness" means bonds, notes or other indebtedness of the Authority issued under a Senior PFC Indenture to pay all or a portion of the cost of PFC Projects, meeting the requirements set forth in Section 7.19 hereof and expressly stated to have a lien on PFC Revenues prior and superior to the lien on PFC Revenues created hereunder.

"Senior PFC Indenture" means any indenture, trust agreement, resolution or other bond document under and pursuant to which the Senior PFC Indebtedness is authorized and issued.

"Serial Bonds" shall mean the Bonds of an issue of Bonds, or any part of an issue of Bonds, except Special Purpose Bonds, maturing in annual installments and the principal of which is payable from moneys deposited in the Principal Account.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Trust Agreement or pursuant to the Supplemental Trust Agreement authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II or Section 3.05, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

"Sinking Fund Installment" shall mean with respect to Term Bond maturities (including the final maturity thereof), the mandatory redemption amounts specified in the Supplemental Trust Agreement with respect to the Bonds of such series for each applicable payment date prior to and on the maturity thereof.

"Special Trustee" means the Special Trustee or Special Trustees appointed by the Authority with respect to each issue of Additional Bonds, other than refunding Additional Bonds, and the Special Trustee or Trustees appointed by the Authority to hold and administer insurance proceeds or condemnation awards, all pursuant to Section 9.15 of this Trust Agreement, and its or their respective successors and assignees as permitted pursuant to the provisions of Article IX.

"Supplemental Trust Agreement" means an agreement between the Authority and the Trustee, supplemental to the terms hereof, that is executed in accordance with the terms hereof, in connection with the issuance of any series of Additional Bonds or otherwise.

"Term Bonds" shall mean the Bonds of an issue of Bonds, or any part of an issue of Bonds, except Special Purpose Bonds, maturing on one principal maturity date and the principal of which is payable from fixed amounts provided to be deposited in each year in the Redemption Account for the payment of such principal on or prior to maturity.

"Trustee" shall mean JPMorgan Chase Bank, N.A., a national banking association duly organized and existing under the laws of the United States of America and having an office in the City and State of New York, which is authorized under such laws to exercise corporate trust powers, and its successors in interest, or any other successor Trustee appointed pursuant to Article IX hereof.

"Variable Rate Bond" shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of issuance of the Series of Bonds of which such Bond is one.

Section 1.02 Interpretation. Words of the masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "holder," and "person" shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

ARTICLE II.
FORM, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01 Form of Bonds. No bonds may be issued under the provisions of this Trust Agreement except in accordance with the provisions of this Article.

The definitive Bonds are issuable initially as fully registered Bonds in denominations of Five Thousand Dollars ($5,000) (or such other minimum denominations specified in the Supplemental Trust Agreement with respect to a specific Series of Bonds) or any multiple thereof approved by the Authority. The definitive Bonds shall be substantially in the forms hereinabove set forth, with such appropriate omissions and insertions or variations as are permitted or required by this Trust Agreement and with such additional changes as may be necessary or appropriate to comply with the terms of the sale of the Bonds, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 2.02 General Bond Terms. The Bonds shall be dated, shall bear interest from their date until payment and shall mature on such dates, subject to the right of prior redemption, as hereinafter provided.

The Bonds shall be executed by the duly qualified and authorized Chairman of the Authority, either manually or with his facsimile signature, and the official corporate seal of the Authority, or a facsimile thereof, shall be impressed, affixed or imprinted on the Bonds and attested by the manual or facsimile signature of the Secretary of the Authority; provided, however, that at least one of the signatures of the Chairman, Secretary or authenticating agent shall be a manual signature.

In the event that any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his signature shall nevertheless be valid and sufficient for all purposes, and also any Bond may bear the signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America on their respective dates of payment. The principal of all registered Bonds shall be payable at the principal office of the Trustee, and payment of the interest on each registered Bond shall be made on each interest payment date to the person appearing on the registration books of the Trustee hereinafter provided for as the registered owner thereof, by check or draft mailed to such registered owner at his address as it appears on such registration books. The provisions of this paragraph may be modified or amended as to any series of Additional Bonds issued hereunder by any Supplemental Trust Agreement executed in connection with the issuance of such series of Additional Bonds, and in the event of a conflict between the provisions hereof and such Supplemental Trust Agreement, the provisions of the Supplemental Trust Agreement shall control.

Section 2.03 Authentication. Only the Bonds that shall have endorsed thereon a certificate of authentication substantially in the form herein set forth, duly executed by the Trustee, shall be entitled to any right or benefit under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if manually signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 2.04 Book-Entry System. Except as otherwise provided in a Supplemental Trust Agreement, upon the initial issuance and delivery of the Bonds after January 1, 2006, such Additional Bonds (referred to in this section as "Book Entry Bonds") shall be issued in the name of the Securities Depository or its nominee, as registered owner of the Bonds, and held in the custody of the Securities Depository.

(A) Except as provided in subsections B and C of this Section, the registered Holder of all Book Entry Bonds shall be, and the Book Entry Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. Payment of interest for any Book Entry Bond, as applicable, shall be made in accordance with the provisions of this Trust Agreement to the account of Cede,

on the Interest Payment Date for the Book Entry Bonds at the address indicated for Cede in the registration books of the Authority kept by the Bond Registrar.

(B) The Book Entry Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Book Entry Bonds. Upon initial issuance, the ownership of each such Book Entry Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Book Entry Bonds so registered in the name of Cede, the Authority, the Bond Registrar and any Paying Agent shall have no responsibility or obligation to any DTC Participant or to any Beneficial Owner of any of such Book Entry Bonds. Without limiting the immediately preceding sentence, the Authority, the Bond Registrar and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any beneficial ownership interest in the Book Entry Bonds, (ii) the delivery to any DTC Participant, Beneficial Owner or other person, other than DTC, of any notice with respect to the Book Entry Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant, Beneficial Owner or other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, any of the Book Entry Bonds. The Authority, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, the absolute Holder of each Book Entry Bond for all purposes whatsoever, including (but not limited to) (a) payment of the principal or Redemption Price of, and interest on, each such Book Entry Bond, (b) giving notices of redemption and other matters with respect to such Book Entry Bonds and (c) registering transfers with respect to such Book Entry Bonds. The Paying Agent shall pay the principal or Redemption Price of, and interest on, all Book Entry Bonds only to or upon the order of DTC, and all such payment shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to such principal or Redemption Price and interest, to the extent of the sums so paid. Except as provided in Section 2.04(E), no person other than DTC shall receive a Book Entry Bond evidencing the obligation of the Authority to make payments of principal or Redemption Price of, and interest on, any such Book Entry Bond pursuant to this Trust Agreement. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this Trust Agreement, the word "Cede" in this Trust Agreement shall refer to such new nominee of DTC.

Except as provided in Section 2.04(E), and notwithstanding any other provisions of this Trust Agreement to the contrary, the Book Entry Bonds may be registered, in whole but not in part, only in the name of the DTC or a nominee of DTC or to any successor securities depository appointed pursuant to this Section 2.04 or any nominee thereof.

(C) DTC may determine to discontinue providing its services with respect to the Book Entry Bonds at any time by giving written notice to the Authority, the Bond Registrar and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Book Entry Bonds under applicable law.

(D) The Authority, in its sole discretion and without the consent of any other person, and upon compliance with any agreements between the Authority and DTC, may request termination of the services of DTC with respect to the Book Entry Bonds if the Authority determines that: (i) DTC is unable to discharge its responsibilities with respect to the Book Entry

Bonds; or (ii) a continuation of the requirement that all of the Outstanding Book Entry Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Owner of the Book Entry Bonds. Current DTC rules provide that upon receipt of such a request, DTC will take the following actions: (i) DTC will issue an "Important Notice" notifying its Participants of the receipt of a withdrawal request from the Authority reminding Participants that they may utilize DTC's withdrawal procedures if they wish to withdraw their securities from DTC; and (ii) DTC will process withdrawal requests submitted by Participants in the ordinary course of business, but will not effectuate withdrawals based upon a request from the Authority. The Authority shall, by written notice to the Bond Registrar, terminate the services of DTC with respect to the Book Entry Bonds upon receipt by the Authority, the Bond Registrar and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC Participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the Outstanding Book Entry Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Book Entry Bonds; or (ii) a continuation of the requirement that all of the Outstanding Book Entry Bonds be registered in the registration books kept by Registrar, in the name of Cede, as nominee of DTC, is not in the best interests of the Beneficial Owner of the Book Entry Bonds.

(E) Upon the termination of the services of DTC with respect to the Book Entry Bonds pursuant to subsection (D), or upon the discontinuance or termination of the services of DTC with respect to the Book Entry Bonds pursuant to subsection (B) or subsection (C), the Authority may within 90 days thereafter appoint a substitute Securities Depository which, in the opinion of the Authority, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Book Entry Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar, in the name of Cede, as nominee of DTC. In such event the Authority shall execute and the Bond Registrar shall authenticate Book Entry Bond certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations and the Bond Registrar shall deliver such certificates at its corporate trust office to the Beneficial Owners identified in writing by the Securities Depository in replacement of such beneficial owners' beneficial interests in the Book Entry Bonds.

(F) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Book Entry Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Book Entry Bond and all notices with respect to such Book Entry Bond shall be made and given, respectively, to DTC as the registered Holder of such Bonds.

(G) In connection with any notice or other communication to be provided to Holders of Book Entry Bonds registered in the name of Cede pursuant to this Trust Agreement by the Authority or the Bond Registrar with respect to any consent or other action to be taken by such Holders, the Authority shall establish a record date for such consent or other action by such Holders and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

NEITHER THE AUTHORITY NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENT FOR, REDEMPTION PRICE OF OR INTEREST ON THE BOOK ENTRY BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BOOK ENTRY BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO. AS THE NOMINEE OF DTC, AS REGISTERED OWNER.

SO LONG AS CEDE & CO IS THE REGISTERED OWNER OF THE Book Entry Bonds, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF THE BOOK ENTRY BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BOOK ENTRY BONDS.

Section 2.05 Registration and Transfer. The Authority shall cause books for the registration and for the transfer of Bonds as provided in this Trust Agreement to be kept by the Trustee as Bond Registrar. Any Bond may be transferred only upon the books kept for the registration and transfer of Bonds, upon surrender thereof to the Bond Registrar together with an assignment, duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Bond Registrar. Upon the transfer of any such registered Bond the Authority shall thereupon execute in the name of the transferee and the Trustee shall authenticate and deliver a new registered Bond or Bonds, of the same maturity and bearing interest at the same rate, of any denomination or denominations authorized by this Trust Agreement, in an aggregate principal amount equal to the principal amount of such registered Bond, or the unredeemed portion thereof, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be transferred hereunder, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. Except as otherwise provided in this Trust Agreement, the Authority or the Trustee may make a charge for every such exchange or transfer of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and in addition the Authority or the Trustee may charge a sum sufficient to reimburse them for any expenses incurred in connection with the issuance of each new Bond delivered upon such exchange or transfer, and such charge or charges shall be paid before any such new Bond shall be delivered. Neither the Authority nor the Trustee shall be required to make any such exchange or transfer of Bonds during the ten (10) days next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bond or any portion thereof has been selected for redemption.

Section 2.06 Registered Owners. The person in whose name a Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the interest on any such registered Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon to the extent of the sum or sums so paid. The Authority, the Trustee, the Bond Registrar and the Paying Agents may deem and treat the registered owner of any Bond, as the absolute owner of such Bond for all purposes hereof, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever and neither the Authority, the Trustee, the Bond Registrar nor the Paying Agents shall be affected by any notice to the contrary.

Section 2.07 Intentionally Deleted. [Intentionally Deleted. This section of the original Trust Agreement pertained only to 1968 Bonds].

Section 2.08 Intentionally Deleted. [Intentionally Deleted. This section of the original Trust Agreement pertained only to completion of Airport Project, which is now complete.]

Section 2.09 Additional Bonds. To the extent necessary to provide funds to pay the cost of constructing or acquiring additions, extensions and improvements to said Airport System (each being referred to herein as an "Airport System Project"), Additional Bonds may be issued under and secured by this Trust Agreement, at one time or from time to time, in addition to the Bonds issued under the provisions of Section 2.10 of this Article. Such Additional Bonds shall be dated, shall bear interest at a rate or rates not exceeding the legal rate, and shall mature in such years and amounts, all as shall be hereafter determined by resolution of the Authority and specified in the supplemental trust agreement entered into in connection with the issuance of such Additional Bonds.

Such Additional Bonds shall be executed substantially in the form and manner herein set forth, with such changes as may be necessary or appropriate to conform to the provisions of the resolution authorizing the issuance of such Additional Bonds, and deposited with the Trustee for authentication, but before such Additional Bonds shall be authenticated and delivered by the Trustee, there shall be filed with the Trustee the following:

(a) A certified copy of a resolution adopted by the Authority, certified by the Secretary of the Authority, authorizing the issuance of such Additional Bonds;

(b) A certified copy of a resolution adopted by the Authority, certified by the Secretary of the Authority, awarding such Additional Bonds, specifying the interest rate or rates of such Additional Bonds and directing the authentication and delivery of such Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(c) [Intentionally Deleted.]

(d) [Intentionally Deleted.]

(e) [Intentionally Deleted.]

(f) Certificates, to be executed respectively by the Trustee and the Authority with respect to the funds and accounts held by each, stating that all payments into the Sinking Fund, the Reserve Fund and the Operation and Maintenance Fund have been made in full, as required by this Trust Agreement to the date of delivery of such Additional Bonds, that such accounts are current, and that there are no deficiencies in the amounts required to be on deposit therein. The Authority shall also certify that all payments into the various other Funds and Accounts herein provided for have been made in full as required by this Trust Agreement to the date of delivery of the Additional Bonds or, if any such deficiency exists, a statement by the Authority that (i) such funds and accounts were fully funded as of the last day of the prior Fiscal Year and (ii) the Authority has made arrangements through proposed rate increases, cost reductions or otherwise, to cause such funds and accounts to be fully funded and current as of the last day of the current Fiscal Year;

(g) An opinion of counsel for the Authority stating that the signer is of the opinion that the issuance of such Additional Bonds has been duly authorized, that all conditions precedent to the delivery of such Additional Bonds has been fulfilled, and that said Additional Bonds have been duly sold in accordance with all requirements of law; and

(h) Either of the following:

(x) A statement signed by the Executive Director or Senior Director of Finance of the Authority to the effect that the Authority's Revenues for the last Fiscal Year preceding the issuance of such Additional Bonds for which audited statements are available (provided that the last day of the latest audited Fiscal Year falls within the 24 month period immediately preceding the issuance of such Additional Bonds), were not less than the sum of (i) all amounts required to be deposited in the Operation and Maintenance Fund, the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness in such Fiscal Year, plus (ii) (A) One Hundred twenty-five percent (125%), of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds to be defeased by the issuance of such Additional Bonds); or

(y) A statement of the Airport Consultant that in his opinion, the Revenues to be derived from the Airport System during the Fiscal Year in which such Additional Bonds are issued and for each Fiscal Year thereafter through the Period of Review referred to below, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than the sum of (i) all amounts required to be deposited into the Operation and Maintenance Fund and the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness during the Period of Review, plus (ii) One Hundred Twenty-Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds to be defeased by the issuance of such Additional Bonds).

For purposes of this Trust Agreement, the "Period of Review" shall be that period beginning on the first day of the Fiscal Year of the Authority in which such Additional Bonds are issued and ending on the last day of the Fiscal Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

For purposes of this requirement, moneys remaining in the Surplus Fund at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are, or are projected to be so redeposited; provided that without regard to the use of such funds, the Authority shall have collected, or shall be projected to collect, as the case may be, sufficient rates and charges under its Rate Covenant so that the actual or projected Revenues, as the case may be, for the Fiscal Year or years in question, were, or are projected to be, at least sufficient to pay 100% of the yearly deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts, without regard to carry over amounts from the Surplus Fund.

If Available PFC Revenues are included in determining compliance with the foregoing requirements, the following rules will apply:

(i) Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report;

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three fiscal years immediately preceding the year the report of the Airport Consultant is issued;

(iii) Available PFC Revenues, so long as they are pledged as Revenues under this Trust Agreement, may be taken into account in determining compliance with the requirements of Section 2.09(h)(x), in an amount equal to the lesser of (A) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (B) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

The amount of Available PFC Revenues included in determining compliance with the requirements of Section 2.09(h)(x) or (y) shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Maximum Bond Service Requirement on the Outstanding PFC Bonds, and the PFC Bonds, if any, proposed to be issued, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

The Trustee will not authenticate and deliver Additional Bonds until it shall have first received the statement required by subparagraph (x) or (y) above.

When the documents mentioned above shall have been filed with the Trustee and when the Additional Bonds described in the resolutions mentioned in clauses (a) and (b) of this Section have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the resolution mentioned in clause (b) of this Section, but only upon payment to the Trustee of the purchase price of such Additional Bonds. The Trustee shall be entitled to rely upon such resolution as to the names of the purchasers and the amount of such purchase price.

Such Additional Bonds shall be on a parity and rank equally with all other Bonds issued under this Trust Agreement as to lien on and source and security for payment from the Revenues and other income derived from said Airport System and other moneys pledged therefor (except that Additional Bonds for which a special account in the Reserve Fund is established at the time of issuance thereof shall look solely to the Reserve Fund Credit Enhancement with respect to such Additional Bonds or to the cash deposited into a special account in the Reserve Fund established solely for the benefit of such Additional Bonds) and in all other respects, and upon the issuance of any such Additional Bonds all payments into the Sinking Fund and the separate accounts therein and the Reserve Fund (but only to the extent that a cash deposit to the Reserve Fund with respect to such Additional Bonds is required by Section 5.02(C) hereof) shall be proportionately increased as necessary over the amounts required by this Trust Agreement to be deposited therein for any other Bonds then Outstanding and secured by this Trust Agreement, and all of the provisions of this Trust Agreement, except as to details inconsistent therewith, shall apply to and be for the benefit and security and protection of the holders of such Additional Bonds as fully and to the same extent as for the holders of any other Bonds then Outstanding and secured by this Trust Agreement.

The proceeds (excluding accrued interest, and any amounts of capitalized interest which the Authority shall deem necessary or advisable for said Additional Bonds, which shall be deposited in the Interest Account in the Sinking Fund) of all Additional Bonds issued under the provisions of this Section shall be deposited with a Special Trustee to the credit of a Construction Fund to be created and established pursuant to Article IV hereof for said issue of Additional Bonds and used to pay the cost of the construction and acquisition of said additions, extensions and improvements to said Airport System.

Section 2.10 <u>Refunding Bonds</u>. The Authority may issue Additional Bonds hereunder without complying with the requirements of Section 2.09(h) above:

(A) to complete projects specifically authorized and theretofore funded with Additional Bonds under this Trust Agreement, provided that the aggregate principal amount of such completion Bonds does not exceed 15% of the aggregate principal amount of the Bonds or portions of Bonds issued to fund such projects, and

(B) to refund any Bond or Bonds Outstanding hereunder, provided that prior to the issuance of refunding Bonds under this Section 2.10, the Airport Consultant or another qualified independent consultant must deliver to the Trustee a statement stating (i) that, in each Fiscal

Year, the debt service with respect to the refunding Bonds will be equal to or less than the debt service with respect to the Bonds to be refunded, or (ii) (a) that the aggregate debt service with respect to all Bonds Outstanding after the issuance of the refunding Bonds (excluding the Bonds to be refunded and including the refunding Bonds) will be equal to or less than the aggregate debt service with respect to all Bonds Outstanding prior to the issuance of the refunding Bonds, and (b) that the Maximum Bond Service Requirement with respect to all Bonds Outstanding after the issuance of the refunding Bonds (excluding the Bonds to be refunded and including the refunding Bonds) will be equal to or less than the Maximum Bond Service Requirement on all Bonds Outstanding prior to the issuance of the refunding Bonds. For purposes of the foregoing, if the Outstanding Bonds or the proposed refunding Additional Bonds, or both, include Variable Rate Bonds, the assumed interest rate thereon for purposes of the foregoing calculations shall be determined in accordance with the procedures set forth in the definition of Debt Service Requirement herein, determined on or as of the date of calculation.

Section 2.11 <u>Bonds Mutilated, Destroyed, Stolen or Lost</u>. In case any Bonds shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Authority may, in its discretion, adopt a resolution and thereby authorize the issuance and delivery of a new Bond of like tenor as the Bond so mutilated, improperly cancelled, destroyed, stolen or lost, in exchange and substitution for such mutilated or improperly cancelled Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the holder furnishing the Authority and the Trustee proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Authority and the Trustee, upon his giving to the Authority and the Trustee an indemnity bond in such amount as they may require, and upon his compliance with such other reasonable regulations and conditions as they prescribe and paying such expenses as they may incur. All Bonds so surrendered shall be cancelled by the Trustee and held for the account of the Authority. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Authority may cause the same to be paid upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the Authority, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone. Such duplicate Bonds shall in all respects be identical with those replaced except that they shall bear in their face the following additional clause:

"This Bond is issued to replace a lost, stolen, cancelled or destroyed Bond."

Such duplicate Bonds shall be signed by the same officers who signed the original Bonds, provided, however, that in the event the officers who executed the original Bonds no longer hold office, then the new Bonds shall be signed by the officers then in office. Such duplicate Bonds shall be entitled to equal proportionate benefits and rights as to lien and source and security for payment from the Revenues derived from said Airport System as provided herein with all other Bonds issued hereunder, the obligations of the Authority upon the new Bonds being identical with its obligations upon the original Bonds and the rights of the holder being the same as those conferred by the original Bonds.

Section 2.12 <u>Reimbursement Obligations</u>.

(A) One or more issues of Reimbursement Obligations may be issued concurrently with the issuance of the Bonds of a Series authorized pursuant to the provisions of this Article II for which a Credit Facility or Liquidity Facility, or both, is being provided with respect to such Bonds (or a maturity or maturities) by a third party. Such Reimbursement Obligations shall be issued for the purpose of evidencing the Authority's obligation to repay any advances or loans made to, or on behalf of, the Authority in connection with such Credit Facility or Liquidity Facility; provided, however, that the stated maximum principal amount of any such issue of Reimbursement Obligations shall not exceed the aggregate principal amount of the Bonds with respect to which such Credit Facility or Liquidity Facility is being provided, plus such number of days' interest thereon as the Authority shall determine prior to the issuance thereof, but not in excess of 366 days' interest thereon, computed at the maximum interest rate applicable thereto.

(B) Except as otherwise provided in a Supplemental Trust Agreement authorizing an issue of Reimbursement Obligations, for the purposes of (i) receiving payment of a Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in Section 8.02 of this Trust Agreement or (ii) computing the principal amount of Bonds held by the Holder of a Reimbursement Obligation in giving to the Authority any notice, consent, request, or demand pursuant to this Trust Agreement for any purpose whatsoever, the principal amount of a Reimbursement Obligation shall be deemed to be the actual principal amount that the Authority shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, the Authority in connection with the Bonds of the Series or portions thereof for which such Reimbursement Obligation has been issued to evidence the Authority's obligation to repay any advances or loans made in respect of any Credit Facility or Liquidity Facility provided for such Bonds, less any prior repayments thereof.

Section 2.13 <u>Qualified Hedge Agreements</u>.

(A) The Authority may, to the extent permitted by law, enter into one or more Qualified Hedge Agreements concurrently with or at any time after the issuance of the Bonds hereunder.

(B) Before effecting any transaction under a Qualified Hedge Agreement, there shall be provided to the Trustee an opinion of Bond Counsel that the Authority's execution, delivery and performance of the Qualified Hedge Agreement will not, in and of themselves cause the interest on such Bonds not to be excludable from gross income for federal income tax purposes.

(C) Unless the counterparty to any Qualified Hedge Agreement shall agree that hedge payments with respect thereto shall be subordinate to payments on the Bonds or shall be unsecured, (i) the Authority shall by Supplemental Trust Agreement prior to the effective date of such Qualified Hedge Agreement cause the Qualified Hedge Receipts thereunder to be pledged as part of the trust estate securing the Bonds and (ii) Qualified Hedge Payments under such Qualified Hedge Agreement shall be on parity with interest payments on the Bonds, all in the manner and to the extent specified in Section 5.02(B). Qualified Hedge Payments under any Qualified Hedge Agreement shall only be paid in the manner and to the extent specified in

Section 5.02(B). Neither Qualified Hedge Payments nor other payments due under any Qualified Hedge Agreement shall be secured by funds on deposit in the Operation and Maintenance Fund or funds on deposit in the Construction Fund.

ARTICLE III.
REDEMPTION OF BONDS

Section 3.01 Privilege of Redemption. The Bonds initially issued under the provisions of this Trust Agreement may have such provisions for redemption prior to maturity and at such price or prices as the Authority shall hereafter determine by resolution adopted prior to the sale of such Bonds.

If less than all of the Outstanding Bonds shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be in the inverse order of maturities and by lot within maturities if less than a full maturity to be selected by lot by the Trustee in such manner as the Trustee, in its discretion may determine; provided, that the portion of any registered Bond to be redeemed shall be in the principal amount of Five Thousand Dollars ($5,000) or some multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each registered Bond as representing that number of Bonds which is obtained by dividing the principal amount of such registered Bond by Five Thousand Dollars ($5,000).

Any Additional Bonds hereafter issued pursuant to Sections 2.09 or 2.10 hereof may be redeemable prior to their stated dates of maturity at such price or prices and under such terms and conditions as shall be provided in the Supplemental Trust Agreement or the proceedings which authorize the issuance of such Additional Bonds.

Section 3.02 Notice of Redemption. Except as otherwise provided in a Supplemental Trust Agreement with respect to a particular Series of Additional Bonds issued hereunder, a notice of any such redemption, either in whole or in part, signed by the Trustee (a) shall be published once by the Trustee at least thirty (30) days before the redemption date in a financial newspaper or journal published in the City of New York, New York, and in a newspaper of general circulation published in the City of Tampa, Florida, (b) shall be filed with the Paying Agents, and (c) shall be mailed, postage prepaid, to all registered owners of Bonds or portions of Bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for; but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of registered Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any registered Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice provided pursuant to the provisions of this Section may state that the redemption contemplated therein is conditioned upon the occurrence of one or more events or circumstances described therein prior to the stated redemption date and that the Authority will not be obligated to redeem such Bonds unless all such events and circumstances described therein have occurred.

Section 3.03 Effect of Notice of Redemption. Notice having been published and filed in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been published and filed and moneys for payment of the redemption price being held in separate accounts by the Trustee or by the Paying Agents in trust for the holders of the Bonds or portions thereof to be redeemed, all as provided in this Trust Agreement, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Trust Agreement, and the holders or registered owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 3.05 of this Article, to receive Bonds for any unredeemed portions of registered Bonds.

Section 3.04 Intentionally Deleted.

Section 3.05 Redemption in Part. In case part but not all of an Outstanding registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner, without charge therefor, Bonds representing the unredeemed balance of the principal amount of the registered Bond so surrendered.

Section 3.06 Cancellation of Bonds. Bonds so presented and surrendered shall be cancelled by the Trustee upon the surrender thereof.

Section 3.07 Redeemed Bonds Not Outstanding; Conditional Notice. Bonds and portions of Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption at the earliest redemption date have been given to the Trustee, in form satisfactory to it, and for the payment of the redemption price of which and accrued interest to the date fixed for redemption moneys shall be held in separate accounts by the Trustee or the Paying Agents, in trust for the holders of the Bonds or portions thereof to be redeemed, as provided in this Trust Agreement, shall not be deemed to be Outstanding under the provisions of this Trust Agreement.

If a conditional notice of redemption has been given pursuant to Section 3.02, the Bonds to which such notice pertains shall be deemed Outstanding until the conditions to such redemption have been satisfied and the notice becomes irrevocable.

Section 3.08 Redemption of Additional Bonds. The provisions for redemption of Bonds contained in this Article III may be modified or amended with respect to any series of Additional Bonds issued hereunder by any Supplemental Trust Agreement entered into in connection with the issuance of such series of Additional Bonds and, as to such Series, the provisions contained in such Supplemental Trust Agreement shall control and supersede the provisions contained in this Article III.

ARTICLE IV.
CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

Section 4.01 Establishment of Construction Fund. The Hillsborough County Aviation Authority Construction Fund (the "Construction Fund"), is hereby created and established, and the Authority shall establish separate accounts therein pursuant to each Supplemental Trust Agreement pertaining to Additional Bonds issued pursuant to Section 2.09 and Section 2.10(a) hereof, to the credit of which proceeds of such Additional Bonds shall be deposited. Each such account in the Construction Fund shall be held by a Special Trustee appointed by the Authority pursuant to the Supplemental Trust Agreement. There may also be paid to such Special Trustee for the credit of the applicable account or accounts in the Construction Fund any moneys received from any other source for the construction or acquisition of each respective Airport System Project.

Each account in the Construction Fund shall be held separate and apart from each other account therein and shall be used and applied in accordance with the terms of this Trust Agreement and the Supplemental Trust Agreement pursuant to which it was created.

The moneys in each account in the Construction Fund shall be held by such Special Trustee in trust and shall be applied to the payment of the cost of the Airport System Projects for which such accounts were created, and pending such application, shall be subject to a lien and charge in favor of the holders of the Bonds issued to finance such Airport System Projects and for the further security of such holders until paid out or transferred as herein provided.

Section 4.02 Payment of Project Costs. Payment of the cost of the construction and acquisition of said Airport System Projects shall be made from the separate account in the Construction Fund created therefor, or from any other available funds. All payments from the Construction Fund and each account therein shall be subject to the provisions and restrictions set forth in this Article, and the Authority covenants that it will not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 4.03 Description of Project Costs. For the purpose of this Trust Agreement the cost of the construction and acquisition of any Airport System Project to be financed by the issuance of Additional Bonds may include, without intending thereby to limit or restrict or to extend any proper definition of such cost under the provisions of law, the following:

(a) Obligations incurred for labor and materials and to contractors, builders and materialmen in connection with the construction and acquisition of said Airport System Project for machinery and equipment, and for the restoration or relocation of property damaged or destroyed in connection with such construction or acquisition;

(b) The cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in or any settlement or compromise of any proceeding to acquire by condemnation, such lands, property rights, rights-of-way, franchises, easements and other interest as may be deemed necessary or convenient and authorized for the construction and acquisition of said Airport System Project, options and partial payments thereon, and the amount of any damages incident to or consequent upon the construction and acquisition of said Airport System Project;

(c) The fees and expenses of the Trustee during construction and municipal or governmental charges, if any, lawfully levied or assessed during construction upon said Airport System Project or any property acquired therefor, and premiums on insurance, if any, in connection with said Airport System Project;

(d) The expenses necessary or incident to determining the design and construction of the Airport System Project and fees and expenses for making studies, surveys, appraisals and estimates of cost and of revenues and other estimates and for preparing plans and specifications and supervising construction, as well as for the performance of all other duties set forth herein in relation to the construction and acquisition of said Airport System Project, or the issuance of Bonds therefor;

(e) Legal, engineering and Airport Consultant fees and expenses, financing charges, cost of audits during the construction of said Airport System Project and of preparing and issuing the Bonds, and all other items of expense not elsewhere in this Section specified incident to the construction, acquisition and equipment of said Airport System Project, the financing thereof, the placing of the same in operation, and the cost of acquisition of lands, property rights, rights-of-way, franchises, easements, servitudes, and interests therein.

Section 4.04 Conditions to Disbursements. Payments from each respective account in the Construction Fund shall be made in accordance with the provisions of this Section. Before any such payments shall be made the Authority shall file with such Special Trustee:

(a) A requisition, signed by an officer or officers or employee or employees of the Authority designated by resolution for such purpose, stating in respect of each payment to be made:

(1) The item number of the payment,

(2) The name of the person, firm or corporation to whom payment is due,

(3) The amount to be paid,

(4) The purpose, by general classification, for which the payment is to be made,

(5) That obligations in the stated amounts have been incurred by the Authority and that each item thereof is a proper charge against the applicable account in the Construction Fund and has not been paid,

(6) That there has not been recorded in the manner prescribed by law, or 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 or firms named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation,

(7) That each such obligation has been properly incurred and is then due and unpaid.

(b) A certificate of the Consulting Engineers attached to such requisition approving the same and certifying that each such obligation has been properly incurred in furtherance of the construction or acquisition of said Airport System Project and is then due and unpaid.

Upon receipt of each requisition the Special Trustee holding such funds shall pay each such obligation by check drawn on the moneys in the Construction Fund.

Section 4.05 Requisitions for Land Costs. If any requisition contains any item for the payment of the purchase price or cost of any lands, rights, easements, servitudes, franchises or interests in or relating to lands, there shall be attached to such requisition, in addition to the certificates mentioned in Section 4.04 of this Article:

(a) A certificate of the Chairman of the Authority and the Consulting Engineers to the effect that such lands, rights, easements, servitudes, franchises or interests are being acquired in furtherance of the acquisition of the Airport System Project or the site therefor, or any part thereof, or in furtherance of the construction and acquisition of said Airport System Project or any part thereof; and

(b) A written opinion of counsel for the Authority stating that the signer is of the opinion that the Authority is authorized under the provisions of law to acquire such lands, rights, easements, servitudes, franchises or interests for and on behalf of the Authority and that the Authority will have, upon payment of such item, title in fee simple to, or perpetual easements or servitudes for the purposes of said Airport System Project over such lands or properties, free from all liens or encumbrances except liens, charges, encumbrances or other defects of title which do not have a materially adverse effect upon the Authority's right to use such lands or properties for the purposes intended or which have been adequately guarded against by a bond or other form of indemnity or, if such payment be a payment for an option to purchase or for a quitclaim deed or a lease or a release or on a contract of purchase or is otherwise for the acquisition of a right or interest in lands less than a fee simple or a perpetual easement or servitude, or if such payment be a part payment for any such purposes, the written approval of the acquisition of such lesser right or interest, signed by such counsel for the Authority, or, in lieu of the opinion required by this clause, a firm undertaking by a reputable title insurance company to issue its title insurance policy covering such lands, rights, easements, servitudes, franchises or interests in or relating to such lands and a written opinion of counsel for the Authority that any objections or exceptions to be noted therein are not, in the opinion of the signer, of a material nature.

Section 4.06 Limitations on Requisitions. The Authority covenants that no payment will be made from the Construction Fund for labor or materials or to contractors, builders or materialmen, on account of the construction and acquisition of said Airport System Project, or any part thereof, unless such part is located on lands which are owned by the Authority in fee simple or over which the Authority shall have acquired sufficient leases, easements or servitudes for the purposes of said Airport System Project.

Section 4.07 Reliance by Special Trustee. All requisitions, certificates and opinions received by each Special Trustee, as required in this Article as conditions of payment from the Construction Fund, may be relied upon by and shall be retained in the possession of such Special Trustee. Copies thereof shall be forwarded to the Authority and shall be subject to inspection by the Consulting Engineers, the Airport Consultant and by such other parties as the Authority may authorize.

Section 4.08 Completion; Disposition of Excess Proceeds. When the construction and acquisition of said Airport System Project shall have been completed, which fact shall be evidenced to the Special Trustee by a certificate, filed with the Special Trustee, stating the date of completion, signed by the Chairman and Secretary of the Authority and approved by the Consulting Engineers, the balance of any bond proceeds in the applicable account in the Construction Fund except income from investments, not reserved by the Authority with the approval of the Consulting Engineers for the payment of any remaining part of the cost of the construction and acquisition of said Airport System Project shall be transferred by the Special Trustee to the Trustee, and the Trustee shall deposit such moneys in the Reserve Fund to the extent necessary to make the amount then on deposit therein equal to the maximum amount required to be on deposit in said Reserve Fund at any time; and any balance thereafter remaining from the moneys in said Construction Fund so transferred to the Trustee, shall be paid over to the Authority by the Trustee, and used by the Authority, at its option, for the construction or acquisition of additions, extensions and improvements to said Airport System or for the purchase or prior redemption of Bonds in the manner provided herein for the purchase or prior redemption of Bonds from the Redemption Account in the Sinking Fund. Any balance remaining in the Construction Fund derived from sources other than bond proceeds, including income from investments, shall be transferred to and deposited in the Surplus Fund. In making any such transfer the Special Trustee may rely upon (a) a certificate filed with it by the Authority signed by the Chairman of the Authority and approved by the Consulting Engineers, as to any items of such cost then remaining unpaid and as to any estimate in such certificate of the amount of any items of such cost the actual amount of which is not finally determined, and (b) a certificate, signed by counsel for the Authority, as to the status and amount of any disputed claims then Outstanding affecting such cost. The Special Trustee may require the filing of such certificates as condition of such transfer.

Section 4.09 Special Provisions for Additional Bonds. Notwithstanding any other provision contained herein, the provisions of this Article IV as they pertain to any account in the Construction Fund may be amended, modified or superseded by the Supplemental Trust Agreement creating such account and, with respect to such account, in the event of a conflict between the provisions of this Article IV and the provisions of such Supplemental Trust Agreement, the provisions of such Supplemental Trust Agreement shall control.

ARTICLE V.
REVENUES AND FUNDS

Section 5.01 Rate Covenant. The Authority will fix, revise from time to time when necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always provide Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of this Trust Agreement, (i) all amounts required to be deposited in the Reserve Fund, the Operation and Maintenance Fund and the Operating Reserve Account in the Revenue Fund, including in each case all accounts therein, plus (ii) One Hundred Twenty-Five percent (125%) of the Bond Service Requirement for such Fiscal Year. The Authority covenants that it shall not permit such fees, rates, rentals and other charges to be reduced so as to be insufficient to provide Revenues for such purposes. For purpose of determining compliance with this requirement, the Authority may include Available PFC Revenues in an amount not to exceed One Hundred Twenty Five Percent (125%) of the amounts required to be deposited into the Interest Account, Principal Account and Redemption Account in the Sinking Fund for such year on the Outstanding PFC Bonds, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

For purposes of this requirement, moneys remaining in the Surplus Fund (other than moneys set aside for the payment of Derivative Non-Scheduled Payments) at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are so redeposited for purpose of satisfying the Rate Covenant set forth above; provided, however, that without regard to the use of such funds, the Authority shall always establish its rates and charges under this Section so that Revenues collected in the current Fiscal Year, without regard to carry over amounts from the Surplus Fund, will be at least sufficient to pay 100% of the yearly deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts.

Section 5.02 Funds and Accounts. The following special funds and accounts are hereby created and designated as follows:

The Airport System Sinking Fund (herein called the Sinking Fund), and four separate accounts therein to be known as the Interest Account, the Principal Account, Qualified Hedge Payment Account and the Redemption Account, each to be held and administered by the Trustee.

The Airport System Revenue Fund (herein called the Revenue Fund), and a separate account therein to be known as the Operating Reserve Account, to be held and administered by the Authority.

The PFC Revenue Fund to be held and administered by the Authority.

The PFC Capital Fund to be held and administered by the Authority.

The Reserve Fund to be held and administered by the Trustee. The Authority may require the Trustee to create separate accounts in the Reserve Fund for any series of Additional Bonds.

The Operation and Maintenance Fund, to be held and administered by the Authority.

The Airport System Surplus Fund (herein called the Surplus Fund), to be held and administered by the Authority.

All Revenues, as defined herein, derived from said Airport System (but not including PFC Revenues, gifts, grants, either federal, state or any other public body, ad valorem taxes or any other moneys or funds not derived from the operation of the Airport System as defined herein), in each case, to the extent included within the definitions of "Revenues" shall be deposited with the Authority in the Revenue Fund.

All Available PFC Revenues shall be deposited by the Authority upon receipt into the PFC Revenue Fund and applied in accordance with Section 5.03 below, to reduce the deposit requirements otherwise provided in subsections (B), (C), and (E) below.

Disposition of Revenues. The moneys in the Revenue Fund shall be disbursed and applied by the Authority on the first day of each month only in the following manner and order of priority:

(A) *Operation and Maintenance Fund.* The moneys in said Revenue Fund shall first be used for deposits into the Operation and Maintenance Fund, and the Authority shall deposit in said Operation and Maintenance Fund on the first day of each month an amount equal to one-twelfth (1/12) of the amount provided in the Annual Budget of the Authority then in effect for the Operating Expenses, as defined herein, of said Airport System, as defined herein.

The moneys in said Operation and Maintenance Fund shall be used by the Authority only for the Operating Expenses, as defined herein, of the Authority, including fees of the Trustee, the Special Trustee(s), Paying Agents, Liquidity Provider, Credit Support Provider, Tender Agents, Auction Agents, Remarketing Agents and other agents employed by the Authority in connection with one or more Series of Bonds issued thereunder. Any moneys remaining in the Operation and Maintenance Fund at the end of each Fiscal Year may be transferred therefrom by the Authority and deposited in the Revenue Fund.

(B) *Interest Account and Qualified Hedge Payment Account.* The moneys in said Revenue Fund shall next be deposited pro rata into the Interest Account and the Qualified Hedge Payment Account in the Sinking Fund, after making the deposits provided for in subsection (A) above, and the Trustee shall deposit in said Interest Account on the first day of each month an amount which, together with funds deposited therein under Section 5.03 below, is necessary to make the funds on deposit therein equal the interest component of the Accrued Aggregate Debt Service Requirement for such month with respect to the Bonds (including any net Qualified Hedge Payment then due or to become due within such month); *provided, however*, that such deposits into said Interest Account shall not be required to be made to the extent sufficient moneys are then on deposit in the special fund in said Interest Account either from the proceeds of said Bonds or from any other source.

The moneys in said Interest Account shall be used only for the payment of the interest on said Bonds, both Serial Bonds and Term Bonds, and the Trustee shall transfer to the Paying Agents the necessary moneys to pay all such interest becoming due on each interest payment date not later than such interest payment date. The moneys in said Qualified Hedge Payment Account shall be used only for the payment of Qualified Hedge Payments, and the Trustee shall transfer to the counterparty under the respective Qualified Hedge Agreement the necessary moneys to pay such Qualified Hedge Payment on the next respective payment date.

(C) *Principal Account*. Such moneys shall next be used for deposits into the Principal Account in the Sinking Fund, after making the deposits provided for in subsections (A) and (B) above, and the Trustee shall deposit in said Principal Account on the first day of each month, an amount which, together with funds deposited therein under Section 5.03 below, shall be necessary to make the funds on deposit therein equal the scheduled principal component of Serial Bonds included within the Accrued Aggregate Debt Service Requirement for such month.

The moneys in said Principal Account shall be used only for the payment of the principal on Serial Bonds, and the Trustee shall transfer to the Paying Agents the necessary moneys to pay all such principal becoming due on said Serial Bonds on each principal maturity date prior to such principal maturity date.

(D) *Reserve Fund*. Such moneys shall next be used for deposits into the Reserve Fund, after making the deposits provided for in subsections (A), (B) and (C), inclusive, above, and the Trustee shall deposit in said Reserve Fund, and pro rata into each separate Reserve Account created therein pursuant to Supplemental Trust Agreements entered into with respect to each Series of Additional Bonds issued hereunder, on the first day of each month, an amount which, together with funds currently deposited in the Reserve Fund and each such Reserve Account, will be sufficient to make the funds on deposit therein equal to the aggregate Reserve Requirement; provided, however, that no further deposits shall be required to be made into said Reserve Fund or into any separate Reserve Account therein whenever and as long as the amount then on deposit therein is equal to the Reserve Requirement for each respective Series of Bonds then Outstanding.

The moneys in the Reserve Fund shall be used only for the payment of the interest on all Bonds, including both Serial Bonds and Term Bonds, the principal of Serial Bonds and the required deposits into the Redemption Account for Term Bonds as the same mature or become due, whenever the moneys in the Interest Account, Principal Account and Redemption Account are insufficient therefor. If separate accounts in the Reserve Fund have been established for Additional Bonds, deficiencies in the Interest Account, Principal Account and Redemption Account with respect to such Additional Bonds shall be payable solely from the funds deposited in each respective special Reserve Account created with respect to such Additional Bonds, or from the respective Reserve Fund Credit Enhancement acquired with respect thereto, and not from other funds deposited in the Reserve Fund. Funds on deposit in the Reserve Fund in excess of the Reserve Requirement (taking into account the several Reserve Requirements for each Series of Bonds Outstanding hereunder) may be withdrawn at the Authority's request and deposited (i) into the Sinking Fund to pay principal, interest or redemption premium on Bonds next coming due, (ii) into the Redemption Account for redemption of Bonds from which such surplus funds were derived or (iii) into the Revenue Fund provided that the Authority first

receives an opinion from bond counsel that the use of such funds will not adversely affect the excludability from gross income for federal income tax purposes of interest on any Series of Bonds then Outstanding under the terms of this Trust Agreement (other than any Series of Bonds issued with the intent that interest thereon be includable in gross income for federal income tax purposes). All deficiencies in said Reserve Fund shall be restored from the first Revenues and other moneys pledged herein which are available after making all prior required deposits into the Operation and Maintenance Fund, the Interest Account, Principal Account and Redemption Account.

Upon the issuance of a series of Additional Bonds, or at any time in replacement of moneys then on deposit in the Reserve Fund, in lieu of making a cash deposit to the Reserve Fund, or in substitution therefor, the Authority may deliver to the Trustee a Reserve Fund Credit Enhancement in an amount which, together with moneys, securities or other Reserve Fund Credit Enhancements on deposit in or credited to the Reserve Fund and any special Reserve Account created with respect to Additional Bonds, equals or exceeds the largest amount of principal, interest and required deposits into the Redemption Account with respect to the Bonds which will mature or become due in any succeeding year on the following terms and conditions:

(1) All such Reserve Fund Credit Enhancements (i) will name the Trustee as beneficiary or insured, (ii) will have a term of not less than the maturity of such Additional Bonds for which such Reserve Fund Credit Enhancement was issued, or if issued to replace cash proceeds then existing in the Reserve Fund, the final maturity of the last maturing Bond then Outstanding (provided, however, that the provisions of this clause (ii) will not apply if such Reserve Fund Credit Enhancement is a Letter of Credit which, by its terms may be drawn upon at least fifteen (15) days prior to the stated expiration date thereof if a substitute Letter of Credit, or an extension thereof, with a new term of not less than one year has not theretofore been obtained and credited to the Reserve Fund) and (iii) will provide by its terms that it may be drawn upon to make up any deficiencies in the Principal Account, Interest Account or Redemption Account on the due date of any interest or principal payment or mandatory sinking fund redemption with respect to such Additional Bonds with respect to which such Reserve Fund Credit Enhancement was issued, or if issued to replace cash proceeds then existing in the Reserve Fund, any interest or principal payment or mandatory sinking fund redemption with respect to any Bonds Outstanding.

(2) Any excess funds on deposit in the Reserve Fund after a Reserve Fund Credit Enhancement has been provided shall be deposited into the Principal Account, Interest Account and/or Redemption Account and used to pay debt service on or redeem Bonds from which such funds were derived or for any other purpose provided that the Authority shall have first received an opinion from Bond Counsel that the use of such proceeds will not adversely affect the exclusion from gross income of interest on such Bonds.

(3) The obligation to reimburse the issuer of Reserve Fund Credit Enhancement for any fees, expenses, claims or draws thereon shall be subordinate to the payment of debt service on the Bonds and replenishment of the Reserve Fund. Such issuer's right to reimbursement for claims or draws shall be on a parity with the cash

replenishment of the Reserve Fund provided that the Reserve Fund Credit Enhancement shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of such issuer to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund Credit Enhancement and the amount then available for further draws or claims. If (a) the issuer of the Reserve Fund Credit Enhancement becomes insolvent or (b) the issuer of the Reserve Fund Credit Enhancement defaults in its payment obligations thereunder or (c) the claims-paying ability of the issuer of the Reserve Fund Credit Enhancement falls below a S&P "AAA" or a Moody's "Aaa," the obligation to reimburse the issuer of the Reserve Fund Credit Enhancement shall be subordinate to the cash replenishment of the Reserve Fund.

(4) If the Authority chooses to provide or substitute Reserve Fund Credit Enhancement in lieu of a cash-funded Reserve Fund, any amounts owed by the Authority to the issuer of such Reserve Fund Credit Enhancement as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in determining amounts required to be deposited to the credit of the Reserve Fund and in any other calculation of debt service requirements required to be made pursuant to this Trust Agreement for any purpose, e.g., Rate Covenant or Additional Bonds test.

(E) *Redemption Account*. Such moneys shall next be used for deposits into the Redemption Account in the Sinking Fund, after making the deposits provided for in subsections (A), (B), (C) and (D) above, and the Trustee shall deposit in said Redemption Account on the first day of each month, an amount which, together with funds deposited therein under Section 5.03 below, shall be necessary to make the funds on deposit therein equal the Sinking Fund Installment portion of the Accrued Aggregate Debt Service Requirement for such month with respect to Term Bonds maturing within such Fiscal Year.

A separate subaccount shall be set up and maintained in said Redemption Account for each separate issue of Additional Bonds; provided, however, that the separate account for any Additional Bonds issued for the completion of any project shall be the same separate subaccount as for the Bonds originally issued to finance such project.

The moneys in said Redemption Account shall be applied to the retirement of Term Bonds, issued under the provisions of this Trust Agreement as follows:

(a) The Trustee may, in its discretion, endeavor to purchase Term Bonds secured hereby and then Outstanding, on the most advantageous terms at a price not exceeding the price at which the Term Bonds may be redeemed by operation of the Redemption Account on the next ensuing redemption date, either by purchase in the open market or by publishing an appropriate notice at least once at least fourteen (14) days prior to the receipt of tenders in a newspaper or financial journal published in the City of New York, New York, calling for tenders of Term Bonds for purchase by the Trustee. The Trustee shall pay the interest accrued on Term Bonds so tendered and purchased to the date of delivery thereof from the Interest Account, and the purchase price from the

separate account in the Redemption Account for such issue but no such purchase shall be made by the Trustee within the period of forty-five (45) days next preceding any interest payment date; and

(b) Subject to the provisions of Article III of this Trust Agreement, the Trustee shall call for redemption on each interest payment date on which Term Bonds are subject to redemption, from moneys in the appropriate separate accounts in the Redemption Account for each issue of Term Bonds, such amount of Term Bonds then subject to redemption as with the redemption premium, if any, and all necessary and proper expenses incurred in connection therewith, will exhaust all moneys on deposit in the appropriate separate accounts in the Redemption Account on the forty-fifth (45th) day preceding such interest payment dates, as nearly as may be practicable; provided, however, that the Trustee shall not be required to call less than Ten Thousand Dollars ($10,000) principal amount of Term Bonds for prior redemption from each separate account in the Redemption Account at any one time. Such redemption shall be made pursuant to the provisions of Article III of this Trust Agreement. Not less than ten (10) days before the redemption date, the Trustee shall withdraw from the Interest Account and the appropriate separate accounts in the Redemption Account and set aside in separate accounts or deposit with the Paying Agents the respective amounts required for paying the interest on, and the principal and redemption premium, if any, of the Term Bonds so called for redemption from the appropriate separate accounts in the Redemption Account and shall pay all expenses in connection with such redemption from the appropriate separate accounts in the Redemption Account.

Alternative Method of Satisfying Sinking Fund Installment.

The Authority may satisfy its obligations under Section 5.02(E) above with respect to the Sinking Fund Installments, on or before the 45th day next preceding each principal payment date on which Term Bonds are to be retired pursuant to the Sinking Fund Installments, by delivering to the Trustee for cancellation, Term Bonds of the Series and maturity required to be redeemed on such principal payment date in any aggregate principal amount desired. Upon such delivery, the Authority will receive a credit against the amounts required to be deposited into the Interest Account and Redemption Account on account of such Term Bonds in an amount equal to 100% of the principal amount thereof so purchased and cancelled and the interest accruing thereon to the next succeeding Interest Payment Date.

All Additional Bonds which are Term Bonds hereafter issued shall be on a parity with the Term Bonds initially issued hereunder and all deposits into the Redemption Account for different parity Term Bonds shall rank equally.

(F) *Subordinated Indebtedness*. Such moneys shall next be used for the payment of debt service on, and other requirements with respect to, debt obligations of the Authority (including reimbursement obligations to credit providers) having a lien on the Revenues which, by their terms, is expressly made junior and subordinate to the lien thereon in favor of the holders of Bonds issued hereunder.

(G) *Operating Reserve Account*. Such moneys shall next be used for deposits into the Operating Reserve Account in the Revenue Fund, after making the deposits provided for in subsections (A) to (F), inclusive, above, and the Authority shall deposit in said Operating Reserve Account on the first day of each month, the amount necessary, together with the moneys then on deposit in said Account, to make the amount then on deposit therein equal to one-sixth (1/6) of the annual amount of Operating Expenses of said Airport System provided in the Annual Budget of the Authority then in effect. The Authority covenants that it will prior to or simultaneously with the issuance of the Bonds initially authorized hereunder, deposit in said Operating Reserve Account, from moneys legally available therefor other than the proceeds of the Bonds, an amount equal to one-sixth (1/6) of the amount of Operating Expenses estimated by the Airport Consultant to be provided for in the first Annual Budget of the Authority adopted after the issuance of said Bonds.

The moneys in said Operating Reserve Account shall be used only for the payment of Operating Expenses of said Airport System when the moneys in the Operation and Maintenance Fund are insufficient therefor, and the moneys in said Account may be used by the Authority upon requisition of the Authority stating that such moneys are necessary to pay the Operating Expenses of the Authority and that the moneys in the Operation and Maintenance Fund are insufficient therefor. Any withdrawals from said Operating Reserve Account for such purposes shall be restored to said Operating Reserve Account from the first Revenues available after all deposits under subsections (A) to (F), both inclusive, above, including any deficiencies for prior required deposits, have been fully made. Any moneys in said Account in excess of the maximum amount required to be on deposit therein at the end of each Fiscal Year, shall be transferred to and deposited in the Revenue Fund.

(H) *Surplus Fund*. After making all the deposits or payments provided in subsections (A) to (G), inclusive, above, including all deficiencies for prior required payments, the Authority shall on the first day of each month, withdraw all moneys then remaining in said Revenue Fund and deposit the same into the Surplus Fund.

Moneys in the Surplus Fund may be used by the Authority first for the payment of all Reimbursement Obligations and Derivative Non-Scheduled Payments then due, and then to reduce airline rental payments described above, or may be used by the Authority for any other lawful purpose; provided, however, that without regard to the use of such funds, the Authority shall always establish its rates and charges under Section 5.01 so that Revenues collected in the current Fiscal Year, without regard to carry over amounts from the Surplus Fund, will be at least sufficient to pay 100% of the yearly deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts.

(I) In the event any of the deposits or payments required under subsections (A) to (G), inclusive, above, are not made when due, then such deficiencies shall be added to the deposits or payments to be made on the next deposit or payment date.

(J) In the event of the issuance of any Additional Bonds pursuant to Sections 2.09 or 2.10 hereof, all deposits or payments into the Interest Account, Principal Account, Redemption Account, and Reserve Fund shall be increased to the extent necessary, and all Additional Bonds shall be on a parity and rank equally with the Bonds initially issued hereunder.

Section 5.03 Receipt and Disbursement of PFC Revenues. So long as Available PFC Revenues are pledged hereunder, all Available PFC Revenues received by the Authority shall be deposited into the PFC Revenue Fund and shall be set aside or disposed of on the first business day of each month as follows:

(A) The moneys in the PFC Revenue Fund shall first be transferred to the Trustee for deposit into the Interest Account, the Principal Account and the Redemption Account, respectively, that portion of each monthly deposit requirements therein that are attributable to the debt service requirements with respect to the PFC Bonds;

(B) The moneys in the PFC Revenue Fund shall next be used to fund any deficiency in the Reserve Fund (or any special account therein) allocable to or set aside for the benefit of PFC Bonds or any separate series thereof;

(C) The moneys in the PFC Revenue Fund shall next be used for the payment of debt service on, and other required deposits with respect to, PFC indebtedness of the Authority (including reimbursement obligations to credit providers) having a lien on the PFC Revenues which, by their terms, is expressly made junior and subordinate to the lien thereon in favor of the holders of Bonds issued hereunder;

(D) The moneys in the PFC Revenue Fund shall next be applied to replenish funds in the Revenue Fund that were used to pay or to satisfy the monthly deposit requirements with respect to the principal of, interest on or redemption premiums with respect to PFC Bonds that were paid or allocated from non-PFC Revenues because PFC Revenues at the time of such deposit requirements were insufficient or ineligible for such purposes; and

(E) After making the deposits or payments provided in subsections (A) through (D), above, including all deficiencies for prior required payments, the Authority shall on the first business day of each month, withdraw all moneys then remaining in the PFC Fund and not otherwise set aside for such purposes and deposit the same into the PFC Capital Fund.

(F) Funds in the PFC Capital Fund may be used by the Authority for any lawful purpose in accordance with the PFC Act, the PFC Regulations and the PFC Approvals.

Section 5.04 Limitation on Additional Indebtedness. The Authority covenants that it will not issue or incur any obligations, payable from the Revenues derived from said Airport System and other moneys pledged herein, nor voluntarily create or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or any other charge, having priority to or being on a parity with, the lien of the Bonds issued pursuant to this Trust Agreement and the interest thereon, upon any of the Revenues and income of said Airport System, in each case except Additional Bonds, Reimbursement Obligations, and obligations arising under Qualified Hedge Agreement, in each case in the manner and subject to the terms provided herein.

Section 5.05 Subordinated Indebtedness Covenant. The Authority covenants that any obligations or indebtedness issued by it other than in accordance with the terms hereof and payable from Revenues, including subordinated indebtedness as herein contemplated, shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds issued hereunder as to lien on, source of and security for payment from, the Revenues.

Section 5.06 Funds Held in Trust. Subject to the terms and conditions set forth in this Trust Agreement, moneys to the credit of the Interest Account, Principal Account and Redemption Account shall be held in trust and disbursed by the Trustee for (a) the payment of interest on all Bonds issued hereunder as such interest falls due, and (b) the payment of principal of all Serial Bonds as such principal falls due and for the making of all required payments into the Redemption Account for Term Bonds as the same become due, and such moneys are hereby pledged to and charged with the payments mentioned in this Section in the manner hereinbefore provided.

Section 5.07 Unclaimed Funds.

All moneys which the Trustee shall have withdrawn from the Sinking Fund or shall have received from any other source and set aside, or deposited with the Paying Agents, for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, together with interest and premiums, if any, thereon, shall be held in trust for the respective holders of such Bonds. Any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the holders of such Bonds for the period of five (5) years after the date on which such Bonds shall have become payable (or such shorter or longer period of time as may be specified in Section 717.112, Florida Statutes (1997) as amended) shall be paid to the Authority, and thereafter the holders of such Bonds shall look only to the Authority for payment, and then only to the extent of the amounts so received without any interest thereon, and the Trustee and the Paying Agents shall have no responsibility with respect to such moneys.

Section 5.08 Cancellation Certificates. All Bonds paid, redeemed or purchased, either at or before maturity, shall be delivered to the Trustee when such payment, redemption or purchase is made and such Bonds shall thereupon be cancelled. All cancelled Bonds shall be held by the Trustee until this Trust Agreement shall be released; provided, however, that Bonds so cancelled may at any time be cremated by the Trustee in the presence of two (2) of its authorized officers, who shall execute a certificate of cremation in duplicate describing the Bonds so cremated, and one (1) executed certificate shall be filed with the Authority, and the remaining executed certificate shall be retained by the Trustee. All such cremation certificates shall contain, among other things, the identifying numbers, dates of issue and maturity, denominations and interest rates of such cancelled Bonds.

Section 5.09 Use of Funds in Operating Reserve Account. Notwithstanding any of the other provisions of this Article or of this Trust Agreement, the Authority shall be mandatorily and irrevocably obligated at all times to use any moneys in the Operating Reserve Account, for the payment of the interest on said Bonds, both Serial Bonds and Term Bonds, for the principal of Serial Bonds, and for required deposits into the Redemption Account for Term Bonds whenever the moneys in the Interest Account, Principal Account, Redemption Account and the Reserve Fund are insufficient for such purposes.

ARTICLE VI.
DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS, AND INVESTMENTS OF FUNDS

Section 6.01 Depositaries. All moneys received by the Authority under the provisions of this Trust Agreement shall be deposited with the Trustee or a Special Trustee, to the extent herein required, or with one or more other banks or trust companies designated by the Authority (each such depositary, including the Trustee and any Special Trustee, being herein called a "Depositary"). All moneys deposited under the provisions of this Trust Agreement with the Trustee, any Special Trustee or any other Depositary shall be held in trust and applied only in accordance with the provisions of this Trust Agreement, and shall not be subject to lien or attachment by any creditor of the Authority.

No moneys shall be deposited with any Depositary, other than the Trustee or Special Trustee, or a Paying Agent in its capacity as such, in an amount exceeding one hundred per centum (100%) of the amount which an officer of such Depositary shall certify to the Trustee or Authority as the combined capital and surplus of such Depositary.

Except as otherwise provided in Section 6.02 hereof, all moneys deposited with the Trustee or Special Trustee, or any other Depositary hereunder, in excess of the amount insured against loss by the depositor by the Federal Deposit Insurance Corporation, shall be continuously secured, for the benefit of the Authority and the holders of the Bonds, by lodging with the Federal Reserve Bank or the Trustee or Special Trustee, as custodian, as collateral security, direct obligations of the United States of America or other securities eligible under the laws of the State of Florida as collateral security for deposits of public funds, having a market value (exclusive of accrued interest) not less than the amount of such deposit; provided, however, that in the case of the Trustee or Special Trustee it shall not be necessary for them to lodge such collateral security with any other bank or trust company, but it shall suffice if they lodge such collateral security with its Trust Department as custodian; and provided, further, that it shall not be necessary for the Paying Agents to give security for the deposit of any moneys with them for the payment of the principal or the redemption premium or the interest on any Bonds issued hereunder, or for the Trustee or Special Trustee to give security for any moneys which shall be represented by investments in the obligations referred to in Section 6.02 hereof, purchased under the provisions of this Article, except as to any moneys in any Fund or Account which shall be invested in time deposits in banks or trust companies evidenced by certificates of deposit for which collateral security has been given as provided in Section 6.02 hereof.

All moneys deposited with each Depositary, including the Trustee and Special Trustee, shall be credited to the particular Fund or Account to which such moneys belong.

Section 6.02 Investment of Certain Funds; Valuation; Disposition of Investment Income. It shall be the mandatory duty of the Special Trustee or Trustees appointed by the Authority for such purpose, at the written direction of the Authority, to keep all the moneys on deposit to the credit of the Construction Fund invested and reinvested, pending the dates upon which such moneys will be needed for the construction and acquisition of said Airport System Project, in any investments (and with such collateralization, if any, and maturity) as may be permitted for political subdivisions under the laws of the State of Florida and as may otherwise be specified in the Supplemental Trust Agreement pursuant to which such Construction Account was created.

No investments of any moneys in the Construction Fund shall mature later than the dates upon which it is estimated that such moneys will be needed for the purposes of such Construction Fund, but not in any event later than eighteen months after the date of purchase thereof.

It shall be the mandatory duty of the Trustee, at the written direction of the Authority, to keep all the moneys on deposit to the credit of the Interest Account, Principal Account, Redemption Account and the Reserve Fund, invested and reinvested in (1) direct obligations of the United States of America, or (2) time deposits in banks or trust companies evidenced by certificates of deposit; provided, however, that all such time deposits shall be further secured by collateral in the obligations described in clause (1) above having at all times a market value at least equal to the amount of such time deposits. Such investments or reinvestments shall mature not later than the respective dates, as estimated by the Trustee or the Authority, as the case may be, when the moneys held for the credit of said Funds or Accounts will be needed for the purposes of such Funds or Accounts, except that the moneys in the Reserve Fund may be invested and reinvested for a period of not exceeding fifteen years from the date of the making of such investments or reinvestments.

It shall be the mandatory duty of the Authority to keep all moneys on deposit to the credit of the Operating Reserve Account and the Surplus Fund invested and reinvested in any investments (and with such collateralization, if any, and maturity), as may be permitted for political subdivisions under the laws of the State of Florida. The moneys in the Surplus Fund may be invested and reinvested in such securities and for such periods of time as the Authority shall deem advisable.

All of the investments and reinvestments provided for in this Article VI may be made by the Trustee without further resolution or other action by the Authority; all such investments or reinvestments by the Authority shall be made on its direction.

Obligations so purchased as an investment of moneys in any such Fund or Account shall be deemed at all times to be a part of such Fund or Account, and shall at all times, for the purposes of this Trust Agreement, be valued at the cost thereof at the time of purchase, without regard to fluctuation in market value. The Trustee, the Authority or Special Trustee, as the case may be, shall sell at the best price obtainable any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from such Funds or Accounts. Neither the Trustee nor the Special Trustee nor the Authority shall be liable or responsible for any loss resulting from any such investments or reinvestments.

All income derived from the investment of moneys in the Construction Fund shall remain in and be a part of said Construction Fund. All income derived from the investment of moneys in the Interest Account, Principal Account, Reserve Fund and Operating Reserve Account shall be retained in such Funds or Accounts to the extent necessary to make the amount then on deposit therein equal to the maximum amount required to be on deposit in such Funds or Accounts, and any remaining balance shall be deposited in the Revenue Fund and used as

provided herein for said Revenue Fund; provided, however, that all income from the investment or reinvestment of moneys in the Redemption Account shall be retained in said Redemption Account and used as provided herein for said Redemption Account.

ARTICLE VII.
PARTICULAR COVENANTS

Section 7.01 Payment of Bonds. The Authority covenants that it will promptly pay the principal of and the interest on every Bond issued under the provisions of this Trust Agreement at the places, on the dates and in the manner provided herein and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption, according to the true intent and meaning thereof. The principal, interest and premiums on said Bonds are payable solely from the Revenues derived by the Authority from said Airport System and other moneys pledged therefor under this Trust Agreement, all of which are hereby pledged to the payment thereof and to the payment of Reimbursement Obligations and Qualified Hedge Payments in the manner and in the order of priority and to the extent hereinabove particularly specified and all as provided in this Trust Agreement and the Act hereinbefore referred to.

Section 7.02 Construction of Projects. The Authority covenants that upon the receipt of the proceeds of Additional Bonds issued under the provisions of Section 2.09 or Section 2.10 (with respect to Completion Bonds) of this Trust Agreement, it will to the full extent of its legal powers, proceed to acquire and construct the Airport System Projects for which such Additional Bonds were issued, substantially in accordance with the plans and specifications therefor, and in conformity with law and all requirements of all governmental agencies having jurisdiction thereover, and that it will complete such acquisition and construction with all expedition practicable.

Section 7.03 Rules and Regulations. The Authority covenants that it will establish and enforce reasonable rules and regulations governing the use of the Airport System and the operation thereof as may be required; that it will cause said Airport System and all parts thereof, to be maintained at all times in good order and condition, except for normal wear and tear and to make or cause to be made all necessary and appropriate repairs thereto, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to said Airport System.

Section 7.04 Liens; Taxes; Compliance with Laws. The Authority covenants that it will pay or cause to be paid all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of said Airport System or any Revenues or other income derived therefrom when the same shall become due; that it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to said Airport System; that it will not create or suffer to be created any lien or charge upon said Airport System or upon the Revenues derived from said Airport System or other moneys pledged herein, except the lien and charge of the Bonds secured hereby upon such Revenues derived from said Airport System and the lien and charge thereon in favor of Reimbursement Obligations, Qualified Hedge Payments and subordinated indebtedness issued in compliance with Section 5.05; and that it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials,

supplies or other objects which, if unpaid, might by law become a lien upon said Airport System or the Revenues derived from said Airport System; provided, however, that nothing in this Section contained 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 legal proceedings.

Section 7.05 Airport Consultant and Consulting Engineer. The Authority covenants that it will employ from time to time as necessary to comply with the requirements of this Trust Agreement, an Airport Consultant to inspect said Airport System and to make reports and recommendations with respect thereto and with respect to the rentals and other charges for the use of the facilities and services of said Airport System, with respect to any proposed changes in such rentals and other charges, concerning the operation and maintenance of said Airport System and to perform all other duties required to be performed by said Airport Consultant.

For the purpose of this Trust Agreement, the term "Consulting Engineers" shall mean an engineer or firm of engineers of favorable repute and having national recognition and experience in the design and construction of civil airports and other civil aviation facilities.

For the purposes of this Trust Agreement, the term "Airport Consultant" shall mean an airport consultant or engineer or architect or firm of airport consultants or engineers or architects of favorable repute and having national recognition or experience in relation to the operation and maintenance of civil airports and other civil aviation facilities, the recommending of schedules of rentals and other charges for the use of the services and facilities of civil airports and other civil aviation facilities and the estimating of revenues to be derived from the operation of civil airports and other civil aviation facilities. The Authority hereby covenants and agrees that an Airport Consultant meeting the foregoing requirements will be continuously retained in such capacity as long as any Bonds issued hereunder are Outstanding and unpaid.

Section 7.06 Insurance. The Authority covenants that it will insure or cause to be insured the properties or facilities of the Airport System at all times until all Bonds secured hereby, and the interest thereon, shall have been paid or provision for such payment shall have been made, in a responsible insurance company or companies authorized and qualified to assume the risk thereof, against physical loss or damage however caused, with such exceptions as are ordinarily required by insurers of structures or facilities of similar type, under procedures and in amounts approved by the Airport Consultant.

All such policies shall be for the benefit of the Authority and proceeds from such policies shall be collected and deposited with the Authority and applied by the Authority in accordance with the terms of this Trust Agreement. The proceeds of any and all such insurance hereunder shall be and constitute trust funds until paid out as hereinafter provided and as provided in this Trust Agreement. Copies of all such insurance policies, or certificates of insurance evidencing such policies, shall be filed with the Special Trustee together with documents showing all payments and disbursements made from said insurance proceeds.

The Authority covenants that, immediately after any damage to or destruction of said Airport System, it will cause plans and specifications to be prepared for repairing, replacing or reconstructing the damaged or destroyed property (either in accordance with the original or a

different design) and an estimate of the cost thereof, and will file copies of such estimate with the Secretary of the Authority and such Special Trustee.

The proceeds of all insurance referred to in this Section shall be available for, and shall to the extent necessary be applied to, the repair, replacement or reconstruction of the damaged or destroyed property, and shall be held by such Special Trustee and disbursed in the manner and upon the showings hereinabove provided in Article IV of this Trust Agreement for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose the balance remaining shall be deposited in the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the maximum amount required to be on deposit therein at any time, and any further balance remaining shall be deposited in the Redemption Account in the Sinking Fund and used as provided herein for said Redemption Account. If such proceeds shall be insufficient for such purpose, the deficiency shall be supplied by the Authority from any other legally available funds.

The Authority covenants that, if the cost of repairing, replacing or reconstructing the damaged or destroyed property as estimated by the Consulting Engineers shall not exceed the proceeds of insurance and other moneys available for such purpose, it will forthwith commence and diligently proceed with the repair, replacement or reconstruction of the damaged or destroyed property according to plans and specifications prepared by the Consulting Engineers; provided, however, if the Authority shall determine it inadvisable to repair, replace or rebuild any damaged property it shall not be required to do so, but any insurance proceeds allocated therefor shall be deposited in the Redemption Account and used as provided herein for said Redemption Account.

In the event said Airport System or any part thereof are destroyed or damaged or have been taken by the exercise of eminent domain and the insurance proceeds received to compensate for such damage or destruction or the proceeds of awards made in connection with the exercise of the right of eminent domain are insufficient to repair, replace or reconstruct such damaged or destroyed Airport System, or parts thereof, or to replace said Airport System, or parts thereof, taken by the right of eminent domain, the deficiency may be supplied by the Authority from any legally available funds. If the Authority does not determine to construct, repair or replace such Airport System, or parts thereof, within 90 days after such Airport System, or parts thereof, is destroyed or taken by the exercise of eminent domain, all such insurance proceeds and the proceeds of such awards shall be transferred by the Authority to the Trustee and deposited to the credit of the Redemption Account in the Sinking Fund and used as provided herein for said Redemption Account.

The Authority further covenants that it will obtain, or cause to be obtained, in a responsible insurance company or companies authorized to assume the risk thereof, public liability insurance and war risk insurance to the extent obtainable in such amounts as are necessary and desirable in accordance with the procedures recommended by the Airport Consultant.

Section 7.07 Lease Exception. The provisions of Section 7.06 shall be inapplicable to the extent they are inconsistent with the terms of any lease between the Authority and any airline company relating to the insurance to be carried on the leased premises either by the Authority or the lessee, and the Authority shall comply fully with the provisions of such leases; provided, however, that the insurance provided for in such leases shall not be less than the insurance provided for in this Article.

Section 7.08 Insurance Reports. Within the first three (3) months of each Fiscal Year the Authority or such Special Trustee shall mail to any Bondholder who files his name and address with the Authority for such purpose, a schedule of all insurance policies referred to in Section 7.06 of this Article which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and risks covered thereby.

Any appraisement or adjustment of any loss or damage under any policy payable to such Special Trustee and any settlement or payment of indemnity under any such policy which may be agreed upon between the Authority and insurer shall, if in excess of $50,000, be approved by the Airport Consultant in and shall be evidenced to such Special Trustee by a certificate, signed by the Chairman and Secretary of the Authority, which certificate may be relied upon by such Special Trustee as conclusive. Such Special Trustee shall not in any way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

Section 7.09 No Free Service. The Authority covenants that it will not render or cause to be rendered any free service of any nature by said Airport System; provided, however, that the foregoing limitation shall not be applicable to space, services, privileges or facilities furnished to the Authority or to the United States of America to the extent required under applicable laws under contracts which involve the granting of federal aid to the Authority, and to the extent required by applicable laws under instruments of transfer from or other contracts with the United States of America. In the event the County of Hillsborough or the City of Tampa or any other public body, agency, or instrumentality, or any department, agency, instrumentality, officer or employee thereof, shall avail itself or themselves of and use said Airport System, or any part thereof, reasonable rates, rentals, fees or other charges shall be charged the County of Hillsborough, the City of Tampa and any other public body, agency, or instrumentality, and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the income so received shall be deemed to be Revenues derived from the operation of said Airport System and shall be deposited and accounted for in the same manner as other Revenues derived from the operation of said Airport System. The Authority shall require any lessees or licensees to observe and enforce the provisions of this Section.

Section 7.10 Annual Budget. The Authority covenants that it will annually after the review thereof and receiving the recommendations relating thereto of the Airport Consultant, at the same time and in the same manner as budgets of departments and officers of Hillsborough County are prepared, prepare and adopt by resolution a detailed budget for the succeeding Fiscal Year in compliance with the Act, which budget shall contain the estimated expenditures in such succeeding Fiscal Year for operation and maintenance, 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 said Airport System, and any other matters required by said Act. No expenditures for the operation and maintenance of said Airport System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without the written finding

and recommendation of the Executive Director of such Airport System or other duly authorized officer in charge thereof, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures, and no such increased expenditures shall be made until the Authority shall have approved such finding and recommendation by resolution duly adopted. The Authority shall mail copies of all annual budgets, and all resolutions authorizing increased expenditures, to the original purchaser of the Bonds, and to any holder of Bonds requesting the same.

Section 7.11 Restriction on Use of Revenues. The Authority covenants and agrees that, until the Bonds secured hereby, and the interest thereon, shall have been paid or provision for such payment shall have been made, none of the Revenues derived from said Airport System, or other moneys pledged herein, will be used for any purpose other than as provided in this Trust Agreement and no contract or contracts will be entered into or any action taken by which the rights of the Trustee, any Special Trustee or Bondholders might be impaired or diminished; *however*, nothing contained in this section shall prohibit the Authority from issuing Senior PFC Indebtedness in accordance with the terms of Section 7.19 hereof.

Section 7.12 Compliance with Covenants. The Authority covenants that it will, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Trust Agreement.

Section 7.13 Accounting and Audit Requirements. The Authority covenants that it or the Trustee or, where applicable, Special Trustee will keep an accurate record of the Revenues derived from said Airport System, and other moneys pledged herein, and of the application of such Revenues or other moneys pledged herein. Such records shall be open to the inspection of Bondholders and their agents and representatives at all reasonable times.

The Authority further covenants that within four (4) months after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to said Airport System during the preceding 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 Secretary of the Authority and the Trustee and copies of such reports shall be mailed by the Authority to all Bondholders who shall have filed their names and addresses with the Authority for such purpose. Each such audit report shall set forth in respect of the preceding Fiscal Year (or lesser period in the case of the first such report):

(a) all deposits to the credit of and withdrawals from each fund and account created under the provisions of this Trust Agreement;

(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 such fund and account, showing the respective amounts on deposit to the credit of each such fund and account in each Depositary 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 pursuant to the provisions of Section 7.14 of this Article; and

(e) a list of all insurance policies or certificates thereof then held by the Authority or a Special Trustee pursuant to this Trust Agreement.

The Authority further covenants that it will cause any additional reports or audits relating to said Airport System to be made as required by law and that, as often as may be requested, it will furnish to the Trustee and the holders of any Bonds issued hereunder such other information concerning said Airport System as any of them may reasonably request.

Section 7.14 Sale or Disposition of Property. The Authority covenants that, until the Bonds secured hereby and the interest thereon shall have been paid or provision for such payment shall have been made, and except as in this Trust Agreement otherwise permitted, it will not sell or otherwise dispose of or encumber said Airport System, or any part thereof, and it will not create or permit to be created any charge or lien on the Revenues derived therefrom or other moneys pledged herein other than with respect to Additional Bonds, subordinated indebtedness issued in compliance with Section 5.05 and Senior PFC Indebtedness issued pursuant to Section 7.19. The Authority may, however, from time to time, sell for fair and reasonable value, any of the property comprising a part of said Airport System hereafter determined by a resolution duly adopted by the Authority to be no longer necessary, useful or profitable in the operation thereof. If the property to be sold shall consist of movable facilities, such proceeds may be used for the acquisition of other movable facilities, or if not so used, the proceeds derived from the sale of such movable facilities shall be used in the manner provided below for the proceeds of the sale of real estate. The proceeds derived from the sale of any real property, including any improvements thereon, may be deposited in the Surplus Fund, and any of such proceeds not so used shall be deposited in the Redemption Account in the Sinking Fund and used as provided herein for such Redemption Account.

Section 7.15 Use of Non-Pledged Funds. Nothing contained in this Trust Agreement shall be deemed to prevent the Authority from creating or providing such funds or accounts which shall not be subject to the provisions of this Trust Agreement for any ad valorem taxes, grants, gifts, passenger facility charges, moneys withdrawn from the Surplus Fund, or any other moneys whatsoever which do not constitute Revenues derived from said Airport System as defined herein or moneys pledged under this Trust Agreement.

Section 7.16 Financing Improvements Outside Airport System. Nothing contained in this Trust Agreement shall be deemed to prevent the Authority from issuing any bonds or notes which are not secured by this Trust Agreement to finance the construction of any legally permissible airport or aviation related facilities, or additions, extensions or improvements thereto, which are not a part of said Airport System, as defined herein, as long as the Airport Consultant shall state that in his opinion such airport or aviation facilities, or additions, extensions or improvements thereto, will not materially and adversely affect the Revenues to be derived from said Airport System, as defined herein, or the rights, security and remedies of the holders of Bonds issued pursuant to this Trust Agreement.

Section 7.17 Conditions Precedent to Bond Issuance. The Authority covenants that upon the date of the 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 this Trust Agreement, 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.

Section 7.18 Tax Covenant. The Authority covenants to comply with tax laws applicable to each Series of Bonds issued hereunder as set forth in tax covenants included in Supplemental Trust Agreements applicable thereto. An example of such covenants is set forth in Appendix "B" hereto.

Section 7.19 Senior PFC Indebtedness. The Authority covenants that it will not issue Senior PFC Indebtedness payable from PFC Revenues having a lien thereon superior to the lien thereon created by this Trust Agreement unless (i) the Authority is not in default hereunder at the time of issuance thereof, (ii) the Authority shall have delivered to the Trustee a certificate to the effect that it is in compliance with the PFC Act, the PFC Regulations and the PFC Approvals and that the Senior PFC Indebtedness is being issued for the purpose of funding the cost of PFC Projects, and (iii) the Authority shall have delivered to the Trustee on or immediately prior to the issuance of such Senior PFC Indebtedness a statement of the Airport Consultant that in his opinion, the PFC Revenues to be received by the Authority during the Fiscal Year in which such Senior PFC Indebtedness is issued and for each Fiscal Year thereafter through the Period of Review, shall not be less than One Hundred Twenty-Five percent (125%) of an amount equal to the largest amount of principal, interest and the required deposits into a redemption account or amortization fund that will mature or become due in any succeeding Fiscal Year on account of all Senior PFC Indebtedness and PFC Bonds then Outstanding (including the Senior PFC Indebtedness proposed to be issued but excluding any Senior PFC Indebtedness or PFC Bonds to be defeased by the issuance of such Senior PFC Indebtedness).

For purposes of determining compliance with the foregoing requirements, the following rules will apply:

(i) Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's Report; and

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three fiscal years immediately preceding the year the report of the Airport Consultant is issued.

ARTICLE VIII.
REMEDIES

Section 8.01 Intentionally Deleted.

Section 8.02 Events of Default. Each of the following events is hereby declared an "event of default":

(a) payment of the principal and premium, if any, or the making of any deposits into the Redemption Account, of or for any of the Bonds shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made within thirty (30) days after the same shall become due and payable; or

(c) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) final judgment for the payment of money shall be rendered against the Authority as a result of the ownership and control of said Airport System and any such judgment shall not be discharged within ninety (90) days from 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 conclusively set aside or stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(e) an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of said Airport System or the Revenues derived therefrom, or if such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within ninety (90) days after the entry thereof; or

(f) any proceedings shall be instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Revenues derived from said Airport System or other moneys pledged therefor; or

(g) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Trust Agreement on the part of the Authority to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than ten per centum (10%) in principal amount of the Bonds then Outstanding.

Section 8.03 Remedies. Upon the happening and continuance of any event of default specified in Section 8.02 of this Article, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding hereunder shall proceed, subject to the provisions of Section 9.02 of this Trust Agreement, to protect and enforce its right and the rights of the Bondholders under the laws of the State of Florida, or under this Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Such remedy shall include the right to the appointment of a receiver for said Airport System, which receiver shall be under the duty of collecting and distributing the rentals and other income thereof pursuant to the provisions and requirements of this Trust Agreement. Additionally, the rights and remedies which the Trustee may or shall exercise include, but are not limited to, all or any of the following:

(a) The right in its own name by any action, writ, or other proceeding to enforce all rights of the Bondholders, including the right to require the Authority to perform its duties under this Trust Agreement and the Act;

(b) The right to bring an action upon all or any part of the Bonds or claims appurtenant thereto;

(c) The right, by action, to require the Authority to account as if it were the trustee of an express trust for the Bondholders;

(d) The right, by action, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or

(e) The right to declare all Bonds due and payable, whether or not in advance of maturity, upon thirty (30) days prior notice, in writing, to the Authority and, if all defaults shall be made good, then with the consent of the holders of twenty-five per centum (25%) in principal amount of the Bonds then Outstanding hereunder, annul such declaration and its consequences.

In the enforcement of any remedy under this Trust Agreement the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining due from the Authority for principal, premium, interest or otherwise under any of the provisions of this Trust Agreement or of the Bonds and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bond together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from moneys in the Sinking Fund and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 8.04 Application of Funds After Default. If at any time the moneys in the Sinking Fund shall not be sufficient to pay the principal of or the interest on the Bonds and the Qualified Hedge Payments as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied (1) to the payment of all installments of interest and Qualified Hedge Payments then due, in the order of the maturity of the installments of such interest and Qualified Hedge Payments, 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 or the Qualified Hedge Payments, and (2) to the payment of all installments or principal then due in the order of the maturity of such installments of principal.

(b) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest 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, or any Qualified Hedge Payment over any payment due with respect to the Bonds, ratably, according to the amounts due, respectively, for principal, interest and Qualified Hedge Payments, 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.

The provisions of this Section are in all respects subject to the provisions of Section 8.01 of this Article.

Whenever moneys are to be applied to the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of any of such moneys with any of the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Authority to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.05 Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 8.06 Holders' Control of Proceeding. Anything in this Trust Agreement to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right, subject to the provisions of Section 9.02 of this Trust Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Trust Agreement, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 8.07 Restriction on Bondholder's Action. No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or for any other remedy hereunder. It is understood and intended that no one or more holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Trust Agreement, or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of the Outstanding Bonds.

Section 8.08 Proceedings by Trustee. All rights of action under this Trust Agreement or under any of the Bonds secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Bonds subject to the provisions of this Trust Agreement.

Section 8.09 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or equity or by statute.

Section 8.10 Waivers and Delays in Enforcement. No delay or omission of the Trustee or of any holder of the Bonds to exercise any right or power accruing, upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Trust Agreement to the Trustee and the holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient; provided, however, no such power or remedy may be exercised in the case of a default where such particular default has later been cured with or without the exercise of such power or remedy.

The Trustee may, and upon written request of the holders of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any default which shall have been remedied before the entry of any judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any other remedy under this Trust Agreement, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.11 Notice of Default to Holders. The Trustee shall mail 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 set forth in clauses (a) or (b) of Section 8.02 of this Article within thirty (30) days after any such event of default shall have occurred. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any such notice.

ARTICLE IX.
CONCERNING THE TRUSTEE AND THE SPECIAL TRUSTEE

Section 9.01 Acceptance of Duties. The Trustee and each Special Trustee accept and agree to execute the trusts imposed upon them by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement, to all of which the parties hereto and the respective holders of the Bonds agree. Neither the Trustee nor any Special Trustee shall be liable for the acts of the other or the failure of the other to act. All funds created under this Trust Agreement to be held by the Trustee or any Special Trustee shall be administered as trust funds as herein provided.

Section 9.02 Trustee's Duties as to Proceedings. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Trust Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trust hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment reasonably proper to be done by it as such Trustee, without indemnity, and in any such case the Authority shall reimburse the Trustee from the rentals and other income

derived from said Airport System for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.03 Trustee's Duties as to Insurance; Validity. The Trustee shall be under no obligation, except as provided in Article VII hereof, to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Authority, or to report, or make or file claim or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessment, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Trust Agreement or the due execution or acknowledgment thereof, or in respect of the validity of the Bonds or the due execution or issuance thereof.

Section 9.04 Responsibilities as to Collections, Deposits and Application of Funds. Neither the Trustee nor any Special Trustee shall be liable or responsible because of the failure of the Authority or any of its employees or agents to make any collections or deposits or to perform any act herein required of them or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other Depositary or paying agent other than itself in which such moneys shall have been deposited under the provisions of this Trust Agreement. The Trustee or the Special Trustees shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred in accordance with the provisions of this Trust Agreement. The immunities and exemptions from liability of the Trustee and the Special Trustees hereunder shall extend to its directors, officers, employees and agents.

Section 9.05 Compensation. Subject to the provisions of any contract between the Authority and the Trustee, the Authority shall from the Revenues derived from said Airport System and other moneys pledged herein, pay to the Trustee reasonable compensation for all services performed by it hereunder and also all of its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, and, from such Revenues derived from said Airport System only, shall indemnify and save the Trustee 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 own negligence or default. If the Authority shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.06 Reliance.

In case at any time it shall be necessary or desirable for the Trustee to make an investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee and in any case in which this Trust Agreement provides for

permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Agreement, and any such certificate shall be evidence of such fact to protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Trust Agreement, any request, notice or other instrument from the Authority to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Chairman and Secretary of the Authority and the Trustee may accept a certificate signed by said Secretary as to any action taken by the Authority.

Section 9.07 Notice of Events. Except as otherwise provided in this Trust Agreement, the Trustee shall not be obligated to take notice or be deemed to have notice of any event of default hereunder except as to the funds held by it or other defaults actually known to it unless specifically notified in writing of such event of default by a holder or holders of said Bonds.

Section 9.08 Trustee as Bondholder. The bank or trust company acting as Trustee or as a Special Trustee under this Trust Agreement, and their respective directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Trust Agreement and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee or Special Trustee under this Trust Agreement.

Section 9.09 Authority's Representations. The recitals, statements and representations contained herein and in the Bonds (excluding the Trustee's certificate on the Bonds) shall be taken and construed as made by and on the part of the Authority and not by the Trustee or Special Trustees, and the Trustee or Special Trustees assume, and shall be under, no responsibility for the correctness of the same.

Section 9.10 Actions in Good Faith. The Trustee and the Special Trustees shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Trust Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee or Special Trustees to be qualified in relation to the subject matter. The Trustee shall not be bound to recognize any person as a holder of any Bond or to take any action at his request unless proof of ownership of such Bond satisfactory to the Trustee has been exhibited to or deposited with the Trustee.

Section 9.11 Resignation. The Trustee or any Special Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing to be given to the Authority and to any Bondholder who has filed his name and address with the Trustee or Special Trustees for such purpose and published once in the English language in a financial newspaper or journal published in the City of New York, New York, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee or replacement Special Trustee hereunder, if such Trustee or

Special Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 9.12 Removal. The Trustee or any Special Trustee may be removed by the Authority at any time and a successor Trustee or Special Trustee may be appointed hereunder by the Authority; provided, however, that no successor Trustee shall be appointed by the Authority under this Section or Section 9.13 without the written approval of the original purchaser of the Bonds, or the corporate successor or successors of the original purchaser.

Section 9.13 Vacancies; Successor Trustee. If at any time hereafter the Trustee or any Special Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting, as Trustee or as Special Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee or such Special Trustee shall thereupon become vacant. If at any time moneys on deposit with the Trustee or any Special Trustee shall not be secured as required in Section 6.01 of this Trust Agreement, a vacancy in the position of Trustee or such Special Trustee may be declared by a resolution duly passed by the Authority. If the position of Trustee or a Special Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Authority shall appoint a Trustee or Special Trustee to fill such vacancy.

If no appointment of a successor Trustee or Special Trustee shall be made pursuant to the foregoing provisions of this Article, the holder of any Bond Outstanding hereunder or any retiring Trustee or Special Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee or Special Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee or Special Trustee.

Any Trustee hereafter appointed shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital and surplus aggregating not less than Fifty Million Dollars ($50,000,000). Any Special Trustee hereafter appointed shall be a bank or trust company duly authorized under the laws of the United States of America to exercise corporate trust powers and subject to examination by federal authority, of good standing, and having a combined capital and surplus aggregating not less than Ten Million Dollars ($10,000,000).

Section 9.14 Acceptance by Successor of Duties. Every successor Trustee or Special Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee or Special Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Authority, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.05 of this Article, execute and deliver an instrument transferring to such successor Trustee or Special Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee or Special Trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee or Special Trustee for more fully and certainly vesting in such Trustee or

Special Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee or Special Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Authority.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Trust Agreement and otherwise qualified to act as Trustee or Special Trustee hereunder with or into which the bank or trust company acting as Trustee or Special Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee or Special Trustee.

Section 9.15 Appointment and Duties of Special Trustee. In connection with the issuance of each issue of Additional Bonds hereunder, other than refunding Additional Bonds, the Authority shall appoint a Special Trustee meeting the criteria under Section 9.13. The Special Trustee shall hold and administer the Construction Fund established with respect to such series of Additional Bonds, other than refunding Additional Bonds, in the manner and subject to the terms and conditions set forth herein including, without limitation, Article IV and Section 6.02 hereof. Different Special Trustees may be established for each such series and a Special Trustee shall be appointed for each series of Bonds issued prior to June 1, 1993 for which Bond proceeds in the hands of the Former Co-Trustee remain unspent. The Authority shall also appoint a Special Trustee to hold and administer any insurance proceeds or condemnation awards heretofore required to be delivered to and administered by the Former Co-Trustee, all under and pursuant to the terms of Sections 7.06 and 7.07 of the Trust Agreement. The Special Trustees thus appointed shall be governed by, and subject to the full provisions of, Article IX of the Trust Agreement, except that neither the removal of, nor the appointment of any successor to, any Special Trustee by the Authority shall require the approval or consent of any third party.

ARTICLE X.
EXECUTION OF INSTRUMENTS OF BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

Section 10.01 Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Trust Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument, if made in the following manner:

(A) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution.

(B) The fact of the holding of Bonds hereunder by any Bondholder and the number of such Bonds and the date of his holding the same (unless such Bonds be registered) may be

proved by the affidavit of the person claiming to be such holder, if such affidavit shall be deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depositary, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depositary the Bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The ownership of Bonds registered as to principal or as to principal and interest shall be proved by the registration books kept by the Trustee under the provisions of this Trust Agreement.

None of the provisions contained in this Article, however, shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient. Any request or consent of the holder of any Bond shall bind every future holder of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI.
SUPPLEMENTAL TRUST AGREEMENTS

Section 11.01 Supplements Not Requiring Bondholder Consent. The Authority and the Trustee may, from time to time and at any time, enter into such supplemental trust agreements as shall not be inconsistent with the terms and provisions of this Trust Agreement (which supplemental trust agreements shall thereafter form a part hereof):

(A) To cure any ambiguity or formal defect or omission in this Trust Agreement or in any supplemental trust agreement, or

(B) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or

(C) To make any other changes or modifications to or to otherwise amend the Trust Agreement in any manner that does not materially adversely affect the interests or rights of any of the holders of the Bonds issued pursuant to the terms hereof and then Outstanding.

No such amendment shall affect the payment of debt service on the Bonds when due unless the Bond Insurer shall have first consented to such amendments.

Section 11.02 Modifications Requiring Bondholder Consent. Subject to the terms and provisions contained in this Section and not otherwise, the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then Outstanding, shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee, as the case may be, of such supplemental trust agreement as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or in any supplemental trust agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of principal of or the interest on any Bond issued

hereunder, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or pledge of the Revenues derived from said Airport System or other moneys pledged herein ranking prior to the lien or pledge created by this Trust Agreement for the Bonds, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental trust agreement. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the execution of any supplemental trust agreement as authorized in Section 11.01 of this Article.

If at any time the Authority shall request the Trustee to enter into any supplemental trust agreement for any of the purposes of this Section, the Trustee shall, at the expense of the Authority, cause notice of the proposed execution of such supplemental trust agreement to be published in a financial newspaper or journal published in the English language in the City of New York, New York, and, on or before the date of the publication of such notice, the Trustee shall also cause a similar notice to be mailed, postage prepaid, to all registered owners of Bonds then Outstanding, at their addresses as they appear on the registration books and to all other Bondholders who shall have filed their names and addresses with the Trustee for such purpose. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Bondholders. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail the notice required in this Section, and any such failure shall not affect the validity of such supplemental trust agreement when consented to and approved as provided in this Section.

Whenever, at any time within one (1) year after the date of the first publication of such notice, the Authority shall deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental trust agreement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such supplemental trust agreement 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 two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding at the time of the execution of such supplemental trust agreement shall have consented to and approved the execution thereof as herein provided, no holder of any Bonds shall have any right to object to the execution of such supplemental trust agreement or to object to any of the terms and provisions contained therein or in the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental trust agreement pursuant to the provisions of this Section, this Trust Agreement shall be deemed to be and be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Authority, the Trustee and all holders of Bonds then Outstanding, shall

thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 11.03 Trustee Joinder. The Trustee is authorized to join with the Authority in the execution of any such supplemental trust agreement and to make the further agreements and stipulations which may be contained therein. Any supplemental trust agreement executed in accordance with the provisions of this Article shall thereafter form a part of this Trust Agreement and all of the terms and conditions contained in any such supplemental trust agreement as to any provisions authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes. In case of the execution and delivery of any supplemental trust agreement, express reference may be made thereto in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Trustee or the Authority.

Section 11.04 Trustee's Reliance on Opinions. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that any such proposed supplemental trust agreement does or does not comply with the provisions of this Trust Agreement, and that it is or is not proper for the Trustee, under the provisions of this Article, to join in the execution of such supplemental trust agreement.

Section 11.05 Approved Conceptual Amendments. The holders of more than two-thirds (2/3rds) of the Outstanding Bonds, by acceptance of their respective Bonds, have consented to and approved the following amendments to this Trust Agreement, it being understood and agreed that the provisions set forth below are conceptual and descriptive in nature only and that such consent and approval shall apply to definitive provisions approved by the Authority and the Trustee which embody the intent, and are not inconsistent with, the generalized descriptions of the amendments set forth below:

(A) This Trust Agreement may be amended to authorize and permit the issuance of zero coupon bonds, deep discount bonds, commercial paper, variable rate obligations, tender bonds, designated maturity bonds and other similar or dissimilar project financing vehicles, and derivative products related to such financing including hedges, caps, collars, swaps and similar products. It is contemplated within this general authorization that debt may mature and become payable as frequently as daily. Definitive provisions reflecting the intent of this paragraph will contain methodology or techniques for calculating annual bond service requirements and similar provisions relating to the Rate Covenant, amounts deposited into the Reserve Fund, tests with respect to the issuance of Additional Bonds, the Bond Obligation to be used for voting and consent purposes, and the like. Provisions may also be added with respect to liquidity facilities required in connection with the issuance of such financing techniques. Any such changes in the Additional Bonds test, the methodology for calculation of the debt service requirements in any year, the Authority's Rate Covenant or the reserve funding requirements that arise from the issuance of such debt products shall be subject to the consent of each respective Bond Insurer, which consent will not be unreasonably withheld.

(B) The definition of "Gross Revenues" or "Revenues" may be amended to specifically exclude, in addition to the moneys theretofore excluded from the definition of that term, all the revenue sources available to the Authority that are not directly related to the handling of passengers and greeters to, from and around the airport facilities or the granting of rights in or with respect to the core terminal facilities. (Airline landing fees and parking revenues, and fees generated from leases and concessionaire agreements in or with respect to the core terminal facilities, shall, for all purposes of this Trust Agreement, be treated as Gross Revenues.) Any such amendment shall provide that before it shall become effective, the Authority shall submit to the Trustee (i) a certificate to the effect that the remaining Revenues in the year in which the exclusion is to be made will be sufficient to meet the Authority's Rate Covenant in such year and (ii) a certificate from an Airport Consultant reasonably acceptable to the Bond Insurer to the effect that, based on its projections and subject to customary assumptions and limitations, the deletion of such revenues from the lien of this Trust Agreement will not adversely affect the Authority's ability to meet the Authority's Rate Covenant in each of the five Fiscal Years following the effective date of such amendment.

(C) Article IV of this Trust Agreement may be amended to provide that separate Construction Accounts may be established for each series of Additional Bonds and that the provisions with respect to such Construction Accounts as set forth in Supplemental Trust Agreements executed in connection with such Additional Bonds may supersede any of the requirements for the Construction Fund contained in Article IV of this Trust Agreement.

(D) On or after the date the Authority's Rate Covenant contained in Section 5.01(b) becomes effective, the flow of funds contained in Article V be amended in the following respects:

(i) The Authority shall be free to add additional funds and accounts (including without limitation, accounts with respect to Subordinated Indebtedness and liquidity and credit enhancement products), to arrange the priority of such funds and accounts, and to delete funds and accounts, or modify their funding requirements, in each case with respect to such funds and accounts that are funded subsequent to the funding of the Reserve Fund (and subsequent to the funding of any accounts created for the payment of liquidity reimbursements and subordinated indebtedness if such accounts have been added); provided, however, that the deposit requirements with respect to the Operating Reserve Account as set forth in Section 5.02(G) shall not be reduced or eliminated. In addition, the Authority shall not be restricted as to the amounts it may deposit in the Surplus Fund. If the flow of funds is modified pursuant to the foregoing, the Authority may in connection therewith, make concurrent amendments to the Authority's Rate Covenant to take into account the addition, deletion or modification of such funds or accounts; provided, however, that the Authority shall always be obligated to charge rates that will provide revenues sufficient to pay Operating Expenses and debt service on the Bonds when required or due, and to fully fund at least once each year the deposit requirements into the Operating Reserve Account and any capital replacement fund then in effect.

(ii) The specific provisions for deposits into the Sinking Fund may be added to comply with the funding requirements for commercial paper, variable rate obligations, demand obligations and similar types of financing structures that may be authorized pursuant to the Supplemental Trust Agreements.

(iii) Section 5.02(D) may be amended to permit separate reserve accounts for each issue of Additional Bonds, and the funding requirements with respect thereto, all as specified in the Supplemental Trust Agreements executed in connection with such Additional Bonds. Following such amendment, the holders of Bonds of a Series will have a lien only on the reserve account created and funded with respect to such Bonds. It is intended that such Supplemental Trust Agreements may provide for the deferred funding of such reserve accounts, or contemplate reserve insurance, letters of credit, surety bonds or other reserve credit facilities in lieu of a cash reserve, and that the existence, sizing criteria and other matters with respect to reserves for any issue of Additional Bonds shall all be specified in each such Supplemental Trust Agreement.

(E) Article VI may be amended to permit the Authority to invest any of the funds and accounts held under or pursuant to the terms of this Trust Agreement, other than the Sinking Fund and the Reserve Fund, in any investments (and with such collateralization, if any, and maturity), as may be permitted for political subdivisions under the laws of the State of Florida. The Reserve Fund with respect to all Bonds Outstanding prior to the effective date of such an amendment shall remain subject to the investment limitations previously contained in this Trust Agreement.

(F) Article VIII may be amended (i) to eliminate the right of acceleration for any Bonds Outstanding and (ii) to permit the Bond Insurer with respect to any series of Additional Bonds, to exercise rights and remedies on behalf of the holders of Bonds it insures, in the manner and to the extent permitted pursuant to the terms of the Supplemental Trust Agreement executed in connection with the issuance of such Additional Bonds.

(G) Article IX may be amended to eliminate the preference in favor of the Trustee with respect to moneys held by it hereunder, for payment of the fees and costs of the Trustee under this Trust Agreement and to allow the Authority to change the Trustee at any time without the consent of the holders of any of the Bonds.

(H) Article XI may be amended to permit any other amendments that would not materially adversely affect the Authority's ability to meet the Authority's Rate Covenant; provided, however, that no such amendment that affects the payment of debt service on the Bonds when due shall be made without the consent of each respective Bond Insurer.

(I) The definition of "Special Purpose Facility" contained in Article XIII may be amended to include any capital project generally relating to airport operations or ancillary services, wherever such projects may be located.

(J) This Trust Agreement may be amended to provide that the Authority may treat the Bond Insurer as the holder of all Bonds Outstanding under this Trust Agreement that are insured by it, for all purposes of this Trust Agreement, or for any limited purpose specified in the Supplemental Trust Agreement executed in connection with such insured Additional Bonds.

The Authority covenants that it will provide each of the national rating agencies then carrying an effective rating on the Bonds with a copy of any amendments made to this Trust

Agreement pursuant to the provisions hereof; however, failure to timely provide such notice shall not effect the validity of any such amendment or cause a default under this Trust Agreement.

ARTICLE XII. DEFEASANCE

Section 12.01 Defeasance. If, when the Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Trust Agreement or shall have been duly called for redemption or irrevocable instructions to call the Bonds for redemption shall have been given by the Authority to the Trustee, the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds then Outstanding shall be paid, or sufficient moneys shall be held by the Trustee or the Paying Agents which, when invested in direct obligations of the United States of America maturing not later than the maturity dates of such principal, interest and redemption premiums, if any, will, together with the income realized on such investments, be sufficient to pay all such principal, interest and redemption premiums, if any, on said Bonds at the maturity, thereof or the date upon which such Bonds have been called for redemption prior to maturity, and provisions shall also be made for paying all Qualified Hedge Payments, Reimbursement Obligations and Derivative Non-Scheduled Payments in accordance with their terms and all other sums payable hereunder by the Authority, then and in that case the right, title and interest of the Trustee and any Special Trustees shall thereupon cease, determine and become void, and the Trustee and Special Trustee in such case, on demand of the Authority, shall release this Trust Agreement and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority, or such officer, board or body as may then be entitled by law to receive the same, any surplus in any account in the Sinking Fund and all balances remaining in any other funds or accounts other than moneys held for redemption or payment of Bonds; otherwise this Trust Agreement, shall be, continue and remain in full force and effect.

ARTICLE XIII. SPECIAL PURPOSE BONDS

Section 13.01 Special Purpose Facilities. The construction and acquisition of Special Purpose Facilities is hereby authorized under and pursuant to the terms and conditions hereinafter set forth in this Article.

For the purposes of this Article the term "Special Purpose Facilities" shall mean hangars, aircraft overhaul, maintenance or repair shops, motels, hotels, storage facilities and garages, cargo handling buildings, and other similar facilities, which in each case, except for motels or hotels, are not located in the airport terminal complex, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds issued pursuant to this Article.

Section 13.02 Authority to Issue Special Purpose Bonds. Before any Special Purpose Facilities shall be constructed or acquired by the Authority, the Authority, pursuant to this Article XIII, shall adopt a resolution describing in reasonable detail, sufficient for identification thereof, the Special Purpose Facilities to be constructed or acquired by the Authority, authorizing the issuance of Special Purpose Bonds to finance the cost of construction or acquisition of such

Special Purpose Facilities and prescribing the rights, duties, remedies, and obligations of the Authority and the holders, from time to time, of such Special Purpose Bonds.

Section 13.03 Terms of Special Purpose Bonds. The Special Purpose Bonds authorized by the resolution referred to in Section 13.02 of this Article XIII shall be revenue bonds payable solely from rentals or other charges derived by the Authority under and pursuant to a lease or leases relating, to the Special Purpose Facilities entered into by and between the Authority, as lessor, and such person, firm or corporation, either public or private, as shall lease, as lessee, the Special Purpose Facilities from the Authority, and may be issued by the Authority notwithstanding the limitations, restrictions and conditions hereinbefore contained in this resolution relating to the issuance of pari passu additional Bonds or other obligations; provided, however, that no such Special Purpose Bonds shall be issued by the Authority unless the Airport Consultant shall have, prior thereto, filed with the Authority a certificate, executed by the Airport Consultant, certifying that the estimated rentals or other charges to be derived by the Authority under and pursuant to the leases, loan agreements, promissory notes or other payment arrangements relating to the Special Purpose Facilities then being financed with such Special Purpose Bonds will be at least sufficient to pay the principal of and interest on such Special Purpose Bonds as the same mature and become due, all costs of operating and maintaining such Special Purpose Facilities not paid for by the lessee thereof and all sinking fund, reserve or other payments required by the resolution authorizing the Special Purpose Bonds as the same become due, and further certifying that the construction and operation of such Special Purpose Facilities will not decrease the Revenues to be derived by the Authority from said Airport System; and provided, further, that no such Special Purpose Bonds shall be issued by the Authority until the Authority has entered into a lease as aforesaid which lease shall be for a term at least as long as the period during which such Special Purpose Bonds are Outstanding, and unpaid and which lease shall provide for annual payments to the Authority, in addition to all rentals and other charges for the use of the Special Purpose Facilities, of ground rent in an amount which is determined by the parties to such lease to be a fair and reasonable rental for the land on which said Special Purpose Facilities are constructed.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

Section 14.01 Successor Paying Agents. Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Trust Agreement. If the position of any Paying Agent shall become vacant for any reason, the Authority shall, within thirty (30) days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; provided, however, that if the Authority shall fail to appoint such Paying Agent within said period, the Trustee shall make such appointment.

Section 14.02 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Trust Agreement to be given to or filed with the Authority, the Trustee or any Special Trustees shall be deemed to have been sufficiently given or filed for all purposes of this Trust Agreement if and when sent by registered mail, return receipt requested:

To the Authority, if addressed to the Hillsborough County Aviation Authority, Tampa, Florida.

To the Trustee, at its then principal office.

To the Special Trustees, at their respective then principal offices.

All documents received by the Trustee or Special Trustees under the provisions of this Trust Agreement shall be retained in its possession, subject at all reasonable times to the inspection by the Authority, the Consulting Engineers, the Airport Consultant and any Bondholder, and the agents and representatives thereof.

Section 14.03 Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the holders of the Bonds issued under and secured by this Trust Agreement, any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision hereof, this Trust Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders from time to time of the Bonds issued hereunder.

Section 14.04 Limitation of Liability. Nothing in the Bonds or in this Trust Agreement shall create or constitute or be construed as creating or constituting an indebtedness of the Authority, the County of Hillsborough, the City of Tampa, or any other political subdivision in said County, within the meaning of any constitutional or statutory debt limitation or provision, nor a lien upon any property of the Authority, said County, City, or other political subdivision in said County, except the Revenues derived from said Airport System and other moneys pledged in the manner hereinafter provided. No holder of any Bond issued hereunder shall ever have the right to require the exercise of the ad valorem taxing power of the Authority, the County of Hillsborough, the City of Tampa, or any other political subdivision in said County, for the payment of the principal of or any interest on any Bonds or the making of any payments required by this Trust Agreement.

Section 14.05 Severability. In case any one or more of the provisions of this Trust Agreement or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or of said Bonds, but this Trust Agreement and said Bonds shall be construed and enforced as if such illegal and invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the parties thereto to the extent permitted by law.

Section 14.06 Members Not Liable. All covenants, stipulations, obligations and agreements of the Authority contained in this Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation,

obligation or agreement of any present or future member, agent or employee of the Authority in his individual capacity, and neither the members of the Authority nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 14.07 Counterparts. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Section 14.08 Headings. Any heading preceding the text of the several Articles hereof shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

Section 14.09 Superseding Clause. This Codified and Restated Trust Agreement shall, on and as of September 1, 2006, supersede and replace the Original Trust Agreement dated as of October 1, 1968, and all amendments thereto contained in Supplemental Trust Agreements which became effective on and prior to June 15, 1999 to the extent amendments contained therein were in definite form and had received the requisite bondholder consent. The terms and provisions of the Supplemental Trust Agreements pertaining to Bonds which remain Outstanding on the effective date hereof shall, except to the extent described in the preceding sentence, remain in full force and effect.

[Remainder of this Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the Hillsborough County Aviation Authority has caused this Trust Agreement to be executed by its Chairman, and the corporate seal of said Authority to be impressed hereon and attested by its Secretary; and JPMorgan Chase Bank, N.A., has caused this Trust Agreement to be executed on its behalf, as Trustee, by one of its Vice Presidents, and attested by one of its Trust Officers, all as of the day and year first above written.

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

(Seal)

By________________
Attest:

Chairman

Hillsborough County Aviation Authority

Secretary of the Hillsborough
County Aviation Authority

JPMORGAN CHASE BANK, N.A.
Trustee

Kathleen Perry

By: Kathleen Perry
Its: Vice President

Attest:

By: Rosa Ciaccia
Its: Trust Officer

APPENDIX "A"

(FORM OF BOND)

No. R[A][B]-__ **$__________**

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF HILLSBOROUGH
HILLSBOROUGH COUNTY AVIATION AUTHORITY
TAMPA INTERNATIONAL AIRPORT
REVENUE REFUNDING BONDS, 2006 SERIES **[A (AMT)] [B (Non-AMT)]**

Interest Rate	Maturity Date	Interest Accrual Date	Cusip No.
%	October 1, ______	October 1, _____	

REGISTERED OWNER: CEDE & CO., AS NOMINEE FOR THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: ________________________________ DOLLARS

THE HILLSBOROUGH COUNTY AVIATION AUTHORITY (the "Authority"), a body politic and corporate created and existing under the laws of the State of Florida, for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above (or earlier as hereinafter provided), but solely from the revenues hereinafter mentioned, the Principal Amount identified above upon the presentation and surrender hereof at the principal office of JPMorgan Chase Bank, N.A., or its successors, as Bond Registrar and Paying Agent (the "Trustee" or "Registrar"), and to pay, solely from such special revenues, interest on the Principal Amount from the Interest Accrual Date, or from the most recent date to which interest has been paid, at the Interest Rate per annum identified above until payment of the outstanding Principal Amount hereof or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of April and the first day of October in each year, commencing on April 1, 2007. Except as provided below, interest will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Authority maintained by the Registrar at the close of business on the fifteenth (15th) day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the Authority shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice by deposit in the U.S. mails, postage prepaid, by the Authority to the registered owners of Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day, whether or not a business day, preceding the date of mailing.

Payment of principal of, upon presentation and surrender, or interest on Bonds of this Series may, at the election of a registered owner of $1,000,000 or more in aggregate principal amount of Bonds of this Series, by written request delivered to the Trustee at least 10 days prior to the applicable Record Date, be transmitted to such registered owner by wire transfer to an account in the continental United States designated by such registered owner. Any such written election may state that it will apply to all subsequent payments due with respect to the Bonds of this Series held by such registered owner until a subsequent written notice is filed with the Trustee.

All terms used herein in capitalized form, except as otherwise defined herein, shall have the meanings ascribed to those terms in the Trust Agreement, as defined below.

This Bond and the interest and premium, if any, hereon are payable solely from and secured on a parity with certain Bonds of the Authority heretofore issued under a Trust Agreement dated as of October 1, 1968, by and among the Authority and The Chase Manhattan Bank (National Association), as predecessor to the Trustee, as codified and restated effective as of September 1, 2006, and agreements supplemental thereto (collectively, the "Original Trust Agreement"), pursuant and subject to the provisions, terms and conditions of Resolution No. 2006-93 adopted by the Authority on August 3, 2006 (the "Resolution"), and the Supplemental Trust Agreement, dated as of September 1, 2006, including Exhibit A thereto (the "Supplemental Trust Agreement" and together with the Original Trust Agreement, the "Trust Agreement"), by and among the Authority and the Trustee by an equal lien on the revenues derived from the Airport System of the Authority and other moneys pledged therefor in the manner provided in the Trust Agreement. Reference is hereby made to the Resolution and the Trust Agreement for the provisions, among others, relating to the terms of and lien and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the registered owners of the Bonds and the extent of and limitations on the Authority's rights, duties and obligations, the provisions permitting the issuance of additional parity indebtedness, the rights of the Bond Insurer to exercise certain rights otherwise provided to the Bondholders, including the right of the Bond Insurer to consent to amendments to the Trust Agreement for and on behalf of the Bondholders that may modify the rights of the Registered Owner hereof, and circumstances under which the lien to which this Bond is entitled under the Trust Agreement may be released and defeased, to all of which provisions the Registered Owner for himself and his successor in interest assents by acceptance of this Bond.

This Bond shall not be nor constitute a general indebtedness of the Authority, Hillsborough County, the City of Tampa, or any other political subdivision in the State of Florida, within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed that this Bond and the obligation evidenced hereby shall not constitute nor be a lien upon any property of the Authority, except the revenues derived from the Airport System and other moneys pledged therefor, or of Hillsborough County, the City of Tampa or any other political subdivision in the State of Florida, and no registered owner of this Bond shall ever have the right to require or compel the exercise of the ad valorem taxing power of the Authority, Hillsborough County, the City of Tampa or any other political subdivision in the State of Florida,

for the payment of this Bond or any interest due hereon and the Authority is not and shall never be under any obligation to pay the principal of or interest on this Bond except from the revenues derived from the Airport System and other moneys pledged therefor, in the manner provided in the Trust Agreement. It is further agreed between the Authority and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the Airport System, or any part thereof, or any other tangible personal property of or in the Authority, but shall constitute a lien only on certain Revenues derived from the operation of the Airport System and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Trust Agreement. Neither the members of the Authority nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

This Bond is one of a duly authorized issue of Bonds in the aggregate principal amount of $______________ of like date, tenor and effect, except as to number, series, maturity (unless all Bonds mature on the same date), interest rate and payment provisions, issued under and by virtue of the authority contained in and conferred by the Constitution and laws of the State of Florida, including particularly Chapter 2003-370, Laws of Florida, (2003), together with acts amendatory thereof and supplemental thereto (collectively, the "Act"), and other applicable statutes, and Section 2.09 of the Trust Agreement, as amended through the date of issuance of the Hillsborough County Aviation Authority, Tampa International Airport Revenue Refunding Bonds, 2006 Series **[A (AMT)] [B (Non-AMT]**, of which this Bond is a part, and the Hillsborough County Aviation Authority, Tampa International Airport Revenue Refunding Bonds, 2006 Series **[B (Non-AMT)] [A (AMT)]**, issued concurrently with the issuance of this Bond, and the Hillsborough County Aviation Authority, Tampa International Airport Variable Rate Revenue Refunding Bonds, 2006 Series C (AMT), issued concurrently with the issuance of this Bond and the Hillsborough County Aviation Authority, Tampa International Airport Variable Rate Revenue Refunding Bonds, 2006 Series D (Non-AMT), issued concurrently with the issuance of this Bond, for the purpose of refunding the Authority's Tampa International Airport Revenue Bonds, 1996 Series A maturing on and after October 1, 2008, the Authority's Tampa International Airport Revenue Refunding Bonds, 1997 Series A maturing on and after October 1, 2008, and the Authority's Tampa International Airport Revenue Refunding Bonds, 1997 Series B maturing on October 1, 2017 (collectively, the "Refunded Bonds").

The Bonds of this series maturing on or before October 1, ________, are not subject to redemption prior to their respective dates of maturity. The Bonds of this series maturing on and after October 1, 20_____, may be redeemed prior to their maturity, at the option of the Authority, on or after October 1, 20______, in whole or in part, from time to time, on any date, in the order of maturity determined by the Authority and as set forth in its Notice of Redemption to the Trustee, and by lot or as the Authority may designate, within a maturity if less than all, at the redemption price of one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

A notice of the redemption of any of said Bonds shall be sent to the registered owners of such Bonds by registered mail or certified mail, return receipt requested, at their addresses as they appear on the registration books, at least twenty-five (25) days prior to the redemption date in the manner provided in the Trust Agreement; provided, however, that failure to so mail such notice to such registered owners, or any defect therein, shall not affect the validity of the proceedings for redemption of Bonds with respect to which no failure or defect

occurred. The Bonds so duly called for redemption shall become and be due and payable at the redemption price provided for such Bonds or portions thereof on the dates designated for redemption, and when the necessary moneys shall have been deposited with, or shall be held by, the Trustee or Paying Agents, interest on such Bonds called for redemption shall cease to accrue on the dates designated for redemption, and the holders or registered owners of said Bonds called for redemption shall not have any lien, rights, benefits or security under the Trust Agreement, except to receive payment of the redemption price on the designated date of redemption from moneys deposited with or held by the Trustee or Paying Agents for such redemption of such Bonds. Any notice mailed in accordance with the foregoing requirements shall be conclusively presumed to have been duly given, whether or not the Registered Owner actually receives such notice. Any notice of redemption may state that the redemption contemplated therein is conditioned upon the occurrence of certain events or circumstances described therein as contemplated in the Trust Agreement, as amended, in which case the Authority will not be obligated to redeem such Bonds unless the events therein described have occurred.

The Registered Owner hereof, by acceptance of this Bond, hereby consents to the terms and provisions of the Trust Agreement as set forth in the Codified and Restated Trust Agreement effective as of September 1, 2006, including the conceptual amendments set forth in Section 11.05 thereof, and those amendments set forth in subsequent Supplemental Trust Agreements.

The registration of this Bond may be transferred upon the registration books by delivery hereof to the principal corporate trust office of the Registrar in the City of New York, New York, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Supplemental Trust Agreement enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Authority has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same series and maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same sources of funds. Neither the Authority nor the Registrar shall be required to register the transfer of any Bond during the fifteen (15) days next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof has been selected for redemption. The Authority and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Authority) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Trustee is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a

Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto and that the issuance of this Bond is in full compliance with all constitutional and statutory limitations, provisions and restrictions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Agreement until the Certificate of Authentication endorsed hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Hillsborough County Aviation Authority, a public body corporate created and existing under the laws of the State of Florida, has issued this Bond and has caused the same to be signed by the manual or facsimile signature of its Chairman, and the corporate seal of said Authority, or a facsimile thereof, to be affixed, impressed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its Secretary, all as of the _____ day of September, 2006.

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

By_______________________________
Chairman of the Hillsborough County
Aviation Authority

(Seal)
Attest:

____
Secretary of the Hillsborough
County Aviation Authority

STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at JPMorgan Chase Bank, N.A., New York, NY.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Authority to JPMorgan Chase Bank, N.A. or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$______________
HILLSBOROUGH COUNTY AVIATION AUTHORITY
TAMPA INTERNATIONAL AIRPORT
REVENUE REFUNDING BONDS, 2006 SERIES **[A (AMT)][B (NON-AMT)]**

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Authority, or any designee of the Authority for such purpose. The term owner shall not include the Authority or any party whose agreement with the Authority constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association created under chapter 631, Florida Statutes.

MBIA INSURANCE CORPORATION

CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Trust Agreement.

JPMORGAN CHASE BANK, N.A.
Trustee

By_______________________
Authorized Officer

Date of Authentication:

****

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto____
___________________________ (PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER(S) OF TRANSFEREE(S))

____ the attached Bond of the HILLSBOROUGH COUNTY AVIATION AUTHORITY and does hereby constitute and appoint _____________ as attorney to register the transfer of the said bond on the books kept for registration and registration of transfer thereof of the within Bond, with full power of substitution in the premises.

Dated: _________

Signature Guaranteed:

_____________________________ _______________________

Registered Owner

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guaranty program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP), a member firm of the New York Stock Exchange or a commercial bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name or names of the Transferee(s), unless the signature(s) to this assignment correspond(s) with the name or names as it/they appear(s) upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Numbers of the Transferee(s) is/are supplied.

4015163_v4

No. R[C][D]-1 **$__________**

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF HILLSBOROUGH
HILLSBOROUGH COUNTY AVIATION AUTHORITY
TAMPA INTERNATIONAL AIRPORT
VARIABLE RATE REVENUE REFUNDING BONDS,
2006 SERIES [C (AMT)] [D (Non-AMT)]

Interest Mode	Interest Payment Date	Maturity Date	Dated Date	Cusip No.
Weekly	First Wednesday of each Calendar Month	October 1, ______	September 28, 2006	

REGISTERED OWNER: CEDE & CO., AS NOMINEE FOR THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: ________________________________ DOLLARS

THE HILLSBOROUGH COUNTY AVIATION AUTHORITY (the "Authority"), a body politic and corporate created and existing under the laws of the State of Florida, for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above (or earlier as hereinafter provided), but solely from the revenues hereinafter mentioned, the Principal Amount identified above upon the presentation and surrender hereof at the principal office of JPMorgan Chase Bank, N.A., or its successors, as Bond Registrar and Paying Agent (the "Trustee" or "Registrar"), and to pay, solely from such special revenues, interest on the Principal Amount from the date hereof or from the most recent Interest Payment Date to which interest has been paid, calculated based on the Interest Mode identified above (or, following conversion, at such other Interest Mode then applicable) until payment of the outstanding Principal Amount hereof, or until provision for the payment thereof has duly been provided for, such interest being payable on the Interest Payment Dates described herein. Except as provided below, interest will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Authority maintained by the Registrar at the close of business on the Record Date, as defined in Exhibit A referred to below, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the Authority shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice by deposit in the U.S. mails, postage prepaid, by the Authority to the registered owners of Bonds not less than fifteen (15) days preceding such special record date.

Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day, whether or not a business day, preceding the date of mailing.

Payment of principal of, upon presentation and surrender, or interest on Bonds of this Series may, at the election of a registered owner of $1,000,000 or more in aggregate principal amount of Bonds of this Series, by written request delivered to the Trustee at least five days prior to the applicable Record Date, be transmitted to such registered owner by wire transfer to an account in the continental United States designated by such registered owner. Any such written election may state that it will apply to all subsequent payments due with respect to the Bonds of this Series held by such registered owner until a subsequent written notice is filed with the Trustee.

This Bond and the interest and premium, if any, hereon are payable solely from and secured on a parity with certain Bonds of the Authority heretofore issued under a Trust Agreement dated as of October 1, 1968, by and among the Authority and The Chase Manhattan Bank (National Association), as predecessor to the Trustee, as codified and restated effective as of September 1, 2006, and agreements supplemental thereto (collectively, the "Original Trust Agreement"), pursuant and subject to the provisions, terms and conditions of Resolution No. 2006-93 adopted by the Authority on August 3, 2006 (the "Resolution"), and the Supplemental Trust Agreement, dated as of September 1, 2006, including Exhibit A thereto (the "Supplemental Trust Agreement" and together with the Original Trust Agreement, the "Trust Agreement"), by and among the Authority and the Trustee by an equal lien on the revenues derived from the Airport System of the Authority and other moneys pledged therefor in the manner provided in the Trust Agreement. Reference is hereby made to the Resolution and the Trust Agreement for the provisions, among others, relating to the terms of and lien and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the registered owners of the Bonds, the extent of and limitations on the Authority's rights, duties and obligations, the provisions permitting the issuance of additional parity indebtedness, the rights of the Bond Insurer and the Series 2006 Liquidity Facility Provider (as defined below) to exercise certain rights otherwise provided to the Bondholders, including the right of the Bond Insurer to consent to amendments to the Trust Agreement for and on behalf of the Bondholders that may modify the rights of the Registered Owner hereof, and circumstances under which the lien to which this Bond is entitled under the Trust Agreement may be released and defeased, to all of which provisions the Registered Owner for himself and his successor in interest assents by acceptance of this Bond.

This Bond shall not be nor constitute a general indebtedness of the Authority, Hillsborough County, the City of Tampa, or any other political subdivision in the State of Florida, within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed that this Bond and the obligation evidenced hereby shall not constitute nor be a lien upon any property of the Authority, except the revenues derived from the Airport System and other moneys pledged therefor, or of Hillsborough County, the City of Tampa or any other political subdivision in the State of Florida, and no registered owner of this Bond shall ever have the right to require or compel the exercise of the ad valorem taxing power of the Authority, Hillsborough County, the City of Tampa or any other political subdivision in the State of Florida, for the payment of this Bond or any interest due hereon and the Authority is not and shall never be under any obligation to pay the principal of or interest on this Bond except from the revenues

derived from the Airport System and other moneys pledged therefor, in the manner provided in the Trust Agreement. It is further agreed between the Authority and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the Airport System, or any part thereof, or any other tangible personal property of or in the Authority, but shall constitute a lien only on certain Revenues derived from the operation of the Airport System and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Trust Agreement. Neither the members of the Authority nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

The paragraphs below constitute a summary of certain terms of the Bonds. This summary is not intended to modify, limit or replace in any respect, the provisions contained in the Trust Agreement, including, without limitation, Exhibit A, and in the event of a conflict between this summary and the Trust Agreement, the terms of the Trust Agreement shall control. Certain provisions below will be modified concurrently with a change in Interest Mode.

1. Description of Bonds. This Bond is one of a duly authorized issue of Bonds in the aggregate principal amount of $____________ of like date, tenor and effect, except as to number, series, maturity (unless all Bonds mature on the same date), interest rate and payment provisions, issued under and by virtue of the authority contained in and conferred by the Constitution and laws of the State of Florida, including particularly Chapter 2003-370, Laws of Florida, (2003), together with acts amendatory thereof and supplemental thereto (collectively, the "Act"), and other applicable statutes, and Section 2.09 of the Trust Agreement, as amended through the date of issuance of the Hillsborough County Aviation Authority, Tampa International Airport Variable Rate Revenue Refunding Bonds, 2006 Series **[C (AMT)] [D (Non-AMT]**, of which this Bond is a part, the Hillsborough County Aviation Authority, Tampa International Airport Variable Rate Revenue Refunding Bonds, 2006 Series **[C (AMT)] [D (Non-AMT)]**, issued concurrently with the issuance of this Bond, Hillsborough County Aviation Authority, Tampa International Airport Revenue Refunding Bonds, 2006 Series A (AMT), issued concurrently with the issuance of this Bond and the Hillsborough County Aviation Authority, Tampa International Airport Revenue Refunding Bonds, 2006 Series B (Non-AMT), issued concurrently with the issuance of this Bond for the purpose of refunding the Authority's Tampa International Airport Revenue Bonds, 1996 Series A maturing on and after October 1, 2008, the Authority's Tampa International Airport Revenue Refunding Bonds, 1997 Series A maturing on and after October 1, 2008, and the Authority's Tampa International Airport Revenue Refunding Bonds, 1997 Series B maturing on October 1, 2017 (collectively, the "Refunded Bonds").

Optional and mandatory tenders of the Bonds are initially secured by a **[Liquidity Facility/Standby Bond Purchase Agreement]** dated as of ____________, 2006 (the "Series 2006 Liquidity Facility") entered into between the Authority and ____________ (the "Series 2006 Liquidity Facility Provider"). Unless extended by the Series 2006 Liquidity Provider in accordance with its terms, the initial Series 2006 Liquidity Facility expires on ____________, 20____ or on the earlier occurrence of events specified therein. Prior to a scheduled expiration of the Series 2006 Liquidity Facility, the Bonds will be subject to mandatory tender for purchase as more fully set forth in Exhibit A of the Supplemental Trust Agreement and described below. In certain circumstances, however, the Series 2006 Liquidity Facility may be suspended or terminated without notice to the Registered Owner or any beneficial owner of this Bond and without the occurrence of any optional tender or mandatory tender. The Bonds will not benefit from the Series 2006 Liquidity Facility if they are in the Fixed Mode, the Auction Mode or while bearing interest at the Bank Rate.

2. Interest. This Bond is initially issued in the Weekly Mode bearing interest at the Weekly Rate. As provided in and subject to the terms of Exhibit A of the Supplemental Trust Agreement, the Bonds from time to time may be converted to pay interest at the Daily Rate, Weekly Rate, CP Rate or Fixed Rate or to an Auction Rate with different Auction Periods. Determinations of interest rates, adjustments between interest rates, and conversion of Interest Periods and Auction Modes shall be as provided in Exhibit A of the Supplemental Trust Agreement. Any change in the Interest Mode will require advance notice and will trigger a mandatory tender as contemplated by paragraph 5 below.

When this Bond bears interest at a Daily Rate, a Weekly Rate, CP Rate or Bank Rate, interest shall accrue on the basis of the actual number of days elapsed during the Interest Rate Period and a year of 365 days (366 days in a leap year). When this Bond bears interest at a Fixed Rate, interest shall accrue on the basis of a 360-day year composed of twelve 30-day months. When this Bond is in an Auction Mode, interest shall be computed on the basis of (a) a 365-day year (or 366 days in a leap year) for the actual number of days elapsed, in the case of an Auction Period greater than or equal to 183 days or (b) 360 days in the case of an Auction Period of less than 183 days.

Interest will accrue on the unpaid portion of the principal of this Bond from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of initial authentication and delivery of the Bonds, until the entire principal amount of this Bond is paid or duly provided for. When interest is payable at the Interest Mode in the first column below, interest accrued during the Interest Period shown in the second column will be paid on the Interest Payment Date in the third column to Holders of record on the Record Date in the fourth column, provided that interest in each Interest Mode shall, in addition, be payable on a Conversion Date:

TYPE OF INTEREST MODE	INTEREST PERIOD*	INTEREST PAYMENT DATE	RECORD DATE
Daily Mode	Calendar Month	Fifth Business Day of the next month	The last Business Day of each calendar Month, or if the last Interest Payment Date, the Business Day immediately preceding such Interest Payment Date.
Weekly Mode	Calendar Month	First Wednesday of the next month or the next succeeding Business Day	The Business Day next preceding such Interest Payment Date
CP Mode	From 1 to 180 days as determined for each Bond pursuant to Section 2.04.3 of Exhibit A to the Supplemental Trust Agreement	Business Day next succeeding the last day of the CP Period	The Business Day immediately preceding such Interest Payment Date

* If the Conversion Date does not coincide with the first day of the Interest Period for the new Interest Period, then the first day of such Interest Period shall be the Conversion Date, but all other terms and condition shall be as set forth in the above Table.

Auction Mode	Auction Period (either 7 or [35] days as designated pursuant to Exhibit A to the Supplemental Trust Agreement) or in the case of a Special Auction Period, any period of less than 183 days and divisible by seven and ending on such date as described in Exhibit A to the Supplemental Trust Agreement or greater than 183 days and ending not later than the day prior to the final scheduled maturity date.	Each Auction Mode Interest Payment Date as defined in Exhibit A to the Supplemental Trust Agreement.	The second Business Day next preceding such Interest Payment Date
Fixed Rate Mode	Six-month period or portion thereof beginning on the Conversion Date and ending on the day preceding the next succeeding April 1 or October 1, as the case may be, and the day preceding each April 1 and October 1 thereafter	April 1 and October 1 of each applicable year	Fifteenth day of the month before the Interest Payment Date (whether or not a Business Day), or if less than 15 days after the first day of a Fixed Rate Period, that first day.

BY ACCEPTANCE OF THIS BOND, THE BONDHOLDER AGREES THAT IT WILL NOT TRANSFER THIS BOND OR GRANT PARTICIPATIONS IN THIS BOND IN DENOMINATIONS OF LESS THAN THE MINIMUM AUTHORIZED DENOMINATIONS.

Bonds will be issued directly to Bondholders other than DTC, or its nominee, upon the occurrence of certain events specified in the Trust Agreement.

3. Redemption of Bonds. The Bond is subject to redemption prior to stated maturity as follows:

a. Optional Redemption.

(i) *General Optional Redemption During Any Interest Mode Other Than The Fixed Mode Period.* At the option of the Authority, any Bonds are subject to redemption prior to maturity during any Interest Mode other than the Fixed Mode, in whole or in part in Authorized Denominations as designated by the Authority on any date (except that any Bond in a CP Mode shall not be redeemed pursuant to this paragraph on any date other than a Rate Adjustment Date and any Auction Rate Bonds shall only be redeemed on an Interest Payment Date) at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed plus accrued and unpaid interest not otherwise payable on such date. Before selecting any Bonds for such optional redemption as directed by the Authority, the Trustee shall first apply any amounts to be applied to such optional redemption to redeem any Bank Bonds.

(ii) *General Optional Redemption of Bonds In the Fixed Mode Period.* Any Bonds in a Fixed Mode are subject to redemption, in whole or in part (but if in part in integral multiples of $5,000) on any Interest Payment Date, at the option of the Authority, at the prices (expressed as percentages of the principal amount) set forth in the following table, plus accrued interest thereon to the Redemption Date:

Fixed Rate Period (expressed in years)	Redemption Prices
greater than 15	after 10 years at 100%
less than or equal to 15 and greater than 10	after 7 years at 100%
less than or equal to 10 and greater than 7	after 5 years at 100%
less than or equal to 7 and greater than 4	after 3 years at 100%
less than or equal to 4	after 2 years at 100%

Notwithstanding the foregoing, if before the first day of a Fixed Rate Period an alternate optional prepayment schedule is delivered by the Authority to the Trustee setting forth prepayment dates and prepayment prices during that Fixed Rate Period together with a certificate of the Remarketing Agent certifying that the prepayment terms set forth therein conform to current market practices and an opinion of Bond Counsel to the effect that any such change in the prepayment schedule (A) is authorized or permitted by the Trust Agreement and applicable law, and (B) will not, in and of itself, cause the interest on the Bonds to become includable in gross income for Federal income tax purposes, then such Bonds shall be subject to prepayment during that period in accordance with that optional prepayment schedule rather than the schedule set forth above.

b. Mandatory Redemption from Sinking Fund Installments. The Authority will cause to be redeemed, in part by lot, from Sinking Fund Installments deposited in the Series 2006 Debt Service Account, commencing on ________________, and on each [________] thereafter, 2006 Series C-1 Bonds, at a redemption price of par plus accrued interest to the redemption date, without premium, in the years and in the respective amounts as follows:

Year	Amount	Year	Amount
2007		2017	
2008		2018	
2009		2019	
2010		2020	
2011		2021	
2012		2022	
2013		2023	
2014		2024	
2015		2025	
2016		2026	

The Authority will cause to be redeemed, in part by lot, from Sinking Fund Installments deposited in the Series 2006 Debt Service Account, commencing on ____________, and on each [________] thereafter, 2006 Series D-1 Bonds, at a redemption price of par plus accrued interest to the redemption date, without premium, in the years and in the respective amounts as follows:

Year	Amount	Year	Amount
2007		2017	
2008		2018	
2009		2019	
2010		2020	
2011		2021	
2012		2022	
2013		2023	
2014		2024	
2015		2025	
2016		2026	

The Authority's obligations to redeem Bonds pursuant to the Sinking Fund Installment shall be reduced in accordance with the provisions of the Trust Agreement.

Bank Bonds are further subject to mandatory redemption in accordance with the terms of the Series 2006 Liquidity Facility.

A notice of the redemption of any of said Bonds shall be sent to the registered owners of such Bonds in accordance with Trustee's customary practice, at their addresses as they

appear on the registration books, at least fifteen (15) days prior to the redemption date if such Bonds are in any mode other than a Fixed Mode and at least twenty-five days if such Bonds are in a Fixed Mode, in the manner provided in the Trust Agreement; provided, however, that failure to so mail such notice to such registered owners, or any defect therein, shall not affect the validity of the proceedings for redemption of Bonds with respect to which no failure or defect occurred. The Bonds so duly called for redemption shall become and be due and payable at the redemption price provided for such Bonds or portions thereof on the dates designated for redemption, and when the necessary moneys shall have been deposited with, or shall be held by, the Trustee or Paying Agents, interest on such Bonds called for redemption shall cease to accrue on the dates designated for redemption, and the holders or registered owners of said Bonds called for redemption shall not have any lien, rights, benefits or security under the Trust Agreement, except to receive payment of the redemption price on the designated date of redemption from moneys deposited with or held by the Trustee or Paying Agents for such redemption of such Bonds. Any notice mailed in accordance with the foregoing requirements shall be conclusively presumed to have been duly given, whether or not the Registered Owner actually receives such notice. Any notice of redemption may state that the redemption contemplated therein is conditioned upon the occurrence of certain events or circumstances described therein as contemplated in the Trust Agreement, as amended, in which case the Authority will not be obligated to redeem such Bonds unless the events therein described have occurred.

4. Purchase of Bonds. This Bond is subject to optional or mandatory tender for purchase in accordance with the terms and conditions set forth in the Trust Agreement.

The Holder of this Bond, by its acceptance hereof, agrees to tender its Bonds to the Tender Agent for purchase (i) on dates on which such Bonds are subject to mandatory tender and (ii) on dates on which such Bonds are subject to tender and purchase pursuant to a Tender Notice given in accordance with the Trust Agreement and, upon such tender, to surrender such Bonds properly endorsed for transfer in blank.

5. Non-Delivery of Bonds. In the event that any Bonds with respect to which a Tender Notice has been sent to the Tender Agent or any Bonds which are subject to mandatory tender for purchase are not delivered to the Tender Agent at the time, in the manner and at the place required by Exhibit A of the Supplemental Trust Agreement, the Undelivered Bonds will be deemed to have been tendered and purchased by the Tender Agent, and interest accruing on such Bonds on and after the applicable Purchase Date shall no longer be payable to the prior registered Holders thereof. Such prior Holders shall have recourse solely to the funds held by the Tender Agent or the Trustee for the purchase of the Undelivered Bonds, and the Trustee shall not recognize any further transfer of such Undelivered Bonds by such prior Holders. The Registrar or Tender Agent, as the case may be, shall register the transfer of such Bonds to the purchaser thereof and shall issue a new Bond or Bonds and deliver the same pursuant to the Trust Agreement, notwithstanding such non-delivery.

6. Miscellaneous Provisions. The Registered Owner hereof, by acceptance of this Bond, hereby consents to the terms and provisions of the Trust Agreement as set forth in the Codified and Restated Trust Agreement effective as of September 1, 2006, including the conceptual amendments set forth in Section 11.05 thereof, and those amendments set forth in subsequent Supplemental Trust Agreements.

The registration of this Bond may be transferred upon the registration books by delivery hereof to the principal corporate trust office of the Registrar in the City of New York, New York, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Supplemental Trust Agreement enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Authority has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same series and maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same sources of funds. Neither the Authority nor the Registrar shall be required to register the transfer of any Bond during the fifteen (15) days next preceding an Interest Payment Date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof has been selected for redemption. The Authority and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Authority) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the corporate trust office of the Trustee is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto and that the issuance of this Bond is in full compliance with all constitutional and statutory limitations, provisions and restrictions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Agreement until the Certificate of Authentication endorsed hereon shall have been signed by the Trustee.

Reference is hereby made to the Trust Agreement, including Exhibit A thereto, which is on file and may be inspected during regular business hours at the principal corporate trust office of the Trustee, for a description of the security for the Bonds and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Series 2006 Liquidity Facility Provider, the Trustee and the Bondholder hereof.

IN WITNESS WHEREOF, the Hillsborough County Aviation Authority, a public body corporate created and existing under the laws of the State of Florida, has issued this Bond and has caused the same to be signed by the manual or facsimile signature of its Chairman, and the corporate seal of said Authority, or a facsimile thereof, to be affixed, impressed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its Secretary, all as of the 28th day of September, 2006.

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

By______________________________
Chairman of the Hillsborough County
Aviation Authority

(Seal)
Attest:

____
Secretary of the Hillsborough
County Aviation Authority

STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at JPMorgan Chase Bank, N.A., New York, NY.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Authority to JPMorgan Chase Bank, N.A. or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$__________

HILLSBOROUGH COUNTY AVIATION AUTHORITY
TAMPA INTERNATIONAL AIRPORT
VARIABLE RATE REVENUE REFUNDING BONDS, 2006 SERIES **[C (AMT)][D (NON-AMT)]**

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

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As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Authority, or any designee of the Authority for such purpose. The term owner shall not include the Authority or any party whose agreement with the Authority constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association created under chapter 631, Florida Statutes.

MBIA INSURANCE CORPORATION

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CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Trust Agreement.

JPMORGAN CHASE BANK, N.A.
Trustee

By__________________
Authorized Officer

Date of Authentication:

****

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto____ (PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER(S) OF TRANSFEREE(S))

____ the attached Bond of the HILLSBOROUGH COUNTY AVIATION AUTHORITY and does hereby constitute and appoint ____________ as attorney to register the transfer of the said bond on the books kept for registration and registration of transfer thereof of the within Bond, with full power of substitution in the premises.

Dated: ________

Signature Guaranteed:

____________________ ____________________

Registered Owner

NOTICE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (STAMP), or such other "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: No transfer will be registered and no new Bond will be issued in the name or names of the Transferee(s), unless the signature(s) to this assignment correspond(s) with the name or names as it/they appear(s) upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Numbers of the Transferee(s) is/are supplied.

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APPENDIX "B"

[The following provision is a representative sample of the tax covenants of the Authority, has undertaken with respect to each series of Bonds. This covenant was taken from the 2005 Supplemental Trust Agreement as it pertains to the 2005 Bonds. Because of differences between series (AMT, Non-AMT and refunding), changes in laws and interpretations thereof, this provision may differ slightly from earlier and later Supplemental Trust Agreements.]

Covenants Concerning Compliance with Tax Laws. In addition to any other requirements contained in the Trust Agreement, as supplemented and amended, the Authority hereby covenants and agrees, for the benefit of the holders from time to time of the 2005 Bonds, to comply with the requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code, and any other requirements which, in bond counsel's opinion, are necessary to preserve the exclusion of interest on the 2005 Bonds from the gross income of the holders thereof for federal income tax purposes throughout the term of the issue. Specifically, without intending to limit in any way the generality of the foregoing, the Authority covenants and agrees:

(a) to be responsible for making or causing to be made all determinations and calculations necessary to make payment of the amounts required to be paid to the United States pursuant to Section 148(f) of the Code (the "Rebate Amount");

(b) to set aside sufficient moneys from the funds and sources of revenues pledged to the payment of the 2005 Bonds, or from any other legally available funds, to permit a timely payment of the Rebate Amount to the United States of America;

(c) to pay the Rebate Amount at the times and to the extent required pursuant to Section 148(f) of the Code;

(d) to maintain and retain all records pertaining to the Rebate Amount, and required payments of the Rebate Amount, for not less than six (6) years after the date of payment in full of the 2005 Bonds, or such other period as shall be necessary to comply with the Code;

(e) to refrain from taking any action that would cause the 2005 Bonds to become arbitrage bonds under Section 148 of the Code;

(f) to refrain from taking any action that would cause the 2005B Bonds to be classified as "private activity bonds" under Section 141(a) of the Code; and

(g) to refrain from taking any action that would cause the 2005A Bonds not to be classified as "qualified bonds" under Section 141(e) of the Code.

The Authority understands that the foregoing covenants impose continuing obligations on it that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the 2005 Bonds; provided, however, the Authority shall not be required to comply with any requirement relating to the computation and payment of the Rebate Amount in the event the Authority receives an opinion of bond counsel that compliance with such requirement is not required to maintain the exclusion from gross income for federal income tax purposes of interest on the 2005 Bonds, or in the event the Authority receives an opinion of bond counsel that compliance with some other requirement in lieu of such requirement will meet the requirements of Section 148 of the Code, in which case compliance with such other requirement specified in the bond counsel's opinion shall constitute compliance with such requirement.

In addition, the Authority hereby covenants for the benefit and security of the holders of the 2005 Bonds as follows:

(a) None of the proceeds of the 2005B Bonds will be used for any purpose other than to pay the outstanding principal of, or interest or the redemption premium on, the 1996 Refunded Bonds or to pay other costs related to the redemption of the 1996 Refunded Bonds that are permitted to be so paid or to pay costs of issuance of the 2005B Bonds;

(b) The average maturity of the 2005A Bonds will not exceed 120 percent of the weighted average reasonably expected economic life of the assets comprising the 2005 Project, as determined under Section 147(b) of the Code; and

(c) (i) The average maturity of the 2005B Bonds will not exceed 120 percent of the weighted average reasonably expected remaining economic life of the assets comprising the 1996 Project, as determined under Section 147(b) of the Code; and

(ii) The weighted average maturity of the 2005B Bonds will not exceed the weighted average maturity of the 1996 Refunded Bonds;

(d) The costs of issuance of the 2005A Bonds, within the meaning of Section 147(g) of the Code, paid with proceeds of the 2005A Bonds shall not exceed two percent (2%) of the proceeds of the 2005A Bonds;

(e) None of the proceeds of the 2005 Bonds will be used, directly or indirectly, to make or finance loans to two or more ultimate borrowers (including governmental borrowers);

(f) The Authority shall complete and file Form 8038-G, Information Return for Governmental Obligations with respect to the 2005B Bonds, within the time period required by Section 149(e) of the Code and take any other steps necessary to comply with the information reporting requirement imposed by that section of the Code;

(g) The Authority shall complete and file Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues with respect to the 2005A Bonds, within the time period required by Section 149(e) of the Code and take any other steps necessary to comply with the information reporting requirement imposed by that section of the Code; and

The Authority, for the benefit and security of the holders of the 2005 Bonds, hereby represents and warrants as follows:

(a) Less than twenty-five percent (25%) of the net proceeds of the 2005A Bonds (as "net proceeds" is defined in Section 150(a)(3) of the Code) will be used (either directly or indirectly) to finance or refinance the acquisition of land or any interest therein, excluding any land acquired for noise abatement, wetland preservation, or for future use as an airport, mass commuting facility, dock, wharf, or a high-speed intercity rail facility, if there is no other significant use of such land within the meaning of Section 147(c)(3)(B) of the Code;

(b) None of the proceeds of the 2005A Bonds will be used to finance or refinance the acquisition of any airplane, any skybox or other private luxury box, any health club facility, any facility primarily used for gambling, any store the principal business of which is the sale of alcoholic beverages for consumption off premises, or land (or any interest therein) to be used for farming purposes;

(c) None of the net proceeds of the 2005A Bonds will be used to finance or refinance the acquisition of any property or an interest therein (other than land) if the first use of such property was not pursuant to such acquisition, unless the rehabilitation exception of Section 147(d)(2) of the Code is met with respect to such property;

(d) At least ninety (95%) percent of the net proceeds of the 2005A Bonds will be expended for and used to pay or refinance Qualified Project Costs of the 2005 Project;

(e) Each component of the 2005 Project that is directly related and essential to servicing aircraft, or enabling aircraft to take off and land, or transferring passengers or cargo to and from aircraft, is or will be located at, or in close proximity to, the take off and landing areas and is required to be located in such areas in order to perform its function;

(f) Each component of the 2005 Project that is functionally related and subordinate to the core activities of the Airport System described in subparagraph 6.01(e) above is or will be of a character and size commensurate with the character and size of the Airport System;

(g) All of the property financed with the proceeds from the issuance of the 2005A Bonds, and all of the property financed with the proceeds from the issuance of the 1996 Refunded Bonds, is or will be owned by the Authority;

(h) Any lease of all or any portion of the 2005 Project will be a "true lease" for federal income tax purposes and not a conditional sales contract or financing device. Any such lease shall comply with the requirements of Section 142(b)(1)(B) of the Code and, therefore, each lessee will be prohibited from claiming depreciation and investment tax credits with respect to any portion of the 2005 Project; the term of any such lease shall be limited in duration to eighty percent (80%) of the reasonably expected weighted average economic useful life of the facilities included in the 2005 Project being leased; and no such lease shall provide the lessee with an option to purchase the leased facilities other than at the fair market value (as of the time such option is exercised);

(i) Each component of the 2005 Project will be, and each component of the 1996 Project was, constructed at Tampa International Airport, which is within the jurisdictional limits of the Authority;

(j) Not more than five percent (5%) of the net proceeds of the 2005A Bonds will be collectively used to (i) pay costs of issuing such 2005A Bonds, (ii) finance property described in Section 142(c)(2) of the Code (related to lodging facilities, retail facilities in excess of the size necessary to serve passengers and employees at the Airport, retail facilities located outside of the Airport terminal building, manufacturing or industrial park facilities, or separate office buildings used other than by governmental units), (iii) finance any office space that is (1) not located on the premises of the component of the 2005 Project of which such office space is a part, or (2) at which more than a *de minimis* amount of the functions performed are not directly related to the day-to-day operations of such component of the 2005 Project, or (iv) finance costs (other than costs of properties of the types described in (ii) or (iii)) that are not Qualified Project Costs;

(k) Not more than fifty percent (50%) of the proceeds of the 2005A Bonds will be, and not more than fifty percent (50%) of the proceeds of the 1996B Bonds were, invested in a guaranteed investment contract with a term of four (4) years or more, or in another form of nonpurpose investment (within the meaning of Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four (4) years or more;

(l) (i) The payment of principal or interest with respect to the 2005A Bonds is not guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof);

(ii) five percent (5%) or more of the proceeds of the 2005A Bonds will not be (A) used in making loans the payment of principal and interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), or (B) invested (directly or indirectly) in federally insured deposits or accounts as defined in Section 149(b)(4)(B) of the Code;

(iii) the payment of principal or interest on the 2005A Bonds is not otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof);

(iv) The payment of principal or interest with respect to the 2005B Bonds is not guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof);

(v) five percent (5%) or more of the proceeds of the 2005B Bonds will not be (A) used in making loans the payment of principal and interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), or (B) invested (directly or indirectly) in federally insured deposits or accounts as defined in Section 149(b)(4)(B) of the Code;

(vi) the payment of principal or interest on the 2005B Bonds is not otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof);

The foregoing provisions of this paragraph (l) shall not apply to proceeds of the 2005A Bonds or 2005B Bonds being (I) invested for an initial temporary period until such proceeds are needed for the purpose for which such issue was issued; (II) invested as part of a *bona fide* debt service fund; (III) invested as a part of a reserve which meets the requirements of Section 148(d) of the Code; (IV) invested in obligations issued by the United States Treasury; (V) invested as part of a refunding escrow (i.e., a fund containing proceeds of a refunding bond issue established to provide for the payment of principal or interest on one or more prior bond issues); or (VI) invested in other investments permitted under regulations promulgated pursuant to Section 149(b)(3)(B)(v) of the Code;

(m) None of the proceeds of the 1996 Refunded Bonds were used, directly or indirectly, to make or finance loans to two or more ultimate borrowers (including governmental borrowers);

(n) All components of the 2005 Project and the 1996 Project were designed to and will continue to meet the single governmental purpose of enabling the Airport System to handle increased traffic and to better serve existing traffic; and

(o) The entire amount of the proceeds of the 2005 Bonds will be needed for the governmental purposes described above.

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APPENDIX D

FORM OF SUBORDINATED TRUST AGREEMENT

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SUBORDINATED TRUST AGREEMENT

RELATING TO

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

TAMPA INTERNATIONAL AIRPORT
SUBORDINATED REVENUE BONDS

DATED

October 1, 2013

HILLSBOROUGH COUNTY AVIATION AUTHORITY

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Relating To

TAMPA INTERNATIONAL AIRPORT

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THIS SUBORDINATED TRUST AGREEMENT, dated as of the 1st day of October, 2013, by and between the HILLSBOROUGH COUNTY AVIATION AUTHORITY (hereinafter sometimes referred to as "Authority"), and THE BANK OF NEW YORK MELLON, New York banking corporation and having an office in the City and State of New York, which is authorized under such laws to exercise corporate trust powers, as Trustee hereunder (together with its successor or successors and any other corporation which may hereafter be substituted in its place as Trustee under the Trust Agreement, the "Trustee"),

WITNESSETH

WHEREAS, the Authority was created as a public body corporate by Chapter 23339, Laws of Florida, Acts of 1945, as codified, amended and supplemented by Chapter 2012-234, Laws of Florida (2012), and as further amended by acts amendatory thereof and supplemental thereto (collectively, the "Act"), for the purpose of operating airports and aviation facilities including Tampa International Airport, Peter O. Knight Airport, Plant City Airport and Tampa Executive Airport and any additions, extensions and improvements thereto hereafter constructed or acquired (collectively, the "Airport System"); and

WHEREAS, the Authority has heretofore entered into that certain Codified and Restated Trust Agreement with the Trustee, effective as of September 1, 2006 (the "Senior Trust Agreement") pursuant to which the Authority has issued various Series of senior lien bonds (the "Senior Bonds"); and

WHEREAS, the principal of and interest on the Bonds described herein and all of the other payments provided for herein will be payable solely from the revenues derived from said Airport System and other moneys pledged therefor on a basis subordinate to the Senior Bonds as contemplated in the Senior Trust Agreement, and the payment thereof shall not constitute an indebtedness of the Authority, the County of Hillsborough, the City of Tampa or any other political subdivision in said County within the meaning of any constitutional or statutory debt limitation or provision nor a lien upon any property of the Authority, said County or City or other political subdivision in said County and no Holder of Bonds issued hereunder shall ever have the right to require or compel the exercise of the ad valorem taxing power of the Authority, said County or City or other political subdivision in said County for the payment thereof; and

WHEREAS, the Authority represents that it has full power and authority to issue the Bonds and to pledge the revenues derived from said Airport System and other moneys pledged therefor pursuant to said Act, and the Authority has taken all actions necessary to authorize its proper officers to acknowledge, execute, sign, seal, and deliver this Subordinated Trust Agreement and to execute, sign and deliver the Bonds initially issued hereunder; and

WHEREAS, the Bonds to be initially issued and secured hereby, the Trustee's authentication certificate, the validation certificate and the provisions for registration to be endorsed on all of the Bonds issued hereunder are to be substantially in the form set forth in Appendix "A" hereto, with appropriate omissions and insertions or variations permitted or authorized as hereinafter provided;

NOW, THEREFORE, this Subordinated Trust Agreement witnesseth, that in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Holders thereof, and also for and in consideration of the sum of Ten Dollars ($10.00) to the Authority in hand paid by the Trustee at or before the execution and delivery of this Subordinated Trust Agreement, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Holders thereof, and in order to secure its obligations under Qualified Hedge Agreements, its reimbursement obligations to the Credit Providers and Liquidity Providers and the payment of all the Bonds at any time issued and Outstanding hereunder and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions therein and herein contained, the Authority has pledged and does hereby pledge to the Trustee the Pledged Revenues, as hereinafter defined and, to the extent provided in this Subordinated Trust Agreement, as security for the payment of the Bonds and the interest thereon and as security for its obligations under Qualified Hedge Agreements, its reimbursement obligations to the Credit Providers and Liquidity Providers, and the satisfaction of any other obligation assumed by it in connection with such Bonds or other obligations, and it is mutually agreed and covenanted by and between the parties hereto, for the equal and proportionate benefit and security of all and singular the present and future Holders of the Bonds issued and to be issued under this Subordinated Trust Agreement, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise, and as security for the obligations of the Authority under the Qualified Hedge Agreements and with respect to reimbursement obligations to Credit Providers and Liquidity Providers, as and to the extent herein contemplated, as follows:

ARTICLE I.
DEFINITIONS

Section 1.01 Definitions. In addition to words and terms elsewhere defined herein, the following words and terms as used in this Subordinated Trust Agreement shall have the following meanings unless some other meaning is plainly intended. Any terms used herein in capitalized form and not defined in this Subordinated Trust Agreement shall have the meanings ascribed to such terms in the Senior Trust Agreement.

"Accrued Aggregate Debt Service Requirement" shall mean, as of any date of calculation and for such period or periods referenced herein, an amount equal to the sum of the amounts of accrued and unpaid Bond Service Requirement with respect to all Series of Bonds then Outstanding for the period in question, calculating the accrued Bond Service Requirement separately with respect to each such Series, provided, however that principal and interest on Bonds, the interest on which has been fixed to maturity, shall be deemed to accrue annually on the basis of a year containing twelve thirty day months.

"Act" shall mean collectively Chapter 23339, Laws of Florida, Acts of 1945, as codified, amended and supplemented by Chapter 2012-234, Laws of Florida (2012), and as further amended by acts amendatory thereof and supplemental thereto as the same may be adopted from time to time.

"Additional Bonds" shall mean Bonds of the Authority authenticated and delivered under and pursuant to the provisions of Sections 2.07 and 2.08 hereof, including the first Series of Bonds issued hereunder.

"Airport Consultant" shall mean the airport consultant or firm of airport consultants retained by the Authority to perform and carry out the duties imposed on said Airport Consultant by this Subordinated Trust Agreement and meeting the requirements of Section 7.05 of the Senior Trust Agreement.

"Authority" shall mean the Hillsborough County Aviation Authority.

"Authorized Officer" of the Authority shall mean any person or persons designated by the Board of the Authority by resolution to act on behalf of the Authority under this Subordinated Trust Agreement. The designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the Authority by its Chair or Chief Executive Officer.

"Available Revenues" means the sum of (i) Gross Revenues, less Operating Expenses, in each case as such terms are defined in the Senior Trust Agreement plus (ii) the actual or projected, as the case may be, net PFC Revenues collected or expected to be collected by the Authority during the applicable period, after all deposit requirements under and with respect to Senior PFC Indebtedness.

"Available PFC Revenues" shall have the meaning ascribed to that term in the Senior Trust Agreement, without regard to the last sentence thereof.

"Bond Counsel" means any attorney at law or firm of attorneys of nationally recognized standing in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Bond Insurer" means any bond insurance company or companies issuing a policy or policies which insure the payment of the principal of and interest on any Bonds.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Bonds then Outstanding paying interest at least annually, and (ii) if Capital Appreciation Bonds are issued pursuant to a Subordinated Supplemental Trust Agreement, the Compounded Amount of such Capital Appreciation Bonds as provided in such Subordinated Supplemental Trust Agreement.

"Bond Service Requirement" means for a given Bond Year the remainder after subtracting any accrued and capitalized interest for that year that has been deposited into the Interest Account in the Subordinated Sinking Fund or separate subaccounts in the Construction Fund for that purpose, from the sum of:

(1) The amount required to pay the interest coming due on Bonds during that Bond Year, including the accreted interest component of the Compounded Amount of Capital Appreciation Bonds maturing during that Bond Year;

(2) The amount required to pay the principal of Serial Bonds in that Bond Year, and the principal of Term Bonds maturing in that Bond Year that are not included in the Sinking Fund Installments for such Term Bonds;

(3) The Sinking Fund Installments for all series of Term Bonds for that Bond Year; and

(4) The premium, if any, payable on all Bonds required to be redeemed in that Bond Year in satisfaction of the Sinking Fund Installment.

The calculation of the Bond Service Requirement hereunder shall be subject to the following rules:

(1) Interest and Principal Installments 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.

(2) Tender option features of any Option Bond shall be ignored for purposes of this calculation.

(3) If the calculation of the Subordinated Reserve Requirement for any separate account in the Subordinated Reserve Fund created for a specific Series of Bonds takes into account the Bond Service Requirement, then, for purposes of such calculation, the Bond Service Requirement shall be calculated only with respect to the Bonds of the Series secured thereby.

(4) With respect to Bonds which are Variable Rate Bonds:

(A) the interest rate on such Bonds for any period prior to the date of calculation shall be the actual interest borne by such Bonds from the last Interest Payment Date through the date of calculation; and

(B) for any forward looking period after the date of calculation, if interest on such Variable Rate Bonds is determined based on an index plus stated spread, the interest rate on such Bonds shall be assumed to be the average of such designated index for the 12 full months preceding the calculation, plus the stated spread, and for all other Variable Rate Bonds: (1) if the interest on such Variable Rate Bonds was intended at the time of issuance to be excluded from the gross income of the holders thereof for federal tax purposes, the interest rate on such Bonds shall be assumed to be the average of the SIFMA Municipal Swap Index for the twelve full months preceding the date of calculation, plus 0.25% per annum, or (2) if the interest on such Variable Rate Bonds is expected at the time of issuance to be included in the gross income of the holders thereof for federal tax purposes, the interest rate on such Bonds shall be assumed to be the LIBOR Swap Rate on the date of calculation, plus 0.25% per annum.

(5) If the Authority has entered into a Qualified Hedge Agreement with respect to Derivative Bonds, the interest on such Bonds (but only during the related Derivative Period) shall be calculated by adding (x) the amount of interest payable by the Authority on such Derivative Bonds pursuant to its terms (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above) and (y) the Qualified Hedge Payments payable by the Authority under the related Qualified Hedge Agreement(s), based on a notional amount equal to the principal amount of the Derivative Bonds and the interest rate assumptions stated therein (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above to any variable rate payable by the Authority under such Qualified Hedge Agreement(s), whether or not such variable rate is the SIFMA Municipal Swap Index or LIBOR Index), and subtracting (z) the Qualified Hedge Receipts payable by the counterparty(ies) under the related Qualified Hedge Agreement(s), using the same notional amount and the interest rate assumptions stated therein (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above to any variable rate to be made by such counterparty(ies) under the related Qualified Hedge Agreement(s), whether or not such variable rate is the SIFMA Municipal Swap Index or LIBOR swap rate); provided, however, that (A) Derivative Non-Scheduled Payments and Derivative Non-Scheduled Receipts due or that may become due under any Qualified Hedge Agreement(s) shall not be taken into account and (B) from and after the expiration or termination of a Qualified Hedge Agreement relating to Derivative Bonds, the amount of interest payable on such Derivative Bonds shall be the interest calculated pursuant to the terms of such Derivative Bonds as if such Qualified Hedge Agreement had not been executed.

(6) For purposes of calculating the Bond Service Requirement with respect to Designated Maturity Bonds for use in connection with the Additional Bond tests under Sections 2.07 and 2.08, the unamortized principal coming due on any date that exceeds twenty-five percent (25%) of the original principal amount of such Designated Maturity Bonds and which the Authority reasonably anticipates it will refinance on maturity, as reflected in the Annual Budget and/or a certificate of the Chief Financial Officer, shall not be included, and in lieu thereof there shall be included in the Bond Service Requirement for the Bond Year in which such amount becomes due and in each subsequent Bond Year during a period not to exceed thirty (30) years from the original issue date of such Designated Maturity Bonds, only the principal amount thereof the Authority certifies that it reasonably anticipates to become due in each such Bond Year, taking into account any such anticipated refinancing of such Designated Maturity Bonds.

(7) Payments arising from mandatory redemption (other than from Sinking Fund Installments) shall be ignored.

"Bond Year" means the annual period beginning on the first day of October of each year and ending on the last day of September of the following year; provided that when such term is used to describe the period during which deposits are to be made to amortize the principal and interest on the Bonds maturing or becoming subject to mandatory redemption, the principal and interest maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Bonds" shall mean, except where the context refers to particular Bonds, all Bonds issued and Outstanding under this Subordinated Trust Agreement and any Additional Bonds authenticated and delivered pursuant to Sections 2.07 and 2.08 hereof.

"Book Entry Bond" shall mean a Bond issued to, and (except as otherwise provided in Section 2.04) restricted to being registered in the name of, a Securities Depository for the Participants in such Securities Depository or Beneficial Owners.

"Book-Entry System" means the system of registration and beneficial ownership contemplated in Section 2.04 hereof.

"Business Day" means, except as otherwise provided in a Subordinated Supplemental Trust Agreement with respect to a Series of Bonds issued hereunder, any day except Saturday, Sunday or any day on which banking institutions located in the states of New York or Florida are required or authorized to close or on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" means Bonds that bear interest, compounded semiannually, that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Compounded Amounts.

"Cede" means Cede & Co., as nominee of DTC.

"Chairman" means the Chairman, Vice Chairman or any other officer designated by the Authority to execute documents in accordance with the provisions hereof.

"Chief Financial Officer" means, for purposes of the Trust Agreement, the Vice President of Finance and Information Technology or his successor.

"Code" means the Internal Revenue Code of 1986, as amended, or any applicable corresponding provision of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations and temporary regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Compounded Amounts" means the principal amount of the Capital Appreciation Bonds plus the amount of interest that has accreted on such Bonds, compounded semiannually, to the date of calculation, determined by reference to accretion tables contained in each such Bond or an offering circular with respect thereto. The Compounded Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Compounded Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Compounded Amount for such preceding date and the Compounded Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"Consulting Engineers" shall mean the engineer or engineers at the time employed by the Authority under the provisions of this Subordinated Trust Agreement to perform and carry out the duties imposed on said Consulting Engineers by this Subordinated Trust Agreement and meeting the requirements set forth in Section 7.05 of the Senior Trust Agreement.

"Credit Facility" shall mean, with respect to the Bonds of a Series or a maturity within a Series, an insurance policy, letter of credit, surety bond or any other similar obligation acquired or secured by the Authority, under which the Credit Provider is unconditionally obligated to pay when due, the principal of and interest on such Bonds as the same become due, directly or after the Authority has defaulted in the payment thereof. The term "Credit Facility" shall not include any secondary market facilities to which the Authority shall not have expressly consented.

"Credit Provider" shall mean person or entity that is designated in a Subordinated Supplemental Trust Agreement as a Credit Provider with respect to a Series of Bonds or portion thereof issued hereunder, and that provides a Credit Facility to secure such Bonds.

"Derivative Bond" means one or more Bonds of a Series for which the Authority shall have entered into a Qualified Hedge Agreement, as identified in a Subordinated Supplemental Trust Agreement with respect to such Bonds or pursuant to a certificate of an Authorized Officer filed with the Trustee.

"Derivative Non-Scheduled Payments" means (without duplication) payments due from the Authority (other than Qualified Hedge Payments) under a Qualified Hedge Agreement, including without limitation (i) any termination payments (whether as a result of optional, elective, early or mandatory termination), (ii) any periodic payments not based on notional amounts or indices to keep such Qualified Hedge Agreement in effect, and (iii) any payments in respect of fees, costs, indemnities, interest or expenses with respect to such Qualified Hedge Agreement.

"Derivative Non-Scheduled Receipts" means (without duplication) payments due to the Authority (other than Qualified Hedge Receipts) under a Qualified Hedge Agreement, including without limitation, (i) any termination payments (whether as a result of optional, elective, early or mandatory termination), (ii) any periodic payments not based on notional amounts or indices to keep a Qualified Hedge Agreement in effect, and (iii) any payments in respect of fees, costs, indemnities, interest or expenses with respect to such Qualified Hedge Agreement.

"Derivative Period" means the period during which a Qualified Hedge Agreement is in effect with respect to related Derivative Bonds.

"Designated Maturity Bonds" means all of the Bonds of a Series so designated by the Authority by the Subordinated Supplemental Trust Agreement executed in connection with the issuance thereof, more than twenty-five percent (25%) of the original principal amount of which matures in a single Bond Year and for which no mandatory debt service redemption requirements have been established.

"DTC" means The Depository Trust Company, New York, New York or any substitute securities depository appointed pursuant to Section 2.04.

"DTC Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book-Entry System.

"Escrow Obligations" for purposes of Article XII hereof shall include direct obligations of the United States of America and the following:

(1) Cash;

(2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - - "SLGs");

(3) Direct obligations of the Treasury which have been stripped by the Treasury itself;

(4) Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable;

(5) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition; or

(6) Obligations issued by the following agencies, but only to the extent they are backed by the full faith and credit of the U.S.:

a. <u>U.S. Export-Import Bank (Eximbank)</u>

Direct obligations or fully guaranteed certificates of beneficial ownership.

b. <u>Farmers Home Administration (FmHA)</u>

Certificates of beneficial ownership.

c. <u>Federal Financing Bank</u>

d. <u>General Services Administration</u>

Participation certificates.

e. <u>U.S. Maritime Administration</u>

Guaranteed Title XI financing.

f. <u>U.S. Department of Housing and Urban Development (HUD)</u>

Project Notes

New Communities Debentures – U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

"Fitch" means Fitch Ratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions 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.

"Fiscal Year" for the purposes of this Subordinated Trust Agreement shall mean the period beginning with and including October 1 of each year and ending with and including the next September 30th.

"Gross Revenues" or "Revenues" shall have the meanings ascribed to those terms in the Senior Trust Agreement.

"GRB PFC Bonds" means "PFC Bonds" as defined in and issued pursuant to the Senior Trust Agreement.

"Holder of Bonds" or "Bondholder", or any similar term shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as reflected on the registration books maintained by the Trustee as Registrar hereunder.

"Interest Payment Date" means April 1 and October 1 of each year, and such other dates specified as such in the Subordinated Supplemental Trust Agreement pertaining to each Series of Bonds issued hereunder.

"LIBOR Index" means "USD-LIBOR-BBA" as such term is defined in the 2006 ISDA Definitions, as amended, published by the International Swaps and Derivatives Association, Inc. with a designated maturity of one (1) month.

"LIBOR Swap Rate" means, the fixed rate, determined by the Authority as of the date of calculation, that would be paid by a party to an interest rate swap agreement to receive payments based upon the LIBOR Index assuming (i) a maturity date on such swap agreement equal to the maturity date of the applicable Variable Rate Bonds, (ii) the notional amount of such swap agreement amortizes in the same manner and on the same timing as the scheduled amortization of the principal amount of such Variable Rate Bonds and (iii) the payment dates under the interest rate swap agreement match or are substantially similar to the payment dates of such Variable Rate Bonds.

"Liquidity Facility" means a letter of credit, standby bond purchase agreement, line of credit, loan guaranty or similar agreement, by a Liquidity Provider to provide liquidity support to pay the tender price of Option Bonds of any Series or subseries tendered for purchase in accordance with the provisions of any Subordinated Supplemental Trust Agreement authorizing the issuance of Option Bonds, in a form reasonably acceptable to any Credit Provider providing a Credit Facility securing such Option Bonds.

"Liquidity Provider" means the provider of a Liquidity Facility, and its successors and permitted assigns, each having been approved by the Credit Provider, if any, providing a Credit Facility securing the Option Bonds to which such Liquidity Facility pertains.

"Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Sinking Fund Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount, or Compounded Amounts as the case may be, of such Bonds that are to be redeemed from Sinking Fund Installments to be made in prior Bond Years.

"Moody's" means Moody's Investor Services, Inc. and its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions 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.

"Municipal Bond Insurance Policy" means the bond insurance policy or policies issued by the Bond Insurer insuring the payment when due of principal and interest on Bonds if, as and to the extent provided therein.

"Option Bonds" shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment or purchase by or on behalf of the Authority prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

"Outstanding," "Bonds outstanding" or "Outstanding Bonds," when used with reference to Bonds, shall mean as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Subordinated Trust Agreement except:

(i) Bonds cancelled (or, in the case of Book Entry Bonds, to the extent otherwise provided in Section 2.04, portions thereof deemed to have been cancelled) by the Trustee after purchase in the open market or because of payment at or redemption prior to maturity;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which cash funds or direct obligations of the United States of America or any combination, equal to the principal amount or redemption price thereof, as the case may be, together with interest to the date of maturity or redemption date, shall be held in trust under this Subordinated Trust Agreement and irrevocably set aside for such payment or redemption (whether at or prior to the maturity or redemption date) in accordance with the provisions of Article XII of this Subordinated Trust Agreement, provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article III or the applicable Subordinated Supplemental Trust Agreement or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(iii) Bonds which are deemed paid pursuant to Section 3.06 hereof or in lieu of which other Bonds have been authenticated under Section 2.09 of this Subordinated Trust Agreement;

(iv) Bonds deemed to have been paid as provided in Section 12.01; and

(v) Bonds (or, in the case of Book Entry Bonds, to the extent otherwise provided in Section 2.04, portions thereof) deemed to have been purchased pursuant to the provisions of any Subordinated Supplemental Trust Agreement in lieu of which other Bonds have been authenticated and delivered as provided in such Subordinated Supplemental Trust Agreement.

"Paying Agent" shall mean the Trustee and any other banks or trust companies designated by the Authority to serve as Paying Agents hereunder that have agreed to arrange for the timely payment of the principal of, interest on and premiums, if any, with respect to the Bonds to the registered owners thereof.

"Period of Review" shall have the meaning ascribed to that term in Section 2.07(E).

"PFCs" or "Passenger Facility Charges" means the passenger facility charges authorized to be charged by the Authority pursuant to the PFC Act and the PFC Regulations, the imposition and use of which has been approved by the Federal Aviation Administration pursuant to PFC Approvals.

"PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time.

"PFC Approvals" means the Records of Decision of the Federal Aviation Administration, made pursuant to the PFC Act and the PFC Regulations, relating to passenger facility charges imposed by the Authority, as the same may be issued and amended from time to time.

"PFC Bonds" means any Bonds or portions thereof issued under this Subordinated Trust Agreement and so designated as PFC Bonds by the Authority at the time of issuance and delivery thereof, the proceeds of which are used solely to fund PFC Projects (following PFC Approval thereof), fund the Subordinated Reserve Requirement with respect thereto, and pay the costs of issuance thereof (or to refund Bonds meeting such requirements).

"PFC Projects" means those projects for which the imposition and use of PFCs have been approved by one or more PFC Approvals.

"PFC Regulations" means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

"PFC Revenues" means all revenues received by the Authority from PFCs imposed by the Authority at Tampa International Airport pursuant to the PFC Act, the PFC Regulations and the PFC Approvals, including any interest earned thereon after such revenues have been remitted to the Authority as provided in the PFC Regulations.

"Pledged Revenues" means the Subordinated Revenues and, to the extent pledged pursuant to a Subordinated Supplemental Trust Agreement, shall include Subordinated PFC Revenues, and any other revenues of the Authority expressly pledged by the Authority to secure the Bonds issued hereunder which are not included in, or have been subsequently excluded from, the definition of Gross Revenues under the Senior Trust Agreement.

"Principal Installment" shall mean, as of any payment date of any Series of Bonds hereunder, (i) the unpaid principal amount of Serial Bonds of such Series scheduled to become due on such principal payment date for which no Sinking Fund Installments have been established, and (ii) the unsatisfied principal amount (determined as provided in Section 5.02(E) of any Sinking Fund Installments due on such payment date established for Term Bonds of such Series.

"Qualified Hedge Agreement" shall mean any agreement evidenced by any form of master agreement published by the International Swaps and Derivatives Association, Inc., including any schedule thereto, any credit support annex thereto, and any confirmation(s), entered into by the Authority as a debt management tool with respect to the Bonds or a portion thereof issued hereunder such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Authority and a counterparty whose long-term unsecured debt at the time of entering into such agreement is rated, or whose obligations are guaranteed by an entity whose long-term unsecured debt at the time of entering into such agreement is rated in one of the two (2) highest rating categories (without regard to gradations) by at least two (2) nationally recognized securities rating agencies, which agreement requires that if such counterparty or guarantor, as the case may be, does not maintain a rating in one of the three (3) highest rating categories (without regard to gradations) from at least two securities rating agencies, one of the following shall occur (a) such counterparty shall provide a new guarantor, or some form of credit facility from any entity, whose long-term unsecured debt is then rated in one of the three (3) highest rating categories (without regard to gradations), or (b) such counterparty shall be obligated to post collateral for the benefit and protection of the Authority under the terms of a credit support annex or comparable agreement; provided that the Qualified Hedge Receipts to be paid by the counterparty to the Authority thereunder have been pledged to the payment of the Bonds.

"Qualified Hedge Payments" shall mean the net payment obligations of the Authority arising under a Qualified Hedge Agreement under which the Authority has expressly granted a lien on Pledged Revenues securing such obligations on a parity with the lien thereon granted to Bondholders hereunder, which net payments are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder or a particular Series or maturity thereof, based upon a fixed or a variable rate index or formula. Qualified Hedge Payments include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any Termination Payment, fee for extension, indemnification obligations or other Derivative Non-Scheduled Payments payable to the counterparty).

"Qualified Hedge Receipts" shall mean the net payment obligations of the counterparty to the Authority arising under a Qualified Hedge Agreement which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder, or a particular series or maturity thereof, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any Termination Payment, fee for extension, indemnification obligations or other Derivative Non-Scheduled Payments payable to the counterparty).

"Rate Covenant" means the Authority's covenant contained in Section 5.01 to impose rates and charges in the manner described therein.

"Reimbursement Obligations" shall mean obligations issued by the Authority to Credit Providers or Liquidity Providers pursuant to Section 2.10 in connection with the execution of any Credit Facility or Liquidity Facility, to evidence the Authority's obligations to repay advances or loans made thereunder.

"Reserve Account" means the account or accounts in the Subordinated Reserve Fund created with respect to one or more series of Additional Bonds pursuant to Section 5.02 of this Subordinated Trust Agreement and the Subordinated Supplemental Trust Agreement pertaining to such Additional Bonds.

"Reserve Fund Credit Enhancement" means an irrevocable letter of credit, insurance policy, surety bond or other credit enhancement issued to satisfy, in whole or in part, the Authority's deposit requirements under Section 5.02(C) of this Subordinated Trust Agreement with respect to the Subordinated Reserve Fund, approved by each applicable Bond Insurer, and issued by a financial institution acceptable to the Bond Insurer, whose claims paying ability at the time the policy is issued is rated at least in the "AA" or "Aa" categories (without regard to subrating designations) by S&P or Moody's, respectively.

"S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

"Securities Depository" shall mean the Depository Trust Company, New York, New York, or its nominee, and its successor and assigns.

"Senior Bonds" means any bonds or Senior Qualified Hedge Agreements issued pursuant to and then outstanding under the Senior Trust Agreement and shall include, to the extent applicable, "PFC Bonds" as described in the Senior Trust Agreement.

"Senior Operating Reserve Fund" means the fund by that name created and established pursuant to the Senior Trust Indenture.

"Senior Operation and Maintenance Fund" means the fund by that name created and established pursuant to the Senior Trust Indenture.

"Senior Qualified Hedge Agreements" means "Qualified Hedge Agreements" as defined in, and issued pursuant to, the Senior Trust Agreement.

"Senior Reserve Fund" means the "Reserve Fund" created and established pursuant to the Senior Trust Indenture.

"Senior Sinking Fund" means the "Sinking Fund" created and established pursuant to the Senior Trust Indenture.

"Senior Trust Agreement" means the Codified and Restated Trust Agreement dated October 1, 2006, between the Authority and JPMorgan Chase Bank, N.A. (as successor to The Chase Manhattan Bank, National Association), as trustee thereunder.

"Serial Bonds" shall mean the Bonds of an issue of Bonds, or any part of an issue of Bonds, except Special Purpose Bonds, maturing in annual installments and the principal of which is payable from moneys deposited in the Principal Account.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Subordinated Trust Agreement or pursuant to the Subordinated Supplemental Trust Agreement authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II or Section 3.04, regardless of variations in maturity, interest rate, Sinking Fund Installments, or other provisions.

"SIFMA Municipal Swap Index" means the "USD-SIFMA Municipal Swap Index" as such term is defined in the 2006 ISDA Definitions, as amended, published by the International Swaps and Derivatives Association, Inc., or if such index is no longer published, any successor index that the Trustee, in consultation with the Authority, deems substantially equivalent thereto.

"Sinking Fund Installment" shall mean with respect to Term Bond maturities (including the final maturity thereof), the mandatory redemption amounts specified in the Subordinated Supplemental Trust Agreement with respect to the Bonds of such series for each applicable payment date prior to and on the maturity thereof.

"Subordinated PFC Revenues" means the Available PFC Revenues, if any, available for payment of subordinated indebtedness and other required deposits pursuant to Section 5.03(C) of the Senior Trust Agreement, provided that if the Senior Trust Agreement is hereafter defeased or terminated and no Senior Bonds remain outstanding thereunder, Subordinated PFC Revenues shall mean all Available PFC Revenues as defined in the Senior Trust Agreement.

"Subordinated Reserve Fund" means the fund created by that name pursuant to Section 5.02 of this Subordinated Trust Agreement.

"Subordinated Reserve Requirement" shall mean:

(A) with respect to Bonds secured by the Subordinated Reserve Fund for which a separate Reserve Account has not been established, *the lesser of* (i) the Maximum Bond Service Requirement for such Bonds, in the aggregate, (ii) 125% of the average Bond Service Requirement for such Bonds, or (iii) 10% of the aggregate stated original principal amount of all such Bonds on their respective dates of issue; provided however that in determining the aggregate stated original principal amount of Bonds for purposes of this clause (iii), the issue price of Bonds (net of pre-issuance accrued interest) shall be substituted for the original stated principal amount of those Bonds, if such Bonds were sold at either an original issue discount or premium exceeding 2% percent of the stated redemption price at maturity; and

(B) with respect to each Series of Bonds for which a separate Reserve Account within the Subordinated Reserve Fund is established pursuant to the terms hereof, the aggregate amount required to be deposited in such separate Reserve Account, as specified in the respective Subordinated Supplemental Trust Agreement entered into in connection with the issuance of such Additional Bonds hereunder.

If, pursuant to any such Subordinated Supplemental Trust Agreement, the Authority is authorized to fund the initial designated amount, or deficiencies therein, over time, the Subordinated Reserve Requirement for any period shall include only the incremental portion of the deposit requirement for that series of Additional Bonds as specified in the Subordinated Supplemental Trust Agreement authorizing the issuance of such Additional Bonds. For the avoidance of doubt, the Authority may designate in a Subordinated Supplemental Trust Agreement that the Subordinated Reserve Requirement for a Series of Bonds issued thereunder is zero, in which case, such Series of Bonds will be deemed secured by a separate Reserve Account, the Subordinated Reserve Requirement for which will be zero.

"Subordinated Revenues" means the funds, if any, available for payment of subordinated indebtedness pursuant to paragraph (F) of Section 5.02 of the Senior Trust Agreement.

"Subordinated Supplemental Trust Agreement" means an agreement between the Authority and the Trustee, supplemental to the terms hereof, that is executed in accordance with the terms hereof, in connection with the issuance of any series of Additional Bonds or otherwise.

"Taxable Bonds" means the Bonds authorized and issued under this Subordinated Trust Agreement on the basis that the interest thereon is not excluded from the gross income of the holders thereof for federal income tax purposes.

"Tax-Exempt Bonds" means the Bonds authorized and issued under this Subordinated Trust Agreement on the basis that the interest thereon is excluded from the gross income of the holders thereof for federal income tax purposes.

"Term Bonds" shall mean the Bonds of an issue of Bonds, or any part of an issue of Bonds, except Special Purpose Bonds, maturing on one principal maturity date and the principal of which is payable from fixed amounts provided to be deposited in each year in the Redemption Account for the payment of such principal on or prior to maturity.

"Trustee" shall mean The Bank of New York Mellon, a New York banking corporation having an office in the City and State of New York, which is authorized under such laws to exercise corporate trust powers, and its successors in interest, or any other successor Trustee appointed pursuant to Article IX hereof.

"Variable Rate Bond" shall mean any Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of issuance of the Series of Bonds of which such Bond is one.

Section 1.02 Interpretation. Words of the masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond," "holder," and "person" shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

ARTICLE II.
FORM, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01 Form of Bonds. No bonds may be issued under the provisions of this Subordinated Trust Agreement except in accordance with the provisions of this Article.

The definitive Bonds are issuable initially as fully registered Bonds in denominations of Five Thousand Dollars ($5,000) (or such other minimum denominations specified in the Subordinated Supplemental Trust Agreement with respect to a specific Series of Bonds) or any multiple thereof approved by the Authority. The definitive Bonds shall be substantially in the forms hereinabove set forth, with such appropriate omissions and insertions or variations as are permitted or required by this Subordinated Trust Agreement and with such additional changes as may be necessary or appropriate to comply with the terms of the sale of the Bonds, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 2.02 General Bond Terms. The Bonds shall be dated, shall bear interest from their date until payment and shall mature on such dates, subject to the right of prior redemption, as hereinafter provided.

The Bonds shall be executed by the duly qualified and authorized Chairman of the Authority, either manually or with his facsimile signature, and the official corporate seal of the Authority, or a facsimile thereof, shall be impressed, affixed or imprinted on the Bonds and attested by the manual or facsimile signature of the Secretary or other authorized officer of the Authority; provided, however, that at least one of the signatures of the Chairman, Secretary or authorized officer, or the authenticating agent, shall be a manual signature.

In the event that any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his signature shall nevertheless be valid and sufficient for all purposes, and also any Bond may bear the signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America on their respective dates of payment. The principal of all registered Bonds shall be payable at the principal office of the Trustee, and payment of the interest on each registered Bond shall be made on each interest payment date to the person appearing on the registration books of the Trustee hereinafter provided for as the registered owner thereof, by check or draft mailed to such registered owner at his address as it appears on such registration books. The provisions of this paragraph may be modified or amended as to any series of Additional Bonds issued hereunder by any Subordinated Supplemental Trust Agreement executed in connection with the issuance of such series of Additional Bonds, and in the event of a conflict between the provisions hereof and such Subordinated Supplemental Trust Agreement, the provisions of the Subordinated Supplemental Trust Agreement shall control.

Section 2.03 Authentication. Only the Bonds that shall have endorsed thereon a certificate of authentication substantially in the form herein set forth, duly executed by the Trustee, shall be entitled to any right or benefit under this Subordinated Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Subordinated Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if manually signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 2.04 Book-Entry System. Except as otherwise provided in a Subordinated Supplemental Trust Agreement, Additional Bonds (referred to in this section as "Book Entry Bonds") shall be issued in the name of the Securities Depository or its nominee, as registered owner of the Bonds, and held in the custody of the Securities Depository.

(A) Except as provided in subsections B and C of this Section, the registered Holder of all Book Entry Bonds shall be, and the Book Entry Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. Payment of interest for any Book Entry Bond, as applicable, shall be made in accordance with the provisions of this Subordinated Trust Agreement to the account of Cede, on the Interest Payment Date for the Book Entry Bonds at the address indicated for Cede in the registration books of the Authority kept by the Bond Registrar.

(B) The Book Entry Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Book Entry Bonds. Upon initial issuance, the ownership of each such Book Entry Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Book Entry Bonds so registered in the name of Cede, the Authority, the Bond Registrar and any Paying Agent shall have no responsibility or obligation to any DTC Participant or to any Beneficial Owner of any of such Book Entry Bonds. Without limiting the immediately preceding sentence, the Authority, the Bond Registrar and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any beneficial ownership interest in the Book Entry Bonds, (ii) the delivery to any DTC Participant, Beneficial Owner or other person, other than DTC, of any notice with respect to the Book Entry Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant, Beneficial Owner or other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, any of the Book Entry Bonds. The Authority, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, the absolute Holder of each Book Entry Bond for all purposes whatsoever,

including (but not limited to) (a) payment of the principal or Redemption Price of, and interest on, each such Book Entry Bond, (b) giving notices of redemption and other matters with respect to such Book Entry Bonds and (c) registering transfers with respect to such Book Entry Bonds. The Paying Agent shall pay the principal or Redemption Price of, and interest on, all Book Entry Bonds only to or upon the order of DTC, and all such payment shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to such principal or Redemption Price and interest, to the extent of the sums so paid. Except as provided in Section 2.04(E), no person other than DTC shall receive a Book Entry Bond evidencing the obligation of the Authority to make payments of principal or Redemption Price of, and interest on, any such Book Entry Bond pursuant to this Subordinated Trust Agreement. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this Subordinated Trust Agreement, the word "Cede" in this Subordinated Trust Agreement shall refer to such new nominee of DTC.

Except as provided in Section 2.04(E), and notwithstanding any other provisions of this Subordinated Trust Agreement to the contrary, the Book Entry Bonds may be registered, in whole but not in part, only in the name of the DTC or a nominee of DTC or to any successor securities depository appointed pursuant to this Section 2.04 or any nominee thereof.

(C) DTC may determine to discontinue providing its services with respect to the Book Entry Bonds at any time by giving written notice to the Authority, the Bond Registrar and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Book Entry Bonds under applicable law.

(D) The Authority, in its sole discretion and without the consent of any other person, and upon compliance with any agreements between the Authority and DTC, may request termination of the services of DTC with respect to the Book Entry Bonds if the Authority determines that: (i) DTC is unable to discharge its responsibilities with respect to the Book Entry Bonds; or (ii) a continuation of the requirement that all of the Outstanding Book Entry Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Owner of the Book Entry Bonds. Current DTC rules provide that upon receipt of such a request, DTC will take the following actions: (i) DTC will issue an "Important Notice" notifying its Participants of the receipt of a withdrawal request from the Authority reminding Participants that they may utilize DTC's withdrawal procedures if they wish to withdraw their securities from DTC; and (ii) DTC will process withdrawal requests submitted by Participants in the ordinary course of business, but will not effectuate withdrawals based upon a request from the Authority. The Authority shall, by written notice to the Bond Registrar, terminate the services of DTC with respect to the Book Entry Bonds upon receipt by the Authority, the Bond Registrar and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC Participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the Outstanding Book Entry Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Book Entry Bonds; or (ii) a continuation of the requirement that all of the Outstanding Book Entry Bonds be registered in the registration books kept by Registrar, in the name of Cede, as nominee of DTC, is not in the best interests of the Beneficial Owner of the Book Entry Bonds.

(E) Upon the termination of the services of DTC with respect to the Book Entry Bonds pursuant to subsection (D), or upon the discontinuance or termination of the services of DTC with respect to the Book Entry Bonds pursuant to subsection (B) or subsection (C), the Authority may within 90 days thereafter appoint a substitute Securities Depository which, in the opinion of the Authority, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Book Entry Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar, in the name of Cede, as nominee of DTC. In such event the Authority shall execute and the Bond Registrar shall authenticate Book Entry Bond certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations and the Bond Registrar shall deliver such certificates at its corporate trust office to the Beneficial Owners identified in writing by the Securities Depository in replacement of such beneficial owners' beneficial interests in the Book Entry Bonds.

(F) Notwithstanding any other provision of this Subordinated Trust Agreement to the contrary, so long as any Book Entry Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Book Entry Bond and all notices with respect to such Book Entry Bond shall be made and given, respectively, to DTC as the registered Holder of such Bonds.

(G) In connection with any notice or other communication to be provided to Holders of Book Entry Bonds registered in the name of Cede pursuant to this Subordinated Trust Agreement by the Authority or the Bond Registrar with respect to any consent or other action to be taken by such Holders, the Authority shall establish a record date for such consent or other action by such Holders and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

NEITHER THE AUTHORITY NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENT FOR, REDEMPTION PRICE OF OR INTEREST ON THE BOOK ENTRY BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BOOK ENTRY BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO. AS THE NOMINEE OF DTC, AS REGISTERED OWNER.

SO LONG AS CEDE & CO IS THE REGISTERED OWNER OF THE BOOK ENTRY BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF THE BOOK ENTRY BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BOOK ENTRY BONDS.

Section 2.05 Registration and Transfer. The Authority shall cause books for the registration and for the transfer of Bonds as provided in this Subordinated Trust Agreement to be kept by the Trustee as Bond Registrar. Any Bond may be transferred only upon the books kept for the registration and transfer of Bonds, upon surrender thereof to the Bond Registrar together with an assignment, duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Bond Registrar. Upon the transfer of any such registered Bond the Authority shall thereupon execute in the name of the transferee and the Trustee shall authenticate and deliver a new registered Bond or Bonds, of the same maturity and bearing interest at the same rate, of any denomination or denominations authorized by this Subordinated Trust Agreement, in an aggregate principal amount equal to the principal amount of such registered Bond, or the unredeemed portion thereof, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be transferred hereunder, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Subordinated Trust Agreement. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. Except as otherwise provided in this Subordinated Trust Agreement, the Authority or the Trustee may make a charge for every such exchange or transfer of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and in addition the Authority or the Trustee may charge a sum sufficient to reimburse them for any expenses incurred in connection with the issuance of each new Bond delivered upon such exchange or transfer, and such charge or charges shall be paid before any such new Bond shall be delivered. Neither the Authority nor the Trustee shall be required to make any such exchange or transfer of Bonds during the ten (10) days next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bond or any portion thereof has been selected for redemption.

Section 2.06 Registered Owners. The person in whose name a Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the interest on any such registered Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon to the extent of the sum or sums so paid. The Authority, the Trustee, the Bond Registrar and the Paying Agents may deem and treat the registered owner of any Bond, as the absolute owner of such Bond for all purposes hereof, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever and neither the Authority, the Trustee, the Bond Registrar nor the Paying Agents shall be affected by any notice to the contrary.

Section 2.07 Additional Bonds. To the extent necessary to provide funds to pay the cost of constructing or acquiring additions, extensions and improvements to said Airport System (each being referred to herein as an "Airport System Project"), or to refund obligations heretofore or hereafter issued by the Authority, Additional Bonds may be issued under and secured by this Subordinated Trust Agreement, at one time or from time to time, in addition to the Bonds issued under the provisions of Section 2.08 of this Article. Such Additional Bonds shall be dated, shall bear interest at a rate or rates not exceeding the legal rate, and shall mature in such years and amounts, all as shall be hereafter determined by resolution of the Authority and specified in the Subordinated Supplemental Trust Agreement entered into in connection with the issuance of such Additional Bonds.

Such Additional Bonds shall be executed substantially in the form and manner herein set forth, with such changes as may be necessary or appropriate to conform to the provisions of the resolution authorizing the issuance of such Additional Bonds, and deposited with the Trustee for authentication, but before such Additional Bonds shall be authenticated and delivered by the Trustee, there shall be filed with the Trustee the following:

(A) A certified copy of a resolution adopted by the Authority, certified by the Secretary of the Authority, authorizing the issuance of such Additional Bonds;

(B) A certified copy of a resolution adopted by the Authority, certified by the Secretary of the Authority, awarding such Additional Bonds, specifying the interest rate or rates of such Additional Bonds and directing the authentication and delivery of such Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(C) Certificates, to be executed respectively by the Trustee and the Authority with respect to the funds and accounts held by each, stating that all payments into the Senior Sinking Fund, the Senior Reserve Fund and the Senior Operation and Maintenance Fund under the Senior Trust Agreement, and in the Subordinated Sinking Fund created hereunder, have been made in full, as required by the Senior Trust Agreement and this Subordinated Trust Agreement to the date of delivery of such Additional Bonds, that such accounts are current, that there are no deficiencies in the amounts required to be on deposit therein and that, to their knowledge, no default exists under the Senior Trust Agreement or hereunder. The Authority shall also certify that all payments into the various other Funds and Accounts under the Senior Trust Agreement and herein provided for have been made in full as required by the Senior Trust Agreement and this Subordinated Trust Agreement to the date of delivery of the Additional Bonds or, if any such deficiency exists, a statement by the Authority that (i) such funds and accounts were fully funded as of the last day of the prior Fiscal Year and (ii) the Authority has made arrangements through proposed rate increases, cost reductions or otherwise, to cause such funds and accounts to be fully funded and current as of the last day of the current Fiscal Year;

(D) An opinion of counsel for the Authority stating that the signer is of the opinion that the issuance of such Additional Bonds has been duly authorized, that all conditions precedent to the delivery of such Additional Bonds have been fulfilled, and that said Additional Bonds have been duly sold in accordance with all requirements of law; and

(E) Either of the following:

(x) A statement signed by the Chief Financial Officer of the Authority to the effect that: (i) the Authority's Pledged Revenues for any twelve (12) consecutive months within the eighteen (18) month period immediately preceding the month in which such Additional Bonds are to be issued (the "*Annual Review Period*"), were not less than One Hundred Twenty Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Bond Year, on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding

Bonds to be defeased by the issuance of such Additional Bonds) (the "*Included Bonds*"); (ii) the Authority's Subordinated Revenues for the Annual Review Period selected in clause (i) were not less than One Hundred Twenty Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Bond Year, on account of the Included Bonds (or portions thereof as determined by the Authority) for which the annual debt service is not eligible to be paid from Subordinated PFC Revenues; and (iii) Available Revenues in the Annual Review Period were not less than One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) for such period on all Senior Bonds outstanding under the Senior Trust Agreement and on the Included Bonds; or

(y) A statement of the Airport Consultant that in his opinion: (i) the Pledged Revenues during the Bond Year in which such Additional Bonds are issued and for each Bond Year thereafter through the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than One Hundred Twenty Five percent (125%) of the Bond Service Requirement in each such corresponding Bond Year during the Period of Review, on account of the Included Bonds; (ii) the Subordinated Revenues during the Bond Year in which such Additional Bonds are issued and for each Bond Year thereafter through the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than One Hundred Twenty Five percent (125%) of the Bond Service Requirement in each such corresponding Bond Year during the Period of Review, on account of the Included Bonds (or portions thereof as determined by the Authority) for which the annual debt service is not eligible to be paid from Subordinated PFC Revenues; and (iii) Available Revenues in each corresponding Bond Year during the Period of Review, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) in each such corresponding Bond Year during the Period of Review, on account of all Senior Bonds outstanding under the Senior Trust Agreement and on the Included Bonds.

For purposes of this Subordinated Trust Agreement, the "Period of Review" shall be that period beginning on the first day of the Bond Year of the Authority in which such Additional Bonds are issued and ending on the last day of the Bond Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

For purposes of this requirement, moneys remaining in the Surplus Fund under the Senior Trust Agreement at the end of any Bond Year which the Authority elects to redeposit into the Senior Revenue Fund in the following Bond Year may be considered as Gross Revenues (and thus, to the extent available pursuant to Section 5.02(F) of the Senior Trust Agreement, "Pledged Revenues" and "Subordinated Revenues" for purposes of this test) in the Bond Year in which they are, or are projected to be so redeposited; provided that without regard to the use of such funds, the Authority shall have collected, or shall be projected to collect, as the case may be, sufficient rates and charges under its Senior Rate Covenant so that the actual or projected Pledged Revenues, as the case may be, for the Bond Year or years in question, were, or are projected to be, at least sufficient to pay 100% of the yearly deposit requirements into the Subordinated Sinking Fund and the Subordinated Reserve Fund, without regard to carry over amounts from the Surplus Fund.

If Available PFC Revenues are included in determining compliance with the foregoing requirements, the following rules will apply:

(i) Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report;

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Bond Years immediately preceding the year the report of the Airport Consultant is issued;

(iii) Available PFC Revenues, so long as they are pledged as Subordinated Revenues under this Subordinated Trust Agreement, may be taken into account in determining compliance with the requirements of Section 2.07(E)(x), in an amount equal to the lesser of (A) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (B) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

The Trustee will not authenticate and deliver Additional Bonds until it shall have first received the statement required by subparagraph (x) or (y) above.

When the documents mentioned above shall have been filed with the Trustee and when the Additional Bonds described in the resolutions mentioned in clauses (A) and (B) of this Section have been executed and authenticated as required by this Subordinated Trust Agreement, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers named in the resolution mentioned in clause (B) of this Section, but only upon payment to the Trustee of the purchase price of such Additional Bonds. The Trustee shall be entitled to rely upon such resolution as to the names of the purchasers and the amount of such purchase price.

Such Additional Bonds shall be on a parity and rank equally with all other Bonds issued under this Subordinated Trust Agreement as to lien on and source and security for payment from the Subordinated Revenues and, to the extent applicable, Subordinated PFC Revenues, and other income derived from said Airport System and other moneys pledged therefor (except that Additional Bonds for which a special account in the Subordinated Reserve Fund is established at the time of issuance thereof shall look solely to the Reserve Fund Credit Enhancement with respect to such Additional Bonds or to the cash, if any, deposited into a special account in the

Subordinated Reserve Fund established solely for the benefit of such Additional Bonds) and in all other respects, and upon the issuance of any such Additional Bonds all payments into the Subordinated Sinking Fund and the separate accounts therein and the Subordinated Reserve Fund (but only to the extent that a cash deposit to the Subordinated Reserve Fund with respect to such Additional Bonds is required by Section 5.02(C) hereof) shall be increased as necessary over the amounts required by this Subordinated Trust Agreement to be deposited therein for any other Bonds then Outstanding and secured by this Subordinated Trust Agreement, and all of the provisions of this Subordinated Trust Agreement, except as to details inconsistent therewith, shall apply to and be for the benefit and security and protection of the holders of such Additional Bonds as fully and to the same extent as for the holders of any other Bonds then Outstanding and secured by this Subordinated Trust Agreement.

The proceeds (excluding accrued interest and any amounts of capitalized interest which the Authority shall deem necessary or advisable for said Additional Bonds, which shall be deposited in the Interest Account in the Subordinated Sinking Fund) of all Additional Bonds issued under the provisions of this Section for Airport System Projects shall be deposited to the credit of a Construction Fund to be created and established pursuant to Article IV hereof for said issue of Additional Bonds and used to pay the cost of the construction and acquisition of said additions, extensions and improvements to said Airport System or, in the case of proceeds used to pay costs of issuance, shall be held by the Authority and used to pay or reimburse the parties entitled thereto.

Section 2.08 Completion Bonds and Refunding Bonds. The Authority may issue Additional Bonds hereunder without complying with the requirements of Section 2.07(E) above:

(A) to complete projects specifically authorized and theretofore funded with Additional Bonds under this Subordinated Trust Agreement, provided that the aggregate principal amount of such completion Bonds does not exceed 15% of the aggregate principal amount of the Bonds or portions of Bonds issued to fund such projects, and

(B) to refund any Bond or Bonds Outstanding hereunder, provided that prior to the issuance of refunding Bonds under this Section 2.08, the Airport Consultant or another qualified independent consultant must deliver to the Trustee a statement stating (i) that, in each Bond Year, the debt service with respect to the refunding Bonds will be equal to or less than the debt service with respect to the Bonds to be refunded, or (ii) (a) that, in each Bond Year in which the Bonds to be refunded were scheduled to be Outstanding, the debt service with respect to the refunding Bonds will be equal to or less than the debt service with respect to the Bonds to be refunded, and (b) that the Maximum Bond Service Requirement with respect to all Bonds Outstanding after the issuance of the refunding Bonds (excluding the Bonds to be refunded and including the refunding Bonds) will be equal to or less than the Maximum Bond Service Requirement on all Bonds Outstanding prior to the issuance of the refunding Bonds. For purposes of the foregoing, if the Outstanding Bonds or the proposed refunding Additional Bonds, or both, include Variable Rate Bonds, the assumed interest rate thereon for purposes of the foregoing calculations shall be determined in accordance with the procedures set forth in the definition of Bond Service Requirement herein, determined on or as of the date of calculation.

Section 2.09 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bonds shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Authority may, in its discretion, adopt a resolution and thereby authorize the issuance and delivery of a new Bond of like tenor as the Bond so mutilated, improperly cancelled, destroyed, stolen or lost, in exchange and substitution for such mutilated or improperly cancelled Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the holder furnishing the Authority and the Trustee proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Authority and the Trustee, upon his giving to the Authority and the Trustee an indemnity bond in such amount as they may require, and upon his compliance with such other reasonable regulations and conditions as they prescribe and paying such expenses as they may incur. All Bonds so surrendered shall be cancelled by the Trustee and held for the account of the Authority. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Authority may cause the same to be paid upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the Authority, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone. Such duplicate Bonds shall in all respects be identical with those replaced except that they shall bear in their face the following additional clause:

"This Bond is issued to replace a lost, stolen, cancelled or destroyed Bond."

Such duplicate Bonds shall be signed by the same officers who signed the original Bonds, provided, however, that in the event the officers who executed the original Bonds no longer hold office, then the new Bonds shall be signed by the officers then in office. Such duplicate Bonds shall be entitled to equal proportionate benefits and rights as to lien and source and security for payment from the Subordinated Revenues derived from said Airport System and, to the extent applicable, Subordinated PFC Revenues, in each case as provided herein, with all other Bonds issued hereunder, the obligations of the Authority upon the new Bonds being identical with its obligations upon the original Bonds and the rights of the holder being the same as those conferred by the original Bonds.

Section 2.10 Reimbursement Obligations.

(A) One or more issues of Reimbursement Obligations may be issued concurrently with the issuance of the Bonds of a Series authorized pursuant to the provisions of this Article II for which a Credit Facility or Liquidity Facility, or both, is being provided with respect to such Bonds (or a maturity or maturities) by a third party. Such Reimbursement Obligations shall be issued for the purpose of evidencing the Authority's obligation to repay any advances or loans made to, or on behalf of, the Authority in connection with such Credit Facility or Liquidity Facility; provided, however, that the stated maximum principal amount of any such issue of Reimbursement Obligations shall not exceed the aggregate principal amount of the Bonds with respect to which such Credit Facility or Liquidity Facility is being provided, plus such number of days' interest thereon as the Authority shall determine prior to the issuance thereof, but not in excess of 366 days' interest thereon, computed at the maximum interest rate applicable thereto.

(B) Except as otherwise provided in a Subordinated Supplemental Trust Agreement authorizing an issue of Reimbursement Obligations, for the purposes of (i) receiving payment of

a Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in Section 8.01 of this Subordinated Trust Agreement or (ii) computing the principal amount of Bonds held by the Holder of a Reimbursement Obligation in giving to the Authority any notice, consent, request, or demand pursuant to this Subordinated Trust Agreement for any purpose whatsoever, the principal amount of a Reimbursement Obligation shall be deemed to be the actual principal amount that the Authority shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, the Authority in connection with the Bonds of the Series or portions thereof for which such Reimbursement Obligation has been issued to evidence the Authority's obligation to repay any advances or loans made in respect of any Credit Facility or Liquidity Facility provided for such Bonds, less any prior repayments thereof.

Section 2.11 Qualified Hedge Agreements.

(A) The Authority may, to the extent permitted by law, enter into one or more Qualified Hedge Agreements concurrently with or at any time after the issuance of the Bonds hereunder.

(B) Before effecting any transaction under a Qualified Hedge Agreement, there shall be provided to the Trustee an opinion of Bond Counsel that the Authority's execution, delivery and performance of the Qualified Hedge Agreement will not, in and of themselves cause the interest on such Bonds not to be excludable from gross income for federal income tax purposes.

(C) Unless the counterparty to any Qualified Hedge Agreement shall agree that hedge payments with respect thereto shall be subordinate to payments on the Bonds or shall be unsecured, (i) the Authority shall by Subordinated Supplemental Trust Agreement prior to the effective date of such Qualified Hedge Agreement cause the Qualified Hedge Receipts thereunder to be pledged as part of the trust estate securing the Bonds and (ii) Qualified Hedge Payments under such Qualified Hedge Agreement shall be on parity with interest payments on the Bonds, all in the manner and to the extent specified in Section 5.02(A). Qualified Hedge Payments under any Qualified Hedge Agreement shall only be paid in the manner and to the extent specified in Section 5.02(A). Neither Qualified Hedge Payments nor other payments due under any Qualified Hedge Agreement shall be secured by funds on deposit in the Operation and Maintenance Fund or funds on deposit in the Construction Fund.

ARTICLE III.
REDEMPTION OF BONDS

Section 3.01 Privilege of Redemption. The Bonds initially issued under the provisions of this Subordinated Trust Agreement may have such provisions for redemption prior to maturity and at such price or prices as the Authority shall hereafter determine by resolution adopted prior to the sale of such Bonds and described in the Subordinated Supplemental Trust Agreement with respect thereto.

If less than all of the Outstanding Bonds shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be in such order and priority as may be specified in the Subordinated Supplemental Trust Agreement applicable to the applicable Series of Bonds or, if not so specified, in the inverse order of maturities and by lot within maturities if less than a full maturity to be selected by lot by the Trustee in such manner as the Trustee, in its discretion may determine; provided, that the portion of any registered Bond to be redeemed shall be in the principal amount of Five Thousand Dollars ($5,000) or some multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each registered Bond as representing that number of Bonds which is obtained by dividing the principal amount of such registered Bond by Five Thousand Dollars ($5,000).

Any Additional Bonds hereafter issued pursuant to Sections 2.07 or 2.08 hereof may be redeemable prior to their stated dates of maturity at such price or prices and under such terms and conditions as shall be provided in the Subordinated Supplemental Trust Agreement or the proceedings which authorize the issuance of such Additional Bonds.

Section 3.02 Notice of Redemption. Except as otherwise provided in a Subordinated Supplemental Trust Agreement with respect to a particular Series of Additional Bonds issued hereunder, a notice of any such redemption, either in whole or in part, signed by the Trustee shall, (a) at lease twenty (20) days before the redemption date, be filed with the Paying Agents, and (b) be mailed, postage prepaid, to all registered owners of Bonds or portions of Bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for; but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of registered Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any registered Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice provided pursuant to the provisions of this Section may state that the redemption contemplated therein is conditioned upon the occurrence of one or more events or circumstances described therein prior to the stated redemption date and that the Authority will not be obligated to redeem such Bonds unless all such events and circumstances described therein have occurred.

Section 3.03 Effect of Notice of Redemption. Notice having been mailed in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been mailed and moneys for payment of the redemption price being held in separate accounts by the Trustee or by the Paying Agents in trust for the holders of the Bonds or portions thereof to be redeemed, all as provided in this Subordinated Trust Agreement, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Subordinated Trust Agreement, and the holders or registered owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 3.04 of this Article, to receive Bonds for any unredeemed portions of registered Bonds.

Section 3.04 Redemption in Part. In case part but not all of an Outstanding registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner, without charge therefor, Bonds representing the unredeemed balance of the principal amount of the registered Bond so surrendered.

Section 3.05 Cancellation of Bonds. Bonds so presented and surrendered shall be cancelled by the Trustee upon the surrender thereof.

Section 3.06 Redeemed Bonds Not Outstanding; Conditional Notice. Bonds and portions of Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption at the earliest redemption date have been given to the Trustee, in form satisfactory to it, and for the payment of the redemption price of which and accrued interest to the date fixed for redemption moneys shall be held in separate accounts by the Trustee or the Paying Agents, in trust for the holders of the Bonds or portions thereof to be redeemed, as provided in this Subordinated Trust Agreement, shall not be deemed to be Outstanding under the provisions of this Subordinated Trust Agreement.

If a conditional notice of redemption has been given pursuant to Section 3.02, the Bonds to which such notice pertains shall be deemed Outstanding until the conditions to such redemption have been satisfied and the notice becomes irrevocable.

Section 3.07 Redemption of Additional Bonds. The provisions for redemption of Bonds contained in this Article III may be modified or amended with respect to any series of Additional Bonds issued hereunder by any Subordinated Supplemental Trust Agreement entered into in connection with the issuance of such series of Additional Bonds and, as to such Series, the provisions contained in such Subordinated Supplemental Trust Agreement shall control and supersede the provisions contained in this Article III.

ARTICLE IV.
CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

Section 4.01 Establishment of Construction Fund. The Hillsborough County Aviation Authority Construction Fund (the "Construction Fund"), is hereby created and established, and the Authority shall establish separate accounts therein pursuant to each Subordinated Supplemental Trust Agreement pertaining to Additional Bonds issued pursuant to Section 2.07 and Section 2.08(A) hereof, to the credit of which proceeds of such Additional Bonds shall be deposited. Each such account in the Construction Fund shall be held by the Authority pursuant to the Subordinated Supplemental Trust Agreement. The Authority shall deposit to the credit of the applicable account or accounts in the Construction Fund any moneys received from any other source for the construction or acquisition of each respective Airport System Project.

Each account in the Construction Fund shall be held separate and apart from each other account therein and shall be used and applied in accordance with the terms of this Subordinated Trust Agreement and the Subordinated Supplemental Trust Agreement pursuant to which it was created.

The moneys in each account in the Construction Fund shall be held by the Authority in trust and shall be applied to the payment of the cost of the Airport System Projects for which such accounts were created, and pending such application, shall be subject to a lien and charge in favor of the holders of the Bonds issued to finance such Airport System Projects and for the further security of such holders until paid out or transferred as herein provided.

Section 4.02 Payment of Project Costs. Payment of the cost of the construction and acquisition of said Airport System Projects shall be made from the separate account in the Construction Fund created therefor, or from any other available funds. All payments from the Construction Fund and each account therein shall be subject to the provisions and restrictions set forth in this Article, and the Authority covenants that it will not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 4.03 Description of Project Costs. For the purpose of this Subordinated Trust Agreement the cost of the construction and acquisition of any Airport System Project to be financed by the issuance of Additional Bonds may include, without intending thereby to limit or restrict or to extend any proper definition of such cost under the provisions of law, the following:

(A) Obligations incurred for labor and materials and to contractors, builders and materialmen in connection with the construction and acquisition of said Airport System Project for machinery and equipment, and for the restoration or relocation of property damaged or destroyed in connection with such construction or acquisition;

(B) The cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in or any settlement or compromise of any proceeding to acquire by condemnation, such lands, property rights, rights-of-way, franchises, easements and other interest as may be deemed necessary or convenient and authorized for the construction and acquisition of said Airport System Project, options and partial payments thereon, and the amount of any damages incident to or consequent upon the construction and acquisition of said Airport System Project;

(C) The fees and expenses of the Trustee during construction and municipal or governmental charges, if any, lawfully levied or assessed during construction upon said Airport System Project or any property acquired therefor, and premiums on insurance, if any, in connection with said Airport System Project;

(D) The expenses necessary or incident to determining the design and construction of the Airport System Project and fees and expenses for making studies, surveys, appraisals and estimates of cost and of revenues and other estimates and for preparing plans and specifications and supervising construction, as well as for the performance of all other duties set forth herein in relation to the construction and acquisition of said Airport System Project, or the issuance of Bonds therefor;

(E) Legal, engineering and Airport Consultant fees and expenses, financing charges, cost of audits during the construction of said Airport System Project and of preparing and issuing the Bonds, and all other items of expense not elsewhere in this Section specified incident to the construction, acquisition and equipment of said Airport System Project, the financing thereof, the

placing of the same in operation, and the cost of acquisition of lands, property rights, rights-of-way, franchises, easements, servitudes, and interests therein.

Section 4.04 Conditions to Disbursements. Payments from each respective account in the Construction Fund shall be made in accordance with the provisions of this Section. Before any such payments shall be made the Authority shall place on file a requisition, signed by an officer or officers or employee or employees of the Authority designated by resolution for such purpose, stating in respect of each payment to be made:

(1) The item number of the payment,

(2) The name of the person, firm or corporation to whom payment is due,

(3) The amount to be paid,

(4) The purpose, by general classification, for which the payment is to be made,

(5) That obligations in the stated amounts have been incurred by the Authority and that each item thereof is a proper charge against the applicable account in the Construction Fund and has not been paid,

(6) That there has not been recorded in the manner prescribed by law, or 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 or firms named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation,

(7) That each such obligation has been properly incurred and is then due and unpaid.

Section 4.05 Requisitions for Land Costs. If any requisition contains any item for the payment of the purchase price or cost of any lands, rights, easements, servitudes, franchises or interests in or relating to lands, there shall be attached to such requisition, in addition to the certificates mentioned in Section 4.04 of this Article:

(A) A certificate of the Chairman of the Authority and the Consulting Engineers to the effect that such lands, rights, easements, servitudes, franchises or interests are being acquired in furtherance of the acquisition of the Airport System Project or the site therefor, or any part thereof, or in furtherance of the construction and acquisition of said Airport System Project or any part thereof; and

(B) A written opinion of counsel for the Authority stating that the signer is of the opinion that the Authority is authorized under the provisions of law to acquire such lands, rights, easements, servitudes, franchises or interests for and on behalf of the Authority and that the Authority will have, upon payment of such item, title in fee simple to, or perpetual easements or servitudes for the purposes of said Airport System Project over such lands or properties, free from all liens or encumbrances except liens, charges, encumbrances or other defects of title which do not have a materially adverse effect upon the Authority's right to use such lands or properties for the purposes intended or which have been adequately guarded against by a bond or other form of indemnity or, if such payment be a payment for an option to purchase or for a quitclaim deed or a lease or a release or on a contract of purchase or is otherwise for the acquisition of a right or interest in lands less than a fee simple or a perpetual easement or servitude, or if such payment be a part payment for any such purposes, the written approval of the acquisition of such lesser right or interest, signed by such counsel for the Authority, or, in lieu of the opinion required by this clause, a firm undertaking by a reputable title insurance company to issue its title insurance policy covering such lands, rights, easements, servitudes, franchises or interests in or relating to such lands and a written opinion of counsel for the Authority that any objections or exceptions to be noted therein are not, in the opinion of the signer, of a material nature.

Section 4.06 Limitations on Requisitions. The Authority covenants that no payment will be made from the Construction Fund for labor or materials or to contractors, builders or materialmen, on account of the construction and acquisition of said Airport System Project, or any part thereof, unless such part is located on lands which are owned by the Authority in fee simple or over which the Authority shall have acquired sufficient leases, easements or servitudes for the purposes of said Airport System Project.

Section 4.07 Completion; Disposition of Excess Proceeds. When the construction and acquisition of said Airport System Project shall have been completed, which fact shall be evidenced by a certificate on file with the Authority stating the date of completion, signed by the Chairman and Secretary of the Authority, the balance of any bond proceeds in the applicable account in the Construction Fund except income from investments, not reserved by the Authority for the payment of any remaining part of the cost of the construction and acquisition of said Airport System Project shall be transferred to the Trustee, and the Trustee shall deposit such moneys in the Subordinated Reserve Fund to the extent necessary to make the amount then on deposit therein equal to the maximum amount required to be on deposit in said Subordinated Reserve Fund at any time; and any balance thereafter remaining from the moneys in said Construction Fund so transferred to the Trustee, shall be paid over to the Authority by the Trustee, and used by the Authority, at its option, for the construction or acquisition of additions, extensions and improvements to said Airport System or for the purchase or prior redemption of Bonds in the manner provided herein for the purchase or prior redemption of Bonds from the Redemption Account in the Subordinated Sinking Fund.

Within ninety (90) days of delivering the described certificate regarding any Series of Tax-Exempt Bonds and in accordance with Section 1.141-6(a) and 1.148-6(d) of the Income Tax Regulations, the Authority shall make a final allocation of the proceeds of such Series of Tax-Exempt Bonds to the expenditures made to complete the Airport System Project financed by that Series of Tax-Exempt Bonds. This final allocation must be made by the later of (i) eighteen (18) months after the date on which a particular expenditure was paid, or (ii) eighteen (18) months after the date on which the respective Airport System Project (or any distinct component thereof) was placed in service. Further, in no event shall this final allocation be made later than sixty (60) days after the fifth anniversary of the date of issuance of that Series of Tax-Exempt Bonds (or

sixty (60) days after the retirement of that Series of Tax-Exempt Bonds, if earlier). The Authority shall create a written record of the final allocation of the proceeds of that Series of Tax-Exempt Bonds to the expenditures made to complete the respective Airport System Project and shall maintain and retain that record for not less than six (6) years after the date of payment in full of the respective Series of Tax-Exempt Bonds or such other period as shall be necessary to comply with the Code.

In complying with the preceding paragraph, the Authority may rely upon instructions from Bond Counsel and/or an opinion of Bond Counsel to assure that the allocation satisfies the requirements of Section 1.141-6(a) and 1.148-6(d) of the Income Tax Regulations and other requirements of the Code.

Section 4.08 Special Provisions for Additional Bonds. Notwithstanding any other provision contained herein, the provisions of this Article IV as they pertain to any account in the Construction Fund may be amended, modified or superseded by the Subordinated Supplemental Trust Agreement creating such account and, with respect to such account, in the event of a conflict between the provisions of this Article IV and the provisions of such Subordinated Supplemental Trust Agreement, the provisions of such Subordinated Supplemental Trust Agreement shall control.

ARTICLE V.
REVENUES AND FUNDS

Section 5.01 Rate Covenant. The Authority shall at all times while Bonds are Outstanding hereunder, comply with its obligations under Section 5.01 of the Senior Trust Agreement. In addition, the Authority will fix, revise from time to time when necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always satisfy one hundred percent (100%) of the deposit requirements under the Senior Trust Agreement and that will always provide:

(i) Pledged Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of this Subordinated Trust Agreement, One Hundred Twenty Five percent (125%) of the Bond Service Requirement for such Fiscal Year;

(ii) Subordinated Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of this Subordinated Trust Agreement, One Hundred Twenty Five percent (125%) of the Bond Service Requirement on Bonds in such Fiscal Year, the debt service on which is not eligible to be paid from Subordinated PFC Revenues. The Authority covenants that it shall not permit such fees, rates, rentals and other charges to be reduced so as to be insufficient to provide Subordinated Revenues for such purposes; and

(iii) Available Revenues in each Fiscal Year that will be sufficient to pay One Hundred Fifteen percent (115%) of the Bond Service Requirement (as defined in the Senior Trust Agreement with respect to the Senior Bonds) for such Fiscal Year on all Senior Bonds outstanding under the Senior Trust Agreement and on all Bonds outstanding hereunder.

For purposes of this requirement, moneys remaining in the Surplus Fund under the Senior Trust Agreement (other than moneys set aside for the payment of Derivative Non-Scheduled Payments) at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund under the Senior Trust Agreement in the following Fiscal Year may be considered as fees, rates, rentals and other charges in the Fiscal Year in which they are so redeposited for purpose of satisfying the Rate Covenant set forth above.

Section 5.02 Funds and Accounts. The following special funds and accounts are hereby created and designated as follows:

The Airport System Subordinated Sinking Fund (herein called the Subordinated Sinking Fund), and five separate accounts therein to be known as the Interest Account, the Principal Account, Qualified Hedge Payment Account and the Redemption Account, each to be held and administered by the Trustee.

The Subordinated Reserve Fund to be held and administered by the Trustee. The Authority may require the Trustee to create separate accounts in the Subordinated Reserve Fund for any series of Additional Bonds.

All Subordinated Revenues, as defined herein, derived from said Airport System (but not including Subordinated PFC Revenues), shall be deposited with the Authority in the Subordinated Sinking Fund in the amounts necessary to satisfy the deposit requirements in this Section 5.02, after taking into account the deposits from Subordinated PFC Revenues as contemplated in Section 5.03.

All Subordinated PFC Revenues shall be deposited by the Authority upon receipt into the Subordinated Sinking Fund, and the accounts therein, in the amounts and subject to the restrictions provided in Section 5.03 below, to reduce the deposit requirements otherwise provided from Subordinated Revenues in subsections (A), (B), (C) and (D) below.

Disposition of Pledged Revenues. The moneys in the Subordinated Sinking Fund shall be disbursed and applied by the Authority on the first day of each month only in the following manner and order of priority:

(A) *Interest Account and Qualified Hedge Payment Account*. The moneys in said Subordinated Sinking Fund shall first be deposited pro rata into the Interest Account and the Qualified Hedge Payment Account in the Subordinated Sinking Fund, and the Trustee shall deposit in said Interest Account on the first day of each month an amount which, together with funds on deposit therein, is necessary to make the funds on deposit therein equal the interest component of the Accrued Aggregate Debt Service Requirement for such month with respect to the Bonds (including any net Qualified Hedge Payment then due or to become due within such month); *provided, however*, that such deposits into said Interest Account shall not be required to be made to the extent sufficient moneys are then on deposit in the special fund in said Interest Account either from the proceeds of said Bonds or from any other source.

The moneys in said Interest Account shall be used only for the payment of the interest on said Bonds, both Serial Bonds and Term Bonds, and the Trustee shall transfer to the Paying Agents the necessary moneys to pay all such interest becoming due on each interest payment

date not later than such interest payment date. The moneys in said Qualified Hedge Payment Account shall be used only for the payment of Qualified Hedge Payments, and the Trustee shall transfer to the counterparty under the respective Qualified Hedge Agreement the necessary moneys to pay such Qualified Hedge Payment on the next respective payment date.

(B) *Principal Account*. Such moneys shall next be used for deposits into the Principal Account in the Subordinated Sinking Fund, after making the deposits provided for in subsection (A) above, and the Trustee shall deposit in said Principal Account on the first day of each month, an amount which, together with funds on deposit therein under Section 5.03 below, shall be necessary to make the funds on deposit therein equal the scheduled principal component of Serial Bonds included within the Accrued Aggregate Debt Service Requirement for such month.

The moneys in said Principal Account shall be used only for the payment of the principal on Serial Bonds, and the Trustee shall transfer to the Paying Agents the necessary moneys to pay all such principal becoming due on said Serial Bonds on each principal maturity date prior to such principal maturity date.

(C) *Subordinated Reserve Fund*. Such moneys shall next be used for deposits into the Subordinated Reserve Fund, after making the deposits provided for in subsections (A) and (B), inclusive, above, and the Trustee shall deposit in said Subordinated Reserve Fund, and pro rata into each separate Reserve Account created therein pursuant to Subordinated Supplemental Trust Agreements entered into with respect to each Series of Additional Bonds issued hereunder, on the first day of each month, an amount which, together with funds currently deposited in the Subordinated Reserve Fund and each such Reserve Account, will be sufficient to make the funds on deposit therein equal to the aggregate Subordinated Reserve Requirement; provided, however, that no further deposits shall be required to be made into said Subordinated Reserve Fund or into any separate Reserve Account therein whenever and as long as the amount then on deposit therein is equal to the Subordinated Reserve Requirement for the common Reserve Fund or, with respect to Bonds secured by a separate Reserve Account, for the respective Series of Bonds then Outstanding and secured thereby.

The moneys in the Subordinated Reserve Fund shall be used only for the payment of the interest on all Bonds, including both Serial Bonds and Term Bonds, the principal of Serial Bonds and the required deposits into the Redemption Account for Term Bonds as the same mature or become due, whenever the moneys in the Interest Account, Principal Account and Redemption Account are insufficient therefor. If separate accounts in the Subordinated Reserve Fund have been established for Additional Bonds, deficiencies in the Interest Account, Principal Account and Redemption Account with respect to such Additional Bonds shall be payable solely from the funds deposited in each respective special Reserve Account created with respect to such Additional Bonds, or from the respective Reserve Fund Credit Enhancement acquired with respect thereto, and not from other funds deposited in the Subordinated Reserve Fund. Funds on deposit in the Subordinated Reserve Fund or the separate Reserve Accounts therein established for a Series of Bonds, in excess of the respective Subordinated Reserve Requirement, may be withdrawn at the Authority's request and deposited (i) into the Subordinated Sinking Fund to pay principal, interest or redemption premium on the applicable Series of Bonds next coming due, (ii) into the Redemption Account for redemption of such Series of Bonds from which such surplus funds were derived or (iii) into the Construction Fund or the Revenue Fund as directed by the Authority, provided that the Authority first receives an opinion from bond counsel that the use of such funds will not adversely affect the excludability from gross income for federal income tax purposes of interest on any Series of Bonds then Outstanding under the terms of this Subordinated Trust Agreement (other than any Series of Bonds issued with the intent that interest thereon be includable in gross income for federal income tax purposes) and further provided that such funds held in a Reserve Account for PFC Bonds shall be used solely for PFC Projects or debt service on PFC Bonds. All deficiencies in said Subordinated Reserve Fund shall be restored from the first Subordinated Revenues and other moneys pledged herein which are available after making all prior required deposits into the Interest Account, Principal Account and Redemption Account.

Upon the issuance of a series of Additional Bonds, or at any time in replacement of moneys then on deposit in the Subordinated Reserve Fund, in lieu of making a cash deposit to the Subordinated Reserve Fund, or in substitution therefor, the Authority may deliver to the Trustee a Reserve Fund Credit Enhancement in an amount which, together with moneys, securities or other Reserve Fund Credit Enhancements on deposit in or credited to the Subordinated Reserve Fund and any special Reserve Account created with respect to Additional Bonds, equals or exceeds the largest amount of principal, interest and required deposits into the Redemption Account with respect to the Bonds which will mature or become due in any succeeding year on the following terms and conditions:

(1) All such Reserve Fund Credit Enhancements (i) will name the Trustee as beneficiary or insured, (ii) will have a term of not less than the maturity of such Additional Bonds for which such Reserve Fund Credit Enhancement was issued, or if issued to replace cash proceeds then existing in the Subordinated Reserve Fund, the final maturity of the last maturing Bond then Outstanding (provided, however, that the provisions of this clause (ii) will not apply if such Reserve Fund Credit Enhancement is a Letter of Credit which, by its terms may be drawn upon at least fifteen (15) days prior to the stated expiration date thereof if a substitute Letter of Credit, or an extension thereof, with a new term of not less than one year has not theretofore been obtained and credited to the Subordinated Reserve Fund) and (iii) will provide by its terms that it may be drawn upon to make up any deficiencies in the Principal Account, Interest Account or Redemption Account on the due date of any interest or principal payment or mandatory sinking fund redemption with respect to such Additional Bonds with respect to which such Reserve Fund Credit Enhancement was issued, or if issued to replace cash proceeds then existing in the Subordinated Reserve Fund, any interest or principal payment or mandatory sinking fund redemption with respect to any Bonds Outstanding.

(2) Any excess funds on deposit in the Subordinated Reserve Fund after a Reserve Fund Credit Enhancement has been provided shall be deposited into the Principal Account, Interest Account and/or Redemption Account and used to pay debt service on or redeem Bonds from which such funds were derived or for any other purpose provided that the Authority shall have first received an opinion from Bond Counsel that the use of such proceeds will not adversely affect the exclusion from gross income of interest on such Bonds.

(3) The obligation to reimburse the issuer of Reserve Fund Credit Enhancement for any fees, expenses, claims or draws thereon shall be subordinated to the payment of debt service on the Bonds and replenishment of the Subordinated Reserve

Fund. Such issuer's right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Subordinated Reserve Fund provided that the Reserve Fund Credit Enhancement shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of such issuer to reimbursement will be further subordinated to cash replenishment of the Subordinated Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Fund Credit Enhancement and the amount then available for further draws or claims. If (a) the issuer of the Reserve Fund Credit Enhancement becomes insolvent or (b) the issuer of the Reserve Fund Credit Enhancement defaults in its payment obligations thereunder or (c) the claims-paying ability of the issuer of the Reserve Fund Credit Enhancement falls below a S&P "AA" or a Moody's "Aa," (without regard to subrating designations) the obligation to reimburse the issuer of the Reserve Fund Credit Enhancement shall be Subordinated to the cash replenishment of the Subordinated Reserve Fund.

(4) If the Authority chooses to provide or substitute Reserve Fund Credit Enhancement in lieu of a cash-funded Subordinated Reserve Fund, any amounts owed by the Authority to the issuer of such Reserve Fund Credit Enhancement as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in determining amounts required to be deposited to the credit of the Subordinated Reserve Fund and in any other calculation of debt service requirements required to be made pursuant to this Subordinated Trust Agreement for any purpose, e.g., Rate Covenant or Additional Bonds test.

(D) *Redemption Account*. Such moneys shall next be used for deposits into the Redemption Account in the Subordinated Sinking Fund, after making the deposits provided for in subsections (A), (B) and (C) above, and the Trustee shall deposit in said Redemption Account on the first day of each month, an amount which, together with funds on deposit therein, shall be necessary to make the funds on deposit therein equal the Subordinated Sinking Fund Installment portion of the Accrued Aggregate Debt Service Requirement for such month with respect to Term Bonds maturing within such Fiscal Year.

A separate subaccount shall be set up and maintained in said Redemption Account for each separate issue of Additional Bonds; provided, however, that the separate account for any Additional Bonds issued for the completion of any project shall be the same separate subaccount as for the Bonds originally issued to finance such project.

The moneys in said Redemption Account shall be applied to the retirement of Term Bonds, issued under the provisions of this Subordinated Trust Agreement as follows:

(1) The Trustee may, in its discretion, endeavor to purchase Term Bonds secured hereby and then Outstanding, on the most advantageous terms at a price not exceeding the price at which the Term Bonds may be redeemed by operation of the Redemption Account on the next ensuing redemption date, either by purchase in the open market or by publishing an appropriate notice at least once at least fourteen (14) days prior to the receipt of tenders in a newspaper or financial journal published in the City of New York, New York, calling for tenders of Term Bonds for purchase by the Trustee.

The Trustee shall pay the interest accrued on Term Bonds so tendered and purchased to the date of delivery thereof from the Interest Account, and the purchase price from the separate account in the Redemption Account for such issue but no such purchase shall be made by the Trustee within the period of forty-five (45) days next preceding any interest payment date; and

(2) Subject to the provisions of Article III of this Subordinated Trust Agreement, the Trustee shall call for redemption on each interest payment date on which Term Bonds are subject to redemption, from moneys in the appropriate separate accounts in the Redemption Account for each issue of Term Bonds, such amount of Term Bonds then subject to redemption as with the redemption premium, if any, and all necessary and proper expenses incurred in connection therewith, will exhaust all moneys on deposit in the appropriate separate accounts in the Redemption Account on the forty-fifth (45th) day preceding such interest payment dates, as nearly as may be practicable; provided, however, that the Trustee shall not be required to call less than Ten Thousand Dollars ($10,000) principal amount of Term Bonds for prior redemption from each separate account in the Redemption Account at any one time. Such redemption shall be made pursuant to the provisions of Article III of this Subordinated Trust Agreement. Not less than ten (10) days before the redemption date, the Trustee shall withdraw from the Interest Account and the appropriate separate accounts in the Redemption Account and set aside in separate accounts or deposit with the Paying Agents the respective amounts required for paying the interest on, and the principal and redemption premium, if any, of the Term Bonds so called for redemption from the appropriate separate accounts in the Redemption Account and shall pay all expenses in connection with such redemption from the appropriate separate accounts in the Redemption Account.

Alternative Method of Satisfying Sinking Fund Installment.

The Authority may satisfy its obligations under Section 5.02(D) above with respect to the Sinking Fund Installments, on or before the 45th day next preceding each principal payment date on which Term Bonds are to be retired pursuant to the Sinking Fund Installments, by delivering to the Trustee for cancellation, Term Bonds of the Series and maturity required to be redeemed on such principal payment date in any aggregate principal amount desired. Upon such delivery, the Authority will receive a credit against the amounts required to be deposited into the Interest Account and Redemption Account on account of such Term Bonds in an amount equal to 100% of the principal amount thereof so purchased and cancelled and the interest accruing thereon to the next succeeding Interest Payment Date.

All Additional Bonds which are Term Bonds hereafter issued shall be on a parity with the Term Bonds initially issued hereunder and all deposits into the Redemption Account for different parity Term Bonds shall rank equally.

(E) In the event any of the deposits or payments required under subsections (A) to (D), inclusive, above, are not made when due, then such deficiencies shall be added to the deposits or payments to be made on the next deposit or payment date.

(F) In the event of the issuance of any Additional Bonds pursuant to Sections 2.07 or 2.08 hereof, all deposits or payments into the Interest Account, Principal Account, Redemption

Account, and Subordinated Reserve Fund shall be adjusted to the extent necessary, and all Additional Bonds shall be on a parity and rank equally with the Bonds initially issued hereunder.

(G) For the avoidance of doubt, Subordinated Revenues not required to make the deposits contemplated in Sections 5.02(A) through (F) above shall remain in the Revenue Fund under the Senior Trust Agreement and shall be available as needed to pay other subordinated indebtedness as contemplated in Section 5.02(F) thereof.

Section 5.03 Receipt and Disbursement of Subordinated PFC Revenues.

(A) Subordinated PFC Revenues, as available under the Senior Trust Agreement, shall first be deposited into the Interest Account, the Principal Account and the Redemption Account, respectively, in amounts equal to that portion of each monthly deposit requirements therein that are attributable to the debt service requirements with respect to the PFC Bonds issued hereunder; and

(B) Then shall be used to fund any deficiency in the Subordinated Reserve Fund (or any special account therein) allocable to or set aside for the benefit of PFC Bonds or any separate series thereof.

(C) For the avoidance of doubt, Subordinated PFC Revenues not required to make the deposits contemplated in Sections 5.03(A) and (B) above shall remain in the PFC Revenue Fund under the Senior Trust Agreement and shall be available as needed to pay other PFC subordinated indebtedness as contemplated in Section 5.03(C) thereof.

Section 5.04 Limitation on Senior Indebtedness and Additional Indebtedness. Except as provided in, and in accordance with the terms of, the Senior Trust Agreement, the Authority covenants that it will not issue or incur any obligations, payable from the Pledged Revenues derived from said Airport System and other moneys pledged herein, nor voluntarily create or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or any other charge, having priority to or being on a parity with, the lien of the Bonds issued pursuant to this Subordinated Trust Agreement and the interest thereon, upon any of the Pledged Revenues and income of said Airport System, in each case except Additional Bonds, Reimbursement Obligations, and obligations arising under Qualified Hedge Agreements, in each case in the manner and subject to the terms provided herein. Nothing contained herein shall restrict or limit the Authority's ability to issue Senior Bonds under and pursuant to the terms of the Senior Trust Agreement.

Section 5.05 Subordinated Indebtedness Covenant. The Authority covenants that any obligations or indebtedness issued by it other than in accordance with the terms hereof and payable from Pledged Revenues, shall contain an express statement that such obligations are junior and Subordinated in all respects to the Bonds issued hereunder as to lien on, source of and security for payment from, the Pledged Revenues.

Section 5.06 Funds Held in Trust. Subject to the terms and conditions set forth in this Subordinated Trust Agreement, moneys to the credit of the Interest Account, Principal Account and Redemption Account shall be held in trust and disbursed by the Trustee for (a) the payment of interest on all Bonds issued hereunder as such interest falls due, and (b) the payment of principal of all Serial Bonds as such principal falls due and for the making of all required payments into the Redemption Account for Term Bonds as the same become due, and such moneys are hereby pledged to and charged with the payments mentioned in this Section in the manner hereinbefore provided.

Section 5.07 Unclaimed Funds. All moneys which the Trustee shall have withdrawn from the Subordinated Sinking Fund or shall have received from any other source and set aside, or deposited with the Paying Agents, for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, together with interest and premiums, if any, thereon, shall be held in trust for the respective holders of such Bonds and invested in accordance with Section 6.02 below until applied in accordance with this Section. Any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the holders of such Bonds for the period of five (5) years after the date on which such Bonds shall have become payable (or such shorter or longer period of time as may be specified in Section 717.112, Florida Statutes (1997) as amended), together with interest earnings thereon, shall be paid to the Authority, and thereafter the holders of such Bonds shall look only to the Authority for payment, and then only to the extent of the amounts so received without any interest thereon, and the Trustee and the Paying Agents shall have no responsibility with respect to such moneys.

Section 5.08 Cancellation Certificates. All Bonds paid, redeemed or purchased, either at or before maturity, shall be delivered to the Trustee when such payment, redemption or purchase is made and such Bonds shall thereupon be cancelled. All cancelled Bonds shall be held by the Trustee until this Subordinated Trust Agreement shall be released; provided, however, that Bonds so cancelled may at any time be cremated by the Trustee in the presence of two (2) of its authorized officers, who shall execute a certificate of cremation in duplicate describing the Bonds so cremated, and one (1) executed certificate shall be filed with the Authority, and the remaining executed certificate shall be retained by the Trustee. All such cremation certificates shall contain, among other things, the identifying numbers, dates of issue and maturity, denominations and interest rates of such cancelled Bonds.

ARTICLE VI.
DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS, AND INVESTMENTS OF FUNDS

Section 6.01 Depositaries. All moneys received by the Authority under the provisions of this Subordinated Trust Agreement shall be deposited with the Trustee, to the extent herein required, or with one or more other banks or trust companies designated by the Authority (each such depositary, including the Trustee, being herein called a "Depositary"). All moneys deposited under the provisions of this Subordinated Trust Agreement with the Trustee or any other Depositary shall be held in trust and applied only in accordance with the provisions of this Subordinated Trust Agreement, and shall not be subject to lien or attachment by any creditor of the Authority.

No moneys shall be deposited with any Depositary, other than the Trustee or a Paying Agent in its capacity as such, in an amount exceeding one hundred per centum (100%) of the amount which an officer of such Depositary shall certify to the Trustee or Authority as the combined capital and surplus of such Depositary.

Except as otherwise provided in Section 6.02 hereof, all moneys deposited with the Trustee or any other Depositary hereunder, in excess of the amount insured against loss by the depositor by the Federal Deposit Insurance Corporation, shall be continuously secured, for the benefit of the Authority and the holders of the Bonds, by lodging with the Federal Reserve Bank or the Trustee, as custodian, as collateral security, direct obligations of the United States of America or other securities eligible under the laws of the State of Florida as collateral security for deposits of public funds, having a market value (exclusive of accrued interest) not less than the amount of such deposit; provided, however, that in the case of the Trustee it shall not be necessary for them to lodge such collateral security with any other bank or trust company, but it shall suffice if they lodge such collateral security with its Trust Department as custodian; and provided, further, that it shall not be necessary for the Paying Agents to give security for the deposit of any moneys with them for the payment of the principal or the redemption premium or the interest on any Bonds issued hereunder, or for the Trustee to give security for any moneys which shall be represented by investments in the obligations referred to in Section 6.02 hereof, purchased under the provisions of this Article, except as to any moneys in any Fund or Account which shall be invested in time deposits in banks or trust companies evidenced by certificates of deposit for which collateral security has been given as provided in Section 6.02 hereof.

All moneys deposited with each Depositary, including the Trustee, shall be credited to the particular Fund or Account to which such moneys belong.

Section 6.02 Investment of Certain Funds; Valuation; Disposition of Investment Income. It shall be the mandatory duty of the Trustees appointed by the Authority for such purpose, at the written direction of the Authority, to keep all the moneys on deposit to the credit of the Construction Fund invested and reinvested, pending the dates upon which such moneys will be needed for the construction and acquisition of said Airport System Project, in any investments (and with such collateralization, if any, and maturity) as may be permitted for political subdivisions under the laws of the State of Florida and as may otherwise be specified in the Subordinated Supplemental Trust Agreement pursuant to which such Construction Account was created.

No investments of any moneys in the Construction Fund shall mature later than the dates upon which it is estimated that such moneys will be needed for the purposes of such Construction Fund, but not in any event later than eighteen months after the date of purchase thereof.

It shall be the mandatory duty of the Trustee, at the written direction of the Authority, to keep all the moneys on deposit to the credit of the Interest Account, Principal Account, Redemption Account and the Subordinated Reserve Fund, invested and reinvested in (1) direct obligations of the United States of America, or (2) time deposits in banks or trust companies evidenced by certificates of deposit; provided, however, that all such time deposits shall be further secured by collateral in the obligations described in clause (1) above having at all times a market value at least equal to the amount of such time deposits. Such investments or reinvestments shall mature not later than the respective dates, as estimated by the Trustee or the Authority, as the case may be, when the moneys held for the credit of said Funds or Accounts will be needed for the purposes of such Funds or Accounts, except that the moneys in the Subordinated Reserve Fund may be invested and reinvested for a period of not exceeding fifteen years from the date of the making of such investments or reinvestments.

It shall be the mandatory duty of the Authority to keep all moneys on deposit to the credit of the Operating Reserve Account and the Surplus Fund invested and reinvested in any investments (and with such collateralization, if any, and maturity), as may be permitted for political subdivisions under the laws of the State of Florida. The moneys in the Surplus Fund may be invested and reinvested in such securities and for such periods of time as the Authority shall deem advisable.

All of the investments and reinvestments provided for in this Article VI may be made by the Trustee without further resolution or other action by the Authority; all such investments or reinvestments by the Authority shall be made on its direction.

Obligations so purchased as an investment of moneys in any such Fund or Account shall be deemed at all times to be a part of such Fund or Account, and shall at all times, for the purposes of this Subordinated Trust Agreement, be valued at the cost thereof at the time of purchase, without regard to fluctuation in market value. The Trustee or the Authority, as the case may be, shall sell at the best price obtainable any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from such Funds or Accounts. Neither the Trustee nor the Authority shall be liable or responsible for any loss resulting from any such investments or reinvestments.

All income derived from the investment of moneys in the Construction Fund shall remain in and be a part of said Construction Fund. All income derived from the investment of moneys in the Interest Account, Principal Account and Subordinated Reserve Fund, shall be retained in such Funds or Accounts to the extent necessary to make the amount then on deposit therein equal to the maximum amount required to be on deposit in such Funds or Accounts, and any remaining balance shall be deposited in the Revenue Fund and used as provided herein; provided, however, that all income from the investment or reinvestment of moneys in the Redemption Account shall be retained in said Redemption Account and used as provided herein for said Redemption Account.

ARTICLE VII.
PARTICULAR COVENANTS

Section 7.01 Payment of Bonds. The Authority covenants that it will promptly pay the principal of and the interest on every Bond issued under the provisions of this Subordinated Trust Agreement at the places, on the dates and in the manner provided herein and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption, according to the true intent and meaning thereof. The principal, interest and premiums on said Bonds are payable solely from the Pledged Revenues derived by the Authority from said Airport System and other moneys pledged therefor under this Subordinated Trust Agreement, all of which are hereby pledged to the payment thereof and to the payment of Reimbursement Obligations and Qualified Hedge Payments in the manner and in the order of priority and to the extent hereinabove particularly specified and all as provided in this Subordinated Trust Agreement and the Act hereinbefore referred to.

The lien on Pledged Revenues of the holders of Bonds issued hereunder is junior and subordinated to the lien of the holders of the Senior Bonds under the Senior Trust Agreement; provided, however, that if no Senior Lien Bonds remain outstanding under the Senior Trust

Agreement and the lien of the Senior Trust Agreement is defeased pursuant to Article XII thereof, the lien of the holders of Bonds issued hereunder on Pledged Revenues will no longer be subordinated and the flow of funds set forth in Article V of the Senior Trust Agreement shall be incorporated into this Subordinated Trust Agreement, by amendment, incorporation by reference or otherwise, and the Subordinated Bonds hereunder shall become and be treated as Senior Bonds for purposes of such provisions.

Section 7.02 Pledge of Subordinated PFC Revenues; Subordination; Release.

(A) (i) The Authority has, pursuant to this Trust Agreement, pledged to the Trustee as "Pledged Revenues" hereunder for the benefit and security of PFC Bonds issued hereunder, all Subordinated PFC Revenues subject to the limitations set forth herein.

(ii) The Authority may cause the Trustee to release its pledge of Subordinated PFC Revenues at any time provided that before the lien is effectively released, the Authority shall have delivered to the Trustee (i) a certificate of the Authority that there are no PFC Bonds outstanding or (ii)(A) a report from the Airport Consultant that the Authority has been in compliance with the Rate Covenant set forth in Section 5.01 hereof for a period of 24 consecutive months out of the last 36 full calendar months preceding the date of the Report during which all then currently outstanding PFC Bonds have been outstanding, without taking into account any Subordinated PFC Revenues in the calculation of Revenues and (B) evidence that the release will not, in and of itself, cause any of the national rating agencies then maintaining ratings on any Outstanding Bonds, to reduce or withdraw their then current underlying or unenhanced ratings on such Bonds.

(ii) For the avoidance of doubt, if the Authority has released its pledge of Available PFC Revenues under the Senior Trust Agreement, (i) "Subordinated PFC Revenues" shall mean and include, for all purposes hereunder, all Available PFC Revenues as defined in the Senior Trust Agreement, subject only to the lien on PFC Revenues pledged to the payment of Senior PFC Indebtedness (as defined in the Senior Trust Agreement), and (ii) no subsequent pledge of PFC Revenues shall be permitted under the Senior Trust Agreement.

(B) *Covenants with Respect to PFC Revenues*. The Authority covenants that so long as Bonds are outstanding hereunder, it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the Authority and all provisions of the PFC Approvals, and will not take any action or omit to take any action with respect to the PFC Revenues, the PFC Projects, the Airport System or otherwise if such action or omission would, pursuant to the PFC Regulations, cause the termination of the Authority's ability to impose passenger facility charges or prevent the use of the PFC Revenues as contemplated hereby or by the Senior Trust Agreement. The Authority covenants that all moneys in the PFC Revenue Fund will be used in compliance with all provisions of the PFC Act, the PFC Regulations and the PFC Approvals applicable to the Authority. Without limiting the generality of the foregoing, the Authority covenants that, to the extent necessary to comply with the foregoing covenants:

(i) it will diligently seek approval to impose and use PFC Revenues for the PFC Projects, within the time periods set forth in the PFC Regulations and will begin implementation of such PFC Projects within the time periods set forth in the PFC Regulations;

(ii) it (i) will impose a Passenger Facility Charge to the full extent approved by the FAA for Tampa International Airport and (ii) will not unilaterally decrease the level of the Passenger Facility Charge to be collected from any passenger;

(iii) it will not impose any noise or access restrictions at Tampa International Airport not in compliance with the Airport Noise and Capacity Act of 1990, Pub. L 101-508, Title IX, Subtitle D, if the imposition of such restriction may result in the termination or suspension of the Authority's ability to impose or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge revenue has been collected;

(iv) it will take all action necessary to cause all collecting air carriers to collect and remit to the Authority all Passenger Facility Charges at Tampa International Airport required by the PFC Regulations to be so collected and remitted; and

(v) it will contest any attempt by the FAA to terminate or suspend the Authority's ability to impose, receive or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge revenue has been collected.

(C) *PFC Projects*. If any PFC Project that was initially treated as a PFC Project based on the Authority's expectations ceases to be a PFC Project because the Authority's application to impose or use PFCs was or is denied or withdrawn in whole or in part, then (i) the PFC Projects for which such application was denied or withdrawn shall immediately cease being treated as PFC Projects and shall thereafter be treated as an "AMT Project" or a "Non-AMT Project" as the case may be (which determination, in the case of Non-AMT Projects, shall be supported by an opinion of Bond Counsel to that effect), and (ii) the Series of Bonds or portions thereof affected by such denial or withdrawal shall no longer be treated as PFC Bonds for all purposes hereunder.

Section 7.03 Construction of Projects. The Authority covenants that upon the receipt of the proceeds of Additional Bonds issued under the provisions of Section 2.07 or Section 2.08 (with respect to Completion Bonds) of this Subordinated Trust Agreement, it will to the full extent of its legal powers, proceed to acquire and construct the Airport System Projects for which such Additional Bonds were issued, substantially in accordance with the plans and specifications therefor, and in conformity with law and all requirements of all governmental agencies having jurisdiction thereover, and that it will complete such acquisition and construction with all expedition practicable.

Section 7.04 Liens. The Authority covenants that it will not create or suffer to be created any lien or charge upon said Airport System or upon the Pledged Revenues or other moneys pledged herein, except the lien and charge of the Senior Bonds secured by the Senior Trust Agreement and the lien and charge of the Bonds secured hereby upon such Pledged Revenues derived from said Airport System and the lien and charge thereon in favor of Reimbursement Obligations, Qualified Hedge Payments and subordinated indebtedness issued in compliance with Section 5.05.

Section 7.05 Conditions Precedent to Bond Issuance. The Authority covenants that upon the date of the 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 this Subordinated Trust Agreement, 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.

Section 7.06 Tax Covenant. The Authority covenants to comply with tax laws applicable to each Series of Bonds issued hereunder as set forth in tax covenants included in Subordinated Supplemental Trust Agreements applicable thereto.

Section 7.07 Senior Lien Bond Covenants. Except as otherwise contemplated in Section 11.05, the Authority covenants to comply with each and every covenant contained in the Senior Trust Agreement as the same may be amended from time to time in accordance with the terms thereof; provided, however, that so long as any Bonds are Outstanding hereunder, the Authority covenants not to amend or modify the Senior Trust Agreement in a manner that would materially adversely affect the amount of the Pledged Revenues available under this Subordinated Trust Agreement. If the lien of the Senior Trust Agreement is defeased pursuant to Article XII thereof, or if Senior Bonds are no longer outstanding thereunder, the covenants of the Authority contained in Articles V and VII, to the extent applicable, of the Senior Trust Agreement as of such date shall be incorporated herein by reference and made a part hereof, subject to amendments thereto as authorized hereunder.

ARTICLE VIII.
REMEDIES

Section 8.01 Events of Default. Each of the following events is hereby declared an "event of default":

(A) payment of the principal and premium, if any, or the making of any deposits into the Redemption Account, of or for any of the Bonds shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or

(B) payment of any installment of interest shall not be made within thirty (30) days after the same shall become due and payable; or

(C) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(D) final judgment for the payment of money shall be rendered against the Authority as a result of the ownership and control of said Airport System and any such judgment shall not be discharged within ninety (90) days from 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 conclusively set aside or stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(E) an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a receiver or receivers of said Airport System or the Revenues derived therefrom, or if such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within ninety (90) days after the entry thereof; or

(F) any proceedings shall be instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Gross Revenues derived from said Airport System or other moneys pledged therefor; or

(G) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, in the Senior Trust Agreement or in this Subordinated Trust Agreement on the part of the Authority to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than ten per centum (10%) in principal amount of the Bonds then Outstanding.

Section 8.02 Remedies. Upon the happening and continuance of any event of default specified in Section 8.01 of this Article, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding hereunder shall proceed, subject to the provisions of Section 9.02 of this Subordinated Trust Agreement, to protect and enforce its right and the rights of the Bondholders under the laws of the State of Florida, or under this Subordinated Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Such remedy shall include the right to the appointment of a receiver for said Airport System, which receiver shall be under the duty of collecting and distributing the rentals and other income thereof pursuant to the provisions and requirements of this Subordinated Trust Agreement. Additionally, the rights and remedies which the Trustee may or shall exercise include, but are not limited to, all or any of the following; provided, however, that no Bond issued hereunder may be declared due and payable before its scheduled maturity or mandatory redemption date:

(A) The right in its own name by any action, writ, or other proceeding to enforce all rights of the Bondholders, including the right to require the Authority to perform its duties under this Subordinated Trust Agreement and the Act;

(B) The right to bring an action upon all or any part of the Bonds or claims appurtenant thereto;

(C) The right, by action, to require the Authority to account as if it were the trustee of an express trust for the Bondholders; or

(D) The right, by action, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

In the enforcement of any remedy under this Subordinated Trust Agreement the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining due from the Authority for principal, premium, interest or otherwise under any of the provisions of this Subordinated Trust Agreement or of the Bonds and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bond together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Authority, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from moneys in the Subordinated Sinking Fund and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 8.03 Application of Funds After Default. If at any time the moneys in the Subordinated Sinking Fund shall not be sufficient to pay the principal of or the interest on the Bonds and the Qualified Hedge Payments as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(A) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied (1) to the payment of all installments of interest and Qualified Hedge Payments then due, in the order of the maturity of the installments of such interest and Qualified Hedge Payments, 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 or the Qualified Hedge Payments, and (2) to the payment of all installments or principal then due in the order of the maturity of such installments of principal.

(B) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest 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, or any Qualified Hedge Payment over any payment due with respect to the Bonds, ratably, according to the amounts due, respectively, for principal, interest and Qualified Hedge Payments, 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.

The provisions of this Section are in all respects subject to the provisions of Section 8.01 of this Article.

Whenever moneys are to be applied to the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of any of such moneys with any of the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Authority to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances and ultimately applies the same in accordance with such provisions of this Subordinated Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.04 Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 8.05 Holders' Control of Proceeding. Anything in this Subordinated Trust Agreement to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right, subject to the provisions of Section 9.02 of this Subordinated Trust Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Subordinated Trust Agreement, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Section 8.06 Restriction on Bondholder's Action. No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Subordinated Trust Agreement or for any other remedy hereunder. It is understood and intended that no one or more holders of the Bonds hereby secured shall have any right in any

manner whatever by his or their action to affect, disturb or prejudice the security of this Subordinated Trust Agreement, or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all holders of the Outstanding Bonds.

Section 8.07 Proceedings by Trustee. All rights of action under this Subordinated Trust Agreement or under any of the Bonds secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the holders of such Bonds subject to the provisions of this Subordinated Trust Agreement.

Section 8.08 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or equity or by statute.

Section 8.09 Waivers and Delays in Enforcement. No delay or omission of the Trustee or of any holder of the Bonds to exercise any right or power accruing, upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Subordinated Trust Agreement to the Trustee and the holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient; provided, however, no such power or remedy may be exercised in the case of a default where such particular default has later been cured with or without the exercise of such power or remedy.

The Trustee may, and upon written request of the holders of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any default which shall have been remedied before the entry of any judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Subordinated Trust Agreement or before the completion of the enforcement of any other remedy under this Subordinated Trust Agreement, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.10 Notice of Default to Holders. The Trustee shall mail 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 set forth in clauses (A) or (B) of Section 8.01 of this Article within thirty (30) days after any such event of default shall have occurred. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any such notice.

ARTICLE IX.
CONCERNING THE TRUSTEE

Section 9.01 Acceptance of Duties. The Trustee accepts and agrees to execute the trusts imposed upon it by this Subordinated Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Subordinated Trust Agreement, to all of which the parties hereto and the respective holders of the Bonds agree. The

Trustee shall not be liable for the acts of the other or the failure of the other to act. All funds created under this Subordinated Trust Agreement to be held by the Trustee shall be administered as trust funds as herein provided.

Section 9.02 Trustee's Duties as to Proceedings. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Subordinated Trust Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trust hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment reasonably proper to be done by it as such Trustee, without indemnity, and in any such case the Authority shall reimburse the Trustee from the rentals and other income derived from said Airport System for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Subordinated Trust Agreement and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.03 Trustee's Duties as to Insurance; Validity. The Trustee shall be under no obligation, except as provided in Article VII hereof, to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Authority, or to report, or make or file claim or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessment, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity or sufficiency of this Subordinated Trust Agreement or the due execution or acknowledgment thereof, or in respect of the validity of the Bonds or the due execution or issuance thereof.

Section 9.04 Responsibilities as to Collections, Deposits and Application of Funds. The Trustee shall not be liable or responsible because of the failure of the Authority or any of its employees or agents to make any collections or deposits or to perform any act herein required of them or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other Depositary or paying agent other than itself in which such moneys shall have been deposited under the provisions of this Subordinated Trust Agreement. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred in accordance with the provisions of this Subordinated Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 9.05 Compensation. Subject to the provisions of any contract between the Authority and the Trustee, the Authority shall from the Gross Revenues derived from said Airport System and other moneys pledged herein, pay to the Trustee reasonable compensation for all services performed by it hereunder and also all of its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, and, from such Gross Revenues derived from said Airport System only, shall indemnify and save the Trustee 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 own negligence or default. If the Authority shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Subordinated Trust Agreement and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.06 Reliance. In case at any time it shall be necessary or desirable for the Trustee to make an investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee and in any case in which this Subordinated Trust Agreement provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Subordinated Trust Agreement, and any such certificate shall be evidence of such fact to protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Subordinated Trust Agreement, any request, notice or other instrument from the Authority to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the Chairman and Secretary of the Authority and the Trustee may accept a certificate signed by said Secretary as to any action taken by the Authority.

Section 9.07 Notice of Events. Except as otherwise provided in this Subordinated Trust Agreement, the Trustee shall not be obligated to take notice or be deemed to have notice of any event of default hereunder except as to the funds held by it or other defaults actually known to it unless specifically notified in writing of such event of default by a holder or holders of said Bonds.

Section 9.08 Trustee as Bondholder. The bank or trust company acting as Trustee under this Subordinated Trust Agreement, and their respective directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Subordinated Trust Agreement and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Subordinated Trust Agreement.

Section 9.09 Authority's Representations. The recitals, statements and representations contained herein and in the Bonds (excluding the Trustee's certificate on the Bonds) shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee assumes, and shall be under, no responsibility for the correctness of the same.

Section 9.10 Actions in Good Faith. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Subordinated Trust Agreement, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter. The Trustee shall not be bound to recognize any person as a holder of any Bond or to take any action at his request unless proof of ownership of such Bond satisfactory to the Trustee has been exhibited to or deposited with the Trustee.

Section 9.11 Resignation. The Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing to be given to the Authority and to any Bondholder who has filed his name and address with the Trustee for such purpose and published once in the English language in a financial newspaper or journal published in the City of New York, New York, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder, if such Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 9.12 Removal. The Trustee may be removed by the Authority at any time and a successor Trustee may be appointed hereunder by the Authority.

Section 9.13 Vacancies; Successor Trustee. If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting, as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If at any time moneys on deposit with the Trustee shall not be secured as required in Section 6.01 of this Subordinated Trust Agreement, a vacancy in the position of Trustee may be declared by a resolution duly passed by the Authority. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Authority shall appoint a Trustee to fill such vacancy.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article, the holder of any Bond Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee hereafter appointed shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital and surplus aggregating not less than Fifty Million Dollars ($50,000,000).

Section 9.14 Acceptance by Successor of Duties. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Authority, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.05 of this Article, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Authority.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Subordinated Trust Agreement and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

ARTICLE X.
EXECUTION OF INSTRUMENTS OF BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

Section 10.01 Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Subordinated Trust Agreement to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Subordinated Trust Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument, if made in the following manner:

(A) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution.

(B) The fact of the holding of Bonds hereunder by any Bondholder and the number of such Bonds and the date of his holding the same (unless such Bonds be registered) may be proved by the affidavit of the person claiming to be such holder, if such affidavit shall be deemed by the Trustee to be satisfactory, or by a certificate executed by any trust company, bank, banker or any other depositary, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depositary the Bonds described in such certificate. The Trustee may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The ownership of Bonds registered as to principal or as to principal and interest shall be proved by the registration books kept by the Trustee under the provisions of this Subordinated Trust Agreement.

None of the provisions contained in this Article, however, shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient. Any request or consent of the holder of any Bond shall bind every future holder of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

ARTICLE XI.
SUBORDINATED SUPPLEMENTAL TRUST AGREEMENTS

Section 11.01 Supplements Not Requiring Bondholder Consent. The Authority and the Trustee may, from time to time and at any time, enter into such Subordinated Supplemental Trust

Agreements as shall not be inconsistent with the terms and provisions of this Subordinated Trust Agreement (which Subordinated Supplemental Trust Agreements shall thereafter form a part hereof):

(A) To cure any ambiguity or formal defect or omission in this Subordinated Trust Agreement or in any Subordinated Supplemental Trust Agreement, or

(B) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or

(C) To the extent necessary, as evidenced by an opinion of Bond Counsel, to preserve the exclusion of interest on the Tax-Exempt Bonds outstanding from gross income for the federal income tax purposes; or

(D) To make any other changes or modifications to or to otherwise amend the Trust Agreement in any manner that does not, in the reasonable judgment of the Authority, materially adversely affect the interests or rights of any of the holders of the Bonds issued pursuant to the terms hereof and then Outstanding.

No such amendment shall affect the payment of debt service on the Bonds when due unless the Bond Insurer shall have first consented to such amendments.

Section 11.02 Modifications Requiring Bondholder Consent. Subject to the terms and provisions contained in this Section and not otherwise, the 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 this Subordinated Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee, as the case may be, of such Subordinated Supplemental Trust Agreement as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Subordinated Trust Agreement or in any Subordinated Supplemental Trust Agreement; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or pledge of the Pledged Revenues derived from said Airport System or other moneys pledged herein ranking prior to the lien or pledge created by this Subordinated Trust Agreement for the Bonds, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such Subordinated Supplemental Trust Agreement. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the execution of any Subordinated Supplemental Trust Agreement as authorized in Section 11.01 of this Article.

If at any time the Authority shall request the Trustee to enter into any Subordinated Supplemental Trust Agreement for any of the purposes of this Section, the Trustee shall, at the expense of the Authority, cause notice of the proposed execution of such Subordinated Supplemental Trust Agreement to be published in a financial newspaper or journal published in the English language in the City of New York, New York, and, on or before the date of the

publication of such notice, the Trustee shall also cause a similar notice to be mailed, postage prepaid, to all registered owners of Bonds then Outstanding, at their addresses as they appear on the registration books and to all other Bondholders who shall have filed their names and addresses with the Trustee for such purpose. Such notice shall briefly set forth the nature of the proposed Subordinated Supplemental Trust Agreement and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Bondholders. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail the notice required in this Section, and any such failure shall not affect the validity of such Subordinated Supplemental Trust Agreement when consented to and approved as provided in this Section.

Whenever, at any time within one (1) year after the date of the first publication of such notice, the Authority shall deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than a majority of the Bond Obligation then Outstanding, which instrument or instruments shall refer to the proposed Subordinated Supplemental Trust Agreement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such Subordinated Supplemental Trust Agreement 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 of the Bond Obligation Outstanding at the time of the execution of such Subordinated Supplemental Trust Agreement shall have consented to and approved the execution thereof as herein provided, no holder of any Bonds shall have any right to object to the execution of such Subordinated Supplemental Trust Agreement or to object to any of the terms and provisions contained therein or in the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Subordinated Supplemental Trust Agreement pursuant to the provisions of this Section, this Subordinated Trust Agreement shall be deemed to be and be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Subordinated Trust Agreement of the Authority, the Trustee and all holders of Bonds then Outstanding, shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 11.03 Trustee Joinder. The Trustee is authorized to join with the Authority in the execution of any such Subordinated Supplemental Trust Agreement and to make the further agreements and stipulations which may be contained therein. Any Subordinated Supplemental Trust Agreement executed in accordance with the provisions of this Article shall thereafter form a part of this Subordinated Trust Agreement and all of the terms and conditions contained in any such Subordinated Supplemental Trust Agreement as to any provisions authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Subordinated Trust Agreement for any and all purposes. In case of the execution and delivery of any Subordinated Supplemental Trust Agreement, express reference may be made thereto in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Trustee or the Authority.

Section 11.04 Trustee's Reliance on Opinions. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that any such proposed Subordinated Supplemental Trust Agreement does or does not comply with the provisions of this Subordinated Trust Agreement, and that it is or is not proper for the Trustee, under the provisions of this Article, to join in the execution of such Subordinated Supplemental Trust Agreement.

Section 11.05 Approved Conceptual Amendments. The holders of the Senior Bonds have consented to and approved the conceptual amendments set forth in Section 11.05 of the Senior Trust Agreement and, to the extent applicable, the holders of all Bonds outstanding hereunder consent to such amendments to the Senior Trust Agreement and approve similar amendments to the Subordinated Trust Agreement. The conceptual amendments are conceptual and descriptive in nature only and such consent and approval shall apply to definitive provisions approved by the Authority and the Trustee which embody the intent, and are not inconsistent with, the generalized descriptions of such amendments.

The Authority covenants that it will provide each of the national rating agencies then carrying an effective rating on the Bonds with a copy of any amendments made to this Subordinated Trust Agreement pursuant to the provisions hereof; however, failure to timely provide such notice shall not effect the validity of any such amendment or cause a default under this Subordinated Trust Agreement.

Section 11.06 Modification to Senior Trust Agreement. Except as provided in Section 11.05 hereof, the Authority will not voluntarily amend, supplement, terminate or waive, or consent to any amendment, supplement, termination or waiver of the Senior Trust Agreement, unless a majority of the holders of not less than a majority of the Bond Obligation Outstanding hereunder shall have consented to and approved the execution thereof; provided that the Authority may (i) supplement the Senior Trust Agreement to provide for the issuance of Bonds or (ii) amend, supplement, terminate or waive any provision of the Senior Trust Agreement without the prior written approval of such holders if such amendment, supplement, termination or waiver, upon becoming effective, will not materially affect the rights, remedies or security of the holders of Bonds under this Trust Agreement, or on the financial condition of the Authority or on the ability of the Authority to perform its obligations under this Trust Agreement, it being understood and agreed that an amendment, supplement, termination or waiver of any of the provisions of Section 5.01 of the Senior Trust Agreement that has the effect of reducing the debt service coverage below the levels required under Section 5.01 hereof will require the prior written consent of the holders of the majority of the Bond Obligation Outstanding.

ARTICLE XII.
DEFEASANCE

Section 12.01 Defeasance. If, when the Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Subordinated Trust Agreement or shall have been duly called for redemption or irrevocable instructions to call the Bonds for redemption shall have been given by the Authority to the Trustee, the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds then Outstanding shall be paid, or sufficient moneys shall be held by the Trustee or the Paying Agents which, when invested in Escrow Obligations maturing not later than the maturity

dates of such principal, interest and redemption premiums, if any, will, together with the income realized on such investments, be sufficient to pay all such principal, interest and redemption premiums, if any, on said Bonds at the maturity, thereof or the date upon which such Bonds have been called for redemption prior to maturity, and provisions shall also be made for paying all Qualified Hedge Payments, Reimbursement Obligations and Derivative Non-Scheduled Payments in accordance with their terms and all other sums payable hereunder by the Authority, then and in that case the right, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Authority, shall release this Subordinated Trust Agreement and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority, or such officer, board or body as may then be entitled by law to receive the same, any surplus in any account in the Subordinated Sinking Fund and all balances remaining in any other funds or accounts other than moneys held for redemption or payment of Bonds; otherwise this Subordinated Trust Agreement, shall be, continue and remain in full force and effect.

ARTICLE XIII.
MISCELLANEOUS PROVISIONS

Section 13.01 Successor Paying Agents. Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Subordinated Trust Agreement. If the position of any Paying Agent shall become vacant for any reason, the Authority shall, within thirty (30) days thereafter, appoint a bank or trust company located in the same city as Paying Agent to fill such vacancy; provided, however, that if the Authority shall fail to appoint such Paying Agent within said period, the Trustee shall make such appointment.

Section 13.02 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Subordinated Trust Agreement to be given to or filed with the Authority or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Subordinated Trust Agreement if and when sent by registered mail, return receipt requested:

To the Authority, if addressed to the Hillsborough County Aviation Authority, Main Terminal Building, Tampa International Airport, Tampa, Florida.

To the Trustee, at its then principal office.

All documents received by the Trustee under the provisions of this Subordinated Trust Agreement shall be retained in its possession, subject at all reasonable times to the inspection by the Authority, the Consulting Engineers, the Airport Consultant and any Bondholder, and the agents and representatives thereof.

Section 13.03 Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Subordinated Trust Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the holders of the Bonds issued under and secured by this Subordinated Trust Agreement, any right, remedy or claim, legal or equitable, under or by reason of this Subordinated Trust Agreement or any provision hereof, this Subordinated Trust Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto, the Bond Insurers, if any, and the holders from time to time of the Bonds issued hereunder.

Section 13.04 Limitation of Liability. Nothing in the Bonds or in this Subordinated Trust Agreement shall create or constitute or be construed as creating or constituting an indebtedness of the Authority, the County of Hillsborough, the City of Tampa, or any other political subdivision in said County, within the meaning of any constitutional or statutory debt limitation or provision, nor a lien upon any property of the Authority, said County, City, or other political subdivision in said County, except the Pledged Revenues derived from said Airport System and other moneys pledged in the manner hereinafter provided. No holder of any Bond issued hereunder shall ever have the right to require the exercise of the ad valorem taxing power of the Authority, the County of Hillsborough, the City of Tampa, or any other political subdivision in said County, for the payment of the principal of or any interest on any Bonds or the making of any payments required by this Subordinated Trust Agreement.

Section 13.05 Severability. In case any one or more of the provisions of this Subordinated Trust Agreement or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Subordinated Trust Agreement or of said Bonds, but this Subordinated Trust Agreement and said Bonds shall be construed and enforced as if such illegal and invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Subordinated Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the parties thereto to the extent permitted by law.

Section 13.06 Members Not Liable. All covenants, stipulations, obligations and agreements of the Authority contained in this Subordinated Trust Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Authority in his individual capacity, and neither the members of the Authority nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 13.07 Counterparts. This Subordinated Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Section 13.08 Headings. Any heading preceding the text of the several Articles hereof shall be solely for convenience of reference and shall not constitute a part of this Subordinated Trust Agreement, nor shall they affect its meaning, construction or effect.

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IN WITNESS WHEREOF, the Hillsborough County Aviation Authority has caused this Subordinated Trust Agreement to be executed by its Chairman, and the corporate seal of said Authority to be impressed hereon and attested by its Secretary; and The Bank of New York Mellon, has caused this Subordinated Trust Agreement to be executed on its behalf, as Trustee, by one of its Vice Presidents, and attested by one of its Trust Officers, all as of the day and year first above written.

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

(Seal)

By: ______________________________
Chairman

Attest:
Hillsborough County Aviation Authority

By: ______________________________
Secretary of the Hillsborough
County Aviation Authority

THE BANK OF NEW YORK MELLON,
Trustee

By: ______________________________
Name: ______________________________
Its: ______________________________

Attest:

By: ______________________________
Name: ______________________________
Its: ______________________________

APPENDIX "B"

APPENDIX "A"

(FORM OF BOND)

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE – AIRPORT USE AND LEASE AGREEMENT

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE-AIRPORT USE AND LEASE AGREEMENT

In 2010, the Authority adopted an Airline-Airport Use and Lease Agreement (the "Airline Agreement") which went into effect on October 1, 2010 and is in effect until September 30, 2015 (the "Term"). The Airline Agreement defines the operational and financial relationship between the Authority and the airlines executing the Airline Agreement (the "Signatory Airline" or "Airlines"). The following sections present summaries of certain provisions of the new Airline Agreement.

Certain Definitions (Additional words and phrases used in this summary, and not defined here, shall have the meanings as defined in the Airline Agreement or the Trust Agreement, or shall have their usual and customary meaning.)

Air Transportation Business shall mean that business operated by Signatory Airlines at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

Air Transportation Company shall mean a legal entity engaged in the business of scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo.

Airfield shall mean those portions of the Airport, excluding the Terminal Aircraft Aprons and the Cargo Aircraft Aprons, provided for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, clear zones, aviation or other easements, runways, a fully integrated taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes.

Airfield Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct and indirect O&M Expenditures, and operating Revenues for the Airfield.

Airline Premises shall mean those areas in the Terminal Complex assigned to Signatory Airlines as Exclusive Use Premises, Preferential Use Premises, or Common Use Premises.

Airline Supported Areas shall mean the direct and indirect O&M Expenditures and Investment Service charged to the Airfield Cost and Revenue Center and the Terminal Complex Cost and Revenue Center.

Airport shall mean Tampa International Airport, owned and operated by 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 Authority.

Airport System shall mean all real property or any interest therein, including improvements thereto, structures, buildings, fixtures, and other personal property, which are located on the Airport, Peter O. Knight Airport, Plant City Airport, Vandenberg Airport, or any airport hereafter owned, leased or operated by Authority.

Airside Buildings shall mean the building or buildings at the Airport through which passenger aircraft are loaded or unloaded.

Capital Expenditure shall mean an expenditure, equal to or greater than $100,000, made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, maintaining or developing the Airport System, and shall include expenses incurred for development, study, analysis, review, design, or planning efforts.

Common Use Premises shall mean those non-exclusive areas of the Airport (excluding Public Space), used in common by Signatory Airlines, along with other authorized users of the Airport, along with all facilities, improvements, equipment and services which are, or hereafter may be, provided for such common use.

Cost and Revenue Centers shall mean those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service.

Cost Centers shall mean those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service.

Coverage shall mean twenty-five percent (25%) of the Debt Service payable on Bonds in each Fiscal Year.

Exclusive Use Premises shall mean those portions of the Terminal Complex assigned exclusively to Signatory Airlines.

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

Investment Service shall mean, with respect to any Fiscal Year, the sum of (1) Debt Service (exclusive of capitalized interest) and Other Debt Service payable by Authority in that Fiscal Year; plus (2) Return on Authority Investment; plus (3) Coverage; less (4) a reduction for any interest earnings in the Debt Service Reserve Fund; less (5) a reduction for any interest earnings in the Redemption Account attributable to amounts transferred from the Surplus Fund. Investment Service Excludes amounts funded by PFC collections.

Landing Fee shall mean a fee expressed in tenths of a cent per thousand pounds of the Maximum Gross Landed Weight of each type of Airline's aircraft and shall be multiplied by the total of all Maximum Gross Landed Weight for all Chargeable Landings of each type of aircraft landed at the Airport by Signatory Airlines.

Majority In Interest of Airlines (MII) shall apply only to the Airfield Cost and Revenue Center and shall mean at least fifty percent (50%) of the Signatory Airlines who together have landed sixty percent (60%) of the total Maximum Gross Landed Weight by all Signatory Airlines at the Airport during the immediately preceding Fiscal Year.

Operating Expenses ("O&M Expenses") shall mean the current expenses, paid or accrued, of operation, maintenance, and ordinary current repairs of the Airport System and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Authority relating solely to the Airport System, including engineering, architectural, legal, airport consultants, and accounting fees and expenses, and fees and expenses of the Trustee, and such other reasonable current expenses as shall be in accordance with sound accounting practice. Operating Expenses shall not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the

Airport System, or any operating expenses of Special Purpose Facilities buildings where the lessees thereof are obligated to pay such operating expenses.

Operating Reserve Requirement (O&M Reserve Requirement) shall mean the Trust Agreement requirement that a reserve be created and maintained at an amount at least equal to one-sixth of the annual budget then in effect for Operating Expenses.

Passenger Facility Charge (PFC) shall mean the fees authorized by 49 USC 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended during the Term of this Agreement.

Passenger Transfer System shall mean the passenger transfer equipment and facilities, including the stations located in the Terminal Building and the Airside Buildings.

Passenger Transfer System Cost Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment) and all direct, indirect and general administrative O&M Expenditures for the Passenger Transfer System. The costs of the Passenger Transfer System will be allocated to the Airside Buildings and included with the costs of the Airside Buildings in the development of the rental rate for the use or lease of square feet in the Airside Buildings.

Preferential Use Premises shall mean those portions of the Terminal Complex and Terminal Aircraft Aprons assigned to Signatory Airlines, to which Signatory Airlines shall have priority over other users.

Recognized Net Investment shall mean the Authority's cost of an improvement, equal to or greater than $100,000, or an acquisition made on or for the Airport System (including without limitation the cost of construction, testing, architects' and engineers' fees, consultants' fees, construction management fees, inspection and surveillance by Authority engineer, condemnation, relocation expenses, brokers fees), reduced by the amount of any federal or state grant or PFC received by the Authority therefor, shall be considered Recognized Net Investment beginning in the Fiscal Year in which the improvement or acquisition is completed.

Return on Authority Investment shall mean the return on Recognized Net Investment made by Authority after September 30, 1999 with its own Authority funds (not Bond proceeds; not proceeds from insurance resulting from casualty damage to or destruction of improvements on the Airport System; not federal or state grant funds; and not PFCs) for new capital improvements or acquisitions on the Airport System equal to the total of the annual amortization of the amount of each item of Recognized Net Investment over twenty-five (25) years in principal and interest amounts which together represent equal annual payments, with interest computed at Authority's True Interest Cost. For the Fiscal Year of acquisition or completion, only one-half of the annual amortization shall be recognized.

Revenue Fund shall mean that fund for the deposit of Revenues, as defined under the Trust Agreement, derived from the operation of the Airport System.

Revenues shall mean income accrued by Authority in accordance with generally accepted accounting practices, including investment earnings, from or in connection with the ownership or operation of the Airport System or any part thereof or the leasing or use thereof. PFC's and the interest earned therefrom shall be excluded from the calculation of revenues.

Scheduled Air Carrier shall mean any Air Transportation Company performing or desiring to perform, pursuant to published schedules, seasonal or non-seasonal commercial air transportation services over specified routes to and from the Airport and holding the necessary authority from the appropriate federal or state agencies to provide such transportation.

Signatory Airline shall mean an Air Transportation Company that leases at least one hold room in an Airside Building and space in the Terminal Building deemed sufficient by the Executive Director to support its operation, and has an agreement with the Authority substantially similar to this Airline Agreement. A wholly- owned (100 percent) subsidiary of a Signatory Airline, or the Signatory Airline's parent, will be treated as a Signatory Airline for the purposes of this Agreement provided that Airline shall guarantee payments required of its wholly-owned subsidiaries. An all-cargo Air Transportation Company shall be considered a Signatory Airline if it guarantees a minimum of 30,600 annual units of Maximum Gross Landed Weight throughout the Term of this Airline Agreement, leases facilities on the Airport from the Authority for a term at least equal to the Term of this Airline Agreement, and has an agreement with the Authority substantially similar to this Airline Agreement.

Subordinated Trust Agreement shall mean a trust agreement subordinated to the Trust Agreement authorizing the issuance by the Authority of Subordinated Indebtedness, as such may be supplemented or amended from time to time.

Terminal Building shall mean the passenger terminal building, and the mechanical and electrical service building, excluding the Airside Buildings.

Terminal Complex shall mean the Terminal Building and the Airside Buildings connected by means of the Passenger Transfer System, together, as they and any other passenger handling facilities exist at the Airport prior to and after completion of any improvements or expansion.

Terminal Complex Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for the Terminal Building and all of the Airside Buildings. Subsets of the Terminal Complex Cost and Revenue Center will consist of the Terminal Building and the Airside Buildings. Costs associated with the Passenger Transfer System Cost Center will be allocated to the Airside Buildings.

Trust Agreement shall mean the Trust Agreement dated October 1, 1968, as supplemented, amended and codified from time to time authorizing the issuance by Authority of Bonds or other financing obligations with respect to the Airport System.

Rentals, Fees, and Charges

General. Rates and charges for the Signatory Airlines are based primarily on formulas in the Airfield Cost and Revenue Center and Terminal Complex Cost and Revenue Center that are devised to recover the costs of operating, maintaining, and developing the necessary and required facilities in each respective Cost and Revenue Center. Within the Terminal Complex Cost and Revenue Center, rates and charges are calculated separately for both the Terminal Building and the Airside Buildings at the Airport. Expenditures and Revenues of the Authority are categorized into Cost and Revenue Centers or Cost Centers. Cost and Revenue Centers include those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service. Cost Centers include those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service.

Rates and charges are calculated on an annual basis, and reviewed and adjusted, if necessary, throughout each Fiscal Year to ensure that sufficient Revenues are generated to satisfy all requirements of the Trust Agreement. At the end of each Fiscal Year, the Authority will recalculate rates and charges based on audited financial data to determine any over/under payment situations that need to be rectified. Included in the rates and charges formulas are specific rebates of Debt Service Coverage and sharing of net remaining Revenues that are provided for only after all Trust Agreement requirements are met. The Airline Agreement also provides for Extraordinary Coverage Protection in which the Signatory Airlines shall pay in any Fiscal Year in which Revenues less O&M Expenditures and the O&M Reserve Requirement are projected to be less than the Debt Service Coverage requirement in the Trust Agreement, an amount sufficient for the Authority to satisfy this Trust Agreement requirement.

Annual Rate Changes

Annual Rate Changes. No later than sixty (60) days prior to the end of each Fiscal Year, the Authority shall notify the Signatory Airlines of the proposed schedule of rates for rentals, fees, and charges for the ensuing Fiscal Year. The Signatory Airlines through their representatives have the right to review and comment upon the proposed operating and capital budget. No later than thirty (30) days after the forwarding of the proposed schedule of rates for rentals, fees, and charges, the Authority shall agree to meet the Signatory Airlines' representatives.

Following such meeting, and prior to the end of the then current Fiscal Year, the Authority shall notify the Signatory Airlines of the rates for rentals, fees, and charges to be established for the ensuing Fiscal Year. If the calculation of the new rates for rentals, fees, and charges is not completed by the Authority and the notice provided in accordance with the Airline Agreement is not given on or prior to the end of the then current Fiscal Year, the rates for rentals, fees, and charges then in effect shall continue to be paid by the Signatory 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 rentals, fees, and charges paid by the Signatory Airlines to date for the then current Fiscal Year and the rates for rentals, fees, and charges that would have been paid by the Signatory Airlines if said rates had been in effect beginning on the first day of the Fiscal Year. Said differences shall be applied to the particular rentals, fees, or charges for which a difference(s) in rates resulted in an overpayment or underpayment, and shall be remitted by the Signatory Airlines or credited or refunded by the Authority in the month immediately following the calculation of the new Fiscal Year rates and the giving of written notice to the Signatory Airlines by the Authority.

Other Rate Changes. Rates for rentals, fees, and charges may be changed at any other time that unaudited monthly the Authority financial data indicates that total rentals, fees, and charges payable pursuant to the then current rate schedules are reasonably estimated and anticipated by the Authority to increase or decrease by more than ten percent (10%) from the total rentals, fees, and charges that would be payable based upon the use of the monthly financial data then available for such Fiscal Year. Rates for rentals, fees, and charges may also be changed whenever required by the terms and provisions of the Trust Agreement; provided, however, that Signatory Airlines' total rentals, fees, and charges payable to the Authority shall be allocated to the Signatory Airlines in accordance with the Airline Agreement.

Settlement. The Authority shall within one hundred twenty (120) days following the close of each Fiscal Year, or as soon as audited financial data for such Fiscal Year is available, rates for rentals, fees, and charges for the preceding Fiscal Year shall be recalculated using audited financial data. Upon the determination of any difference(s) between the actual rentals, fees, and charges paid by the Signatory Airlines during the preceding Fiscal Year and the rentals, fees, and charges that would have been paid by Signatory Airlines using such recalculated rates, the Authority shall, in the event of overpayment, promptly refund to the Signatory Airlines the amount of such overpayment within 30 days, and in the event of underpayment, invoice the Signatory Airlines for the amount of such underpayment.

Use of Surplus Fund. The Signatory Airlines have agreed that amounts in the Surplus Fund at the end of each Fiscal Year, if available, shall be used for the following purposes and in the order of priority as determined by the Authority: (i) for the Authority to satisfy its obligations under the determination of any Settlement as set forth above; (ii) for transfer to the Revenue Fund, an amount, if any, equal to the Debt Service Coverage Rebate; and (iii) for improvements on, additions to, and acquisitions for the Airport System; (iv) for Debt Service on Bonds; (v) for the purchase and retirement of Bonds; and (vi) for any lawful Airport System Purpose. If at the end of any Fiscal Year the balance in the Surplus Fund, after reduction for any unsatisfied or accrued commitments against the Surplus Fund, exceeds $50,000,000, the Authority shall use such excess to purchase outstanding Bonds at a price not in excess of the Reasonable Price, and upon such purchase shall retire and cancel the Bonds so purchased. "Reasonable Price" shall mean a price that includes a premium equal to the call premium then in effect on the Bonds purchased; or, if no premium is then in effect, the next future call premium that will come into effect on the Bonds purchased. Amounts in the Surplus Fund identified for the retirement of Bonds will be transferred to the Redemption Account until utilized for Bond retirement. Investment earnings on amounts in the Redemption Account transferred from the Surplus Fund will be credited against the computation of Investment Service.

Revenue Sharing. At the end of each Fiscal Year, after determination of Settlement as set forth above, the Authority will share with the passenger Signatory Airlines a portion of Net Remaining Revenues (Total Revenues less O&M Expenditures, O&M Reserve Requirement, and Debt Service), if available. However, in the determination of annual Revenue Sharing, the Authority's annual share, subject to availability of Net Remaining Revenues, must be at least equal to $20 million. In any Fiscal Year in which the Authority's share of annual Revenue Sharing is less than $20 million, the Signatory Airline's share of annual Revenue Sharing will be reduced until the $20 million is achieved, or the Signatory Airlines' share is depleted. If the Signatory Airlines' annual share of Revenue Sharing is reduced to satisfy the Authority's $20 million annual minimum requirement for Revenue Sharing, the Authority will refund to the Signatory Airlines such payments made as soon as uncommitted funds become available in the Surplus Fund. Also, in any Fiscal Year in which the Authority's share of Revenue Sharing is greater than $30 million (80% of Net Remaining Revenues of $37.5 million), the Signatory Airlines' percentage of Revenue Sharing on Net Remaining Revenues in excess of $37.5 million will be increased to twenty-five percent (25%), and the Authority's percentage will be reduced to seventy-five percent (75%). Availability of Revenue Sharing will be based on the Authority's ability to satisfy its obligations and meet all Trust Agreement requirements in each Fiscal Year.

Capital Expenditures

The Authority and Signatory Airlines recognize that Capital Expenditures to preserve, protect, enhance, expand, or otherwise improve the Airport System, or part thereof, will be required during the Term of the Agreement.

I. Expenditures Subject to Signatory Airline Consideration.

A. The Authority shall notify the Signatory Airlines in writing of its intent to undertake Capital Expenditures not excluded from MII consideration. The Authority shall provide the Signatory Airlines with the following information associated therewith:

(1) A description of the proposed Capital Expenditure(s), together with cost estimates, scheduling, and any preliminary drawings, if applicable;

(2) A statement of the need for the proposed Capital Expenditure(s), along with the planned benefits to be derived from such expenditures;

(3) The Authority's preferred means of financing or paying the costs of the proposed Capital Expenditure(s); and

(4) The planned allocation of the costs thereof to the Airfield Cost and Revenue Center or the Terminal Complex Cost and Revenue Center and the projected impact on the Signatory Airlines rates and charges.

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

C. Unless Signatory Airlines constituting a MII shall issue written disapprovals for a particular Capital Expenditure in the Airfield Cost and Revenue Center (for those Capital Expenditures in the Airfield Cost and Revenue Center requiring MII consideration) within thirty (30) days of the date of the meeting, the Authority may proceed with said Capital Expenditures. The Authority may also proceed at any time with Capital Expenditures not requiring MII consideration, as set forth below, and with any other improvements or developments not defined as a Capital Expenditure.

D. In the event of a MII disapproval of a proposed Capital Expenditure subject to MII consideration, the Authority shall have the option to convene a second meeting with the Signatory Airlines within forty five (45) days following the date of disapproval for the purpose of providing additional information relative to the proposed Capital Expenditure and to request reconsideration. A disapproval of a Capital Expenditure may be reversed by a MII at any time.

E. The Authority may issue Bonds, Subordinated Indebtedness, or Other Indebtedness to finance any Capital Expenditures as permitted by the Airline Agreement. All costs associated with Capital Expenditures permitted by the Airline Agreement, including but not limited to, O&M Expenditures (including appropriate reserves therefor) and Investment Service, except as may be limited by the Airline Agreement, shall be included in the determination of rates for rentals, fees, and charges in accordance with the Airline Agreement.

II. The following Capital Expenditures shall be permitted to be undertaken by the Authority at any time and shall not be subject to consideration by the Signatory Airlines:

A. New development, planning or expansion projects in the Airfield Cost and Revenue Center that have a gross project cost equal to or less than $10.0 million.

B. Renovation projects in the Terminal Complex Cost and Revenue Center with gross project cost equal to or less than $10.0 million.

C. Renovation projects in the Terminal Complex Cost and Revenue Center with a gross project cost exceeding $10.0 million that have been approved in writing by at least one Signatory Airline leasing space in the Terminal Complex; provided, however, that recovery of the cost of any extraordinary finishes or equipment shall be treated as an Extraordinary Service Charge pursuant to the Airline Agreement.

D. New or expanded facilities in the Terminal Complex Cost and Revenue Center that have been approved in writing by at least one Signatory Airline leasing space in the Terminal

Complex; provided, however, that recovery of the cost of any extraordinary finishes or equipment shall be treated as an Extraordinary Service Charge pursuant to the Airline Agreement.

E. Projects required by the FAA, the Department of Transportation or similar governmental authority, other than the Authority, having jurisdiction over the Airport.

F. Projects to repair casualty damage to Airport property, which must be rebuilt or replaced in order for the Authority to meet its obligations pursuant to this Airline Agreement, the Trust Agreement, or agreements with other lessees at the Airport.

G. Special Purpose Facilities for which, in all cases, the tenant(s) or other user(s) thereof shall be required to pay directly or reimburse Authority for all costs, including finance costs, associated with such facilities during the Term of this Agreement.

H. Reasonable improvements or additions, including the associated costs therefor, necessary to settle lawful claims, satisfy judgments, or comply with judicial orders against Authority by reason of its ownership, operation, maintenance, or use of the Airport.

I. Expenditures of an emergency nature which, if not made within forty-eight (48) hours, would result in the closing of any portion of the Airport.

J. Projects undertaken in Cost Centers and Cost and Revenue Centers other than the Airfield Cost and Revenue Center and the Terminal Complex Cost and Revenue Center.

K. Expenditures with a unit cost less than $100,000 for the cost of moveable equipment consisting of, but not limited to, firefighting equipment, trucks, tractors and automotive equipment and other similar moveable equipment and for the purpose of paying the cost of rebuilding, reconstructing, altering, replacing and renewing the facilities of the Airport System, and construction and acquisition of improvements to capital assets of the Airport System in which the total costs allocated to the Airfield Cost and Revenue Center and Terminal Complex Cost and Revenue Center, combined, are less than $1.5 million in any Fiscal Year during the Term of this Airline Agreement.

Assignment, Subletting, and Handling Agreements

In the event that a Signatory Airline shall, directly or indirectly, assign, sell, hypothecate, or otherwise transfer the Airline Agreement, or any portion of Airline Premises, without the prior written consent of the Authority, the Authority may terminate the Airline Agreement upon thirty (30) days written notice.

A Signatory Airline shall not sublease Airline Premises without the prior written consent of the Authority, which consent may be withheld if the Authority has substantially similar space available but unleased, or if the Authority can make such space available for lease within a reasonable time. Failing in this, such prior consent shall not be unreasonably withheld.

In the event a Signatory Airline agrees to ground handle any portion of the operations of another Air Transportation Company, the Signatory 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. A Signatory Airline shall not ground handle any Air Transportation Company which does not have consent of the Authority for the operation of its Air Transportation Business at the Airport, and a handling agreement between the Signatory Airline and the Air Transportation Company.

Availability of Adequate Facilities

The parties acknowledge the objective of the Authority to offer access to all Air Transportation Companies desiring to serve the Airport and to provide adequate gate positions and space in the Terminal Complex. Recognizing that physical and financial limitations may preclude timely expansion of the Terminal Complex and Terminal Aircraft Apron areas to meet the stated requests of Signatory Airlines and/or such other Air Transportation Companies for additional facilities, the Authority states in the Airline Agreement its intent to pursue the objective of achieving an optimum balance in the overall utilization of the Terminal Complex and Terminal Aircraft Apron areas to be achieved, if necessary, through sharing, from time to time, of gate positions and other passenger handling facilities.

It is the policy of the Authority, to the extent practicable, to solve space problems in the following manner: first, through the Authority's leasing of unleased premises in the Terminal Complex; second, through the use of Authority-approved subleases; third, through accommodation on Preferential Use Premises; fourth, through the expansion of the Terminal Complex, unless in the opinion of the Authority, physical, financial, or time limitations make expansion impractical; fifth, through the reassignment of Preferential Use Premises; and sixth, through accommodation on Exclusive Use Premises.

Subordination to Trust Agreement

The Airline Agreement and all rights granted to Signatory Airlines thereunder are expressly subordinated and subject to the lien, covenants (including the rate covenant), and provisions of the pledges, transfer, hypothecation, or assignment made by the Authority in the Trust Agreement. The Authority and Signatory Airlines agree that to the extent required by the Trust Agreement 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.

The Authority shall notify Signatory Airlines in advance of any amendments or supplements to the Trust Agreement that would materially alter the terms and provisions of the Airline Agreement or materially impact the levels of rentals, fees, and charges paid by Signatory Airlines ("Material Amendments").

For any Material Amendments or supplements desired solely by the Authority for its own purposes, the Authority and Signatory Airlines shall use their best efforts to agree on the implementation. However, in the event the Authority and Signatory Airlines cannot agree on the implementation of any Material Amendments or supplements desired solely by the Authority for its own purposes, a Signatory Airline, in addition to cancellation rights provided elsewhere in the Airline Agreement, shall have the right to cancel the Airline Agreement upon thirty (30) days advance written notice.

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APPENDIX F

DTC INFORMATION

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APPENDIX F

DTC INFORMATION

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

DTC will act as securities depository for the Subordinated 2013A Bonds. The Subordinated 2013A 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 certificate will be issued for each maturity of the Subordinated 2013A Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. 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 ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Subordinated 2013A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Subordinated 2013A Bonds on DTC's records. The ownership interest of each actual purchaser of each Subordinated 2013A Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Subordinated 2013A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Subordinated 2013A Bonds, except in the event that use of the book-entry system for the Subordinated 2013A Bonds is discontinued.

To facilitate subsequent transfers, all of the Subordinated 2013A 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 Subordinated 2013A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Subordinated 2013A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Subordinated 2013A 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 the Subordinated 2013A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Subordinated 2013A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Subordinated 2013A Bond documents. For example, Beneficial Owners of the Subordinated 2013A Bonds may wish to ascertain that the nominee holding the Subordinated 2013A 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of the Subordinated 2013A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Subordinated 2013A 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 Subordinated 2013A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Subordinated 2013A 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 Trustee on the payable 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 Trustee, nor the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC. 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 Subordinated 2013A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Subordinated 2013A Bonds are required to be printed and delivered.

The Authority may, pursuant to the procedures of DTC, decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Subordinated 2013A Bonds will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SUBORDINATED 2013A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE SUBORDINATED 2013A BONDS OR REGISTERED OWNERS OF THE SUBORDINATED 2013A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SUBORDINATED 2013A BONDS.

The Authority can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the Subordinated 2013A Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the Subordinated 2013A Bonds or redemption notices to the Beneficial Owners of such Subordinated 2013A Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Official Statement. The Authority is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the Subordinated 2013A Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Subordinated 2013A Bonds and the manner of transferring or pledging those interests is subject to applicable state law. Holders of beneficial interests in the Subordinated 2013A Bonds may want to discuss the manner of transferring or pledging their interest in the Subordinated 2013A Bonds with their legal advisors.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Subordinated 2013A Bond certificates will be printed and delivered. Thereafter, the Subordinated 2013A Bond certificates may be transferred and exchanged as described in the Trust Agreement. See APPENDIX C – "CODIFIED AND RESTATED TRUST AGREEMENT FOR THE SENIOR BONDS," APPENDIX D – "FORM OF SUBORDINATED TRUST AGREEMENT," APPENDIX E – "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE – AIRPORT USE AND LEASE AGREEMENT."

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APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Hillsborough County Aviation Authority (the "Issuer") in connection with the issuance of its Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT) in the principal amount of $168,865,000 (the "Subordinated 2013A Bonds"). The Subordinated 2013A Bonds are being issued pursuant to the Resolution No. 2013-107 adopted by the Issuer on September 5, 2013 (the "Resolution"); a Codified and Restated Trust Agreement effective as of September 1, 2006, as amended (collectively, the "2006 Trust Agreement"), by and between the Authority and The Bank of New York Mellon (successor trustee to JPMorgan Chase Bank, N.A. which was successor trustee to The Chase Manhattan Bank National Association), New York, New York, as Trustee (the "Senior Trustee", "Senior Paying Agent" and "Senior Registrar"), as supplemented prior to the date hereof, and a Subordinated Trust Agreement, dated October 1, 2013 (collectively with the 2006 Trust Agreement, the "Subordinated Trust Agreement") by and between the Authority and The Bank of New York Mellon, as Trustee (the "Subordinated Trustee"). The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Subordinated 2013A Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Subordinated 2013A Bonds (including persons holding Subordinated 2013A Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Subordinated 2013A Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system as described in Securities and Exchange Commission Release No. 34-59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the event listed in Section 5(a) of this Disclosure Agreement.

"Participating Underwriters" shall mean the original underwriters of the Subordinated 2013A Bonds required to comply with the Rule in connection with offering of the Subordinated 2013A Bonds.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Issuer's fiscal year (presently ends September 30), commencing with the report for the 2013 Fiscal Year, provide to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report only if they are not available by that date so long as they are provided when they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Issuer shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) If the Dissemination Agent is other than the Issuer, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to EMMA.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3 (a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) An update of the following financial information and operating data from the Official Statement which are in tabular form:

1. Airline Passenger Traffic;

2. Top Markets for Tampa International Airport; and

3. Airline Market Shares of Enplaned Passengers.

Relating to information to be provided to EMMA, the information provided under Section 4(b) may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from EMMA. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5 below, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Subordinated 2013A Bonds in a timely manner (not in excess of ten (10) Business Days after the occurrence of the event):

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on the debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, 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 security, or other material events affecting the tax status of the Subordinated 2013A Bonds;

7. Modifications to rights of holders of the Subordinated 2013A Bonds, if material;

8. Subordinated 2013A Bond calls, if material, and tender offers;

9. Subordinated 2013A Bond defeasances;

10. Release, substitution, or sale of property securing repayment of the Subordinated 2013A Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership, or similar proceeding of the Issuer. For purposes of this clause 12, any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer 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 Issuer, 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 Issuer;

13. A merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, the entry into a definitive agreement to undertake any such action or the termination of a definitive agreement relating to any such action, other than pursuant to the terms of any definitive agreement, if material;

14. Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material; and

13. Notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

SECTION 6. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Subordinated 2013A Bonds. If such termination occurs prior to the final maturity of the Subordinated 2013A Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Issuer.

SECTION 8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be 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 Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Subordinated 2013A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (1) is approved by the Holders of the Subordinated 2013A Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Subordinated 2013A Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. DEFAULT. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Subordinated 2013A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement; provided, however, the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with the provisions of this Disclosure Agreement shall be an action to compel performance. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution.

SECTION 12. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Subordinated 2013A Bonds, and shall create no rights in any other person or entity.

Date as of October 30, 2013

____

Robert I. Watkins, Chairman

Countersigned:

____

Joseph W. Lopano, Chief Executive Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Hillsborough County Aviation Authority, Florida
Name of Bond Issue:	$168,865,000 Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT)
Date of Issuance:	October 30, 2013

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Subordinated 2013A Bonds issued pursuant to Resolution No. 2013-107 adopted by the Issuer on September 5, 2013, as required by Sections 3 and 4 of the Continuing Disclosure Agreement dated October 30, 2013. The Issuer anticipates that the Annual Report will be filed by ______________________.

Dated: ____________________

ISSUER

By: ______________________________
Name:____________________________
Title:_____________________________

APPENDIX H

FORM OF BOND COUNSEL OPINION

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_____________, 2013

PRELIMINARY, SUBJECT TO CHANGE

Hillsborough County Aviation Authority
Tampa International Airport
Tampa, Florida 33607

Re: Hillsborough County Aviation Authority $168,865,000 Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Hillsborough County Aviation Authority (the "Authority") in connection with the issuance and sale by the Authority of its Tampa International Airport Subordinated Revenue Refunding Bonds, 2013 Series A (AMT), in the aggregate principal amount of $168,865,000 (the "Bonds"). The Bonds are being issued for the purpose of refunding the outstanding Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2003 Series A (AMT) and paying a portion of the amount outstanding under the Revolving Credit Agreement with SunTrust Bank.

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Subordinated Trust Agreement effective as of October 1, 2013 (the "Original Subordinated Trust Agreement"), as supplemented by a Subordinated Supplemental Trust Agreement dated as of October 1, 2013 (the "2013 Subordinated Supplemental Trust Agreement"), each by and between the Authority and The Bank of New York Mellon, New York, New York, as Trustee. The Original Subordinated Trust Agreement and the 2013 Subordinated Supplemental Trust Agreement are collectively referred to herein as the "Subordinated Trust Agreement."

The description of the Bonds in this opinion and other statements concerning the terms and conditions of the issuance of the Bonds do not purport to set forth all of the terms and conditions of the Bonds or any other document relating to the issuance thereof, but are intended only to identify the Bonds and to describe briefly certain features thereof.

The Bonds are dated the date of their delivery, have been issued in fully registered form and bear interest from that date at the rates described in, and shall be subject to the terms and conditions set forth in, Resolution No. 2013-107 of the Authority pertaining to the Bonds adopted on September 5, 2013 (the "Resolution"). The Bonds have been designated by the Authority as "PFC Bonds" for all purposes under the Subordinated Trust Agreement.

Pursuant to the Subordinated Trust Agreement, the principal of and all interest on the Bonds are payable from and secured by a lien upon and pledge of the Pledged Revenues derived by the Authority from the operation of the Airport System to the extent and in the manner described in the

Subordinated Trust Agreement. The Bonds are payable from such Pledged Revenues on a subordinated basis to the lien thereon of the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 1996 Series B, the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2001 Series A, the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2003 Series B, the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2003 Series C (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2003 Series D (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2005 Series A (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2005 Series B (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2006 Series A (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2006 Series B (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2008 Series A (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2008 Series B (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2008 Series C (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2008 Series D (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2009 Series A (PFC), currently outstanding under the Codified and Restated Trust Agreement effective as of September 1, 2006, as amended and supplemented (the "Senior Trust Agreement") and any additional bonds issued pursuant to the Senior Trust Agreement. The Bonds are issued on a parity with any Additional Bonds hereafter issued pursuant to the terms of the Subordinated Trust Agreement.

The Bonds and the obligations evidenced thereby do not constitute a general indebtedness of the Authority, Hillsborough County, the City of Tampa, or any other political subdivision of the State of Florida within the meaning of any constitutional, statutory or charter provision or limitation and shall not constitute a lien on any property of the Authority other than such Pledged Revenues and other funds pledged pursuant to the Subordinated Trust Agreement. Bondholders do not have the right to require or compel the exercise of the ad valorem taxing power of any entity to pay the Bonds.

In rendering the opinions set forth below, we have examined certified copies of the Subordinated Trust Agreement and are relying on the covenants and agreements of the Authority contained therein, including, without limitation, the covenant of the Authority to comply with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder, to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes.

We have also examined certified copies of the proceedings of the Authority, and other information submitted to us relative to the issuance and sale by the Authority of the Bonds. In addition to the foregoing, we have examined and relied upon such other agreements, documents, certificates and opinions, including certificates and representations of public officials, and officers and representatives of various parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions set forth below. Reference is made to the opinion of even date herewith of Gigi Garber Rechel, General Counsel, Vice President of Legal Affairs of the Authority, on which we rely as to the due creation and valid existence of the Authority, the due adoption of the Resolution, the due authorization, execution and delivery of the Subordinated Trust Agreement, the Bonds and all documents associated with the issuance thereof, and the compliance by the Authority with all conditions precedent to the sale and delivery of the Bonds. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, documents, certificates, representations and opinions, 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. The opinions set forth below 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.

Based upon and subject to the foregoing, we are of the opinion that:

(1) The Bonds are valid and legally binding special obligations of the Authority, payable solely from the Pledged Revenues and other funds pledged therefor in the manner and to the extent described in the Subordinated Trust Agreement.

(2) The Subordinated Trust Agreement is a valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

(3) Under existing law, the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any Bond for any period during which such Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of a project financed or refinanced with the proceeds of the Bonds, or a "related person" to such a "substantial user."

It should be noted that interest on the Bonds will be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed by the Code, and will be includable in the alternative minimum taxable income of a holder of such Bonds.

The opinions expressed in the preceding two paragraphs are conditioned upon compliance by the Authority with its covenants relating to certain arbitrage rebate and other tax requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code (including, without limitation, its covenants to comply with the requirements contained in Section 148 of the Code), to the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. Failure of the Authority to comply with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the Bonds. The scope of the foregoing opinions is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the Bonds.

We express no opinion regarding any state tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any state tax consequences of owning the Bonds.

Our opinions expressed herein are predicated upon current facts and circumstances, and upon present laws and interpretations thereof. We assume no affirmative obligation to update our opinions expressed herein if such facts, circumstances or laws or interpretations thereof change after the date of this opinion that may adversely affect the opinions contained herein or the exclusion from gross income of interest on the Bonds for federal income tax purposes even if such changes come to our attention.

All opinions as to legal obligations of the Authority set forth above are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) judicial discretion which may be exercised in applicable cases to adversely affect the enforcement of certain rights or remedies.

This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the Bonds.

In addition, in rendering the opinions set forth above we have not been requested to pass upon, and have not passed upon, the validity of any Use and Lease Agreement or other agreements between the Authority and air carriers, rental car companies and concessionaires utilizing the Airport System.

We have not been engaged or undertaken to review, confirm or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of any of the statements in the Official Statement relating to the Bonds, including the appendices thereto or other offering material relating to the Bonds (except to the extent stated under the caption "LEGAL MATTERS" in the Official Statement). In addition, we have not been engaged to and therefore express no opinion regarding the perfection or priority of the lien on Pledged Revenues or other funds created by the Subordinated Trust Agreement, or as to the compliance by the Authority or the underwriters with any federal or state statute, regulation or ruling with respect to the offer, sale or distribution of the Bonds.

This letter is solely for your benefit and may not be relied upon by, or published or communicated to, any other person without our express written consent. Our opinion is limited solely to the matters stated herein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein.

Sincerely,

HOLLAND & KNIGHT LLP

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HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA • TAMPA INTERNATIONAL AIRPORT SUBORDINATED REVENUE REFUNDING BONDS, 2013 SERIES A (AMT)

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