

NEW ISSUE - BOOK-ENTRY ONLY**RATINGS:** 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 2015A CFC Bonds is excludable from gross income for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax. Interest on the 2015A CFC Bonds will, however, be taken into account in computing an adjustment made in determining a corporate Bondholder's alternative minimum tax based on such corporate Bondholder's adjusted current earnings. In the further opinion of Bond Counsel, interest on the 2015B CFC Bonds is NOT EXCLUDABLE from gross income for federal income tax purposes. For a description of the consequences to holders of 2015 CFC Bonds of other provisions of the Internal Revenue Code of 1986, as amended, see "TAX MATTERS."

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA**\$88,975,000**

**Tampa International Airport
Customer Facility Charge Revenue Bonds,
2015 Series A (Non-AMT)**

\$294,350,000

**Tampa International Airport
Customer Facility Charge Revenue Bonds,
2015 Series B (Taxable)**

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

The Hillsborough County Aviation Authority (the "Authority") is issuing its Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) in the principal amount of \$88,975,000 (the "2015A CFC Bonds") and its Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable) in the principal amount of \$294,350,000 (the "2015B CFC Bonds" and collectively with the 2015A CFC Bonds, the "2015 CFC Bonds"). The 2015 CFC Bonds are being issued under the CFC Trust Agreement (as defined herein).

Proceeds from the 2015A CFC Bonds, together with other legally available funds, will be used for the purpose of (i) financing a portion of the 2015 CFC Project, as more particularly described herein (see "THE 2015 CFC PROJECT"), (ii) making a deposit into the common Debt Service Reserve Fund under the CFC Trust Agreement, and (iii) paying certain costs of issuance incurred in connection with the issuance of the 2015A CFC Bonds. See "ESTIMATED SOURCES AND USES" herein.

The proceeds from the 2015B CFC Bonds, together with other legally available funds, will be used for the purpose of (i) financing a portion of the 2015 CFC Project, (ii) making a deposit into the common Debt Service Reserve Fund under the CFC Trust Agreement, (iii) making a deposit into the CFC Surplus Fund (Rolling Coverage), and (iv) paying certain costs of issuance incurred in connection with the issuance of the 2015B CFC Bonds. See "ESTIMATED SOURCES AND USES" herein.

The 2015 CFC 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 2015 CFC 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 2015 CFC Bonds will not receive physical delivery of bond certificates. Interest on the 2015 CFC 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, 2016.

The 2015 CFC Bonds will be subject to optional and mandatory redemption prior to their stated maturities as described herein. See "DESCRIPTION OF THE 2015 CFC BONDS – Redemption" herein.

The 2015 CFC Bonds are payable solely from and secured by a lien on the Pledged Cash Flow (as defined herein). Pledged Cash Flow includes, but is not limited to, Pledged Revenues and certain interest earnings on funds and accounts held under the CFC Trust Agreement. Pledged Revenues include On-Airport CFCs, Off-Airport TFCs and Concessionaire Deficiency Payments.

The 2015 CFC 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 2015 CFC Bonds.

The 2015 CFC 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 Michael Kamprath, Esq., Assistant General Counsel. It is expected that definitive 2015 CFC Bonds will be available for delivery in New York, New York, on or about September 3, 2015.

Citigroup

**BofA Merrill Lynch
Morgan Stanley**

Raymond James

**J.P. Morgan
RBC Capital Markets**

Dated: August 19, 2015

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

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA

\$88,975,000

**Tampa International Airport
Customer Facility Charge Revenue Bonds,
2015 Series A (Non-AMT)**

\$88,975,000 5.00% Term Bond due October 1, 2044, Yield 3.85%*/Price 108.737*; CUSIP Number 432275AA3**

\$294,350,000

**Tampa International Airport
Customer Facility Charge Revenue Bonds,
2015 Series B (Taxable)**

\$122,020,000 Serial Bonds

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate %</u>	<u>Price</u>	<u>CUSIP Numbers**</u>
2019	\$8,370,000	2.587%	100.00	432275AB1
2020	8,585,000	2.887	100.00	432275AC9
2021	8,835,000	3.249	100.00	432275AD7
2022	9,120,000	3.549	100.00	432275AE5
2023	9,445,000	3.751	100.00	432275AF2
2024	9,800,000	3.901	100.00	432275AG0
2025	10,180,000	3.981	100.00	432275AH8
2026	10,585,000	4.151	100.00	432275AJ4
2027	11,025,000	4.301	100.00	432275AK1
2028	11,500,000	4.451	100.00	432275AL9
2029	12,010,000	4.601	100.00	432275AM7
2030	12,565,000	4.751	100.00	432275AN5

\$72,965,000 5.17% Term Bond due October 1, 2035, Price 100.00; CUSIP Number 432275AP0**

\$99,365,000 5.25% Term Bond due October 1, 2041, Price 100.00; CUSIP Number 432275AQ8**

* Price and yield calculated to the first optional call date of October 1, 2024.

** Neither the Authority nor the Underwriters are 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
Gary W. Harrod
Sam Rashid
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
John M. Tiliacos, Vice President of Operations and Customer Service
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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 2015 CFC 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 2015 CFC Bonds or a solicitation of an offer to buy nor shall there be any sale of the 2015 CFC 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 and the Underwriters expressly make 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 2015 CFC 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 2015 CFC BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE CFC 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 2015 CFC BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2015 CFC 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 2015 CFC 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").

The following "NOTICE TO INVESTORS IN THE UNITED KINGDOM" and "NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA" have been provided by the Underwriters for inclusion in this Official Statement:

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Official Statement has not been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") and does not constitute an offer to the public in accordance with the provisions of Section 85 of the FSMA. It is for distribution only to, and is directed solely at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (iii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). This Official Statement is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons, including in circumstances in which Section 21(1) of the FSMA applies to the Corporation. Any investment or investment activity to which this Official Statement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Official Statement or any of its contents.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

THIS OFFICIAL STATEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF EUROPEAN COMMISSION REGULATION 809/2004 OR EUROPEAN COMMISSION DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY EUROPEAN COMMISSION DIRECTIVE 2010/73/EU, AS APPLICABLE) (THE "PROSPECTUS DIRECTIVE"). IT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE 2015 CFC BONDS WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, AS IMPLEMENTED IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA, FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR SUCH OFFERS. THIS OFFICIAL STATEMENT IS ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("QUALIFIED INVESTORS"). THIS OFFICIAL STATEMENT MUST NOT BE ACTED ON OR RELIED ON IN ANY SUCH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO QUALIFIED INVESTORS IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA AND WILL NOT BE ENGAGED IN WITH ANY OTHER PERSONS.

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE AUTHORITY	2
AUTHORIZATION OF THE 2015 CFC BONDS	2
DESCRIPTION OF THE 2015 CFC BONDS	3
General	3
Redemption	3
Notice of Redemption	5
Conditional Notice	5
THE 2015 CFC PROJECT	5
The 2015A CFC Project	5
The 2015B CFC Project	6
2015 CFC Project Funding Sources	7
Design-Build Agreements for the 2015 CFC Project	7
APM	7
Operation of the ConRAC	8
ESTIMATED SOURCES AND USES	8
SECURITY FOR THE 2015 CFC BONDS	8
Pledged Cash Flow	8
Limited Liability of 2015 CFC Bonds	10
Rate Covenant	10
Covenants with respect to Pledged Revenues	10
Additional Bonds	11
Completion Bonds and Refunding Bonds	12
THE CFC TRUST AGREEMENT – FLOW OF FUNDS	12
Creation of Funds and Accounts	12
Deposit of Pledged Revenues	13
Disposition of Pledged Revenues <u>before</u> Substantial Completion	13
Disposition of Pledged Revenues <u>after</u> Substantial Completion	13
AVAILABLE PLEDGED REVENUES – BEFORE SUBSTANTIAL COMPLETION	19
DURING THE CONSTRUCTION PERIOD	19
AVAILABLE PLEDGED REVENUES – AFTER SUBSTANTIAL COMPLETION	20
ON-AIRPORT CONCESSIONAIRE AGREEMENT	21
General	21
Concessionaire's Deficiency Payments	21
Concessionaire's Step-Up Payments	22
Concessionaire Termination Rights	22
Default	23
Authority Remedies	23
Habitual Default	24
AIR TRADE AREA	24
General	24
Airports in the Primary and Secondary Air Trade Area	25
AIR TRADE AREA MAP	26
THE AIRPORT SYSTEM	27
Management	27
Tampa International Airport	28
Passenger Terminal Facilities	29
Airfield and Other Facilities	32
Airlines Serving Tampa International Airport	34
Enplanements and Aircraft Operations	35
Top Markets for Tampa International Airport	35

TABLE OF CONTENTS
(continued)

	<u>Page</u>
RENTAL CAR OPERATIONS.....	38
CFC Collections.....	38
DEBT SERVICE REQUIREMENTS.....	40
REPORT OF THE AIRPORT CONSULTANT.....	41
PROJECTED RENTAL CAR ACTIVITY METRICS AND CFC COLLECTIONS.....	42
PROJECTED 2015 CFC BOND DEBT SERVICE COVERAGE.....	43
INVESTMENT CONSIDERATIONS.....	44
Factors Affecting the 2015 CFC Project.....	44
Factors Affecting the Airline Industry.....	46
Aviation Security Concerns.....	48
Uncertainties of Projections, Forecasts and Assumptions.....	48
PUBLICLY AVAILABLE INFORMATION FOR RENTAL CAR COMPANIES.....	48
RISK MANAGEMENT AND INSURANCE.....	49
ENFORCEABILITY OF REMEDIES.....	49
FINANCIAL ADVISOR.....	50
PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS.....	50
FINANCIAL STATEMENTS.....	50
LITIGATION.....	50
TAX MATTERS.....	50
2015A CFC Bonds.....	50
Alternative Minimum Tax.....	51
Original Issue Premium.....	51
Other Tax Consequences.....	52
Future Tax Legislation.....	52
Information Reporting and Backup Withholding.....	52
2015B CFC Bonds.....	53
Tax Treatment of Foreign Investors.....	53
Backup Withholding.....	53
Sales, Exchanges, and Transfers.....	54
LEGAL MATTERS.....	54
CONTINGENT FEES.....	55
RATINGS.....	55
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....	55
CONTINUING DISCLOSURE.....	55
UNDERWRITING.....	56
MISCELLANEOUS.....	57

APPENDICES:

APPENDIX A	REPORT OF THE AIRPORT CONSULTANT
APPENDIX B	AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014 AND 2013
APPENDIX C	CFC TRUST AGREEMENT
APPENDIX D	ON-AIRPORT CONCESSIONAIRE AGREEMENT
APPENDIX E	DTC INFORMATION
APPENDIX F	FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX G	FORM OF BOND COUNSEL OPINION

OFFICIAL STATEMENT

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA

\$88,975,000
Tampa International Airport
Customer Facility Charge Revenue Bonds,
2015 Series A (Non-AMT)

\$294,350,000
Tampa International Airport
Customer Facility Charge Revenue Bonds,
2015 Series B (Taxable)

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 Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) in the principal amount of \$88,975,000 (the "2015A CFC Bonds") and its Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable) in the principal amount of \$294,350,000 (the "2015B CFC Bonds" and collectively with the 2015A CFC Bonds, the "2015 CFC Bonds"). The 2015 CFC Bonds are being issued under a CFC Trust Agreement (as defined herein).

Proceeds from the 2015A CFC Bonds, together with other legally available funds, will be used for the purpose of (i) financing a portion of the 2015 CFC Project, (ii) making a deposit into the common Debt Service Reserve Fund under the CFC Trust Agreement, and (iii) paying certain costs of issuance incurred in connection with the issuance of the 2015A CFC Bonds. See "ESTIMATED SOURCES AND USES" herein.

The proceeds from the 2015B CFC Bonds, together with other legally available funds, will be used for the purpose of (i) financing a portion of the 2015 CFC Project, (ii) making a deposit into the common Debt Service Reserve Fund under the CFC Trust Agreement, (iii) making a deposit into the CFC Surplus Fund (Rolling Coverage), and (iv) paying certain costs of issuance incurred in connection with the issuance of the 2015B CFC Bonds. See "ESTIMATED SOURCES AND USES" herein.

The 2015 CFC Bonds are being issued under the provisions of the CFC Trust Agreement to be dated September 1, 2015 (the "Original CFC Trust Agreement"), by and between the Authority and The Bank of New York Mellon, as Trustee (the "Trustee" and "Registrar") and as supplemented by a Supplemental Trust Agreement to be dated as of September 1, 2015 (the "2015 CFC Supplemental Trust Agreement" and, collectively with the Original CFC Trust Agreement, the "CFC Trust Agreement") and pursuant to 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 and supplemented (collectively, the "Act") and by Resolution No. 2015-96, adopted by the Authority on July 2, 2015 (the "Resolution").

The Authority, a public body, corporate and politic and an independent special district created pursuant to the Act, 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" herein.

The 2015 CFC Bonds are payable solely from and secured by a lien on the Pledged Cash Flow as provided in the CFC Trust Agreement. Pledged Cash Flow includes but is not limited to Pledged Revenues which include, collectively, On-Airport CFCs, Off-Airport TFCs and Concessionaire Deficiency Payments. On-Airport CFCs include funds received by the Authority from on-airport car rental concessionaires pursuant to the Authority's imposition of "customer facility charges" (the "CFCs") under Resolution Nos. 2011-106, 2014-36 and 2015-111 and as thereafter amended, supplemented or

replaced from time to time. Off-Airport TFCs means the funds received by the Authority from off-airport car rental concessionaires pursuant to the Authority's imposition of "transportation facility charges" (the "TFCs") under Resolution No. 2014-37, as amended, supplemented, restated or replaced from time to time. Concessionaire Deficiency Payments include the payments, if any, made by Concessionaires pursuant to their respective Concessionaire Agreements (or any successor provisions thereof) as contingent payments to cover in each contract year under the Concessionaire Agreement after substantial completion of the 2015 CFC Project, deficiencies if any in the amount of On-Airport CFCs and Off-Airport TFCs needed to fund the Mandatory Eligible Costs as defined in the Concessionaire Agreement. See "ON-AIRPORT CONCESSIONAIRE AGREEMENT."

Certain capitalized terms that are not defined herein are defined in the CFC Trust Agreement attached hereto as APPENDIX C and/or the On-Airport Concessionaire Agreement attached hereto as APPENDIX D.

This Official Statement includes a description of the Authority, the 2015 CFC Project and certain financial and operational factors relating to the Authority, the Concessionaires, and demand for rental cars at the Airport. The APPENDICES hereto are part of this Official Statement and reference is made to the full version of such APPENDICES, including, without limitation, the Report of the Airport Consultant included as APPENDIX A hereto.

THE AUTHORITY

The Authority is a public body corporate and is an independent special district created pursuant to the provisions of 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 2015 CFC BONDS

The 2015 CFC Bonds are authorized to be issued under and secured by the CFC Trust Agreement pursuant to and in accordance with the provisions of the Resolution and the Act.

DESCRIPTION OF THE 2015 CFC BONDS

General

The 2015 CFC 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 2015 CFC Bonds will accrue from their date of delivery and is payable on April 1, 2016, and semi-annually thereafter on April 1 and October 1 of each year. Principal and premium, if any, on the 2015 CFC Bonds will be paid by the Trustee at its corporate trust office in New York, New York. Interest on the 2015 CFC 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 2015 CFC Bonds may, at the election of a registered owner of \$1,000,000 or more in aggregate principal amount of each Series of 2015 CFC Bonds, 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 2015 CFC Bonds held by such registered owner until a subsequent written notice is filed with the Trustee.

The 2015 CFC 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 2015 CFC Bonds. Purchases of beneficial interests in the 2015 CFC Bonds will be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof of each Series of 2015 CFC Bonds. Purchasers of beneficial interests in the 2015 CFC Bonds will not receive certificates representing their interests in the 2015 CFC Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner, payments with respect to the 2015 CFC 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 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 "DTC INFORMATION" set forth in APPENDIX E.

Redemption

Optional Redemption. The 2015A CFC Bonds may be redeemed prior to their maturity, at the option of the Authority, from time to time, on or after October 1, 2024, in whole or in part, on any date, in such amounts and in the order of maturity as determined by the Authority and 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 2015A CFC Bonds to be redeemed, plus accrued interest to the redemption date.

The 2015B CFC Bonds maturing prior to October 1, 2026 are not subject to optional redemption. The 2015B CFC Bonds maturing on and after October 1, 2026, may be redeemed prior to their maturity, at the option of the Authority, from time to time, on or after October 1, 2025, in whole or in part, on any date, in such amounts and in the order of maturity as determined by the Authority and 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 2015B CFC Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption. The 2015A CFC Bonds are subject to mandatory redemption on the dates set forth below at the redemption price of par plus accrued interest and without premium (each such redemption to be treated as an Amortization Installment for the 2015A CFC Bonds referred to below):

2015A CFC Term Bonds due October 1, 2044:

Amount to be <u>Redeemed</u>	Redemption Date <u>(October 1)</u>
\$16,535,000	2041
22,980,000	2042
24,125,000	2043
25,335,000	2044*

*Final Maturity

The 2015B CFC Bonds maturing on October 1, 2035 and October 1, 2041 are subject to mandatory redemption on the dates set forth below at the redemption price of par plus accrued interest and without premium (each such redemption to be treated as an Amortization Installment for the 2015B CFC Bonds referred to below):

2015B CFC Term Bonds due October 1, 2035:

Amount to be <u>Redeemed</u>	Redemption Date <u>(October 1)</u>
\$13,160,000	2031
13,840,000	2032
14,555,000	2033
15,310,000	2034
16,100,000	2035*

*Final Maturity

2015B CFC Term Bonds due October 1, 2041:

Amount to be <u>Redeemed</u>	Redemption Date <u>(October 1)</u>
\$16,935,000	2036
17,820,000	2037
18,755,000	2038
19,740,000	2039
20,780,000	2040
5,335,000	2041*

*Final Maturity

Notice of Redemption

Notice of any such redemption, either in whole or in part, shall be mailed, by regular mail, postage prepaid, or delivered by electronic or other means as the Authority may direct in accordance with the prevailing custom and practice to all registered owners of 2015 CFC Bonds or portions of 2015 CFC Bonds to be redeemed at their physical or electronic addresses as they appear on the registration books at least twenty-five (25) days prior to the redemption date; provided, however, that failure so to mail or deliver any such notice, or any defects, therein, shall not affect the validity of the proceedings for such redemption with respect to which no such failure or defect occurred. The Authority shall also endeavor to post notice of the redemption on the Electronic Municipal Market Access System (generally known as EMMA) or its successor or similar nationally recognized electronic municipal information repository, but failure to do so will not affect the validity of the proceedings for such redemption. The 2015 CFC Bonds so duly called for redemption shall become and be due and payable at the redemption price provided for such 2015 CFC 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 2015 CFC Bonds called for redemption shall cease to accrue on the dates designated for redemption, and the holders or registered owners of said 2015 CFC Bonds called for redemption shall not have any lien, rights, benefits or security under the CFC 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 2015 CFC Bonds. Any notice mailed or delivered 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 or whether or not notice was actually, timely or correctly posted on EMMA.

Conditional 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 CFC Trust Agreement in which case the Authority will not be obligated to redeem such 2015 CFC Bonds unless the events therein described have occurred.

THE 2015 CFC PROJECT

The Authority reviewed and evaluated the rental car facilities at the Airport as part of its 2012 Airport Master Plan update (the "Master Plan"), and concluded that the configuration and location of the current rental car operations are a major contributor to congestion and capacity constraints within the Airport's main terminal (the "Main Terminal"), curbsides and roadways. The Authority also concluded that the current rental car facilities cannot accommodate the growth projections for the Airport beyond 2016. As a result, the Authority has determined that the rental car operations should be relocated to a consolidated rental car facility ("ConRAC") located in the south terminal support area with an automated people mover ("APM") connection to the Main Terminal.

The 2015A CFC Project

The 2015A CFC Project includes the APM. The approximate 1.4 mile APM will connect the Main Terminal to the ConRAC. The APM system is designed initially to accommodate approximately 2,300 passengers per hour per direction. It is estimated that an initial fleet of three 120-foot trains (or three typical APM cars per train) with one spare train would provide sufficient capacity to accommodate the initial projected line capacity requirement. It is anticipated the APM will have a four minute travel time from the Main Terminal to the ConRAC APM Station described below. The proposed APM will have three stations:

Station 1: Main Terminal APM Station – This station will be located adjacent to the Main Terminal with easy and convenient access to the transfer, ticketing, and baggage claim levels. Enhancements and modifications to the Main Terminal are required to facilitate passenger access to/from the Main Terminal APM Station to the baggage, ticketing, and transfer levels of the Main Terminal.

Station 2: Economy Garage APM Station – This station will be located adjacent to the economy parking garage located in the south development area at the south end of the Airport (the "Economy Parking Garage"). This station connection will eliminate shuttle busses that currently run every seven minutes on the George Bean parkway to and from the Main Terminal. The 2015 CFC Project will include modifications to the Economy Parking Garage required to facilitate passenger access between the Economy Parking Garage and the Main Terminal APM Station. Airport employees will also utilize the Economy Parking Garage.

Station 3: ConRAC APM Station – This station will be located at the ConRAC with direct access to the rental car service center lobby and adjacent vertical circulation lobby to be located along the new curbside for easy access by Airport customers, users, and employees. The ConRAC APM Station connection will eliminate employee busses that operate every five minutes between the Main Terminal and the north employee parking lot.

In addition to the 2015A CFC Bonds, the APM is being financed from proceeds to be received from the Tampa International Airport Revenue Bonds, 2015 Series A (AMT) in the principal amount of \$148,210,000 (the "Senior Lien Revenue Bonds") and the Tampa International Airport Subordinated Revenue Bonds, 2015 Series B (Non-AMT) in the principal amount of \$153,915,000 (the "Subordinated Revenue Bonds/PFC Backed"), as well as, a \$178,572,906 grant from the Florida Department of Transportation ("FDOT"). The Senior Lien Revenue Bonds and the Subordinated Revenue Bonds/PFC Backed are expected to be issued on or about August 13, 2015.

The 2015A CFC Project will be subject to modification from time to time by the Authority.

The 2015B CFC Project

The 2015B CFC Project includes the ConRAC. The Authority's rental car facilities were evaluated in the Master Plan. The current facilities are split into two operations on opposite sides (blue side and red side) of the Main Terminal. The blue side consists of a quick turnaround area, rental car ready return spaces and rental counters all located on the bottom two floors of the long term parking garage. The red side has a duplicate rental car ready garage and rental counters. The rental car operators lease an additional 55 acres in the south terminal support area due to space limitations at the Main Terminal.

The 2015B CFC Project includes the relocation and expansion of the existing rental car operations on a 50.5 acre parcel located just south of the Economy Parking Garage and the construction and improvement of a new consolidated rental car facility to be located on that parcel. The 2015B CFC Project includes all associated repairs and improvements to the Main Terminal associated with such relocation and all associated structures, roadways, commercial curbs, facilities, utilities, and other infrastructure improvements related thereto including, without limitation, (i) customer service area; (ii) the exclusive premises for the On-Airport Concessionaires; (iii) a ready/return area; (iv) a quick turnaround area dedicated to fueling, vacuuming, washing and servicing rental vehicles, together with a dedicated roadway for rental vehicle use; (v) storage/service facilities; (vi) service centers for rental car maintenance; and (vii) common On-Airport Concessionaire areas and common public areas, in each case together with any other ancillary facilities and any expansions, additions, extensions and/or improvements thereto. It is currently anticipated that the ConRAC will consist of a four-level, 2.5 million square foot

facility for normal rental car operations, with an additional 75,000 square foot facility to house four service centers for vehicle maintenance. The 2015B CFC Project will be subject to modification from time to time by the Authority.

2015 CFC Project Funding Sources

FUNDING SOURCES	APM	CONRAC
CFC (Pay-As-You-Go)	\$ --	\$54,800,000
2015A CFC Bonds – Non-AMT	90,157,496	--
2015B CFC Bonds – Taxable	--	267,268,613
Senior Lien Revenue Bonds	8,875,000	--
Subordinated Revenue Bonds/PFC Backed	135,236,245	--
Authority Funds	--	1,475,000
FDOT Grant	178,572,906	--
TOTAL	\$412,841,647	\$323,543,613

SOURCE: Hillsborough County Aviation Authority, May 2015.
 PREPARED BY: Ricondo & Associates, Inc., May 2015.

Design-Build Agreements for the 2015 CFC Project

The Authority entered into a Design-Build Agreement on May 7, 2015 with Austin Commercial ("Austin"), one of the largest, diversified, privately-held contractors in the United States. For nearly forty years, Austin has provided design and construction services at airports across the United States. Austin's experience includes ConRAC's built in Atlanta, Austin, Chicago, Nashville, Phoenix and San Diego, as well as APMs built in Atlanta, Chicago, Dallas Fort Worth, Miami, Phoenix and Sacramento. Based upon that experience, Austin has a strong working relationship with the rental car industry along with an understanding of the design requirements that will help in the efficient and long-term operation of the ConRAC facility.

Austin has provided a guaranteed maximum price ("GMP") of \$271,390,418 of the cost of the ConRAC and \$247,609,582 of the cost of the APM which includes the structure for the APM vehicles and APM station structures. Change orders or amendments will only be issued for Authority requested changes, unanticipated costs due to impact from other unforeseen project work items, and additional tenant improvements. Austin, as the design builder, is responsible for all design and construction.

Austin has provided payment and performance bonds and will be assessed liquidated damages if the 2015 CFC Project does not achieve interim and/or final completion deadlines.

APM

Mitsubishi Heavy Industries America, Inc. ("Mitsubishi") was awarded the two phase Design Build Operate Maintain contract on November 6, 2014 relating to the APM. The first phase includes all services necessary for the manufacture of the APM vehicles and the turnkey delivery and installation of the APM vehicles, operating system, running surface, power distribution, integration with the infrastructure, all permitting activities, coordination with adjacent facilities, projects and operations, and all other related services. The cost of this component of the contract is \$115,241,425. The second phase provides for the operation and maintenance of the APM system. The APM system is scheduled to be fully operational by October 1, 2017.

Operation of the ConRAC

Once opened, the Authority will be responsible for maintaining the ConRACs "Common Public Areas," as defined in the Concessionaire Agreement. The Authority will maintain certain of the ConRACs major systems including the main HVAC chiller plant, the main electrical feed, and structural components. The Authority will charge the Concessionaires for providing such services. The Authority will reimburse the Concessionaires for fifty percent (50%) of their respective share of "Operating Expenses," as defined in the Concessionaire Agreement related to the "Common Public Areas," in each Fiscal Year, to the extent available after Mandatory Eligible Costs but not to exceed \$2,000,000 in the aggregate in any Fiscal Year. See "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion – *CFC Surplus Fund*."

The Concessionaire Agreement provides for forming a consortium by the Concessionaires, with Authority input, to choose a third party ConRAC Facility Manager to operate the ConRAC. The ConRAC Facility Manager may also manage the common fuel system or that particular function may be provided by another company as determined by the consortium. The Concessionaires, through the ConRAC Facility Manager, will be responsible for maintaining common Concessionaire areas and each Concessionaire's exclusive premises areas.

ESTIMATED SOURCES AND USES

The following are the estimated sources and uses of the 2015 CFC Bond proceeds and other available funds:

<u>Sources</u>	<u>2015A CFC Bonds</u>	<u>2015B CFC Bonds</u>	<u>Total</u>
Principal Amount	\$88,975,000.00	\$294,350,000.00	\$383,325,000.00
Original Issue Premium	7,773,745.75	--	7,773,745.75
Total Sources	\$96,748,745.75	\$294,350,000.00	\$391,098,745.75
<u>Uses</u>			
Deposit to Construction Fund	\$89,967,827.22	\$266,817,973.87	\$356,785,801.09
Deposit to Debt Service Reserve Fund	6,174,689.75	20,427,310.25	26,602,000.00
CFC Surplus Fund (Rolling Coverage) ⁽¹⁾	--	5,106,827.56	5,106,827.56
Cost of Issuance ⁽²⁾	606,228.78	1,997,888.32	2,604,117.10
Total Uses	\$96,748,745.75	\$294,350,000.00	\$391,098,745.75

(1) The CFC Surplus Fund is not a reserve fund. It is not included as Pledged Cash Flow to secure the 2015 CFC Bonds. Moneys in the CFC Surplus Fund may be used, at the discretion of the Authority, for deposit into the Revenue Fund to meet coverage requirements under the Rate Covenant or can be held and/or used for other Airport projects. See "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion – *CFC Surplus Fund*."

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

SECURITY FOR THE 2015 CFC BONDS

Pledged Cash Flow

The 2015 CFC Bonds are payable solely from and secured by a lien on Pledged Cash Flow which includes certain funds and accounts held under the CFC Trust Agreement. See "CFC TRUST AGREEMENT – Definitions" in APPENDIX C. The Pledged Cash Flow includes "Pledged Revenues"

which is defined to include, collectively, On-Airport CFCs, Off-Airport TFCs and the payments, if any, made by Concessionaires pursuant to their respective On-Airport Concessionaire Agreement (or any successor provisions thereof) as contingent payments to cover in each contract year under the On-Airport Concessionaire Agreement, deficiencies, if any, in the amount of On-Airport CFCs and Off-Airport TFCs needed to fund the Mandatory Eligible Costs as defined in the Concessionaire Agreement ("Concessionaire Deficiency Payments"). See "ON-AIRPORT CONCESSIONAIRE AGREEMENT."

On-Airport CFCs. The Board adopted Resolution No. 2011-106 on September 1, 2011, implementing collection of CFCs by rental car companies at the Airport (collectively, as amended from time to time, including Resolution No. 2014-36 and Resolution 2015-111, the "CFC Resolution"). The CFC Resolution and the CFC rate may be amended from time to time by the Board. The Authority first implemented a CFC to be remitted by the On-Airport rental car companies in October 2011 at \$2.50 per transaction day to help fund the ConRAC. In April 2014, the Authority increased the CFC rate to \$5.00 per transaction day. The rate was increased to \$5.95 per rental transaction day effective July 6, 2015.

Concessionaire Deficiency Payments (also known as Contingent Rent). Concessionaire Deficiency Payments are the payments, if any, made by Concessionaires pursuant to their respective On-Airport Concessionaire Agreements (or any successor provisions thereof) as contingent payments to cover in each contract year under the Concessionaire Agreement, deficiencies if any in the amount of On-Airport CFCs and Off-Airport TFCs needed to fund the Mandatory Eligible Costs as defined in the Concessionaire Agreement (the "Concessionaire Deficiency Payments"). See "ON-AIRPORT CONCESSIONAIRE AGREEMENT – Concessionaire's Deficiency Payments" and APPENDIX D – "ON-AIRPORT CONCESSIONAIRE AGREEMENT."

Other than the Concessionaire Deficiency Payments, On-Airport CFCs and Off-Airport TFCs, no other charges, fees or amounts due and payable by the Concessionaires under the On-Airport Concessionaire Agreement are pledged to the payment of the 2015 CFC Bonds.

Pursuant to the Concessionaire Agreement, the Authority has agreed to construct the ConRAC and the Concessionaires have agreed to pay CFCs on motor vehicles rented at the ConRAC.

Concessionaires will be required to pay CFCs to the Authority (regardless of whether such amounts are charged to or collected from the Concessionaires' customers) in accordance with the terms and provisions of the On-Airport Concessionaire Agreement. Concessionaire's election to not charge or collect CFCs will not relieve a Concessionaire from its responsibility to pay the full amount of such CFCs due and payable to the Authority.

See "ON-AIRPORT CONCESSIONAIRE AGREEMENT" and APPENDIX D – "ON-AIRPORT CONCESSIONAIRE AGREEMENT" for a description of the termination rights and circumstances under which the Concessionaires would no longer be obligated to make Concessionaire Deficiency Payments.

Off-Airport TFCs. Off-Airport TFCs include charges imposed pursuant to Resolution No. 2014-37 of the Authority and the Off-Airport Concessionaire Agreement. The Authority initially imposed Off-Airport TFCs of \$2.00 per contract day on rental car companies that operate Off-Airport. Off-Airport TFCs are considered part of the Pledged Revenues. The current Off-Airport Concessionaire Agreement expires on September 30, 2017; however, six of the off-airport rental car companies currently operating under the Off-Airport Concessionaire Agreement executed the new On-Airport Concessionaire Agreement dated as of June 4, 2015 and have started paying the \$5.95 CFC per transaction rate effective July 6, 2015. See "ON-AIRPORT CONCESSIONAIRE AGREEMENT." Off-airport rental car companies will continue to charge the \$2.00 TFC per transaction day until the current Off-Airport

Agreement expires on September 30, 2017. TFCs are not included in the projections of the Airport Consultant. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

Limited Liability of 2015 CFC Bonds

The 2015 CFC 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 2015 CFC Bonds shall not constitute or be a lien upon any property of the Authority, except the Pledged Cash Flow pledged under the CFC Trust Agreement, or any property of the County, the City or any other political subdivision in the State. No holder of the 2015 CFC 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 2015 CFC 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 2015 CFC Bonds except from the Pledged Cash Flow in the manner provided in the CFC Trust Agreement.

Rate Covenant

The Authority will, to the extent permitted by law, fix, revise from time to time when necessary, maintain and collect Pledged Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of the CFC Trust Agreement the greater of:

(a) 100% of the amounts required to be deposited into the CFC Sinking Fund, the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in such Fiscal Year as contemplated in subsections (A) through (H) under "Disposition of Pledged Revenues after Substantial Completion"; or

(b) The sum of:

(i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in (D) through (F) under "Disposition of Pledged Revenues after Substantial Completion"; plus

(ii) One Hundred Fifty percent (150%) of the Bond Service Requirement for such Fiscal Year.

For purposes of the above requirements, moneys remaining in the CFC 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 CFC Revenue Fund in the following Fiscal Year may be considered as Pledged Revenues in the Fiscal Year in which they are so re-deposited for purpose of satisfying the Rate Covenant set forth above, provided that such transfers shall be limited to not more than 25% of the Bond Service Requirement and the coverage contemplated in clause (b)(ii) above, without the application of this paragraph, shall be at least One Hundred Twenty-Five percent (125%) of the Bond Service Requirement for such Fiscal Year.

Covenants with respect to Pledged Revenues

The Authority covenants that so long as CFC Bonds are outstanding under the CFC Trust Agreement, it will not take any action or omit to take any action with respect to the Pledged Revenues if such action or omission would jeopardize the validity or enforceability of the imposition of On-Airport CFCs, Off-Airport TFCs or the Concessionaire Deficiency Payments, as the case may be, or impede the

Authority's ability to impose and collect On-Airport CFCs, Off-Airport TFCs or Concessionaire Deficiency Payments in the amounts contemplated in the CFC Trust Agreement.

Additional Bonds

The CFC Trust Agreement permits the Authority to issue Additional Bonds for the purpose of constructing or acquiring an Airport System CFC Project, or to refund obligations previously issued and secured by the CFC Trust Agreement, upon compliance with the provisions of the CFC Trust Agreement. For Additional Bonds to be issued, either of the following is required:

(x) A statement signed by the Chief Financial Officer of the Authority to the effect that the Authority's Pledged Revenues (excluding funds redeposited into the CFC Revenue Fund at the discretion of the Authority from the CFC Surplus Fund) 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 greater of:

(a) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in such Fiscal Year, in each case as contemplated in Sections (D) through (H) under "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion" *plus* (ii) 100% of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of all Bonds then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds); or (b) the sum of: (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in Sections (D) through (F) under "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion"; *plus* (ii) One Hundred Twenty-Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of all Bonds then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds); or

(y) A statement of the Airport Consultant that in its opinion, the Pledged Revenues (excluding funds redeposited into the CFC Revenue Fund at the discretion of the Authority from the CFC Surplus Fund) expected to be collected by the Authority 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 CFC fees and charges, shall not be less than the greater of:

(a) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in such Fiscal Year, in each case as contemplated in Sections (D) through (H) under "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion", in each case as estimated by the Airport Consultant, plus (ii) the amounts required to be deposited into the CFC Sinking Fund in each such corresponding Fiscal Year during the Period of Review on account of all Bonds Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds), as contemplated in Sections (A) through (C) under "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion"; or (b) the sum of (i)

100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in each such Fiscal Year as contemplated in Sections (D) through (F) under "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion", as estimated by the Airport Consultant; plus (ii) One Hundred Twenty Five percent (125%) of the amounts required to be deposited into the CFC Sinking Fund in each such corresponding Fiscal Year during the Period of Review on account of all Bonds Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds), as contemplated in Sections (A) through (C) under "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion".

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.

Completion Bonds and Refunding Bonds

The Authority may issue Additional Bonds under the CFC Trust Agreement without complying with the provisions set forth above under "Additional Bonds":

(A) to complete projects specifically authorized and theretofore funded with Additional Bonds under the CFC Trust Agreement, provided that the aggregate principal amount of such completion Bonds does not exceed 15% of the aggregate principal amount of the CFC Bonds or portions of CFC Bonds issued to fund such projects, and

(B) to refund any CFC Bond or CFC Bonds Outstanding hereunder, provided that prior to the issuance of refunding CFC Bonds, the Financial Advisor 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 CFC Bonds will be equal to or less than the debt service with respect to the CFC Bonds to be refunded, or (ii) (a) that, in each Bond Year in which the CFC Bonds to be refunded were scheduled to be Outstanding, the debt service with respect to the refunding CFC Bonds will be equal to or less than the debt service with respect to the CFC Bonds to be refunded, and (b) that the Maximum Bond Service Requirement with respect to all CFC Bonds Outstanding after the issuance of the refunding CFC Bonds (excluding the CFC Bonds to be refunded and including the refunding CFC Bonds) will be equal to or less than the Maximum Bond Service Requirement on all CFC Bonds Outstanding prior to the issuance of the refunding CFC 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 in the CFC Trust Agreement, determined on or as of the date of calculation.

THE CFC TRUST AGREEMENT – FLOW OF FUNDS

Creation of Funds and Accounts

The following special funds and accounts have been created under the CFC Trust Agreement and designated as follows: (i) the CFC Revenue Fund to be held and administered by the Authority; (ii) the

CFC Sinking Fund, and four separate accounts therein to be known as the Interest Account, the Principal Account, the Qualified Hedge Payment Account and the Redemption Account, each to be held and administered by the Trustee; (iii) the Debt Service Reserve Fund and separate accounts therein for any series of CFC Bonds to be created at the direction of the Authority, each to be held and administered by the Trustee; (iv) Rebate Fund, to be held and administered by the Authority; (v) the Expense Fund, to be held and administered by the Authority; (vi) the Authority Reimbursement Fund, to be held and administered by the Authority; (vii) the CFC Repair and Replacement Fund to be held and administered by the Authority; and (viii) the CFC Surplus Fund to be held and administered by the Authority.

Deposit of Pledged Revenues

All Pledged Revenues and other Pledged Cash Flow shall be deposited with the Authority in the CFC Revenue Fund upon receipt, except as otherwise expressly provided in the CFC Trust Agreement.

Disposition of Pledged Revenues before Substantial Completion

Before Substantial Completion, all Pledged Revenues held in the CFC Revenue Fund shall be disbursed and applied by the Authority to satisfy the deposit requirements in the amounts and manner contemplated in subsections [(A) through (G) below under "Disposition of Pledged Revenues after Substantial Completion"] and to pay cost overruns or shortfalls in the cost of constructing the Airport System CFC Project to the extent the Authority anticipates deficiencies in the funds set aside for such purpose in the Construction Account established for the Airport System CFC Project. Prior to Substantial Completion, Pledged Revenues not needed for the purposes described in the preceding sentence shall remain in the CFC Revenue Fund. See "ESTIMATED SOURCES AND USES."

Upon the date of Substantial Completion, and after payments required by subsections (A) through (G) set forth below under "Disposition of Pledged Revenues after Substantial Completion," the Authority will apply the funds then on deposit in the CFC Revenue Fund in the following manner and order of priority:

(i) First to fund the CFC Repair and Replacement Fund up to, but not in excess of, \$10,000,000 in the aggregate. Funds in the CFC Repair and Replacement Fund shall be used and applied in accordance with the provisions of subsection (H) below under "Disposition of Pledged Revenues after Substantial Completion"; and

(ii) Then to fund the Deficiency Reserve Fund up to but not in excess of, \$10,000,000 in the aggregate. The Deficiency Reserve Fund shall not be replenished after Substantial Completion. The Deficiency Reserve Fund is not subject to a lien in favor of the holders of the CFC Bonds. See "SECURITY FOR THE 2015 CFC BONDS – Pledged Cash Flow – *Concessionaire Deficiency Payments (also known as Contingent Rent)*."

(iii) Any funds remaining in the CFC Revenue Fund as of the date of Substantial Completion after satisfying the deposit requirements under clauses (i) and (ii) above shall be deposited into the CFC Surplus Fund (or an account therein established by the Authority) and applied in accordance with subsection (I) below under "Disposition of Pledged Revenues after Substantial Completion."

Disposition of Pledged Revenues after Substantial Completion

After Substantial Completion, the moneys in the CFC 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) Interest Account and Qualified Hedge Payment Account. The moneys in the CFC Revenue Fund shall first be deposited pro rata into the Interest Account and the Qualified Hedge Payment Account in the CFC Sinking Fund, and the Trustee shall deposit in the 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 CFC Bonds (including any net Qualified Hedge Payment then due or to become due within such month); provided, however, that such deposits into the Interest Account shall not be required to be made to the extent sufficient moneys are then on deposit in the special fund in the Interest Account either from the proceeds of the CFC Bonds or from any other source.

The moneys in said Interest Account shall be used only for the payment of the interest on the CFC Bonds, both Serial Bonds and Term Bonds, and the Trustee shall transfer to the Paying Agent 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 the Qualified Hedge Payment Account shall be used only for the payment of Qualified Hedge Payments, if any, 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. There are no outstanding Qualified Hedge Agreements nor is any contemplated in connection with the issuance of the 2015 CFC Bonds.

(B) Principal Account. The moneys shall next be used for deposits into the Principal Account in the CFC Sinking Fund, after making the deposits provided for in subsection (A) above, and the Trustee shall deposit in the Principal Account on the first day of each month, an amount which 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 the Principal Account shall be used only for the payment of the principal on Serial Bonds, and the Trustee shall transfer to the Paying Agent the necessary moneys to pay all such principal becoming due on the Serial Bonds on each principal maturity date prior to such principal maturity date.

(C) Redemption Account. The moneys shall next be used for deposits into the Redemption Account in the CFC Sinking Fund, after making the deposits provided for in subsections (A) and (B) above, and the Trustee shall deposit in the 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 CFC 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 CFC Bonds originally issued to finance such project.

The moneys in the Redemption Account shall be applied to the retirement of Term Bonds in accordance with the terms established under the CFC Trust Agreement. See APPENDIX C – "CFC TRUST AGREEMENT – Article V – Revenues and Funds."

(D) Debt Service Reserve Fund. The moneys shall next be used for deposits into the Debt Service Reserve Fund, after making the deposits provided for in subsections (A), (B) and (C), inclusive, above, and the Trustee shall deposit in the Debt Service Reserve Fund, and pro rata into each separate Reserve Account created therein pursuant to CFC Supplemental Trust Agreements entered into with respect to each Series of Additional Bonds, on the first day of each month, an amount which, together with funds currently deposited in the Debt Service Reserve Fund and each such Reserve Account, will be

sufficient to make the funds on deposit therein equal to the aggregate Reserve Account Requirement; provided, however, that:

(i) to the extent the deficiency arises in any month from a withdrawal from the Debt Service Reserve Fund and/or any applicable Reserve Account therein to satisfy deposit shortfalls required under subsections (A), (B) and/or (C) above (the deficiency arising from a withdrawal in each such month a "Reserve Deficiency Amount"), the monthly deposit requirements pursuant to this subsection (D) will be one twelfth (1/12th) of the Reserve Deficiency Amount until the aggregate Reserve Account Requirement has been replenished; and

(ii) if Reserve Deficiency Amounts accrue in successive or subsequent months, based on subsequent withdrawals to cure shortfalls under subsections (A), (B), and/or (C) above, the monthly deposit requirements shall be the sum of one twelfth (1/12th) of each respective monthly Reserve Deficiency Amount that remains un-replenished.

Deficiencies in a Reserve Account Requirement for any Series of CFC Bonds arising from market fluctuations in investments on deposit in the Debt Service Reserve Fund or in any account therein shall be replenished from the first Pledged Revenues available at this level of priority and shall not be funded in monthly increments over twelve (12) months as contemplated above.

The moneys in the Debt Service Reserve Fund shall be used only for the payment of the interest on all CFC 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. The Debt Service Reserve Fund shall serve as a common reserve fund for all Series of CFC Bonds for which a separate Reserve Account has not been established. If separate accounts in the Debt Service Reserve Fund have been established for a series of 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 series of Additional Bonds, or from the respective Reserve Fund Credit Enhancement acquired with respect thereto, and not from other funds deposited in the Debt Service Reserve Fund. Funds on deposit in the Debt Service Reserve Fund or the separate Reserve Accounts therein established for a Series of CFC Bonds, in excess of the respective Reserve Account Requirement with respect thereto, may be withdrawn at the Authority's request and deposited (i) into the CFC Sinking Fund to pay principal, interest or redemption premium on the applicable Series of CFC Bonds next coming due, (ii) into the Redemption Account for redemption of such Series of CFC Bonds from which such surplus funds were derived or (iii) into the Construction Fund or the CFC 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 CFC Bonds then Outstanding under the terms of the CFC Trust Agreement (other than any Series of CFC Bonds issued with the intent that interest thereon be includable in gross income for federal income tax purposes). All deficiencies in the Debt Service Reserve Fund, including each Reserve Account thereunder, shall be restored, to the extent required pursuant to the foregoing, from the first Pledged 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 Debt Service Reserve Fund, in lieu of making a cash deposit to the Debt Service Reserve Fund or the accounts therein, 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 Debt Service Reserve Fund or any special

Reserve Account created with respect to a series of Bonds, as applicable, equals or exceeds the Reserve Account Requirement for such fund or account 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 Debt Service Reserve Fund or a specific Reserve Account thereunder, the final maturity of the last maturing CFC 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 Debt Service Reserve Fund or such Reserve Account) 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 Debt Service Reserve Fund or such Reserve Account, any interest or principal payment or mandatory sinking fund redemption with respect to any CFC Bonds Outstanding.

(2) Any excess funds on deposit in the Debt Service Reserve Fund or Reserve Account, as applicable, 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 CFC 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 CFC Bonds.

(3) The obligation to reimburse an issuer of a 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 Debt Service Reserve Fund or applicable Reserve Account. Such issuer's right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Debt Service Reserve Fund and accounts therein 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 Debt Service Reserve Fund and accounts therein 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) if any two Rating Agencies then maintaining a rating on the issuer of the Reserve Fund Credit Enhancement withdraw or suspend their ratings on such issuer, or if any two such Rating Agencies drop the rating of such issuer's claims-paying ability below "AA-" from Standard & Poor's Ratings Services ("S&P"), Fitch Inc. ("Fitch") or Kroll Bond Rating Agency, Inc. ("KBRA"), or below "Aa3" from Moody's Investors Service, Inc. ("Moody's"), the obligation to reimburse the issuer of the Reserve Fund Credit Enhancement shall be subordinated to the cash replenishment of the Debt Service Reserve Fund and accounts therein until the requisite ratings have been re-established.

(4) If the Authority chooses to provide or substitute Reserve Fund Credit Enhancement in lieu of a cash-funded Debt Service Reserve Fund or Reserve Account, 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 Debt Service Reserve Fund or the applicable Reserve Account and in any other calculation of

debt service requirements required to be made pursuant to the CFC Trust Agreement for any purpose, e.g., Rate Covenant or Additional Bonds test.

(E) *Rebate Fund.* The moneys shall next be deposited into the accounts in the Rebate Fund in the amount necessary to cause the aggregate balance in the accounts in the Rebate Fund to equal the sum of the Rebate Amounts for each outstanding Series of CFC Bonds issued under the CFC Trust Agreement that are not Taxable Bonds.

(F) *Expense Fund.* The moneys shall next be deposited into the Expense Fund in amounts determined by the Authority from time to time as may be necessary for, and shall be used by the Authority to pay, the fees, costs and expenses of the Trustee, any remarketing agents, liquidity and credit providers, consultants and other costs associated with the administration of the CFC Bonds, including appropriate accruals therefor.

(G) *Authority Reimbursement Fund.* The moneys shall next be deposited into the Authority Reimbursement Fund in amounts determined by the Authority from time to time as may be necessary for, and shall be used by the Authority (i) to pay or reimburse the Authority for forty percent (40%) of operating and maintenance expenses incurred by the Authority and attributable to the APM and (ii) to pay or reimburse the Authority for (x) debt service accruing with respect to bonds issued under the Senior Trust Agreement for prior rental car projects, and (y) monthly amortization recovery of the Authority's investments in so called "pay-as-you-go" projects, for prior rental car facilities, the costs of which were paid for with available funds of the Authority.

(H) *CFC Repair and Replacement Fund.* After making the deposits provided for in subsections (A) to (G), inclusive, above, such moneys shall be deposited in the CFC Repair and Replacement Fund on the first day of each month in an amount which, together with the moneys previously deposited in that Fund in such Fiscal Year, is equal to the annual amount required to be set aside and added to the funds on deposit therein pursuant to the Authority's annual budget for such Fiscal Year as a reserve for renewals, modifications, repairs and replacements of the Airport System CFC Project, as such budget may be amended by the Authority from time to time in such Fiscal Year.

The moneys in the CFC Repair and Replacement Fund shall be used only for the payment of costs of renewals, modifications, repairs and replacements of the Airport System CFC Project as determined in the Authority's sole discretion. Any moneys in that Account that the Authority determines, in its sole discretion, are in excess of the amounts required to be on deposit therein, may be transferred to and deposited in the CFC Surplus Fund.

(I) *CFC Surplus Fund.*⁽¹⁾ After making all the deposits or payments provided in subsections (A) to (H), inclusive, above, including all deficiencies for prior required deposits and payments, the Authority shall on the first day of each month, withdraw all moneys then remaining in the CFC Revenue Fund and deposit the same into the CFC Surplus Fund.

Moneys deposited in the CFC Surplus Fund each month shall be used by the Authority first for the payment of all Reimbursement Obligations and Derivative Non-Scheduled Payments then due, and then shall be used and applied in the following order of priority, for the following purposes: (i) first, from funds deposited into the CFC Surplus Fund in an applicable Fiscal Year (and not from prior deposits therein) to reimburse the Concessionaires for fifty percent (50%) of their respective share of "Operating Expenses" related to the "Common Public Areas," each as defined in the Concessionaire Agreements, in such Fiscal Year, but not to exceed \$2,000,000 in the aggregate in any Fiscal Year, (ii) then, to reimburse

⁽¹⁾ Not included as Pledged Cash Flow to secure the 2015 CFC Bonds.

the Authority for "Rental Revenue Recovery" as determined in accordance with the Concessionaire Agreements, and (iii) then, at the Authority's discretion in any combination of (x) to be accumulated, held and applied to pay the costs of additions to, expansions of and improvements to Airport System CFC Projects as determined by the Authority, and (y) for redeposit of all or any portion of such funds then remaining into the CFC Revenue Fund.

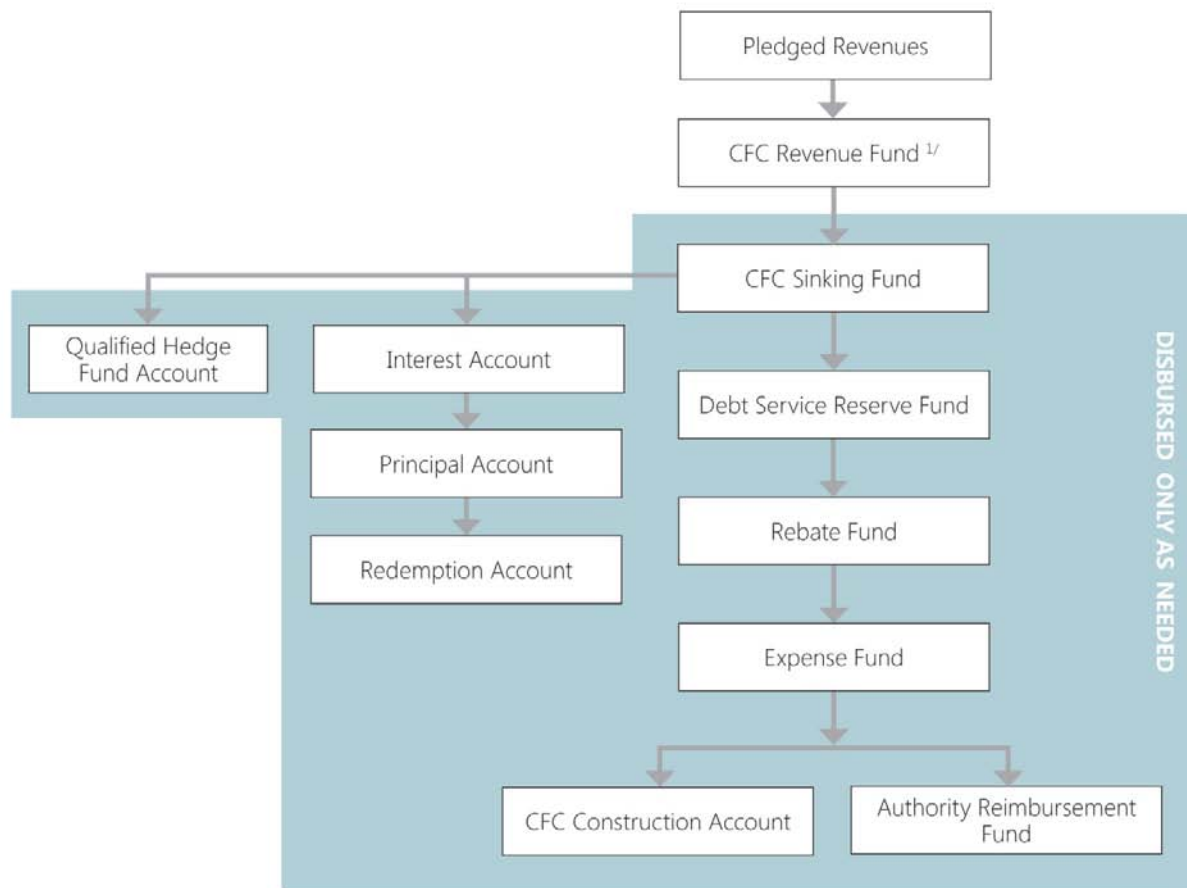
After moneys deposited into the CFC Surplus Fund each month have been applied to reimburse the Concessionaires as described in Clause (I)(i) above, the funds thereafter remaining in the CFC Surplus Fund may be retained by the Authority in the Surplus Fund or may be deposited into separate accounts therein as designated by the Authority and, in either case, such moneys shall no longer be available to reimburse the Concessionaires as described in Clause (I)(i) above or for any other purposes described in (A) through (I)(i) above, except at the discretion of the Authority. See "SECURITY FOR THE 2015 CFC BONDS – Rate Covenant" regarding moneys remaining in the CFC Surplus Fund at the end of any Fiscal Year.

(J) In the event any of the deposits or payments required under subsections (A) to (H), 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.

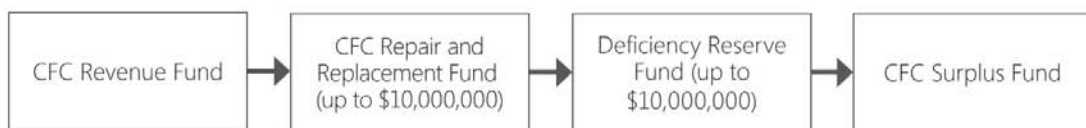
(K) In the event of the issuance of any Additional Bonds, all deposits or payments into the Interest Account, Principal Account, Redemption Account, and Debt Service Reserve Fund shall be adjusted to the extent necessary, and all Additional Bonds shall be on a parity and rank equally with the Bonds initially issued under the CFC Trust Agreement.

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**AVAILABLE PLEDGED REVENUES – BEFORE SUBSTANTIAL COMPLETION
DURING THE CONSTRUCTION PERIOD**



UPON SUBSTANTIAL COMPLETION (One-Time Distribution)

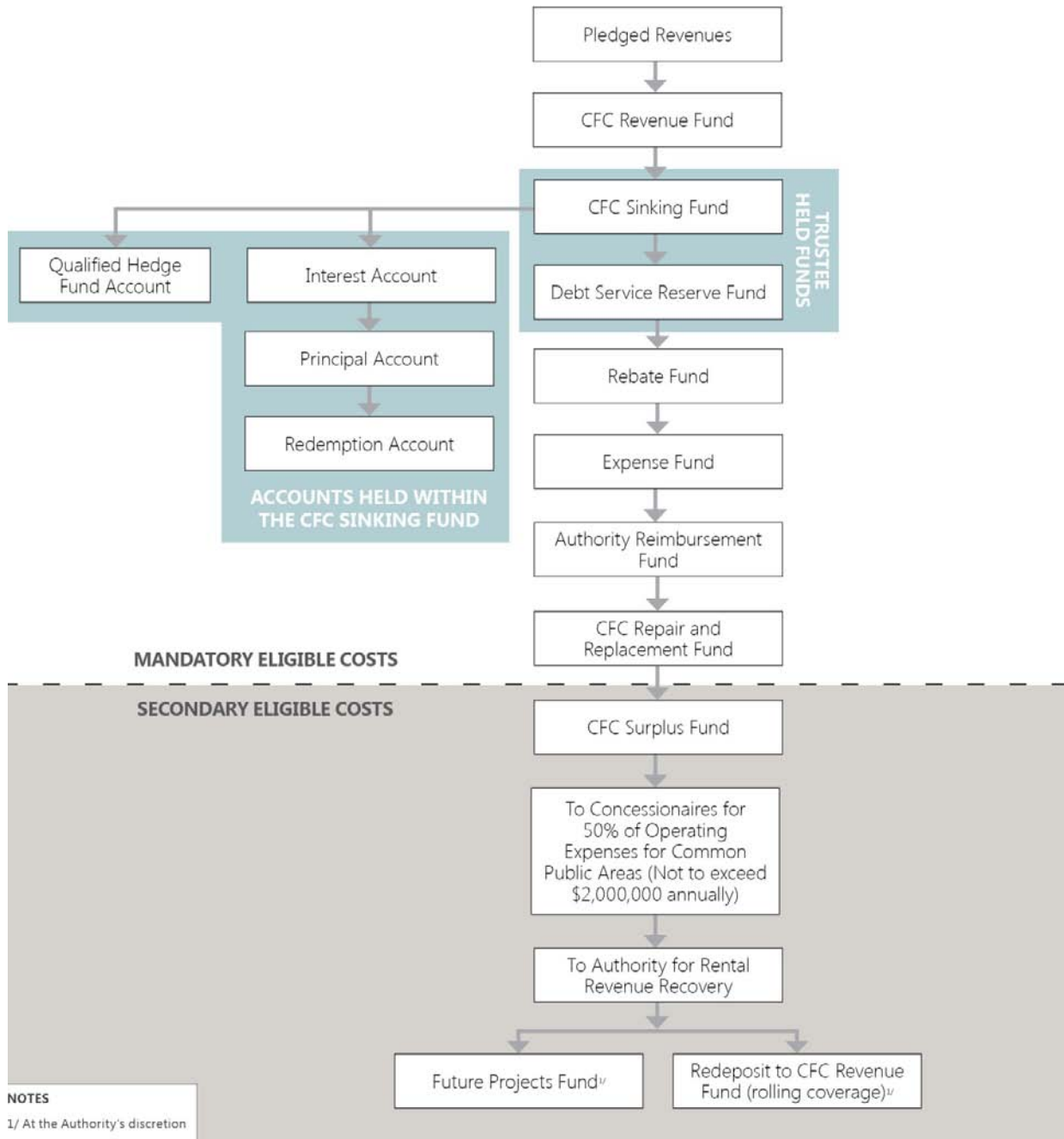


NOTE:
1/ Pledged Revenues stay in CFC Revenue Fund unless needed for purposes described in the CFC Trust Agreement.

SOURCE: Hillsborough County Aviation Authority, April 2015.
PREPARED BY: Ricondo & Associates, Inc., April 2015.

AVAILABLE PLEDGED REVENUES – AFTER SUBSTANTIAL COMPLETION

AFTER THE CONSTRUCTION PERIOD



SOURCE: Hillsborough County Aviation Authority, April 2015.
PREPARED BY: Ricondo & Associates, Inc., June 2015.

With respect to the reimbursement to the Concessionaires, the Authority will reimburse fifty percent (50%) of their respective share of "Operating Expenses" related to the "Common Public Areas," each as defined in the Concessionaire Agreement, in such Fiscal Year, but not to exceed \$2,000,000 in the aggregate in any Fiscal Year. See "THE CFC TRUST AGREEMENT – FLOW OF FUNDS – Disposition of Pledged Revenues after Substantial Completion – *CFC Surplus Fund*."

ON-AIRPORT CONCESSIONAIRE AGREEMENT

General

The Board first solicited invitations for bids for on-airport vehicle rental business for the ConRAC on February 4, 2015. The Board awarded the Lease and Concession Contracts (the "On-Airport Concessionaire Agreement") on June 4, 2015 to nine rental car companies (the "Concessionaires") representing 16 brands, including:

- Enterprise Leasing Company of Florida, LLC d/b/a/ Enterprise/Alamo/National
- The Hertz Corporation d/b/a/ Hertz/Dollar/Thrifty
- AvisBudget Car Rental, LLC d/b/a Avis/Budget/Payless/Zipcar
- Fox Rent A Car, Inc.
- E-Z, Rent A Car, Inc.
- Advantage Opco, LLC d/b/a Advantage Rent A Car
- Sixt Rent A Car, LLC
- Rentmax, Miami, Inc. d/b/a Economy Rent A Car
- Cison, LLC d/b/a Ace Rent A Car

The term of the On-Airport Concessionaire Agreement will commence upon the opening of the ConRAC to the public (estimated to be October 1, 2017) and terminate thirty (30) years after the date of issuance of the 2015 CFC Bonds. The Authority has retained the option to renegotiate terms of the On-Airport Concessionaire Agreement every ten (10) years.

Pursuant to the Concessionaire Agreement portions of the ConRAC will be leased to each of the Concessionaires on an exclusive basis ("Exclusive Premises") but other portions and the ground upon which the ConRAC will be located will be used in common by all of the Concessionaires (the "Common Concessionaire Areas"). The Exclusive Premises consists of the Customer Service Building; the area comprising a portion of the ConRAC in which vehicles are parked and/or staged for Airport customer pick-up or return ("Ready/Return Area"), the areas located within the ConRAC dedicated to fueling, vacuuming, washing and servicing rental vehicles (the "Quick Turn-Around Area" or "QTA"); and that portion of the Exclusive Premises used by Concessionaires for administration facilities, maintenance facilities, vehicle servicing, and supplemental vehicle storage. The Common Concessionaire Areas are those non-public areas of the ConRAC designed for the non-exclusive use in common by the Concessionaires including, but not limited, roadways, ramps, or other facilities within the ConRAC. The Common Concessionaires Areas will be operated and maintained by the ConRAC Manager, a third party facility manager selected, with Authority consultation, by the Concessionaires as a group.

Concessionaire's Deficiency Payments

The Authority will provide each Concessionaire with a statement of the estimated amounts of Concessionaire's Deficiency Payments (as defined below) which will be due for the remainder of a Contract Year under the On-Airport Concessionaire Agreement, as the case may be (the "Concessionaire's Deficiency Payment Estimate"). The Concessionaire's Deficiency Payment Estimate will be based on, among other things, the Authority's estimate or forecast of the number of Contract Days for such Contract

Year, and will be the estimated amount necessary to offset the CFC Deficiency in such Contract Year. Each Concessionaire will pay to the Authority equal monthly installments of the estimated annual amount of Concessionaire's Deficiency Payments for the Contract Year.

"Concessionaire's Deficiency Payments" means the Concessionaire's Market Share Percentage of the CFC Deficiency. "CFC Deficiency" means the amount, if any, computed on an annual basis, by which the Mandatory Eligible Costs (see definition of "Eligible Costs" in the "ON-AIRPORT CONCESSIONAIRE AGREEMENT" included in APPENDIX D) in such Contract Year exceed the total CFC Revenues received by the Authority from all Concessionaires in such Contract Year, reduced by the amount, if any, in the Deficiency Reserve Fund and available therefor pursuant to the On-Airport Concessionaire Agreement. Deficiency Payments will be paid by Concessionaire as and when required, and in all events without set-off, deduction, credit, or discount, except for such credits for overpayments as are expressly permitted under the On-Airport Concessionaire Agreement.

The Deficiency Reserve Fund will be established and held by the Authority outside of the CFC Trust Agreement. Amounts in the Deficiency Reserve Fund may be used for the following purposes in the following order of priority: (i) on a pro rata basis among all Concessionaires to satisfy the obligations of the Concessionaires to fund the Concessionaire's Deficiency Payments and the Concessionaires Deficiency True-up Payments as contemplated by the On-Airport Concessionaire Agreement; (ii) on a pro rata basis among all Concessionaires to cover shortfalls, if any, in any Contract Year in the amount of Excess CFCs available to reimburse Concessionaires for up to two million dollars (\$2,000,000) of Operating Expenses on Common Public Areas; and (iii) to reimburse the Authority for Rental Revenue Recovery to the extent that Excess CFCs are not sufficient to do so. Withdrawals from the Deficiency Reserve Fund, will not be replenished. See APPENDIX D – "ON-AIRPORT CONCESSIONAIRE AGREEMENT."

Concessionaire's Step-Up Payments

If a Concessionaire (a "Defaulting Concessionaire") fails to pay the full aggregate amount of its respective Concessionaire's Deficiency Payments due under its respective On-Airport Concessionaire Agreement, and such amounts remain unpaid for thirty (30) days, each non-defaulting Concessionaire will be liable, on a proportional basis based upon the pro-rata share of the Exclusive Premises allocated to Defaulting Concessionaire and each non-defaulting Concessionaire, for any and all of such Defaulting Concessionaire's Deficiency Payments payable under its respective On-Airport Concessionaire Agreement ("Concessionaire's Step-up Payments"). Concessionaire's Step-up Payments, to the extent they become due, will be treated as part of Concessionaire's Deficiency Payments for all purposes of the On-Airport Concessionaire Agreement. The payment of Concessionaire's Step-up Payments will not relieve a Concessionaire of any of its other obligations to the Authority under the On-Airport Concessionaire Agreement. If the Authority thereafter receives all or any portion of such Defaulted Concessionaire's Deficiency Payment, the Authority will, as soon as reasonably practicable thereafter, provide each non-defaulting Concessionaire with a credit.

Concessionaire Termination Rights

Upon thirty (30) days' written notice to the Authority, a Concessionaire may terminate the On-Airport Concessionaire Agreement and all of its obligations thereunder, if the Concessionaire is not in default of any term, provision, or covenant of the On-Airport Concessionaire Agreement or in the payment of any fees or charges to the Authority, upon or after the inability of the Concessionaire to use the Airport or operate its business for a period longer than ninety (90) consecutive days due to war, terrorism, or the issuance of any order, rule or regulation by a competent governmental authority or court

having jurisdiction over the Authority; provided, however, that such inability or such order, rule or regulation is not due to any fault or negligence of the Concessionaire.

Default

A Concessionaire will be deemed to be in default of the On-Airport Concessionaire Agreement upon the occurrence of any of the following:

(1) The failure or omission by a Concessionaire to perform its obligations under the On-Airport Concessionaire Agreement or the breach of any terms, conditions and covenants required therein.

(2) The conduct of any business or performance of any acts at the Airport not specifically authorized in the On-Airport Concessionaire Agreement or by any other agreement between the Authority and a Concessionaire, and a Concessionaire's failure to discontinue that business or those acts within thirty (30) days of receipt by the Concessionaire of the Authority's written notice to cease said business or acts.

(3) The appointment of a Trustee, custodian, or receiver of all or a substantial portion of a Concessionaire's assets.

(4) The divestiture of a Concessionaire's estate in the On-Airport Concessionaire Agreement by operation of law, by dissolution, or by liquidation, not including a merger or sale of assets.

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

(6) A Concessionaire's violation of Florida Statute Section 287.133 concerning criminal activity on contracts with public entities.

(7) Any action or failure to act which results in the Authority being in violation of any governmental regulation, applicable law, Bond Documents, or other contractual obligation associated with any state, federal or other funding received by the Authority.

Authority Remedies

In the event of any of the foregoing events of default of a Concessionaire, and following thirty (30) Days' written notice by the Authority and the Concessionaire's failure to cure, the Authority, at its election, may exercise any one or more of the following options or remedies, the exercise of any of which will not be deemed to preclude the exercise of any other remedy listed in the On-Airport Concessionaire Agreement or otherwise provided by statute or general law:

(1) Terminate a Concessionaire's rights under the On-Airport Concessionaire Agreement and, in accordance with law, take possession of the Exclusive Premises. In doing so, the Authority will not be deemed to have thereby accepted a surrender of the Exclusive Premises, and the Concessionaire will remain liable for all payments or other sums due under the On-Airport Concessionaire Agreement and for all damages suffered by the Authority because of the Concessionaire's breach of any of the covenants of the On-Airport Concessionaire Agreement; or

(2) Treat the On-Airport Concessionaire Agreement as remaining in existence, and cure the Concessionaire's default by performing or paying the obligation which the Concessionaire has breached. In such event all sums paid or expenses incurred by the Authority directly or indirectly in curing the Concessionaire's default will become immediately due and payable, as well as interest thereon, from the date such fees or charges became due to the date of payment, at the Default Rate; or

(3) Declare the On-Airport Concessionaire Agreement to be terminated, ended, null and void, and reclaim possession of the Exclusive Premises, whereupon all rights and interest of the Concessionaire in the Exclusive Premises will immediately end.

Habitual Default

Notwithstanding the preceding "Authority Remedies" section, in the event that a Concessionaire has defaulted three (3) times within one (1) Contract Year in the performance of or breached any of the terms, covenants and conditions required of the On-Airport Concessionaire Agreement, as determined solely by the Authority, and regardless of whether the Concessionaire has cured each individual condition of breach or default, the Concessionaire may be determined by the Authority to be a "habitual violator." At the time that such determination is made, the Authority will issue to the Concessionaire a written notice advising of such determination and citing the circumstances therefore. Such notice will also advise the Concessionaire that there will be no further notice or grace periods to correct any subsequent breaches or defaults and that any subsequent breaches or defaults of whatever nature, taken with all previous breaches and defaults, will be considered cumulative and collectively, will constitute a condition of non-curable default and grounds for immediate termination of the On-Airport Concessionaire Agreement. In the event of any such subsequent breach or default, the Authority may terminate the On-Airport Concessionaire Agreement upon the giving of written notice of termination to the Concessionaire, such termination to be effective upon delivery of the notice to the Concessionaire.

For other information regarding the On-Airport Concessionaire Agreement and the definition of capitalized terms not otherwise defined herein, see the "ON-AIRPORT CONCESSIONAIRE AGREEMENT" included as APPENDIX D hereto.

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 2,077,857 residents in 1990, to 2,404,013 in 2000 and 2,905,964 in 2014. According to recent U.S. Census Bureau data, Tampa has been one of fastest-growing large cities in the United States since the 2010 Census, with a 3.6 percent increase in population. 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 lower than the State. 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."

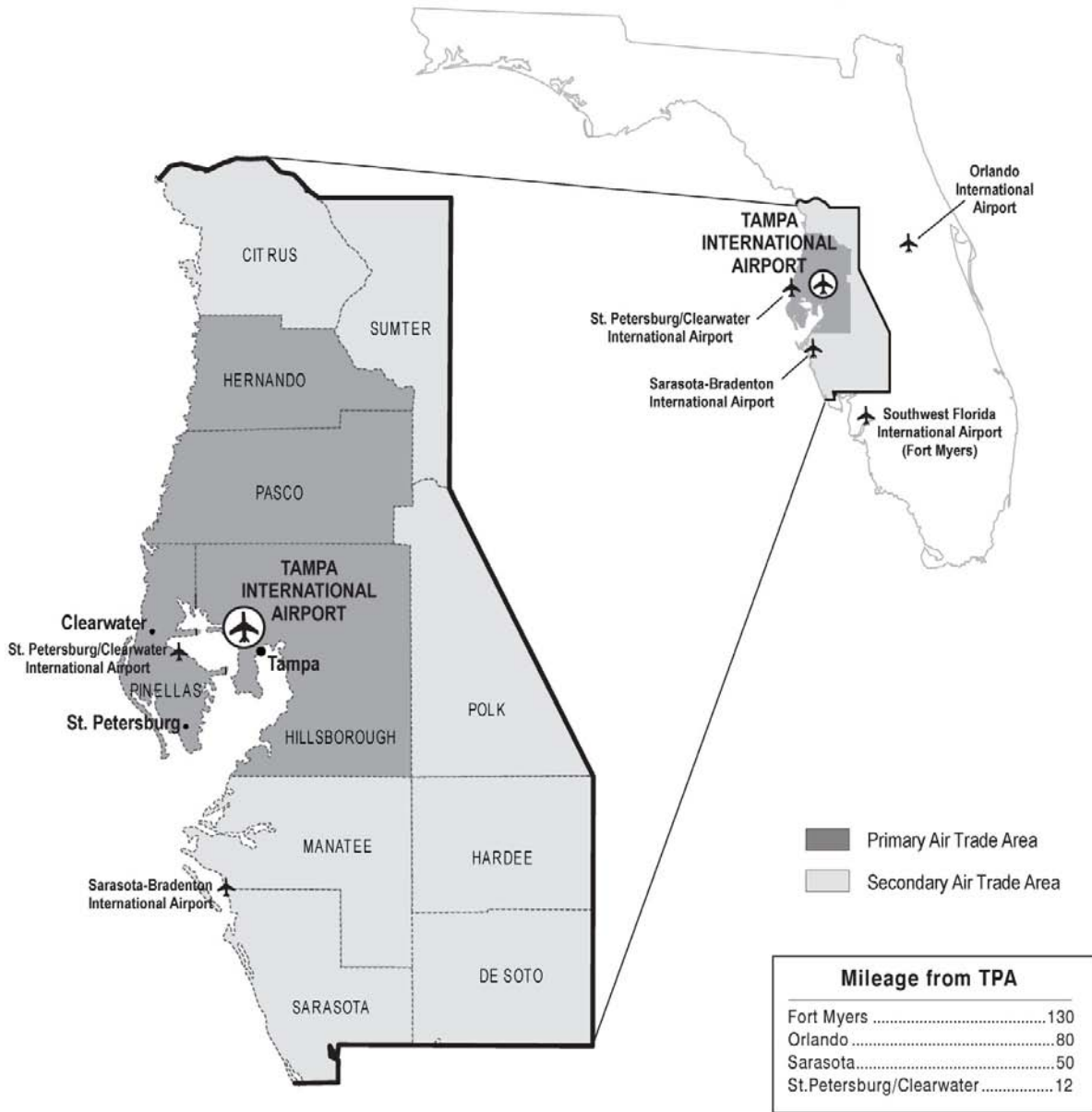
Airports in the Primary and Secondary Air Trade Area

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 Transat).

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



SOURCE: Ricondo & Associates, Inc., August 2014.
 PREPARED BY: Ricondo & Associates, Inc., August 2014.

THE AIRPORT SYSTEM

The Airport System includes 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, Vice President of Facilities and Administration, joined the Authority in 1989. Mr. Illustrato leads the Authority's Planning and Development, Maintenance, Human Resources, Administration, Diversity, and Risk Management teams. 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 leads the Authority's Air Service Development, Marketing, Airline Real Estate, and Commercial Real Estate teams. Before joining the Authority, he 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 passengers per year.

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.

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. Mr. Tiliacos leads a team responsible for Airfield and Terminal Operations, Parking and Ground Transportation, Public Safety and Security, Airport Concessions and Guest Services.

Michael T. Kamprath, Assistant General Counsel, joined the Authority in February 2014. Prior to his association with the Authority, he practiced law for 8 years concentrating in Construction Law, Local Government Law, and Real Estate Law. He is Board Certified by the Florida Bar in Construction Law and A/V rated by Martindale-Hubbell.

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.

Jeff Siddle, Assistant Vice President of Planning and Development joined the Authority in November 1998. He had previously worked in the aviation consulting industry for 12 years managing, planning and designing airport development projects.

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. Ms. Davis leads the teams responsible for the Financial Operations and Financial Planning areas of the Authority. During her tenure, Ms. Davis has been involved with the issuance of over \$1.5 billion in Authority debt financings.

The Authority had a total of 590 employees as of March 31, 2015, including professional staff, office clerical workers, maintenance personnel, equipment operators and police officers. The Authority's budget for the Fiscal Year ending September 30, 2015 provides funding for up to 625 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 92.4 percent of the total passengers at the Airport for the 12 months ended September 2013. The Airport ranked 29th nationally in number of total passengers in 2013, according to airport activity reports compiled by the Airports Council International, with 8.49 million enplaned passengers in 2013 and 8.67 million in 2014. The Airport is a large air traffic hub, as defined by the FAA. Domestic passenger traffic enplaned at the Airport accounted for 1.23 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, 2014.

The Airport is an integral component of the Tampa Bay community offering 232 daily nonstop flights to 67 domestic and international cities with easy connections to most large cities in the world and competitive, low fares for the community. In fact, over 47.8 percent of the Airport's enplaned passengers are served by low cost carriers. During 2014, over 17,552,707 million arriving and departing passengers traveled through the Airport.

In February 2015, the Airports Council International named the Airport as North America's second-best airport, according to its annual Airport Service Quality Awards. The Airport also ranks fifth in the world in customer satisfaction for airports serving 15 million to 25 million passengers.

In November 2014, the Airport was named the second-best airport in the United States by readers of the magazine *Conde Nast Traveler*.

The Airport was named the overall winner of the 2014 Routes Award judged by the airline network planning community taking first place over all airports in the entire Americas region for marketing effort.

For 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 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. First half 2014 performance scores for the Airport show a distinct improvement in passenger satisfaction over last year's results.

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.

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 ticketing and 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.

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 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 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 provide passengers with convenient direct access from baggage claim to car rentals within short walking distances. The Blue and Red Side facilities are currently at capacity. In addition, due to curbside congestion and the need for greater capacity in the future, the Authority is undertaking the design and construction of ConRAC and APM. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Tampa International Airport System – Terminal Car Rental Facilities."

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 airside (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).

Airside Buildings. There are four Airside Buildings currently in operation: Airside Buildings A, C, E and F. 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 B737 aircraft simultaneously or 13 B737 aircraft along with 2 B757 aircraft simultaneously. Airside A also has the capability to handle 2 wide body aircraft including B747-400's. 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.

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 B737 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 necessary to allow 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, along with the expansion and development of additional retail and food and beverage concession space.

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 11,000 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 6,998 feet in length for departures, 6,501 for arrivals, 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 but would require operational procedures to land 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 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.

In conjunction with the Airport interchange project, 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.

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.

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 Airlines until 2009.

Concorde Companies has a 100-year master lease for approximately 154 acres of Authority property located in the southeast corner of the Airport, of which 88 years remain. A shopping mall, hotel and office complex have been built on that property.

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 wide-body and two narrow-body 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.

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Airlines Serving Tampa International Airport

The Airport has scheduled passenger service provided by a total of 22 carriers, 10 carriers serving domestic destinations only, 7 carriers serving international destinations only and 5 carriers serving both domestic and international destinations. In addition, ExpressJet has scheduled to begin serving the Airport in August (doing business as Delta Connection and United Express) to serve domestic destinations and Lufthansa has scheduled service to begin in September 2015 to serve an international destination, increasing the total to 24 passenger carriers with scheduled service (11 domestic, 8 international, and 5 both). In addition, one all-cargo carrier provides scheduled cargo service at the Airport.

Airlines Service the Airport⁽¹⁾

Domestic Service

Alaska
American⁽²⁾⁽³⁾
Delta⁽²⁾
Endeavor Air (d/b/a Delta Connection)
Express Jet (d/b/a Delta Connection)⁽⁴⁾
Frontier
JetBlue⁽²⁾
Silver Airways
Southwest⁽²⁾⁽⁵⁾
Spirit⁽²⁾
Sun Country⁽⁶⁾
US Airways⁽²⁾⁽³⁾
Republic (d/b/a/ US Airways Express)
United⁽²⁾
Express Jet (d/b/a United Express)⁽⁴⁾
Mesa (d/b/a United Express)

International Service

Air Canada Rouge
American⁽³⁾⁽⁷⁾
British Airways
Cayman Airways
Copa Airlines
Delta⁽⁶⁾
Edelweiss Air
JetBlue⁽⁷⁾
Lufthansa⁽⁸⁾
Silver Airways
Sun Country⁽⁶⁾⁽⁷⁾
WestJet
World Atlantic Airlines⁽⁷⁾

All-Cargo Carrier⁽⁹⁾

FedEx⁽²⁾

(1) Scheduled as of May 2015 except as noted below.

(2) Airlines signatory to the Airline – Airport Use and Lease Agreement. See "AIRLINE – AIRPORT USE AND LEASE AGREEMENT."

(3) American and US Airways completed their merger on December 9, 2013 and the FAA granted a single operating certificate to American on April 8, 2015.

(4) Scheduled to begin August 2015.

(5) AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012. Southwest completed system integration December 31, 2014.

(6) Provides seasonal service.

(7) Provides charter service to Cuba.

(8) Scheduled service to begin September 2015.

(9) All-cargo carrier as of May 2015.

Sources: Hillsborough County Aviation Authority; Diio, LLC.; May 2015.

Prepared By: Ricondo & Associates, Inc., May 2015.

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Enplanements and Aircraft Operations

Passenger enplanements in the Fiscal Year ended September 30, 2014 totaled 8,673,747, an increase of 2.1 percent from the 8,493,260 enplanements in the prior Fiscal Year. For the first six months of Fiscal Year 2015, enplanements were 4,590,045, an increase of 6.4% from the 4,310,229 enplanements for the same period in calendar year 2014. 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)

<u>Fiscal Year</u>	<u>Enplaned Passengers</u>	<u>Annual Percent Increase/(Decrease)</u>	<u>U.S. Enplanements</u>	<u>U.S. Growth</u>	<u>Market Share</u>
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%	722,970,112	2.9%	1.16%
2012	8,441,087	0.7%	730,827,137	1.1%	1.16%
2013	8,493,260	0.6%	732,627,253 ⁽¹⁾	0.2%	1.16%
2014	8,673,747	2.1%	745,165,210 ⁽¹⁾	1.7%	1.16%
Six Months ended March 31, 2014	4,310,229		N/A		
Six Months ended March 31, 2015	4,590,045	6.5%	N/A		
Compounded Annual <u>Growth Rate</u>					
2004-2009	0.2%		0.1%		
2009-2014	0.3%		1.4%		
2004-2014	0.2%		0.8%		

(1) FAA estimates for 2013.

Sources: Hillsborough County Aviation Authority, April 2015; FAA Terminal Area Forecast, April 2014.
Prepared by: Ricondo & Associates, Inc., May 2015.

Top Markets for Tampa International Airport

As of May 8, 2015, average daily nonstop service was scheduled to 67 cities (including seasonal service) with a total of 232 daily flights, with 21 daily nonstop flights to New York, the Airport's top origination/destination ("O&D") market. International service (including seasonal and charter) is provided to 13 international destinations. All 20 of the Airport's primary O&D markets are provided nonstop service with a total of 146 daily flights. Other primary O&D markets with a significant number of daily nonstop flights include Atlanta (22 daily flights), Chicago (12 daily flights) and Washington, D.C. (12 flights). Eleven daily non-stop flights are offered to Dallas and Ft. Lauderdale.

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 September 30, 2014**

<u>Destination from Tampa</u>	<u>Trip Length⁽¹⁾</u>	<u>Total O&D Passengers</u>	<u>Average Fare</u>	<u>Non-Stop Service⁽²⁾</u>
New York/Newark ⁽³⁾	MH	1,454,141	\$147	*
Chicago ⁽⁴⁾	MH	735,609	\$160	*
Washington, DC ⁽⁵⁾	MH	566,320	\$140	*
Atlanta	SH	511,140	\$147	*
Detroit	MH	494,222	\$135	*
Boston	MH	463,329	\$154	*
Baltimore	MH	456,601	\$133	*
Philadelphia	MH	456,545	\$155	*
Dallas/Fort Worth ⁽⁶⁾	MH	381,000	\$158	*
Denver	MH	322,584	\$180	*
Hartford	MH	312,319	\$116	*
Minneapolis/St. Paul	MH	311,501	\$158	*
Indianapolis	MH	266,337	\$142	*
San Juan	MH	253,941	\$127	*
Houston ⁽⁷⁾	MH	253,714	\$178	*
Pittsburgh	MH	243,476	\$147	*
Los Angeles	LH	239,946	\$232	*
Las Vegas	LH	227,562	\$210	*
Fort Lauderdale	SH	221,220	\$104	*
Buffalo	MH	220,617	\$132	*
Total Top 20 Airports		8,392,124		
Other O&D Markets		7,059,636		
Total O&D Passengers		15,451,760		
<u>Average</u>				
Airport	1,248		\$181	
United States	1,375		\$216	

(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 April 2015.

(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 2015.

Prepared by: Ricondo & Associates, Inc., May 2015.

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 2010 and Fiscal Year 2014. As shown, enplanements are spread over a large number of carriers, with no carrier having more than 32.2 percent of annual enplanements at the Airport during the years depicted.

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

Airline ⁽¹⁾	2010		2011		2012		2013		2014	
	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share
Southwest ⁽²⁾	2,679,904	32.2%	2,678,256	31.9%	2,598,707	30.8%	2,333,552	27.5%	2,683,673	30.9%
Delta ⁽³⁾	1,488,083	17.9%	1,466,443	17.5%	1,480,795	17.5%	1,453,185	17.1%	1,504,525	17.3%
United ⁽⁴⁾	1,015,982	12.2%	976,835	11.7%	950,027	11.3%	939,473	11.1%	929,718	10.7%
US Airways ⁽⁵⁾	847,812	10.2%	881,552	10.5%	864,385	10.2%	918,229	10.8%	963,106	11.1%
American ⁽⁵⁾	736,778	8.8%	736,349	8.8%	766,404	9.1%	775,025	9.1%	740,062	8.5%
AirTran ⁽²⁾	657,603	7.9%	688,915	8.2%	675,571	8.0%	751,691	8.9%	375,181	4.3%
JetBlue	411,997	4.9%	481,138	5.7%	598,266	7.1%	673,211	7.9%	712,378	8.2%
Spirit	144,977	1.7%	180,860	2.2%	169,269	2.0%	208,126	2.5%	258,380	3.0%
Silver Airways ⁽⁶⁾	61,249	0.7%	41,486	0.5%	59,438	0.7%	125,074	1.5%	112,736	1.3%
Air Canada	70,469	0.8%	69,972	0.8%	74,821	0.9%	84,766	1.0%	90,720	1.0%
British Airways	59,074	0.7%	69,894	0.8%	78,704	0.9%	77,696	0.9%	71,509	0.8%
Frontier	89,564	1.1%	48,543	0.6%	46,290	0.5%	60,106	0.7%	94,169	1.1%
WestJet	48,036	0.6%	43,851	0.5%	43,465	0.5%	40,235	0.5%	42,262	0.5%
Edelweiss Air	--	--	--	--	--	--	13,763	0.2%	20,140	0.2%
Sun Country	5,741	0.1%	--	--	--	--	6,969	0.1%	19,112	0.2%
Cayman Airways	17,616	0.2%	18,162	0.2%	18,292	0.2%	18,725	0.2%	18,238	0.2%
Copa Airlines	--	--	--	--	--	--	--	0.0%	15,980	0.2%
Alaska	--	--	--	--	--	--	--	0.0%	14,893	0.2%
All Others ⁽⁷⁾	--	--	627	0.0%	16,653	0.2%	13,434	0.2%	6,965	0.1%
Airport Total	8,334,885	100.0%	8,382,883	100.0%	8,441,087	100.0%	8,493,260	100.0%	8,673,747	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. Southwest completed system integration December 31, 2014.
- (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) American and US Airways completed their merger on December 9, 2013 and the FAA granted a single operating certificate to American on April 8, 2015
- (6) Formerly Gulfstream International.
- (7) Consists of airlines no longer serving the Airport and/or charter airlines.

Sources: Hillsborough County Aviation Authority; Innovata, May 2015.
 Prepared By: Ricondo & Associates, Inc., May 2015.
 See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

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RENTAL CAR OPERATIONS

CFC Collections

Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National and Thrifty were operating at the Airport as of October 1, 2011, the date of the commencement of collection of CFCs. The Authority collected CFCs in the Fiscal Years ended September 30, 2012 through 2014, in the amounts of \$14,370,245, \$15,146,970 and \$22,208,843, respectively. The CFC rate increased from \$2.50 to \$5.00 per transaction day effective April 1, 2014 and increased to \$5.95 per transaction day effective July 6, 2015.

Car Rental Operations

On-Airport Car Rental. On January 7, 2010, the Authority entered into Agreements for On-Airport Car Rental Concession (the "On-Airport Agreements") with AvisBudget Car Rental, LLC (Avis and Budget brands); DTG Operations, Inc. (which is owned by The Hertz Corporation and operates the Dollar and Thrifty brands); The Hertz Corporation (Hertz brand); and Enterprise Leasing Company of Florida, LLC (Alamo, Enterprise and National brands).

Those Agreements provide the non-exclusive right to operate a vehicle rental concession on the Airport for the eight brands of rental car companies. Those agreements will terminate on September 30, 2017 when the ConRAC is expected to open. Those agreements provide for the collection of CFCs to also fund construction of the Airport System CFC Project. In the event that the ConRAC is not opened by October 1, 2017, the rental car companies that have executed the On-Airport Concessionaire Agreement would continue to charge and collect CFCs at the rate of \$5.95 per rental transaction day; however, such rental car companies would not be required to pay Concessionaire Deficiency Payments under the On-Airport Concessionaire Agreement until the opening of the ConRAC. See "ON-AIRPORT CONCESSIONAIRE AGREEMENT."

In November 2011 the Authority began updating its Airport Master Plan. One of the objectives was to review and evaluate the Authority's rental car facilities. Following an extensive study, it was concluded that the current rental car operations are a major contributor to congestion and capacity constraints within the Main Terminal, curbsides and roadways, and the current rental car facilities are at capacity. As a result, it was recommended that the rental car operations be relocated to a ConRAC located just south of the Economy Parking Garage in the South Terminal Support Area with an APM connection to the Main Terminal.

An invitation for rental car companies to bid on a new Lease and Concession Contract (the "On-Airport Concessionaire Agreement") was advertised on February 4, 2015. On June 4, 2015 the Board awarded Concessionaire Agreements to nine rental car companies (the "Concessionaires") representing 16 brands, including the following:

- Enterprise Leasing Company of Florida, LLC (d/b/a/ Enterprise/Alamo/National);
- The Hertz Corporation (d/b/a/ Hertz/Dollar/Thrifty);
- AvisBudget Car Rental, LLC (d/b/a Avis/Budget/Payless/Zipcar);
- Fox Rent A Car, Inc.;
- E-Z, Rent A Car, Inc.;
- Advantage Opco, LLC (d/b/a Advantage);
- Sixt Rent A Car, LLC;
- Rent Max, Miami, Inc.; and
- Cison, LLC (d/b/a Ace Rent A Car of Tampa).

The term of the Concessionaire Agreement will commence upon the opening of the ConRAC to the public (estimated to be October 1, 2017) and terminate thirty (30) years after the date of issuance of the 2015 CFC Bonds. The Authority has retained the option to renegotiate terms of the On-Airport Concessionaire Agreement every ten (10) years.

Off-Airport Car Rental. The Authority entered into Off-Airport Rental Car Airport Use and Permit Agreements ("Off-Airport Agreements") with rental car companies located off the Airport that pick up customers at the Airport. Currently, there are nine companies that have executed Off-Airport Agreements: Advantage; E-Z Rent A Car Inc.; Ace; Carl's Van Rentals; Economy Car Rental; Fox Rent A Car, Sixt Rent A Car; and Payless Car Rental.

The Off-Airport Agreement became effective on January 1, 2015 and will expire on September 30, 2017 when the new ConRAC facility is expected to open. The Off-Airport Agreement requires 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 Agreement follows the structure of the On-Airport Agreement currently in effect in that the Authority is receiving 8.5 percent of gross sales. A TFC of \$2.00 per transaction day was initiated on April 6, 2014 for all off-airport rental car customers. Since that date through September 30, 2014, \$758,556 in TFCs have been collected by the Authority. Off-Airport TFCs are included as Pledged Revenues for the benefit of the CFC Bonds.

Of the nine companies currently operating under the Off-Airport Agreement, all but CJB Enterprises d/b/a Carl's Van Rentals and Firefly Rent A Car, LLC have executed the new Concessionaire Agreement. Resolution No. 2015-11 authorizes the increase of the CFC to \$5.95 per rental transaction day, effective July 6, 2015, upon all rental car companies that have executed the On-Airport Concessionaire Agreement. CJB Enterprises, Inc. and Firefly Rent A Car, LLC will be the only off-Airport car rental companies operating under the Off-Airport Agreement and will continue to collect a TFC of \$2.00 per transaction day.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements following the issuance of the 2015 CFC Bonds.

Fiscal Year Ending Sept. 30 ⁽¹⁾	2015A CFC Bonds			2015B CFC Bonds			2015 CFC Bonds Total Debt Service Requirements
	Principal	Interest	Total	Principal	Interest	Total	
2016	\$ --	\$4,794,763.89	\$4,794,763.89	\$ --	\$14,852,720.19	\$14,852,720.19	\$19,647,484.08
2017	--	4,448,750.00	4,448,750.00	--	13,780,874.40	13,780,874.40	18,229,624.40
2018	--	4,448,750.00	4,448,750.00	--	13,780,874.40	13,780,874.40	18,229,624.40
2019	--	4,448,750.00	4,448,750.00	8,370,000.00	13,780,874.40	22,150,874.40	26,599,624.40
2020	--	4,448,750.00	4,448,750.00	8,585,000.00	13,564,342.50	22,149,342.50	26,598,092.50
2021	--	4,448,750.00	4,448,750.00	8,835,000.00	13,316,493.56	22,151,493.56	26,600,243.56
2022	--	4,448,750.00	4,448,750.00	9,120,000.00	13,029,444.40	22,149,444.40	26,598,194.40
2023	--	4,448,750.00	4,448,750.00	9,445,000.00	12,705,775.60	22,150,775.60	26,599,525.60
2024	--	4,448,750.00	4,448,750.00	9,800,000.00	12,351,493.66	22,151,493.66	26,600,243.66
2025	--	4,448,750.00	4,448,750.00	10,180,000.00	11,969,195.66	22,149,195.66	26,597,945.66
2026	--	4,448,750.00	4,448,750.00	10,585,000.00	11,563,929.86	22,148,929.86	26,597,679.86
2027	--	4,448,750.00	4,448,750.00	11,025,000.00	11,124,546.50	22,149,546.50	26,598,296.50
2028	--	4,448,750.00	4,448,750.00	11,500,000.00	10,650,361.26	22,150,361.26	26,599,111.26
2029	--	4,448,750.00	4,448,750.00	12,010,000.00	10,138,496.26	22,148,496.26	26,597,246.26
2030	--	4,448,750.00	4,448,750.00	12,565,000.00	9,585,916.16	22,150,916.16	26,599,666.16
2031	--	4,448,750.00	4,448,750.00	13,160,000.00	8,988,953.00	22,148,953.00	26,597,703.00
2032	--	4,448,750.00	4,448,750.00	13,840,000.00	8,308,581.00	22,148,581.00	26,597,331.00
2033	--	4,448,750.00	4,448,750.00	14,555,000.00	7,593,053.00	22,148,053.00	26,596,803.00
2034	--	4,448,750.00	4,448,750.00	15,310,000.00	6,840,559.50	22,150,559.50	26,599,309.50
2035	--	4,448,750.00	4,448,750.00	16,100,000.00	6,049,032.50	22,149,032.50	26,597,782.50
2036	--	4,448,750.00	4,448,750.00	16,935,000.00	5,216,662.50	22,151,662.50	26,600,412.50
2037	--	4,448,750.00	4,448,750.00	17,820,000.00	4,327,575.00	22,147,575.00	26,596,325.00
2038	--	4,448,750.00	4,448,750.00	18,755,000.00	3,392,025.00	22,147,025.00	26,595,775.00
2039	--	4,448,750.00	4,448,750.00	19,740,000.00	2,407,387.50	22,147,387.50	26,596,137.50
2040	--	4,448,750.00	4,448,750.00	20,780,000.00	1,371,037.50	22,151,037.50	26,599,787.50
2041	16,535,000.00	4,448,750.00	20,983,750.00	5,335,000.00	280,087.50	5,615,087.50	26,598,837.50
2042	22,980,000.00	3,622,000.00	26,602,000.00	--	--	--	26,602,000.00
2043	24,125,000.00	2,473,000.00	26,598,000.00	--	--	--	26,598,000.00
2044	25,335,000.00	1,266,750.00	26,601,750.00	--	--	--	26,601,750.00
Total	\$88,975,000.00	\$123,375,263.89	\$212,350,263.89	\$294,350,000.00	\$240,970,292.81	\$535,320,292.81	\$747,670,556.70

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

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REPORT OF THE AIRPORT CONSULTANT

The Authority commissioned Ricondo & Associates, Inc. (the "Airport Consultant") to prepare its Report of the Airport Consultant (the "Consultant Report") which is included in APPENDIX A to demonstrate the Airport's projected compliance with the Rate Covenant established in the CFC Trust Agreement on a *pro forma* basis for Fiscal Years 2015 through 2024.

The Consultant Report presents the analysis undertaken by the Airport Consultant to demonstrate the Authority's projected compliance with the Rate Covenant established in the CFC Trust Agreement on a *pro forma* basis for Fiscal Years 2015 through 2024. In its analysis the Airport Consultant relied upon certain information provided by the Authority's Financial Advisor and Austin Commercial, the construction manager for the ConRAC. See "PROJECTED RENTAL CAR ACTIVITY METRICS AND CFC COLLECTIONS" and "PROJECTED 2015 CFC BOND DEBT SERVICE COVERAGE" which follow. In developing its analysis, the Airport Consultant reviewed historical trends and formulated projections, based on the assumptions put forth in its Consultant Report which have been reviewed and agreed to by the Authority and its professionals, regarding the ability of the Air Trade Area to generate demand for air service at the Airport, trends in air service and passenger activity at the Airport, and the financial performance of the Airport.

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PROJECTED RENTAL CAR ACTIVITY METRICS AND CFC COLLECTIONS

(Fiscal Years Ended September 30)

	BUDGET	PROJECTED								
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Visiting O&D Deplaned Passenger Growth Rate	7.1%	2.8%	2.2%	2.1%	2.1%	2.0%	2.0%	2.1%	2.0%	2.0%
Visiting O&D Deplaned Passengers ⁽¹⁾	4,794,000	4,930,000	5,039,000	5,144,000	5,251,000	5,357,000	5,465,000	5,578,000	5,692,000	5,807,000
Projected Ratio of Rental Car Transactions per Visiting O&D Enplaned Passenger	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Rental Car Transactions	1,460,436	1,501,867	1,535,073	1,567,060	1,599,656	1,631,948	1,664,849	1,699,273	1,734,002	1,769,035
Projected Average Rental Length (Days)	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01
Rental Car Transaction Days	7,322,142	7,529,863	7,696,345	7,856,717	8,020,144	8,182,044	8,346,998	8,519,589	8,693,708	8,869,354
CFC Rate (\$ per transaction day) ⁽²⁾	\$5.16	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95
Projected CFC collections (including TFCs) ⁽³⁾	\$37,770,051	\$44,802,684	\$45,793,250	\$46,747,465	\$47,719,856	\$48,683,159	\$49,664,638	\$50,691,556	\$51,727,561	\$52,772,654
Compound Annual Growth Rate of CFC Collections										
2015 – 2024	3.8%									
2016 – 2024	2.1%									

NOTES:

(1) Domestic non-resident arriving O&D passengers.

(2) The Authority increased the CFC to \$5.00 per transaction day in April 2014 and to \$5.95 per transaction day effective July 6, 2015. The CFC collection level in FY 2015 represents the weighted average of the two CFC collection levels.

(3) No TFC revenues are projected beyond July 2015.

SOURCE: Hillsborough County Aviation Authority (Historical); Ricondo & Associates, Inc. (Projections), May 2015

PREPARED BY: Ricondo & Associates, Inc., June 2015.

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PROJECTED 2015 CFC BOND DEBT SERVICE COVERAGE

(Fiscal Years Ended September 30)

	BUDGET	PROJECTED								
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PLEDGED REVENUES & OTHER AVAILABLE FUNDS										
Pledged Revenues										
CFC Revenues ⁽¹⁾	\$37,770,051	\$44,802,684	\$45,793,250	\$46,747,465	\$47,719,856	\$48,683,159	\$49,664,638	\$50,691,556	\$51,727,561	\$52,772,654
Concessionaires Deficiency Payments	--	--	--	--	--	--	--	--	--	--
Interest Earnings ⁽²⁾	43,507	49,410	54,886	60,362	67,831	75,299	82,767	90,235	97,703	105,171
Total Pledged Revenues	\$37,813,559	\$44,852,093	\$45,848,136	\$46,807,828	\$47,787,688	\$48,758,459	\$49,747,405	\$50,781,791	\$51,825,264	\$52,877,825
Other Available Funds										
CFC Rolling Coverage (up to 25% of Bond Service Requirement) ⁽³⁾	\$0	\$5,902,348	\$5,476,406	\$5,476,406	\$7,468,906	\$7,468,036	\$7,467,428	\$7,468,354	\$7,467,728	\$7,468,301
Total Pledged Revenues & Other Available Funds	\$37,813,559	\$50,754,442	\$51,324,542	\$52,284,234	\$55,256,593	\$56,226,494	\$57,214,833	\$58,250,145	\$59,292,992	\$60,346,126
DEBT SERVICE FOR COVERAGE CALCULATIONS										
2015 CFC Bonds (Non-AMT)	\$0	\$5,094,332	\$4,726,700	\$4,726,700	\$6,906,700	\$6,904,500	\$6,903,900	\$6,904,700	\$6,906,700	\$6,904,700
2015 CFC Bonds (Taxable)	--	18,515,061	17,178,923	17,178,923	22,968,923	22,967,642	22,965,811	22,968,717	22,964,213	22,968,503
2015 CFC Bond debt service	\$0	\$23,609,394	\$21,905,623	\$21,905,623	\$29,875,623	\$29,872,142	\$29,869,711	\$29,873,417	\$29,870,913	\$29,873,203
DEBT SERVICE COVERAGE PURSUANT TO THE CFC TRUST AGREEMENT⁽³⁾										
2015 CFC Bond debt service coverage pursuant to the CFC Trust Agreement	N/A	2.15x	2.34x	2.39x	1.85x	1.88x	1.92x	1.95x	1.98x	2.02x
<i>Minimum Debt service coverage requirement pursuant to the CFC Trust Agreement</i>	1.50x	1.50x	1.50x	1.50x	1.50x	1.50x	1.50x	1.50x	1.50x	1.50x
DEBT SERVICE COVERAGE BASED ON ANNUAL PLEDGED REVENUES ALONE										
2015 CFC Bond debt service coverage based on Pledged Revenues only	N/A	1.90x	2.09x	2.14x	1.60x	1.63x	1.67x	1.70x	1.73x	1.77x

NOTES (continue on next page)

NOTES:

- (1) No TFC revenues are projected beyond July 2015.
- (2) Interest earnings include interest accrued on amounts in the Debt Service Reserve Fund and Surplus Fund.
- (3) It is assumed in this calculation that funds will be available at the CFC Surplus Fund level to re-deposit into the CFC Revenue Fund; however, the Authority may elect to use those funds to pay project costs.

SOURCE: Public Financial Management (PFM), July 2015 (Debt Service); Ricondo & Associates, Inc. July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

INVESTMENT CONSIDERATIONS

The following section describes certain risk factors affecting the payment of and security for the 2015 CFC Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the 2015 CFC 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 2015 CFC Bonds. There can be no assurances that such circumstances would not materially adversely affect the amount of Pledged Cash Flow available to pay debt service on the 2015 CFC Bonds.

Factors Affecting the 2015 CFC Project

Construction Risks. The Authority's ability to complete the construction of the 2015 CFC Project within budget and on schedule may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) material and/or labor shortages; (d) unforeseen site conditions; (e) cost increases; (f) contractor defaults; (g) labor disputes; (h) environmental issues; (i) unavailability of other funding sources; (j) discovery of archaeological artifacts; (k) changes in law; (l) delays in obtaining or renewing required permits; (m) revocation of such permits and approvals; and (n) litigation, among other things. Austin has provided a GMP for the ConRAC and the APM. See "THE 2015 CFC PROJECT – Design-Build Agreement for the CFC Project." The budget for the 2015 CFC Project also has contingencies built in. In addition, CFCs at the rate of \$5.95 per rental transaction day will accumulate during the construction period for the 2015 CFC Project. In the event that there are schedule delays or cost increases beyond the budgeted amount, the Authority may need to issue Completion Bonds. In the event that any sources of funding are less than projected and the Authority is not able to issue or sell Completion Bonds, the completion of the 2015 CFC Project could be substantially delayed and financing costs could be higher than projected.

Events of Force Majeure and Other Delays. In addition to construction risks, operation of the 2015 CFC Project is at risk from events of force majeure, such as hurricanes or other natural disasters, war, riots, acts of sabotage, terrorism or civil commotion, and spills of hazardous materials, among other events.

Damage and Destruction. The Authority will maintain insurance in the amount and against such risks as are customarily insured against on Airport property. See "RISK MANAGEMENT AND INSURANCE" herein. However, there can be no assurance that the 2015 CFC Project will not suffer extraordinary and unanticipated losses, for which insurance cannot be or has not been obtained, or that the amount of any such loss for the period during which the 2015 CFC Project is not available for use will not exceed the coverage of such insurance policies. Notwithstanding the foregoing, pursuant to the Concessionaire Agreement the Concessionaires are required to maintain their own insurance. See APPENDIX D – "ON-AIRPORT CONCESSIONAIRE AGREEMENT – Article XIV." In the event of the complete destruction of the ConRAC for which the Authority elects not to repair, replace or reconstruct, the Authority will not be required to provide alternative operating areas to the

Concessionaires and the Concessionaire Agreement and the obligations of the Concessionaires thereunder will terminate.

Factors Affecting Collection of Pledged Revenues. The payment of the 2015 CFC Bonds is dependent on the generation of sufficient Pledged Revenues in each Fiscal Year. Pledged Revenues are contingent upon, and the amount generated will be impacted by, a variety of factors, including: aviation activity and the rental of motor vehicles at the Airport; the airlines' service and route networks; the financial health and viability of the airline and rental car industries; levels of disposable income; national and international economic and political conditions, including disruptions caused by airline incidents, acts of war and terrorism; the availability and price of aviation fuel and gasoline; levels of air fares and car rental rates at the Airport; the capacity of the national air traffic control system; the capacity at the Airport and the ConRAC; and the financial health and viability of the Rental Car Companies. See the discussion of factors affecting aviation demand at the Airport under "– Factors Affecting the Airline Industry" below. The Authority has concluded that the current rental car facilities cannot accommodate the growth projections of the Airport. Accordingly, any delay in the completion of the 2015 CFC Project could affect Airport customer growth and concurrently reduce receipt of CFC Revenues. In addition, delay in the construction of the 2015 CFC Project could restrict customer growth needed for the 2015 CFC Project.

Rental Car Activity. As described in the Consultant Report, rental car demand at the Airport, and therefore the number of rental car transaction days to which the CFC applies, is highly correlated to passenger demand. The Airport Consultant also concludes, based on historical rental car data and based on the assumptions set forth in the Consultant Report, that the number of rental car transaction days at the Airport is primarily a function of the number of visiting O&D deplaned passengers. Other factors found by the Airport Consultant to affect rental car demand at the Airport include: the price of renting a car, as measured by the average daily rental rate; market segmentation (business/leisure); rental car costs as a component of total travel costs; convenience; the availability of alternative forms of ground transportation; and certain extraordinary events, such as the terrorist attacks of September 11, 2001. For a full discussion of these and other factors affecting rental car activity, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

Concessionaires. The projections of the revenues derived from CFCs are dependent on the ability of the Concessionaires or any new entrants as Concessionaires to provide a competitive product to potential customers at the Airport over the life of the 2015 CFC Bonds. Such ability is affected by factors beyond their control, including the cost and resale value of cars. Competitive factors have limited the profitability of rental car companies in the past several years and some companies and franchises have ceased operations or been acquired by other companies. Prospective purchasers should consider the potential effects of the rental car industry as a whole upon the availability of the CFCs to pay debt service on the 2015 CFC Bonds.

Concentration of Rental Car Companies. Concessionaire Agreements have been entered into with nine Concessionaires representing 16 rental car brands. Three of these Concessionaires represent eight brands that generated approximately 90.2% of the gross revenues from On-Airport rental car activities at the Airport in Fiscal Year 2014 and 90.0% for the six months ended March 31, 2015. The balance of 9.8% in Fiscal Year 2014 and 10.0% for the six months ended March 31, 2015 was from Off-Airport rental car companies. The concentration of the actual and projected rental car activity at the Airport in a small number of corporate entities increases the risk from factors that may impact the operations and activities of the ConRAC.

Consideration under Bankruptcy Code. In the event a bankruptcy case is filed with respect to a Concessionaire, a bankruptcy court could reject its On-Airport Concessionaire Agreement, in which event

the Concessionaire would not be required to remit CFCs or other payments required under the On-Airport Concessionaire Agreement to be paid to the Authority. In such event, the Concessionaire would be in default under its On-Airport Concessionaire Agreement, permitting the Authority to cancel such Agreement and remove the Concessionaire from possession and occupancy of the ConRAC. However, see "ON-AIRPORT CONCESSIONAIRE AGREEMENT – Concessionaires Step-Up Payments" as set forth in APPENDIX D.

For more information on rental car companies operating on and off the Airport, see "PUBLICLY AVAILABLE INFORMATION FOR RENTAL CAR COMPANIES" herein.

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 CFC Revenues available for payment of the 2015 CFC 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 fares 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.

U.S. Justice Department Investigation of Airlines over Possible Collusion. It has been reported that the Justice Department has initiated a civil anti-trust investigation and has requested airlines to provide documents and information from the past two years that are related to seating capacity. By limiting the number of flights offered, allegedly airlines could restrain competition and raise fares. A Justice Department spokeswoman stated that the Department is investigating potential unlawful coordination among some airlines. The Justice Department inquiry appears to be in its early stages and what effect, if any, this investigation will have on airlines and the industry as a whole is not currently determinable.

Economic Conditions. Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. Between 2008 and 2009, the U.S. economy experienced a recession, which was followed by weak economic growth. It is not known at this

time whether the high national unemployment rate, or the slow rate of national and global economic growth will persist beyond 2015 and what effect, if any, they will have 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."

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. Capacity reductions by the Airlines which improve airline profitability have reduced seat availability resulting in higher fares. In addition, the availability of fully transparent price information on the Internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the Internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video-conferencing.

Southwest Airlines — Airport's Largest Carrier. Southwest announced the closing on its acquisition of AirTran Holdings, Inc., the former parent company of 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 and AirTran had fully integrated their respective operations by the end of 2014. AirTran and Southwest do not have any overlapping routes from the Airport.

For the Fiscal Years ended September 30, 2013 and 2014, Southwest Airlines together with Air Tran accounted for approximately 36.3 percent and 35.3 percent, respectively, 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 has consistently reported profitable operations; 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.

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 Severe Acute Respiratory Syndrome ("SARS") outbreak in 2003 and the H1N1 influenza ("swine flu") outbreak in 2009 and 2010, 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.

Uncertainties of Projections, Forecasts and Assumptions

The Report included as APPENDIX A to this Official Statement contains certain assumptions and forecasts. Such Report should be read in its entirety for a discussion of historical and forecasted results of air traffic activity at the Airport, car rental activity at the Airport and debt service coverage and the assumptions and rationale underlying the forecasts. As noted in the Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material.

Accordingly, the projections contained in the Report or that may be contained in any future certificate of the Authority or a consultant are not necessarily indicative of future performance, and neither the Airport Consultant nor the Authority assumes any responsibility for the failure to meet such projections. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the 2015 CFC Bonds are cautioned not to place undue reliance upon the Report or upon any projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of Pledged Revenues may be materially less than expected and consequently, the ability of the Authority to make timely payment of the principal of and interest on the 2015 CFC Bonds may be materially adversely affected. However, the Authority has the ability to pay deficiencies and/or increase the CFC rate if necessary.

Neither the Authority's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the Report's forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Report's forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability.

PUBLICLY AVAILABLE INFORMATION FOR RENTAL CAR COMPANIES

Rental car companies (or their respective parent companies) operating at the Airport are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports and other information with the Securities and Exchange Commission (the "Commission"). Certain information, including financial information, as of particular dates concerning each of these reporting companies (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. 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.

RISK MANAGEMENT AND INSURANCE

The Authority has in place a comprehensive airport liability insurance policy with Global Aerospace, which provides a policy limit of \$300 million. This liability policy includes \$150 million for war coverage. This annual policy expires at midnight September 30, 2015 and includes the option of renewing for a second year. The Authority is also named as an additional insured on liability policies required to be maintained by all airline operators and Airport tenants. The Authority 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 Authority at its March 5, 2015 meeting for a twelve month period ending April 1, 2016. The total coverage limit for property insurance is \$300 million with sublimits of \$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 \$250,000 minimum deductible and a \$250,000 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.

The Authority has implemented a Consolidated Insurance Program that applies to most of the airport expansion projects and covers the Authority and all enrolled contractors for Workers' Compensation, General Liability, Excess Liability, Builders Risk and Pollution. The benefits of this type of program include: increased control of safety program, dedicated limits, consistent coverages and potential savings. The Workers' Compensation and General Liability are written with XL with statutory limits on the Workers' Compensation and \$4 million for the General Liability. The Excess Liability is written with AWAC, Westchester, Endurance and Berkshire Hathaway with limit of \$100 million. The Authority maintains Builders Risk insurance in the amount of \$592 million and delay in opening (business interruption) in the amount of \$40 million for the 2015 CFC Project. Named windstorm and flood coverage has a \$50 million sublimit and a 3% (\$100,000 minimum) deductible. The Pollution coverage is provided by IronShore and includes \$25 million limits for Contractors Pollution Liability and Pollution Legal Liability each. In addition to the above coverages, The Authority purchased an Owners Protective Professional Indemnity policy to protect the Authority against losses due to design errors in the amount of \$20 million.

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the 2015 CFC Bonds upon an event of default under the CFC 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 CFC Trust Agreement and the 2015 CFC Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2015 CFC 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. The CFC Trust Agreement does not permit acceleration resulting from default or otherwise.

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 2015 CFC 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.

PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

For information regarding Pension Plans and Other Post Employment Benefits see Note 10 to Notes to Financial Statements included in APPENDIX B hereto.

FINANCIAL STATEMENTS

The financial statements of the Authority as of and for the years ended September 30, 2014 and 2013, 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 consent from the auditors was not requested. 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 2015 CFC Bonds, the CFC Trust Agreement, the CFC Resolution, the TFC Resolution, the Concessionaire 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.

On July 24, 2015 the Authority filed a Petition to Review the FAA's denial to collect Passenger Facility Charges at the \$4.50 level for the APM project in the U.S. District Court of Appeals for the District of Columbia Circuit (the "Petition to Review"). The only issue in the Petition to Review the FAA's denial is whether the Authority proved that there was a significant contribution to reducing congestion around the Airport and increasing capacity for the Airport that justified a \$4.50 PFC rate.

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

TAX MATTERS

2015A CFC Bonds

In the opinion of Bond Counsel, under existing law, interest on the 2015A CFC Bonds is excludable from gross income for federal income tax purposes

The Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the 2015A CFC 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 2015A CFC 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 2015A CFC 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 2015A CFC Bonds to maintain the exclusion of interest on the 2015A CFC Bonds from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the 2015A CFC Bonds in the gross income of the owners thereof for federal income tax purposes, retroactive to the date of issuance of the 2015A CFC Bonds. The Authority has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the 2015A CFC 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 2015A CFC 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 2015A CFC 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 2015A CFC Bonds will not be treated as an item of tax preference for purposes of the alternative minimum tax. Interest on the 2015A CFC Bonds will therefore not be included in the alternative minimum taxable income of taxpayers other than corporations. Interest on the 2015A CFC Bonds received by a corporate holder of the 2015A CFC Bonds will, however, be included in such holder's adjusted current earnings. A corporation's alternative minimum taxable income will be increased by 75% of the corporation's adjusted current earnings not otherwise included in its alternative minimum taxable income.

Original Issue Premium

The 2015A CFC Bonds inclusive 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 2015A CFC Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a 2015A CFC 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 2015A CFC 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 2015A CFC Bond and not as interest.

Owners of 2015A CFC Bonds should consult their own tax advisors to determine the tax consequences to them of purchasing, holding, selling, or otherwise disposing of 2015A CFC Bonds.

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

Other Tax Consequences

Prospective purchasers of the 2015A CFC Bonds should be aware that ownership of 2015A CFC 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 2015A CFC Bonds. Prospective purchasers of the 2015A CFC Bonds should also be aware that ownership of 2015A CFC 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 2015A CFC Bonds. Further, Bond Counsel has expressed no opinion regarding the state tax consequences that may arise with respect to the 2015A CFC Bonds. Prospective purchasers of 2015A CFC Bonds should consult their tax advisors as to the collateral federal income tax and state tax consequences to them of owning 2015A CFC 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 2015A CFC Bonds, to be subject, directly or indirectly, to federal income taxation, or otherwise prevent the holders of 2015A CFC Bonds from realizing the full current benefit of the tax status of the interest on the 2015A CFC 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 2015A CFC Bonds. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible proposed legislation will be introduced in the near term that, if enacted, could change the federal tax consequences of owning the 2015A CFC Bonds and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the 2015A CFC 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 2015A CFC 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 2015A CFC 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 2015A CFC 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 2015A CFC Bonds and proceeds from the sale of 2015A CFC Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such holder of 2015A CFC Bonds. This withholding generally applies if the holder of 2015A CFC 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.

2015B CFC Bonds

The following is a general discussion of the anticipated federal income tax consequences from the purchase, ownership, and disposition of the 2015B CFC Bonds. The discussion below does not purport to address all aspects of federal taxation that may be relevant to particular investors in light of their individual circumstances, or to certain types of investors subject to special treatment under the federal income tax laws. There can be no assurance that contrary positions to those positions expressed below will not be taken by the Internal Revenue Service. Prospective investors are advised to consult their own tax advisors regarding the federal income tax consequences of the purchase, ownership or disposition of the 2015B CFC Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

In the opinion of Bond Counsel, under existing law, stated interest on the 2015B CFC Bonds will be treated as interest income for federal income tax purposes. **ALSO, IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE 2015B CFC BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.**

Reference is made to the proposed form of the opinion of Bond Counsel as to the 2015B CFC Bonds included herein as APPENDIX G for the complete text thereof.

Tax Treatment of Foreign Investors

Under Sections 871 and 881 of the Code, interest income with respect to the 2015B CFC Bonds held by non-resident alien individuals, foreign corporations or other non-United States persons ("Non-residents") may be subject to a 30% United States withholding tax unless that tax is reduced or eliminated pursuant to an applicable tax treaty. That withholding tax will generally not be imposed, however, if the Trustee (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement identifying the beneficial owner of the 2015B CFC Bonds and stating, among other things, that the beneficial owner is a Non-resident. The withholding tax will also not apply if interest on the 2015B CFC Bonds is effectively connected with a United States business conducted by the Non-resident. Foreign investors should consult their tax advisors regarding potential imposition of the 30% withholding tax.

Backup Withholding

Under the Code, a non-corporate holder of 2015B CFC Bonds may, under certain circumstances, be subject 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 2015B CFC Bonds and proceeds from the sale of 2015B CFC Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such holder of 2015B CFC Bonds. This withholding generally applies if the holder of 2015B CFC Bonds (i) fails to furnish the Trustee (or other payor) such holder's social security number or other 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. Holders of 2015B CFC Bonds should consult their own tax advisors as to their qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

Sales, Exchanges, and Transfers

If a holder of 2015B CFC Bonds sells or otherwise transfers a Taxable Bond, taxable gain or loss may result, as in the case with any sale or other transfer of an investment.

LEGAL MATTERS

Certain legal matters relating to the authorization, issuance, sale and delivery of the 2015 CFC 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 in APPENDIX G 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 2015 CFC Bonds and the tax-exempt status of interest on the 2015A CFC Bonds, as described in the section "TAX MATTERS" and will make no statement regarding the accuracy and completeness of this Official Statement.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion 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 2015 CFC BONDS," "DESCRIPTION OF THE 2015 CFC BONDS," "SECURITY FOR THE 2015 CFC BONDS," "THE CFC TRUST AGREEMENT – FLOW OF FUNDS," and believes that insofar as such statements constitute summaries of the CFC Trust Agreement and the provisions of the 2015 CFC 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 2015 CFC Bonds.

Certain legal matters in connection with the offering of the 2015 CFC 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 Michael Kamprath, Esq., Assistant General Counsel. The Underwriters are being represented by their counsel, Bryant Miller Olive P.A., Tampa, Florida.

The legal opinion to be delivered concurrently with the delivery of the 2015 CFC Bonds express the professional judgment of the attorneys rendering the opinion 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.

CONTINGENT FEES

The Authority has retained Bond Counsel with respect to the authorization, sale, execution and delivery of the 2015 CFC Bonds. Payment of all or a portion of the fees of Bond Counsel relating to the issuance of the 2015 CFC Bonds, a discount to the Underwriters, the fees of Disclosure Counsel, the fees of the Authority's Financial Advisor and the fees of Underwriters' Counsel are each contingent upon the issuance of the 2015 CFC Bonds.

RATINGS

Moody's, S&P and KBRA have assigned ratings as follows:

	<u>2015 CFC Bonds (Underlying)</u>
Moody's	A3 ⁽¹⁾
S&P	A- ⁽¹⁾
KBRA	A+ ⁽¹⁾

(1) Stable Outlook.

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 2015 CFC 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 2015 CFC 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, 2015, 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 Continuing Disclosure Agreement, the form of which is included as APPENDIX F, will be executed by the Authority prior to issuance of the 2015 CFC 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" and "Top Markets for Tampa International Airport" 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 review of the Authority's continuing disclosure filings, it was discovered that the Authority failed to file notices of ratings downgrades/upgrades which occurred between 2008 and 2014 regarding insured bonds by Assured Guaranty Ltd., 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 2005A-B, and Series 2008A-D Bonds. Upon realizing the failure to comply, the Authority filed the material events notices on September 30, 2013 and December 17, 2014. 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 2015 CFC Bonds are being purchased for reoffering by Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, Raymond James & Associates, Inc. and RBC Capital Markets, LLC (collectively, the "Underwriters"). The 2015A CFC Bonds are being purchased at a price of \$96,497,982.05, representing the par amount of the 2015A CFC Bonds, net of Underwriters' discount of \$250,763.70 from the initial offering prices of the 2015A CFC Bonds set forth on the inside cover page hereof, plus an original issue premium of \$7,773,745.75. The 2015B CFC Bonds are being purchased at a price of \$293,520,415.32, representing the par amount of the 2015B CFC Bonds, net of Underwriters' discount of \$829,584.68 from the initial offering prices of the 2015B CFC Bonds set forth on the inside cover page hereof. The contract of purchase by and between the Underwriters and the Authority provides that the Underwriters will purchase all of the 2015 CFC Bonds if any are purchased.

The Underwriters may offer and sell the 2015 CFC Bonds to certain dealers (including depositing the 2015 CFC 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 sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or

instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

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.

Citigroup Global Markets Inc., an Underwriter of the 2015 CFC Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the 2015 CFC Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the 2015 CFC Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2015 CFC Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co., LLC, one of the Underwriters of the 2015 CFC Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co., LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co., LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2015 CFC 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 2015 CFC Bonds, the security for the payment of the 2015 CFC 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 2015 CFC 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
Customer Facility Charge (CFC) Revenue Bonds, 2015 Series A (Non-AMT)
Customer Facility Charge (CFC) Revenue Bonds, 2015 Series B (Taxable)



August 4, 2015

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

Ricondo & Associates, Inc. (R&A) prepared this document for the stated purposes as expressly set forth herein and for the sole use of Hillsborough County Aviation Authority and its intended recipients. The techniques and methodologies used in preparing this document are consistent with industry practices at the time of preparation.

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August 4, 2015

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 Customer Facility Charge (CFC) Revenue Bonds, 2015 Series A (Non-AMT)
Tampa International Airport CFC Revenue Bonds, 2015 Series B (Taxable)

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 Customer Facility Charge (CFC) Revenue Bonds, 2015 Series A (Non-AMT) and Tampa International Airport CFC Revenue Bonds, 2015 Series B (Taxable) (collectively, the 2015 CFC Bonds).

A CFC is a charge imposed by the Authority on On-Airport rental car companies. A Transportation Facility Charge (TFC) is imposed by the Authority on Off-Airport rental car companies. The 2015 CFC Bonds are being issued pursuant to provisions of the Authority's CFC Trust Agreement, expected to be dated as of September 1, 2015, and the Authority's Supplemental CFC Trust Agreement, expected to be dated as of September 1, 2015 (collectively the CFC Trust Agreement). Resolution 2015-96, authorizing the issuance of the 2015 CFC Bonds and the execution of the CFC Trust Agreement, was approved by the Board on July 2, 2015.

The 2015 CFC Bonds will be payable solely from and secured by a pledge of Pledged Revenues and certain funds and accounts held under the CFC Trust Agreement, as described in the Report. Pledged Revenues are all On-Airport CFCs, Off-Airport TFCs and the payments, if any, made by Concessionaires pursuant to Sections 4.06(A) through (D) of their respective Concessionaire Agreements (or any successor provisions thereof) as contingent payments to cover in each contract year under the Concessionaire Agreement after substantial completion, deficiencies if any in the amount of On-Airport CFCs and Off-Airport TFCs needed to fund the Mandatory Eligible Costs as defined in the Concessionaire Agreement (Concessionaire Deficiency Payments), otherwise known as contingent rent. Proceeds of the 2015 CFC



Mr. Joseph Lopano
Hillsborough County Aviation Authority
Tampa International Airport
August 4, 2015
Page 2

Bonds will be used to fund a portion of the consolidated rental car facility (ConRAC) and to fund a portion of the Automated People Mover (APM) (collectively, the 2015 CFC Projects).

Additionally, proceeds from the 2015 CFC Bonds will be used to fund a Debt Service Reserve Fund, fund amounts to be available to the Authority for up to 25 percent of the Bond Service Requirement on the 2015 CFC Bonds (i.e. rolling coverage) or to fund the cost of other Airport projects at the Authority's discretion, and pay the costs of issuance incurred in connection with the issuance of the 2015 CFC Bonds. Unless otherwise defined herein, all capitalized terms in this report are used as defined in the Official Statement or the CFC Trust Agreement.

This report presents the analysis undertaken by R&A to demonstrate the Authority's projected compliance with the Rate Covenant established in the CFC Trust Agreement on a *pro forma* basis for Fiscal Years (FY) 2015 through 2024 (the Projection Period) based on the assumptions regarding the planned issuance of the 2015 CFC Bonds established by the Authority through consultation with its Financial Advisor and Austin Commercial, the design/builder for the ConRAC. 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 passenger activity at the Airport, and the financial performance of the Airport. The report is organized as follows:

- Summary of Findings
- Chapter 1: The CFC Projects and the 2015 CFC Bonds
- Chapter 2: The Tampa International Airport and the Capital Program
- Chapter 3: Demographic and Economic Analysis
- Chapter 4: Passenger Demand and Air Service Analysis
- Chapter 5: The Airport Rental Car Market 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 Pledged Revenues in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the CFC Trust Agreement.

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 \$24.6 billion of airport-related revenue



Mr. Joseph Lopano
Hillsborough County Aviation Authority
Tampa International Airport
August 4, 2015
Page 3

bonds since 1996. R&A is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934. R&A is not acting as a municipal advisor and has not been engaged by the Hillsborough County Aviation Authority to provide advice with respect to the structure, timing, terms and other similar matters concerning the issuance of municipal securities. The assumptions regarding such matters included in this report have been provided by the Hillsborough County Aviation Authority or the Hillsborough County Aviation Authority's Municipal Advisor (Financial Advisor), or, with the Hillsborough County Aviation Authority's approval, have been derived from general, publically available data approved by the Hillsborough County Aviation Authority. R&A owes no fiduciary duty to the Hillsborough County Aviation Authority. The Hillsborough County Aviation Authority should discuss the information and analysis contained in this report with internal and external advisors and experts that the Hillsborough County Aviation Authority deems appropriate before taking any action. Any opinions, assumptions, views or information contained herein are not intended to be, and do not constitute, "advice" within the meaning of Section 15B of the Securities and Exchange Act of 1934.

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 their 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,

A handwritten signature in black ink that reads "Ricondo & Associates, Inc." The signature is written in a cursive, flowing style.

RICONDO & ASSOCIATES, INC.

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Table of Contents

Summary of Findings	A-13
CFC Projects.....	A-14
2015 CFC Bonds	A-14
Tampa International Airport System.....	A-15
Demographic and Economic Analysis	A-15
Passenger Demand and Air Service Analysis	A-18
The Airport Rental Car Market.....	A-19
Financial Analysis	A-20
1. The CFC Projects and the 2015 CFC Bonds.....	A-25
1.1 The CFC Projects	A-25
1.1.1 AUTOMATED PEOPLE MOVER (APM)	A-25
1.1.2 CONSOLIDATED RENTAL CAR FACILITY	A-26
1.2 The 2015 CFC Bonds.....	A-28
1.2.1 PLAN OF FINANCE.....	A-28
1.2.2 CFC TRUST AGREEMENT	A-29
2. Tampa International Airport System.....	A-35
2.1 Tampa International Airport.....	A-35
2.2 The Air Trade Area.....	A-35
2.2.1 SURROUNDING AIRPORTS WITHIN OR NEAR THE AIR TRADE AREA	A-35
2.3 Existing Airport Facilities.....	A-36
2.3.1 AIRFIELD	A-36
2.3.2 PASSENGER TERMINAL FACILITIES	A-39
2.3.3 ROADWAYS AND ECONOMY PARKING AREAS	A-42
2.3.4 AIR CARGO	A-42
2.3.5 GENERAL AVIATION	A-42
2.3.6 OTHER AREAS	A-43
2.4 Airport Capital Program	A-43
2.4.1 THE AIRPORT MASTER PLAN.....	A-44
2.4.2 AIRPORT CAPITAL IMPROVEMENT PROGRAM (FY2015 – FY2024).....	A-45

Table of Contents (continued)

3.	Demographic and Economic Analysis	A-47
3.1	Demographic Analysis	A-48
3.1.1	POPULATION.....	A-48
3.2	Economic Analysis	A-51
3.2.1	GROSS DOMESTIC PRODUCT	A-51
3.2.2	EMPLOYMENT TRENDS	A-51
3.2.3	BUSINESS CLIMATE.....	A-56
3.2.4	EMPLOYMENT BY MAJOR INDUSTRIAL SECTOR.....	A-58
3.3	Economic Outlook	A-73
3.3.1	SHORT-TERM ECONOMIC OUTLOOK	A-73
3.3.2	LONG TERM ECONOMIC ASSUMPTIONS INCORPORATED IN PASSENGER DEMAND PROJECTIONS.....	A-74
4.	Air Traffic.....	A-77
4.1	Airlines Serving the Airport	A-77
4.2	Historical Airport Activity	A-80
4.2.1	PASSENGER ACTIVITY.....	A-80
4.2.2	ENPLANED PASSENGERS BY AIRLINE.....	A-84
4.2.3	AIR SERVICE	A-84
4.3	Factors Affecting Aviation Demand at the Airport	A-87
4.3.1	NATIONAL ECONOMY	A-87
4.3.2	STATE OF THE AIRLINE INDUSTRY	A-89
4.3.3	CAPACITY DISCIPLINE – A CHANGE IN THE AIRLINE BUSINESS MODEL.....	A-89
4.3.4	AIRLINE MERGERS AND ACQUISITIONS.....	A-90
4.3.5	COST OF AVIATION FUEL.....	A-91
4.3.6	THREAT OF TERRORISM AND GEOPOLITICAL ISSUES.....	A-92
4.3.7	OTHER AIRPORTS IN THE REGION.....	A-92
4.4	Projections of Enplaned Passengers	A-94
4.4.1	METHODOLOGY.....	A-94
4.4.2	KEY GLOBAL ASSUMPTIONS	A-96
4.4.3	ENPLANED PASSENGER PROJECTIONS	A-96
4.4.4	VISITING O&D DEPLANED PASSENGER PROJECTIONS.....	A-100

Table of Contents (continued)

5.	The Airport Rental Car Market	A-103
5.1	Industry Overview	A-103
5.2	Industry Trends	A-107
5.2.1	RENTAL CAR INDUSTRY ACTIVITY	A-107
5.2.2	CONSOLIDATED RENTAL CAR FACILITIES	A-111
5.2.3	AIRPORT TAXES AND SURCHARGES.....	A-111
5.3	Rental Car Market at the Airport	A-112
5.4	Historical Rental Car Demand at the Airport	A-115
5.5	Factors Influencing Rental Car Demand at the Airport	A-115
5.5.1	CAR RENTAL RATES.....	A-119
5.5.2	OTHER FACTORS INFLUENCING RENTAL CAR DEMAND	A-121
5.6	Projection of Airport Rental Car Transaction Days	A-121
6.	Financial Analysis	A-125
6.1	Financial Framework	A-125
6.1.1	CONCESSIONAIRE AGREEMENT	A-125
6.1.2	TERMS OF THE CONCESSIONAIRE AGREEMENT	A-126
6.2	Historical Customer Facility Charge Collections	A-127
6.2.1	AUTHORIZATION.....	A-127
6.2.2	HISTORICAL ON-AIRPORT CFC AND OFF-AIRPORT TFC REVENUES	A-127
6.3	CFC Debt Service	A-129
6.4	Flow of Funds	A-129
6.4.1	FLOW OF FUNDS DURING CONSTRUCTION.....	A-129
6.4.2	UPON SUBSTANTIAL COMPLETION.....	A-132
6.4.3	AFTER SUBSTANTIAL COMPLETION.....	A-132
6.5	Projections of Pledged Revenues, Debt Service Coverage and Application of Revenues	A-135
6.5.1	PROJECTION OF CFC COLLECTIONS.....	A-135
6.5.2	DEBT SERVICE COVERAGE	A-135
6.5.3	APPLICATION OF REVENUES.....	A-135
6.6	Sensitivity Analysis	A-139
6.6.1	DECREASED RENTAL CAR TRANSACTION DAYS	A-139

List of Tables

Table S-1: 2015 CFC Bonds Funding Plan	A-15
Table S-2: Summary of Demographic and Economic Characteristics	A-17
Table S-3: Projected Rental Car Activity.....	A-21
Table S-4: RACs Operating at the Airport and Status of Concessionaire Agreements	A-22
Table S-5: Projected 2015 CFC Bond Debt Service Coverage	A-24
Table 1-1: Sources and Uses of Funds for the CFC Projects	A-26
Table 1-2: 2015 CFC Bonds	A-28
Table 1-3: 2015 CFC Bonds Sources and Uses	A-28
Table 3-1: Historical and Projected Population.....	A-49
Table 3-2: Per Capita Personal Income.....	A-50
Table 3-3: Gross Regional/Domestic Product (GRP or GDP)	A-52
Table 3-4: Civilian Labor Force and Unemployment Rates	A-53
Table 3-5: Employment Trends by Major Industry Sector	A-55
Table 3-6: Major Employers in the Primary and Secondary Air Trade Area.....	A-57
Table 3-7: Total Retail Sales	A-65
Table 3-8: Total Bank Deposits	A-68
Table 3-9: Residential Building Permits and Valuation 2003-2013	A-71
Table 3-10: Forecast of Economic Variables Used in Passenger Demand Projections.....	A-75
Table 4-1: Airlines Serving the Airport.....	A-78
Table 4-2: Historical Scheduled Passenger Air Carrier Base.....	A-79
Table 4-3: Historical Enplaned Passengers	A-81
Table 4-4: Historical Total Enplaned Passengers by Airline	A-85
Table 4-5: Top 20 O&D Markets.....	A-86
Table 4-6: Competing & Other Florida Airports Summary.....	A-95
Table 4-7: Enplaned Passenger Projections.....	A-99
Table 4-8: Projected Visiting O&D Deplaned Passengers	A-101
Table 5-1: U.S. Rental Car Company Market Share	A-106
Table 5-2: Customer Facility Charge and Transportation Fees at Select U.S. Airports	A-113
Table 5-3: Tampa International Airport Rental Car Market Share by Gross Revenue.....	A-114

List of Tables (continued)

Table 5-4: Historical Rental Car Activity at the Airport	A-118
Table 5-5: Car Rental Rate Comparison - Selected Surrounding Airports	A-120
Table 5-6: Projected Rental Car Activity.....	A-124
Table 6-1: Historical Customer Facility Charge and Transportation Facility Charge Revenues	A-128
Table 6-2: Projected Annual Debt Service.....	A-130
Table 6-3: Projected Rental Car Activity Measures and CFC Collections	A-136
Table 6-4: Projected 2015 CFC Bond Debt Service Coverage	A-137
Table 6-5: Application of Pledged Revenues	A-138
Table 6-6: Sensitivity Analysis - Reduced Pledged Revenues Projected 2015 CFC Bond Debt Service Coverage.....	A-140

List of Exhibits

Exhibit 1-1: CFC Projects Layout.....	A-27
Exhibit 1-2: Application of Revenues before Substantial Completion as Defined by CFC Trust Agreement and One-Time Distribution of Funds Upon Substantial Completion.....	A-33
Exhibit 1-3: Application of Revenues after Substantial Completion as Defined by CFC Trust Agreement	A-34
Exhibit 2-1: Air Trade Area and Alternative Facilities.....	A-37
Exhibit 2-2: Existing Airport Facilities.....	A-38
Exhibit 4-1: Nonstop Markets.....	A-88
Exhibit 4-2: Growth Trends of U.S. Passengers and Gross Domestic Product	A-90
Exhibit 4-3: Growth Trends of U.S. Domestic Passengers, Passenger Revenue, and Gross Domestic Product.....	A-90
Exhibit 4-4: Historical Monthly Averages of Jet Fuel and Crude Oil Prices.....	A-91
Exhibit 4-5: Regional Airports	A-93
Exhibit 5-1: Timeline of Rental Car Company Brand Consolidation.....	A-108
Exhibit 5-2: U.S. Rental Car Market Gross Sales.....	A-109
Exhibit 5-3: Comparison of Growth in Annual U.S. Rental Car Gross Sales, US GDP, and O&D Deplaned Passengers	A-110
Exhibit 5-4: Growth Comparison of Airport Gross Rental Car Sales and Visiting O&D Deplaned Passengers at the Airport.....	A-116
Exhibit 5-5: Monthly Rental Car Gross Sales and Rental Car Transaction Days at the Airport.....	A-117
Exhibit 5-6: CFC Revenue Projection	A-122
Exhibit 6-1: Application of Revenues before Substantial Completion as Defined by CFC Trust Agreement and One-Time Distribution of Funds Upon Substantial Completion.....	A-131
Exhibit 6-2: Application of Revenues After Substantial Completion as Defined in the CFC Trust Agreement.....	A-133

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 projected compliance with the Rate Covenant regarding the issuance of the Tampa International Airport Customer Facility Charge (CFC) Revenue Bonds 2015 Series A (Non-AMT) and the Tampa International Airport CFC Revenue Bonds 2015 Series B (Taxable), collectively referred to in this Report as the 2015 CFC Bonds.

A CFC is a charge imposed by the Authority on rental car companies (RACs) doing business at the Airport at facilities on the Airport premises (On-Airport RACs). A Transportation Facility Charge (TFC) is a charge imposed by the Authority on rental car companies doing business at the Airport at facilities off the Airport premises (Off-Airport RACs). The 2015 CFC Bonds are being issued pursuant to provisions of the Authority's CFC Trust Agreement, expected to be dated as of September 1, 2015, and the Authority's Supplemental CFC Trust Agreement, expected to be dated as of September 1, 2015 (collectively, the CFC Trust Agreement). The Authority has adopted the Bond Resolution authorizing the issuance of the 2015 CFC Bonds and the execution of the CFC Trust Agreement.

The 2015 CFC Bonds will be payable solely from and secured by a pledge of Pledged Revenues and certain funds and accounts held under the CFC Trust Agreement, as described in the Report. Pledged Revenues are all On-Airport CFCs, Off-Airport TFCs and the payments, if any, made by Concessionaires pursuant to Sections 4.06(A) through (D) of their respective Concessionaire Agreements (or any successor provisions thereof) as contingent payments to cover in each contract year under the Concessionaire Agreement after substantial completion, deficiencies if any in the amount of On-Airport CFCs and Off-Airport TFCs needed to fund the Mandatory Eligible Costs as defined in the Concessionaire Agreement (Concessionaire Deficiency Payments), otherwise known as contingent rents. Proceeds of the 2015 CFC Bonds will be used to fund a portion of the consolidated rental car facility (ConRAC) and a portion the Automated People Mover (APM) (collectively, the 2015 CFC Projects).

This Report will demonstrate the Authority's ability to generate Pledged Revenues sufficient to meet its obligations under the CFC Trust Agreement and Supplemental CFC Trust Agreement, including but not limited to the Rate Covenants, on a pro forma basis for Fiscal Years (FY) 2015 through FY 2024 (the Projection Period).

In developing our analysis, R&A reviewed the terms of the CFC Trust Agreement and related documents that govern the Airport's debt; the assumptions related to the 2015 CFC Bonds as provided by the Authority's Financial Advisor; the capacity of the Airport's existing and planned facilities to accommodate current and anticipated demand; and the 2015 CFC Projects.

To develop a *pro forma* analysis regarding the financial performance of the Project, R&A reviewed the Lease and Concession Contract for On-Airport Vehicle Rental at Tampa International Airport between the Authority and a Concessionaire entitled to exclusive premises at the ConRAC pursuant to the terms thereof (Concessionaire Agreement). The 2015 CFC Bonds, and any additional bonds subsequently issued on parity with the 2015 CFC Bonds, are secured solely by Pledged Revenues. Pledged Revenues are further described in Chapter 1 of this Report. The 2015 CFC Bonds are not secured by or payable from the general airport revenues of the Authority.

CFC collections, the primary component of Pledged Revenues, are in large measure driven by passenger demand for air service and rental cars at 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 to meet this demand, and the relationship between passenger activity and rental car activity at 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 projections of passenger activity, rental car demand, and the generation of Pledged Revenues 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. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement and/or the CFC Trust Agreement.

CFC Projects

The Authority reviewed and evaluated the rental car facilities at the Airport as part of the Airport Master Plan update (the Master Plan), and concluded that the current rental car operations are a major contributor to congestion and capacity constraints on the curbsides and roadways at the Airport. The Authority also concluded that the current rental car facilities cannot accommodate the necessary growth projections beyond 2016. As a result, it was determined that the rental car operations be relocated to a ConRAC located in the south terminal support area with an APM connection to the main terminal, described herein.

2015 CFC Bonds

The Authority is issuing the 2015 CFC Bonds to fund in part the CFC Projects, made up of a portion of the ConRAC and a portion of the APM, described in Chapter 1. Additionally, proceeds from the 2015 CFC Bonds will be used to fund a Debt Service Reserve Fund, to fund certain deposits to be available to the Authority for up to 25 percent of the Bond Service Requirement on the 2015 CFC Bonds (i.e. rolling coverage) or to fund the cost of other Airport projects as the Authority's discretion, and to pay the costs of issuance incurred in connection with the issuance of the 2015 CFC Bonds.

Table S-1 reflects the 2015 CFC Bonds funding plan:

Table S-1: 2015 CFC Bonds Funding Plan

SERIES DESIGNATION	PROJECTS TO BE FUNDED	PAR AMOUNT	TAX STATUS
2015 CFC Bonds, Series A	APM (40% share)	\$101,080,000	Non-AMT
2015 CFC Bonds, Series B	ConRAC	\$298,515,000	Taxable

SOURCE: Hillsborough County Aviation Authority, July 2015.
 PREPARED BY: Ricondo & Associates, Inc., July 2015.

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 with the Airport, 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 presents a brief summary of the Capital Program. The existing 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 are currently at full capacity to provide passengers with convenient direct access from baggage claim to car rentals within short walking distances. Due to curbside congestion and the need for greater capacity in the future, the Authority is undertaking the design and construction of the 2015 CFC Projects and issuing the 2015 CFC Bonds.

The Master Plan Projects (Phase I, II and III) and the CIP are collectively referred to as the Capital Program. Master Plan Phase I Projects total approximately \$953.1 million, Master Plan Phase II Projects total approximately \$371.0 million and the CIP totals approximately \$647.4 million; Master Plan Projects in Phase III are not expected to be undertaken until after the end of the Projection Period and therefore are not included in this Report. The CFC Projects funded with the 2015 CFC Bonds represent a portion of the Master Plan Phase 1 projects. The Airport will fund the remaining Capital Program using a combination of funding sources which include: FAA Airport Improvement Program (AIP) grants, Florida Department of Transportation (FDOT) grants, Series 2015 Revenue and Series 2015 Subordinated Revenue Bonds, future bond proceeds, passenger facility charges (PFC), Authority funds, and a Public/Private Partnership. The financial analysis in this Report incorporates only CFC related project funding.

Demographic and Economic Analysis

The demand for air transportation and, consequently, rental car activity 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, which has historically been the largest component of demand at the Airport, rather than connecting through the Airport to other destinations. 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. Rental car demand is influenced by socioeconomic factors particularly related to destination passenger traffic.

Chapter 3 presents data indicating that the Airport's Air Trade Area has an economic base that attracts both business and tourist visitors, which, in turn, positively impacts the demand for both inbound air travel and rental car activity at the Airport during the Projection Period. Potential rental car customers at the Airport primarily consist of visiting passengers whose destination is within the Tampa Air Trade Area or surrounding area. The major portion of demand for air travel and rental cars at the Airport, therefore, is influenced more by the local characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity.

Table S-2 presents selected 2013 and 2025 economic figures for the Air Trade Area, the state of Florida, and for the United States as projected by Woods & Poole Economics, Inc. In several instances, the growth expectations are similar for the Air Trade Area and the United States, and in all cases growth rates of the economic data show positive growth. Notably, per capita measures of income and Gross Domestic Product/Gross Regional Product (GDP/GRP) are higher for the Air Trade Area than for the U.S. on average, indicating a continued relative ability of passengers in the Air Trade Area to utilize air travel as a means of transportation.

The travel and tourism industry is one of the largest service categories in the Air Trade Area, which on average, receives 360 days of sunshine each year¹. The growth of this industry is a significant driver of services-related employment and air travel demand at the Airport. According to Bonn Marketing Research Group, while the number of visitors to Tampa-Hillsborough County decreased from approximately 14.8 million in 2012 to 13.9 million in 2013, visitors spent significantly more on tourism than any prior year in Tampa-Hillsborough County. In 2013, visitors to Tampa-Hillsborough County spent approximately \$4.3 billion compared to \$3.8 billion spent in 2012, an increase of approximately 15.6 percent. This marked the fifth consecutive year of positive growth in dollars spent on tourism and measured 63.0 percent higher than in 2008. The most recent Tampa Bay & Company data shows that approximately 74.1 percent of the visitors to Tampa-Hillsborough County arrived by air. In 2012, the Airport reported approximately 23.6 percent of air service passengers traveled for business and 76.4 percent for leisure.² Similar to Tampa-Hillsborough County, Pinellas County also enjoyed a second straight year of record tourism spending, with approximately \$4.2 billion spent in 2013, a 6.0 percent rise from 2012.³ Hillsborough and Pinellas counties each experienced record highs in tourism tax revenues in FY 2014, with \$23.7 million and \$35.1 million, respectively.⁴ Additional details on the demographics and economic characteristics of the Air Trade Area are described in Chapter 3.

¹ Source: Pinellas County, Florida Ideal Business Climate, Pinellas County Overview, <http://www.pced.org/redevelopment/subpage.asp?redevelopment>, accessed May 22, 2015.

² Source: Air Service Quality (ASQ) Random Passenger Intercept Surveys YE3Q14.

³ Source: Tampa Bay Times, "Hillsborough Tourism Enjoyed Record Spending in 2013," May 12, 2014.

⁴ Source: Tampa Bay Times, "Another Pinellas tourist tax record breaks \$35 million mark", November 7, 2014.

Table S-2: Summary of Demographic and Economic Characteristics

POPULATION	HISTORICAL 2014	PROJECTED 2025	CAGR ^{2/}
Air Trade Area	2,905,964	3,357,842	1.3%
Florida	19,800,588	22,966,636	1.4%
United States	318,698,773	352,280,991	0.9%
PER CAPITA PERSONAL INCOME (current dollars)	HISTORICAL 2014	PROJECTED 2025	CAGR
Air Trade Area	\$38,807	\$58,785	3.8%
Florida	\$42,710	\$64,516	3.8%
United States	\$46,044	\$69,240	3.8%
GRP/GDP (millions of 2009 dollars)	HISTORICAL 2014	PROJECTED 2025	CAGR
Air Trade Area	\$120,476	\$159,578	2.6%
Florida	\$764,627	\$1,009,488	2.6%
United States	\$15,892,855	\$20,171,743	2.2%
NON-SEASONALLY ADJUSTED UNEMPLOYMENT RATES	AIR TRADE AREA	UNITED STATES	VARIANCE
2004	4.7%	5.5%	-0.8%
2010 ^{1/}	11.8%	9.6%	2.2%
Jan-15	5.7%	6.1%	-0.4%
OTHER DEMOGRAPHIC/ECONOMIC CHARACTERISTICS	AIR TRADE AREA	FLORIDA	UNITED STATES
% of population that is foreign-born (or PR)	12.5%	19.4%	12.9%
CAGR total non-ag. employment (2004-2014)	0.3%	N/A	0.5%
CAGR total non-ag. employment (2013-2014)	2.6%	N/A	2.0%

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., *2015 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), April 3, 2015.

U.S. Department of Commerce, Bureau of the Census, 2009-2013 American Community Survey 5-Year Estimates, (% of population that is foreign-born).

PREPARED BY: Ricondo & Associates, Inc., May 2015.

Passenger Demand and Air Service Analysis

As presented in Chapter 4 of the Report, the Airport has had the benefit of a resilient passenger base, served by a core of airlines offering scheduled service to airports throughout the nation. As of May 2015, the Airport has scheduled passenger service provided by a total of 22 carriers: 10 carriers serving domestic destinations only, 7 carriers serving international destinations only, and 5 carriers serving both domestic and international destinations. In addition, ExpressJet is scheduled to begin serving the Airport in November (doing business as Delta Connection and United Express) to serve domestic destinations and Lufthansa has scheduled service beginning September 2015 to serve an international destination, increasing the total to 24 passenger carriers with scheduled service (11 domestic, 8 international, and 5 both). Also, an all-cargo carrier provides 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 17.3 million enplaned and deplaned passengers annually. Other key points regarding historical and projected aviation activities at the Airport are discussed below:

- From FY 2004 through FY 2014, the Airport has experienced a 0.2 percent compound annual growth rate in deplaned passengers, compared to 0.8 percent growth for the nation. From FY 2009 to FY 2014, the Airport experienced a 0.3 percent compound annual increase in enplaned passengers compared to a 1.4 percent increase nationwide. Fiscal year 2014 deplaned passengers increased 2.1 percent over FY 2013, and through March 2015 enplaned passengers are up 6.2 percent over the same 6-month period in FY 2014, reflecting an increase in the rate of growth.
- The Airport serves a total of 73 destinations. As of May 2015, average daily nonstop service is scheduled to 67 cities with a total of 232 daily flights, with 21 daily nonstop flights to New York, the Airport's top O&D market. The Airport provides scheduled seasonal service to 5 destinations and is anticipated to begin service to Frankfurt, Germany beginning September 2015. All 20 of the Airport's primary O&D markets are provided nonstop service with a total of 146 daily flights.
- Southwest is 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 4.3 herein, and anticipated usage of the Airport by airlines, total deplaned passengers are projected to increase at a compound annual growth rate of approximately 2.1 percent over the Projection Period resulting in approximately 11.2 million annual deplaned passengers by FY 2024. 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.

As the objective of the analysis in this Report is to project demand for rental car activity and, ultimately, Pledged Revenues at the Airport, the passenger demand analysis is primarily focused on visiting O&D deplaned passengers, which are the passengers most likely to rent cars at the Airport. O&D deplaned

passengers currently account for 89.2 percent of total deplaned passengers, with visiting passengers accounting for 57.8 percent of total O&D deplaned passengers. In FY 2014, Southwest (including AirTran) represented approximately 60 percent of the connecting passengers. It is assumed that capacity increases will be driven primarily by O&D demand - the core element of passenger traffic at the Airport. For purposes of these analyses, it is assumed that the total O&D deplaned passengers' share of total deplaned passengers will gradually increase from 89.2 percent to 91.0 percent through 2024. Details regarding the projection of deplaned passengers can be found in Chapter 4 of this Report.

The Airport Rental Car Market

Overall, the Airport ranks as one of the top ten rental car markets in the United States, ranking ninth in terms of total gross rental car revenues in 2013⁵. The Airport is currently served by all three major national rental car companies and seven additional rental car companies, which provide service through 18 different rental car brands. The rental car companies that operate the brands at the Airport are as follows:

- ACE Rent A Car
- Advantage Rent a Car
- Avis/Budget Rent a Car LLC d/b/a Avis Rent a Car, Budget Rent a Car, Payless Car Rental, Zipcar
- Carl's Van Rentals
- Economy Rent A Car
- Enterprise Holdings Inc. d/b/a Enterprise Rent-A-Car, Alamo Rent A Car, National Car Rental
- E-Z Rent A Car
- FOX Rent A Car
- The Hertz Corporation d/b/a Hertz Car Rental, Dollar, Thrifty, Firefly
- Sixt Rent a Car

The most recent data available for FY 2014 shows Hertz Corporation led the market with a 32.6 percent share, followed by Enterprise Holdings at 31.7 percent, Avis/Budget Rent a Car at 25.9 percent, and the remaining 9.8 percent share made up from the Off-Airport rental car brands. Since Enterprise Holdings' acquisition of Vanguard (operating the Alamo Rent A Car and National Car Rental brands) in 2010, the rental car market at the Airport has been dominated by On-Airport rental car concessionaires.

Rental car activity at the Airport has a distinct seasonal pattern, with highest demand during the spring tourism season. Rental car activity declined in line with the national economic recession, but gross rental car revenues, rental car transactions, and rental car transaction days have increased steadily since 2010.

⁵ 2014 ARN Fact Book – Gross Sales Rental Cars, prepared by Ricondo & Associates, Inc.

Based on the methodology and assumptions described in Chapter 5, the projection of total rental car transactions, total rental car transaction days, and CFC revenues (including Off-Airport TFCs) is presented in **Table S-3**. Table S-3 also includes actual rental car transactions and CFC revenue data from October 2011, when the Authority first imposed the CFC at the Airport, through 2014.

Total rental car transactions, from both On-Airport and Off-Airport RACs, per visiting O&D deplaned passenger are assumed to be 30.5 percent throughout the Projection Period, which is equal to the historical three-year average ratio of total rental car transactions per visiting O&D deplaned passenger from FY 2012 to FY 2014. For the sake of conservatism, both the FY 2014 ratio and the three-year historical average were evaluated, and the lower of the two was used in the projection. The average length of each rental car transaction at the Airport, from both On-Airport and Off-Airport RACs, is assumed to be 5.01 days throughout the Projection Period, which is equal to the average length of transaction in FY 2014. For the sake of conservatism, both the FY 2014 average and the three-year historical average were evaluated, and the lower of the two was used in the projection.

Financial Analysis

Chapter 6 of the Report presents the analysis undertaken by R&A to demonstrate the Authority's projected compliance with the Rate Covenants included in the CFC Trust Agreement and the Supplemental CFC Trust Agreement on a *pro-forma* basis in each year of the Projection Period based on the assumptions regarding the planned issuance of the 2015 CFC Bonds.

The Authority's Board of Directors adopted Resolution No. 2011-106 on September 1, 2011, levying CFCs on RACs at the Airport (collectively, as amended from time to time, including Resolution No. 2014-36, the CFC Resolution). The CFC Resolution and its rate may be amended and approved from time to time by the Authority's Board of Directors after the Effective Date. Concessionaire's obligations with respect to CFCs thereunder will be in addition to, and not in substitution for, Concessionaire's obligations for Ground Rent, the Minimum Annual Percentage Fee, the Percentage Fee, Concessionaire's Deficiency Payments and other charges.

The Authority first implemented a CFC to be remitted by the RACs in October 2011 of \$2.50 per transaction day to help fund future rental car projects. In April 2014 the Authority increased the CFC rate per transaction day to \$5.00. An increase in the CFC level to \$5.95 per contract day was approved by the Board on June 4, 2015 and became effective July 6, 2015. The Authority implemented a TFC on Off-Airport RACs of \$2.00 per transaction day effective April 1, 2014. Rental car activity at the Airport has increased steadily since 2011, showing that the implementation of the CFC did not influence demand for rental cars at the Airport.

Table S-3: Projected Rental Car Activity

(Fiscal Years Ending September 30)

		ACTUAL			PROJECTED									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Growth Rate		0.8%	1.0%	4.1%	7.1%	2.8%	2.2%	2.1%	2.1%	2.0%	2.0%	2.1%	2.0%	2.0%
Visiting O&D Deplaned Passengers ^{3/}	[A]	4,259,301	4,300,587	4,476,305	4,794,000	4,930,000	5,039,000	5,144,000	5,251,000	5,357,000	5,465,000	5,578,000	5,692,000	5,807,000
Ratio of Rental Car Transactions to Visiting O&D Deplaned Passengers ^{2/}	[B]	0.29	0.30	0.32	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Rental Car Transactions ^{3/}	[C] = [A] * [B]	1,233,142	1,309,941	1,431,530	1,460,436	1,501,867	1,535,073	1,567,060	1,599,656	1,631,948	1,664,849	1,699,273	1,734,002	1,769,035
Assumed Rental Length (Days) ^{4/}	[D]	5.31	5.07	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01
Rental Car Transaction Days ^{3/}	[E] = [C] * [D]	6,546,755	6,641,422	7,177,216	7,322,142	7,529,863	7,696,345	7,856,717	8,020,144	8,182,044	8,346,998	8,519,589	8,693,708	8,869,354
Actual CFC Transaction Days ^{5/}		5,748,098	6,058,788	6,679,385										
CFC Rate (\$ per transaction day) ^{6/}	[F]	\$2.50	\$2.50	\$3.75	\$5.16	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95
CFC Collections (including TFCs) ^{7/}	[G] = [E] * [F]	\$14,370,245	\$15,146,970	\$22,994,399	\$37,770,051	\$44,802,684	\$45,793,250	\$46,747,465	\$47,719,856	\$48,683,159	\$49,664,638	\$50,691,556	\$51,727,561	\$52,772,654

Compound Annual Growth Rate in Rental Car Transaction Days

2012 - 2014	4.7%
2014 - 2017	2.4%
2017 - 2020	2.1%
2020 - 2024	2.0%

NOTES:

1/ Domestic non-resident arriving O&D passengers, see Table 4-8.

2/ Projection based on 3 year historical average of total Airport rental car market (On-Airport and Off-Airport RACs). For the sake of conservatism, both the FY 2014 ratio and the three-year historical average were evaluated, and the lower of the two was used in the projection.

3/ Projection reflects total Airport rental car market (On-Airport and Off-Airport RACs).

4/ Projection based on 2014 actual average of total Airport rental car market (On-Airport and Off-Airport RACs). For the sake of conservatism, both the FY 2014 average and the three-year historical average were evaluated, and the lower of the two was used in the projection.

5/ Represents all On-Airport Transactions and Off-Airport Transactions after April 2014

6/ The Authority increased the CFC from \$2.50 to \$5.00 per transaction day in April 2014. An increase in the CFC to \$5.95 per transaction day was approved by the Board June 4, 2015 and will become effective July 6, 2015. The CFC collection levels in FY 2014 and FY 2015 represents the weighted average of the two CFC collection levels.

7/ No TFC revenues are projected beyond July 2015, see section 5.6 of this Report.

SOURCES: Hillsborough County Aviation Authority; Ricondo & Associates, Inc. (Projections), May 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

As discussed earlier, rental car activity at the Airport has increased steadily since 2011. CFC revenues increased at a rate of 5.4 percent from FY 2012 to FY 2013, from \$14.4 million to \$15.1 million, and increased 51.5 percent in 2014, reflecting the increase in the CFC level and the implementation of the TFC in April 2014. CFC and TFC revenues increased by 120.1 percent in the first quarter FY 2015 and 47.1 percent in the second quarter FY 2015 compared to the same periods in FY 2014, due primarily to the CFC rate increase. The Airport has received approximately \$70.5 million in CFC and TFC revenues in total, which represents a collection period of 42 months from October 2011 through March 2015.

The 2015 CFC Bonds are secured by Pledged Revenues, which include payments made pursuant to the new thirty year Concessionaire Agreement executed by RACs that will serve the Airport from the ConRAC. Concessionaire Agreements have been executed by all three major national companies (Enterprise Holdings, Inc., Avis Budget Group, Inc., and Hertz Global Holdings), as well as seven other rental car companies. Key terms of the new Concessionaire Agreement are summarized in Chapter 6. **Table S-4** summarizes the RACs that are currently operating at the Airport the status of their Concessionaire Agreements.

Table S-4: RACs Operating at the Airport and Status of New Concessionaire Agreements

Current On-Airport Large Operators	Executed New Concessionaire Agreement
Avis Budget Car Rental, LLC (Avis, Budget)	Yes
Enterprise Leasing Company of Florida, LLC (Enterprise, Alamo, National)	Yes
The Hertz Corporation (Hertz, Dollar Thrifty)	Yes
Current Off-Airport Operators	
ACE Rent A Car	Yes
Advantage Rent a Car	Yes
Carl's Van Rentals	No
Economy Rent A Car	Yes
E-Z Rent A Car	Yes
Firefly Rent A Car	No
FOX Rent A Car	Yes
Payless Car Rental	Yes
Sixt Rent a Car	Yes
Zipcar (Avis Budget)	Yes

SOURCE: Hillsborough County Aviation Authority; July 2015.
PREPARED BY: Ricondo & Associates, Inc., July 2015.

Each Off-Airport RAC remitted a TFC to the Airport of \$2.00 per contract day until each of the Off-Airport RAC's New Concessionaire Agreements were approved by the Board, at which point those Off-Airport RACs no longer remitted the TFC to the Airport and began remitting the CFC of \$5.95 per contract day, effective July 6, 2015.

As shown in Table S-4, CJB Enterprises, Inc. d/b/a Carl's Van Rentals and Firefly Rent A Car, LLC did not execute a New Concessionaire Agreement. These companies may continue to operate Off-Airport after the

completion of the ConRAC and would continue to pay a TFC; however, based on their combined FY 2014 market share of 0.7 percent it is assumed that any level of TFC Revenues generated from Off-Airport RAC service after completion of the ConRAC will not be material to the CFC projection and thus have been excluded.

Based on the projection of total transaction days presented in Chapter 5 and the CFC rate increase in 2014 and the increase effective July 6, 2015 approved by the Board, CFC collections are projected to increase from approximately \$22.9 million in 2014 to approximately \$52.8 million in 2024. CFC collections from FY 2016, the first full year of the anticipated \$5.95 collection level, through FY 2024 are projected to increase at a compound annual growth rate of 2.1 percent.

As presented in the Concessionaire Agreement and CFC Trust Agreement, after Pledged Revenues fund debt service, reserves, and other costs associated with the administration of the 2015 CFC Bonds, the Authority may use Pledged Revenues to reimburse the Authority for CFC-eligible operating and maintenance (O&M) expenses associated with the APM (40 percent of the total APM O&M) and to reimburse the Authority for previous investments in CFC-eligible projects and certain rental recovery payments.

Table S-5 presents the calculation of projected debt service coverage for the 2015 CFC Bonds in accordance with the Rate Covenant of the CFC Trust Agreement in each year through 2024. The projection of the annual coverage ratio is based on the projected Pledged Revenues and certain amounts available at the Authority's discretion for re-deposit into the CFC Revenue Fund from the CFC Surplus Fund up to 25 percent of the Bond Service Requirement. As shown, debt service coverage pursuant to the CFC Trust Agreement exceeds the requirement of 1.50x in each full year of the Projection Period (2016-2024) as it is projected to range between 1.85x and 2.39x. It is assumed in this calculation that funds will be available at the CFC Surplus Fund level to re-deposit into the CFC Revenue Fund, however, the Authority may elect to use those funds to pay project costs. Also shown in Table S-5, debt service coverage based on annual Pledged Revenues alone also remains above 1.50x through the Projection Period, ranging between 1.60x and 2.14x.

In the opinion of R&A, the Pledged Revenues expected to be collected by the Authority during each year of the Projection Period exceed the greater of;

- (a) 100% of the amounts required to be deposited into the CFC Sinking Fund, the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the ConRAC Project Repair and Replacement Fund in each such Fiscal Year as contemplated in Section 5.05(A) through (H) of the CFC Trust Agreement; and
- (b) The sum of: (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in Section 5.05(D) through (F) of the CFC Trust Agreement; plus (ii) One Hundred Fifty percent (150%) of the Bond Service Requirement for such Fiscal Year.

Table S-5: Projected 2015 CFC Bond Debt Service Coverage

(Fiscal Years Ended September 30)

	PROJECTED									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PLEDGED REVENUES & OTHER AVAILABLE FUNDS										
Pledged Revenues										
CFC revenues ^{1/}	\$37,770,051	\$44,802,684	\$45,793,250	\$46,747,465	\$47,719,856	\$48,683,159	\$49,664,638	\$50,691,556	\$51,727,561	\$52,772,654
Concessionaires Deficiency Payments	-	-	-	-	-	-	-	-	-	-
Interest Earnings ^{2/}	43,507	49,410	54,886	60,362	67,831	75,299	82,767	90,235	97,703	105,171
Total Pledged Revenues	\$37,813,559	\$44,852,093	\$45,848,136	\$46,807,828	\$47,787,688	\$48,758,459	\$49,747,405	\$50,781,791	\$51,825,264	\$52,877,825
Other Available Funds										
CFC Rolling Coverage (equal to 25% of Bond Service Requirement) ^{3/}	\$0	\$5,902,348	\$5,476,406	\$5,476,406	\$7,468,906	\$7,468,036	\$7,467,428	\$7,468,354	\$7,467,728	\$7,468,301
Total Pledged Revenues & Other Available Funds	\$37,813,559	\$50,754,442	\$51,324,542	\$52,284,234	\$55,256,593	\$56,226,494	\$57,214,833	\$58,250,145	\$59,292,992	\$60,346,126
DEBT SERVICE FOR COVERAGE CALCULATION										
2015 CFC Bonds (Non-AMT)	\$0	\$5,094,332	\$4,726,700	\$4,726,700	\$6,906,700	\$6,904,500	\$6,903,900	\$6,904,700	\$6,906,700	\$6,904,700
2015 CFC Bonds (Taxable)	-	18,515,061	17,178,923	17,178,923	22,968,923	22,967,642	22,965,811	22,968,717	22,964,213	22,968,503
2015 CFC Bond debt service	\$0	\$23,609,394	\$21,905,623	\$21,905,623	\$29,875,623	\$29,872,142	\$29,869,711	\$29,873,417	\$29,870,913	\$29,873,203
DEBT SERVICE COVERAGE PURSUANT TO THE CFC TRUST AGREEMENT ^{3/}										
2015 CFC Bond debt service coverage pursuant to the CFC Trust Agreement	N/A	2.15	2.34	2.39	1.85	1.88	1.92	1.95	1.98	2.02
<i>Minimum Debt service coverage requirement pursuant to the CFC Trust Agreement</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>
DEBT SERVICE COVERAGE BASED ON ANNUAL PLEDGED REVENUES ALONE										
2015 CFC Bond debt service coverage based on Pledged Revenues only	N/A	1.90	2.09	2.14	1.60	1.63	1.67	1.70	1.73	1.77

NOTES:

1/ No TFC revenues are projected beyond July 2015, see section 5.6 of this Report.

2/ Interest earnings include interest accrued on amounts in the Debt Service Reserve Fund and the Surplus Fund.

3/ It is assumed in this calculation that funds will be available at the CFC Surplus Fund level to re-deposit into the CFC Revenue Fund, however, the Authority may elect to use those funds to pay project costs.

SOURCE: Public Financial Management (PFM), July 2015 (Debt Service); Ricondo & Associates, Inc. July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

1. The CFC Projects and the 2015 CFC Bonds

1.1 The CFC Projects

The Authority reviewed and evaluated the rental car facilities at the Airport as part of the Airport Master Plan update, and concluded that the current rental car operations are a major contributor to congestion and capacity constraints within the main terminal, curbsides and roadways. It was also concluded that the current rental car facilities cannot accommodate the necessary growth projections beyond 2016. As a result, it was recommended that the rental car operations be relocated to a consolidated rental car facility (ConRAC) located in the south terminal support area with an automated people mover (APM) connection to the main terminal.

1.1.1 AUTOMATED PEOPLE MOVER (APM)

The APM will enhance the long-term viability of the Main Terminal complex by decongesting the terminal curbsides and roadways. The APM will be used by rental car customers, economy parking customers, Airport employees, customers who are dropped off or picked up at the new curbside to be located at the future ConRAC APM station, and people who park in the economy parking lot who will pick up deplaning passengers (meeters/greeters). This new curbside will also accommodate a facility drop off point for local bus rapid transit and other public commercial transportation vehicles.

The 1.4 mile APM system will connect the Main Terminal to the ConRAC. The APM system is designed initially to accommodate approximately 2,300 passengers per hour in each direction. It is estimated that an initial fleet of three 120-foot trains (or three typical APM cars per train) with one spare train would provide sufficient capacity to accommodate the initial projected line capacity requirement. It is anticipated the APM will have a four minute travel time from the Main Terminal Station to the ConRAC APM Station. The proposed APM will have three stations:

- **Station 1:** Main Terminal APM Station – This station will be located adjacent to the Main Terminal with easy and convenient access to the transfer, ticketing, and baggage claim levels. Enhancements and modifications to the Main Terminal will be required to facilitate passenger access to/from the station to the baggage, ticketing, and transfer levels of the Main Terminal.

- **Station 2:** Economy Parking Garage APM Station – This station will be located adjacent to the economy parking garage. This station connection will eliminate shuttle busses that currently run every seven minutes on the George Bean parkway to and from the Main Terminal. Enhancements to the economy parking garage will be required to facilitate passenger access between the economy parking garage and the APM station.
- **Station 3:** ConRAC APM Station – This station will be located at the ConRAC facility with direct access to the rental car service center lobby and adjacent vertical circulation lobby located along the new curbside for easy access by Airport customers, users, and employees. This station connection will eliminate employee busses that operate every five minutes between the Main Terminal and the north employee parking lot.

1.1.2 CONSOLIDATED RENTAL CAR FACILITY

The ConRAC will be developed on a 50.5 acre parcel of property located just south of the economy garages in the south terminal support area. The four-level, 2.5 million square foot facility was sized for the Tampa rental car market to accommodate all rental car families including multiple brands, new entrants and projected growth. The first three levels of the ConRAC will house RAC ready/ready spaces and Quick Turn-Around (QTA) areas. The Customer Service Building, to be located on the fourth level of the ConRAC, will contain customer service counters in a mini-mall configuration and an APM station. In addition to the ConRAC itself, four service centers (75,000 square feet) will be located adjacent to the Facility for RAC vehicle maintenance. The ConRAC and APM are currently anticipated to open October 1, 2017.

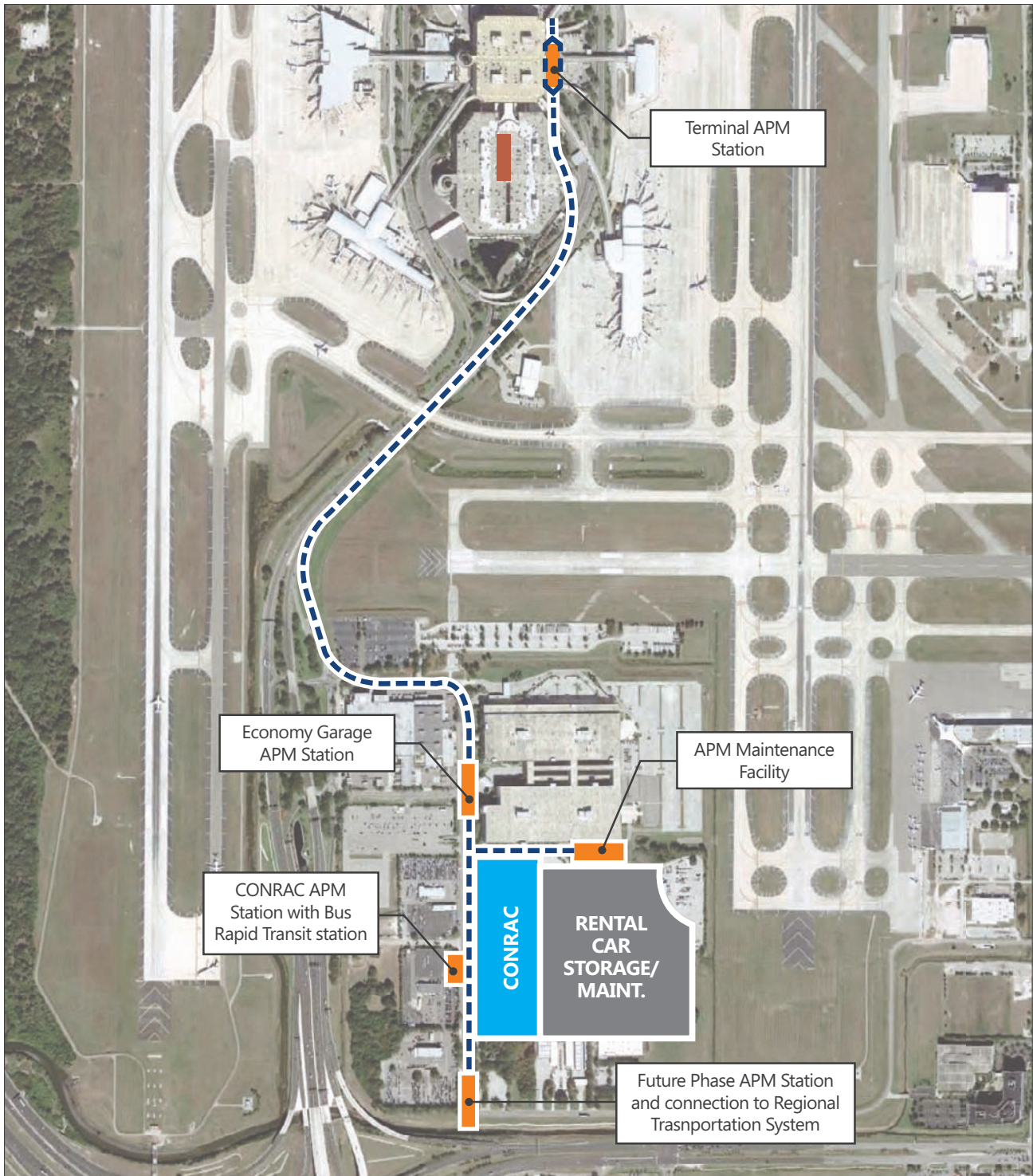
Table 1-1 presents the sources and uses of funds for the CFC Projects.

Table 1-1: Sources and Uses of Funds for the CFC Projects

	APM	CONRAC
TOTAL PROJECT COST	\$412,841,647	\$323,543,613
FUNDING SOURCES		
CFC PAYGO	-	\$54,800,000
CFC Bonds – Non-AMT	\$90,157,496	-
CFC Bonds – Taxable	-	267,268,613
Senior Lien GARBs/ Authority Funds	8,875,000	1,475,000
PFC Subordinated GARBs	135,236,245	-
FDOT Grants	178,572,906	-
TOTAL	\$412,841,647	\$323,543,613

SOURCE: Hillsborough County Aviation Authority, July 2015.
PREPARED BY: Ricondo & Associates, Inc., July 2015.

Exhibit 1-1 presents the anticipated layout of the CFC Projects.



SOURCE: Hillsborough County Aviation Authority;
PREPARED BY: Ricondo & Associates, Inc., February 2015.

EXHIBIT 1-1



NORTH

0 Not to scale

Z:\Tampa\Graphics\Feasibility Exhibits\TPA CFC Projects Layout.indd

1.2 The 2015 CFC Bonds

The Authority is issuing the 2015 CFC Bonds to fund a portion of the ConRAC and a portion of the APM. Additionally, proceeds from the 2015 CFC Bonds will be used to fund the Debt Service Reserve Fund, fund certain deposits to be available to the Authority for up to 25 percent of the Bond Service Requirement on the 2015 CFC Bonds (rolling coverage) or to fund the cost of other Airport projects at the Authority's discretion, and pay the costs of issuance incurred in connection with the issuance of the 2015 CFC Bonds. Unless otherwise defined herein, all capitalized terms in this report are used as defined in the Official Statement or the CFC Trust Agreement. **Table 1-2** reflects the 2015 Bonds funding plan:

Table 1-2: 2015 CFC Bonds

SERIES DESIGNATION	PROJECTS TO BE FUNDED	TAX STATUS
2015 CFC Bonds, Series A	Automated People Mover (40% share)	Non-AMT
2015 CFC Bonds, Series B	ConRAC	Taxable

SOURCE: Hillsborough County Aviation Authority, July 2015.
PREPARED BY: Ricondo & Associates, Inc., July 2015.

1.2.1 PLAN OF FINANCE

Table 1-3 presents the estimated sources and uses for the 2015 CFC Bonds.

Table 1-3: 2015 CFC Bonds Sources and Uses

	2015 CFC BONDS	
	Series 2015A	Series 2015B
Sources	Non-AMT	Taxable
Par Amount of Bonds	\$101,080,000	\$298,515,000
Original Issue Discount	(3,191,156)	
Total Sources of Funds at Closing	\$97,888,844	\$298,515,000
Uses		
Construction Account Deposit	\$89,965,875	\$266,812,951
Debt Service Reserve Deposit	6,909,700	22,970,292
Surplus Fund Deposit		5,742,573
Cost of Issuance	1,013,268	2,989,184
Total Uses of Funds at Closing	\$97,888,844	\$298,515,000

SOURCE: Public Financial Management, July 2015.
PREPARED BY: Ricondo & Associates, Inc., July 2015.

The 2015 CFC Bonds are being issued pursuant to the CFC Trust Agreement. The Authority is expected to adopt the Bond Resolution authorizing the issuance of the 2015 CFC Bonds and the execution of the CFC Trust Agreement prior to the issuance of the 2015 CFC Bonds. For the 2015 CFC Bonds, the Authority's Financial Advisor has assumed the following:

2015 CFC BONDS		
	Series 2015A	Series 2015B
	Non-AMT	Taxable
First Maturity Date:	2019	2019
Last Maturity Date:	2044	2044
Overall Interest Rate:	5.15%	6.03%

1.2.2 CFC TRUST AGREEMENT

The CFC Trust Agreement authorizes the Authority to issue Additional Bonds or other financing obligations to fund the CFC projects. The requirements of the CFC Trust Agreement were used in the preparation of this Report. Several key provisions of the CFC Trust Agreement are described in the following paragraphs:

1.2.2.1 CFC Revenues and the Security of the CFC Bonds

The principal, interest and premiums on the 2015 CFC Bonds will be payable solely from Pledged Revenues and other moneys pledged therefor under the CFC Trust Agreement, all of which are 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 as provided in the CFC Trust Agreement.

The Authority covenants that so long as the CFC Bonds are outstanding, it will not take any action or omit to take any action with respect to the Pledged Revenues if such action or omission would jeopardize the validity or enforceability of the imposition of On-Airport CFCs, Off-Airport TFCs, or the Concessionaire Deficiency Payments, as the case may be, or impede the Authority's ability to impose and collect On-Airport CFCs, Off-Airport TFCs, or Concessionaire Deficiency Payments in the amounts contemplated thereby.

Pledged Revenues consist of all On-Airport CFCs, Off-Airport TFCs and Concessionaire Deficiency Payments.

1.2.2.2 Additional Bonds

The CFC Trust Agreement permits the Authority to issue Additional Bonds for the purpose of constructing or acquiring additions, extensions and improvements related to the Airport System Projects, upon compliance with the provisions of the CFC 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 the Authority's Pledged 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), excluding funds re-deposited into the CFC Revenue Fund from the CFC Surplus Fund, were not less than the greater of:

(a) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in such Fiscal Year, in each case as contemplated in Section 5.05(D) through (H) of the CFC Trust Agreement *plus* (ii) 100% of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of all Bonds then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds); or

(b) the sum of: (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in Section 5.05(D) through (F) of the CFC Trust Agreement; *plus* (ii) One Hundred Twenty Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of all Bonds then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds); or

(y) A statement of the Airport Consultant that in his opinion, the Pledged Revenues expected to be collected by the Authority 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 (excluding funds re-deposited into the CFC Revenue Fund from the Sinking Fund), taking into account, among other factors, increases in CFC fees and charges, shall not be less than the greater of

(a) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in each such Fiscal Year as contemplated in Section 5.05(D) through (H) of the CFC Trust Agreement, in each case as estimated by the Airport Consultant *plus* (ii) the amounts required to be deposited into the CFC Sinking Fund in each such corresponding Fiscal Year during the Period of Review on account of all Bonds Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds), as contemplated in Sections 5.05(A) through (C) of the CFC Trust Agreement; or

(b) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in each such Fiscal Year as contemplated in Section 5.05(D) through (F) of the CFC Trust Agreement, as estimated by the Airport Consultant; *plus* (ii) One Hundred Twenty Five percent (125%) of the amounts to be required into the CFC Sinking Fund in each such corresponding Fiscal Year during the Period of Review on account of all Bonds Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds), as contemplated in Sections 5.05(A) through (C) of the CFC 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.

In determining compliance with the foregoing requirements, the following rules will apply:

The Airport Consultant may assume (a) that the rate of the levy of On-Airport CFCs and Off-Airport TFCs 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 the Authority has officially imposed an increase in On-Airport CFCs or Off-Airport TFCs prior to the date of the Airport Consultant's report;

In making its forecast, the Airport Consultant may take into account projected rental transactions days based in part on its projection of the growth in emplaned passengers within the Airport System for the Period of Review, as reflected in an accompanying financial analysis provided in connection with the issuance of such Additional Bonds; and

The Airport Consultant, in making its forecast, may assume that each of the Concessionaires will pay its respective share of any Concessionaire Deficiency Payments as required pursuant to its respective Concessionaire Agreement.

The Trustee will not authenticate and deliver Additional Bonds until it shall have first received the statement required by subparagraph (x) or (y) above.

1.2.2.3 Rate Covenant

The Authority will, to the extent permitted by law, fix, revise from time to time when necessary, maintain and collect Pledged Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of the CFC Trust Agreement the greater of:

- (a) 100% of the amounts required to be deposited into the CFC Sinking Fund, the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in such Fiscal Year as contemplated in Section 5.05(A) through (H) of the CFC Trust Agreement; or
- (b) The sum of:
 - (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in Section 5.05(D) through (F); plus
 - (ii) One Hundred Fifty percent (150%) of the Bond Service Requirement for such Fiscal Year.

For purposes of this requirement, moneys remaining in the CFC 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 CFC Revenue Fund in the following Fiscal Year may be considered as Pledged Revenues in the Fiscal Year in which they are so re-deposited for purpose of satisfying the Rate Covenant set forth above, provided that such transfers shall be limited to not more than 25% of the Bond Service Requirement

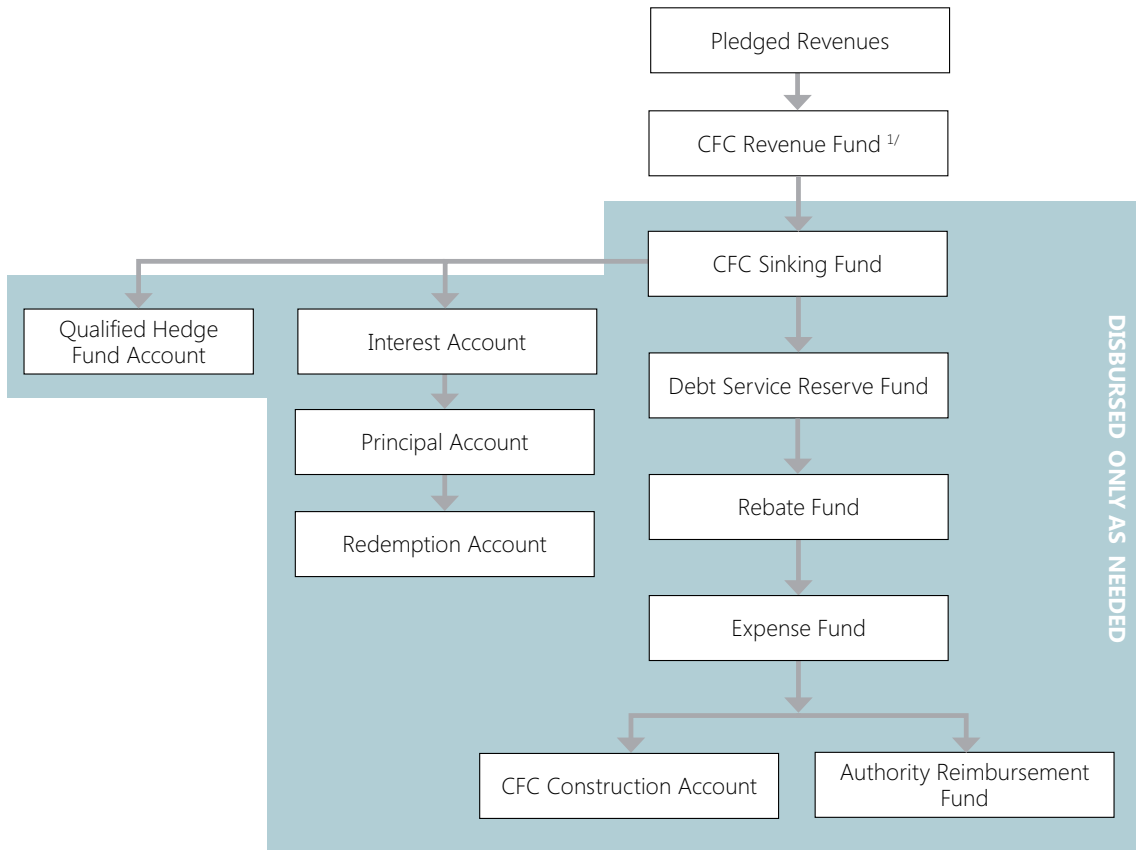
and the coverage contemplated in clause (b)(ii) of the CFC Trust Agreement, without the application of this paragraph, shall be at least One Hundred Twenty Five percent (125%) of the Bond Service Requirement for such Fiscal Year.

1.2.2.4 Application of Revenues

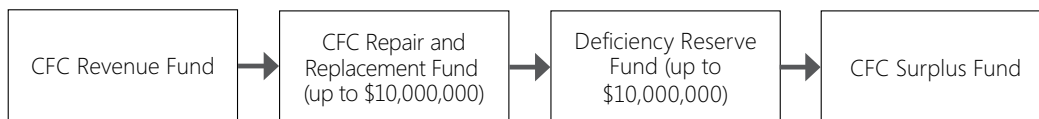
Section 5.02 of the CFC Trust Agreement creates certain funds and accounts and establishes the principal functions and uses of each fund and account. The requirements of the CFC Trust Agreement were utilized to develop the estimated application of revenues included in these financial analyses. **Exhibit 1-2** and **Exhibit 1-3** present the application of revenues as specified in the Trust Agreement, during and after construction of the ConRAC, respectively. The flow of funds is presented in greater detail in Chapter 6.

The following special funds and accounts are created in the CFC Trust Agreement and are designated as follows: (i) the CFC Revenue Fund (CFC Revenue Fund) to be held and administered by the Authority; (ii) the CFC Sinking Fund (CFC 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; (iii) the Debt Service Reserve Fund (herein called the Debt Service Reserve Fund) and separate accounts therein for any series of Bonds to be created at the direction of the Authority, each to be held and administered by the Trustee; (iv) the Rebate Fund (herein called the Rebate Fund), to be held and administered by the Authority; (v) Expense Fund (herein called the Expense Fund), to be held and administered by the Authority; (vi) the Authority Reimbursement Fund (herein called the Authority Reimbursement Fund), to be held and administered by the Authority; (vii) the CFC Repair and Replacement Fund (herein called the CFC Repair and Replacement Fund) to be held and administered by the Authority; and (viii) the CFC Surplus Fund (herein called the CFC Surplus Fund) to be held and administered by the Authority.

DURING THE CONSTRUCTION PERIOD



UPON SUBSTANTIAL COMPLETION (One-Time Distribution)



NOTE:

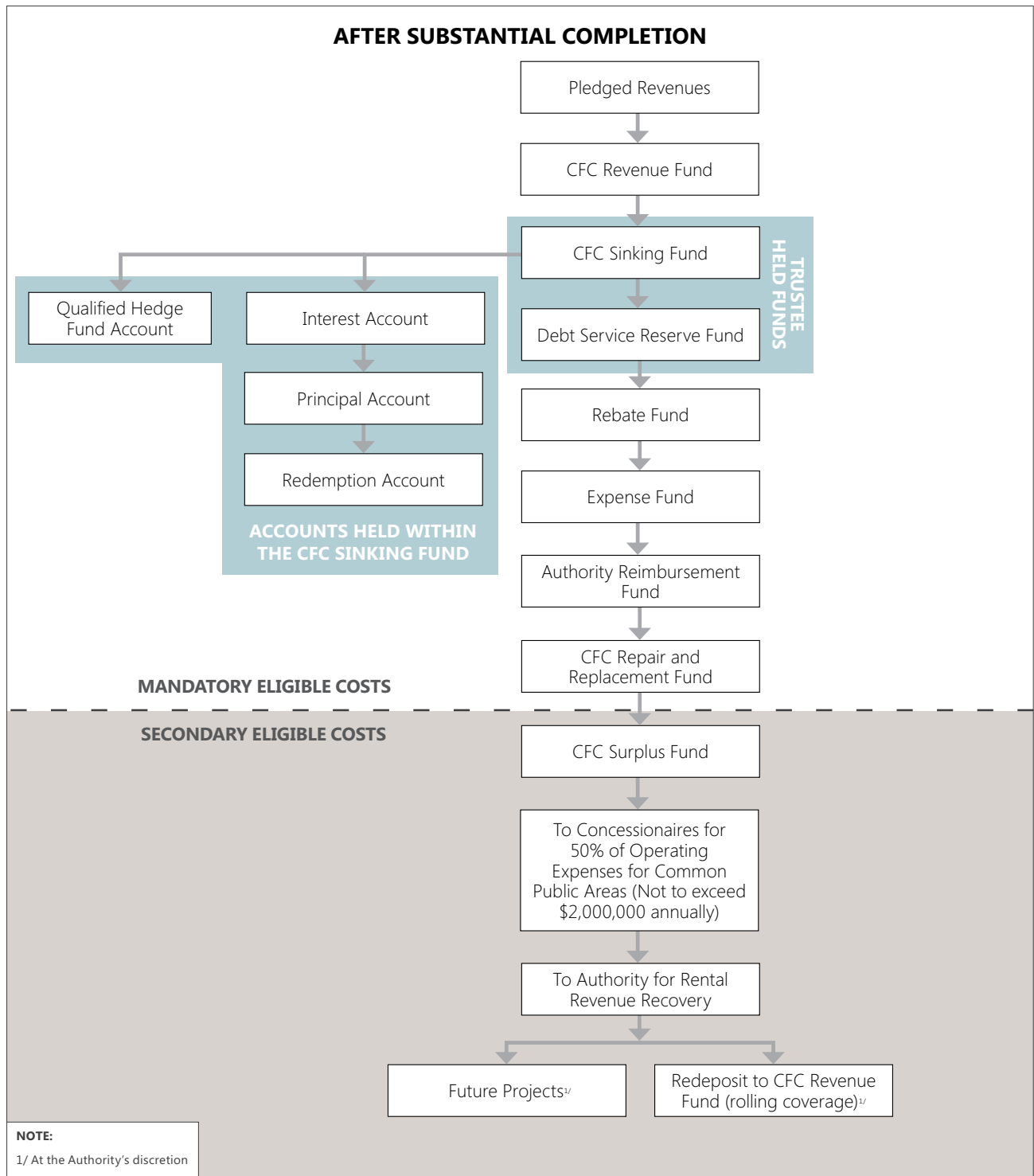
1/ Pledged Revenues stay in CFC Revenue Fund unless needed for purposes described in the CFC Trust Agreement.

SOURCE: Hillsborough County Aviation Authority, April 2015.
 PREPARED BY: Ricondo & Associates, Inc., April 2015.

EXHIBIT 1-2

Application of Revenues before Substantial Completion as Defined by CFC Trust Agreement and One-Time Distribution of Funds Upon Substantial Completion

Z:\Tampa\Graphics\TPA CFC Trust Flow - April 2015 1-2 1-3.indd



SOURCE: Hillsborough County Aviation Authority, April 2015.
PREPARED BY: Ricondo & Associates, Inc., June 2015.

EXHIBIT 1-3

Application of Revenues after Substantial Completion as Defined by CFC Trust Agreement

Z:\Tampa\Graphics\TPA CFC Trust Flow - April 2015 1-2 1-3.indd

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 this Report, 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

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

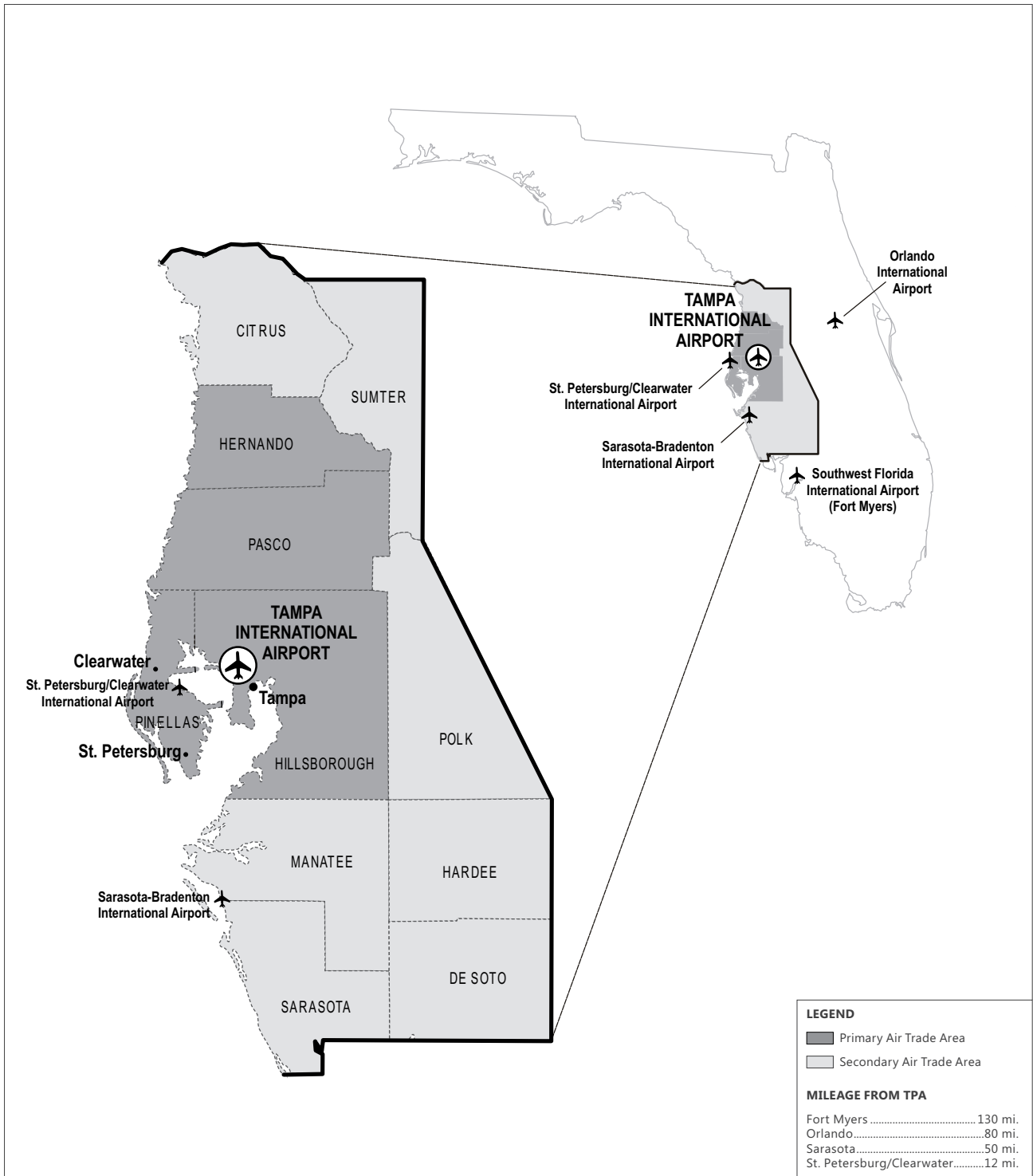
This chapter presents a review of the existing Airport facilities. **Exhibit 2-2** presents an aerial view of existing Airport facilities.

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 6,998 feet in length and 150 feet wide and is equipped with medium-intensity edge lighting, however, after completion of the APM, the effective length of Runway 28 and Runway 10 arrivals will be 6,501 feet. 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).

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.

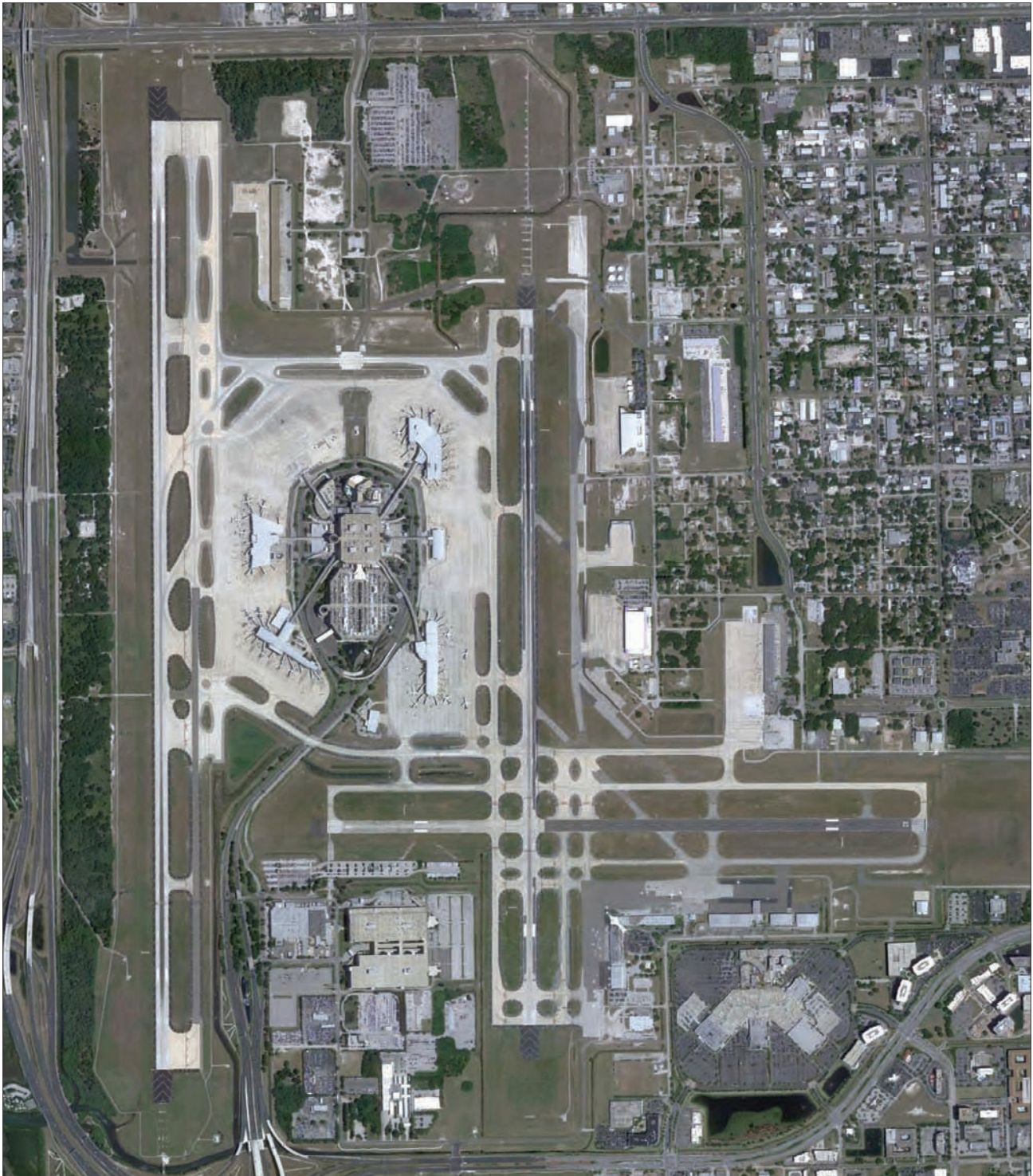


SOURCE: Ricondo & Associates, Inc., August 2014.
 PREPARED BY: Ricondo & Associates, Inc., August 2014.

EXHIBIT 2-1

Air Trade Area and Alternative Facilities

Z:\Tampa\Graphics\Air Trade Area Map\TPA Air Trade Area Map - Exhibit 2-1.indd



SOURCE: Hillsborough County Aviation Authority, August 2014.
PREPARED BY: Ricondo & Associates, Inc., August 2014.

EXHIBIT 2-2



NORTH



Existing Airport Facilities

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. Some of 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 on the east end of the first level on both the Red and Blue sides 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 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 are currently at capacity to provide passengers with convenient direct access from baggage claim to car rentals within short walking distances; as described in Chapter 1, due to curbside congestion and the need for greater capacity in the future, the Authority is undertaking the 2015 CFC Projects.

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 airside (Airside E and C integrate the baggage makeup area within the footprint of the building, Airside A and F have separate baggage makeup buildings located near the airside).

2.3.2.5 Airside Buildings

There are four Airside Buildings currently in operation: Airside Buildings A, C, E and F. Original Airside Buildings B, 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 B737 aircraft simultaneously or 13 B737 aircraft along with two B757 aircraft simultaneously. Airside A also has the capability to handle two wide body aircraft including B747-400's. 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 B737 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 necessary to allow the Authority to meet existing and near-term anticipated demand for international flights and to improve the previously inadequate Transportation Security Administration (TSA) passenger screening area for the benefit of all Airside F passengers. The 35,800 square foot upgrade included the expansion of the Customs and Border Protection area and TSA passenger screening checkpoint point area, along with the expansion and development of additional retail and food and beverage concession space.

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., 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.

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

Air Cargo and General Service Equipment (GSE) facilities to the east of the Airport are open to 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. The facility is currently approximately 80 percent occupied, providing an opportunity for additional companies to occupy space. 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, LLC

d/b/a Landmark Aviation. 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 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 and has been ranked a top 10 FBO by Aviation International News since 2007. 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 Customs and Border Protection 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 wide-body and two narrow-body aircrafts, 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 100-year master lease for approximately 154 acres of Authority property located in the southeast corner of the Airport, of which, 88 years remain. A shopping mall, hotel and office complex have been built on that property.

2.4 Airport Capital Program

The Master Plan Projects (Phase I, II and III) and the CIP are collectively referred to as the Capital Program. The 2015 CFC Bonds will fund a portion of the Master Plan Phase 1 projects. The Authority will fund the remaining portion of the Capital Program using a combination of funding sources which include: FAA Airport

Improvement Program (AIP) grants, Florida Department of Transportation (FDOT) grants, future bond proceeds, passenger facility charges (PFC), CFC PAYGO funds, Authority funds, and a Public/Private Partnership. While Master Plan Phase III is included in the Capital Program, it is not anticipated to be implemented within the Projection Period and the plan of finance is still in preliminary development. The financial analysis in this Report incorporates only CFC related project funding.

2.4.1 THE AIRPORT MASTER PLAN

The Authority approved an update to the Master Plan in 2013. 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

2.4.1.1 Master Plan Phase I

Phase I of the Master Plan Projects include the APM, Main Terminal Expansion and Concessions Consolidated Warehouse, and the ConRAC. These projects are designed to:

- Decongest the Airport's roadways and passenger drop-off and pick-up curbsides
- Provide connections to regional transportation systems
- Allow for expansion of rental car operations, which will reach capacity in 2016
- Add spaces to long-term parking garage by moving rental car operations from garage
- Increase opportunities for commercial development on the south part of the Airport campus to diversify the Airport's revenue stream
- Increase passenger and meeter/greeter circulation areas in Main Terminal
- Enable new concessions opportunities
- Create new curbside at ConRAC for passengers using public transportation, commercial and personal vehicles

The Authority anticipates the Master Plan Phase I projects will be completed in FY 2018.

2.4.1.2 Master Plan Phase II

Master Plan Phase II projects are enabling projects which will allow for future expansion of the Main Terminal as passenger demand dictates. These projects include Hotel and Administration Building Replacement and Demolition, Air Traffic Control Tower relocation, and an Employee Parking Structure near the ConRAC. For purposes of this Report, it is assumed that the Master Plan Phase II projects will commence in FY 2017. The Authority anticipates these projects will be completed in 2023.

2.4.1.3 Master Plan Phase III

The final phase of the Master Plan will expand the Main Terminal through the creation of Airside Building D with international and domestic gates, creation of an international curbside in the Main Terminal, and creation of a consolidated security checkpoint for Airsides C and D in the Main Terminal.

This project is also designed to increase concessions space and diversify Airport revenue streams. Implementation of Master Plan Phase III will be undertaken as future passenger activity levels dictate.

2.4.2 AIRPORT CAPITAL IMPROVEMENT PROGRAM (FY2015 – FY2024)

In addition to the Master Plan Projects, 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 2015 through 2024. The Authority's CIP totals approximately \$647.4 million. This 10-year program includes new capacity enhancement projects based on updated passenger and operation forecasts.

2.4.2.1 Estimated Project Costs

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

- Airfield Projects (approximately \$229.8 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 (\$178.7 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 (\$68.9 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 (\$2.3 million). This category includes cargo ramp rehabilitation and other projects.
- General Aviation and Auxiliary Airports Projects (\$59.1 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 (\$22.9 million). This category includes sign replacement, road overlays, arrival and departure drives ceiling replacement, and other roadway projects.
- Other Projects (\$69.1 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.

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3. 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 (as defined in Chapter 2). 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, and the area's ability to attract visitors, 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 has an economic base capable of supporting increased demand for air travel and rental cars during the Projection Period. The demand for visitors to travel to the Air Trade Area is the largest driver of demand for rental cars at the Airport, and ultimately, CFCs and TFCs remitted by the RACs.

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, employment, and gross product output, the Air Trade Area's economy has had one of the strongest recoveries from the recession (thirty-first 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.

¹ Based on reconciled U.S. Department of Transportation ticket sample data, O&D passengers accounted for approximately 88 percent of total passengers at the Airport in FY 2013.

² Source: Brookings Institution, "MetroMonitor – March 2015," March 20, 2015.

3.1 Demographic Analysis

3.1.1 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 3-1**. 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 2,905,964 people in 2014. As also shown, population growth in the Air Trade Area between 1990 and 2014 (compound annual growth rate of 1.4 percent) was less than that experienced by Florida (compound annual growth rate of 1.8 percent) but greater than the nation (compound annual growth rate of 1.0 percent) during this period. According to 2014 population estimates from the U.S. Census Bureau data released March of 2015, Tampa-St. Petersburg-Clearwater is one of the fastest-growing metro areas in the U.S., with a 1.4 percent increase in population between 2013 and 2014.³

Table 3-1 also presents population projections from Woods and Poole Economics, Inc. for the Air Trade Area, Florida, and the nation for 2025. Population in the Air Trade Area is expected to increase at a compound annual growth rate of 1.3 percent between 2014 and 2025, from 2,905,964 people in 2014, to 3,357,842 in 2025. Projected population growth for the Air Trade Area is expected to be slightly below that experienced by Florida (compound annual growth rates of 1.3 and 1.4 percent, respectively), and more rapid than the nation (compound annual growth rate of 0.9 percent) during this period. Between 2014 and 2025, Air Trade Area population is expected to grow most rapidly in Pasco County (1.8 percent annually) and Hernando County (1.7 percent annually).

Table 3-2 presents historical per capita personal income for the Air Trade Area, Florida, and the nation between 2010 and 2014 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 2010 and 2014. As also shown, per capita personal income for the Air Trade Area increased at a compound annual growth rate of 2.1 percent between 2010 and 2014, slower than the 2.6 percent growth rate for Florida and slower than the 3.5 percent growth rate experienced by the nation over this same period.

Table 3-2 also presents projections of per capita personal income for 2020 and 2025. According to data from Woods and Poole Economics, Inc., per capita personal income for the Air Trade Area is projected to increase from \$38,807 in 2014 to \$47,860 in 2020 and \$58,785 in 2025.. This increase represents a compound annual growth rate of 3.6 percent from 2014 through 2020 and 3.8 percent from 2014 through 2025, approximately identical to the growth rates projected for both Florida and the nation.

³ Source: WUSF News, "Tampa, Orlando Growth Behind State Population Boom," March 26, 2015.

Table 3-1: Historical and Projected Population

AREA						COMPOUND ANNUAL GROWTH RATE			
	HISTORICAL		PROJECTED			HISTORICAL			PROJECTED
	1990	2000	2014	2020	2025	1990-2000	2000-2014	1990-2014	2014-2025
Hernando County	102,726	131,390	177,320	196,545	213,976	2.5%	2.2%	2.3%	1.7%
Hillsborough County	837,028	1,003,435	1,311,768	1,446,538	1,568,098	1.8%	1.9%	1.9%	1.6%
Pasco County	281,937	347,038	483,607	537,764	587,026	2.1%	2.4%	2.3%	1.8%
Pinellas County	856,166	922,150	933,269	963,554	988,742	0.7%	0.1%	0.4%	0.5%
Air Trade Area	2,077,857	2,404,013	2,905,964	3,144,401	3,357,842	1.5%	1.4%	1.4%	1.3%
Florida	13,033,307	16,047,515	19,800,588	21,469,115	22,966,636	2.1%	1.5%	1.8%	1.4%
United States	249,622,814	282,162,411	318,698,773	336,499,603	352,280,991	1.2%	0.9%	1.0%	0.9%

SOURCE: Woods and Poole Economics, Inc., 2015 Complete Economic and Demographic Data Source (CEDDS), April 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

Table 3-2: Per Capita Personal Income

(Per Capita Personal Income in Current Dollars)

YEAR	PER CAPITA PERSONAL INCOME					PER CAPITA PERSONAL INCOME DIFFERENTIAL			
	HERNANDO COUNTY	HILLSBOROUGH COUNTY	PASCO COUNTY	PINELLAS COUNTY	AIR TRADE AREA ^{1/}	FLORIDA	UNITED STATES	BETWEEN AIR TRADE AREA AND FLORIDA	BETWEEN AIR TRADE AREA AND UNITED STATES
Historical									
2010	\$30,367	\$38,466	\$30,944	\$43,197	\$35,744	\$38,478	\$40,145	(\$2,735)	(\$4,402)
2011	\$31,203	\$38,951	\$32,479	\$45,843	\$37,119	\$40,216	\$42,332	(\$3,097)	(\$5,213)
2012	\$30,965	\$40,206	\$32,318	\$45,037	\$37,132	\$41,042	\$44,200	(\$3,911)	(\$7,069)
2013	\$31,422	\$40,680	\$32,975	\$45,574	\$37,663	\$41,497	\$44,765	(\$3,834)	(\$7,102)
2014	\$32,515	\$41,718	\$33,820	\$47,173	\$38,807	\$42,710	\$46,044	(\$3,904)	(\$7,238)
Projected									
2015	\$33,572	\$42,916	\$34,913	\$48,744	\$40,036	\$44,053	\$47,472	(\$4,017)	(\$7,436)
2020	\$40,259	\$50,708	\$41,737	\$58,734	\$47,860	\$52,594	\$56,563	(\$4,735)	(\$8,704)
2025	\$49,564	\$61,708	\$51,170	\$72,697	\$58,785	\$64,516	\$69,240	(\$5,731)	(\$10,455)
Compound Annual Growth Rate									
2010 - 2014	1.7%	2.0%	2.2%	2.2%	2.1%	2.6%	3.5%		
2014 - 2020	3.6%	3.3%	3.6%	3.7%	3.6%	3.5%	3.5%		
2014 - 2025	3.9%	3.6%	3.8%	4.0%	3.8%	3.8%	3.8%		

Percentage of Households in Income Categories (2013)

Income Category (in 2009 dollars)	HERNANDO COUNTY	HILLSBOROUGH COUNTY	PASCO COUNTY	PINELLAS COUNTY	AIR TRADE AREA ^{1/}	FLORIDA	UNITED STATES
Less than \$29,999	37.2%	32.2%	35.1%	33.9%	33.6%	33.1%	30.3%
\$30,000 to \$59,999	34.5%	29.3%	31.5%	30.8%	30.5%	29.9%	27.3%
\$60,000 to \$74,999	10.2%	9.8%	9.6%	9.9%	9.8%	10.1%	10.2%
\$75,000 to \$99,999	9.8%	11.4%	11.0%	10.6%	11.0%	11.0%	12.1%
\$100,000 or More	8.3%	17.3%	12.8%	14.8%	15.1%	16.0%	20.0%

NOTE:

1/ Per Capital Personal Income for the Air Trade Area is the average of Hernando, Hillsborough, Pasco, and Pinellas counties

SOURCE: Woods and Poole Economics, Inc., 2015 Complete Economic and Demographic Data Source (CEDDS), April 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

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 3-2 also presents percentages of households in selected per capita personal income categories for 2014 as expressed in 2009 dollars. As presented, 36.0 percent of households in the Air Trade Area had a per capita personal income of \$60,000 or more in 2014, which was slightly lower than the percentage of households in these income categories for Florida (37.0 percent), and lower than the equivalent percentage for the nation (42.4 percent).

3.2 Economic Analysis

3.2.1 GROSS DOMESTIC PRODUCT

Gross domestic product, for the U.S. 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, since the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) only began tracking data at the MSA level of detail in 2007.

Table 3-3 presents historical gross regional/domestic product for the Air Trade Area, Florida, and the nation between 2010 and 2014 as expressed in 2009 dollars. As shown, Air Trade Area gross regional product increased from \$112,538 million in 2010 to \$120,476 million in 2014, a compound annual growth rate of 1.7 percent. In comparison, the gross regional product for Florida increased at a 1.6 percent compound annual rate, while the nation's equivalent measure grew at a 2.1 percent compound annual rate.

Table 3-3 also presents projections of gross regional/domestic product for 2020 and 2025. According to data from Woods and Poole Economics, Inc., gross regional product for the Air Trade Area is projected to increase from \$120,476 million in 2014 to \$140,861 million in 2020 and \$159,578 in 2025. This increase represents compound annual growth rates of 2.6 percent and 2.6 percent, respectively, the same growth rates projected for Florida (2.6 percent and 2.6 percent, respectively) during this period, and more rapid than the 2.2 percent and 2.2 percent growth rates projected for the nation.

3.2.2 EMPLOYMENT TRENDS

Recent employment trends for the Air Trade Area, Florida, and the United States are presented in **Table 3-4**. As shown, the Air Trade Area's civilian labor force increased from approximately 1,263,900 workers in 2004 to approximately 1,354,700 workers in 2014. This increase represents a compound annual growth rate of approximately 0.7 percent in the Air Trade Area's labor force during this period, compared to an approximately 1.3 percent increase for Florida and an approximately 0.6 percent increase for the United States.

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

(In 2009 Dollars, Amounts in Millions)

YEAR	GRP OR GDP						
	HERNANDO COUNTY (GRP)	HILLSBOROUGH COUNTY (GRP)	PASCO COUNTY (GRP)	PINELLAS COUNTY (GRP)	AIR TRADE AREA (GRP) ^{1/}	FLORIDA (GRP)	UNITED STATES (GDP)
Historical							
2010	\$2,932	\$63,293	\$7,760	\$38,553	\$112,538	\$716,756	\$14,620,949
2011	\$2,867	\$62,998	\$7,645	\$37,611	\$111,120	\$707,013	\$14,816,834
2012	\$2,926	\$65,281	\$7,710	\$38,706	\$114,623	\$725,054	\$15,218,600
2013	\$2,966	\$67,381	\$7,913	\$38,977	\$117,238	\$743,908	\$15,514,792
2014	\$3,087	\$69,331	\$8,155	\$39,903	\$120,476	\$764,627	\$15,892,855
Projected							
2015	\$3,177	\$71,328	\$8,414	\$40,839	\$123,758	\$785,381	\$16,261,994
2020	\$3,643	\$81,840	\$9,762	\$45,615	\$140,861	\$892,857	\$18,155,067
2025	\$4,152	\$93,507	\$11,250	\$50,669	\$159,578	\$1,009,488	\$20,171,743
Compound Annual Growth Rate							
2010 - 2014	1.3%	2.3%	1.2%	0.9%	1.7%	1.6%	2.1%
2014 - 2020	2.8%	2.8%	3.0%	2.3%	2.6%	2.6%	2.2%
2014 - 2025	2.7%	2.8%	3.0%	2.2%	2.6%	2.6%	2.2%

NOTE:

1/ GRP for the Air Trade Area is the total GRP of Hernando, Hillsborough, Pasco, and Pinellas counties

SOURCE: Woods and Poole Economics, Inc., 2015 Complete Economic and Demographic Data Source (CEDDS), April 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

Table 3-4: Civilian Labor Force and Unemployment Rates

(Civilian Labor Force in Thousands)

YEAR	CIVILIAN LABOR FORCE		
	AIR TRADE AREA	FLORIDA	UNITED STATES
2004	1,264	8,440	147,401
2005	1,259	8,721	149,320
2006	1,286	9,000	151,428
2007	1,300	9,157	153,124
2008	1,308	9,216	154,287
2009	1,295	9,095	154,142
2010	1,303	9,212	153,889
2011	1,317	9,302	153,617
2012	1,326	9,395	154,975
2013	1,339	9,473	155,389
2014	1,355	9,638	155,922

**Compound
Annual Growth Rate**

2004-2014	0.7%	1.3%	0.6%
2004-2007	1.0%	2.8%	1.3%
2007-2010	0.1%	0.2%	0.2%
2010-2014	1.0%	1.1%	0.3%

UNEMPLOYMENT RATES

YEAR	AIR TRADE AREA	FLORIDA	UNITED STATES
2004	4.7%	4.6%	5.5%
2005	4.0%	3.7%	5.1%
2006	3.5%	3.2%	4.6%
2007	4.4%	4.0%	4.6%
2008	6.8%	6.3%	5.8%
2009	11.0%	10.4%	9.3%
2010	11.8%	11.1%	9.6%
2011	10.6%	10.0%	8.9%
2012	8.9%	8.5%	8.1%
2013	7.5%	7.3%	7.4%
2014	6.5%	6.3%	6.2%
Jan 2015	5.7%	5.8%	6.1%

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, April 3, 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

As also shown in Table 3-4, average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were above the unemployment rates for Florida from 2004-2014 period. Average annual unemployment rates for the Air Trade Area were below the unemployment rates for the nation from 2004-2007. However, the Air Trade Area's unemployment rates rose higher than the nation's unemployment rates due to the economic recession in 2008 and 2009, and remained higher than the nation's unemployment rate through 2014. The Air Trade Area's unemployment rate was approximately 5.7 percent in January 2015, which is the most recent month of data available. This rate was below the unemployment rates experienced by both Florida and the nation during this same period (approximately 5.8 and 6.1 percent, respectively).

An analysis of nonagricultural employment trends by major industry sector is presented in **Table 3-5**, which compares the Air Trade Area's employment trends to those for the nation for 2004, 2013 and 2014. As shown, nonagricultural employment in the Air Trade Area increased from approximately 1,169,000 workers in 2004 to approximately 1,207,700 workers in 2014. This increase represents a compound annual growth rate of approximately 0.3 percent during this period, compared to similar growth nationwide (approximately 0.5 percent compound annual growth rate). From 2013 to 2014, 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 (approximately 2.6 percent and 2.0 percent increases, respectively).

The services, government, trade, and financial sector were the major industry groups in the Air Trade Area to experience positive employment growth between 2004 and 2014. 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, trade, transportation/utilities and government sectors. Also shown in Table 3-5, the Air Trade Area's percentages of nonagricultural employment in the services, financial, information and trade sectors in 2014 exceeded the national percentages by approximately, 3.8, 2.7, 0.1 and 1.6 percentage points, respectively.

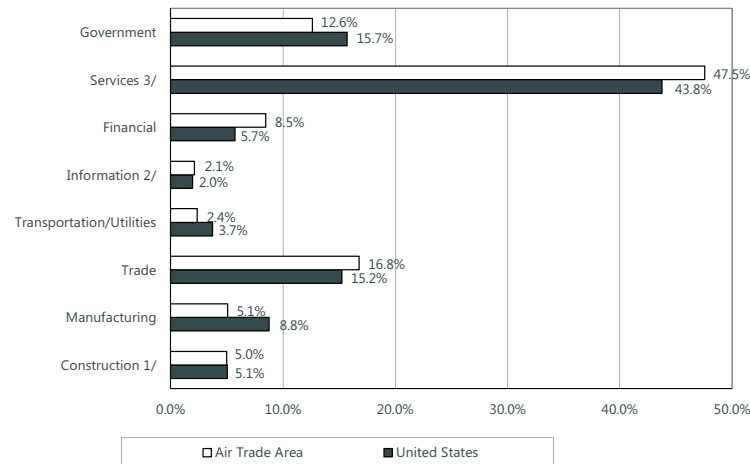
A shift in the Air Trade Area's industrial mix occurred between 2004 and 2014, as services employment increased from approximately 43.6 percent of total employment in 2004 to approximately 47.5 percent in 2014, and construction employment decreased from approximately 6.8 percent of total employment in 2004 to approximately 5.0 percent in 2014. The shift in the Air Trade Area's industrial mix were consistent with changes in the industrial mix nationwide, as services nationwide also experienced the largest change over the ten year period increasing from approximately 39.1 percent to approximately 43.8 percent.

Table 3-5: Employment Trends by Major Industry Sector

(Employment in Thousands)

SECTOR	AIR TRADE AREA					UNITED STATES NONAGRICULTURAL EMPLOYMENT				
	2004	2013	2014	COMPOUND	COMPOUND	2004	2013	2014	COMPOUND	COMPOUND
				ANNUAL GROWTH RATE	ANNUAL GROWTH RATE				ANNUAL GROWTH RATE	ANNUAL GROWTH RATE
				2004-2014	2013-2014				2004-2014	2013-2014
Construction ^{1/}	79.6	57.1	60.4	(2.7%)	5.8%	7,567	6,695	7,034	(0.7%)	5.1%
Manufacturing	76.9	60.0	61.2	(2.3%)	2.0%	14,315	12,006	12,188	(1.6%)	1.5%
Trade	195.1	195.6	202.8	0.4%	3.7%	20,721	20,823	21,190	0.2%	1.8%
Transportation/Utilities	31.9	27.2	28.6	(1.1%)	5.1%	4,812	5,047	5,193	0.8%	2.9%
Information ^{2/}	32.1	26.2	25.6	(2.2%)	(2.3%)	3,118	2,685	2,740	(1.3%)	2.0%
Financial	97.0	99.6	102.3	0.5%	2.7%	8,105	7,880	7,979	(0.2%)	1.3%
Services ^{3/}	509.3	559.0	574.2	1.2%	2.7%	51,488	59,368	60,854	1.7%	2.5%
Government	147.1	152.0	152.6	0.4%	0.4%	21,621	21,864	21,863	0.1%	(0.0%)
Total	1,169.0	1,176.7	1,207.7	0.3%	2.6%	131,748	136,368	139,042	0.5%	2.0%

Percent of 2014 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, April 3, 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

3.2.3 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; competitive local/state tax and incentive structures; and no state income tax. In April 2013, Forbes rated Tampa as number two of ten “Best Cities For Young Entrepreneurs.” The list highlighted Tampa for its low Cost of Living Index score and its relatively high number of Commercial & Industrial Loans given in the prior year, as well as the area’s extensive resources for young entrepreneurs. According to the 2014 Competitive Alternatives study conducted by the audit, tax, and advisory firm KPMG, overall business costs in Air Trade Area are the 6th lowest among the nation’s 31 largest metropolitan areas and more than four percent lower than the US Baseline (average of the four largest US metro areas).⁴

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.⁵ At the end of 2014, Tampa and Hillsborough County’s cost of living was approximately 7.6 percent below the national average and is the lowest of the eleven participating areas in the state of Florida, including Ft. Lauderdale, Miami-Dade County, and Orlando. The cost of living in Tampa and Hillsborough County has remained below the national average since 2000, primarily due to the areas significantly lower housing index numbers compared to the average U.S. (approximately 23.7 percent less).⁶

Major employers in the primary and secondary Air Trade Area, as measured by the number of employees, are presented in **Table 3-6**. As shown, there are approximately 25 private or public entities in the Air Trade Area with 4,000 or more employees. The largest employer in the Air Trade Area is Publix Super Markets with approximately 33,000 local employees⁷, followed by the Hillsborough County School District (25,657 employees); BayCare Health System (22,900 employees); the University of South Florida (16,488 employees); and HCA West Florida Division (16,461 employees).

Four of the sixteen 2014 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, Inc. (ranked 104th in 2013 revenues; one of the nation’s leading food and drug stores); Tech Data Corporation (ranked 111th in 2013 revenues; one of the world’s largest wholesale IT distributors); Jabil Circuit, Inc. (ranked 155th in 2013 revenues; a global electronic manufacturing services provider); and WellCare Health Plans, Inc. (ranked 294th in 2013 revenues; a provider of managed care services for government-sponsored health programs).

⁴ Source: KPMG, “Competitive Alternatives 2014, KPMG’s Guide to International Business Location Costs,” 2014.

⁵ Source: Bloomberg Businessweek, “America’s 50 Best Cities,” September 28, 2012.

⁶ Source: Tampa Hillsborough Economic Development Center, “Tampa Keeps Getting Better – and More Affordable, Too,” February 18, 2015. Available online at: <http://www.tampaedc.com/News/Blog/Tampa-Keeps-Getting-Better-%E2%80%93-and-More-Affordable.aspx>

⁷ Publix Super Markets employee numbers may include employees based at corporate headquarters in Lakeland, which is part of the secondary air trade area.

Table 3-6: Major Employers in the Primary and Secondary Air Trade Area

EMPLOYER	DESCRIPTION	# OF LOCAL EMPLOYEES
Publix Super Markets	Grocery stores	33,000
Hillsborough County School District	Public school district	25,657
BayCare Health System	Health care system	22,900
University of South Florida	Public university	16,488
HCA West Florida Division	Health care system	16,461
Pinellas County School Board	Public school district	16,266
MacDill Air Force Base	Air force base	14,500
Polk County Public School District	Public school district	13,148
State of Florida	State government	11,095
Hillsborough County Government	County government	9,846
Pasco County School District	Public school district	8,760
U.S. Postal Service	Postal service	7,598
Tampa General Hospital	Hospital and affiliated health care facilities	6,500
Bloomin' Brands Inc.	Chain restaurant operator	5,300
Sarasota County School District	Public school district	5,199
Community Health Systems	Hospital system	5,176
School District of Manatee County	Public school district	5,162
Pinellas County Government	County government	5,016
Verizon Wireless	Telecommunications provider	5,000
H. Lee Moffitt Cancer Center & Research Institute	Cancer center	4,567
City of Tampa	City government	4,414
Raymond James Financial Inc.	Financial services	4,214
James A. Haley VA Medical Center	Veterans affairs hospital	4,204
Beall's Inc.	Retail department and outlet stores	4,200
Polk County Government	County government	4,118

SOURCE: Tampa Bay Business Journal, 2014-15 Book of Lists - Employers , June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

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 joint project of Brookings Institution and JPMorgan Chase in 2014 ranked the Air Trade Area 28th for jobs in foreign-owned establishments (FOEs), with a share of 4.2% total private employment in FOEs. FOEs and foreign direct investment contribute inordinately to the economy and facilitate the spread of global knowledge, technologies, and ideas critical to innovation and competitiveness in the economy.⁸ In April 2014, Tampa hosted the International Indian Film Academy's (IIFA) 15th Annual IIFA Weekend and Awards. The multi-day event attracted approximately 30,000 visitors who generated an estimated \$19.9 million in direct spending and \$26.4 million in total spending on area hotels, restaurants, retail stores, public and private transportation, and historical and cultural attractions.⁹

According to the Tampa Bay Partnership, total investment attributed to new (relocated) and expanded business development in the Air Trade Area in 2012 was approximately \$273.5 million. This investment is anticipated to generate at least 4,300 new jobs and allow the Air Trade Area to retain existing jobs. In July 2014, Tampa Bay Lightning owner Jeff Vinik acquired Channelside Bay Plaza, which has opened the potential for a billion dollar development of the Amalie Arena district, located just east of downtown Tampa. The preliminary plans for the 24-acre district include entertainment, hotel, office, education, residential, and retail buildings.¹⁰ As of March 2015, the Channelside Bay Plaza has received significant cosmetic upgrades through Vinik's personal funding and is within months of finalizing a long-term plan for the waterfront mall.¹¹ Recent notable expansions to the Tampa area are Gateway One Lending & Finance announcement of 115 new jobs¹² and Publix announcement of a \$1.3 billion expansion plan at the March 2015 Tampa downtown partnership meeting.¹³ Most recently, IT firm ReliaQuest and pharma manufacturer Xcelience have committed to expanding their Tampa-headquartered operations by 55 and 100 jobs, respectively.¹⁴

3.2.4 EMPLOYMENT BY MAJOR INDUSTRIAL SECTOR

According to the Greater Tampa Chamber of Commerce, 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.

⁸ Source: Tampa Bay Partnership, "2014 Foreign Direct Investment Study Analysis – Tampa-St. Petersburg-Clearwater MSA," 2014.

⁹ Source: IIFA Economic Impact Study & Visitor Profile, The Bonn Marketing Group, Inc.; Hillsborough County Hotel Performance, Smith Travel Research, Inc., April 26, 2014.

¹⁰ Source: Tampa Bay Times, "Bill Gates Investment Fund Will Partner with Vinik on Channelside," September 25, 2014.

¹¹ Source: Tampa Bay Business Journal, "'Seven Figures' into Vinik's reinvention of Channelside Bay Plaza, a New Sense of Energy and An Increase in Sales," March 20, 2015.

¹² Source: Tampa Bay Business Journal, "Gateway One Lending & Finance Announces 115-Job Expansion in Tampa," March 23, 2015.

¹³ Source: WFLA News Channel 8, "Publix Plans Massive Expansion in Tampa," March 19, 2015.

¹⁴ Source: University of Central Florida Institute for Economic Competitiveness, "Florida & Metro Forecast 2015-2018," March 2015.

Services

Services employment in the Air Trade Area increased at a compound annual rate of 1.2 percent between 2004 and 2014 (fastest rate of increase of any Air Trade Area industry sector between 2004 and 2014) compared to a slightly larger increase for the nation of 1.7 percent over the same period. In 2014, the services sector accounted for approximately 574,200 employees in the Air Trade Area, which accounted for 47.5 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 (3,000 employees), a leading global 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 service categories in the Air Trade Area, which on average, receives 360 days of sunshine each year.¹⁵ The growth of this industry is a significant driver of services-related employment and air travel demand at the Airport. According to Bonn Marketing Research Group, the number of visitors to Tampa-Hillsborough County decreased from approximately 14.8 million in 2012 to 13.9 million in 2013, however, visitors spent significantly more on tourism than any prior year in Tampa-Hillsborough County. In 2013, visitors to Tampa-Hillsborough County spent approximately 4.3 billion dollars on tourism compared to 3.8 billion dollars spent in 2012, an increase of approximately 15.6 percent in 2013. This increase in Tampa-Hillsborough County is the fifth consecutive year of positive growth in dollars spent on tourism and 63.0 percent higher spending than in 2008. The most recent Tampa Bay & Company data shows that approximately 74.1 percent of the visitors to Tampa-Hillsborough County arrived by air. In 2012, the Airport reported approximately 23.6 percent of passengers traveled, via air service, for business and 76.4 percent for leisure.¹⁶ Approximately 14.0 percent of visitors to Tampa-Hillsborough County, traveling via all modes of transportation, were primarily traveling for business and 86.0 percent primarily for leisure/visiting friends and relatives. In Pinellas County, which occupies Tampa's coastal area, over 920,000 people have made permanent residence enjoying 35 miles of white sand beaches ranked among the nation's best. Similar to Tampa-Hillsborough County, Pinellas County also enjoyed a second straight year of record tourism spending, with approximately 4.2 billion dollars spent in 2013, a 6.0 percent rise from 2012.¹⁷ Hillsborough

¹⁵ Source: Pinellas County, Florida Ideal Business Climate, Pinellas County Overview, <http://www.pced.org/redevelopment/subpage.asp?redevelopment>, accessed May 22, 2015.

¹⁶ Source: Air Service Quality (ASQ) Random Passenger Intercept Surveys YE3Q14.

¹⁷ Source: Tampa Bay Times, "Hillsborough Tourism Enjoyed Record Spending in 2013," May 12, 2014.

and Pinellas counties each experienced record highs in tourism tax revenues in FY 2014, with \$23.7 million and \$35.1 million, respectively.¹⁸

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 2013, according to Tampa Bay & Company, hotel occupancy increased to approximately 65.5 percent, a 2.1 percentage point increase from 2012. The average daily room rate decreased to \$90.71 in 2013, a decrease of 2.5 percent from 2012, and revenue per available room (measured by multiplying the average daily room rate by the occupancy rate) fell to \$59.40, down 0.4 percent from 2012. Hotels that recently opened in Tampa include: the food-focused 137-room Epicurean, located directly across from the global destination restaurant Bern's Steak House; the 130-room Le Meridien in Tampa's historic federal courthouse building; and the 130-room Aloft Tampa Downtown along the Tampa Riverwalk.

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

The cruise industry has a growing presence at Port Tampa Bay (the Port) and is a significant source of air travel demand at the Airport. The Port reported a throughput of approximately 888,000 passengers in FY 2014, down from the Port's record annual cruise passenger throughput of approximately 974,259 for its fiscal year 2012. Through the first quarter of reported FY 2015 (October through December) total bulk and general cargo at the Port have increased approximately 6.0 percent over the same period in FY 2014. Furthermore, total vessels at the Port have increased approximately 12.0 percent in the first quarter FY 2015 compared to the same period in FY 2014.¹⁹ 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.

¹⁸ Source: Tampa Bay Times, "Another Pinellas tourist tax record breaks \$35 million mark", November 7, 2014.

¹⁹ Source: Port Tampa Bay, Fiscal Year 2015 Year to Date Annual Report; "Total Port," February 11, 2015.

- **Busch Gardens and Adventure Island.** Busch Gardens Tampa Bay is home to four water adventure rides, eight world-class roller coasters, and African animal exhibits featuring more than 2,000 animals. A notable new attraction at the park is the Falcon's Fury, a 335 feet tall, ninety degree mid-air turn drop tower that holds the record for the tallest freestanding drop tower in North America.
- **Museum of Science and Industry.** The largest science center in the southeastern United States offers more than 400,000 square feet 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 and Child magazines, Lowry Park Zoo features 1,700 animals on 56 acres of natural habitats that comprise seven main exhibit areas.
- **Clearwater Marine Aquarium and Florida Aquarium.** These two aquariums, located in Clearwater and Tampa, respectively, attracted nearly 1.4 million visitors combined in 2012. The Clearwater Marine Aquarium is home to a dolphin with a prosthetic tail, which is the subject of the motion pictures "Dolphin Tale and Dolphin Tale 2," which were filmed and premiered in Pinellas County.
- **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 that 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, Toronto Blue Jays), 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 (many of which ranked on "America's Best Hospitals" list by U.S. News and World Report) 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. Tampa General Hospital is ranked the second best hospital in Florida and also ranked nationally in four different number of specialties.²⁰The 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 third-largest employer in the Air Trade Area, employing approximately 22,900 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 16,461 employees) and the private non-for-profit Florida Hospital West Florida Region hospital system (approximately 4,037 employees).

Considered to be one of the fastest-growing cancer centers in the United States, the private, non-for profit H. Lee Moffitt 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. U.S News & World Report 2014-2015 Best Hospitals ranked the H. Lee Moffitt Cancer Center number sixteen in the nation for cancer treatment. In 2011, the Cancer Center opened a 50,000 square feet 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 4,567 employees in the Air Trade Area.

In January 2014, drugmaker Bristol-Myers Squibb celebrated the opening if its 70,000 square feet North America Capability Center to the Air Trade Area. The New York based pharmaceutical began hiring in late 2013 and plans to employ 579 technology, marketing, and finance positions to support the firm's products.²¹

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.

²⁰ Source: U.S. News & World Report, "Best Hospitals in Florida 2014-2015."

²¹ Source: Tampa Bay Times, "Bristol-Myers Squibb Celebrates New Tampa Center that will Employ 579 by 2017," January 30, 2014.

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 48,000 students are currently enrolled in over 240 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 16,488 employees in the Air Trade Area and an annual economic impact of \$4.4 billion. 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. Furthermore, USF is planning to construct an approximately \$157 million expansion and relocation of a portion of the medical school to downtown Tampa to accommodate the Morsani College of medicine and the USF Heart Health Institute. USF has already received \$5.0 million from the Florida Board of Governors to prepare studies to present additional information on the upcoming medical school project.²²

With approximately 7,700 enrolled students for Fall 2014, the University of Tampa (UT) is located on 105 acres of riverfront land in downtown Tampa. UT attracts students from more than 135 countries and offers 200 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 has been included in the Forbes' 2013 annual ranking of America's Best Colleges four times since the start of the annual list in 2008, and is regarded as one of the nation's best institutions for undergraduate education by The Princeton Review (top fifteen percent of four-year colleges in the U.S.).

Other sizeable colleges and universities in the Air Trade Area include St. Petersburg College, Hillsborough Community College, Polk State 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 3-5, trade employment in the Air Trade Area increased at a compound annual growth rate of 0.4 percent between 2004 and 2014, compared to an increase of 0.2 percent for the nation over the same period. In 2014, the trade sector accounted for approximately 202,800 employees in the Air Trade Area, which represented 16.8 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 Dillard's, Neiman Marcus, and Nordstrom), WestShore Plaza mall, Citrus Park Mall, Brandon Town Center Mall, as well as the specialty store-focused Hyde

²² Source: University of Central Florida Institute for Economic Competitiveness, "Florida & Metro Forecast 2015-2018," March 2015.

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 the spring of 2015.

Table 3-7 presents total retail sales for the Air Trade Area, Florida, and the United States between 2010 and 2014. As shown in Table 3-7, between 2010 and 2014 total retail sales in the Air Trade Area increased at a compound annual rate of 3.7 percent, less than Florida's growth rate of 3.9 percent but higher than the 3.4 percent increase the United States experienced during this period.

Table 3-7 also presents projections of total retail sales for 2020 and 2025. According to data from Woods and Poole Economics, Inc., total retail sales for the Air Trade Area are projected to increase from approximately \$48.4 billion in 2014 to approximately \$54.8 billion in 2020 and \$60.1 billion in 2025. This increase represents compound annual growth rates of approximately 2.1 percent and approximately 2.0 percent during the periods, respectively. Florida total retail sales are projected to be slightly higher compared to the Air Trade Area with a compound annual growth rate of approximately 2.2 percent for 2014 to 2020 and approximately 2.1 percent for 2014 to 2025, while the nation's projected growth rates fall below that of Florida and the Air Trade Area with compound annual growth rates of approximately 1.7 percent and approximately 1.6 percent, respectively.

Governor Rick Scott proclaimed May 2015 to be "World Trade Month", encouraging Florida to continue leading the nation as a top export economy (Florida is second only to California in number of companies that export – 60,000). According to a 2013 Brookings Institution study entitled "Export Nation 2013," nearly 60,000 jobs in the Air Trade Area are supported by exports. In 2012, the total value of exports from Tampa was approximately \$13 billion in goods and services, ranking the Air Trade Area 26th of the nation's 100 most populous metro areas and representing 23 percent of Florida's total exports. Of the \$13 billion total exports in the Air Trade Area, \$9.2 billion were collected from the top 10 of 34 export industries and have experienced significant growth since 2003, growing at a compound annual growth rate of 4.4 percent. Travel and Tourism, Computer and electronic products comprised the largest share of the Air Trade Area's exports in 2013.²³

Government

Government employment in the Air Trade Area increased at a compound annual rate of 0.4 percent between 2004 and 2014, compared to an increase of 0.1 percent for the nation over the same period. In 2014, this sector accounted for approximately 152,600 employees in the Air Trade Area, which represented 12.6 percent of total nonagricultural employment.

²³ Source: Tampa Bay partnership, "Metropolitan Export Exchange Market Assessment,"

Table 3-7: Total Retail Sales

(In 2009 Dollars, Amounts in Millions)

YEAR	TOTAL RETAIL SALES						
	HERNANDO COUNTY	HILLSBOROUGH COUNTY	PASCO COUNTY	PINELLAS COUNTY	AIR TRADE AREA ^{1/}	FLORIDA	UNITED STATES
Historical							
2010	\$1,710	\$20,318	\$4,865	\$15,049	\$41,943	\$276,599	\$4,149,113
2011	\$1,778	\$21,756	\$5,072	\$15,671	\$44,277	\$291,523	\$4,350,547
2012	\$1,825	\$22,459	\$5,242	\$16,128	\$45,654	\$302,631	\$4,494,214
2013	\$1,875	\$23,128	\$5,404	\$16,590	\$46,997	\$312,592	\$4,620,582
2014	\$1,941	\$23,914	\$5,595	\$16,966	\$48,415	\$322,230	\$4,742,215
Projected							
2015	\$1,992	\$24,526	\$5,746	\$17,210	\$49,475	\$329,486	\$4,827,911
2020	\$2,257	\$27,669	\$6,528	\$18,379	\$54,833	\$366,317	\$5,253,322
2025	\$2,528	\$30,859	\$7,331	\$19,403	\$60,120	\$402,901	\$5,657,687
Compound Annual Growth Rate							
2010 - 2014	3.2%	4.2%	3.6%	3.0%	3.7%	3.9%	3.4%
2014 - 2020	2.5%	2.5%	2.6%	1.3%	2.1%	2.2%	1.7%
2014 - 2025	2.4%	2.3%	2.5%	1.2%	2.0%	2.1%	1.6%

NOTE:

1/ Total Retail Sales for the Air Trade Area is the total retail sales of Hernando, Hillsborough, Pasco, and Pinellas counties

SOURCE: Woods and Poole Economics, Inc., 2015 Complete Economic and Demographic Data Source (CEDDS), April 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

As shown in Table 3-6, there are numerous governmental organizations that are among the major employers in the Air Trade Area²⁴: the largest U.S. federal government employer is MacDill Air Force Base (14,500 employees); the largest public primary/secondary educational employer and the largest employer in the Air Trade Area is the Hillsborough County School District (25,657 employees); and the largest local government employer is the Hillsborough County Government (9,846 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). 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.

Financial

The financial sector comprises financial, insurance, and real estate services. Financial employment in the Air Trade Area increased at a compound annual growth rate of 0.5 percent between 2004 and 2014, compared to a decrease of 0.2 percent for the nation over the same period. In 2014, the financial sector accounted for approximately 102,300 employees in the Air Trade Area, which represented 8.5 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. As shown in Table 3-6, Raymond James Financial Inc. was the largest financial services employer in the Air Trade Area with approximately 4,214 employees. Other major financial services companies in the Air Trade Area include Citigroup with approximately 4,000 employees and JPMorgan Chase Bank with approximately 2,300 employees.

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

- **Gateway One Lending & Finance.** As of March 2015, Gateway One Lending & Finance announced the hiring of 115 employees for a new auto lending service center in the Tampa area.²⁵
- **Western & Southern Life.** In August 2014, Western & Southern Life Insurance Company held its grand opening of the new office to the Air Trade Area with plans to hire up to 120 new financial

²⁴ Includes the primary and secondary markets of the Air Trade Area.

²⁵ Source: Tampa Bay Business Journal, "Gateway One Lending & Finance Announces 115-Job Expansion in Tampa," March 23, 2015.

representatives over the next three years. The Tampa office will join the existing Sarasota and Fort Myers locations to form Western & Southern Life's West Coast Agency.²⁶

- **Stonegate Mortgage.** In March 2014, as discussed previously in Section 4.2.3, Stonegate Mortgage plans to expand its St. Petersburg offices by the addition of 139 new employees by 2016. Stonegate Mortgage is expected to create \$10.5 million of economic impact to the Air Trade Area.
- **Depository Trust and Clearing (DTCC).** In January 2014, Depository Trust and Clearing, the world's largest financial services clearing and settlement firm, opened the first expansion to its Tampa operation since 2004. The initial design of the 176,000 square foot facility was to provide 255 new jobs as backup to the New York headquarters. The Tampa office has since transformed into a fully integrated business center with 800 employees.
- **Humana.** Last year, health insurance firm Humana hired 170 new telephonic nurses and health coaches based in the Air Trade Area. Most of the jobs are at the firm's Humana Cares national operations and service center in St. Petersburg, which also renovated to add 8,000 square feet of office space.
- **Morgan Stanley.** In 2013, the global financial services firm Morgan Stanley began to fill the 110 new positions and opened a new office in the Air Trade Area. The new investment advisors and client service associate positions are planned to be filled over the next two years and come with an average wage of \$55,000 per year.

Table 3-8 presents total bank deposits for the Air Trade Area, Florida and the nation between 2003 and 2013.²⁷ 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 \$36.2 billion in 2003 to approximately \$63.9 billion in 2013. This increase represents a compound annual growth rate of 5.9 percent during this period, which was higher than that for Florida yet lower than that for the nation (compound annual growth rates of 5.1 and 6.3 percent, respectively) during this same period.

Manufacturing

Manufacturing employment in the Air Trade Area decreased at a compound annual rate of 2.3 percent between 2004 and 2014, compared to a decrease of 1.6 percent for the nation over the same period. In 2014, the manufacturing sector accounted for approximately 61,200 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.

²⁶ Source: Western & Southern, "Western & Southern Life Expands in Tampa," August 13, 2014.

²⁷ Twelve months ending June 30 for the years depicted in Table 3-8.

Table 3-8: Total Bank Deposits

(Dollar Amounts in Millions)

FISCAL YEAR	TOTAL BANK DEPOSITS		
	AIR TRADE AREA	FLORIDA	UNITED STATES
Historical			
2003	\$36,196	\$268,174	\$5,132,004
2004	\$40,168	\$300,961	\$5,464,782
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	\$8,249,403
2012	\$60,279	\$423,908	\$8,947,244
2013	\$63,948	\$441,108	\$9,433,525
Compound Annual Growth Rate			
2003 - 2013	5.9%	5.1%	6.3%

NOTE: Fiscal Year Ending June 30th.

SOURCE: Federal Deposit Insurance Corporation (FDIC), *Summary of Deposits Report*, June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

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 includes ten key technology sectors: agritechology; 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 Air Trade Area produces \$1.2 billion in revenue, making up one-third of the state's profits from medical devices. 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 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 2,000 employees at their headquarters in the Air Trade Area, Jabil Circuit was ranked the fourth best electronic manufacturing services provider worldwide in a 2013 ranking by the Manufacturing Market Insider newsletter. 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 square feet 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. In March 2015 the Tampa Bay Times reported Xcelience, a Tampa pharma manufacturer, will create 100 new jobs and invest approximately \$9.0 million in the expansion of the operations and pharmaceutical developmental labs.

Construction

Construction employment in the Air Trade Area decreased at a compound annual rate of 2.7 percent between 2004 and 2014, compared to a decrease of 0.7 percent for the nation over the same period. This decrease is due to the recession, where the Tampa construction sector was impacted more than the nation's average. From 2006 to 2010, Tampa experienced a drop from 94,400 employees to 52,900 employees at a compound annual rate of 13.5 percent. Since the recession Tampa construction employment has rebounded, outpacing the nation between 2012 and 2013, with a compound annual growth rate of 5.4 percent compared to the nation's 3.1 percent. In 2014, the construction sector accounted for approximately 60,400 employees in the Air Trade Area, which represented 5.0 percent of total nonagricultural employment.

Both building permits and housing sales and prices are indirect indicators of employment in the residential construction sector. As shown in **Table 3-9**, Air Trade Area residential building permits and valuation experienced a significantly more pronounced growth cycle and a slightly more pronounced decline cycle than was experienced by the United States as a whole over the 2003-2013 period. From 2003 until the peak of the 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 8.0 percent (compared to 6.8 percent for the United States) and building permit valuation increased at a compound annual growth rate of 20.1 percent (compared to 14.8 percent for the United States). From 2005 through 2013, the Air Trade Area's residential building permit units decreased at a compound annual rate of 12.1 percent (compared to a decrease of 9.3 percent for the United States) and building permit valuation decreased at a compound annual rate of 8.2 percent (compared to a decrease of 7.4 percent for the United States).

Air Trade Area home sales rose significantly in June 2014, and selling prices also increased in June 2014 over June 2013.²⁸ Closed residential real estate sales have increased approximately 7.5 percent in the Air Trade Area in June 2014 over June 2013. While below the state average selling price of \$185,000 in June 2014, the average house sold for \$162,250, in June 2014, up 9.6 percent over June 2013 and more than 50 percent higher than the lowest average selling price since 2011 of \$107,500.

Transportation/Utilities

Transportation/utilities employment in the Air Trade Area decreased at a compound annual rate of 1.1 percent between 2004 and 2014, compared to an increase of 0.8 percent for the nation over the same period. In 2014, the transportation/utilities sector accounted for approximately 28,600 employees in the Air Trade Area which represented 2.4 percent of total nonagricultural employment.

Air transportation demand in the Air Trade Area is primarily serviced by the Airport. The Air Trade Area, in addition to the major development projects at the Airport described herein, 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 in central Florida 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 Miami, Atlanta, Cincinnati, and Detroit. I-275 connects St. Petersburg with I-4 and I-75. This interstate highway network helps to support a thriving trucking industry in the Air Trade Area, which includes over 186 trucking operations. Tampa Bay Tribune reports that the newly built corridor, Selmon-Interstate 4 connector, is saving significant time and money for trucking firms hauling freight from Port Tampa Bay.²⁹ This one-mile stretch of elevated highway will significantly decrease truck congestion stemming from the Tampa Port and throughout the Air Trade Area. The Port alone generates 11,200 truck movements daily.

²⁸ Source: The Tampa Tribune, "Tampa-area Housing Sales, Prices rise in June," July 22, 2014.

²⁹ Source: Tampa Bay Tribune, "Selmon-Interstate 4 Connector on Fast Road to Success," January 3, 2015.

Table 3-9: Residential Building Permits and Valuation 2003 - 2013

(Dollar Amounts in Thousands)

YEAR	AIR TRADE AREA		FLORIDA		UNITED STATES	
	UNITS	VALUATION	UNITS	VALUATION	UNITS	VALUATION
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	\$292,413,689
2005	34,174	\$5,424,417	287,250	\$46,802,753	2,155,316	\$329,254,469
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	10,161	\$2,121,703	64,810	\$13,201,491	829,658	\$140,425,307
2013	12,152	\$2,729,911	86,752	\$18,161,486	990,822	\$177,655,914
Compound Annual Growth Rate						
2003 - 2005	5.3%	13.0%	10.4%	18.2%	4.5%	9.7%
2005 - 2013	-13.7%	-9.3%	-15.7%	-12.6%	-10.5%	-8.4%

SOURCE: U.S. Department of Commerce, Bureau of the Census, July 2014.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

- Ocean shipping is facilitated by the Port, Florida's largest seaport based on cargo tonnage, handling approximately 36.2 million tons of cargo in FY 2014. 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. Through the first quarter (October through December) of FY 2015, the Port's total bulk and general cargo net tons have increased approximately 6.0 percent over the same period in FY 2014 and total vessels have increased approximately 12.0 percent over the same period in FY 2015 and FY 2014. 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 square feet warehouse/cold storage space. The Port also contains the largest ship repair facility in the Southeast U.S.
- 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 opened in April 2014 in Winter Haven, Florida (located in the secondary air trade area), and created a statewide rail-to-truck distribution center that is unique in the Southeast.³⁰
- Passenger rail service is provided to and from the Air Trade Area by Amtrak. The Silver Star train (daily service along U.S. East Coast from Jacksonville to Washington, New York and Boston) 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.

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 2,500 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 in the Air Trade Area.

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 2.2 percent between 2004 and 2014, compared to a decrease of 1.3 percent for the nation over the same period. In 2014, the information sector accounted for approximately 25,600 employees in the Air Trade Area which represented 2.1 percent of total nonagricultural employment.

According to a 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 highest

³⁰ Source: TheLedger.com, "New Winter Haven CSX Rail Terminal IS Vanguard of Future," November 14, 2014.

concentration of IT workers of Florida's major metropolitan areas.³¹ 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 9,065 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. In 2013, Verizon hired 100 sales representatives to launch a new national customer-retention center based in its downtown Tampa offices.³²

HSN, Inc. (otherwise known as the Home Shopping Network), headquartered in the Air Trade Area, is a \$3.3 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 3,000 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 1,700 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. In August 2014, Tribridge, a technology services firm specializing in business applications and cloud solutions, announced the expansion of 200 new information technology positions within its Tampa headquarters.³³

Additionally, IT firm ReliaQuest announced, in March 2015, expanding its Tampa headquarters creating 55 new jobs to the Air Trade Area.

3.3 Economic Outlook

3.3.1 SHORT-TERM ECONOMIC OUTLOOK

According to a March 2015 economic forecast prepared by the University of Central Florida Institute for Economic Competitiveness (the latest forecast available), the Air Trade Area is expected to show moderate growth in most key economic indicators, between 2015 and 2018.³⁴ Employment growth is expected to average 2.1 percent annually over the 2015-2018 period. The Air Trade Area unemployment rate is projected to fall from 6.3 percent in 2014 to 5.4 percent in 2018. Job growth between 2015 and 2018 is anticipated to

³¹ Source: Hillsborough-Pinellas IT Workforce Initiative, "Tampa Bay Information Technology Workforce Analysis," October 2012.

³² Source: Tampa Bay Times, "Verizon to Bring 100 New Jobs to Tampa," June 27, 2013.

³³ Source: Tampa Hillsborough Economic Development Corporation, "Tribridge to Expand Tampa Headquarters," August 13, 2014.

³⁴ Source: University of Central Florida Institute for Economic Competitiveness, "Florida & Metro Forecast 2015-2018," March 2015.

be most rapid in the construction and phosphate mining sector, with a compound annual growth rate of 6.7 percent, followed by the professional and business services sector and education and health service sector, with average annual growth rates of 3.8 percent and 2.1 percent, respectively.

3.3.2 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 3-10** presents the 2015 and 2025 figures utilized in the modeling as well as the compound annual growth rate for each independent variable between 2015 and 2025. As stated above, the demand for air transportation at the Airport is, to a large degree, dependent upon the demographic and economic characteristics of the airport's air trade area. The projected growth in the economic indicators in Table 3-10 support the underlying assumptions that drive the airline activity projections discussed in the next chapter of this Report.

Table 3-10: Forecast of Economic Variables Used in Passenger Demand Projections

VARIABLE	2015	2025	COMPOUND
			ANNUAL GROWTH RATE
			2015-2025
ATA Population	2,943,194	3,357,842	1.3%
US Population	321,449,214	352,280,991	0.9%
ATA Total Employment ^{1/}	1,602	1,888	1.7%
US Total Employment ^{1/}	188,033	215,757	1.4%
ATA Total Personal Income ^{2/}	\$114,324	\$150,358	2.8%
US Total Personal Income ^{2/}	\$13,829,017	\$17,524,039	2.4%
ATA Per Capita Personal Income ^{3/}	\$40,036	\$58,785	3.9%
US Per Capita Personal Income ^{3/}	\$47,472	\$69,240	3.8%
ATA Gross Regional Product (GRP) ^{4/}	\$123,758	\$159,578	2.6%
US Gross Domestic Product (GDP) ^{4/}	\$16,261,994	\$20,171,743	2.2%

NOTES:

"ATA" is the Airport's Air Trade Area consisting of Hernando, Hillsborough, Pasco, and Pinellas counties

1/ Figures displayed in thousands of jobs.

2/ Figures displayed in millions of 2009 dollars.

3/ ATA per Capita Personal Income is average of Hernando, Hillsborough, Pasco, and Pinellas counties. Figures displayed in current dollars.

4/ Figures displayed in millions of 2009 dollars.

SOURCE: Woods and Poole Economics, Inc., 2015 Complete Economic and Demographic Data Source (CEDDS), April 2015.

PREPARED BY: Ricondo & Associates, Inc., June 2015.

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4. Air Traffic

This section describes the airlines serving the Airport, historical Airport activity, factors affecting aviation demand, and projected Airport activity.

4.1 Airlines Serving the Airport

As of May 2015, the Airport has scheduled passenger service provided by a total of 22 carriers, 10 carriers serving domestic destinations only, 7 carriers serving international destinations only, and 5 carriers serving both domestic and international destinations¹. In addition, ExpressJet is scheduled to begin serving the Airport in November (doing business as Delta Connection and United Express) to serve domestic destinations and Lufthansa has scheduled service to begin in September 2015 to serve an international destination, increasing the total to 24 passenger carriers with scheduled service (11 domestic, 8 international, and 5 both). In addition, one all-cargo carrier provides scheduled cargo service at the Airport. **Table 4-1** lists the airlines serving the Airport as of May 2015.²

Table 4-2 presents the air carriers providing service at the Airport since FY 2005. As shown, the Airport has had the benefit of a large, diverse and stable group of air carriers during the years depicted, which has helped create competitive pricing and schedule diversity to the Airport's major markets. Specific points concerning the Airport's historical air carrier base are presented below:

- With the exception of Alaska, which initiated service in June 2014, all of the passenger airlines with scheduled domestic service in FY 2015 have provided service at the Airport during each of the years shown in Table 4-2. Three of the air carriers providing international service at the airport have operated at the Airport for each of the years depicted.
- The Air Trade Area experiences seasonal peaks attributable to its leisure-oriented travelers. During those seasonal peaks, existing air carriers increase the frequency of a number of flights and Sun Country provides seasonal service for only those peak periods.

¹ American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate was issued to American on April 8, 2015. American and US Airways activity (enplaned passengers and landed weight) are reported separately in this report; however activity data for the two carriers may be combined and noted in some instances.

² Sun Country operates seasonal service.

Table 4-1: Airlines Serving the Airport ^{1/}

DOMESTIC SERVICE	INTERNATIONAL SERVICE	ALL-CARGO SERVICE ^{2/}
Alaska	Air Canada Rouge	FedEx
American ^{3/}	American ^{3/}	
Delta	British Airways	
Endeavor Air (d/b/a Delta Connection)	Cayman Airways	
ExpressJet (d/b/a Delta Connection) ^{4/}	Copa Airlines	
Frontier	Delta ^{6/}	
JetBlue	Edelweiss Air	
Silver Airways	JetBlue ^{7/}	
Southwest ^{5/}	Lufthansa ^{8/}	
Spirit	Silver Airways	
Sun Country ^{6/}	Sun Country ^{6/7/}	
US Airways ^{3/}	WestJet	
Republic (d/b/a US Airways Express)	World Atlantic ^{7/}	
United		
Mesa (d/b/a United Express)		
ExpressJet (d/b/a United Express) ^{4/}		

NOTES:

- 1/ Scheduled as of May 2015 except where noted below.
- 2/ All-cargo carriers as of May 2015.
- 3/ American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate was issued to American on April 8, 2015.
- 4/ Scheduled service to begin November 2015.
- 5/ AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012. Southwest completed system integration December 31, 2014.
- 6/ Provides seasonal service.
- 7/ Provides charter service to Cuba.
- 8/ Scheduled service to begin September 2015.

SOURCES: Hillsborough County Aviation Authority; Diio, LLC; August 2015.

PREPARED BY: Ricondo & Associates, Inc., August 2015.

Table 4-2: Historical Scheduled Passenger Air Carrier Base^{1/}

(Fiscal Years Ended September 30)

AIR CARRIER	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 ^{2/}
Air Canada	•	•	•	•	•	•	•	•	•	•	•
American ^{3/}	•	•	•	•	•	•	•	•	•	•	•
British Airways	•	•	•	•	•	•	•	•	•	•	•
Cayman Airways	•	•	•	•	•	•	•	•	•	•	•
Delta ^{4/}	•	•	•	•	•	•	•	•	•	•	•
Frontier	•	•	•	•	•	•	•	•	•	•	•
Silver Airways	•	•	•	•	•	•	•	•	•	•	•
JetBlue	•	•	•	•	•	•	•	•	•	•	•
Southwest ^{5/}	•	•	•	•	•	•	•	•	•	•	•
Spirit	•	•	•	•	•	•	•	•	•	•	•
United ^{6/}	•	•	•	•	•	•	•	•	•	•	•
WestJet	•	•	•	•	•	•	•	•	•	•	•
Sun Country ^{7/}	•	•			•	•			•	•	•
Edelweiss Air ^{7/}									•	•	•
Copa Airlines									•	•	•
World Atlantic ^{7/}									•	•	•
Alaska Airlines										•	•
ExpressJet ^{8/}											•
Lufthansa ^{9/}											•
Airlines No Longer Serving the Airport											
US Airways ^{3/}	•	•	•	•	•	•	•	•	•	•	•
SBG Sky King, Inc. ^{7/}								•	•	•	•
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 and/or has operated in FY 2015.
- 3/ America West and US Airways merged in September 2005 and a Single Operating Certificate was issued on September 27, 2007. American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate was issued to American on April 8, 2015.
- 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. Southwest completed system integration December 31, 2014.
- 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. Edelweiss Air, SBG Sky Kings, Inc. and World Atlantic provide charter service.
- 8/ Scheduled service to begin November 2015.
- 9/ Scheduled service to begin September 2015.

SOURCES: Hillsborough County Aviation Authority; Diiio, LLC; August 2015.

PREPARED BY: Ricondo & Associates, Inc., August 2015.

- While Frontier provides only seasonal service to other Florida cities, Tampa's strong market has resulted in Frontier serving the Airport year round.
- International service is provided by Air Canada, American, British Airways, Cayman Airways, Copa Airlines, Delta, Edelweiss Air, JetBlue, Silver Airways, Sun Country, WestJet, and World Atlantic to the following cities³:
 - Cancun, Mexico
 - Georgetown, Grand Cayman Island
 - Halifax, Nova Scotia, Canada
 - Havana, Cuba
 - Holguin, Cuba
 - London, England
 - Marsh Harbor, Bahamas
 - Montreal, Quebec, Canada
 - Ottawa, Ontario, Canada
 - Panama City, Panama
 - Santa Clara, Cuba
 - Toronto, Ontario, Canada
 - Zurich, Switzerland
- Lufthansa announced the initiation of new nonstop service to Frankfurt, Germany scheduled to begin September 25, 2015. Lufthansa is scheduled to operate five-times a week service using the Airbus 340-300 aircraft configured with 298 seats.

4.2 Historical Airport Activity

The following sections present a review of the Airport's historical passenger activity and air service.

4.2.1 PASSENGER ACTIVITY

4.2.1.1 Total Enplaned Passengers

Table 4-3 presents ten years historical passenger activity data at the Airport for enplaned passengers. As shown in Table 4-3, the Airport's historical share of nationwide enplaned passengers, has decreased over this period from approximately 1.23 percent in FY 2004 to 1.16 percent in FY 2014. The Airport's share of nationwide enplanements increased from FY 2004 to FY 2005, from 1.23 percent to 1.29 percent. The data shows that enplanement growth at the Airport has fluctuated when compared to US enplanement growth rates; in some years Airport growth was greater than US growth and other years Airport growth was less than US growth. However, overall the Airport experienced lower growth rates when compared to the US over the ten year period.

³ Some cities are served seasonally; Cancun, Mexico; Halifax, Canada; Holguin, Cuba; Montreal, Canada; Ottawa, Canada; and Zurich, Switzerland.

Table 4-3: Historical Enplaned Passengers

(Fiscal Years Ended September 30)

FISCAL YEAR	AIRPORT ENPLANED PASSENGERS	ENPLANED GROWTH	U.S. TOTAL ENPLANEMENTS	U.S. GROWTH	MARKET SHARE
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%	722,970,112	2.9%	1.16%
2012	8,441,087	0.7%	730,827,137	1.1%	1.16%
2013	8,493,260	0.6%	732,627,253 ^{1/}	0.2%	1.16%
2014	8,673,747	2.1%	745,165,210 ^{1/}	1.7%	1.16%
FYTD (Oct - Mar)					
2014	4,310,229		NA		
2015	4,590,045	6.5%	NA		
Compound Annual Growth Rate					
2004 - 2009	0.2%		0.1%		
2009 - 2014	0.3%		1.4%		
2004 - 2014	0.2%		0.8%		

NOTE:

1/ FAA forecast for 2013.

SOURCES: Hillsborough County Aviation Authority (April 2015); FAA Terminal Area Forecast (April 2014).

PREPARED BY: Ricondo & Associates, Inc., May 2015

The Airport is classified by the FAA as a large-hub facility based on its percentage of nationwide passenger activity⁴ and ranked 29th in the United States in CY 2013 with 16.9 million total (enplaned and deplaned) passengers.

As shown in Table 4-3, enplaned passengers at the Airport increased at a compound annual growth rate of 0.2 percent between FY 2004 and FY 2014, from approximately 8.5 million enplaned passengers, to approximately 8.7 million enplaned passengers. Specific details concerning passenger activity at the Airport between FY 2004 and FYTD 2015 are discussed below:

- **FY 2004.** 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 increased service by AirTran, American, Southwest and Chautauqua (Delta Connection). As part of its strategy for emerging from bankruptcy and merging with Northwest, 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. 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 2006⁵. Independence Air 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). Contributing to these decreases were 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. Specifically contributing to the reductions were the following:
 - Southwest reduced capacity in nearly all markets served from the Airport with the exception of Denver, Las Vegas, and Pittsburgh. Overall departing seat capacity for Southwest decreased from approximately 4.1 million seats in FY 2008 to 3.6 million seats in FY 2010.

⁴ As defined by the FAA, a large primary airport enplanes 1.0 percent or more of nationwide revenue enplanements during a calendar year. This percentage range of nationwide enplanements equates to approximately 7.5 million to 45.3 million in CY 2013. Based on FAA data, the Airport enplaned approximately 8.3 million revenue passengers in CY 2013.

⁵ Independence Air ceased all operations nationwide on January 5, 2006.

- Over this period, Delta reduced capacity to six domestic markets and Northwest, which merged with Delta, discontinued service to one domestic market.
- Continental Connection, which was operated by Gulfstream, reduced intra-state service.
- During FY 2008, AirTran started and discontinued nonstop service to six destinations
- **FY 2011 – FY 2013.** 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, American and JetBlue increased capacity. 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. From FY 2012 to FY 2013, enplaned passengers at the Airport increased 0.6 percent.
- **FY 2014.** Enplaned passengers increased 2.1 percent in FY 2014 over FY 2013. Southwest (including AirTran), enplaned passengers decreased service by 0.9 percent in FY 2014 while Delta enplaned passengers increased 3.5 percent. Frontier enplaned passengers increased by the largest percent from 60,106 in FY 2013 to 90,720 in FY 2014, an increase of 56.7 percent. This increase was primarily due to additional service to Denver and new service to Cleveland and Trenton initiated in FY 2014. Spirit experienced the second largest domestic percentage increase as enplaned passengers increased 24.1 percent. During this period, three of the five scheduled foreign flag carriers experienced increased enplanements. Enplaned passengers increased for Edelweiss Air by 46.3 percent from 13,763 in FY 2013 to 20,140 in FY 2014. Enplaned passengers also increased for Air Canada (7.0 percent) and Westjet (5.0 percent), while enplaned passengers decreased for British Airways (8.0 percent) and Cayman Airways (2.6 percent). In addition, Copa initiated new service in December 2014 and enplaned 15,980 international passengers in FY 2014.
- **FY-To-Date (FYTD) 2015 (Oct – Mar).** Enplaned passengers increased 6.5 percent in FYTD 2015 over FYTD 2014. Domestic enplaned passengers increased 6.1 percent and international enplaned passenger 13.0 percent over the same period the previous year due to an overall increase in travel demand to and from the Airport. Southwest (including AirTran), the largest carrier at the Airport based on enplaned passengers, increased 6.6 percent and Delta, now the third largest carrier based on enplaned passengers after the merger of American and US, increased 8.2 percent. Those increases were partially offset by American's (including US Airways) decrease of 2.5 percent for the same period in FY 2014 primarily due to capacity shifts related to the merger; however, it is not assumed that the American US Airways merger will negatively affect passenger demand overall at the Airport.

4.2.2 ENPLANED PASSENGERS BY AIRLINE

Table 4-4 presents the historical share of enplanements by airline at the Airport between FY 2009 and FY 2014. As shown, enplanements are spread over a large number of carriers, with no single carrier historically having more than 33 percent of annual enplanements at the Airport during the years depicted. However, the merger of Southwest and AirTran, finalized December 31, 2014, resulted in a combined share of enplanements of 35.3 percent in FY 2014. A merger between American and US Airways was initiated in 2013 and their combined share of enplanements totaled 19.6 percent for FY 2014. The top three airlines after the mergers are Southwest/AirTran, American/US Airways and Delta and those three airlines accounted for 72.2 percent of the enplanements in FY 2014. Southwest has had the largest share of enplaned passengers for each of the years depicted. From FY 2009 to FY 2014, Southwest's shares of enplaned passengers increased from 30.7 percent to 30.9 percent and Southwest's enplaned passengers increased by 2.2 percent. Over a comparable period, enplaned passengers increased for twelve of the sixteen carriers listed in Table 4-4. Excluding AirTran due to the merger with Southwest, United and Delta experienced the largest decreases in enplaned passengers from FY 2009 to FY 2014. United's enplaned passengers decreased 10.6 percent as market share decreased from 12.1 percent to 10.7 percent over the comparable period. Delta's enplaned passengers decreased 9.0 percent as market share decreased from 19.3 percent to 17.3 percent.

4.2.3 AIR SERVICE

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 serves primarily O&D passengers. **Table 4-5** 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 1,214 miles in FY 2009 and 1,248 miles in FY 2014. 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.

Total O&D passengers at the Airport increased from approximately 15.1 million in FY 2009 to approximately 15.5 million in FY 2014, with growth in 12 of the top 20 O&D markets. Significant increases occurred in the San Juan (121.7 percent), Los Angeles (30.0 percent) and Hartford (29.8 percent) markets, while the Fort Lauderdale market experienced a greatest decrease in O&D passenger levels at the Airport, with O&D passengers decreasing by 28.1 percent between FY 2009 and FY 2014. From FY 2009 to FY 2014, O&D passengers increased 6.2 percent in the Airport's top 20 O&D markets and decreased 2.3 percent for all other markets. Over a comparable period, total O&D passengers increased at 2.3 percent.

For May 8, 2015, average daily nonstop service is scheduled to 67 cities (including seasonal service) with a total of 232 daily flights, with 21 daily nonstop flights to New York, the Airport's top O&D market. International service (including seasonal and charter) is provided to 13 international destinations as noted in Section 4.1. All 20 of the Airport's primary O&D markets are provided nonstop service with a total of 146 daily flights. Other primary O&D markets with a significant number of daily nonstop flights include Atlanta (22 daily flights), Chicago (12 daily flights), Washington DC (12 daily flights), and eleven daily nonstop flights are offered to both Dallas and Fort Lauderdale.

Table 4-4: Historical Total Enplaned Passengers by Airline

(Fiscal Years Ended September 30)

CARRIER ^{1/}	2009		2010		2011		2012		2013		2014	
	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
Southwest ^{2/}	2,626,683	30.7%	2,679,904	32.2%	2,678,256	31.9%	2,598,707	30.8%	2,333,552	27.5%	2,683,673	30.9%
Delta ^{3/}	1,652,713	19.3%	1,488,083	17.9%	1,466,443	17.5%	1,480,795	17.5%	1,453,185	17.1%	1,504,525	17.3%
US Airways ^{4/}	876,145	10.2%	847,812	10.2%	881,552	10.5%	864,385	10.2%	918,229	10.8%	963,106	11.1%
United ^{5/}	1,040,035	12.1%	1,015,982	12.2%	976,835	11.7%	950,027	11.3%	939,473	11.1%	929,718	10.7%
American ^{4/}	736,084	8.6%	736,778	8.8%	736,349	8.8%	766,404	9.1%	775,025	9.1%	740,062	8.5%
JetBlue	430,004	5.0%	411,997	4.9%	481,138	5.7%	598,266	7.1%	673,211	7.9%	712,378	8.2%
AirTran ^{2/}	701,924	8.2%	657,603	7.9%	688,915	8.2%	675,571	8.0%	751,691	8.9%	375,181	4.3%
Spirit	163,542	1.9%	144,977	1.7%	180,860	2.2%	169,269	2.0%	208,126	2.5%	258,380	3.0%
Silver Airways ^{6/}	66,328	0.8%	61,249	0.7%	41,486	0.5%	59,438	0.7%	125,074	1.5%	112,736	1.3%
Frontier	75,629	0.9%	89,564	1.1%	48,543	0.6%	46,290	0.5%	60,106	0.7%	94,169	1.1%
Air Canada	65,014	0.8%	70,469	0.8%	69,972	0.8%	74,821	0.9%	84,766	1.0%	90,720	1.0%
British Airways	61,240	0.7%	59,074	0.7%	69,894	0.8%	78,704	0.9%	77,696	0.9%	71,509	0.8%
WestJet	37,070	0.4%	48,036	0.6%	43,851	0.5%	43,465	0.5%	40,235	0.5%	42,262	0.5%
Edelweiss Air	0	0.0%	0	0.0%	0	0.0%	5,691	0.1%	13,763	0.2%	20,140	0.2%
Sun Country	9,247	0.1%	5,741	0.1%	0	0.0%	0	0.0%	6,969	0.1%	19,112	0.2%
Cayman Airways	18,663	0.2%	17,616	0.2%	18,162	0.2%	18,292	0.2%	18,725	0.2%	18,238	0.2%
All Others ^{7/}	341	0.0%	0	0.0%	627	0.0%	10,962	0.1%	13,434	0.2%	37,838	0.4%
Airport Total	8,560,662	100.0%	8,334,885	100.0%	8,382,883	100.0%	8,441,087	100.0%	8,493,260	100.0%	8,673,747	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. System integration was completed December 31, 2014.
- 3/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.
- 4/ US Airways merged with American on December 9, 2013 and a single Operating Certificate was issued to American on April 8, 2015.
- 5/ Continental merged with United and the FAA granted a single operating certificate to United on November 30, 2011.
- 6/ Formerly Gulfstream International.
- 7/ Consists of airlines no longer serving the Airport, unaffiliated airlines, and/or charter airlines.

SOURCES: Hillsborough County Aviation Authority; Innovata, May 2015.

PREPARED BY: Ricondo & Associates, Inc., May 2015.

Table 4-5: Top 20 O&D Markets

FY 2009					FY 2014				
RANK	MARKET	STAGE LENGTH ^{1/}	TOTAL O&D PASSENGERS	AVERAGE ONE-WAY FARE	MARKET	STAGE LENGTH ^{1/}	TOTAL O&D PASSENGERS	AVERAGE ONE-WAY FARE	NON-STOP SERVICE ^{2/}
1	New York/Newark ^{3/}	MH	1,320,536	\$123	New York/Newark ^{3/}	MH	1,454,141	\$147	•
2	Chicago ^{4/}	MH	670,741	\$116	Chicago ^{4/}	MH	735,609	\$160	•
3	Philadelphia	MH	543,160	\$108	Washington, DC ^{5/}	MH	566,320	\$140	•
4	Baltimore	MH	516,730	\$86	Atlanta	SH	511,140	\$147	•
5	Atlanta	SH	473,326	\$118	Detroit	MH	494,222	\$135	•
6	Washington, DC ^{5/}	MH	443,905	\$139	Boston	MH	463,329	\$154	•
7	Detroit	MH	418,864	\$104	Baltimore	MH	456,601	\$133	•
8	Boston	MH	410,910	\$128	Philadelphia	MH	456,545	\$155	•
9	Fort Lauderdale	SH	307,802	\$81	Dallas/Fort Worth ^{6/}	MH	381,000	\$158	•
10	Indianapolis	MH	305,203	\$93	Denver	MH	322,584	\$180	•
11	Dallas/Fort Worth ^{6/}	MH	299,219	\$143	Hartford	MH	312,319	\$116	•
12	Pittsburgh	MH	279,103	\$99	Minneapolis/St. Paul	MH	311,501	\$158	•
13	Minneapolis/St. Paul	MH	261,544	\$129	Indianapolis	MH	266,337	\$142	•
14	Denver	MH	257,671	\$142	San Juan	MH	253,941	\$127	•
15	Las Vegas	LH	254,317	\$144	Houston ^{7/}	MH	253,714	\$178	•
16	Providence	MH	252,857	\$116	Pittsburgh	MH	243,476	\$147	•
17	Hartford	MH	240,537	\$129	Los Angeles	LH	239,946	\$232	•
18	Buffalo	MH	222,955	\$108	Las Vegas	LH	227,562	\$210	•
19	Houston ^{7/}	MH	214,456	\$151	Fort Lauderdale	SH	221,220	\$104	•
20	Nashville	MH	211,114	\$111	Buffalo	MH	220,617	\$132	•
Total Top 20 Airports			7,904,951		Total Top 20 Airports			8,392,124	
Other O&D Markets			7,197,649		Other O&D Markets			7,059,636	
Total O&D Passengers			15,102,600		Total O&D Passengers			15,451,760	
Average									
Airport		1,214		\$140	Airport		1,248		\$181
United States		1,308		\$167	United States		1,375		\$216

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 April 2015.
- 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 2015.

PREPARED BY: Ricondo & Associates, Inc., May 2015.

In FY 2014 and FY 2015, new and expanded scheduled services include:

DATE OF NEW SERVICE	AIRLINE	DESTINATION
June 2014	Alaska	Seattle
June 2014	Frontier	Cleveland
June 2014	Southwest	Canton/Akron
September 2014	Southwest	Washington D.C
November 2014	Southwest	Dallas Love Field
November 2014	American	Los Angeles
December 2014	Frontier	Philadelphia
January 2015	Spirit	Cleveland
February 2015	Silver	Marsh Harbour, Bahamas
March 2015	Silver	Charleston
March 2015	Spirit	Houston
March 2015	Silver	Panama City, FL
June 2015	Spirit	Atlanta
September 2015	Lufthansa	Frankfurt

SOURCES: Hillsborough County Aviation Authority; May 2015.
PREPARED BY: Ricondo & Associates, Inc., May 2015.

As noted earlier, unscheduled seasonal charter service is provided to Havana, Holguin, and Santa Clara, Cuba.

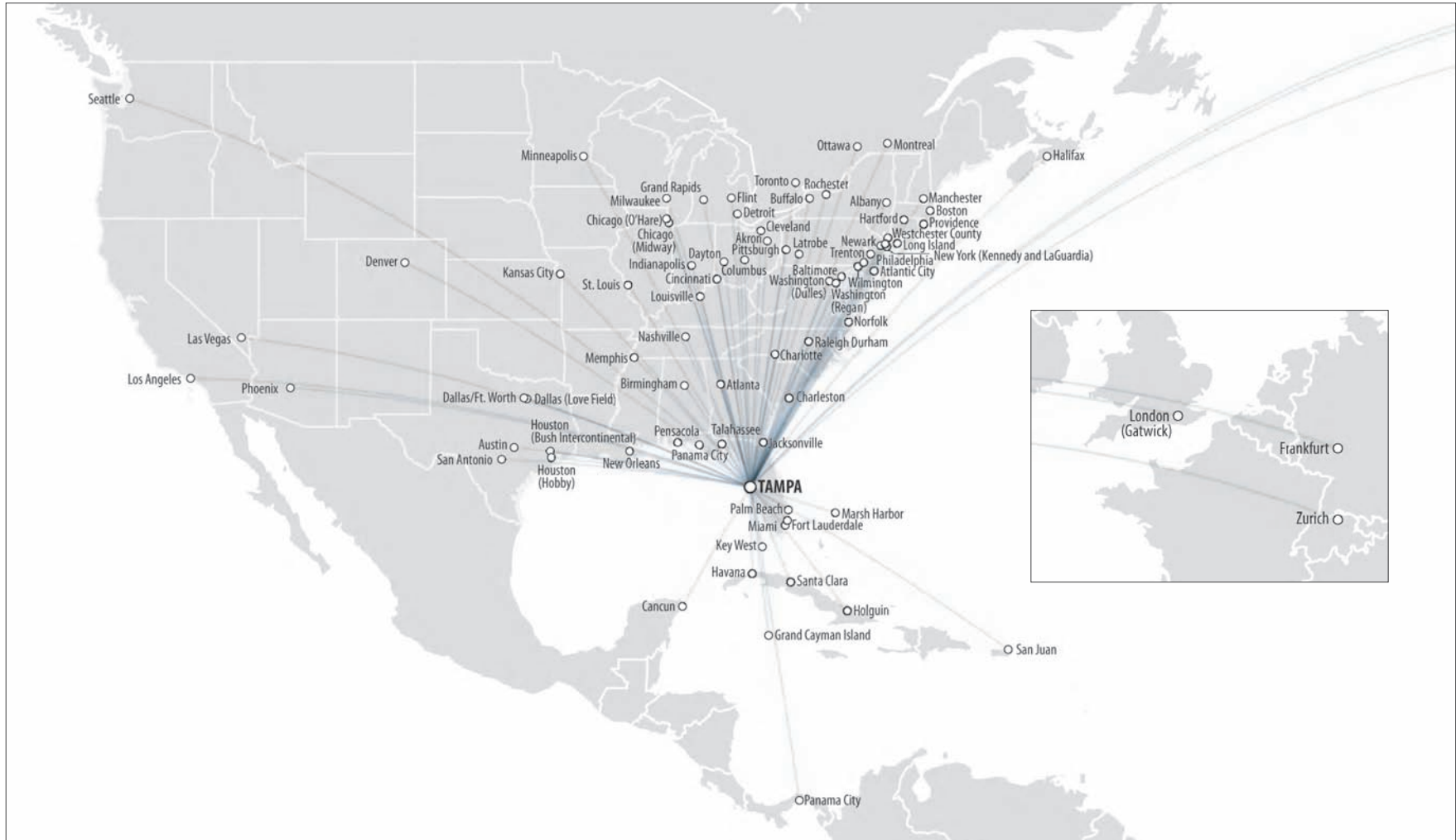
Exhibit 4-1 graphically illustrates the markets served nonstop from the Airport in May 2015.

4.3 Factors Affecting Aviation Demand at the Airport

This section discusses qualitative factors that could influence future aviation activity at the Airport. Data and information related to these factors have been either directly or indirectly incorporated into the development of activity projections for the Airport.

4.3.1 NATIONAL ECONOMY

Historically, trends in airline travel have been closely correlated with national economic trends, most notably changes in GDP. Chapter 3 of this Report presents an analysis of general economic trends, both national and local, that may influence demand for air service over time. As noted in the conclusion to Chapter 3, national GDP is expected to increase at a 2.3 percent annual rate through the projection period, which should support 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.



SOURCE: Innovata, January 2015.
 PREPARED BY: Ricondo & Associates, Inc., February 2015

EXHIBIT 4-1



[A-88]

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4.3.2 STATE OF THE AIRLINE INDUSTRY

In the aftermath of the terrorist attacks on September 11, 2001, the U.S. airline industry experienced a material adverse shift in the demand for airline travel, which exacerbated problems for a U.S. airline industry already weakened by a slowing economy and rising labor and fuel costs. The result was 4 years of reported industry operating losses in 2001 through 2004, totaling more than \$22 billion (excluding extraordinary charges and gains). Following these restructuring years, the airline industry gained ground through 2007, with U.S. airlines posting combined operating profits in all 3 years.⁶ 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 airlines since the September 11 terrorist attacks.

In 2008, many domestic airlines announced significant capacity reductions, increases in fuel surcharges, airfares and fees, and other measures to address their financial challenges.

These capacity cuts improved conditions for the airlines, even if the recovery has been uneven across the regions. After a \$4.6 billion loss in 2009, the global airline industry has remained profitable with annual net profits ranging from \$6.1 billion (2012) to \$17.3 billion (2010). After a nearly \$19.9 billion net profit for the global airline industry in 2014, the International Air Transport Association projects a \$25.0 billion profit in 2015. Globally, passenger traffic increased 5.5 percent from 2013 to 2014. North American airline net profits are projected to be \$13.2 billion in 2015, compared with \$11.9 billion in 2014.⁷ This increase results, in part, from lower oil prices, North American airlines' strict control on capacity in addition to consolidation and international joint ventures in major markets driving efficiency gains.

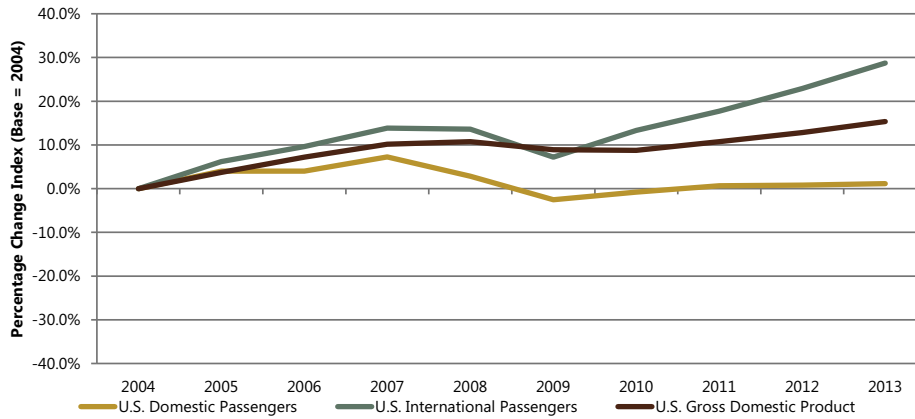
4.3.3 CAPACITY DISCIPLINE – A CHANGE IN THE AIRLINE BUSINESS MODEL

Capacity discipline reflects a shift in the airline business model, from an environment where market share targets were pursued to one where financial targets are pursued. The new business model resulted in a 10 percent decrease in U.S. domestic seat capacity between the beginning of 2008 and 2014 as airlines shed less profitable capacity and passenger volumes not contributing toward achievement of financial targets. **Exhibit 4-2** illustrates the change in U.S. airline industry passenger volumes since 2004 relative to the change in U.S. Gross Domestic Product, a known driver of demand for air travel. Both domestic and international passenger volumes followed GDP trends until 2009, after which domestic passenger volumes remained largely unchanged, while GDP and international passenger volume growth resumed. More profitable international passengers have continued to be accommodated by airlines. **Exhibit 4-3** illustrates the change in U.S. domestic passenger volume, passenger revenues and U.S. GDP since 2004; however since 2009 passenger domestic passenger volumes have not followed GDP trends, passenger revenues have, as U.S. airlines focused on achieving financial targets by controlling capacity resulting in lower domestic passenger volumes but higher passenger fares.

⁶ Source: Airlines for America, *2009 Economic Report*.

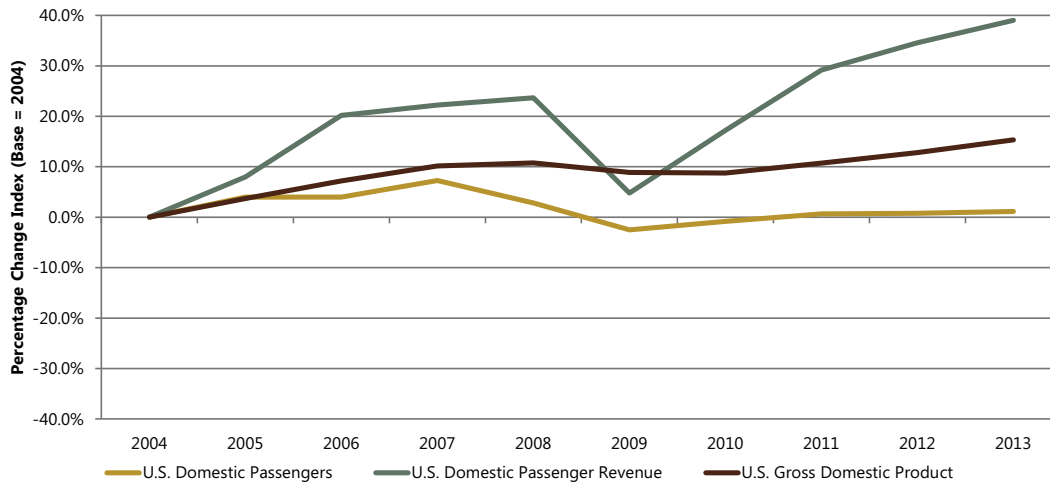
⁷ Source: International Air Transport Association, *Airline Industry Economic Performance*, December 2014.

Exhibit 4-2: Growth Trends of U.S. Passengers and Gross Domestic Product



SOURCE: Woods & Poole Economics; U.S. Department of Transportation DB1B Survey, January 2015.
 PREPARED BY: Ricondo & Associates, Inc., January 2015.

Exhibit 4-3: Growth Trends of U.S. Domestic Passengers, Passenger Revenue, and Gross Domestic Product



SOURCE: Woods & Poole Economics; U.S. Department of Transportation DB1B Survey, January 2015.
 PREPARED BY: Ricondo & Associates, Inc., January 2015.

4.3.4 AIRLINE MERGERS AND ACQUISITIONS

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

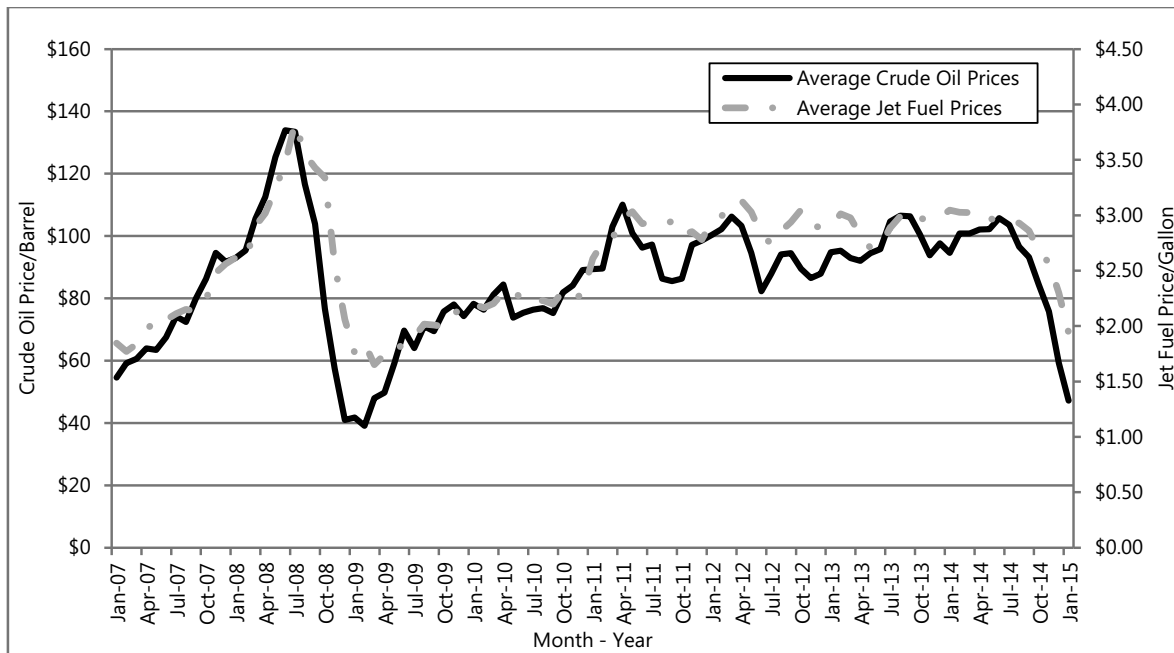
with Northwest Airlines, initiating a wave of U.S. airline mergers and acquisitions. That same year, Republic Airways Holdings, a regional airline, acquired Frontier Airlines of Denver and Midwest Airlines of Milwaukee.

In October 2010, United and Continental merged, creating the world’s largest airline in terms of operating revenue and revenue passenger miles. As discussed earlier, in 2011, Southwest Airlines acquired AirTran Holdings, Inc., the former parent company of low-cost competitor AirTran. Southwest and AirTran were fully integrates in December 2014. As previously mentioned, effective December 9, 2013, American and US Airways merged, which created the largest airline in terms of operating revenue and revenue passenger miles (surpassing United). On April 8, 2015, American received a Single Operating Certificate, effectively recognizing American and US Airways as a single airline (branded American). Additional consolidation in the U.S. industry could affect the amount of capacity offered to passengers and alter the competitive landscape.

4.3.5 COST OF AVIATION FUEL

The price of fuel is one of the most significant expenses for airlines and subject to unpredictability. **Exhibit 4-4** shows the monthly average cost of jet fuel and crude oil prices from January 2007 through February 2015. As shown, since 2007 the average monthly price of jet fuel fluctuated between a high of \$3.84 per gallon in July 2008 to a low of \$1.65 in March 2009.

Exhibit 4-4: Historical Monthly Averages of Jet Fuel and Crude Oil Prices



SOURCES: U.S. Bureau of Transportation Statistics (Average Jet Fuel Prices), U.S. Energy Information Administration (Average Crude Oil Prices), April 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

Historically, fuel has been the first or second highest operating expense for the airline industry shifting with labor as the cost of fuel fluctuated. As of the third quarter of 2014, fuel was the largest operating expense for the airline industry, representing 28.0 percent of operating expenses. Fluctuating fuel costs will continue to impact airline profitability and could lead to changes in air service as airlines restructure air service to address increases or decreases in the cost of fuel.

4.3.6 THREAT OF TERRORISM AND GEOPOLITICAL ISSUES

As has been the case since September 11, 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 security 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.

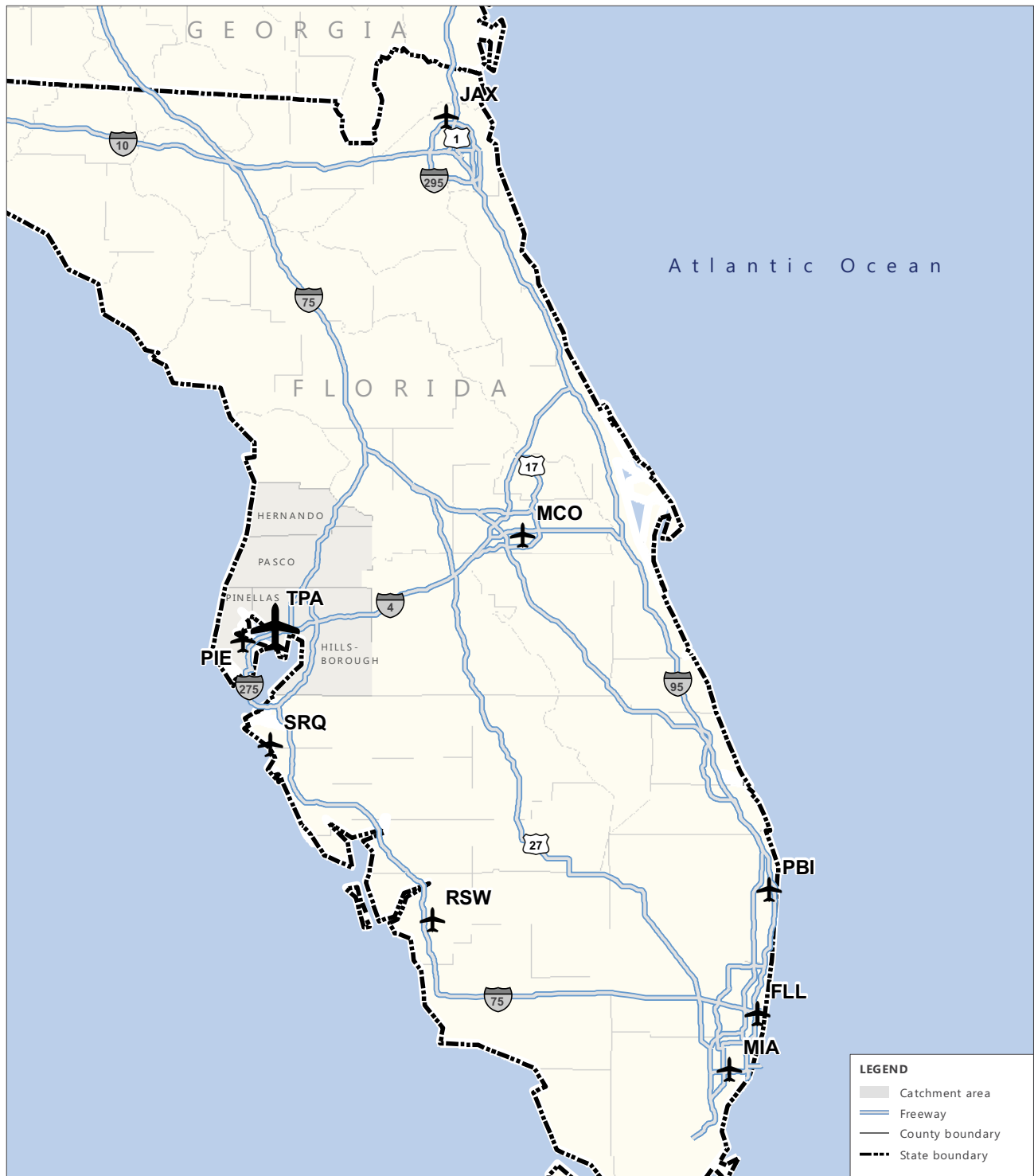
Additionally, geopolitical issues may affect aviation activity during the Projection Period. Potential governmental or regional instability in certain countries or locations may affect access to, or demand of aviation service in these places. As an international gateway, the Airport provides direct service to nearly all major regions of the world. Future governmental or regional instability may have an impact on international aviation service demand at the Airport.

4.3.7 OTHER AIRPORTS IN THE REGION

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 4-5** presents these airports and other Florida airports and their proximity to the Airport.

RSW is located approximately 130 miles south along the coast on Interstate 75. Thirteen carriers provide an average of 145 daily departures to 36 domestic and five international destinations. Thirty-five of the thirty-six domestic destinations served at RSW are also served from the Airport. MCO is the only domestic market served by RSW but not served from the Airport; however, traveling from the Tampa area to MCO is quicker by auto when compared to total air travel time (door to door). As a result, the Airport should experience little or no passenger leakage to RSW.

MCO is located approximately 80 miles to the northeast. Interstate 4 provides the quickest route to MCO, where 32 carriers provide an average of 434 daily departures to 76 domestic destinations and 38 international destinations in March 2015. Fifty-five domestic and nine international destinations served by MCO are also served from the Airport. MCO does not have scheduled service to two intra-state markets: Jacksonville and West Palm Beach, MCO does not have scheduled service to Grand Cayman.



SOURCE: Environmental Systems Research Institute (ESRI), 2010 (base map layers).
PREPARED BY: Ricondo & Associates, Inc., August 2014.

LEGEND

- Catchment area
- Freeway
- County boundary
- State boundary

EXHIBIT 4-5



Regional Airports

The approximate 50 mile drive south to SRQ is located along the coast on Interstate 75/275. Five carriers (Air Canada, Delta, JetBlue, United, US Airways, and/or their regional affiliates) provide an average of 22 daily departures to nine domestic and one international destination. All nine domestic destinations served at SRQ are also served from the Airport. Similar to RSW with overlapping markets, the Airport should experience little or no passenger leakage to SRQ.

PIE is located approximately 12 miles to the west. Allegiant provides an average of 17 daily departures to 42 domestic destinations, reflecting non-daily service to destinations. Four of the domestic destinations (Cincinnati, OH; Indianapolis, IN; Grand Rapids, MI; Pittsburgh, PA) 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. All three international destinations served at PIE are served at the Airport. Due to non-daily and secondary market service, the Airport should experience little or no passenger leakage to PIE.

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 Air Trade Area that might otherwise use the Airport. These four airports and the additional four largest Florida airports (Fort Lauderdale, Jacksonville, Miami, and West Palm Beach) are included in **Table 4-6** 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 4-6, the average domestic fare at MCO is just below that at the Airport (approximately \$1). Additionally, MCO has 58 percent more daily departures than the Airport.

4.4 Projections of Enplaned Passengers

4.4.1 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 2015 – FY 2016 and a long-term projection through FY 2024.

- The short term projection or estimate for FY 2015 – FY 2016 was based on FY 2015 scheduled data provided by Innovata and projected load factors.
- The long term projection through FY 2024 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").

Table 4-6: Competing & Other Florida Airports Summary

AIRPORT	ENPLANED PASSENGERS ^{1/}	NUMBER OF MARKETS SERVED			AVERAGE DAILY DEPARTURES ^{4/}	AVERAGE DOMESTIC FARE ^{5/}	DISTANCE FROM TAMPA (MILES)
		DOMESTIC ^{2/}	INTERNATIONAL ^{3/}	TOTAL			
Competing Airports							
Tampa (TPA)	8,565,727	57	10	67	274	\$159	-
Fort Myers (RSW)	3,941,845	36	4	40	145	\$166	130
Orlando (MCO)	17,117,498	76	38	114	434	\$158	80
Sarasota (SRQ)	594,568	9	1	10	22	\$183	50
St. Petersburg-Clearwater (PIE)	594,531	39	3	42	17	\$78	12
Other Florida Airports							
Fort Lauderdale (FLL)	11,744,265	62	46	108	349	\$154	270
Jacksonville (JAX)	2,615,591	20	1	21	93	\$184	215
Miami (MIA)	19,138,632	53	92	145	452	\$196	285
West Palm Beach (PBI)	2,917,886	22	4	26	96	\$173	210

NOTES:

Based on scheduled service in September 2014.

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 in March 2015. TPA data based on March 28, 2015.

3/ Non-stop service to cities outside of the United States in March 2015. TPA data based on March 28, 2015.

4/ Average daily departures based on monthly total for March 2015 divided by 31 days. TPA data based on March 28, 2015.

5/ Average domestic fare as of 12-month period ending September 30, 2014

SOURCES: Innovata, U.S. DOT T100, April 2015.

PREPARED BY: Ricondo & Associates, Inc., May 2015.

- 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 US 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.

4.4.2 KEY GLOBAL ASSUMPTIONS

The projections are based on a number of underlying key global 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.
- 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.
- Domestic carriers will remain disciplined in capacity additions and reductions, due to recent industry consolidation and mergers as discussed in section 4.3.4. 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 past five years, domestic load factors at the Airport (varying from low to mid 80 percentile) have average approximately two percentage points higher than domestic load factors for the nation. As a result, the higher load factors have reduced the Airport's historical "excess" capacity.
- 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.
- 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.

4.4.3 ENPLANED PASSENGER PROJECTIONS

As discussed earlier, FY 2015 projections of Airport activity are based on FY 2014 actual data and FY 2015 scheduled data provided by Innovata.

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 airport assumptions used in developing activity projections at the Airport through 2024.

- The Airport will maintain its general market share of passenger traffic relative to its nearby competitors within the region.
- 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 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.
- Effective December 9, 2013, American and US Airways merged (named American), which created the largest airline in terms of operating revenue and revenue passenger miles (surpassing United). As the integration is completed, 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 possible that capacity may shift among routes, but it is not assumed to decrease due to the Air Trade Area's economics and purely O&D passenger base. American received a Single Operating Certificate, effectively recognizing American and US Airways as a single airline (branded American).
- 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 every two years, an increase in load factors from approximately 83 percent in FY 2014 to 86 percent in FY 2024, 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 assumed initiation of service by new foreign flag carriers or the initiation of new routes by existing carriers. In addition, it is assumed load factors will increase from approximately 82 percent in FY 2014 to 85 percent in FY 2024.
- International enplaned passengers are projected to increase at a rate similar to the rate experienced from FY 2003 – FY 2014. Copa Airlines expanded daily service to Panama City, Panama in November 2014. In addition, the Airport's international average daily departures are projected to increase from approximately 6.5 daily departures in FY 2014 to 10 daily departures in FY 2024.
- While the share of domestic enplaned passengers is projected to remain above 95 percent over the projection period, international enplaned passenger market share is projected to continue to increase from approximately 3.4 percent in FY 2014 to 5.0 percent in FY 2024.
- Performing a regression analysis on the key socio-economic factors produced a range of projected passengers through FY 2024. 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 FY 2004 – FY 2009, the Airport experienced a slightly greater passenger increase compared to the US prior to the economic downturn. From FY 2009 – FY 2014, the Airport experienced a smaller passenger increase compared to the US due to airline capacity reductions as noted in section 4.3.3 as a result of the economic recession. As presented in Table 4-3, from FY 2004 – FY 2014 historical Airport enplaned passengers have increased at a rate less than the US. Unlike the previous historical 10-year trend, the Airport's enplaned passengers are projected to increase at a rate above the rate (2.4 percent) projected for the US by the FAA Terminal Area Forecast (TAF)⁸ over the projection period (FY 2014 – FY 2024). The Airport's higher projected growth rate is primarily due to the Airport's projected increase in FY 2015 (7.0 percent). The US projected growth rate for FY 2015 is 2.0 percent.
- From FY 2014 – FY 2015, departing seat capacity is schedule to increase from approximately 10.3 million departing seats to 11.0 million departing seats or an increase of 6.4 percent. FYTD 2015 (Oct – March) load factors have increased 1.9 percent to 81.9 percent from 80.0 percent over a comparable period in FY 2014. The increasing load factor trend is assumed to continue through FY 2015 and average approximately 84.0 percent for FY 2015.
- FYTD 2015 (Oct – March) enplaned passengers are approximately 4.6 million, reflecting an increase of 6.5 percent over the same period from FY 2014.
- From FY 2015 to FY 2016, enplaned passengers are projected to increase from 9.3 million to 9.5 million or 2.8 percent as Lufthansa's Frankfurt service completes a full fiscal year of service.

Table 4-7 presents the projection of passenger activity at the Airport through the Projection Period. Total enplaned passengers are projected to increase at a compound annual growth rate of approximately 2.6 percent over the Projection Period resulting in approximately 11.2 million annual enplaned passengers by FY 2024. The projected growth rate reflects the mid-range of the growth rates 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 83.0 percent in FY 2014 to approximately 86.0 percent in FY 2024 as the airlines continue to focus on balancing capacity to demand.

⁸ 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 projection. For TPA, the FAA TAF projects a 2.6 percent annual increase in enplaned passengers, compared to the 2.1 percent growth projected in this Report over the comparable period.

Table 4-7: Enplaned Passenger Projections

(Fiscal Years Ended September 30)

FISCAL YEAR	DOMESTIC ENPLANEMENTS	INTERNATIONAL ENPLANEMENTS	TOTAL ENPLANEMENTS	ANNUAL GROWTH
Historical				
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%
2013	8,232,950	260,310	8,493,260	0.6%
2014	8,381,339	292,408	8,673,747	2.1%
FYTD (Oct - Mar)				
2014	4,159,281	150,948	4,310,229	
2015	4,413,591	176,454	4,590,045	6.5%
Projected				
2015	8,959,300	324,400	9,283,700	7.0%
2016	9,136,300	406,900	9,543,200	2.8%
2017	9,316,600	432,300	9,748,900	2.2%
2018	9,498,300	448,900	9,947,200	2.0%
2019	9,681,400	465,700	10,147,100	2.0%
2020	9,865,900	482,700	10,348,600	2.0%
2021	10,051,900	499,900	10,551,800	2.0%
2022	10,245,900	518,000	10,763,900	2.0%
2023	10,441,400	536,700	10,978,100	2.0%
2024	10,638,400	556,000	11,194,400	2.0%
Compound Annual Growth Rate				
2004 - 2014	0.1%	6.2%	0.2%	
2014 - 2015	6.9%	10.9%	7.0%	
2015 - 2024	1.9%	6.2%	2.1%	

SOURCES: Hillsborough County Aviation Authority (Historical), March 2015; Ricondo & Associates, Inc. (Projected), April 2015.

PREPARED BY: Ricondo & Associates, Inc., May 2015.

4.4.4 VISITING O&D DEPLANED PASSENGER PROJECTIONS

For the purposes of this analysis, deplaned passenger projections are assumed to be equal to enplaned passenger projections as enplaned originating and connecting passengers will return (deplane) back to or through the Airport. Deplaned passenger activity at the Airport can be categorized one of three ways:

- Resident O&D Passengers: Passengers from the Airport's Air Trade Area or surrounding region that originate their air travel at the Airport.
- Visiting O&D Passengers: Passengers that originate their air travel from a point other than the Airport, with the Air Trade Area or surrounding region as their destination.
- Connecting Passengers: Passengers that originate their air travel from a point other than the Airport, and are using the Airport as an interim stopping point on their way to their final destination that is not the Air Trade Area or surrounding region. Historically, connecting passengers have represented approximately 9-13 percent of total enplaned passengers at the Airport.

As the objective of the analysis in this Report is to project demand for rental car activity and, ultimately, CFC collections at the Airport, the passenger demand analysis is primarily focused on visiting O&D deplaned passengers, which are most likely to rent cars at the Airport.

Table 4-8 presents historical and projected total deplaned passengers and total O&D deplaned passengers, broken out into resident and visiting O&D deplaned passengers. As shown, total O&D deplaned passengers at the Airport are estimated to account for 89.2 percent of total deplaned passengers in FY 2014 (i.e., connecting passengers defined above are estimated to account for 10.8 percent of total deplaned passengers at the Airport in FY 2014). In FY 2014, Southwest (along with AirTran) represented approximately 60 percent of the connecting passengers.

For purposes of these analyses, it is assumed that the total O&D deplaned passengers' share of total deplaned passengers will gradually increase to 91.0 percent through 2024. This is the approximate O&D share of total deplaned passengers that has prevailed at the Airport from FY 2004 through FY 2008, prior to the economic downturn (Great Recession). It is expected and assumed an economic recovery will continue over the Projection Period, and that capacity increases will be driven primarily by O&D demand - the core element of passenger traffic at the Airport.

Table 4-8: Projected Visiting O&D Deplaned Passengers

YEAR	[A] TOTAL DEPLANED PASSENGERS	[B] TOTAL O&D DEPLANED PASSENGERS	[B]/[A] TOTAL O&D PERCENTAGE OF TOTAL	[C] RESIDENT O&D DEPLANED PASSENGERS	[C]/[B] RESIDENT DEPLANED OF TOTAL O&D	[D] VISITING O&D DEPLANED PASSENGERS ^{1/}	[D]/[B] VISITOR PERCENTAGE OF TOTAL O&D
Historical							
2004	8,465,720	7,709,580	91.1%	3,207,189	41.6%	4,502,392	58.4%
2005	9,469,020	8,621,699	91.1%	3,656,058	42.4%	4,965,641	57.6%
2006	9,391,650	8,547,393	91.0%	3,716,019	43.5%	4,831,374	56.5%
2007	9,628,144	8,755,233	90.9%	3,798,752	43.4%	4,956,481	56.6%
2008	9,350,806	8,388,054	89.7%	3,641,323	43.4%	4,746,731	56.6%
2009	8,560,662	7,564,755	88.4%	3,204,641	42.4%	4,360,115	57.6%
2010	8,334,885	7,278,739	87.3%	3,117,400	42.8%	4,161,339	57.2%
2011	8,382,883	7,399,433	88.3%	3,172,533	42.9%	4,226,900	57.1%
2012	8,441,087	7,433,774	88.1%	3,174,472	42.7%	4,259,301	57.3%
2013	8,493,260	7,503,509	88.3%	3,202,923	42.7%	4,300,587	57.3%
2014	8,673,747	7,740,451	89.2%	3,264,146	42.2%	4,476,305	57.8%
Projected							
2015	9,283,700	8,301,000	89.4%	3,507,000	42.3%	4,794,000	57.8%
2016	9,543,200	8,550,000	89.6%	3,620,000	42.3%	4,930,000	57.7%
2017	9,748,900	8,751,000	89.8%	3,712,000	42.4%	5,039,000	57.6%
2018	9,947,200	8,947,000	89.9%	3,803,000	42.5%	5,144,000	57.5%
2019	10,147,100	9,145,000	90.1%	3,894,000	42.6%	5,251,000	57.4%
2020	10,348,600	9,344,000	90.3%	3,987,000	42.7%	5,357,000	57.3%
2021	10,551,800	9,546,000	90.5%	4,081,000	42.8%	5,465,000	57.2%
2022	10,763,900	9,757,000	90.6%	4,179,000	42.8%	5,578,000	57.2%
2023	10,978,100	9,971,000	90.8%	4,279,000	42.9%	5,692,000	57.1%
2024	11,194,400	10,187,000	91.0%	4,380,000	43.0%	5,807,000	57.0%
COMPOUND ANNUAL GROWTH RATE							
Historical							
2004 - 2009	0.2%	(0.4%)		(0.0%)		(0.6%)	
2009 - 2014	0.3%	0.5%		0.4%		0.5%	
2004 - 2014	0.2%	0.0%		0.2%		(0.1%)	
Projected							
2015 - 2019	2.2%	2.5%		2.7%		2.3%	
2020 - 2024	2.0%	2.2%		2.4%		2.0%	
2015 - 2024	2.1%	2.3%		2.5%		2.2%	

NOTE:

1/ Certain estimations were used by Ricondo & Associates to derive visiting O&D deplaned passengers, as data for foreign flag carriers were not available.

SOURCES: Hillsborough County Aviation Authority (historical total deplaned passengers), November 2014; Diio, LLC (historical total, resident, and visitor O&D deplaned passengers), January 2015;

Ricondo & Associates, Inc., (Projected), March 2015.

PREPARED BY: Ricondo & Associates, Inc., May 2015.

In the US DOT Airline Origin and Destination Survey database, airlines report a ten percent sample of passenger itineraries which include origin and destination for both round-trip and one-way itineraries. Visitor O&D is calculated based on the point of origin (POO) which is the originating Airport in a round-trip or one-way reported itinerary. As also shown, the resident/visitor split for total O&D deplaned passengers is estimated to be 42.2 percent and 57.8 percent, respectively in FY 2014. Over the historical period from FY 2004 through FY 2014, visiting O&D deplaned passengers averaged approximately 57.3 percent. The average share of visiting O&D deplaned passengers of the past three years has increased to approximately 57.5 percent, reflecting a short upward trend. However, for the purposes of these projections, it is assumed that the visiting O&D deplaned passengers' share of total O&D deplaned passengers will slightly decrease from FY 2014 levels (57.8 percent) to FY 2024 levels (57.0 percent), over the Projection Period. The slight decrease is based on the longer historical downward trend from FY 2004 (58.4 percent) to FY 2014 (57.8 percent). As a result, visiting O&D deplaned passengers are projected to increase from approximately 4.8 million in FY 2015 to approximately 5.8 million in FY 2024, a compound annual growth rate of 2.2 percent during this period.

5. The Airport Rental Car Market

Airport-related rental car activity is primarily related to destination passenger activity in a particular market, and as such, demand within the U.S. airport rental car market is generally influenced by the same economic trends discussed in Chapters 3 and 4 of this Report. While rental car rates and other costs, as well as the availability of other forms of transportation, may factor into a particular decision to rent a vehicle, generally as economic activity increases and the propensity of travel rises, demand for rental cars increases as well. In periods of economic weakness, the propensity of travel tends to decline, as does demand for rental cars.

This chapter focuses on rental car activity and demand at the Airport and its relationship to deplaned passenger levels. The chapter includes an overview of the rental car industry, a description of recent trends and events occurring in the rental car industry nationwide, and a review of the Airport's rental car market including current rental car operators, historical rental car activity, and the nature of Airport rental car activity.

5.1 Industry Overview

The U.S. rental car market consists of two basic components: (1) the airport segment and (2) the local/insurance replacement segment. As discussed in more detail later in this chapter, demand for rental cars within the airport segment is directly related to trends in the national economy. Nationwide, airport-related rental car activity declined significantly in 2002 due to the economic recession and the events of September 11, 2001 and the subsequent downturn in the aviation industry. Airport-related rental car demand grew steadily between 2002 and 2008 as the national economy expanded, before declining again in 2009 due to the economic recession. Beginning in 2010, airport-related demand for rental cars has again demonstrated steady growth as the economy continues to strengthen.

The recent consolidation of the U.S. rental car industry has created three major rental car companies that operate a total of eleven national brands: Avis Budget Group, Inc. (owner of the Avis Rent a Car, Budget Rent a Car, Zipcar, and Payless Car Rental brands), Enterprise Holdings, Inc. (owner of the Enterprise Rent-A-Car, Alamo Rent A Car, and National Car Rental brands), and the Hertz Global Holdings, Inc. (Hertz, owner of Hertz Car Rental, Dollar Rent a Car, Thrifty Rent a Car, and Firefly Car Rental).¹

¹ These national brands have historically operated at the Airport in many cases as franchise operators.

There are other international, national, and local rental car companies who hold minor market shares in their respective airport markets. Below are brief profiles of each major national brand, obtained from their respective websites, grouped by their parent organization.

Avis Budget Group, Inc., owner of Avis Rent a Car, Budget Rent a Car, Zipcar, and Payless Car Rental

- **Avis Rent a Car** was founded in 1946 and was the first company to rent cars from airport locations. The company's business mix is 60 percent corporate and 40 percent leisure; 75 percent airport and 25 percent off-airport; and 85 percent U.S. domestic and 15 percent international. As of November 2014, the company had 5,450 locations in 165 countries.²
- **Budget Rent a Car** was founded in 1958 and the name was chosen to appeal to the "budget minded" or "value-conscious" renter. The company's business mix is 30 percent corporate and 70 percent leisure; 75 percent airport and 25 percent off-airport; and 90 percent U.S. and 10 percent international. Budget Rent a Car has more than 3,000 locations in more than 120 countries.³
- **Zipcar** was founded in 1999 and is the world's largest car sharing and car club service. The company provides 24 hour access car rental reservations to company members who pay for automobile services via membership fees and hourly usage. Zipcar's mission is to reduce global automobile pollution and congestion through alternative transportation solutions.⁴ Zipcar was acquired by Avis Budget Group on January 2, 2013.
- **Payless Car Rental** was founded in 1971 and offers discount rental car deals at major airport locations.⁵ The company operates approximately 120 rental locations in the United States, Europe, and South America and was acquired by Avis Budget Group on July 15, 2013.

Enterprise Holdings, Inc. Owner of Enterprise Rent-A-Car, Alamo Rent a Car, and National Car Rental

- **Enterprise Rent-A-Car** was founded in 1957 in St. Louis. The company has more than 6,500 neighborhood and airport branch offices, with more than 5,500 offices located within 15 miles of 90 percent of the U.S. population.⁶
- **Alamo Rent a Car** was founded in 1974 in Florida, and it is known for pioneering the concept of unlimited free mileage. The company provides rental cars primarily to family and leisure travelers.⁷
- **National Car Rental** was founded in 1947 by a group of 24 independent car rental operators. The company brands itself as a premium, international recognized brand serving the daily rental needs of the frequent airport business traveler.⁸

² Source: www.Avis.com, last accessed November 2014.

³ Source: www.Budget.com, last accessed November 2014.

⁴ Source: www.zipcar.com/about, last accessed November 2014.

⁵ Source: www.paylesscar.com, last accessed November 2014.

⁶ Source: www.Enterprise.com, *Fact Sheet*, last accessed November 2014.

⁷ Source: www.Alamo.com, *About Alamo Rent A Car*, last accessed November 2014.

⁸ Source: www.NationalCar.com, *Company Information*, last accessed November 2014.

Hertz Global Holdings, Inc., Owner of Hertz Car Rental, Dollar Rent a Car, Thrifty Rent a Car, and Firefly Car Rental

- **Hertz Car Rental** was founded in 1918 in Chicago. The company has approximately 8,800 locations in 150 countries. Hertz is the largest general use car rental brand in the world and the leading rental car brand in the U.S airport market segment.⁹
- **Dollar Rent a Car** was founded in 1965 in Los Angeles, California. The company has more than 570 worldwide locations in 61 countries, including more than 260 in the United States and Canada.¹⁰
- **Thrifty Rent a Car** was founded in 1958. The company brands itself as a value-oriented car rental company that has a significant presence both in the airport and local car rental markets. In the U.S., approximately 80 percent of its business is focused on the airport market and 20 percent in the local market. The company operates more than 1,000 locations in 77 countries through corporately-owned and franchised stores.¹¹
- **Firefly Car Rental** was launched in March 2013 by Hertz Holdings to provide discount rates on car rentals designed for vacation and holiday travel. Firefly currently operates in Australia, Mexico, and the United States.

Table 5-1 illustrates changes in the overall U.S. rental car market share, based on gross sales held by each major rental car company from CY 2005 through estimated CY 2014. In CY 2005 Enterprise Holdings and Hertz Global Holdings had the largest shares of the total U.S. rental market, with 31.9 percent and 18.2 percent, respectively. In the same year, 23.4 percent of the market was made up of other regional or independent rental car companies. Between CY 2005 and CY 2010, Enterprise Holdings, Hertz Global Holdings, Avis Budget Group, and Dollar Thrifty Automotive Group increased their share of the U.S. rental car market, resulting in a significant loss of market share to other regional and independent rental car companies. Other rental car companies' market share decreased from 23.4 percent to 5.7 percent, between CY 2005 and CY 2010 due primarily to Enterprise Holdings acquisition of Vanguard Car Rental in November 2010.

Between CY 2010 and CY 2014 Estimate, the market shares of the largest rental car companies did not change significantly, with the exception of Hertz Global Holdings which experienced an increase in market share after the acquisition of Dollar Thrifty Automotive Group in November, 2012. As shown in CY 2014 Estimate the three rental car leaders in gross sales account for an estimated 94.7 percent of total gross rental car sales generated in the U.S.¹² As shown in Table 5-1, in CY 2014, Enterprise Holdings has the largest share (49.2 percent) of the total U.S. rental car market, with an estimated \$12.85 billion of gross sales, due in large part to its dominance of the insurance/car replacement market through its Enterprise Rent-A-Car brand.

⁹ Source: www.Hertz.com, *Hertz History*, last accessed February 2015.

¹⁰ Source: www.Dollar.com, *Corporate Background*, last accessed February 2015.

¹¹ Source: www.Thrifty.com, *General Information*, last accessed February 2015.

¹² Source: Auto Rental News, <http://www.autorentalnews.com/Content/Research-Statistics.aspx>, February 2015.

Table 5-1: U.S. Rental Car Company Market Share

(Dollars in Billions for Calendar Years Ending December 31)

COMPANY	TOTAL U.S. RENTAL CAR MARKET											
	2005		2010		2011		2012		2013		2014 ESTIMATE	
	GROSS SALES	SHARE	GROSS SALES	SHARE	GROSS SALES	SHARE	GROSS SALES	SHARE	GROSS SALES	SHARE	GROSS SALES	SHARE
Enterprise Holdings ^{1/}	\$6.400	31.9%	\$9.800	47.6%	\$11.100	48.8%	\$11.500	48.7%	\$11.900	48.7%	\$12.850	49.2%
Hertz Global Holdings ^{2/}	3.653	18.2%	4.081	19.8%	4.241	18.7%	5.200	22.0%	6.324	25.9%	6.400	24.5%
Avis Budget Group ^{3/}	2.700	13.5%	3.900	18.9%	4.500	19.8%	4.600	19.5%	5.000	20.5%	5.500	21.1%
Dollar Thrifty Automotive Group ^{4/}	1.394	7.0%	1.628	7.9%	1.597	7.0%	-	0.0%	-	0.0%	-	0.0%
Others	4.681	23.4%	1.182	5.7%	1.298	5.7%	2.300	9.7%	1.190	4.9%	1.377	5.3%
Total	\$20.045	93.9%	\$20.591	100.0%	\$22.736	100.0%	\$23.600	100.0%	\$24.414	100.0%	\$26.127	100.0%

NOTES:

1/ Enterprise Holdings includes Alamo Rent A Car, Enterprise Rent-A-Car, National Car Rental

2/ Hertz Global Holdings sold the Advantage Rent-A-Car brand to Macquarie Capital and Franchise Services of North America, Inc. (Simply Wheelz LLC) in December 2012, and Dollar Thrifty Automotive Group was acquired by Hertz Global Holdings, Inc. in November 2012. In March 2013, Hertz launched Firefly Car Rental that currently operates across Europe and the United States.

3/ Avis Budget Group includes Payless Car Rental (acquired July 15, 2013) and does not include Zipcar (acquired January 2, 2013).

4/ Dollar Thrifty Automotive Group was acquired by Hertz Global Holdings, Inc. on November 20, 2012.

SOURCE: Auto Rental News, <http://www.autorentalnews.com/Content/Research-Statistics.aspx>, November 2014.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

Recent and past mergers and acquisitions within the rental car market have created select leaders among the rental car companies at airports in the U.S. These transactions, however, have had minimal effect on the demand for rental cars at the Airport; as such demand is largely a function of economic conditions and trends in demand for travel-related services rather than the presence of any one particular rental car company at the Airport. **Exhibit 5-1** presents a timeline regarding the creation of multi-brand rental car organizations since 1995.

5.2 Industry Trends

This section presents a review of historical rental car industry activity trends, a discussion of consolidated rental car facilities, and a discussion of airport taxes and surcharges that are added to a customer's total rental car bill.

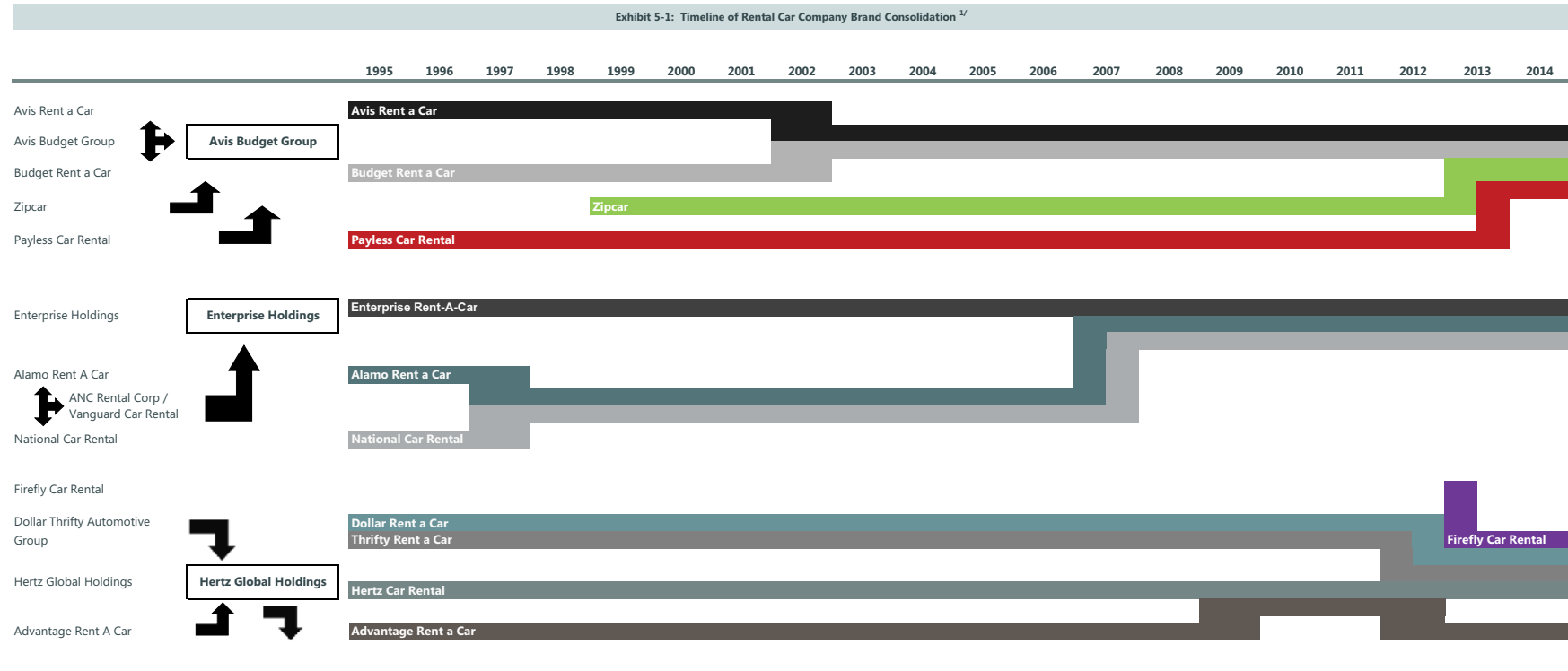
5.2.1 RENTAL CAR INDUSTRY ACTIVITY

Exhibit 5-2 depicts total U.S. rental car gross sales compared to total U.S. domestic O&D deplanements between 1994 and 2014, while **Exhibit 5-3** illustrates the annual growth of U.S. rental car gross sales and U.S. nominal GDP compared to total U.S. domestic O&D deplanements, between 1995 and 2014. These two exhibits demonstrate the relationship between economic conditions and demand for travel-related services, thereby demonstrating that the future economic conditions in the Air Trade Area and passenger airline activity at the Airport projected in this Report provide a solid foundation to project rental car activity. The U.S. economy expanded at a 5.9 percent compound annual growth rate, as measured by GDP, between 1994 and 2000. The strong economy during this period spurred demand for travel, with deplanements rising at a 3.8 percent compound annual growth rate and total U.S. rental car gross sales increasing at a 7.3 percent compound annual growth rate. The U.S. economy began to weaken in early 2001, a trend that was exacerbated by the events of September 11, 2001.

For the 2001 to 2002 period, GDP growth slowed to a 3.3 percent compound annual growth rate, with deplanements declining at a 2.9 percent compound annual growth rate and total U.S. rental car gross sales declining at a 9.7 percent compound annual growth rate.

The U.S. economy began to rebound in 2003, with GDP rising at a 5.9 percent compound annual growth rate through 2007. During this period, total U.S. domestic O&D deplanements increased at a compound annual growth rate of 4.5 percent, while total U.S. rental car gross sales grew at a 6.9 percent compound annual growth rate, reflecting gains in both the airport and local/insurance replacement markets. In December 2007, the economy entered an economic downturn,¹³ with GDP growth slowing to 1.7 percent for 2008 and a 2.0 percent decline for 2009.

¹³ Source: National Bureau of Economic Research Business Cycle Dating Committee, "Determination of the December 2007 Peak in Economic Activity", December 11, 2008.



NOTES:

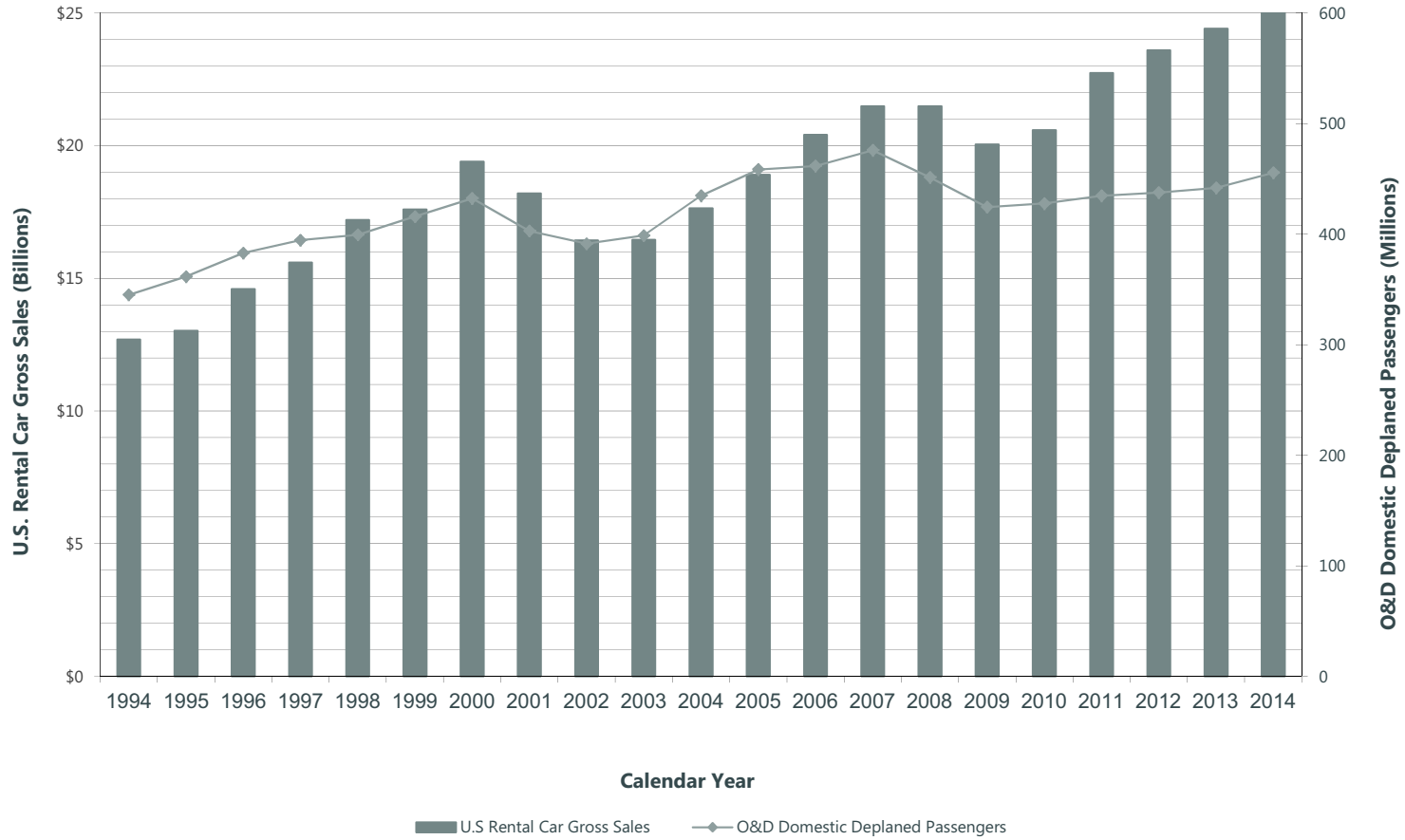
1/ This table presents the timing of transactions that resulted in a combination of rental car brands under a holding company, not every financial transaction where a brand changed ownership.

SOURCES: www.enterpriseholdings.com, www.avis.com, www.zipcar.com, www.fireflycarrental.com, www.dollar.com, www.advantage.com, www.hertz.com, paylesscar.com, last accessed November 2014.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

Exhibit 5-2: U.S. Rental Car Market Gross Sales

(Calendar Years Ending December 31)

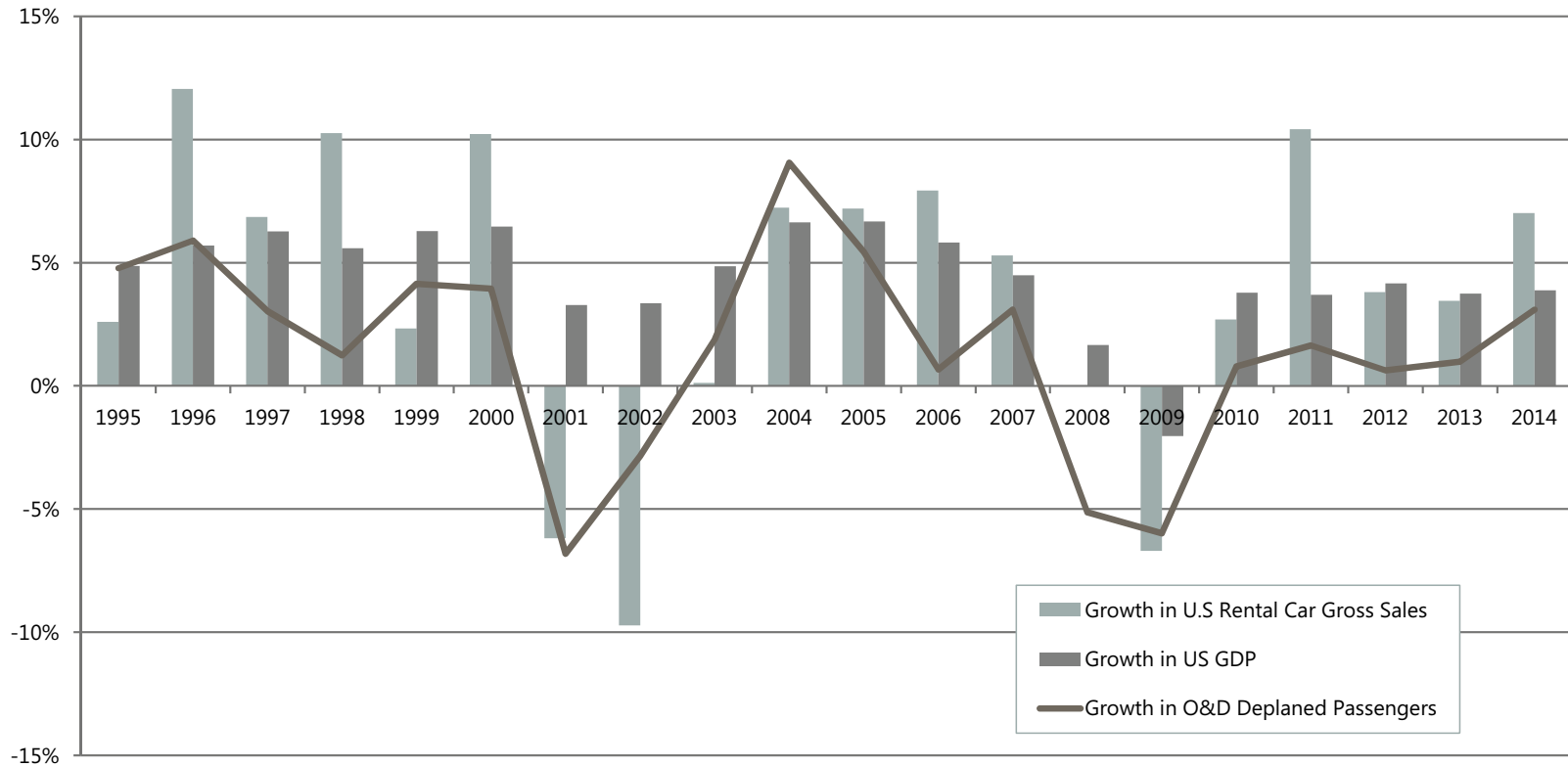


SOURCES: Auto Rental News, US DOT O&D Passengers, accessed through Diio LLC, May 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

Exhibit 5-3: Comparison of Growth in Annual U.S. Rental Car Gross Sales, US GDP, and O&D Deplanned Passengers

(Calendar Years Ending December 31)



SOURCES: Auto Rental News; U.S. Department of Commerce, Bureau of Economic Analysis; US DOT O&D Passengers, accessed through Diio LLC, May 2015.
 PREPARED BY: Ricondo & Associates, Inc., April 2015.

[A-110]

Due to economic weakness and airlines' actions to reduce system wide capacity, the number of deplaning passengers decreased 5.1 and 6.0 percent nationwide in 2008 and 2009, respectively. This decline effected U.S. rental car gross sales, which held flat in 2008 and then decreased by 6.7 percent in 2009. The U.S. economy began to rebound in 2010, with GDP rising nationwide in 2010 through 2014, and predictably the same trend was evident for travel activity as measured by deplaned passengers and rental car gross sales. U.S. deplaned passengers and rental car gross sales grew at 1.4 and 5.4 percent, respectively, following the rebound of the economic downturn from 2009 to 2014. The nation experienced marked growth in rental car gross sales, GDP, and O&D deplaned passengers in 2014, with annual growth of 7.0, 3.9, and 3.1 percent, respectively.

5.2.2 CONSOLIDATED RENTAL CAR FACILITIES

As airline passenger activity has grown over the past 20 years, so has terminal roadway congestion at the nation's airports. A contributing factor to this congestion was the presence of numerous buses required to transport rental car customers to their vehicles. ConRACs have become a popular means for airport operators to address this element of the congestion problem. Instead of each rental car company having its own shuttle bus system to transport customers to and from individual remote sites, a ConRAC brings all the on-airport rental car companies together at a single location with a single transit system, typically a bus system, transporting rental car customers to and from the terminal. As is the case with the Authority's planned ConRAC, airports are locating their ConRACs on airport property and providing APMs for airport customers. This serves to enhance the customer service experience by making rental cars more accessible and eliminating the need for shuttle buses altogether.

One of the first ConRACs in the U.S. was completed at San Francisco International Airport in 1998. Subsequently, ConRACs opened at Dallas/Fort Worth International, Houston George Bush Intercontinental, Baltimore-Washington International Thurgood Marshall, Fort Lauderdale/Hollywood International, Miami International, and Hartsfield-Jackson Atlanta International Airports, among others. Typically, the primary source of financing for these facilities has been revenue bonds (either special facility or general airport revenue bonds) backed by a CFC. CFCs are typically based on rental car transaction days, although some are applied on a per-contract basis.

5.2.3 AIRPORT TAXES AND SURCHARGES

Airport taxes and surcharges received a lot of attention from the rental car industry during the 1990s, both in terms of their opposition to new taxes to pay for non-rental car-related facilities (such as convention centers and sports arenas) and their support of actions that allowed them to pass through charges, such as airport concession fees, to their customers. The concept of taxing rental car transactions for non-rental car-related facilities is often a popular option for local governments since they can export part of the tax burden to non-residents. A more detailed analysis on rental car taxes at the Airport and surrounding airports is provided in Section 5.5 of this report.

The rental car companies themselves began passing through certain costs and fees to their customers in the late 1990s as they sought ways to increase profitability. This practice allowed rental car companies to increase fees and outsource some of the expense to the customer, while not lowering their base rental rates.

Airports also began adding airport fees to pay for conRACs and consolidated shuttle bus costs. Unlike PFCs at many airports, CFCs and transportation fees are not regulated by the federal government. A list of rental car CFCs and transportation fees at selected U.S. airports is shown in **Table 5-2**. The Airport's CFC, at \$5.95 per transaction day, currently ties as eleventh in terms of total fees assessed on a per transaction day basis at the select U.S. airports. Many of the Airports listed charge a CFC per transaction day, while other airports (San Francisco, Los Angeles, Oakland, Louisville, and Tucson) charge on a per contract basis. Currently, Chicago – O'Hare has the highest fee per transaction day in the nation at \$8.00 and San Francisco has the highest fee per contract at \$20.00. At least five airports, Phoenix, Houston-Intercontinental, Dallas/Fort Worth, Kansas City, and Columbus, charge both a CFC (per transaction day) and an additional fee for busing or conRAC maintenance costs (per transaction) on rental car contracts.

5.3 Rental Car Market at the Airport

The Airport is currently served by all three major national rental car companies and seven other rental car companies, which provide service through 18 different rental car brands. The rental car companies that operate the brands at the Airport are as follows:

- ACE Rent A Car
- Advantage Rent a Car
- Avis/Budget Car Rental LLC d/b/a Avis Rent a Car, Budget Rent a Car, Payless Car Rental, Zipcar
- Carl's Van Rentals
- Economy Rent A Car
- Enterprise Holdings Inc. d/b/a Enterprise Rent-A-Car, Alamo Rent a Car, National Car Rental
- E-Z Rent A Car
- FOX Rent A Car
- The Hertz Corporation d/b/a Hertz Car Rental, Dollar, Thrifty, Firefly
- Sixt Rent a Car

Table 5-3 presents the FY 2009 to FY 2014 market share held by each On-Airport and Off-Airport rental car concessionaires/brand as measured by gross sales. The most recent data available for FY 2014 shows Hertz Corporation and Dollar/DTG Operations led the market with a 32.6 percent share, followed by Enterprise Holdings at 31.7 percent, Avis/Budget Rent a Car at 25.9 percent, and the remaining 9.8 percent share made up from the Off-Airport rental car brands. Since Enterprise Holdings' acquisition of Vanguard in 2010, which resulted in the Alamo Rent A Car and National Rent A Car brands moving On-Airport, the rental car market at the Airport has been dominated by On-Airport rental car concessionaires.

Table 5-2: Customer Facility Charge and Transportation Fees at Select U.S. Airports

AIRPORT	AIRPORT CODE	HUB SIZE	CFC	ADDITIONAL FEE	FEE MAXIMUM
Charged Per Transaction Day			Per Transaction Day		
Chicago - O'Hare	ORD	L	\$8.00		
Philadelphia	PHL	L	\$8.00		
San Diego	SAN	L	\$7.50		5 days
San Jose	SJC	M	\$7.50		5 days
Anchorage	ANC	M	\$6.50		
New Orleans	MSY	M	\$6.20		
Burbank	BUR	M	\$6.00		5 days
Phoenix	PHX	L	\$6.00	\$1.81 ^{1/}	
Seattle	SEA	L	\$6.00		
Providence	PVD	M	\$6.00		
Austin	AUS	M	\$5.95		
Tampa	TPA	L	5.95 ^{2/}		
Atlanta	ATL	L	\$5.00		
Kansas City	MCI	M	\$5.00	\$3.00 ^{3/} & \$2.00 ^{4/}	
Salt Lake City	SLC	L	\$5.00		
Miami	MIA	L	\$4.60		
Columbus	CMH	M	\$4.50	\$0.50 ^{5/}	
Honolulu	HNL	L	\$4.50		
Nashville	BNA	M	\$4.50		
San Antonio	SAT	M	\$4.50		
Houston-Intercontinental	IAH	L	\$4.25	\$4.72 ^{6/}	
Charlotte	CLT	L	\$4.00		
Dallas/Fort Worth	DFW	L	\$4.00	\$2.20 ^{7/}	
Memphis	MEM	M	\$4.00		
Fort Lauderdale	FLL	L	\$3.95		7 days
Albuquerque	ABQ	M	\$3.90		
Baltimore	BWI	L	\$3.75		
Chicago - Midway	MDW	L	\$3.75		
Cincinnati	CVG	M	\$3.75		
Las Vegas	LAS	L	\$3.75		
Hartford	BDL	M	\$3.50		
El Paso	ELP	S	\$3.50		
Minneapolis	MSP	L	\$3.25		
Indianapolis	IND	M	\$3.00		
Pittsburgh	PIT	M	\$3.00		
Cleveland	CLE	M	\$2.50		
Orlando	MCO	L	\$2.50		5 days
Washington Reagan	DCA	L	\$2.50		
Killeen/Fort Hood	GRK	N	\$2.00		
Newark	EWK	L	\$2.00		
Denver	DEN	L	\$1.60		
Fort Myers	RSW	M	\$1.00		
Milwaukee	MKE	M	\$1.00		
Charged Per Contract			Per Contract		
San Francisco	SFO	L	\$20.00		
Los Angeles ^{8/}	LAX	L	\$10.00		
Oakland	OAK	M	\$10.00		
Louisville	SDF	M	\$5.00		
Tucson	TUS	M	\$4.50		

NOTES:

- 1/ Facility maintenance fee per day.
- 2/ Effective July 1
- 3/ Facility fee per day.
- 4/ Transportation fee per day.
- 5/ Garage recoupment charge per transaction.
- 6/ Transportation fee per transaction day.
- 7/ Busing fee per transaction.
- 8/ Intends to begin charging per transaction day

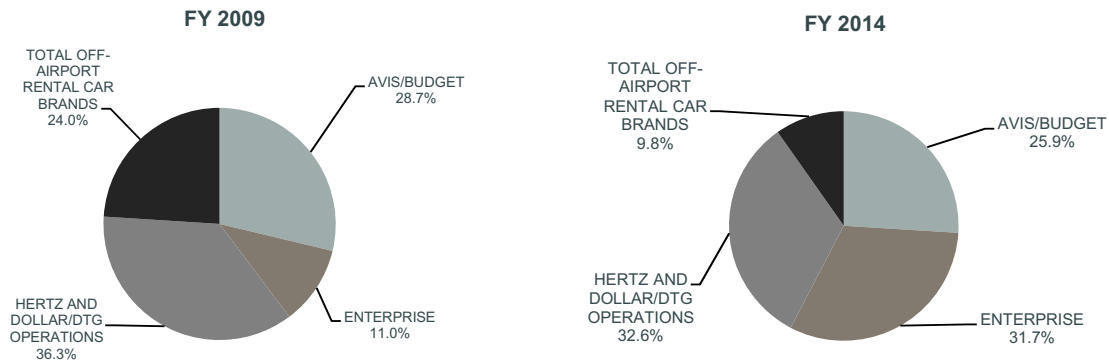
SOURCE: Ricondo & Associates; Rental Car Company web sites, March 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

Table 5-3: Tampa International Airport Rental Car Market Share by Gross Revenue

(Fiscal Years Ended September 30)

CONCESSIONAIRE/BRAND	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
On-Airport Rental Car Concessionaires/Brands						
Avis/Budget Rent a Car LLC ^{1/}	28.7%	27.1%	26.5%	26.2%	25.6%	25.9%
Enterprise Holdings, Inc	11.0%	11.5%	30.8%	31.6%	31.1%	31.7%
Hertz Corporation and Dollar / DTG Operations ^{2/}	36.3%	38.1%	36.8%	35.7%	34.7%	32.6%
<i>Total On-Airport Rental Car Market Share</i>	<i>76.0%</i>	<i>76.8%</i>	<i>94.1%</i>	<i>93.4%</i>	<i>91.4%</i>	<i>90.2%</i>
Off-Airport Rental Car Concessionaires/Brands						
Action Car Rental	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%
Advantage	0.0%	0.0%	0.8%	1.8%	1.9%	1.4%
Carl's Van Rentals	0.2%	0.1%	0.1%	0.2%	0.1%	0.1%
ACE Rent A Car	0.6%	0.7%	0.7%	0.6%	0.6%	0.5%
E-Z Rent A Car	1.5%	1.3%	1.0%	1.4%	1.8%	2.2%
Firefly	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Payless	2.2%	2.2%	1.9%	1.9%	1.9%	1.9%
Fox Rent A Car	0.0%	0.0%	0.0%	0.5%	1.9%	1.9%
Sixt	0.0%	0.0%	0.0%	0.0%	0.2%	1.1%
VanGuard ^{3/}	19.6%	18.9%	1.3%	0.0%	0.0%	0.0%
<i>Total Off-Airport Rental Car Market Share</i>	<i>24.0%</i>	<i>23.2%</i>	<i>5.9%</i>	<i>6.6%</i>	<i>8.6%</i>	<i>9.8%</i>
<i>Total Rental Car Market Share</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>



NOTES:

- 1/ Avis Budget Group acquired Payless Car Rental July 15, 2013.
- 2/ Hertz Global Holdings sold the Advantage Rent-A-Car brand to Macquarie Capital and Franchise Services of North America, Inc. (Simply Wheelz LLC) in December 2012, and Dollar Thrifty Automotive Group was acquired by Hertz Global Holdings, Inc. in November 2012.
- 3/ VanGuard dba Alamo Rent A Car and National Rent A Car combined with Enterprise as an ON-RAC effective 11/1/10.

SOURCE: Hillsborough County Aviation Authority, February 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

5.4 Historical Rental Car Demand at the Airport

This section discusses historical rental car activity at the Airport for FY 2009 through FY 2014. Rental car demand at the Airport is primarily measured by the amount of rental car gross sales and the number of rental car transaction days.

Exhibit 5-4 depicts the annual growth of visiting O&D enplaned passengers compared to the growth in gross rental car sales at the Airport between FY 2010 and FY 2014. Similar to the nationwide experience, both deplaned passenger activity and gross rental car sales increased at the Airport following the 2009 economic downturn of the U.S. economy. From FY 2010 to FY 2013, the Airport experienced a 2.3 percent compound annual growth rate; however from FY 2013 to FY 2014, the Airport experienced a 6.5 percent growth in gross rental car sales. Similar to gross rental car sales at the Airport, visiting O&D enplaned passengers grew at a compound annual growth rate of 1.1 percent from FY 2010 to FY 2013. Visiting O&D deplaned passengers and rental car gross sales both increased in FY 2014, 4.1 percent and 6.5 percent respectively, over the previous year.

Exhibit 5-5 presents gross rental car sales and rental car transaction days generated by the rental car companies at the Airport on a monthly basis from October 2011 through March 2015. This exhibit highlights the correlation between as well as the seasonality of both gross rental car sales and rental car transaction days at the Airport, with highs in the spring months and lows during the fall months. As shown, both gross rental car sales and rental car transaction days have generally increased each month over the prior year over the past three fiscal years.

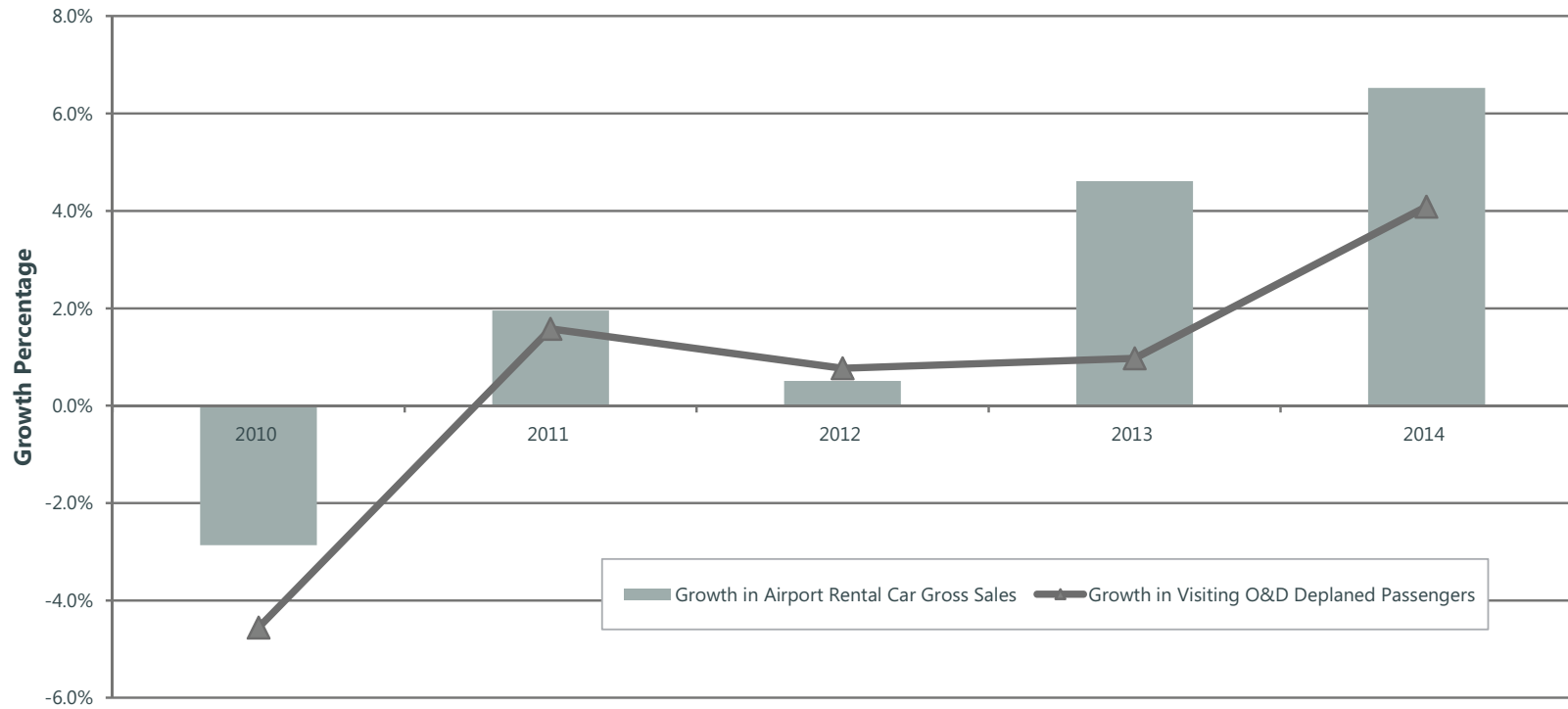
Table 5-4 reflects visiting O&D deplaned passengers, rental car transactions, rental car transaction days, and gross rental car revenues at the Airport from FY 2010 through FY 2014 and the calculations of the following metrics: the ratio of rental car transactions per visiting O&D deplaned passenger, average rental car transaction length, average daily rental rate, and the ratio of gross rental car revenues per visiting O&D deplaned passenger. As shown in Table 5-4, both visiting O&D deplaned passenger activity and rental car transactions increased at the Airport from FY 2010 through FY 2014, with compound annual growth rates of 1.8 percent and 5.5 percent, respectively, following the 2009 economic downturn of the U.S. economy. The average length of rental car transactions remained relatively stable over this period, while the ratio of rental car transactions to visiting O&D deplanements has steadily increased, resulting in increases in rental car transaction days and gross rental car revenue.

5.5 Factors Influencing Rental Car Demand at the Airport

Rental car customers generally make purchase decisions based primarily on rental rates and convenience, and other secondary factors including the presence of alternative forms of transportation. This section discusses specific factors that could influence rental car demand at the Airport—including rental rates, CFC level, local rental car markets, and other demand factors.

Exhibit 5-4: Growth Comparison of Airport Gross Rental Car Sales and Visiting O&D Deplanned Passengers at the Airport

(Fiscal Years Ending September 30)



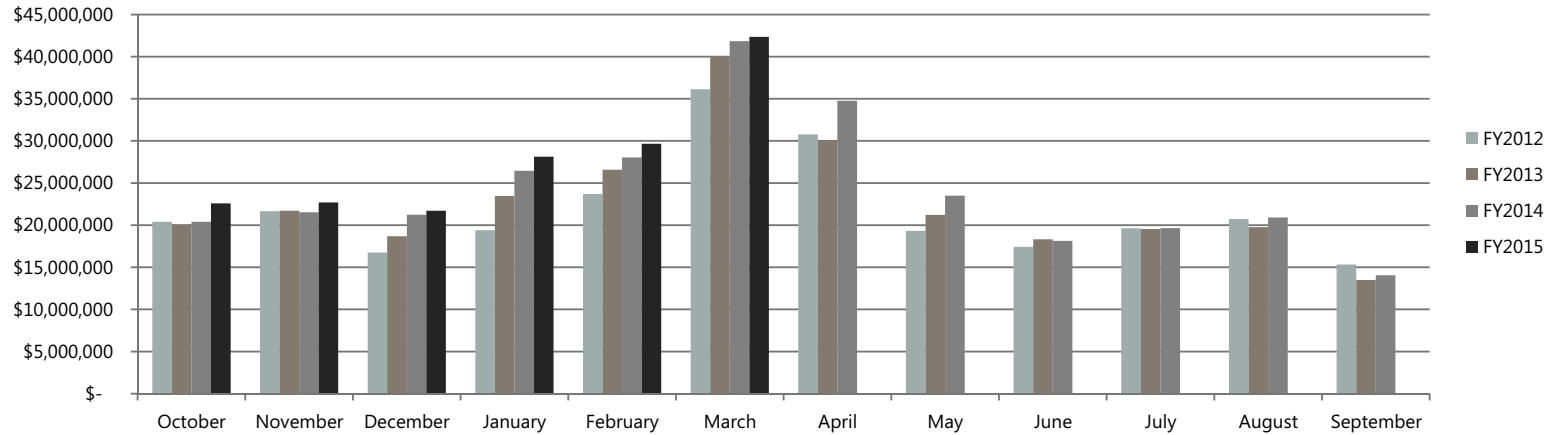
SOURCE: Hillsborough County Aviation Authority, February 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

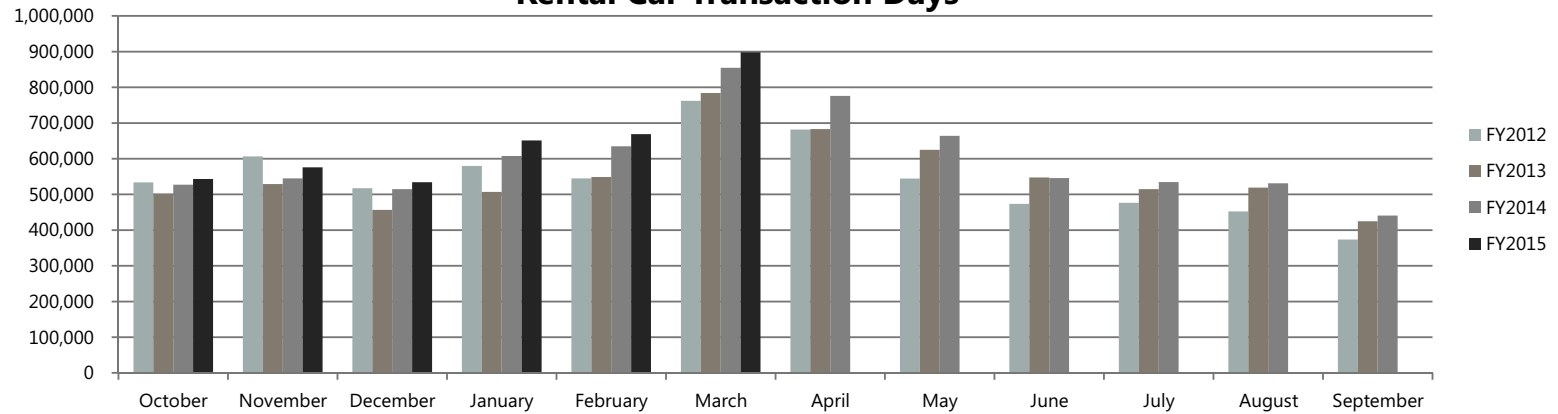
Exhibit 5-5: Monthly Rental Car Gross Sales and Rental Car Transaction Days at the Airport

(Fiscal Years Ending September 30)

Rental Car Gross Sales



Rental Car Transaction Days



SOURCE: Hillsborough County Aviation Authority, April 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

Table 5-4: Historical Rental Car Activity at the Airport

(Fiscal Years Ended September 30)

		ACTUAL					CAGR 2010 -2014
		Before CFC Collection		CFC Collection (began FY 2012)			
		2010	2011	2012	2013	2014	
Visiting O&D Deplaned Passengers ^{1/}	[A]	4,161,339	4,226,900	4,259,301	4,300,587	4,476,305	1.8%
Rental Car Transactions ^{2/}	[B]	1,156,689	1,218,114	1,233,142	1,309,941	1,431,530	5.5%
Ratio of Transactions per Visiting O&D Deplaned Passenger	[C] = [B] / [A]	0.28	0.29	0.29	0.30	0.32	3.6%
Rental Car Transaction Days ^{2/}	[D]	5,731,818	6,172,257	6,546,755	6,641,422	7,177,216	5.8%
Average rental length (Days)	[E] = [D] / [B]	4.96	5.07	5.31	5.07	5.01	0.3%
Gross Rental Car Revenue	[F]	\$254,562,950	\$259,530,541	\$260,848,211	\$272,871,987	\$290,683,785	3.4%
Average Daily Rental Rate	[G] = [F] / [D]	\$44.41	\$42.05	\$39.84	\$41.09	\$40.50	-2.3%

NOTES:

1/ Domestic non-resident arriving O&D passengers.

2/ Total Airport rental car market (On-Airport and Off-Airport RACs).

SOURCE: Hillsborough County Aviation Authority, February 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

5.5.1 CAR RENTAL RATES

Table 5-5 reflects two-day leisure (weekend) and three-day business (weekday) rental car rates for the Airport and five other Florida airports including Miami International (MIA), Orlando International (MCO), Fort Lauderdale-Hollywood International (FLL), Southwest Florida International (RSW), and Palm-Beach International (PBI). Rental rates were obtained on April 14, 2015 and averaged from the websites of the three major U.S. rental car companies (Avis, Enterprise, and Hertz) operating at the Airport and were based on the following:

Two-day weekend rental (leisure):

- Pick up Friday, June 5, 2015 at 5pm
- Drop off Sunday, June 7, 2015 at 5pm
- Standard size car

Three-day weekday rental (business):

- Pick up Monday, June 1, 2015 at 10am
- Drop off Thursday, June 4, 2015 at 10am
- Standard size car

As shown on Table 5-5 the average total rental rate at the Airport for a two-day weekend rental is \$121.17. This represents the lowest average total rental rate compared to the selected surrounding airports. PBI is the second lowest with an average total rental rate of \$164.26, approximately 35.6 percent higher than the average total rental rate at the Airport. FLL represents the highest of the selected surrounding airports with an average total rental rate of \$258.37, approximately 113.2 percent higher than the Airport.

Furthermore, the Airport has the lowest rate in the survey for weekday rentals, with a three-day weekday average total rental rate of approximately \$259.75. RSW is the second lowest with an average total rental rate of \$282.39, approximately 8.7 percent higher than the average total rental rate at the Airport. MIA represents the highest of the selected surrounding airports with an average total rental rate of \$369.34, approximately 42.2 percent higher than the Airport. Table 5-5 also reflects the breakdown of other charges and taxes charged at each airport. As shown, CFCs, facility fees, taxes, and/or transportation charges range from 19 percent to 28 percent of total rental rates for weekend rentals (with the Airport at 28 percent), and from 18 to 24 percent of total rental rates for weekday rentals (with the Airport at 24 percent). In addition to rental car rates at the Airport ranking lowest of the peer group of surrounding airports, rental rates at the Airport are lower compared to those at other airports in major cities across the country.

Historically, leisure travelers have made up approximately 75 percent of the rental car activity at the Airport, approximately 10 percent above the national average¹⁴.

¹⁴ 2014 ASQ Travel Profile survey

Table 5-5: Car Rental Rate Comparison - Selected Surrounding Airports

Calculated based on the average rate of Hertz, Avis, and Enterprise

Two-Day Weekend Rental ^{1/}

(ordered most expensive to least expensive)

	FORT LAUDERDALE (FLL)	FORT MYERS ^{5/} (RSW)	MIAMI (MIA)	ORLANDO (MCO)	PALM BEACH (PBI)	TAMPA (TPA)
Base Rental Rate	\$207.01	\$173.07	\$152.53	\$148.86	\$131.95	\$87.27
Taxes	\$14.62	\$10.02	\$12.93	\$11.44	\$9.30	\$7.92
Customer Facility Charge	\$7.90	\$2.00	\$9.20	\$5.00	\$0.00	\$10.00
Airport Concession Fee Recovery	\$21.04	\$19.63	\$15.44	\$15.15	\$15.09	\$9.41
Vehicle License Fee	\$2.85	\$2.71	\$2.67	\$2.10	\$2.85	\$1.63
Energy Recovery Fee	\$0.90	\$0.90	\$0.90	\$0.90	\$1.02	\$0.90
Rental Surcharge ^{2/}	\$4.05	\$4.05	\$4.05	\$2.69	\$4.05	\$4.05
Total Rental Rate	\$258.37	\$212.38	\$197.71	\$186.14	\$164.26	\$121.17
<i>Base Rental Rate</i>	80%	81%	77%	80%	80%	72%
<i>Customer Facility Charge</i>	3%	1%	5%	3%	0%	8%
<i>Other Charges ^{3/}</i>	11%	13%	12%	11%	14%	13%
<i>Taxes</i>	6%	5%	7%	6%	6%	7%
<i>Total</i>	100%	100%	100%	100%	100%	100%

Three-Day Weekday Rental ^{4/}

(ordered most expensive to least expensive)

	MIAMI (MIA)	FORT LAUDERDALE (FLL)	PALM BEACH (PBI)	ORLANDO (MCO)	FORT MYERS ^{5/} (RSW)	TAMPA (TPA)
Base Rental Rate	\$290.93	\$289.65	\$288.31	\$226.27	\$229.43	\$196.39
Taxes	\$24.17	\$20.55	\$19.95	\$17.35	\$12.99	\$16.99
Customer Facility Charge	\$13.80	\$11.85	\$0.00	\$9.53	\$3.00	\$15.00
Airport Concession Fee Recovery	\$29.27	\$29.46	\$32.65	\$22.98	\$26.04	\$20.99
Vehicle License Fee	\$4.00	\$4.40	\$4.21	\$3.02	\$3.77	\$3.22
Energy Recovery Fee	\$1.10	\$1.10	\$1.29	\$1.10	\$1.10	\$1.10
Rental Surcharge ^{2/}	\$6.07	\$6.07	\$6.07	\$4.04	\$6.07	\$6.07
Total Rental Rate	\$369.34	\$363.09	\$352.48	\$284.29	\$282.39	\$259.75
<i>Base Rental Rate</i>	79%	80%	82%	80%	81%	76%
<i>Customer Facility Charge</i>	4%	3%	0%	3%	1%	6%
<i>Other Charges ^{3/}</i>	11%	11%	13%	11%	13%	12%
<i>Taxes</i>	7%	6%	6%	6%	5%	7%
<i>Total</i>	100%	100%	100%	100%	100%	100%

NOTES:

1/ Standard size car; pick-up Friday, June 5, 2015 at 5:00 pm; drop off Sunday, June 7, 2015 at 5:00 pm.

2/ Rental Surcharge includes the Florida Surcharge of \$2.00 per transaction day and the Waste Tire/Battery Fee.

3/ Other Charges include Airport Concession Fee Recovery, Vehicle License Fee, Energy Recovery Fee, and Transportation Fee.

4/ Standard size car; pick-up Monday, June 1, 2015 at 10:00 am; drop off Thursday, June 4, 2015 at 10:00 am.

5/ Fort Myers Airport Concession Fee Recovery found on source websites include Customer Facility Charge. For the purpose of this table, Customer Facility Charges have been isolated.

SOURCES: www.hertz.com, www.avis.com, www.enterprise.com, April 14, 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

5.5.2 OTHER FACTORS INFLUENCING RENTAL CAR DEMAND

Travel and tourism is a growing industry in the Air Trade Area, stimulating demand for inbound air travel and rental car activity at the Airport.

Other factors that influence rental car demand at the Airport include local/nationwide economic conditions and consumer income. The Air Trade Area's stable and diverse local economy, as described in Chapter 3, helps support future long-term growth in Airport passenger travel and the demand for rental cars. The strength of the U.S. economy in large part dictates growth of air travel and rental car demand nationwide. As the U.S. economy expands, consumer income and the demand for goods and services (including rental cars) increases. Conversely, nationwide economic recession generally decreases consumer income and the demand for goods and services, including rental cars. Overall, the Airport ranks as one of the top ten rental car markets in the United States, ranking ninth in terms of total gross rental car revenues in 2013¹⁵.

5.6 Projection of Airport Rental Car Transaction Days

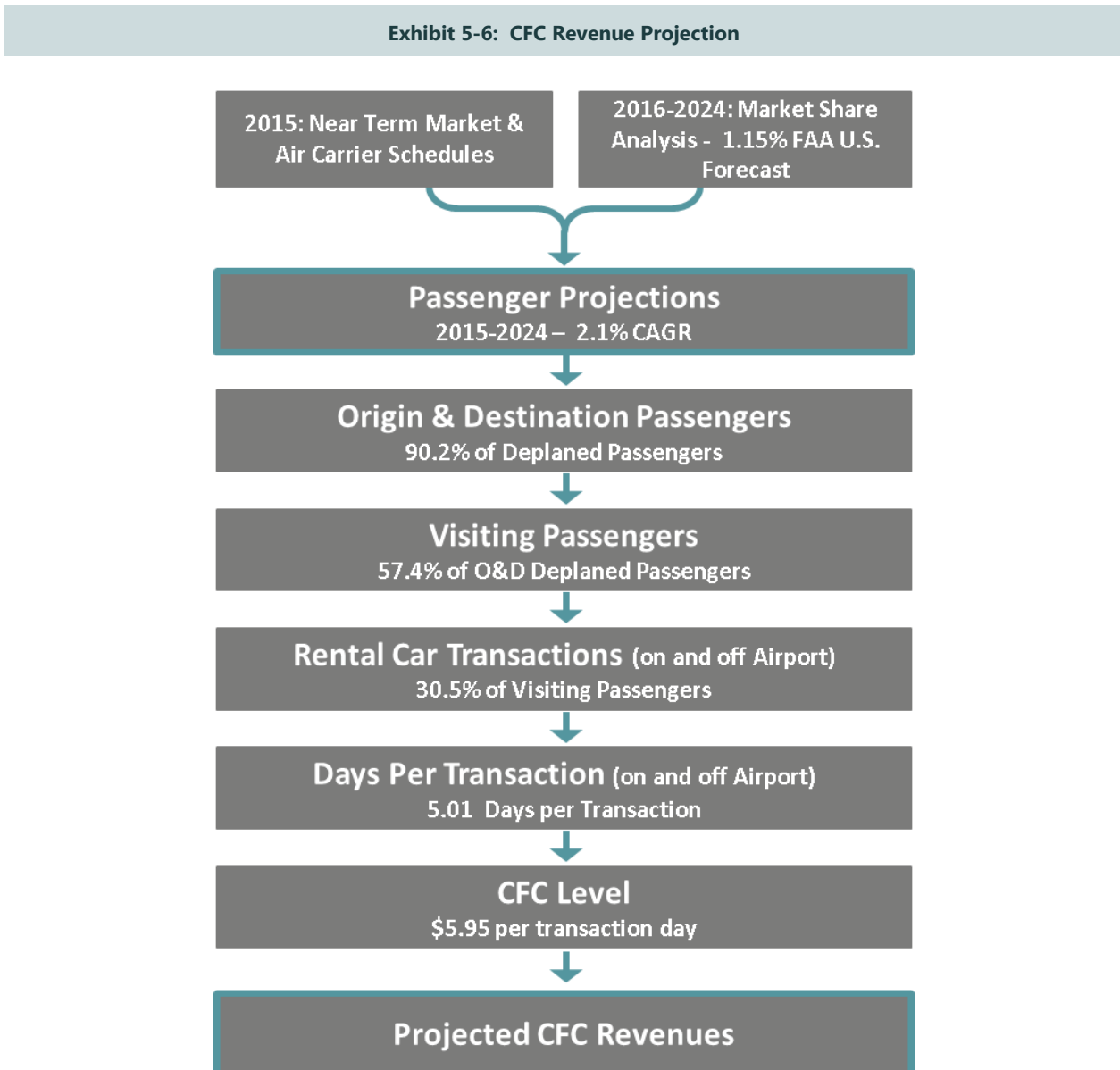
Based on a review of historical rental car activity data, demand for rental cars at the Airport is primarily a function of visiting O&D deplaned passenger activity. Rental car transaction days at the Airport have followed the trends in visiting O&D deplaned passenger activity between FY 2012 and FY 2015, but not necessarily at the same growth rate in any given fiscal year. In the long-term, it is reasonable to expect that these relationships will remain relatively stable.

For purposes of this analysis, specific assumptions were made regarding rental car transactions per visiting O&D deplaned passenger, as follows:

- **Visiting O&D Deplaned Passengers.** The assumptions for visiting O&D deplaned passengers are explained in Chapter 4.
- **Rental Car Transactions.** Represents total rental car market demand, both On-Airport and Off-Airport rental car transactions. Rental car transactions per visiting O&D deplaned passenger are assumed to be 30.5 percent throughout the Projection Period, which is equal to the three-year average ratio of total rental car transactions per visiting O&D deplaned passenger from FY 2012 to FY 2014. For the sake of conservatism, both the FY 2014 ratio and the three-year historical average were evaluated, and the lower of the two was used in the projection.
- **Length of Rental Car Transactions.** The average length of each rental car transaction at the Airport, from both On-Airport and Off-Airport RACs, is assumed to be 5.01 days throughout the Projection Period, which is equal to the average length of transaction in FY 2014. For the sake of conservatism, both the FY 2014 average and the three-year historical average were evaluated, and the lower of the two was used in the projection.

¹⁵ 2014 ARN Fact Book – Gross Sales Rental Cars, prepared by Ricondo & Associates, Inc.

Exhibit 5-6 presents the methodology of projecting rental car transaction days, and by extension, CFC revenues.



SOURCE: Hillsborough County Aviation Authority, May 2015.
PREPARED BY: Ricondo & Associates, Inc., May 2015.

Other assumptions used in developing the projection of rental car transaction days and CFC revenues include the following:

- **Local/National Economy.** The economic base of the Air Trade Area will remain stable and diversified during the Projection Period, as described in Chapter 3 of this report.
- **Passenger Levels at the Airport.** Passenger projections described earlier herein will be realized.
- **Car Rental Rates.** Car rental rates at the Airport will continue to be competitive in relation to other means of transportation, and are not anticipated to depress rental car demand.
- **CFC level.** The Authority first implemented a CFC to be remitted by the RACs in October 2011 of \$2.50 per transaction day to help fund the ConRAC. In April 2014 the Authority increased the CFC rate per transaction day to \$5.00. The CFC collection rate increased from \$5.00 per contract day to \$5.95 per contract day, effective July 6, 2015.
- **TFC level.** The Authority first implemented a TFC, to be remitted by Off-Airport RACs, in April 2014 of \$2.00 per contract day.
- **ConRAC.** The new ConRAC will not have a material effect on rental car demand or rental car transaction days at the Airport.
- **Rental Car Companies.** It is assumed that all of the RACs at the Airport that signed the new Concessionaire Agreement, described in Chapter 6 of this Report, will move in to the ConRAC once completed, and continue to operate at the Airport through the Projection Period. All of the companies operating the rental car brands currently operating at the Airport have executed Concessionaire Agreements with the exception of CJB Enterprises, Inc. d/b/a Carl's Van Rentals and Firefly Rent A Car, LLC.

Each Off-Airport RAC remitted a TFC to the Airport of \$2.00 per contract day until each of the Off-Airport RAC's Concessionaire Agreements were approved by the Board, approved on June 4, 2015, at which point the Off-Airport RAC no longer remitted the TFC to the Airport and began remitting the CFC. These RACs will move in to the ConRAC once completed. The Off-Airport RACs currently operating at the Airport that did not execute a Concessionaire Agreement may continue to operate Off-Airport after the completion of the ConRAC and would continue to pay a TFC; however, based on their combined FY 2014 market share of 0.7 percent it is assumed that any level of TFC Revenues generated from Off-Airport RAC service after completion of the ConRAC will not be material to the CFC projection and thus have been excluded.

Based on the methodology and assumptions described above, the projection of rental car activity is presented in **Table 5-6**. Projected total rental car transaction days, On-Airport and Off-Airport, are derived from the actual FY 2014 rental car transactions days presented in Table 5-4, grown at a compound annual growth rate of approximately 1.9 percent throughout the projection of FY 2015 through FY 2024. Rental car transaction days at the Airport are expected to grow from approximately 7.2 million in FY 2014 to approximately 8.9 million in FY 2024. CFC revenues are the primary component of Pledged Revenues, discussed in detail in the following Chapter.

Table 5-6: Projected Rental Car Activity

(Fiscal Years Ending September 30)

		PROJECTED									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Growth Rate		7.1%	2.8%	2.2%	2.1%	2.1%	2.0%	2.0%	2.1%	2.0%	2.0%
Visiting O&D Deplaned Passengers ^{1/}	[A]	4,794,000	4,930,000	5,039,000	5,144,000	5,251,000	5,357,000	5,465,000	5,578,000	5,692,000	5,807,000
Ratio of Rental Car Transactions to Visiting O&D Deplaned Passengers ^{2/}	[B]	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Rental Car Transactions ^{3/}	[C] = [A] * [B]	1,460,436	1,501,867	1,535,073	1,567,060	1,599,656	1,631,948	1,664,849	1,699,273	1,734,002	1,769,035
Average Rental Length (Days) ^{4/}	[D]	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01
Rental Car Transaction Days ^{3/}	[E] = [C] * [D]	7,322,142	7,529,863	7,696,345	7,856,717	8,020,144	8,182,044	8,346,998	8,519,589	8,693,708	8,869,354

Compound Annual Growth Rate in Rental Car Transaction Days

2012 - 2014	4.7%
2014 - 2017	2.4%
2017 - 2020	2.1%
2020 - 2024	2.0%

NOTES:

- 1/ Domestic non-resident arriving O&D passengers, see Table 4-8.
- 2/ Projection based on 3 year historical average of total Airport rental car market (On-Airport and Off-Airport RACs). For the sake of conservatism, both the FY 2014 ratio and the three-year historical average were evaluated, and the lower of the two was used in the projection.
- 3/ Projection reflects total Airport rental car market (On-Airport and Off-Airport RACs).
- 4/ Projection based on 2014 actual average of total Airport rental car market (On-Airport and Off-Airport RACs). For the sake of conservatism, both the FY 2014 average and the three-year historical average were evaluated, and the lower of the two was used in the projection.

SOURCES: Hillsborough County Aviation Authority; Ricondo & Associates, Inc. (Projections), February 2015.

PREPARED BY: Ricondo & Associates, Inc., April 2015.

6. Financial Analysis

As described in Chapter 1, the principal, interest and premiums on the 2015 CFC Bonds will be payable solely from Pledged Revenues and other moneys pledged therefor under the CFC Trust Agreement, all of which are 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 as provided in the CFC Trust Agreement. The Authority covenants that so long as the CFC Bonds are outstanding, it will not take any action or omit to take any action with respect to the Pledged Revenues if such action or omission would jeopardize the validity or enforceability of the imposition of On-Airport CFCs, Off-Airport TFCs, or the Concessionaire Deficiency Payments, or impede the Authority's ability to impose and collect On-Airport CFCs, Off-Airport TFCs, or Concessionaire Deficiency Payments. Pledged Revenues are all On-Airport CFCs, Off-Airport TFCs and Concessionaire Deficiency Payments.

This Chapter analyzes the Authority's ability to meet its financial obligations as set forth in the CFC Trust Agreement. In particular, it presents a summary of the terms and conditions of the Concessionaire Agreement with the Authority; the historical relationship between demand for rental cars at the Airport and Pledged Revenues based on an analysis of the Authority's historical financial performance; debt service schedules for the 2015 CFC Bonds; projected Authority reimbursement funded from the CFC Revenue Fund for APM operating and maintenance costs, previous Authority investments in rental car projects, and certain rental recovery payments; and projected Revenues, annual debt service coverage, and application of Pledged Revenues pursuant to the CFC Trust Agreement.

6.1 Financial Framework

6.1.1 CONCESSIONAIRE AGREEMENT

The 2015 CFC Bonds will be secured, in part, by payments of CFCs made pursuant to the new thirty year Concessionaire Agreement executed by RACs that will serve the Airport from the ConRAC. Concessionaire Agreements have been executed by all three major national companies (Enterprise Holdings, Inc., Avis Budget Group, Inc., and Hertz Global Holdings), as well as seven other rental car companies. The following table summarizes the RACs that are currently operating at the Airport the status of their new Concessionaire Agreements:

RACs Operating at the Airport and Status of New Concessionaire Agreements

Current On-Airport Large Operators	Executed New Concessionaire Agreement
Avis Budget Car Rental, LLC (Avis, Budget)	Yes
Enterprise Leasing Company of Florida, LLC (Enterprise, Alamo, National)	Yes
The Hertz Corporation (Hertz, Dollar, Thrifty)	Yes
Current Off-Airport Operators	
ACE Rent A Car	Yes
Advantage Rent a Car	Yes
Carl's Van Rentals	No
Economy Rent A Car	Yes
E-Z Rent A Car	Yes
Firefly Rent A Car	No
FOX Rent A Car	Yes
Payless Car Rental	Yes
Sixt Rent a Car	Yes
Zipcar (Avis Budget)	Yes

SOURCE: Hillsborough County Aviation Authority; July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

6.1.2 TERMS OF THE CONCESSIONAIRE AGREEMENT

The Concessionaire Agreement is effective as of the Effective Date, set by Board approval, June 4, 2015. The term of the Concessionaire Agreement will begin on the Commencement Date, which corresponds to the opening of the ConRAC, anticipated in October 2017, and continue through the Expiration Date, which will be thirty years from the issuance of the 2015 CFC Bonds, unless sooner terminated under provisions included in Section 12.03 of the Concessionaire Agreement.

Collection of CFCs

The RACs will be required to pay CFCs to the Authority (regardless of whether such amounts are charged to or collected from Airport Customers) in accordance with the terms and provisions of the Concessionaire Agreement. RAC's election to not charge or collect CFCs will not relieve the RAC from its responsibility to pay the full amount of such CFCs due and payable to the Authority. Upon receiving such CFCs, Authority will deposit them in accordance with the requirements of the CFC Resolution, the CFC Trust Agreement Resolution, and the CFC Trust Agreement.

Uses of CFCs

Eligible CFC Costs include mandatory and secondary costs, described in section 6.4.3 of this Chapter.

Off-Airport Concessionaire Agreement

Most RACs that are currently operating Off-Airport have executed Concessionaire Agreements, which were approved by the Board on June 4, 2015. These RACs will move in to the ConRAC once completed. The remaining Off-Airport RACs currently operating at the Airport that did not execute a Concessionaire Agreement may continue to operate off-airport and pay a TFC; however, based on their combined FY 2014 market share of 0.7 percent it is assumed that the level of Off-Airport RAC service after completion of the ConRAC and the associated collection of TFC revenues will be minimal and therefore, is not included in the projections reflected on the CFC/TFC table presented later in this section.

6.2 Historical Customer Facility Charge Collections

6.2.1 AUTHORIZATION

The Authority's Board of Directors adopted Resolution No. 2011-106 on September 1, 2011, implementing collection of CFCs on rental car companies at the Airport (collectively, as amended from time to time, including Resolution No. 2014-36, the CFC Resolution). The CFC Resolution and its rate may be amended and approved from time to time by the Authority's Board of Directors after the Effective Date. Concessionaire's obligations with respect to CFCs will be in addition to, and not in substitution for, Concessionaire's obligations for Ground Rent, the Minimum Annual Percentage Fee, the Percentage Fee, Concessionaire's Deficiency Payments and other charges.

6.2.2 HISTORICAL ON-AIRPORT CFC AND OFF-AIRPORT TFC REVENUES

In October 2011, the Authority first implemented a CFC to be remitted by the RACs of \$2.50 per transaction day to help fund rental car projects at the Airport. In April 2014, the Authority increased the CFC rate to \$5.00 per transaction day. The Authority also implemented an Off-Airport TFC of \$2.00 per contract day in April 2014 on Off-Airport RACs. As discussed earlier, rental car activity at the Airport has increased steadily since 2009, indicating that the implementation of the CFC and TFC and increase in the CFC collection level did not negatively impact demand. **Table 6-1** depicts the Authority's historical collections of CFCs and TFCs on a monthly basis between FY 2012 and the first half of FY 2015. CFC revenues increased at a rate of 5.7 percent from FY 2012 to FY 2013, from \$14.3 million in FY 2012 to \$15.1 million in FY 2013. CFC revenues, including TFC revenues, increased by 120.7 percent in the first quarter FY 2015 compared to the same period in FY 2014, due primarily to the CFC rate increase. Through March 2015, the Airport has received approximately \$70.5 million in CFC and TFC revenues in total.

Table 6-1: Historical Customer Facility Charge and Transportation Facility Charge Revenues ^{1/}

(Fiscal Years Ended September 30)

	2012	2013	2014 ^{2/}	2015
October	\$ 726,945	\$ 1,126,920	\$ 1,149,633	\$ 2,504,467
November	1,089,653	1,189,255	1,199,255	2,670,455
December	962,175	1,019,355	1,122,225	2,486,436
First Quarter	\$ 2,778,773	\$ 3,335,530	\$ 3,471,113	\$ 7,661,358
Annual percent change		20.0%	4.1%	120.7%
January	\$ 1,151,380	\$ 1,214,465	\$ 1,324,020	\$ 3,008,140
February	1,337,580	1,326,903	1,401,993	3,085,781
March	1,849,743	1,900,413	1,969,250	4,195,105
Second Quarter	\$ 4,338,703	\$ 4,441,780	\$ 4,695,263	\$ 10,289,026
Annual percent change		2.4%	5.7%	119.1%
April	\$ 1,651,950	\$ 1,650,198	\$ 2,640,018	
May	1,321,258	1,373,328	2,935,153	
June	1,148,315	1,196,270	2,453,104	
Third Quarter	\$ 4,121,523	\$ 4,219,795	\$ 8,028,274	\$ -
Annual percent change		2.4%	90.3%	
July	\$ 1,146,325	\$ 1,102,275	\$ 2,390,264	
August	1,088,590	1,119,360	2,394,536	
September	896,333	928,230	2,014,950	
Fourth Quarter	\$ 3,131,248	\$ 3,149,865	\$ 6,799,750	\$ -
Annual percent change		0.6%	115.9%	
Annual Total	\$ 14,370,245	\$ 15,146,970	\$ 22,994,399	\$ 17,950,383
Annual percent change		5.4%	51.8%	

NOTES:

1/ Includes On-Airport CFCs and Off-Airport TFCs (\$2.00 per transaction day for Off-Airport RACs)

2/ The Airport increased the CFC rate from \$2.50 per transaction days to \$5.00 per transaction day in April 2014.

SOURCE: Hillsborough County Aviation Authority, March 2015.

PREPARED BY: Ricondo & Associates, Inc., May 2015.

6.3 CFC Debt Service

Table 6-2 presents the projected annual principal and interest related to the 2015 CFC Bonds. As shown, debt service on the 2015 CFC Bonds is projected to be approximately \$23.6 million in FY 2016, decrease to approximately \$21.9 million from FY 2017 through FY 2018, and then increase to approximately \$29.9 million in FY 2019 and remain level through the term of the bonds.

For the purposes of this analysis, the debt service projections on the 2015 CFC Bonds are based on the following assumptions¹:

- 30-year bonds with a final maturity date of January 1, 2044
- Assumed interest rates of 5.15 percent and 6.03 percent for the Non-AMT and taxable bonds, respectively
- Funding of the Debt Service Reserve Fund
- Funding of the cost of issuance
- Funding of a deposit of approximately \$5.7 million to the Surplus Fund

6.4 Flow of Funds

The CFC Trust Agreement requires that all Pledged Revenues be deposited into the CFC Revenue Fund. As introduced in Chapter 1 of this Report, funds in the CFC Revenue Fund will be used and applied in the order and priority as set forth in the CFC Trust Agreement; described in detail below.

6.4.1 FLOW OF FUNDS DURING CONSTRUCTION

Exhibit 6-1 presents the application of Pledged Revenues before Substantial Completion, as defined by the CFC Trust Agreement. During construction of the ConRAC, the amounts in the CFC Revenue Fund shall be disbursed only on an as-needed basis and applied in the following order:

1. First, to the CFC 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;
2. Next, to the Debt Service Reserve Fund for the 2015 CFC Bonds;
3. Next, to the Rebate Fund to pay any rebate payments due to the United States Department of Treasury;

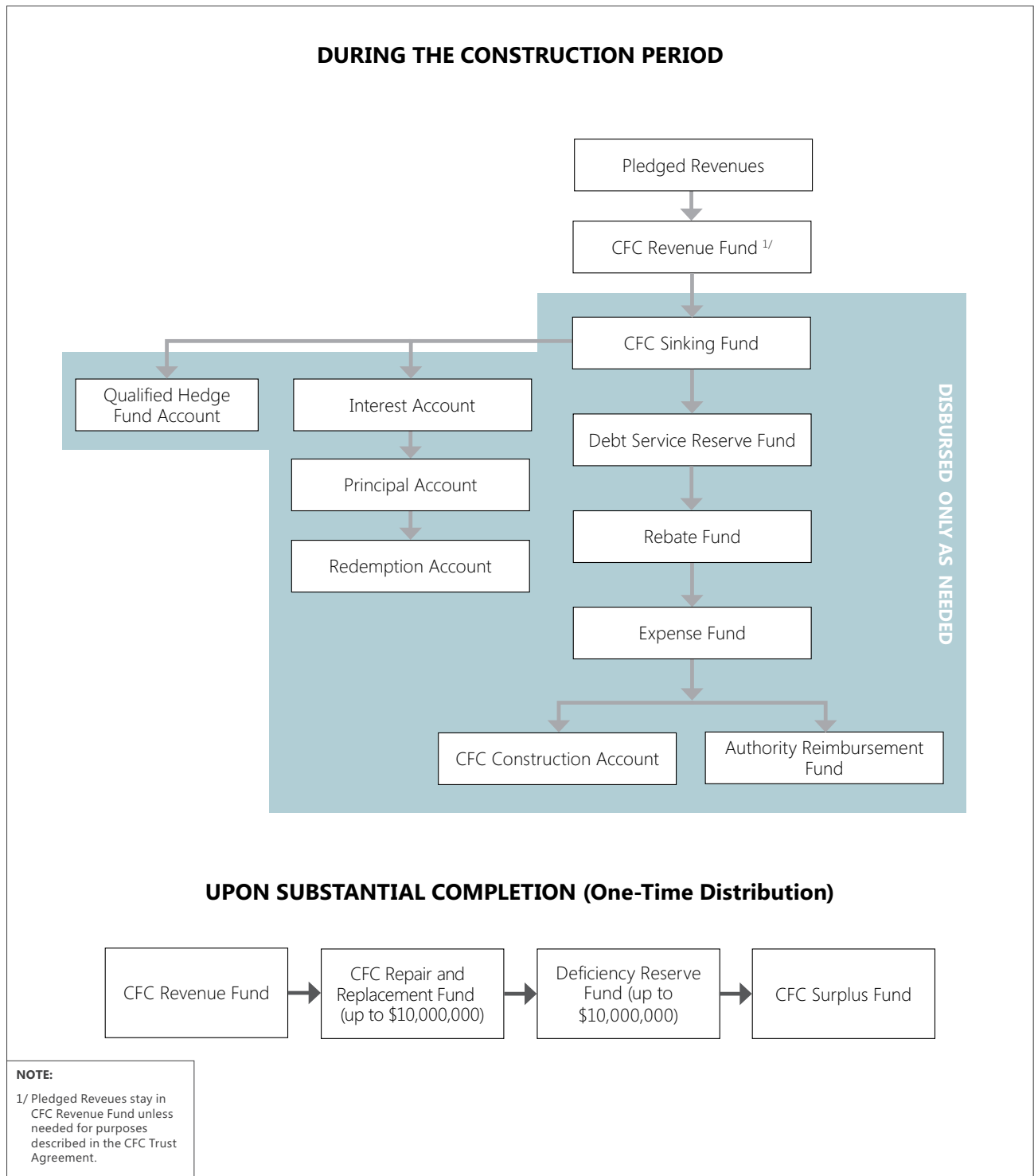
¹ Provided by the Authority's Financial Advisor, Public Financial Management

Table 6-2: Projected Annual Debt Service

BOND YEAR	2015 CFC BOND DEBT SERVICE		TOTAL
	Series A (Non-AMT)	Series B (Taxable)	
2015			\$0
2016	\$5,094,332	\$18,515,061	\$23,609,394
2017	\$4,726,700	\$17,178,923	\$21,905,623
2018	\$4,726,700	\$17,178,923	\$21,905,623
2019	\$6,906,700	\$22,968,923	\$29,875,623
2020	\$6,904,500	\$22,967,642	\$29,872,142
2021	\$6,903,900	\$22,965,811	\$29,869,711
2022	\$6,904,700	\$22,968,717	\$29,873,417
2023	\$6,906,700	\$22,964,213	\$29,870,913
2024	\$6,904,700	\$22,968,503	\$29,873,203
2025	\$6,903,700	\$22,965,999	\$29,869,699
2026	\$6,903,500	\$22,968,256	\$29,871,756
2027	\$6,903,900	\$22,964,796	\$29,868,696
2028	\$6,909,700	\$22,970,292	\$29,879,992
2029	\$6,900,500	\$22,965,742	\$29,866,242
2030	\$6,906,700	\$22,969,240	\$29,875,940
2031	\$6,907,500	\$22,967,734	\$29,875,234
2032	\$6,903,000	\$22,963,920	\$29,866,920
2033	\$6,905,000	\$22,969,824	\$29,874,824
2034	\$6,902,750	\$22,967,755	\$29,870,505
2035	\$6,906,000	\$22,965,919	\$29,871,919
2036	\$6,904,000	\$22,966,924	\$29,870,924
2037	\$6,906,500	\$22,968,254	\$29,874,754
2038	\$6,907,750	\$22,967,146	\$29,874,896
2039	\$6,902,250	\$22,965,460	\$29,867,710
2040	\$6,904,750	\$22,969,742	\$29,874,492
2041	\$6,904,250	\$22,965,910	\$29,870,160
2042	\$6,905,250	\$22,965,510	\$29,870,760
2043	\$6,907,000	\$22,969,146	\$29,876,146
2044	\$6,903,750	\$22,967,108	\$29,870,858

SOURCE: Public Financial Management (PFM), July 2015.

PREPARED BY: Ricondo & Associates, Inc. July 2015.



SOURCE: Hillsborough County Aviation Authority, April 2015.
 PREPARED BY: Ricondo & Associates, Inc., April 2015.

EXHIBIT 6-1

Application of Revenues before Substantial Completion as Defined by CFC Trust Agreement and One-Time Distribution of Funds Upon Substantial Completion

Z:\Tampa\Graphics\TPA CFC Trust Flow - April 2015.indd

4. Next, to the Expense Fund to be used by the Authority to pay the fees, costs, and expenses of the trustee, remarketing agents, liquidity and credit providers, and other costs associated with the administration of the Bonds;
5. Pledged Revenues will then be used, in a priority at the discretion of the Authority, to fund the CFC Construction Account and the Authority Reimbursement Fund. The CFC Construction Account is to be used to fund portions of the 2015 CFC Projects on a "pay as you go" basis. The Authority Reimbursement Fund is to be used (i) to reimburse the Authority for a 40% share of the operating and maintenance expenses (including repairs and replacements) attributable to the APM and (ii) to reimburse the Authority for (a) debt service accruing with respect to bonds previously issued by the Authority, and (b) amortization recovery of the Authority's investments in pay as you go projects, in each case to the extent the proceeds of such bonds, or Authority funds, as the case may be, the proceeds of which were used to pay the cost of prior rental car facilities.

Any remaining amounts shall be held in the CFC Revenue Fund.

6.4.2 UPON SUBSTANTIAL COMPLETION

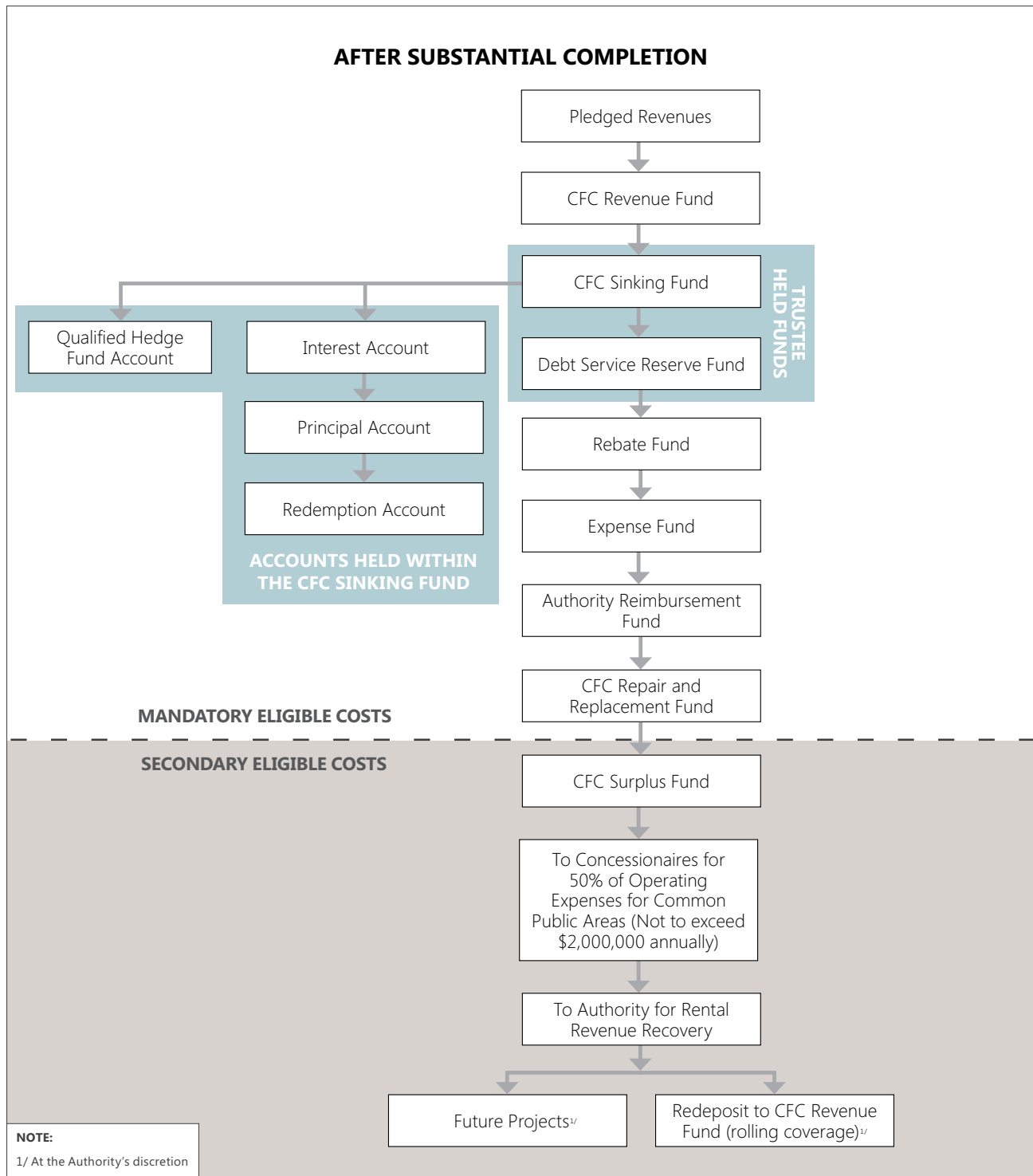
Also shown in Exhibit 6-1, upon Substantial Completion of the 2015 CFC Projects, the amounts in the CFC Revenue Fund will be applied as follows as a one-time distribution to the extent funds are available:

1. First, to make an initial deposit of up to ten million dollars (\$10,000,000) to the CFC Repair and Replacement Fund as a reserve for renewals, modifications, repairs and replacements of the ConRAC,
2. Next, to deposit up to ten million dollars (\$10,000,000) in the Deficiency Reserve Fund. Funds in the Deficiency Reserve Fund, until they have been exhausted, shall be withdrawn by the Authority as needed and applied to the following purposes in the following order of priority: (i) to satisfy the obligations of the Concessionaires to make Concessionaire Deficiency Payments as the same become due under the Concessionaire Agreement; (ii) to the extent that CFCs in a fiscal year are not sufficient, on a pro rata basis among all Concessionaires to reimburse Concessionaires for fifty percent of the Operating Expenses on Common Public Areas up to two million dollars (\$2,000,000) in each Contract Year to the extent required under the Concessionaire Agreement; and (iii) to the extent that CFCs in a fiscal year are not sufficient, to reimburse the Authority for Rental Revenue Recovery to the extent contemplated in the Concessionaire Agreement.

The remaining balance in the CFC Revenue Fund shall then be transferred to the CFC Surplus Fund. The CFC Trust Agreement does not provide for the creation of a separate "rolling coverage" account. However, it does permit the Authority to transfer amounts on deposit in the Surplus Fund at the end of a fiscal year into the CFC Revenue Fund in the next fiscal year, and the amount of such transfers may be counted for purposes of satisfying the Rate Covenant. However, such transfers from the Surplus Fund into the CFC Revenue Fund shall be limited to 25% of the annual debt service requirement.

6.4.3 AFTER SUBSTANTIAL COMPLETION

Exhibit 6-2 presents the application of Pledged Revenues after Substantial Completion, as defined by the CFC Trust Agreement.



SOURCE: Hillsborough County Aviation Authority, April 2015.
 PREPARED BY: Ricondo & Associates, Inc., June 2015.

EXHIBIT 6-2

Application of Revenues after Substantial Completion as Defined by CFC Trust Agreement

Mandatory Eligible Costs

As shown in Exhibit 6-2, items 1-6 below make up the Mandatory Eligible Costs, as defined in the Concessionaire Agreement. After Substantial Completion of the 2015 CFC Projects, the amounts in the CFC Revenue Fund shall be applied in the following order:

1. First, to the CFC 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;
2. Next, to the Debt Service Reserve Fund for the CFC Bonds;
3. Next, to the Rebate Fund;
4. Next, to the Expense Fund;
5. Next, to the Authority Reimbursement Fund;
6. Next, to the CFC Repair and Replacement Fund

Any funds remaining in the CFC Revenue Fund after satisfying the Mandatory Eligible Cost funding requirements shall then be deposited into the CFC Surplus Fund. If funds in the CFC Revenue Fund are insufficient to satisfy the Mandatory Eligible Cost funding requirements in a given year then Concessionaire Deficiency Payments would be paid by the RACs to cover all deficiencies.

Secondary Eligible Costs

Moneys in the CFC Surplus Fund may be used by the Authority first for the payment of all Reimbursement Obligations and Derivative Non-Scheduled Payments then due, as defined in CFC Trust Agreement, and then, from funds deposited into the CFC Surplus Fund in an applicable Fiscal Year (and not from prior deposits therein), in the following order of priority:

1. First to reimburse the Concessionaires for their respective share of "Operating Expenses" related to the "Common Public Areas," each as defined in the Concessionaire Agreements, in such Fiscal Year in amounts up to fifty percent (50%) thereof, but not to exceed \$2,000,000 in the aggregate in any Fiscal Year;
2. Next to reimburse the Authority for "Rental Revenue Recovery" as determined in accordance with the Concessionaire Agreements;
3. Then, at the discretion of the Authority and in any combination, (x) to pay the costs of additions to, expansions of and improvements to Airport CFC Projects, including the accumulation of funds for future projects, as determined by the Authority, and (y) for redeposit of all or any portion of such funds then remaining into the CFC Revenue Fund.

6.5 Projections of Pledged Revenues, Debt Service Coverage and Application of Revenues

Based on the projection of rental car activity presented in Chapter 5, projections of Pledged Revenues, debt service coverage and the application of Pledged Revenues under the CFC Trust Agreement through the Projection Period were developed.

6.5.1 PROJECTION OF CFC COLLECTIONS

Table 6-3 presents projected CFC collections through FY 2024, which, as described in Chapter 5, are derived by multiplying projected rental car transaction days by the assumed CFC rate for each year of the Projection Period. The ratio of transaction days to visiting O&D enplaned passengers shown in Table 6-3 encompasses total rental car market demand at the Airport (On-Airport and Off-Airport transactions). Rental car transaction days are projected to grow primarily as a function of visiting O&D enplaned passenger activity at the Airport. As shown in Table 6-3, the CFC collection rate is projected to remain at \$5.95 per transaction day through the Projection Period. The CFC rate shown in FY 2015 represents the weighted average of the two CFC rates, \$5.00 charged from September 2014 through June 2015 and the \$5.95 per transaction day, which became effective July 6th, 2015. CFC collections from FY 2016, the first full year of the \$5.95 collection level, through FY 2024 are projected to increase at a compound annual growth rate of 2.1 percent.

6.5.2 DEBT SERVICE COVERAGE

Table 6-4 presents the calculation of projected debt service coverage for the 2015 CFC Bonds in accordance with the Rate Covenant of the CFC Trust Agreement in each year through 2024. The projected coverage ratio is based on Pledged Revenues projected each year during the Projection Period and certain amounts re-deposited into the CFC Revenue Fund from the CFC Surplus Fund equal to 25 percent of the Bond Service Requirement. As shown, debt service coverage pursuant to the CFC Trust Agreement exceeds the requirement of 1.50x in each full year of the Projection Period (2016 – 2024) as it is projected to range between 1.85x and 2.39x. It is assumed in this calculation that funds will be available at the CFC Surplus Fund level to re-deposit into the CFC Revenue Fund (in an amount up to 25 percent of the Bond Service Requirement), however, the Authority may elect to use those funds to pay project costs. Also shown in Table 6-4, debt service coverage based on annual Pledged Revenues alone (excluding funds re-deposited into the CFC Revenue Fund from the Surplus Fund) also remains above 1.50x through the Projection Period, ranging between 1.60x and 2.14x.

6.5.3 APPLICATION OF REVENUES

Table 6-5 presents the projection of the annual application of Pledged Revenues based on the flow of funds provided in the CFC Trust Agreement. In each year of the Projection Period, Pledged Revenues are sufficient to meet the Authority's debt service obligations and make all fund deposits required under the CFC Trust Agreement. As shown, the projected On-Airport CFCs, Off-Airport TFCs, and interest earnings on certain reserve funds do not result in any deficiencies in funding of the Mandatory Eligible Costs as defined in the Concessionaire Agreement, therefore there are no projected Concessionaire Deficiency Payments required.

Table 6-3: Projected Rental Car Activity Measures and CFC Collections

(Fiscal Years Ended September 30)

		PROJECTED									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Visiting O&D Deplaned Passenger Growth Rate		7.1%	2.8%	2.2%	2.1%	2.1%	2.0%	2.0%	2.1%	2.0%	2.0%
Visiting O&D Deplaned Passengers ^{1/}	[A]	4,794,000	4,930,000	5,039,000	5,144,000	5,251,000	5,357,000	5,465,000	5,578,000	5,692,000	5,807,000
Projected Ratio of Rental Car Transactions per Visiting O&D Enplaned Passenger	[B]	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Rental Car Transactions	[C] = [A] * [B]	1,460,436	1,501,867	1,535,073	1,567,060	1,599,656	1,631,948	1,664,849	1,699,273	1,734,002	1,769,035
Projected Average Rental Length (Days)	[D]	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01	5.01
Rental Car Transaction Days	[E] = [C] * [D]	7,322,142	7,529,863	7,696,345	7,856,717	8,020,144	8,182,044	8,346,998	8,519,589	8,693,708	8,869,354
CFC Rate (\$ per transaction day) ^{2/}	[D]	\$5.16	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95	\$5.95
Projected CFC collections (including TFCs) ^{3/}	[E] = [C] * [D]	\$ 37,770,051	\$ 44,802,684	\$ 45,793,250	\$ 46,747,465	\$ 47,719,856	\$ 48,683,159	\$ 49,664,638	\$ 50,691,556	\$ 51,727,561	\$ 52,772,654

Compound Annual Growth Rate of CFC Collections

2015 - 2024	3.8%
2016 - 2024	2.1%

NOTES:

1/ Domestic non-resident arriving O&D passengers.

2/ The Authority increased the CFC to \$5.00 per transaction day in April 2014, and to \$5.95 per transaction day, effective July 6, 2015. The CFC collection level in FY 2015 represents the weighted average of the two CFC collection levels.

3/ No TFC revenues are projected beyond July 2015, see section 5.6 of this Report.

SOURCES: Hillsborough County Aviation Authority (Historical); Ricondo & Associates, Inc. (Projections), May 2015.

PREPARED BY: Ricondo & Associates, Inc., May 2015.

Table 6-4: Projected 2015 CFC Bond Debt Service Coverage

(Fiscal Years Ended September 30)

	PROJECTED									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PLEDGED REVENUES & OTHER AVAILABLE FUNDS										
Pledged Revenues										
CFC revenues ^{1/}	\$ 37,770,051	\$ 44,802,684	\$ 45,793,250	\$ 46,747,465	\$ 47,719,856	\$ 48,683,159	\$ 49,664,638	\$ 50,691,556	\$ 51,727,561	\$ 52,772,654
Concessionaires Deficiency Payments	-	-	-	-	-	-	-	-	-	-
Interest Earnings ^{2/}	43,507	49,410	54,886	60,362	67,831	75,299	82,767	90,235	97,703	105,171
Total Pledged Revenues	\$37,813,559	\$44,852,093	\$45,848,136	\$46,807,828	\$47,787,688	\$48,758,459	\$49,747,405	\$50,781,791	\$51,825,264	\$52,877,825
Other Available Funds										
CFC Rolling Coverage (equal to 25% of Bond Service Requirement) ^{3/}	\$0	\$5,902,348	\$5,476,406	\$5,476,406	\$7,468,906	\$7,468,036	\$7,467,428	\$7,468,354	\$7,467,728	\$7,468,301
Total Pledged Revenues & Other Available Funds	\$37,813,559	\$50,754,442	\$51,324,542	\$52,284,234	\$55,256,593	\$56,226,494	\$57,214,833	\$58,250,145	\$59,292,992	\$60,346,126
DEBT SERVICE FOR COVERAGE CALCULATION										
2015 CFC Bonds (Non-AMT)	\$0	\$5,094,332	\$4,726,700	\$4,726,700	\$6,906,700	\$6,904,500	\$6,903,900	\$6,904,700	\$6,906,700	\$6,904,700
2015 CFC Bonds (Taxable)	-	18,515,061	17,178,923	17,178,923	22,968,923	22,967,642	22,965,811	22,968,717	22,964,213	22,968,503
2015 CFC Bond debt service	\$0	\$23,609,394	\$21,905,623	\$21,905,623	\$29,875,623	\$29,872,142	\$29,869,711	\$29,873,417	\$29,870,913	\$29,873,203
DEBT SERVICE COVERAGE PURSUANT TO THE CFC TRUST AGREEMENT ^{3/}										
2015 CFC Bond debt service coverage pursuant to the CFC Trust Agreement	N/A	2.15	2.34	2.39	1.85	1.88	1.92	1.95	1.98	2.02
<i>Minimum Debt service coverage requirement pursuant to the CFC Trust Agreement</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>
DEBT SERVICE COVERAGE BASED ON ANNUAL PLEDGED REVENUES ALONE										
2015 CFC Bond debt service coverage based on Pledged Revenues only	N/A	1.90	2.09	2.14	1.60	1.63	1.67	1.70	1.73	1.77

NOTES:

1/ No TFC revenues are projected beyond July 2015, see section 5.6 of this Report.

2/ Interest earnings include interest accrued on amounts in the Debt Service Reserve Fund and the Surplus Fund.

3/ It is assumed in this calculation that funds will be available at the CFC Surplus Fund level to re-deposit into the CFC Revenue Fund, however, the Authority may elect to use those funds to pay project costs.

SOURCE: Public Financial Management (PFM), July 2015 (Debt Service); Ricondo & Associates, Inc. July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

Table 6-5: Application of Pledged Revenues

(Fiscal Years Ended September 30)

	PROJECTED									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pledged Revenues										
CFC Collections	\$37,770,051	\$44,802,684	\$45,793,250	\$46,747,465	\$47,719,856	\$48,683,159	\$49,664,638	\$50,691,556	\$51,727,561	\$52,772,654
Concessionaires Deficiency Payments	-	-	-	-	-	-	-	-	-	-
Interest earnings ^{1/}	43,507	49,410	54,886	60,362	67,831	75,299	82,767	90,235	97,703	105,171
Total Pledged Revenues	\$37,813,559	\$44,852,093	\$45,848,136	\$46,807,828	\$47,787,688	\$48,758,459	\$49,747,405	\$50,781,791	\$51,825,264	\$52,877,825
Application of Revenues										
CFC Revenue Fund deposit	\$37,813,559	\$44,852,093	\$45,848,136	\$46,807,828	\$47,787,688	\$48,758,459	\$49,747,405	\$50,781,791	\$51,825,264	\$52,877,825
Redeposits in CFC Revenue Fund during Construction	-	\$7,884,749	\$23,088,840	-	-	-	-	-	-	-
Total Deposit to the CFC Revenue Fund	\$37,813,559	\$52,736,842	\$68,936,977	\$46,807,828	\$47,787,688	\$48,758,459	\$49,747,405	\$50,781,791	\$51,825,264	\$52,877,825
<u>Fund Deposits from CFC Revenue Fund:</u>										
CFC Sinking Fund ^{2/}	\$0	\$23,609,394	\$21,905,623	\$21,905,623	\$29,875,623	\$29,872,142	\$29,869,711	\$29,873,417	\$29,870,913	\$29,873,203
Debt Service Reserve Fund ^{2/}	-	-	-	-	-	-	-	-	-	-
Rebate Fund ^{2/}	-	-	-	-	-	-	-	-	-	-
Expense Fund ^{2/}	-	-	-	-	-	-	-	-	-	-
CFC Construction Account	23,000,000	-	-	-	-	-	-	-	-	-
Authority Reimbursement Fund ^{2/}	-	-	-	-	-	-	-	-	-	-
APM O&M Expenses	-	-	-	2,800,000	2,870,000	2,941,750	3,015,294	3,090,676	3,167,943	3,247,142
Reimbursement of prior Authority Investment	6,928,810	6,038,608	6,038,608	6,038,608	6,038,608	6,038,608	6,038,608	6,038,608	4,508,117	4,508,117
CFC Repair and Replacement Fund ^{2/}	-	-	10,000,000	1,187,000	1,187,000	1,187,000	1,187,000	1,187,000	3,187,000	7,000,000
Deficiency Reserve Fund Deposit	-	-	10,000,000	-	-	-	-	-	-	-
Total Deposit Requirements	\$29,928,810	\$29,648,002	\$47,944,231	\$31,931,231	\$39,971,231	\$40,039,500	\$40,110,612	\$40,189,701	\$40,733,973	\$44,628,462
Transfer to CFC Surplus Fund ^{3/}	\$7,884,749	\$23,088,840	\$20,992,746	\$14,876,597	\$7,816,457	\$8,718,959	\$9,636,793	\$10,592,090	\$11,091,291	\$8,249,363
<u>Secondary Eligible Costs:</u>										
Reimbursement to concessionaires for Common Concessions Areas operating expenses	-	-	-	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Reimbursement to Authority for Rental Revenue Recovery	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Deposit to Future Projects Fund or Redeposit to CFC Revenue Fund	\$7,884,749	\$23,088,840	20,992,746	10,876,597	3,816,457	4,718,959	5,636,793	6,592,090	7,091,291	4,249,363

NOTES:

1/ Interest earnings include interest accrued on amounts in the Debt Service Reserve Fund and Surplus Fund.

2/ Mandatory Eligible Cost

3/ After making all the deposits or payments provided in the CFC Trust Agreement, including all deficiencies for prior required deposits and payments, the Authority shall on the first day of each month, withdraw all moneys then remaining in the CFC Revenue Fund and deposit the same into the CFC Surplus Fund.

SOURCE: Public Financial Management (PFM), July 2015 (Debt Service); Ricondo & Associates, Inc. July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

Also shown in Table 6-5, Pledged Revenues are projected to be sufficient to also cover all Secondary Eligible Costs as defined in the Concessionaire Agreement.

As demonstrated in Tables 6-4 and 6-5, in the opinion of R&A, the Pledged Revenues expected to be collected by the Authority during each year of the Projection Period (excluding funds re-deposited into the CFC Revenue Fund from the Surplus Fund) exceed the greater of;

(a) 100% of the amounts required to be deposited into the CFC Sinking Fund, the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in each such Fiscal Year as contemplated in Section 5.05(A) through (H) of the CFC Trust Agreement, and;

(b) The sum of: (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in Section 5.05(D) through (F) of the CFC Trust Agreement; plus (ii) One Hundred Fifty percent (150%) of the Bond Service Requirement for such Fiscal Year.

6.6 Sensitivity Analysis

To assess the sensitivity of the base financial projections presented herein, the following scenario was developed to test a hypothetical decrease in rental car transaction days. This sensitivity analysis is provided only for informational purposes and should not be considered as expectation of future results.

6.6.1 DECREASED RENTAL CAR TRANSACTION DAYS

This sensitivity scenario analyzes the financial impacts associated with a hypothetical decrease in rental car transaction days. To simulate this decrease, this sensitivity scenario assumes a 10 percent decrease in rental car transaction days in FY 2018 (the expected first full year of ConRAC operation) from projected FY 2017 levels. This would result in approximately 6.9 million projected rental car transaction days for FY 2018; approximately 250,000 transaction days less than actual FY 2014. After FY 2018, projections revert back to baseline projection growth rates (2.1 percent) and no rebound in transaction day growth is assumed. All other projection assumptions remain similar to those in the baseline.

Table 6-6 presents the debt service coverage impacts associated with this sensitivity analysis. As shown, total CFC Revenues are approximately \$5.9 million less each year on average from FY 2018 through FY 2024 compared to the projected CFC Revenue presented in this Chapter. Debt Service coverage on the 2015 CFC Bonds after the assumed decrease in rental car transaction days is 1.66x in FY 2019, and increases each year to 1.81x in FY 2024. Debt service coverage exceeds the requirements set forth in the CFC Trust Agreement throughout the Projection Period and CFC Revenues are sufficient to pay all Mandatory Eligible Costs. If the decreased rental car transaction days assumed in this sensitivity scenario would have resulted in CFC collections insufficient to meet the Rate Covenant in the CFC Trust Agreement, then the RACs would have been required to pay Concessionaire Deficiency Payments up to an amount to meet the Rate Covenant, unless the Authority elects to increase the CFC level.

Table 6-6: Sensitivity Analysis - Reduced Pledged Revenues Projected 2015 CFC Bond Debt Service Coverage

(Fiscal Years Ended September 30)

	PROJECTED									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES & OTHER AVAILABLE FUNDS										
Pledged Revenues										
CFC Collections ^{1/}	\$37,770,051	\$44,802,684	\$45,793,250	\$41,213,925	\$42,066,085	\$42,935,864	\$43,823,627	\$44,729,746	\$45,654,600	\$46,598,577
Concessionaires Deficiency Payments	-	-	-	-	-	-	-	-	-	-
Interest Earnings ^{2/}	43,507	49,410	54,886	60,362	67,831	75,299	82,767	90,235	97,703	105,171
Total Pledged Revenues	\$37,813,559	\$44,852,093	\$45,848,136	\$41,274,288	\$42,133,916	\$43,011,163	\$43,906,394	\$44,819,981	\$45,752,303	\$46,703,748
Other Available Funds										
CFC Rolling Coverage (equal to 25% of Bond Service Requirement) ^{3/}	\$0	\$5,902,348	\$5,476,406	\$5,476,406	\$7,468,906	\$7,468,036	\$7,467,428	\$7,468,354	\$7,467,728	\$7,468,301
Total Pledged Revenues & Other Available Funds	\$37,813,559	\$50,754,442	\$51,324,542	\$46,750,693	\$49,602,822	\$50,479,199	\$51,373,821	\$52,288,335	\$53,220,031	\$54,172,049
DEBT SERVICE FOR COVERAGE CALCULATION										
2015 CFC Bonds (Non-AMT)	\$0	\$5,094,332	\$4,726,700	\$4,726,700	\$6,906,700	\$6,904,500	\$6,903,900	\$6,904,700	\$6,906,700	\$6,904,700
2015 CFC Bonds (Taxable)	-	18,515,061	17,178,923	17,178,923	22,968,923	22,967,642	22,965,811	22,968,717	22,964,213	22,968,503
2015 CFC Bond debt service	\$0	\$23,609,394	\$21,905,623	\$21,905,623	\$29,875,623	\$29,872,142	\$29,869,711	\$29,873,417	\$29,870,913	\$29,873,203
DEBT SERVICE COVERAGE PURSUANT TO THE CFC TRUST AGREEMENT										
2015 CFC Bond debt service coverage pursuant to the CFC Trust Agreement	N/A	2.15	2.34	2.13	1.66	1.69	1.72	1.75	1.78	1.81
<i>Minimum Debt service coverage requirement pursuant to the CFC Trust Agreement</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>	<i>1.50x</i>
DEBT SERVICE COVERAGE BASED ON ANNUAL PLEDGED REVENUES ALONE										
2015 CFC Bond debt service coverage based on Pledged Revenues only	N/A	1.90	2.09	1.88	1.41	1.44	1.47	1.50	1.53	1.56

NOTES:

1/ No TFC revenues are projected beyond July 2015, see section 5.6 of this Report.

2/ Interest earnings include interest accrued on amounts in the Debt Service Reserve Fund and the Surplus Fund.

SOURCE: Public Financial Management (PFM), July 2015 (Debt Service); Ricondo & Associates, Inc. July 2015.

PREPARED BY: Ricondo & Associates, Inc., July 2015.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEARS
ENDED SEPTEMBER 30, 2014 AND 2013**

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HILLSBOROUGH COUNTY AVIATION AUTHORITY
FINANCIAL STATEMENTS, OTHER FINANCIAL
INFORMATION AND COMPLIANCE REPORTS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	17
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	19
STATEMENTS OF CASH FLOWS	21
NOTES TO FINANCIAL STATEMENTS	23
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF FUNDING PROGRESS	49
SUPPLEMENTARY INFORMATION	
SCHEDULE OF BONDS ISSUED, REDEEMED AND OUTSTANDING	50
REVENUE FUND – SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS	51
SINKING FUND – SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS	52
OPERATING AND MAINTENANCE FUND – SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS	53
RESERVE FUND – SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS	54
SURPLUS FUND – SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS	55
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	56
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	58
SCHEDULE OF PASSENGER FACILITY CHARGES (PFCS) COLLECTED AND EXPENDED	59
OTHER INFORMATION	
SUMMARY SCHEDULE OF INSURANCE POLICIES	60

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
TABLE OF CONTENTS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

COMPLIANCE REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	64
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, EACH MAJOR STATE PROJECT, AND THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, AND THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES	66
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	68
MANAGEMENT LETTER	70
CURRENT YEAR FINDINGS AND RECOMMENDATIONS	73
INDEPENDENT ACCOUNTANTS' REPORT	75

INDEPENDENT AUDITORS' REPORT

Board of Directors
Hillsborough County Aviation Authority
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Hillsborough County Aviation Authority (Authority), as of and for the years ended September 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2014 and 2013 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress on pages 4-16 and 49 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of bonds issued, redeemed and outstanding, the schedules of cash and investment transactions, and the summary schedule of insurance policies are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550 Rules of the Auditor General, and the schedule of passenger facility charges collected and expended as required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of bonds issued, redeemed and outstanding, the schedules of cash and investment transactions, the schedule of expenditures of federal awards and state financial assistance, and the schedule of passenger facility charges collected and expended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information (Continued)

The summary schedule of insurance policies has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014, 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Tampa, Florida
November 26, 2014

HILLSBOROUGH COUNTY AVIATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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, 2014 and 2013, 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 2014 demonstrated the success of the Airport's focus on continued airline marketing efforts to grow the core business, increasing non-aviation revenues, and keeping airline costs competitive. The strong financial performance during 2014 continued a trend which has seen overall financial results improve substantially since 2010. The total number of passengers, at 17,325,011 for 2014, increased 2.4% over the prior year, and also included a 13.7% increase in international passengers. During 2014, revenues increased \$13,407,000 over the prior year as passenger traffic increased at the highest rate year-over-year in the past 7 years. In addition to the passenger growth, concessions, rental car, & parking spend per transaction increased versus the prior year. These positive results support the measures the Authority has taken to strengthen the financial viability of the organization. The Authority, a major driver in the economic growth of the Tampa Bay region, continued on its mission to bring more international and domestic air service to Tampa Bay for 2014 and beyond as well as additional revenue initiatives and programs which will continue to grow the core business, increase non-aviation revenues, and maintain competitive airline costs as well as ensure the overall strong financial performance of the Authority.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

Passenger enplanements at Tampa International for the fiscal year ended September 30, 2014, totaled 8,673,747 which is an increase of 180,487 from the prior fiscal year. While domestic seat capacity remained flat, an increase of 5.2% international seat capacity indicated a continuing growth in international air services. In addition, load factor increased for the year by 1.6 points especially driven by strong year-over-year increases in the final quarter of fiscal year 2014. For 2014, the top three airlines, in terms of passenger enplanement market share, remained the same as the prior year. Southwest (combined with AirTran) remained the highest market share of 35.3%, Delta was second at 17.2%, and US Airways was third at 11.0%. During 2013, Southwest maintained the highest market share of 36.3% after acquiring AirTran, Delta was second at 16.8%, and United was third at 11.0%.

Landed weight in 2014 totaled 10,019,573 thousand pounds, compared to 10,042,234 thousand pounds and 10,022,085 thousand pounds in 2013 and 2012, respectively. The number of landings for domestic and international flights was 76,917 for 2014, compared to 78,250 and 79,120 for 2013 and 2012, respectively. These results for landed weight and landings are due to consolidation in the industry as well as improved airline discipline regarding increasing capacity in the market.

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 – Summary of Significant Accounting Policies 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 position present information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources as of September 30, 2014 and 2013, with the difference between these reported as net position. The statements of revenues, expenses and changes in net position present financial information showing how the Authority's net position changed during the fiscal years ended September 30, 2014 and 2013. 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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

Financial Highlights

Operating Revenues

Revenue Classification	Year			Percent Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Airfield	\$ 14,857,840	\$ 14,285,206	\$ 13,620,735	4.0 %	4.9 %
Terminal Building	46,270,829	43,005,918	40,690,338	7.6	5.7
Airside Buildings	18,639,279	17,849,625	16,810,600	4.4	6.2
Commercial Landside	97,911,419	90,290,968	87,269,078	8.4	3.5
Cargo	2,234,934	2,270,828	2,236,581	(1.6)	1.5
Auxiliary Airports	930,739	875,780	923,695	6.3	(5.2)
General Aviation	2,211,539	2,192,413	2,209,206	0.9	(0.8)
Federal	1,338,114	490,482	1,152,761	172.8	(57.5)
Other	10,210,037	9,936,723	10,309,071	2.8	(3.6)
Total	<u>\$ 194,604,730</u>	<u>\$ 181,197,943</u>	<u>\$ 175,222,065</u>	7.4	3.4

The table above presents the major operating revenue classifications for fiscal years 2014, 2013 and 2012. 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. An increase in airfield revenues of 4% or \$572,600 in fiscal year 2014 is attributable to increased non-signatory landings as Alaska Airlines and Copa Airlines launched new service while other non-signatory carriers increased their operations. During fiscal year 2014, the Authority continued its Air Service Incentive Program (ASIP) 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. Under this program, the total landing fees waived for both signatory and non-signatory airlines were \$164,000 in 2014, compared to \$227,700 and \$94,100 in 2013 and 2012, respectively. The change in airfield revenues in 2013 is attributed to the increase in landed weight as a result of improved passenger activities, and the increase of landing fees associated with the higher expenses in the airfield cost center.

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 fiscal year 2014, overall terminal building revenues increased 7.6% or \$3,300,000 over the prior year. For fiscal year 2013, the overall terminal building revenues increased 5.7% or \$2,315,600 over the prior year. Signatory airline rental rates were up 5.7%, with an average increase of \$9.93 per square foot, generating \$670,000 more airline rental revenues, and non-signatory airlines added \$340,000 rental revenues. The ASIP incentives for airlines offset the terminal space rental revenues in the amount of \$184,000. Another year of the updated concessions concepts coupled with an increase in spend per enplaned passenger at the Airport resulted in an increase of 8.3% in food and beverage sales, generating \$982,000 additional revenues. General merchandise sales grew 4.2%, adding \$207,000 in concession revenues. 2014 also was the first year the Authority began collecting privilege fees from the off-airport parking operators. For the first 9 months of collection, this resulted in an increase in revenues of \$206,000. Advertising was down \$176,000 for the year as one-time short-term advertising campaigns in 2013 were not duplicated in 2014.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

As with terminal rentals, airside airline rental rates are based on the cost of providing the space to the airlines. In fiscal year 2014, the overall increase in airside revenues was \$790,000. The airside rental rates increased 7.3% (\$5.34) per square foot in 2014 resulting in a net increase of signatory airline rental revenues of \$417,000. Additional increases of \$158,000 in non-signatory and other space rentals, \$113,000 in gate use and hardstand charges, and \$79,000 in Federal Inspection fees from custom services provided to international passengers drove the additional increases versus the prior year. The Authority granted a waiver of airside airline fees of \$190,000 as a part of the ASIP in 2014.

In 2013, the overall increase in airside revenues was \$1,039,000. The airside rental rates increased 4.8% (\$3.51) per square foot in 2013; offset a reduction of Airside F space rental of 3,736 square feet, resulting in a net increase of signatory airline rental revenues of \$481,900. The increases of \$625,900 in the use of Authority gates, \$117,300 in governmental and commercial rental income, \$27,400 in Federal Inspection fees from custom services provided to international passengers, and \$30,700 in utilities reimbursements, offset a decrease in non-signatory airline space rental revenues of \$33,200, and \$64,800 decrease in ATM concessions at airside resulting from a change of the agreement. The Authority granted a waiver of airside airline fees of \$209,700 as a part of the ASIP in 2013, reducing overall airside revenues by \$145,600.

The commercial landside classification consists of car rental, parking, the ground transportation privilege and permit fees, and hotel concession revenues, which overall increased \$7,620,500 in fiscal year 2014. The primary contributing factors are the increases of parking revenues of \$5.1 million, or 9.5% over the prior year due to the increase in passenger traffic coupled with a rate increase in both the employee and public parking areas. In addition, car rental concession revenues increased by \$2.0M (6.0%), with \$1.24M and \$716,000 from on and off Airport car rentals, respectively, offsetting a decrease of \$20,600 in ground transportation privilege and permit fees. In addition, the airport hotel saw increases of 17.2% or \$238,000 versus the prior years as well.

In 2013, commercial landside revenues increased \$3,021,900. The primary contributing factors are the increases of parking revenues of \$2.1 million, or 4.1% over the prior year, and car rental concession revenues of \$901,700 (3%), with \$368,800 and \$532,900 from on and off Airport car rentals, respectively, offsetting a decrease of \$81,500 in ground transportation privilege and permit fees. In addition, hotel concessions added \$25,000 more revenues in 2013.

Cargo revenues in the fiscal year 2014 were down slightly 1.6% or \$36,000 as Global Aviation significantly reduced operations in early 2014 before vacating their space in July 2014. In 2013, the cargo revenues remained flat, with a moderate increase of \$34,200 in rental revenues compared to 2012, which are due to rental rate adjustments.

General aviation and auxiliary operating revenues in 2014 totaled \$3,142,300, \$74,100 over the prior year. The increase is primarily due to the contractual percentage the Authority receives increasing during the year. In fiscal year 2013, general aviation and auxiliary operating revenues totaled \$3,068,200 a decrease of \$64,700, due to reduced fuel sales and FBO concession revenues.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

Other revenues include rentals received for the fuel farm, land rent for rental car storage areas, the post office and the mall, revenues received for the Pemco lease of the maintenance hangars, and concession revenues from the flight kitchen operations, and other miscellaneous revenues. Although there are multiple items making up this category, an overall increase of \$273,300 is primarily due to increased airfield concessions revenue from ground handlers as airlines move toward third party operators for ground handling and maintenance services, increase in the Pemco MRO business versus the prior year, as well as increased forfeiture collections over the prior year.

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. During 2014, reimbursement for Law Enforcement Officers increased by \$847,000 versus the prior year to \$1,096,100 as funding of the final 9 months of 2013 became available from the TSA in 2014. Grants of \$242,000 and \$241,000 were also received for the canine program at the Airport in fiscal year 2014 and 2013, respectively.

Operating Expenses

Expense Classification	Year			Percent Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Airfield	\$ 10,136,040	\$ 9,659,834	\$ 9,037,357	4.9 %	6.9 %
Terminal Building	28,827,681	26,547,937	26,016,758	8.6	2.0
Airside Buildings	22,359,051	20,840,424	20,262,460	7.3	2.9
Commercial Landside	24,080,229	22,898,619	22,188,267	5.2	3.2
Cargo	751,034	630,116	569,517	19.2	10.6
Auxiliary Airports	1,538,771	1,340,726	1,309,194	14.8	2.4
General Aviation	827,288	801,106	991,136	3.3	(19.2)
Passenger Transfer System	4,198,571	3,943,064	3,801,744	6.5	3.7
Roads and Grounds	9,127,904	8,468,144	7,949,822	7.8	6.5
Other	2,459,575	1,914,208	1,501,503	28.5	27.5
Total	<u>\$ 104,306,144</u>	<u>\$ 97,044,178</u>	<u>\$ 93,627,758</u>	7.5	3.6

The table above presents the major expense classifications for 2014, 2013, and 2012. Total operating expenses for 2014 were \$104,306,100, an increase of \$7,262,000, or 7.5% increase over the prior fiscal year. Total operating expenses for 2013 were \$97,044,200, an increase of \$3,416,400, or 3.6% increase over the prior fiscal year. The sections following provide a more detailed analysis of these variances.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

2014 Discussion of Operating Expenses

The Authority continued the trend of strong growth and successful cost management, in fiscal year 2014. Although the total expenses increased approximately \$6 million compared with fiscal year 2013, they were \$1.8 million less than the budget. In fiscal year 2014, salaries and benefits increased 10.3%, or \$4,838,800 compared to fiscal year 2013. The major contributing factors to this variance were an increase of \$2,467,400 in salaries, due to filling of vacancies and a merit increase that averaged 3.5%, increased contributions of \$1,349,500 to the Florida Retirement System, full year deferred retirement plan, and FICA, \$761,700 increase in group medical and compensation insurance, and other benefits of \$260,200. An increase of \$168,800 in contracted services is due to \$712,900 increases in professional services, federal and state lobby services, parking maintenance, and promotional advertising expenses, offsetting a decrease of \$544,200 in business improvement studies, firefighting, legal, engineering, and environment testing service expenses. There was less than a 1% or \$121,600 increase in contractual maintenance, relating to janitorial and trash removal services. Supplies and materials increased 9% or \$250,300 compared with 2013, primarily due to the increases in electrical and miscellaneous supplies. Utility expenses increased \$529,000, attributable to an increase in consumption for the current year. The increase of \$561,100 in promotions, travel and conferences, and dues and subscriptions reflect the continuing marketing effort to grow the core business and promoting new air services at the airport. During 2014, the Authority allocated \$3,410,900 of project related costs to capital projects, an increase of \$364,800 over fiscal year 2013.

2013 Discussion of Operating Expenses

As mentioned in the Highlights section, the Authority adopted a 2013 budget growth trajectory plan which included a strategy for sustaining and growing new programs and introducing initiatives. The overall financial operating results for the fiscal year showed that the plan worked effectively, and while total expenses overall increased over the prior fiscal year, they were \$4.5 million less than the budget. In fiscal year 2013, salaries and benefits increased 5.2%, or \$2,324,400 compared to fiscal year 2012. The contributing factors to this variance were an increase of \$850,400 in salaries, due to filling of vacancies and a merit increase that averaged 2.5%, increased contributions of \$835,900 to the Florida Retirement System, deferred retirement plan and FICA, \$774,600 increase in group medical and compensation insurance, and other benefits of \$224,300, offset by decreases in overtime and other employee costs of \$357,200. An increase of \$1,118,600 in contracted services was primarily due to additional costs of \$942,700 relating to concessions, parking and ground transportation studies, marketing, information technology, and promotional services as a part of fiscal year 2013 budget plan to initiate new business programs. Other increases in this section included \$102,100 in firefighting service expenses, \$99,300 in engineering and insurance consulting, \$116,400 in legal services, and \$106,700 in other services, offsetting a decrease of \$248,600 in parking maintenance and environmental testing services. There was a moderate increase of 2% or \$316,400 in contractual maintenance and a \$58,000 increase in supplies and materials as compared to the prior year. Utility expenses decreased \$574,000 due to a slight decrease in consumption for the fiscal year. The increases in travel and conferences, dues and subscriptions and promotions of \$276,000 reflected the continuing marketing effort to expand air services and business networking activities. Insurance and other expenses were up \$181,600 compared with the prior year. During 2013, the Authority allocated \$3,046,100 of project related costs to capital projects, an increase of \$605,800 over last year.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

Summary of Changes in Net Position

The following is a summary of the statements of revenues, expenses and changes in net position:

	Year			Change	Change
	2014	2013	2012	2013 to 2014	2012 to 2013
Operating Revenues	\$ 194,604,730	\$ 181,197,943	\$ 175,222,065	\$ 13,406,787	\$ 5,975,878
Operating Expenses	104,306,144	97,044,178	93,627,758	7,261,966	3,416,420
Signatory Airline Revenue Sharing	9,012,420	7,494,479	7,058,662	1,517,941	435,817
Operating Income before Depreciation and Amortization	81,286,166	76,659,286	74,535,645	4,626,880	2,123,641
Depreciation and Amortization	89,361,262	89,084,941	87,249,218	276,321	1,835,723
Operating Income (Loss)	(8,075,096)	(12,425,655)	(12,713,573)	4,350,559	287,918
Net Nonoperating Expense	(23,215,064)	(30,066,634)	(35,694,289)	6,851,570	5,627,655
Capital Contributions	68,672,815	66,239,751	60,873,166	2,433,064	5,366,585
Increase in Net Position	<u>\$ 37,382,655</u>	<u>\$ 23,747,462</u>	<u>\$ 12,465,304</u>	<u>\$ 13,635,193</u>	<u>\$ 11,282,158</u>

In 2014, the operating revenues were \$194,604,800, an increase of \$13,406,800 over the prior year and operating expenses increased \$7,262,000, compared to the prior year. Operating income before depreciation and amortization was \$81,286,200, an increase of \$4,626,900 over the prior year.

The 2013 operating revenues, at \$181,197,900, increased \$5,975,900 over the prior year, and operating expenses increased \$3,416,400, compared to the prior year. Operating income before depreciation and amortization was \$76,659,300, an increase of \$2,123,600 over the prior year. 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 \$89,361,300, \$89,084,900 and \$87,249,200 for 2014, 2013 and 2012, respectively.

Capital contributions consist of Federal and State Grants, Passenger Facility Charges (PFCs), and Rental Car Customer Facility Charges, 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.

During 2014, capital contributions from PFCs were \$33,663,000, which is an increase of \$477,100 over the prior year. Total federal and state grants were \$18,944,300, which is a decrease of \$5,891,500 over the prior year, primarily due to projects completed in fiscal year 2013 that had grant funding.

In 2013, capital contributions from PFCs were \$33,185,800, a decrease of \$247,300 over the prior year. Total federal and state grants were \$24,835,800, an increase of \$4,837,100 over the prior year, due to the increase of \$15,275,500 in the state grants, offsetting the reduction of \$10,438,400 in federal grants (AIP) from the U.S. Department of Transportation and the Department of Homeland Security.

For fiscal year 2014, the Rental Car Customer Facility Charge (CFC) were \$16,065,600 which is an increase of \$7,847,400 over the prior year and is a result of the increase from \$2.50 per day to \$5.00 per day and the implementation the Transportation Facility Charge at \$2.00 per day on the off airport rental car companies. See Note 2 – Summary of Significant Account Policies.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

In 2013, the CFC collected was \$8,218,200, an increase of \$776,800 over the prior year and reflects a positive recovery of Florida tourism industry in 2013. This fee generates additional funds for on-going and future rental car customer facility development projects and to pay debt service on future borrowings for rental car projects.

Net non-operating expenses in 2014 decreased \$6,851,600 compared with the prior year, which is primarily attributed to the decrease in interest expenses of \$4,802,100, resulting from the refunding of bonds with savings on the debt service interest of \$4,373,700, as well as an increase of net investment gains and interest income of \$1,637,000. Amortization of bonds deferred loss and gains and capitalized interest of \$865,100 further reduced interest expenses.

Net non-operating expenses for 2013 decreased \$5,627,700 compared with the prior year, primarily attributable to a one-time exchange transaction that occurred in the prior year. Interest expenses were \$2,026,300 lower than the prior fiscal year, as a result of a declining outstanding debt, offsetting an increase in the Bank Notes balance in 2013, and a decrease of \$3,433,900 in investment income resulting from a reduction of \$3,186,300 in unrealized gain of debt service reserve fund's long-term investments.

Summary of Statements of Net Position

A summarized comparison of the Authority's total assets, deferred outflows, total liabilities, deferred inflows, and net position at September 30, 2014, 2013, and 2012 is as follows:

	Year			Change	Change
	2014	2013	2012	2013 to 2014	2012 to 2013
ASSETS					
Current Assets	\$ 270,070,890	\$ 263,362,681	\$ 247,537,758	\$ 6,708,209	\$ 15,824,923
Capital Assets, Net	1,149,445,769	1,171,573,700	1,199,053,437	(22,127,931)	(27,479,737)
Other Non-Current Assets	1,533,228	2,144,202	2,426,656	(610,974)	(282,454)
Total Assets	<u>1,421,049,887</u>	<u>1,437,080,583</u>	<u>1,449,017,851</u>	<u>(16,030,696)</u>	<u>(11,937,268)</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Loss on Refunding of Debt	2,826,721	3,493,089	4,378,424	(666,368)	(885,335)
LIABILITIES					
Current Liabilities	116,556,692	93,831,925	99,245,689	22,724,767	(5,413,764)
Non-Current Liabilities	530,980,884	610,234,610	641,390,911	(79,253,726)	(31,156,301)
Total Liabilities	<u>647,537,576</u>	<u>704,066,535</u>	<u>740,636,600</u>	<u>(56,528,959)</u>	<u>(36,570,065)</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Gain on Refunding of Debt	2,449,240	-	-	2,449,240	-
NET POSITION					
Net Investment in Capital Assets	618,609,166	590,716,821	591,969,475	27,892,345	(1,252,654)
Restricted	99,023,310	90,594,741	69,760,239	8,428,569	20,834,502
Unrestricted	56,257,316	55,195,575	51,029,961	1,061,741	4,165,614
Total Net Position	<u>\$ 773,889,792</u>	<u>\$ 736,507,137</u>	<u>\$ 712,759,675</u>	<u>\$ 37,382,655</u>	<u>\$ 23,747,462</u>

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

Current assets at September 30, 2014, totaled \$270,070,900, an increase of \$6,708,200 compared to September 30, 2013. The contributing factors of the changes are increases in the Rental Car Customer Facility Charge fund cash balance of \$11,834,800, construction funds cash balance of \$11,543,100, capital improvement fund and surplus fund cash balance of \$6,094,700, improved revenue cash reserve of \$2,331,600. Offsetting these changes are the partial liquidation of debt service reserve fund related to the 2003 series bond refundings of \$20,797,300, lower receipts in government grants and PFC revenues of \$3,892,500 and a reduction in prepaid insurance and other assets of \$411,000.

Current liabilities, with a balance of \$116,556,700 at September 30, 2014, are \$22,724,800 more than the end of fiscal year 2013. The increase in current liabilities is primarily due to the change in the current portion of the Bank Note in the amount of \$17,427,000, an increase in construction project payable and accrued expenses of \$4,028,000, \$2,242,400 more in accrued airline revenue sharing and operating accounts payable, and \$1,734,000 more in deferred revenues, offsetting a reduction in the current maturities of bonds of \$2,695,000.

Current assets at September 30, 2013, totaled \$263,362,700, an increase of \$15,824,900 compared to September 30, 2012. The contributing factors of the changes are an increase in the CFC fund balance of \$8,112,800, surplus fund cash balance of \$14,585,100, improved revenue cash reserve of \$2,655,900, remaining cash proceeds of \$13,132,300 from the issuance of Bank Notes, and an expected increase in government grants receivable of \$1,084,600. Offsetting these changes are the increase of payments of \$17,915,600 for the continued airport construction projects from capital improvement funds and prior bond issues, reductions in PFC collections of \$4,595,500, and \$1,268,500 in the operating revenues receivable.

Current liabilities, with a balance of \$93,831,900 at September 30, 2013, are \$5,413,800 less than the end of last fiscal year. The decrease in current liabilities is due to the change in the current portion of the Bank Notes in the amount of \$15,779,800, offset the increases of \$5,402,000 in construction project payable, current maturities of principal payments of revenue bonds of \$2,850,000, accrued expenses of \$1,490,900, and airline revenue sharing of \$435,800. A detailed description of the Bank Notes is included "Debt Management" section.

At September 30, 2014, non-current liabilities totaled \$530,980,900, a reduction of \$79,253,700 compared with the balance at the end of 2013. The decrease is primarily due to a repayment of the Bank Notes in the amount of \$96,796,600, resulting from the 2013 bond refundings, offsetting the increase of principal balance of long-term bonds of \$12,760,000. In addition, the bonds premium is increased by \$4,828,400 as a result of new debt issuance in fiscal year 2014.

At September 30, 2013, non-current liabilities totaled \$610,234,600, a reduction of \$31,156,300 compared with the balance at the end of 2012. The decrease is due to principal maturities of \$56,055,000 on long term bonds, and amortization of bonds premium or discount totaling \$2,597,800, offset an increase of Bank Notes in the amount of \$27,434,000 resulting from new issues in 2013.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

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 fiscal years 2014 and 2013. 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	2014	2013
Airline Landing Fees	\$ 13,980,507	\$ 13,487,790
Landside Terminal Rentals	22,574,262	20,476,981
Airside Building Rentals	17,859,855	17,226,234
Total Airline Fees and Charges	54,414,624	51,191,005
Less: Airline Revenue Sharing	(9,012,420)	(7,494,479)
Net Airline Fees and Charges	\$ 45,402,204	\$ 43,696,526
 Enplaned Passengers	 8,673,747	 8,493,260
Airline Cost per Passenger	\$ 5.23	\$ 5.14

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

Capital Improvement Program

During fiscal year 2014, the Authority received Board approval for \$927 million of capital projects related to the Master Plan as well as \$84 million for projects included in the annual capital program. Major projects started in fiscal year 2014 include the Main Terminal & Airport Concessions Redevelopment Program budgeted at \$122,500,000; Concessions Warehouse & Flight Kitchen budgeted at \$17,145,000; Reconstruct Taxiway J and Bridge budgeted at \$30,692,800; South Terminal Support Area Roadway budgeted at \$21,409,200; Automated People Mover budgeted at \$417,500,000; Consolidated Rental Car Facility budgeted at \$318,700,000 and Checked Baggage System Upgrades and Optimization – Construction Phase at \$58,000,000. These projects will be funded with PFC funds, federal and state grants, debt financing and CFC funds.

In fiscal year 2014, the Authority substantially completed their Main Terminal Interior Modernization at a cost of \$9,843,200. Other substantially completed projects include the Short Term Parking Garage Ramp Rehabilitation at a cost of \$6,545,400, Terminal and Airside Interior Dynamic Signage at a cost of \$5,906,300. These completed projects were paid by a combination of Authority funds and grants.

Current and prior year capital spending includes projects approved in prior years that are still underway. In 2014 and 2013, the Authority expended \$46,770,000 and \$44,735,300, 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, 2014, \$589,234,400 has been collected under these approved applications. Expenditures under the PFC applications through September 30, 2014 total \$727,262,800. 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 \$551,230,000. Of this total, \$53,360,000 is current and will mature on October 1, 2015. Prior to 2009, all of the Authority's long-term bonds were issued as insured debt.

In October 2013, the Authority issued the 2013A Subordinated Revenue Refunding Bonds in the par amount of \$168,865,000. The proceeds from this issue were used refund the 2003A Series PFC-backed Bonds and to convert a portion of the Bank Notes to bonds. The refunding of the 2003A Bonds resulted in approximate net present value savings of \$5.3 million. In November 2013, the Authority issued the 2013A and 2013B Revenue Refunding Bonds in the par amount of \$38,635,000 and \$35,235,000, respectively to refund the 2003B and 2003D Series Bonds, and portion of the Bank Notes. The refunding of these bonds resulted in approximate net present values savings of \$12.6 million. In December 2013, the Authority issued the 2013C Revenue Refunding Bonds in the par amount of \$34,095,000 to refund 2013C Series Bonds. The refunding of the 2013C Bonds resulted in approximately net present value savings of \$5.7 million.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

During 2011, as notified and expected, the letter of credit provider for the Commercial Paper notes program that was initiated in September 21, 2001, 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 (Bank Notes). The 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 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 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 Bank Note issuance of \$2,743,335 was made on July 27, 2011. The proceeds from the issue of the Bank 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. This amendment to the not to exceed amount was for a term of three years or until the next public bond issue. However, during fiscal year 2013, the Authority commenced negotiations with SunTrust to extend the not to exceed amount of the Note to \$200,000,000, allow taxable draws under the Bank Note and change the formula upon which the variable interest rate is calculated. This amendment with SunTrust closed on October 18, 2013.

The Authority issued multiple 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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

In fiscal year 2013, the Authority used \$10,000,000 PFC receipts to repay the bank note advances made for PFC 4 projects, surplus revenues of \$227,000 to repay advances for parking shuttle bus purchases, and \$1,910,000 grant receipts of PFC 9 projects to repay advances on these projects on January 10, 2013, and made partial payment of \$4,293,900 on Bank Notes for PFC 9 projects on July 1, 2013. The Authority also issued a total of \$23,316,100 Bank Notes to fund capital projects, including \$20,020,037 for PFC 9 projects, \$1,501,503 for the fuel farm upgrade, and \$1,794,560 for purchasing the employee buses on March 14, 2013, and for the partial revenue bonds refunding (\$4,769,000) on July 30, 2013. The amounts refunded were \$1,005,833 for the 2001A Bonds, \$1,026,667 for the 2003C Bonds, \$446,667 for the 2003D Bonds, \$1,058,333 for the 2005A Bonds, \$406,667 for the 2005B Bonds, \$463,333 for the 2006A Bonds and \$356,667 for the 2006B Bonds. The issue costs of the 2012 Bank Notes were \$23,336 and \$4,833, respectively.

During fiscal year 2014, the Authority refunded a portion of the Bank Notes with proceeds from the 2013 refunding bonds, and also issued the Bank Notes to fund its capital projects. In October 2013, the Authority made partial payments of \$1,726,300 on the Bank Notes for the PFC 9 project, issued \$100,000 2013B Taxable Notes, and refunded \$89,140,605 2013A Subordinated Tax-Exempt Bank Notes with the proceeds of 2013A Subordinated Revenue Refunding Bonds.

In November 2013, the Authority paid \$4,566,703 on the Bank Notes with the proceeds of 2013B Senior Revenue Refunding Bonds. In May 2014, the Authority made total payments of \$3,036,000 on the Bank Notes for the capital projects, and issued \$7,000,000 Bank Notes for PFC 10 capital projects. In July 2014, the Authority issued a total of \$13,000,000 Bank Notes to fund PFC 10 capital projects. In September 2014, the Authority made a partial principal payment of \$1,000,000. The total issue costs for the Bank Notes are \$54,229 (see Note 8 – Debt and Other Non-Current Liabilities).

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 2014 and 2013 was 1.71 and 1.56, 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.

FINANCIAL STATEMENTS

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2014 AND 2013**

ASSETS	2014	2013
CURRENT ASSETS		
Unrestricted:		
Cash and Cash Equivalents	\$ 65,269,736	\$ 62,690,054
Restricted:		
Cash and Cash Equivalents	124,466,240	95,612,140
Investments	64,666,973	85,398,111
Accounts Receivable, Net	4,557,013	3,597,553
Passenger Facility Charges Receivable	3,317,988	3,683,195
Government Grants Receivable	4,165,870	7,693,162
Accrued Interest Receivable	493,599	1,143,051
Prepaid Insurance and Other Assets	3,133,471	3,545,415
Total Restricted Assets	204,801,154	200,672,627
Total Current Assets	270,070,890	263,362,681
NONCURRENT ASSETS		
Capital Assets:		
Land	199,480,991	190,388,939
Construction in Progress	36,261,066	33,146,366
Building, Equipment and Improvements	2,019,609,305	1,971,770,841
Total	2,255,351,362	2,195,306,146
Less: Accumulated Depreciation	(1,105,905,593)	(1,023,732,446)
Total Capital Assets, Net	1,149,445,769	1,171,573,700
Debt Prepaid Insurance Costs, net	1,533,228	2,144,202
Total Noncurrent Assets	1,150,978,997	1,173,717,902
Total Assets	\$ 1,421,049,887	\$ 1,437,080,583
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding of Debt	\$ 2,826,721	\$ 3,493,089

See accompanying Notes to Financial Statements.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2014 AND 2013**

LIABILITIES AND NET POSITION	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES		
Payable from Unrestricted Assets:		
Accounts Payable – Construction	\$ 1,263,706	\$ 2,642,698
Accrued Airline Revenue Sharing	<u>9,012,420</u>	<u>7,494,479</u>
Total Current Liabilities Payable from Unrestricted Assets	<u>10,276,126</u>	<u>10,137,177</u>
Payable from Restricted Assets:		
Accounts Payable – Construction	9,392,680	6,532,234
Accounts Payable – Trade	4,521,280	4,283,623
Accrued Expenses	12,863,145	9,829,727
Accrued Interest Payable	101,377	113,144
Current Maturities of Revenue Bonds Payable	53,360,000	56,055,000
Current Maturities of Bank Notes	22,089,400	4,662,371
Unearned Revenue and Other Liabilities	<u>3,952,684</u>	<u>2,218,649</u>
Total Current Liabilities Payable from Restricted Assets	<u>106,280,566</u>	<u>83,694,748</u>
Total Current Liabilities	<u>116,556,692</u>	<u>93,831,925</u>
NONCURRENT LIABILITIES		
Revenue Bonds Payable, Net of Current Maturities	510,465,326	492,876,916
Bank Notes, Net of Current Maturities	16,748,527	113,545,164
Other Liabilities	<u>3,767,031</u>	<u>3,812,530</u>
Total Noncurrent Liabilities	<u>530,980,884</u>	<u>610,234,610</u>
 Total Liabilities	 <u>\$ 647,537,576</u>	 <u>\$ 704,066,535</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Refunding of Debt	<u>\$ 2,449,240</u>	<u>\$ -</u>
NET POSITION		
Net Investment in Capital Assets	618,609,166	590,716,821
Restricted for:		
Construction	41,422,444	40,396,352
Rental Car Customer Facility Charges	27,074,516	15,239,706
Other Purposes	30,526,350	34,958,683
Unrestricted	<u>56,257,316</u>	<u>55,195,575</u>
 Total Net Position	 <u>\$ 773,889,792</u>	 <u>\$ 736,507,137</u>

See accompanying Notes to Financial Statements.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
Airfield	\$ 14,857,840	\$ 14,285,206
Terminal Building	46,270,829	43,005,918
Airside Buildings	18,639,279	17,849,625
Commercial Landside	97,911,419	90,290,968
Cargo	2,234,934	2,270,828
Auxiliary Airports	930,739	875,780
General Aviation	2,211,539	2,192,413
Federal Reimbursements	1,338,114	490,482
Other	10,210,037	9,936,723
	194,604,730	181,197,943
OPERATING EXPENSES		
Airfield	10,136,040	9,659,834
Terminal Building	28,827,681	26,547,937
Airside Buildings	22,359,051	20,840,424
Commercial Landside	24,080,229	22,898,619
Cargo	751,034	630,116
Auxiliary Airports	1,538,771	1,340,726
General Aviation	827,288	801,106
Passenger Transfer System	4,198,571	3,943,064
Roads and Grounds	9,127,904	8,468,144
Other	2,459,575	1,914,208
	104,306,144	97,044,178
Signatory Airline Net Revenue Sharing	9,012,420	7,494,479
Operating Income before Depreciation and Amortization	81,286,166	76,659,286
Depreciation and Amortization	89,361,262	89,084,941
OPERATING LOSS	(8,075,096)	(12,425,655)
NONOPERATING REVENUES AND EXPENSES		
Interest Income	1,854,995	2,747,677
Net Realized and Unrealized Investment Gain and (Loss)	(543,278)	(3,072,931)
Interest Expense	(24,526,781)	(29,328,915)
Other Nonoperating Expense	-	(412,465)
	(23,215,064)	(30,066,634)
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	\$ (31,290,160)	\$ (42,492,289)

See accompanying Notes to Financial Statements.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 (CONTINUED)
 YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	2014	2013
CAPITAL CONTRIBUTIONS		
Passenger Facility Charges	\$ 33,662,960	\$ 33,185,837
Federal and State Grants	18,944,268	24,835,756
Rental Car Customer Facility Charges	16,065,587	8,218,158
Total Capital Contributions	68,672,815	66,239,751
 CHANGE IN NET POSITION	 37,382,655	 23,747,462
Total Net Position - Beginning of Year	736,507,137	712,759,675
 TOTAL NET POSITION - END OF YEAR	 \$ 773,889,792	 \$ 736,507,137

See accompanying Notes to Financial Statements.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Cash Receipts from Customers	\$ 193,995,692	\$ 182,125,733
Cash Payments to Suppliers for Goods and Services	(69,062,781)	(68,360,879)
Cash Payments to Employees for Services	(36,089,747)	(33,940,755)
Cash Receipts from Federal Reimbursements	1,338,114	490,482
Net Cash Provided by Operating Activities	90,181,278	80,314,581
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Issuance of Revenue Refunding Bonds	287,943,750	-
Proceeds from Issuance of Bank Notes	20,100,000	28,085,100
Principal and Interest Paid on Revenue Bond Refunding	(218,435,042)	-
Redemption of Bank Notes	(99,469,608)	(16,430,900)
Payments of Bond Issue Costs	(1,873,695)	(412,465)
Payments of Bank Notes Issue Costs	(54,229)	(28,169)
Principal Paid on Revenue Bond Maturities	(49,745,000)	(53,205,000)
Interest Paid on Revenue Bonds and Bank Notes	(27,302,108)	(32,402,171)
Acquisition and Construction of Capital Assets	(65,178,480)	(54,655,888)
Net Proceeds from Direct Financing Lease and Other Assets	-	111,668
Rental Car Customer Facility Charges	16,065,587	8,218,158
Federal and State Grants	22,471,560	23,751,109
Passenger Facility Charges	34,028,167	33,871,768
Net Cash Used by Capital and Related Financing Activities	(81,449,098)	(63,096,790)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investment Securities	(102,626,234)	(108,094,357)
Proceeds from Maturities of Investment Securities	118,713,443	108,817,280
Income Received on Investments	6,614,393	2,663,318
Net Cash Provided by Investing Activities	22,701,602	3,386,241
NET CHANGE IN CASH AND CASH EQUIVALENTS	31,433,782	20,604,032
Cash and Cash Equivalents - Beginning of Year	158,302,194	137,698,162
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 189,735,976	\$ 158,302,194

See accompanying Notes to Financial Statements.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	2014	2013
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (8,075,096)	\$ (12,425,655)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and amortization	89,361,262	89,084,941
(Increase) Decrease in Accounts Receivable	(959,460)	1,268,482
Decrease in Prepaid Insurance and Other Assets	411,944	218,122
Increase in Accounts Payable - Trade	237,657	392,906
Increase Accrued Expenses, Unearned Revenue, and Other Liabilities	9,204,971	1,775,785
Net Cash Provided by Operating Activities	\$ 90,181,278	\$ 80,314,581
NONCASH ACTIVITIES		
Unrealized Loss on Investments	\$ (4,643,929)	\$ (3,052,656)
Amortization of Bond Premium - Net	\$ 2,172,093	\$ 2,597,772
Amortization of Deferred Gain on Bond Refundings	\$ (600,152)	\$ -
Amortization of Deferred Loss on Bond Refundings	\$ 778,301	\$ 885,337

See accompanying Notes to Financial Statements.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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.

During fiscal year 2014, in association with the issuance of the 2013A Subordinated Revenue Refunding Bonds, the Authority entered the Subordinated Trust Agreement, to refund a portion of the outstanding Tax-Exempt Subordinated Revenue Notes, Series 2013A issued pursuant to that certain Amended and Restated Revolving Credit Agreement (the "Loan Agreement") dated as of October 18, 2013. The Loan Agreement provides the Authority future borrowing capacity in connection with airport projects.

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. Prior to the end of the agreement, a new agreement was negotiated with the Signatory Airlines.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 1 GENERAL (CONTINUED)

Description (Continued)

This agreement maintains the compensatory rate-making methodology (see Note 3 – Rate Making Policy) 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 agreement has a five-year term, expiring on September 30, 2015. In the fiscal year 2014, an amendment was approved to extend the term for a period of five years to September 30, 2020.

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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Net Position Flow Assumptions

In certain cases, the Authority may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts reported as restricted net position and unrestricted net position, a flow assumption must be made about the order in which resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position.

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 position. Funds received from the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA) 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 position.

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 position.

Rental Car Facility Charges

On October 1, 2011, the Authority implemented a \$2.50 per day Rental Car Customer Facility Fee (RCFF) with the on airport rental car companies. Effective April 6, 2014, the RCFF was increased to \$5.00 per day. The Transportation Facility Charge (TFC) in the amount of \$2.00 per day with the off airport rental car companies was also implemented during fiscal year 2014. The portion of the CFC 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 is used for ongoing and future customer facility development projects.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Insurance Costs, Bond Discounts and Premiums, and Deferred Loss or Gain on Bond Refundings

Debt insurance 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. Debt issue costs other than insurance costs are expensed in accordance with the GASB Statement 65 requirements. Losses and gains 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, and are reported as deferred outflows of resources and deferred inflows of resources in compliance with GASB Statement 65 requirements on the statement of net position.

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 – Rate Making Policy), 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 position.

Self-Insurance

The Authority provides a group health self-insurance plan for its retirees, employees and eligible dependents. The Authority is liable for the uninsured risk of loss under the plan. The Authority's liability is estimated by management in consultation with external insurance professionals.

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 – Pension and Other Post-Employment Benefits).

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 interest earned on bank accounts, unrealized gain or loss on investments, and interest paid on debt service as well as asset contribution.

Capital Contributions

Capital contributions consist primarily of grants and contributions from federal and state governmental agencies, passenger facility charges, and rental car facility charges. Capital contributions resulting from grants are recognized as earned as related project costs are incurred.

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 airside 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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*, was issued in March 2012, and is 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*. GASB No. 66 had no impact on the Authority's 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. This statement is not applicable to the Authority. Therefore, the adoption of this statement has no impact on its financial statements.

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 impact on its financial statements.

GASB Statement 69, *Government Combinations and Disposals of Government Operations*, was issued in January 2013, and will be effective for the Authority in fiscal year 2015. This statement provides specific accounting and financial reporting guidance for combinations and disposals in the governmental environment. The Authority does not anticipate any mergers, acquisitions, and transfers of operations in the future.

GASB Statement 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, was issued in April 2013, and is effective for the Authority in fiscal year 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. A government that extends a non-exchange financial guarantee is required to recognize a liability if it is more likely than that not the government will be required to make a payment on

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

the guarantee; a government that has issued an obligation guaranteed in a non-exchange transaction is required to recognize revenue to the extent of the reduction in its guaranteed liabilities. The statement will enhance comparability of financial statements among governments and specify the information to be disclosed by governments that extend non-exchange financial guarantees. The Authority is not a party to a non-exchange financial guarantee. Therefore, this statement is not applicable to the Authority.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68*, was issued November 2013 and is required to be applied simultaneously with the provisions of GASB Statement 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Authority has not yet determined the impact 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, 2014 and 2013 were \$9,012,420 and \$7,494,479, respectively. The net revenue sharing is presented as a separate item after Operating Expenses on the statements of revenues, expenses and changes in net position. Depreciation and amortization is excluded from the rate making process.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

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.

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

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

SBA (Continued)

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. In September 2014, a full amount of Fund B remaining principal was transferred to Prime accounts.

As of September 30, 2014, the Authority had \$10,680,373 deposited in Florida PRIME and zero balance remaining in Fund B.

At September 30, 2014 and 2013, all cash and cash equivalent and investments, were as follows:

	2014	2013
U.S. Treasury Securities	\$ 64,666,973	\$ 84,777,960
SBA - Florida PRIME and Fund B	10,680,372	10,736,285
Investment in Money Market Bank Accounts	6,726,138	7,859,372
Cash Equivalents Subtotal	17,406,510	18,595,657
Cash in Deposit Accounts	172,329,466	140,326,688
Total Cash and Investments	\$ 254,402,949	\$ 243,700,305
Reconciliation to Statement of Net Position:		
Cash and Cash Equivalents – Unrestricted	\$ 65,269,736	\$ 62,690,054
Cash and Cash Equivalents – Restricted	124,466,240	95,612,140
Investments - Restricted	64,666,973	85,398,111
Total Cash and Investments	\$ 254,402,949	\$ 243,700,305

The Authority is authorized to invest in securities as described in its investment policy and the Trust Agreement. As of September 30, 2014 and 2013, the Authority held the following investments as categorized below in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

	Investment Maturities - 2014				
Investment Type	Less Than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total
U.S. Treasury Securities	\$ 4,887,707	\$ 28,682,213	\$ 17,789,572	\$ 13,307,481	\$ 64,666,973
SBA - Florida PRIME	10,680,372	-	-	-	10,680,372
Investment in Money Market Bank Accounts	6,726,138	-	-	-	6,726,138
Total	\$ 22,294,217	\$ 28,682,213	\$ 17,789,572	\$ 13,307,481	\$ 82,073,483
	Investment Maturities - 2013				
Investment Type	Less Than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total
U.S. Treasury Securities	\$ 5,076,190	\$ 51,155,677	\$ 28,546,093	\$ -	\$ 84,777,960
SBA - Florida PRIME and Fund B	10,116,134	620,151	-	-	10,736,285
Investment in Money Market Bank Accounts	7,859,372	-	-	-	7,859,372
Total	\$ 23,051,696	\$ 51,775,828	\$ 28,546,093	\$ -	\$ 103,373,617

HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

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.

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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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 non-trust 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, 2014 and 2013 is as follows:

	2014	2013
Restricted for Debt Service:		
Bond Principal, Interest, and Redemption		
Sinking Fund	\$ 16,906	\$ 37,347
Bond Reserve Fund	65,163,849	85,940,736
Restricted to Acquisition of Property and Equipment:		
Construction and Equipment Funds	51,495,128	39,952,027
Restricted to Operating Expenses:		
Operating Reserve Account	17,024,111	16,540,109
Operation and Maintenance	9,871,810	6,351,056
	143,571,804	148,821,275
Other Restricted Funds:		
Revenue Funds	23,192,864	21,258,220
Escrow and Forfeiture Deposits	344,641	431,654
Capital Acquisition	7,483,858	11,376,357
Rental Car Facility Future Development	27,074,516	15,239,706
Prepaid Insurance and Other Assets	3,133,471	3,545,415
	61,229,350	51,851,352
Total Restricted Assets	\$ 204,801,154	\$ 200,672,627

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, airside and rental car areas. All leases are cancelable.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 7 CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2014 and 2013 is summarized as follows:

	Balance October 1, 2013	Additions and Reclasses	Deletions and Reclasses	Balance September 30, 2014
Land	\$ 190,388,939	\$ 9,092,052	\$ -	\$ 199,480,991
Construction in Progress	33,146,366	57,373,798	(54,259,098)	36,261,066
Equipment	38,759,718	4,641,108	(1,536,742)	41,864,084
Buildings and Improvements	1,933,011,123	48,929,620	(4,195,522)	1,977,745,221
	<u>2,195,306,146</u>	<u>120,036,578</u>	<u>(59,991,362)</u>	<u>2,255,351,362</u>
Less: Accumulated Depreciation:				
Equipment	(26,677,489)	(5,861,800)	2,140,127	(30,399,162)
Buildings and Improvements	(997,054,957)	(81,941,961)	3,490,487	(1,075,506,431)
	<u>(1,023,732,446)</u>	<u>(87,803,761)</u>	<u>5,630,614</u>	<u>(1,105,905,593)</u>
Total Capital Assets – Net	<u>\$ 1,171,573,700</u>	<u>\$ 32,232,817</u>	<u>\$ (54,360,748)</u>	<u>\$ 1,149,445,769</u>
	Balance October 1, 2012	Additions and Reclasses	Deletions and Reclasses	Balance September 30, 2013
Land	\$ 188,559,393	\$ 1,864,455	\$ (34,909)	\$ 190,388,939
Construction in Progress	25,898,607	53,172,933	(45,925,174)	33,146,366
Equipment	32,743,388	7,238,769	(1,222,439)	38,759,718
Buildings and Improvements	1,900,635,551	45,055,266	(12,679,694)	1,933,011,123
	<u>2,147,836,939</u>	<u>107,331,423</u>	<u>(59,862,216)</u>	<u>2,195,306,146</u>
Less: Accumulated Depreciation:				
Equipment	(23,186,606)	(5,963,981)	2,473,098	(26,677,489)
Buildings and Improvements	(925,596,896)	(82,782,667)	11,324,606	(997,054,957)
	<u>(948,783,502)</u>	<u>(88,746,648)</u>	<u>13,797,704</u>	<u>(1,023,732,446)</u>
Total Capital Assets – Net	<u>\$ 1,199,053,437</u>	<u>\$ 18,584,775</u>	<u>\$ (46,064,512)</u>	<u>\$ 1,171,573,700</u>

Depreciation expense and amortization of capitalized interest during the years ended September 30, 2014 and 2013 were \$87,803,761 and \$88,746,648, respectively. These amounts are included in Depreciation and Amortization in the accompanying statements of revenues, expenses and changes in net position.

HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

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, 2014 and 2013, serial revenue bonds in the amounts of \$49,745,000 and \$53,205,000, respectively, were redeemed. Total interest costs incurred on outstanding bonds during the years ended September 30, 2014 and 2013, were \$27,555,176 and \$31,109,119, respectively. Of these interest amounts, \$1,506,221 and \$1,348,353 was capitalized, respectively. Amortization of prepaid bond insurance costs in the fiscal years 2014 and 2013 was \$93,230 and \$170,786, respectively.

On October 30, 2013, the Authority issued the Tampa International Airport Subordinated Revenue Refunding Bonds 2013 Series A in the amount of \$168,865,000, the 2013A Subordinated Revenue Refunding Bonds were issued with a premium of \$11,113,750, at a rate of 2.0% to 5.5%, and maturities from 2014 to 2030.

The 2013A Subordinated Bonds issue proceeds of \$179,978,750, debt service reserve funds attributable to the refunding in the amount of \$6,673,844, additional contribution of \$874,273, less total issue costs of \$1,569,120, were used to refund the 2003 Series A Revenue Bonds maturing on October 1, 2014 to October 1, 2018, outstanding in the principal amount of \$96,115,000, and a portion of the Bank Notes in the principal amount of \$89,140,605. The refunding resulted in a calculated net present value savings of \$5,283,474.

On November 20, 2013, the Authority issued the Tampa International Airport Revenue Refunding Senior Bonds 2013 Series A and 2013 Series B in the amounts of \$38,635,000 and \$35,235,000, respectively. The Series A Senior Bonds were issued at a rate of 1.875% with maturities from 2014 to 2021, and the Series B Senior Bonds were issued at a rate of 2% with maturities from 2014 to 2023.

The 2013 Series A Senior Bonds were used to refund the 2003 Series B Bonds, maturing October 1, 2014 to October 1, 2020. The issue proceeds of \$38,635,000, debt service reserve funds attributable to the refunding in the amount of \$3,098,777, additional contribution of \$68,620, less issue costs of \$100,679, were used to refund the 2003 Series B Revenue Bonds maturing October 1, 2014 to October 1, 2020, outstanding in the principal amount of \$41,290,000. The refunding resulted in a calculated net present value savings of \$6,662,133.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

The 2013 Series B Senior Bonds were used to refund the 2003 Series D Bonds, maturing October 1, 2014 to October 1, 2023. The issue proceeds of \$35,235,000, debt service reserve funds attributable to the refunding in the amount of \$5,267,106, additional contribution of \$60,693, less issue costs of \$101,941, were used to refund the 2003 Series D Revenue Bonds maturing October 1, 2014 to October 1, 2023, outstanding in the principal amount of \$41,290,000, and a portion of the Bank Notes in the principal amount of \$4,566,703. The refunding resulted in a calculated net present value savings of \$5,894,701.

On December 18, 2013, the Authority issued the Tampa International Airport Revenue Refunding Senior Bonds 2013 Series C in the amounts of \$34,095,000. The Series C Senior Bonds were issued at a rate of 1.0% with maturities from 2014 to 2019.

The 2013 Series C Senior Bonds were used to refund the 2003 Series C Bonds, maturing October 1, 2014 to October 1, 2019. The issue proceeds of \$34,095,000, debt service reserve funds attributable to the refunding in the amount of \$10,643,018, and additional contribution of \$55,106, less issue costs of \$101,956, were used to refund the 2003 Series C Revenue Bonds maturing October 1, 2014 to October 1, 2019, outstanding in the principal amount of \$44,085,000. The refunding resulted in a calculated net present value savings of \$5,669,027.

On July 30, 2013, the Authority drew \$4,769,000 in Bank Notes to refund portion of several bond series. The amounts refunded were \$1,005,833 for the 2001A Bonds, \$1,026,667 for the 2003C Bonds, \$446,667 for the 2003D Bonds, \$1,058,333 for the 2005A Bonds, \$406,667 for the 2005B Bonds, \$463,333 for the 2006A Bonds and \$356,667 for the 2006B Bonds.

The total principal maturities and debt service requirements for all revenue bonds through the year 2038, as of September 30, 2014 are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 53,360,000	\$ 25,230,018	\$ 78,590,018
2016	47,570,000	23,009,436	70,579,436
2017	34,720,000	20,954,772	55,674,772
2018	33,605,000	19,526,479	53,131,479
2019	31,205,000	18,057,054	49,262,054
2020-2024	127,515,000	75,541,398	203,056,398
2025-2029	105,840,000	48,684,263	154,524,263
2030-2034	65,375,000	23,469,975	88,844,975
2035-2038	52,040,000	7,271,525	59,311,525
Total	<u>\$ 551,230,000</u>	<u>\$ 261,744,920</u>	<u>\$ 812,974,920</u>

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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, 2014 and 2013 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.

	2014		2013	
	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%	6,715,000	6,715,000	13,080,000	6,365,000
2003A Series, 5.0% to 5.5%	-	-	96,115,000	17,240,000
2003B Series, 4.375% to 5.25%	-	-	41,290,000	1,295,000
2003C Series, 5.0% to 5.25%	-	-	44,085,000	6,480,000
2003D Series, 3.75% to 5.5%	-	-	35,530,000	2,830,000
2005A Series, 5.25%	52,485,000	7,040,000	59,170,000	6,685,000
2005B Series, 5.0% to 5.125%	21,345,000	2,690,000	23,910,000	2,565,000
2006A Series, 4.375% to 5.0%	9,925,000	4,025,000	13,750,000	3,825,000
2006B Series, 4.375% to 5.0%	7,620,000	3,090,000	10,565,000	2,945,000
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%	9,625,000	-	9,625,000	-
2008D Series, 4.0% to 5.5%	3,110,000	-	3,110,000	-
2009A Series, 4.635% to 5.0%	26,300,000	6,120,000	32,125,000	5,825,000
2013A Series 1.875%	37,400,000	1,495,000	-	-
2013B Series 2.0%	32,685,000	2,700,000	-	-
2013C Series 1.0%	28,540,000	5,795,000	-	-
2013A Subordinated 2.0% to 5.5%	156,670,000	13,690,000	-	-
	<u>551,230,000</u>	<u>\$ 53,360,000</u>	<u>541,165,000</u>	<u>\$ 56,055,000</u>
Unamortized Bond Premium – Net	<u>12,595,326</u>		<u>7,766,916</u>	
Total Revenue Bonds Payable	<u>\$ 563,825,326</u>		<u>\$ 548,931,916</u>	

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

	Balance September 30, 2013	Additions	Refunding	Paydowns	Balance September 30, 2014
1996B Revenue Bonds	\$ 9,085,000	\$ -	\$ -	\$ -	\$ 9,085,000
2001A Revenue Refunding Bonds	13,080,000	-	-	(6,365,000)	6,715,000
2003A Revenue Bonds	96,115,000	-	(96,115,000)	-	-
2003B Revenue Bonds	41,290,000	-	(41,290,000)	-	-
2003C Revenue Refunding Bonds	44,085,000	-	(44,085,000)	-	-
2003D Revenue Refunding Bonds	35,530,000	-	(35,530,000)	-	-
2005A Revenue Bonds	59,170,000	-	-	(6,685,000)	52,485,000
2005B Revenue Refunding Bonds	23,910,000	-	-	(2,565,000)	21,345,000
2006A Revenue Refunding Bonds	13,750,000	-	-	(3,825,000)	9,925,000
2006B Revenue Refunding Bonds	10,565,000	-	-	(2,945,000)	7,620,000
2008A Revenue Bonds	133,000,000	-	-	-	133,000,000
2008B Revenue Bonds	16,725,000	-	-	-	16,725,000
2008C Revenue Refunding Bonds	9,625,000	-	-	-	9,625,000
2008D Revenue Refunding Bonds	3,110,000	-	-	-	3,110,000
2009A Revenue Bonds	32,125,000	-	-	(5,825,000)	26,300,000
2013A Revenue Refunding Bonds	-	38,635,000	-	(1,235,000)	37,400,000
2013B Revenue Refunding Bonds	-	35,235,000	-	(2,550,000)	32,685,000
2013C Revenue Refunding Bonds	-	34,095,000	-	(5,555,000)	28,540,000
2013A Subordinated Revenue Refunding Bonds	-	168,865,000	-	(12,195,000)	156,670,000
	<u>\$ 541,165,000</u>	<u>\$ 276,830,000</u>	<u>\$ (217,020,000)</u>	<u>\$ (49,745,000)</u>	<u>\$ 551,230,000</u>

	Balance September 30, 2012	Additions	Refunding	Paydowns	Balance September 30, 2013
1996B Revenue Bonds	\$ 9,085,000	\$ -	\$ -	\$ -	\$ 9,085,000
2001A Revenue Refunding Bonds	19,115,000	-	(1,005,833)	(5,029,167)	13,080,000
2003A Revenue Bonds	112,535,000	-	-	(16,420,000)	96,115,000
2003B Revenue Bonds	42,540,000	-	-	(1,250,000)	41,290,000
2003C Revenue Refunding Bonds	50,245,000	-	(1,026,667)	(5,133,333)	44,085,000
2003D Revenue Refunding Bonds	38,210,000	-	(446,667)	(2,233,333)	35,530,000
2005A Revenue Bonds	65,520,000	-	(1,058,333)	(5,291,667)	59,170,000
2005B Revenue Refunding Bonds	26,350,000	-	(406,667)	(2,033,333)	23,910,000
2006A Revenue Refunding Bonds	16,530,000	-	(463,333)	(2,316,667)	13,750,000
2006B Revenue Refunding Bonds	12,705,000	-	(356,667)	(1,783,333)	10,565,000
2008A Revenue Bonds	133,000,000	-	-	-	133,000,000
2008B Revenue Bonds	16,725,000	-	-	-	16,725,000
2008C Revenue Refunding Bonds	10,680,000	-	-	(1,055,000)	9,625,000
2008D Revenue Refunding Bonds	3,450,000	-	-	(340,000)	3,110,000
2009A Revenue Bonds	37,680,000	-	-	(5,555,000)	32,125,000
	<u>\$ 594,370,000</u>	<u>\$ -</u>	<u>\$ (4,764,167)</u>	<u>\$ (48,440,833)</u>	<u>\$ 541,165,000</u>

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Bank Notes

On June 21, 2011, the Authority entered into an agreement with SunTrust to provide a variable rate direct bank loan (Bank Notes). The Bank Notes had a seven-year term, were subject to the revolving credit agreement with SunTrust Bank and had a not to exceed 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.

On March 1, 2012, a new amendment was approved to increase the principal amount not exceeding \$130,000,000, which required the issuance of the 2012 Bank Notes to replace the 2011 Bank Notes. This amended principal amount was set to last for three years or until the next public bond issue.

During fiscal year 2012, the Authority issued multiple Bank Notes in the amount of \$18,500,000 to fund its capital projects and equipment. The issue costs totaled \$75,995.

As of September 30, 2012, the outstanding Bank Notes totaled \$106,553,335 with an interest rate of 1.20159%.

During fiscal year 2013, the Authority issued multiple Bank Notes in the amount of \$28,085,100 to fund its capital projects and paid \$16,430,900 for principal payments and revenue bond refunding. The issue costs totaled \$28,169.

On October 18, 2013, the Authority amended and restated its agreement which increased the principal amount not exceeding \$200,000,000.

During fiscal year 2014, the Authority issued multiple Bank Notes in the amount of \$20,100,000 to fund its capital projects. The Authority made partial payments on the Bank Notes in the amount of \$99,469,608 which were for principal payments and revenue bond refunding.

As of September 30, 2014, the outstanding Bank Notes totaled \$38,837,927, with an interest rate of 1.164286%. The total issue costs of \$54,229 were expensed in the fiscal year 2014.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Bank Notes (Continued)

Bank Notes information and activity for the years ended September 30, 2014 and 2013 is presented below:

	Balance October 1, 2013	Additions	Refundings/ Paydowns	Balance September 30, 2014	Amounts Due Within One Year
Bank Notes	\$ 118,207,535	\$ 20,100,000	\$ (99,469,608)	\$ 38,837,927	\$ 22,089,400
	Balance October 1, 2012	Additions	Refundings/ Paydowns	Balance September 30, 2013	Amounts Due Within One Year
Bank Notes	\$ 106,553,335	\$ 28,085,100	\$ (16,430,900)	\$ 118,207,535	\$ 4,662,371

Other Non-Current Liabilities

This line item consists of compensated absences (see Note 11 – Commitments and Contingencies), 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 sites at September 30, 2014 and 2013 are \$495,977 and \$537,179, respectively; and the long-term portion is \$346,179 for 2013, only. One of the sites had a phased recovery from a former tenant. Phase 1 amount was recovered by the Authority during fiscal years 2010 to 2012. In Phase 2, 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 2013. As of September 30, 2014, the remaining balance of the receivable is \$129,549.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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, 2014 and 2013 is presented below:

	Balance October 1, 2013	Additions	Reductions	Balance September 30, 2014
Compensated Absences	\$ 3,466,351	\$ 300,348	\$ -	\$ 3,766,699
Environmental Liabilities	346,179	-	(346,179)	-
Total Other Liabilities	<u>\$ 3,812,530</u>	<u>\$ 300,348</u>	<u>\$ (346,179)</u>	<u>\$ 3,766,699</u>

	Balance October 1, 2012	Additions	Reductions	Balance September 30, 2013
Compensated Absences	\$ 3,165,623	\$ 300,728	\$ -	\$ 3,466,351
Environmental Liabilities	584,440	198,331	(436,592)	346,179
Total Other Liabilities	<u>\$ 3,750,063</u>	<u>\$ 499,059</u>	<u>\$ (436,592)</u>	<u>\$ 3,812,530</u>

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 US Airways 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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 8 DEBT AND OTHER NON-CURRENT LIABILITIES (CONTINUED)

Special Purpose Revenue Bonds (Continued)

At September 30, 2014 and 2013, 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:

	2014	2013
Passenger Facility Charges	\$ 33,662,960	\$ 33,185,837
Federal Grants	4,283,782	4,289,465
State Grants	14,660,486	20,546,291
Rental Car Customer Facility Charges	16,065,587	8,218,158
Total Capital Contributions	\$ 68,672,815	\$ 66,239,751

On October 1, 2011, the Authority implemented a rental car customer facility charge program (RCFF) with the on airport rental car companies. The \$2.50 RCFF per rental day generated additional funds for rental car facility development projects or to pay debt service on future borrowings on rental car projects. Effective April 6, 2014, the rate increased to \$5.00 per day. The Transportation Facility Charge (TFC) in the amount of \$2.00 per day was implemented during fiscal year 2014 with the off airport rental cars. In 2014 and 2013, the amounts of \$16,065,587 and \$8,218,158 were recognized respectively as capital contributions.

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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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 6 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 30 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 10 years of service (or 6 years of services on or after July 1, 2002, or age 60 with 8 years of service, or age 57 with 30 years of service on or after July 1, 2011), or after 25 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 7 years of SMSC service; or with 10 years of service (or 6 years of services on or after July 1, 2002; or age 65 with 8 years of service on or after July 1, 2011, or with 30 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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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, 2014 was 7.37% for regular participants, 19.82% for special risk participants, 21.14% for senior management and 12.28% for DROP participants and as of September 30, 2013 was 6.95% for regular participants, 19.06% for special risk participants, 18.31% for senior management and 12.84% for DROP participants. Total contributions for fiscal years 2014, 2013 and 2012 were \$4,137,027, \$3,241,594 and \$2,827,576, respectively. The Authority's contributions represented less than one percent of total contributions required of all participating members. The total contributions for fiscal years 2014, 2013, and 2012 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 self-funded 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.

The Authority had a net OPEB obligation for the years ended September 30, 2014 and 2013 of \$1,159,000 and \$996,000, respectively, which is included in accrued expenses in the statements of net position.

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. In June of 2013, the Authority's Board approved a change of its health insurance plan from a fully-insured medical program to a self-funded medical program. It is anticipated that switching to a self-funded program will save the Authority 3% to 5% annually in health care costs. A summary of the liability for the self-insurance plan is presented below:

	<u>2014</u>	<u>2013</u>
Liability, Beginning of the fiscal year	\$ 1,154,606	\$ -
Current year claims and changes in estimates	8,070,893	2,798,510
Claims paid during the year	<u>(7,935,757)</u>	<u>(1,643,904)</u>
Liability, End of the fiscal year	<u>\$ 1,289,742</u>	<u>\$ 1,154,606</u>

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 10 PENSION AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy (Continued)

Under the self-funded medical program, 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 \$48,320 and \$53,690 in fiscal year 2014 and 2013, 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, 2014 and 2013 to 134 and 118 recipients respectively. A summary of monthly required contributions for retirees for the fiscal years ended September 30, 2014 and 2013 is provided as follows:

Monthly Required Contributions for Retirees

	2014	2013
HMO Plans		
Retiree Only	\$ 611	\$ 591
Retiree, 1 Dependent	\$ 1,249	\$ 1,209
Retiree, Family	\$ 1,859	\$ 1,800
PPO Plans		
Retiree Only (Under 65)	\$ 850	\$ 823
Retiree, 1 Dependent (Under 65)	\$ 1,897	\$ 1,836
Retiree, Family (Under 65)	\$ 2,737	\$ 2,649
Retiree only (65+)	\$ 732	\$ 708
Retiree (65+), 1 Dependent (65+)	\$ 1,463	\$ 1,417
Retiree (65+), 1 Dependent (Under 65)	\$ 1,778	\$ 1,721
Retiree (Under 65), Dependent (65+)	\$ 1,593	\$ 1,532
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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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 expenses for the years ended September 30, 2014 and 2013 was \$402,000 and \$385,000, respectively.

The following table shows the components of the Authority's annual OPEB cost of the years ended September 30, 2014 and 2013, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation:

	2014	2013
Annual Required Contribution (ARC)	\$ 398,000	\$ 382,000
Interest on Net OPEB Obligation	45,000	37,000
Adjustment to Annual Contribution	(41,000)	(34,000)
Annual OPEB Cost (Expense)	402,000	385,000
Contributions Made	(239,000)	(221,000)
Increase in Net OPEB Obligation	163,000	164,000
Net OPEB Obligation – Beginning of Year	996,000	832,000
Net OPEB Obligation – End of Year	\$ 1,159,000	\$ 996,000

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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
9/30/2013	\$ 385,000	\$ 221,000	57.40%	\$ 996,000
9/30/2014	\$ 402,000	\$ 239,000	59.45%	\$ 1,159,000

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

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, 2013, the most recent actuarial valuation date was as follows:

Actuarial Accrued Liability (AAL)	\$ 4,433,000
Actual Value of Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,433,000</u>
Funded Ratio	0.00%
Covered Payroll	\$ 34,634,100
Unfunded Actuarial Accrued Liability (UAAL) as a Percentage of Covered Payroll	12.80%

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 2013-2014 budgeted regular salaries for active employees. The required schedule of funding progress immediately following the notes presents multi-year 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, 2013
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	9% Initial 5% Ultimate

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 11 COMMITMENTS AND CONTINGENCIES

Construction and Maintenance Contracts

In connection with the Authority's ongoing maintenance programs 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. The Authority also has entered into contracts and agreements totaling approximately \$168.4 million for construction, engineering services, land acquisition and equipment, approximately \$91.9 million of which remains unspent.

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 \$4,484,166 at September 30, 2014. Expected amounts that will be paid out in the subsequent fiscal year are recorded as accrued expenses in the statement of net position. Amounts expected to be paid out past the subsequent fiscal year are included with other non-current liabilities in the statement of net position.

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 firefighting personnel and utilities. Total expense incurred by the Authority during the years ended September 30, 2014 and 2013 for these services were \$6,003,500 and \$5,949,200, respectively.

NOTE 13 SUBSEQUENT EVENT

On November 6, 2014, the Authority approved construction contracts totaling approximately \$267.4 million in association with Master Plan Phase 1 projects approved as part of the fiscal year 2014 capital budget. These projects will be funded by a mix of state grants, PFCs and CFCs.

REQUIRED SUPPLEMENTARY INFORMATION

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014 AND 2013**

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
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%
10/1/2012	\$ -	\$ 4,266,000	\$ (4,266,000)	-	\$ 33,706,700	13%
10/1/2013	\$ -	\$ 4,433,000	\$ (4,433,000)	-	\$ 34,634,100	13%

SUPPLEMENTARY INFORMATION

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SCHEDULE OF BONDS ISSUED, REDEEMED AND OUTSTANDING
YEAR ENDED SEPTEMBER 30, 2014**

Revenue Bond Issue	Original Issuance	Redeemed In Prior Years	Refunded In Current Year	Redeemed In Current Year	Outstanding September 30, 2014
1996B	\$ 55,325,000	\$ 46,240,000	\$ -	\$ -	\$ 9,085,000
2001A	65,640,000	52,560,000	-	6,365,000	6,715,000
2003A	195,290,000	99,175,000	96,115,000	-	-
2003B	43,735,000	2,445,000	41,290,000	-	-
2003C	94,375,000	50,290,000	44,085,000	-	-
2003D	57,030,000	21,500,000	35,530,000	-	-
2005A	84,940,000	25,770,000	-	6,685,000	52,485,000
2005B	39,225,000	15,315,000	-	2,565,000	21,345,000
2006A	18,385,000	4,635,000	-	3,825,000	9,925,000
2006B	14,160,000	3,595,000	-	2,945,000	7,620,000
2008A	133,000,000	-	-	-	133,000,000
2008B	16,725,000	-	-	-	16,725,000
2008C	34,780,000	25,155,000	-	-	9,625,000
2008D	11,250,000	8,140,000	-	-	3,110,000
2009A	48,095,000	15,970,000	-	5,825,000	26,300,000
2013A	38,635,000	-	-	1,235,000	37,400,000
2013B	35,235,000	-	-	2,550,000	32,685,000
2013C	34,095,000	-	-	5,555,000	28,540,000
2013A					
Subordinated	168,865,000	-	-	12,195,000	156,670,000
Total	\$ 1,188,785,000	\$ 370,790,000	\$ 217,020,000	\$ 49,745,000	\$ 551,230,000

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
REVENUE FUND
SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS
YEAR ENDED SEPTEMBER 30, 2014**

	<u>Depository Account</u>	<u>Operating Reserve Account</u>
Balance, October 1, 2013	\$ 17,660,667	\$ 16,467,495
Receipts:		
Interest	5,523	22,842
Revenue	208,574,537	-
Government Grants	1,277,673	-
Transfers from:		
Reserve Fund	1,682,244	533,775
Surplus Fund	49,460,081	-
Intrafund Transfers and Other Deposits	70,320	-
Total Available	<u>278,731,045</u>	<u>17,024,112</u>
Disbursements:		
Sales Taxes	(5,560,556)	-
Transfers to:		
Operations and Maintenance Fund	(101,998,700)	-
Sinking Fund	(52,332,298)	-
Surplus Fund	(88,901,889)	-
Imprest Fund	(1,302,396)	-
Capital Improvement Fund	(71,508)	-
Operating Reserve	(533,775)	-
Rental Car Customer Facility Charges	(14,978,867)	-
Intrafund Transfers and Other Costs	(877,842)	-
Total Disbursements	<u>(266,557,831)</u>	<u>-</u>
Balance, September 30, 2014	<u>\$ 12,173,214</u>	<u>\$ 17,024,112</u>

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SINKING FUND
SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS
YEAR ENDED SEPTEMBER 30, 2014**

	Interest Account	Principal Account
Balance, October 1, 2013	\$ 4,652	\$ 32,695
Receipts:		
Interest	1,361	15,591
Transfers from:		
Reserve Fund	-	20,311,025
Revenue Fund	18,299,799	34,032,500
PFCs	9,467,840	19,456,667
	27,773,652	73,848,478
Disbursements:		
Transfers to:		
Debt Service Paid from Revenue Fund	(18,101,666)	(31,725,000)
Debt Service Paid from PFCs	(9,453,511)	(18,020,000)
Transfer for 2013 Refunding Bonds	-	(20,311,025)
Other Transfers and Costs	(217,125)	(3,776,898)
Total Disbursements	(27,772,302)	(73,832,923)
Balance, September 30, 2014	\$ 1,350	\$ 15,555

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
OPERATING AND MAINTENANCE FUND
SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS
YEAR ENDED SEPTEMBER 30, 2014**

Balance, October 1, 2013	\$ 13,463,114
Receipts:	
Interest	17,213
Transfers from:	
Revenue Fund	101,998,700
Capital Improvement Fund	1,800,395
2008 and 2009 Construction Fund	185,913
PFC Funds	411,095
2013 Bond Issue Costs	1,412,361
Other Interfund Transfers	1,686,378
Other Deposits	<u>570,405</u>
Total Available	<u>121,545,574</u>
Disbursements:	
Disbursements to Payroll	(36,948,565)
Contribution to Florida Retirement System	(4,116,029)
Transfer to Surplus Fund	(3,951,932)
Transfer to Imprest Fund	(55,007,787)
Transfer to Self Insurance	(7,567,799)
Other Fund Transfers	<u>(126,548)</u>
Total Disbursements	<u>(107,718,660)</u>
Balance September 30, 2014	<u>\$ 13,826,914</u>

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
RESERVE FUND
SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS
YEAR ENDED SEPTEMBER 30, 2014**

Balance, October 1, 2013	\$ 79,876,634
Receipts:	
Interest	1,679,331
Net Proceeds on Sales of Investments	33,587,946
Total Available	115,143,911
Disbursements:	
Transfers to:	
Revenue Fund	(1,682,244)
PFC Revenue	(1,582)
Sinking Fund	(20,311,025)
Sale of 2003 Bond Investments	(29,478,000)
Total Disbursements	(51,472,851)
Balance, September 30, 2014	\$ 63,671,060

Investment Detail

	Due Date	Amortized Cost	Fair Value
T-Note	11/15/14	\$ 3,875,463	\$ 3,887,108
T-Note	03/15/15	999,881	1,000,598
T-Note	11/15/15	6,399,914	6,566,129
T-Bond	05/15/16	2,865,027	3,052,775
T-Note	08/15/17	7,075,413	7,479,068
T-Bond	02/15/19	3,341,114	3,785,339
T-Note	08/15/20	3,997,328	3,967,842
T-Note	08/15/20	878,172	871,746
T-Note	08/15/21	2,403,707	2,397,919
T-Note	08/15/21	1,309,120	1,305,965
T-Note	05/15/23	3,990,138	3,997,506
T-Bond	08/15/28	12,971,744	13,307,480
T-Note	06/30/18	4,973,837	4,945,544
T-Note	06/30/18	632,550	631,896
T-Note	06/30/18	2,223,753	2,221,462
T-Note	08/15/22	5,237,021	5,248,595
		\$ 63,174,182	\$ 64,666,972

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SURPLUS FUND
SCHEDULE OF CASH AND INVESTMENT TRANSACTIONS
YEAR ENDED SEPTEMBER 30, 2014**

Balance, October 1, 2013	\$ 49,460,081
Receipts	
Interest	46,782
Transfers from Revenue Fund	88,901,889
Transfer from O&M Fund	3,951,932
Other Interfund Transfers	598,887
Total Available	142,959,571
Disbursements:	
Transfer to Revenue Fund	(49,460,081)
Transfer to Capital Improvement Fund	(4,299,195)
Transfers to Equipment Fund	(1,840,000)
Transfer to Imprest Fund	(30,333,939)
Reimburse Labor Allocation	(926,886)
2013 Debt Service Bonds & Note Funding	(1,492,297)
Transfer to O&M to Reimburse Airline Expenses	(132,016)
Other Transfers and Costs	(1,626,046)
Total Disbursements	(90,110,460)
Balance, September 30, 2014	\$ 52,849,111

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2014**

Federal/State Agency, Federal Program/State Project	Contract/ Grant Number	CFDA CSFA Number	Current Year Expenditures
US Department of Transportation Federal Aviation Administration, Airport Improvement Program	3-12-0078-55	20.106	\$ 83,424
	3-12-0078-58	20.106	497,782
	3-12-0078-59	20.106	850,695
	3-12-0078-60	20.106	1,371,016
	3-12-0078-61	20.106	879,372
	3-12-0097-31	20.106	33,087
	3-12-0097-33	20.106	44,277
	3-12-0097-34	20.106	121,778
	3-12-0065-09	20.106	<u>34,526</u>
Subtotal			<u>3,915,957</u>
Other Federal Programs:			
US Department of Homeland Security			
Transportation Security Administration			
Checked Baggage Recapitalization Screening Construction Services Project	HSTS04-12-H-CT1197	97.118	20,304
Checked Baggage Recapitalization Screening Construction Services Project	HSTS04-13-H-CT1184	97.118	<u>8,532</u>
Subtotal			<u>28,836</u>
Total Expenditures of Federal Awards			<u>\$ 3,944,793</u>

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal/State Agency, Federal Program/State Project</u>	<u>Contract/ Grant Number</u>	<u>CFDA CSFA Number</u>	<u>Current Year Expenditures</u>
Florida Department of Transportation, Aviation Development Grant			
	AQZ60/FM402728	55.004	\$ 59,978
	AK457/FM404911	55.004	2,254,052
	AQW21/FM415760	55.004	65,500
	APV24/FM418120	55.004	47,807
	AQ123/422550-1	55.004	71,067
	AP119/FM422552-6	55.004	254,723
	AQA48/FM422552-7	55.004	387,199
	AQI25/FM422553	55.004	4,243
	AQ697/FM424097-3	55.004	155,935
	AQ698/FM424097-4	55.004	(2,473)
	AQ699/FM424097-5	55.004	13,225
	AQW19/FM424098	55.004	65,597
	AQW20/FM424099	55.004	31,199
	AR385/FM425919	55.004	81,064
	AR389/425920-1	55.004	343,963
	AR390/425920-2	55.004	1,347,127
	AR413-425920-4	55.004	123,697
	AR636/425920-5	55.004	129,932
	AQQ06/FM431497	55.004	4,600,517
	AQQ64/FM432101	55.004	898,764
			<u>898,764</u>
Total State Financial Assistance			<u>\$ 10,933,116</u>
Total of Expenditures of Federal Awards and State Financial Assistance			<u>\$ 14,877,909</u>

(Concluded)

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards and State Financial Assistance has been prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues when they are earned and expenditures when they are incurred.

NOTE 2 CONTINGENCY

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.

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGES (PFCs) COLLECTED AND
EXPENDED
YEAR ENDED SEPTEMBER 30, 2014**

<u>Quarter Ended</u>	<u>Beginning Balance Unliquidated PFCs</u>	<u>PFC Collections</u>	<u>Interest Earned</u>	<u>Expenditures</u>	<u>Ending Balance Unliquidated PFCs</u>
December 31, 2013	\$ (160,968,417)	\$ 8,217,388	\$ 6,772	\$ (3,049,088)	\$ (155,793,345)
March 31, 2014	(155,793,345)	8,752,676	2,777	(183,186)	(147,221,078)
June 30, 2014	(147,221,078)	9,026,312	3,122	(7,770,615)	(145,962,259)
September 30, 2014	(145,962,259)	8,031,791	3,092	(101,011)	(138,028,387)

OTHER INFORMATION

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SUMMARY SCHEDULE OF INSURANCE POLICIES
SEPTEMBER 30, 2014**

(UNAUDITED)

Lexington \$15,000,000 (60% of \$25,000,000 Primary), ACE \$10,000,000 (20% of \$50,000,000 Primary), Zurich \$5,000,000 (20% of \$25,000,000 Primary), Swiss Re \$20,000,000 (80% of excess \$25,000,000), Zurich \$200,000,000 (80% of excess \$250,000,000) Princeton E&S Lines \$50,000,000 (20% of excess \$250,000,000)

Property Coverage -

All other perils (Excluding Terrorism & Named Windstorm) Deductible	\$300,000,000 \$ 250,000
Named Windstorm - **** SEE BELOW Deductible – greater of 5% of value or	\$ 50,000,000 \$ 250,000
Flood Coverage –	\$ 50,000,000
Terrorism Coverage	\$ 100,000,000

**** Named windstorm coverage: Swiss Re provides \$20,000,000, Lexington provides \$15,000,000, ACE Insurers provides \$10,000,000 and Zurich provides \$5,000,000. Terrorism provided by a stand-alone program via Lloyds of London for \$100,000,000 in coverage.

Travelers Casualty and Surety Company of America

Crime Coverage:

Employee Theft Deductible	\$ 3,000,000 \$ 25,000
Depositors Forgery Deductible	\$ 3,000,000 \$ 25,000
Money Securities on Premises Deductible	\$ 1,000,000 \$ 1,000
Money Securities Messenger Deductible	\$ 1,000,000 \$ 1,000
Funds Transfer Fraud Deductible	\$ 3,000,000 \$ 25,000
Computer Fraud Deductible	\$ 3,000,000 \$ 25,000
Personal Accounts Protection Deductible	\$ 1,000,000 \$ 25,000

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SUMMARY SCHEDULE OF INSURANCE POLICIES (CONTINUED)
SEPTEMBER 30, 2014**

(UNAUDITED)

Chartis Specialty Insurance Company

Cyber Risk Coverage:		
Security and Privacy		\$ 1,000,000
Deductible		\$ 25,000
Event Management		\$ 100,000
Deductible		\$ 10,000
Cyber Extortion		\$ 1,000,000
Deductible		\$ 25,000

Commerce and Industry Insurance Company

Florida Storage Tank Third-Party Liability, Corrective Action and Clean Up Costs Coverage:

Each incident		\$ 1,000,000
Aggregate Limit		\$ 2,000,000
Deductible		\$ 5,000

The Hartford

Flood Insurance:		
Tampa Executive Airport		\$ 500,000
Deductible		\$ 2,000
Peter O. Knight Airport		\$ 500,000
Deductible		\$ 2,000

American Southern Insurance Company

Automobile Insurance:		
Liability		\$1,000,000
Automobile Physical Damage (On and Off Premises)	Lesser of Actual Cash Value or Repair	
Uninsured Motorist Coverage		\$ 100,000
Personal Injury Protection		Statutory
Florida No-Fault (Statutory)		
Deductible –	Liability	\$ 1,000 / 5,000
	Collision	\$ 1,000 / 5,000

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SUMMARY SCHEDULE OF INSURANCE POLICIES (CONTINUED)
SEPTEMBER 30, 2014**

(UNAUDITED)

Florida Municipal Insurance Trust

Workers' Compensation Coverage:	Statutory
Employer's Liability:	
Each Accident	\$ 1,000,000
Each Employee	\$ 1,000,000
Policy Limit/Disease	\$ 1,000,000
Deductible	\$ -0-

National Union Fire Insurance Company of Pittsburg, PA

Public Officials & Employment Practices Liability Coverage:	
Aggregate	\$ 5,000,000
Deductible	\$ 50,000

Global Aerospace, Inc.

Airport General Liability Insurance	\$250,000,000
War/Terrorism	\$150,000,000
Deductible	\$ -0-

Alterra America Insurance Company

Inland Marine:

Contractors Equipment	\$ 3,600,000
Deductible (All Other Perils)	\$ 5,000
Deductible Misc. Equipment	\$ 1,000

EDP Equipment	\$ 6,534,973
Deductible: (All Other Perils)	\$ 5,000
Windstorm greater of 2% of damaged item or	\$ 25,000
Deductible Flood	\$ 25,000

Lloyds of London

Fine Arts	\$ 3,787,604
Deductible: (All Other Perils)	\$ 1,000
Windstorm	\$ 10,000
Malicious Damage or Vandalism if displayed outdoors	\$ 5,000

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SUMMARY SCHEDULE OF INSURANCE POLICIES (CONTINUED)
SEPTEMBER 30, 2014**

(UNAUDITED)

Darwin Select Insurance Company

Law Enforcement Liability:

Includes Terrorism

Each Claim	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Aggregate	\$ 2,000,000
Deductible	\$ 25,000

Gerber Life Insurance Company

Employee Travel:

Each Covered Person (Max)	\$ 200,000
Per Accident (Max)	\$ 1,000,000

National Union Fire Insurance Company of Pittsburgh, PA

Blanket Accident Insurance:

Coverage:

While Engaged in Performance of Duties is Accidentally Killed or Receives Bodily Injury	\$ 75,000 Max
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Coverage:

Accidentally Killed or Dismembered While Responding to an Emergency / Perceived Emergency (additional)	\$ 70,000 Max
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Coverage:

Individual Unlawfully or Intentionally Dismembered, Killed, or Injured by Another Person (additional)	\$ 198,000 Max
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The Insurance Company of the State of Pennsylvania

Foreign Travel Policy:

General Aggregate	\$2,000,000
Foreign General Liability	\$1,000,000
Foreign Business Auto	\$1,000,000
Employers Liability	\$1,000,000
Ransom / Extortion Aggregate	\$ 500,000

COMPLIANCE REPORTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Hillsborough County Aviation Authority
Tampa, Florida

We have audited, in accordance with the 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, the statement of net position and the related statements of revenues, expenses, and changes in net position and cash flows of the Hillsborough County Aviation Authority (the Authority), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Tampa, Florida
November 26, 2014



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL
PROGRAM, EACH MAJOR STATE PROJECT, AND THE PASSENGER FACILITY CHARGE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133, CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, AND
THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES**

Board of Directors
Hillsborough County Aviation Authority
Tampa, Florida

Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program

We have audited Hillsborough County Aviation Authority's (Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement* and with the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Authority (Guide) that could have a direct and material effect on each of Authority's major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2014. The Authority's major federal programs and major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs, state projects and the passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs, major state projects, and the passenger facility charges program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Chapter 10.550, Rules of the Auditor General and the Guide. Those standards, OMB Circular A-133, Chapter 10.550, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, major state project, or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program, major state project and the passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2014.

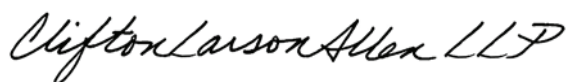
Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program, major state project and the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, major state project, and the passenger facility charge program and to test and report on internal control over compliance in accordance with OMB Circular A-133, Chapter 10.550 and the Guide but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133, Chapter 10.550 and the Guide. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Tampa, Florida
November 26, 2014

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2014**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

<u>Financial Statements</u>	<u>Results</u>
Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No
 <u>Federal and state award section</u>	
Internal Control over major programs/projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditors’ report issued on compliance for major programs/projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida?	No

**HILLSBOROUGH COUNTY AVIATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2014**

SECTION I – SUMMARY OF AUDITORS’ RESULTS (CONTINUED)

Identification of Major Programs:

<u>CFDA</u> 20.106	<u>Name of Federal Program or Cluster</u> Airport Improvement Program
<u>CSFA</u> 55.004	<u>Name of State Financial Assistance Project</u> Aviation Development Grants

Dollar threshold used to distinguish between Type A and Type B programs:	Federal: \$300,000 State: \$327,993
--	--

Auditee qualified as low-risk auditee?	Yes
--	-----

SECTION II – FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 and Section 215.97, *Florida Statutes*, audit.

There were no such findings required to be reported.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

This section identifies the audit findings required to be reported by Section .510(a) of Circular A-133, as well as any abuse findings involving federal awards that is material to a major federal program.

There were no such findings required to be reported.

SECTION IV – FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

This section identifies the audit findings required to be reported by Chapter 10.550 involving state financial assistance that is material to a major state project.

There were no such findings required to be reported.

SECTION V – PRIOR YEAR AUDIT FINDINGS

None Reported.

MANAGEMENT LETTER

Board of Directors
Hillsborough County Aviation Authority
Tampa, Florida

Report on the Financial Statements

We have audited the financial statements of Hillsborough County Aviation Authority (Authority) as of and for the fiscal year ended September 30, 2014, and have issued our report thereon, dated November 26, 2014.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Chapter 10.550, Rules of the Auditor General and the FAA Passenger Facility Charge Program Audit Guide for Public Agencies.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Federal Program, Each Major State Project and the Passenger Facility Charge Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, Chapter 10.550, Rules of the Auditor General, and the Passenger Facility Charge Audit Guide for Public Agencies; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements with Chapter 10.550, Rule of the Auditor General. Disclosures in those reports and schedule, which are dated November 26, 2014, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings in the preceding annual financial audit.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Authority for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The Authority does not have any component units.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our current-year findings and recommendations are listed in Appendix A to this Management Letter.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings

Board of Directors
Hillsborough County Aviation Authority

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
November 26, 2014

APPENDIX A CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2014-001

Criteria

A comprehensive financial closing process should assist management in ensuring relevant assertions for significant account balances and financial statement disclosures are supported.

Condition

The Authority did not complete the financial closing process in its entirety prior to the commencement of the external financial statement audit. Several account balances recorded in the general ledger were not completely reconciled to subsidiary records as part of the financial closing process.

Specifically, capitalized interest on several projects that were substantially complete as of September 30, 2014 was not transferred from construction in process to assets placed in service as part of the financial closing process. Additionally, there were several liability accounts recorded in the general ledger for which no subsidiary reconciliation was performed as part of the financial closing process.

Cause

The financial closing process for several significant account balances was not completed timely.

Effect

Capitalized interest classified as construction in process was overstated by approximately \$4 million and capitalized interest classified as assets placed in service was understated by approximately \$4 million, resulting in amortization expense being understated by approximately \$100,000.

Liability accounts were overstated by approximately \$600,000. Management corrected this error through an adjusting journal entry.

Recommendation

We recommend that the Authority include procedures to reconcile all significant account balances to supporting subsidiary records as part of its comprehensive annual financial closing process.

Management Response

Management agrees. As noted, the \$4 million misstatement was between two assets categories and a journal entry was made to properly reflect the liability account balance. It is uncommon for the Authority, but during fiscal year 2014 two new funds were established as a result of projects associated with phase 1 of the Master Plan. The Oracle financial system was not able to generate sub-ledgers for the payables liability accounts within the new funds, however a patch was applied to Oracle and the issue was resolved. The Authority did have detail of the liabilities within the funds via transaction reports. The current closing process, which includes numerous account reconciliations, will be reviewed and updated to ensure there are reconciliations for all accounts. As noted, the liability account balance was corrected during the audit and management will ensure that this is reviewed on a going forward basis. The capitalized interest and associated amortization accounts and schedules will be reviewed and revised to ensure that classifications are properly stated on a going forward basis.

APPENDIX A CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

2014-002

Criteria

Information technology systems are an integral component of the financial reporting system. Best practices should be employed with respect to monitoring and controlling user access to information systems that support the financial reporting system.

Condition

The following conditions represent opportunities to improve user access controls over the information systems supporting the financial reporting system:

- At the network domain level, Authority privileged users have the same level of password complexity requirements as standard end users.
- Password complexity requirements for online banking access are not as strong as best practice requirements
- Periodic user access reviews at the domain and application level have not been conducted since August 2013
- The Oracle administrator account is shared among four users

Cause

Best practices are continually evolving and security measures need to be reassessed continually.

Effect

Risk exposure is elevated when less than best practices are employed with respect to user access to key information systems that support the financial reporting system.

Recommendation

We recommend that the Authority consider implementation of the following enhancements:

- At the network domain level, privileged users' password complexity should be strengthened to a minimum of 14 characters, at least 3 of 4 standard complexity requirements, no reuse for 24 previously used passwords, and required changes every 30-45 days
- Discuss online banking access controls with banking vendor and request implementation of 8 character password with 3 of 4 standard complexity requirements, and RSA token dual factor authentication
- Implement a periodic user access review process a minimum of two times per year
- Assign unique user accounts for Oracle administrators

Management Response

- The Authority recently upgraded the domain controller system which should allow for this level of password control. The ITS Management team will evaluate the feasibility of implementing an increase in password complexity based on business risks and requirements.
- The Authority's Finance department will contact SunTrust to inquire about updating their password requirements.
- Active Directory accounts are reviewed for inactivity on a monthly basis and any changes are documented via the HEAT work order system. The ITS Management team will look into increasing the frequency of the formal review for all accounts (e.g., Active Directory and Applications) by the Executive Management staff.
- The ITS Financial Applications group will work with the Authority's consultants and Oracle Corp. to determine if this is possible in our environment.

INDEPENDENT ACCOUNTANTS' REPORT

Hillsborough County Aviation Authority
Tampa, Florida

We have examined Hillsborough County Aviation Authority's (Authority) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2014. Management is responsible for Authority's compliance with those requirements. Our responsibility is to express an opinion on Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Authority's compliance with specified requirements.

In our opinion, Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of the Authority and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Tampa, Florida
November 26, 2014

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APPENDIX C

CFC TRUST AGREEMENT

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CFC TRUST AGREEMENT
 RELATING TO
 HILLSBOROUGH COUNTY
 AVIATION AUTHORITY
 TAMPA INTERNATIONAL AIRPORT
 CUSTOMER FACILITY CHARGE REVENUE BONDS
 DATED
 September 1, 2015

	<u>Page</u>
ARTICLE I. DEFINITIONS	2
SECTION 1.01 DEFINITIONS.....	2
SECTION 1.02 INTERPRETATION.....	17
ARTICLE II. FORM, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS	17
SECTION 2.01 FORM OF BONDS.....	17
SECTION 2.02 GENERAL BOND TERMS.....	18
SECTION 2.03 AUTHENTICATION.....	18
SECTION 2.04 BOOK-ENTRY SYSTEM.....	19
SECTION 2.05 REGISTRATION AND TRANSFER.....	21
SECTION 2.06 REGISTERED OWNERS.....	22
SECTION 2.07 ADDITIONAL BONDS.....	22
SECTION 2.08 COMPLETION BONDS AND REFUNDING BONDS.....	26
SECTION 2.09 BONDS MUTILATED, DESTROYED, STOLEN OR LOST.....	26
SECTION 2.10 REIMBURSEMENT OBLIGATIONS.....	27
SECTION 2.11 QUALIFIED HEDGE AGREEMENTS.....	27
SECTION 2.12 INITIAL SERIES OF CFC BONDS.....	28
ARTICLE III. REDEMPTION OF BONDS	28
SECTION 3.01 PRIVILEGE OF REDEMPTION.....	28
SECTION 3.02 NOTICE OF REDEMPTION.....	28
SECTION 3.03 EFFECT OF NOTICE OF REDEMPTION.....	29
SECTION 3.04 REDEMPTION IN PART.....	29
SECTION 3.05 CANCELLATION OF BONDS.....	29
SECTION 3.06 REDEEMED BONDS NOT OUTSTANDING; CONDITIONAL NOTICE.....	29
SECTION 3.07 REDEMPTION OF ADDITIONAL BONDS.....	30
ARTICLE IV. CUSTODY AND APPLICATION OF PROCEEDS OF BONDS	30
SECTION 4.01 ESTABLISHMENT OF CONSTRUCTION FUND.....	30
SECTION 4.02 PAYMENT OF PROJECT COSTS.....	30
SECTION 4.03 DESCRIPTION OF PROJECT COSTS.....	30
SECTION 4.04 CONDITIONS TO DISBURSEMENTS.....	31
SECTION 4.05 REQUISITIONS FOR LAND COSTS.....	32
SECTION 4.06 LIMITATIONS ON REQUISITIONS.....	33
SECTION 4.07 COMPLETION; DISPOSITION OF EXCESS PROCEEDS.....	33
SECTION 4.08 SPECIAL PROVISIONS FOR ADDITIONAL BONDS.....	33
ARTICLE V. REVENUES AND FUNDS	34
SECTION 5.01 RATE COVENANT.....	34
SECTION 5.02 CREATION OF FUNDS AND ACCOUNTS.....	34
SECTION 5.03 DEPOSIT OF PLEDGED REVENUE.....	35
SECTION 5.04 DISPOSITION OF PLEDGED REVENUES BEFORE SUBSTANTIAL COMPLETION.....	35
SECTION 5.05 DISPOSITION OF PLEDGED REVENUES AFTER SUBSTANTIAL COMPLETION.....	35
SECTION 5.06 SUBORDINATED INDEBTEDNESS COVENANT.....	42
SECTION 5.07 FUNDS HELD IN TRUST.....	43
SECTION 5.08 UNCLAIMED FUNDS.....	43
SECTION 5.09 CANCELLATION CERTIFICATES.....	43
SECTION 13.06 MEMBERS NOT LIABLE.....	59
SECTION 13.07 COUNTERPARTS.....	60
SECTION 13.08 HEADINGS.....	60

ARTICLE VI. DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS, AND INVESTMENTS OF FUNDS	43
SECTION 6.01 DEPOSITARIES.....	43
SECTION 6.02 INVESTMENT OF CERTAIN FUNDS; VALUATION; DISPOSITION OF INVESTMENT INCOME.....	44
ARTICLE VII. PARTICULAR COVENANTS	45
SECTION 7.01 PAYMENT OF BONDS.....	45
SECTION 7.02 COVENANTS WITH RESPECT TO PLEDGED REVENUES.....	46
SECTION 7.03 CONSTRUCTION OF PROJECTS.....	46
SECTION 7.04 LIENS.....	46
SECTION 7.05 CONDITIONS PRECEDENT TO BOND ISSUANCE.....	46
SECTION 7.06 TAX COVENANT.....	46
ARTICLE VIII. REMEDIES	46
SECTION 8.01 EVENTS OF DEFAULT.....	46
SECTION 8.02 REMEDIES.....	47
SECTION 8.03 APPLICATION OF FUNDS AFTER DEFAULT.....	48
SECTION 8.04 DISCONTINUANCE OF PROCEEDINGS.....	49
SECTION 8.05 HOLDERS' CONTROL OF PROCEEDING.....	50
SECTION 8.06 RESTRICTION ON BONDHOLDER'S ACTION.....	50
SECTION 8.07 PROCEEDINGS BY TRUSTEE.....	50
SECTION 8.08 NO REMEDY EXCLUSIVE.....	50
SECTION 8.09 WAIVERS AND DELAYS IN ENFORCEMENT.....	50
SECTION 8.10 NOTICE OF DEFAULT TO HOLDERS.....	51
ARTICLE IX. CONCERNING THE TRUSTEE	51
SECTION 9.01 ACCEPTANCE OF DUTIES.....	51
SECTION 9.02 TRUSTEE'S DUTIES AS TO PROCEEDINGS.....	51
SECTION 9.03 TRUSTEE'S DUTIES AS TO INSURANCE; VALIDITY.....	51
SECTION 9.04 RESPONSIBILITIES AS TO COLLECTIONS, DEPOSITS AND APPLICATION OF FUNDS.....	52
SECTION 9.05 COMPENSATION.....	52
SECTION 9.06 RELIANCE.....	52
SECTION 9.07 NOTICE OF EVENTS.....	53
SECTION 9.08 TRUSTEE AS BONDHOLDER.....	53
SECTION 9.09 AUTHORITY'S REPRESENTATIONS.....	53
SECTION 9.10 ACTIONS IN GOOD FAITH.....	53
SECTION 9.11 RESIGNATION.....	53
SECTION 9.12 REMOVAL.....	53
SECTION 9.13 VACANCIES; SUCCESSOR TRUSTEE.....	54
SECTION 9.14 ACCEPTANCE BY SUCCESSOR OF DUTIES.....	54
ARTICLE X. EXECUTION OF INSTRUMENTS OF BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS	55
SECTION 10.01 EVIDENCE OF SIGNATURES OF BONDHOLDERS AND OWNERSHIP OF BONDS.....	55
ARTICLE XI. CFC SUPPLEMENTAL TRUST AGREEMENTS	55
SECTION 11.01 SUPPLEMENTS NOT REQUIRING BONDHOLDER CONSENT.....	55
SECTION 11.02 MODIFICATIONS REQUIRING BONDHOLDER CONSENT.....	56
SECTION 11.03 TRUSTEE JOINDER.....	57
SECTION 11.04 TRUSTEE'S RELIANCE ON OPINIONS.....	57
ARTICLE XII. DEFEASANCE	58
SECTION 12.01 DEFEASANCE.....	58
ARTICLE XIII. MISCELLANEOUS PROVISIONS	58
SECTION 13.01 SUCCESSOR PAYING AGENTS.....	58
SECTION 13.02 NOTICES.....	58
SECTION 13.03 THIRD PARTY BENEFICIARIES.....	59
SECTION 13.04 LIMITATION OF LIABILITY.....	59
SECTION 13.05 SEVERABILITY.....	59

THIS TRUST AGREEMENT (the "CFC Trust Agreement"), dated as of the 1st day of September, 2015, by and between the HILLSBOROUGH COUNTY AVIATION AUTHORITY (hereinafter sometimes referred to as "Authority"), and THE BANK OF NEW YORK MELLON, a 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 Authority has heretofore entered into that certain Subordinated Trust Agreement with the Trustee, dated as of October 1, 2013 (the "Subordinated Trust Agreement") pursuant to which the Authority has issued various series of subordinated lien bonds (the "Subordinated Bonds"); and

WHEREAS, pursuant to amendments implemented in Supplemental Trust Agreements between the Authority and the Trustee on and as of September 1, 2015, each with respect to the Senior Bonds and the Subordinated Bonds, respectively, the Pledged Revenues, as hereinafter defined, were released from the pledge of Gross Revenues and Subordinated Revenues under the Senior Trust Agreement and the Subordinated Trust Agreement; 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 Pledged Revenues 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 Pledged Revenues 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 CFC 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 the Supplemental Trust Agreement pertaining to such Series of Bonds, with appropriate omissions and insertions or variations permitted or authorized as hereinafter provided;

NOW, THEREFORE, this CFC Trust Agreement witnesseseth, 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 CFC 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 Cash Flow, as hereinafter defined and, to the extent provided in this CFC 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 CFC 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 CFC Trust Agreement shall have the following meanings unless some other meaning is plainly intended.

"Accrued Aggregate Debt Service Requirement" shall mean, as of any date of calculation and for each 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 interest on Bonds, the interest

2

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, other than the first Series of Bonds issued hereunder, authenticated and delivered under and pursuant to the provisions of Sections 2.07 and 2.08 hereof.

"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, as may be employed by the Authority from time to time to perform the duties of the Airport Consultant set forth in this CFC Trust Agreement.

"Airport System" shall mean the Tampa International Airport, the Peter O. Knight Airport, the Tampa Executive 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 CFC Project" means, collectively, the design, construction and installation of the ConRAC and the APM, all or, in the case of the APM, forty percent (40%), of the cost of which will be funded, in whole or in part, with CFC Bonds and facilities ancillary thereto, any expansions, additions, extensions and/or improvements to such facilities, and other projects directly or indirectly related to or affecting rental car operations within the Airport System or benefiting the Concessionaires or their customer, as determined by the Authority, in each case to be constructed or acquired in whole or in part from the proceeds of Additional Bonds issued under this CFC Trust Agreement.

"APM" means an automated people mover system which travels on a dedicated guideway providing passenger transportation service at the Airport, including, without limitation, to the ConRAC, Main Terminal, and parking areas, and including, without limitation, the vehicles used for transport, stations, and all related equipment and associated improvements from time to time, together with any other ancillary facilities and any expansions, additions, extensions and/or improvements thereto.

"Authority" shall mean the Hillsborough County Aviation Authority.

"Authority Reimbursement Fund" means the Authority Reimbursement Fund created pursuant to Section 5.02 hereof.

"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 CFC 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.

"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 CFC Supplemental Trust Agreement, the Compounded Amount of such Capital Appreciation Bonds as provided in such CFC 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 CFC 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 Reserve Account Requirement for any separate account in the Debt Service 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

5

Bonds. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

“Cede” means Cede & Co., as nominee of DTC.

“CFC Revenue Fund” means the fund created by that name pursuant to Section 5.02 of this CFC Trust Agreement.

“CFC 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.

“CFC Surplus Fund” means the CFC Surplus Fund created pursuant to Section 5.02 hereof.

“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 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 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.

“Concessionaire” means each rental car entity that, at the time, is a signatory to a Concessionaire Agreement.

“Concessionaire Agreement” means each Lease and Concession Contract for On-Airport Vehicle Rental at Tampa International Airport between the Authority and a Concessionaire entitled to exclusive premises at the ConRAC pursuant to the terms thereof, as the same may be re-executed, modified, amended or replaced from time to time.

7

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” or “CFC Bonds” shall mean, except where the context refers to particular Bonds, all Bonds issued and Outstanding under this CFC Trust Agreement, including the initial Series of Bonds issued hereunder 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 CFC 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 any Bonds issued hereunder as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then current Compounded Amount only at the maturity, earlier redemption or other payment date therefor, all as so designated by the Supplemental Trust Agreement relating to the issuance thereof, and which may be either Serial Bonds or Term

6

“Concessionaire Deficiency Payments” means the payments, if any, made by Concessionaires pursuant to Sections 4.06(A) through (D) of their respective Concessionaire Agreements (or any successor provisions thereof) as contingent payments to cover in each contract year under the Concessionaire Agreement after substantial completion, deficiencies if any in the amount of On-Airport CFCs and Off-Airport TFCs needed to fund the Mandatory Eligible Costs as defined in the Concessionaire Agreement. Concessionaire Deficiency Payments shall include amounts transferred from the Deficiency Reserve Fund into the CFC Revenue Fund pursuant to Section 5.04(B) hereof.

“ConRAC” means the relocation, design, construction and improvement of a Consolidated Rental Car Facility located in the south terminal support area, including all associated repairs and improvements to the main terminal associated therewith and all associated structures, roadways, commercial curbs, facilities, utilities, and other infrastructure improvements related thereto including, without limitation, (i) customer service area; (ii) the exclusive premises for the Concessionaires; (iii) a ready/return area; (iv) a quick turnaround area dedicated to fueling, vacuuming, washing and servicing rental vehicles, together with a dedicated roadway for rental vehicle use; (v) storage/service facilities; (vi) service centers for rental car maintenance; and (vii) common concessionaire areas and common public areas, in each case together with any other ancillary facilities and any expansions, additions, extensions and/or improvements thereto.

“CFC Repair and Replacement Fund” means the CFC Repair and Replacement Fund created pursuant to Section 5.02 hereof.

“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 who at the time is employed by the Authority to perform and carry out the duties imposed on said Consulting Engineers by this CFC 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 CFC 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 Reserve Fund” means the fund created by that name pursuant to Section 5.02 of this CFC Trust Agreement and, unless the context otherwise clearly requires, all accounts therein as may be established from time to time pursuant to Supplemental Trust Agreements.

“Deficiency Reserve Fund” means the fund created by that name pursuant to the Concessionaire Agreement and initially funded pursuant to Section 5.04(B).

8

“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 CFC 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 CFC 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.

“EMMA” means the Electronic Municipal Market Access system provided by the Municipal Securities Rulemaking Board, any successor thereto, or such other nationally recognized electronic data distribution service for governmental issuers approved by the Securities Exchange Commission for dissemination of such electronic data.

“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”);

9

structure, timing, terms and other similar matters concerning such issues, as may be employed by the Authority from time to time to perform the duties of the Financial Advisor set forth in this CFC Trust Agreement.

“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 CFC Trust Agreement shall mean the period beginning with and including October 1 of each year and ending with and including the next September 30th.

“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 CFC Supplemental Trust Agreement pertaining to each Series of Bonds issued hereunder.

“Kroll” means Kroll Bond Rating Agency, Inc. or its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Kroll” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“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 CFC 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.

(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.S. Export-Import Bank (Eximbank)

Direct obligations or fully guaranteed certificates of beneficial ownership.

b. Farmers Home Administration (FmHA)

Certificates of beneficial ownership.

c. Federal Financing Bank

d. General Services Administration

Participation certificates.

e. U.S. Maritime Administration

Guaranteed Title XI financing.

f. U.S. Department of Housing and Urban Development (HUD)

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.

“Expense Fund” means the fund by that name created pursuant to Section 5.02 hereof.

“Financial Advisor” means a nationally recognized financial advisory or consulting firm as duly registered as a municipal advisor with the Municipal Securities Rule Making Board and other applicable federal regulatory agencies, that routinely provides services to or on behalf of an issuer with respect to the issuance of municipal securities, including advice with respect to the

10

“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.

“Off-Airport TFCs” means the funds received by the Authority from off-airport car rental concessionaires pursuant to the Authority’s imposition of “transportation facility charges” under Resolution 2014-37, as amended, supplemented, restated or replaced from time to time.

“On-Airport CFCs” means the funds received by the Authority from on-airport car rental concessionaires pursuant to the Authority’s imposition of “customer facility charges” under Resolution No. 2011-106, as amended by Resolution Nos. 2014-36 and 2015-111, and as thereafter amended, supplemented, restated or replaced from time to time.

“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 CFC 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 CFC Trust Agreement and irrevocably set aside for such payment or

11

12

redemption (whether at or prior to the maturity or redemption date) in accordance with the provisions of Article XII of this CFC 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 CFC 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 CFC 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 CFC Supplemental Trust Agreement in lieu of which other Bonds have been authenticated and delivered as provided in such CFC 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).

“Pledged Cash Flow” shall mean, collectively, (i) the Pledged Revenues, (ii) Qualified Hedge Receipts, (iii) interest earnings received on the funds and accounts created hereunder, to the extent such earnings are deposited into the CFC Revenue Fund, the CFC Sinking Fund, or the Debt Service Reserve Fund, or any accounts therein as herein provided and (iv) to the extent pledged pursuant to a CFC Supplemental Trust Agreement, shall include any other legally available revenues of the Authority expressly pledged by the Authority to secure the Bonds issued hereunder.

“Pledged Revenues” shall mean, collectively, all On-Airport CFCs, Off-Airport TFCs and Concessionaire Deficiency Payments.

“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 5.05(C)) 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),

“Rebate Fund” means the Rebate Fund created pursuant to Section 5.02 hereof.

“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 Debt Service Reserve Fund created with respect to one or more Series of Bonds pursuant to Section 5.02 of this CFC Trust Agreement and the CFC Supplemental Trust Agreement pertaining to such Additional Bonds.

“Reserve Account Requirement” shall mean as of the date of each applicable calculation:

(A) with respect to Bonds secured by the Debt Service 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 principal amount of all such Bonds then outstanding, including any Additional Bonds proposed to be issued on the date of calculation and excluding any outstanding Bonds that will be paid or defeased on such date; provided however that in determining the aggregate stated 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 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 Debt Service 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 CFC Supplemental Trust Agreement entered into in connection with the issuance of such Additional Bonds hereunder.

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

“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 5.05(D) of this CFC Trust Agreement with respect to the Debt Service 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

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 fix, revise, maintain and collect Pledged Revenues in the manner described therein.

“Rebate Amount” means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1 (b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

the policy is issued is rated at least in the “AA” or “Aa” categories (without regard to sub-rating designations) by S&P, Fitch, Kroll 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 successors and assigns.

“Senior Bonds” means any bonds or senior qualified hedge agreements issued pursuant to and then outstanding under the Senior Trust Agreement.

“Senior Trust Agreement” means the Codified and Restated Trust Agreement dated October 1, 2006, between the Authority and The Bank of New York Mellon, as trustee thereunder, as the same may be supplemented and amended from time to time.

“Serial Bonds” shall mean the Bonds of an issue of Bonds, or any part of an issue of 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 CFC Trust Agreement or pursuant to the CFC 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 CFC Supplemental Trust Agreement with respect to the Bonds of such series for each applicable payment date prior to and on the maturity thereof.

“Subordinated Bonds” means any bonds or other obligations issued pursuant to and then outstanding under the Subordinated Trust Agreement.

“Subordinated Trust Agreement” means the Subordinated Trust Agreement dated as of October 1, 2013 between the Authority and the Bank of New York Mellon, as trustee thereunder, as the same may be supplemented and amended from time to time.

“Substantial Completion” means the substantial completion of the Airport System CFC Project initially funded with the initial series of Bonds issued hereunder as specified in the CFC Supplemental Trust Agreement with respect to such Series of Bonds, which shall be deemed to occur, as determined by the Authority, when such work is sufficiently complete, as reasonably determined by Authority, so that (i) Concessionaires are able to take possession of their respective exclusive premises under the Concessionaire Agreement, or (ii) when Concessionaire has received a Certificate of Occupancy and/or a Temporary Certificate of Occupancy from the appropriate governmental agencies and is able to occupy the exclusive premises for the purpose of opening for business. Substantial Completion is intended to coincide with the application of that term in Florida Statutes Section 192.042, as amended, so that the date on which Substantial Completion occurs under this CFC Trust Agreement will coincide with Substantial Completion under the Concessionaire Agreement and will be the same date relative to the imposition and levy of local ad valorem taxes.

“Taxable Bonds” means the Bonds authorized and issued under this CFC 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 CFC 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 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 CFC Trust Agreement except in accordance with the provisions of this Article.

17

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 CFC 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 CFC 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 CFC 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 CFC Trust Agreement, the word “Cede” in this CFC Trust Agreement shall refer to such new nominee of DTC.

19

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 CFC 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 CFC 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 CFC 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 CFC Supplemental Trust Agreement, the provisions of the CFC 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 CFC 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 CFC Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed

18

Except as provided in Section 2.04(E), and notwithstanding any other provisions of this CFC 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.

20

(F) Notwithstanding any other provision of this CFC 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 CFC 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 CFC 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 CFC 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.

21

(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 CFC Sinking Fund created hereunder have been made in full, as required by this CFC Trust Agreement to the date of delivery of such Additional Bonds, that all accounts described in Sections 5.05(A) through (F) are current, that there are no deficiencies in the amounts required to be on deposit therein and that, to their knowledge, no default exists hereunder. The Authority shall also certify that all payments into the Funds and Accounts described in Sections 5.05(G) and (H) have been made in full as required by this CFC 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 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 the Authority's Pledged 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), excluding funds redeposited into the CFC Revenue Fund pursuant to Section 5.05(I)(iii)(y), were not less than the greater of:

(a) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in such Fiscal Year, in each case as contemplated in Section 5.05(D) through (H) plus (ii) 100% of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of all Bonds then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds); or

(b) the sum of: (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in Section 5.05(D) through (F); plus (ii) One Hundred Twenty Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of all Bonds then Outstanding (including the Additional Bonds proposed to be

23

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 CFC Trust Agreement. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. Except as otherwise provided in this CFC 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 an Airport System CFC Project, or to refund obligations heretofore or hereafter issued by the Authority, Additional Bonds (which term, for the avoidance of doubt, shall not include the first series of Bonds issued hereunder) may be issued under and secured by this CFC 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 CFC 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;

22

issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds); or

(y) A statement of the Airport Consultant that in his opinion, the Pledged Revenues expected to be collected by the Authority 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 (excluding funds redeposited into the CFC Revenue Fund pursuant to Section 5.05(I)(iii)(y)), taking into account, among other factors, increases in CFC fees and charges, shall not be less than the greater of:

(a) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in each such Fiscal Year as contemplated in Section 5.05(D) through (H), in each case as estimated by the Airport Consultant, plus (ii) the amounts required to be deposited into the CFC Sinking Fund in each such corresponding Fiscal Year during the Period of Review on account of all Bonds Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds), as contemplated in Sections 5.05(A) through (C); or

(b) the sum of (i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in each such Fiscal Year as contemplated in Section 5.05(D) through (F), as estimated by the Airport Consultant; plus (ii) One Hundred Twenty Five percent (125%) of the amounts required to be deposited into the CFC Sinking Fund in each such corresponding Fiscal Year during the Period of Review on account of all Bonds Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds, if any, to be defeased by the issuance of such Additional Bonds), as contemplated in Sections 5.05(A) through (C).

For purposes of this CFC 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.

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 On-Airport CFCs and Off-Airport TFCs 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 the Authority has officially imposed an increase in On-Airport CFCs or Off-Airport TFCs, or both prior to the date of the Airport Consultant's report;

24

(ii) In making its forecast, the Airport Consultant may take into account projected rental transactions days based in part on its projection of the growth in planned passengers within the Airport System for the Period of Review, as reflected in an accompanying financial analysis provided in connection with the issuance of such Additional Bonds; and

(iii) The Airport Consultant, in making its forecast, may assume that each of the Concessionaires will pay its respective share of any Concessionaire Deficiency Payments as required pursuant to its respective Concessionaire Agreement.

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 CFC 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 CFC Trust Agreement as to lien on and source and security for payment from the Pledged Revenues and other moneys pledged therefor (except that Additional Bonds for which a special account in the Debt Service 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 Debt Service 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 CFC Sinking Fund and the separate accounts therein and the Debt Service Reserve Fund (but only to the extent that a cash deposit to the Debt Service Reserve Fund with respect to such Additional Bonds is required by Section 5.05(D) hereof) shall be increased as necessary over the amounts required by this CFC Trust Agreement to be deposited therein for any other Bonds then Outstanding and secured by this CFC Trust Agreement, and all of the provisions of this CFC 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 CFC 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 CFC Sinking Fund) of all Additional Bonds issued under the provisions of this Section for Airport System CFC 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.

25

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 Pledged Cash Flow 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 CFC Supplemental Trust Agreement authorizing an issue of Reimbursement Obligations, for the purposes of (i) receiving payment of a Reimbursement Obligation, whether at maturity or upon redemption 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 CFC 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.

27

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 CFC 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 Financial Advisor 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."

26

(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 CFC 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 5.05(A). Qualified Hedge Payments under any Qualified Hedge Agreement shall only be paid in the manner and to the extent specified in Section 5.05(A). Neither Qualified Hedge Payments nor other payments due under any Qualified Hedge Agreement shall be secured by funds on deposit in the CFC Repair and Replacement Fund, the CFC Surplus Fund or funds on deposit in the Construction Fund.

Section 2.12 Initial Series of CFC Bonds. The terms of the Bonds initially issued under the provisions of this CFC Trust Agreement and the conditions to the issuance thereof shall be determined by resolution adopted by the Authority prior to the sale of such Bonds and described in the CFC Supplemental Trust Agreement with respect thereto, and shall not be subject to the provisions of Sections 2.07 and 2.08 of this CFC Trust Agreement.

ARTICLE III REDEMPTION OF BONDS

Section 3.01 Privilege of Redemption. The Bonds initially issued under the provisions of this CFC 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 CFC 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 CFC 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 CFC 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 CFC 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, at least twenty-five (25) days before the redemption date (a) be filed with the Paying

28

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 CFC 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 CFC 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

29

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 CFC 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 CFC 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 CFC 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 CFC Project or any property acquired therefor, and premiums on insurance, if any, in connection with said Airport System CFC Project;

(D) The expenses necessary or incident to determining the design and construction of the Airport System CFC 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 CFC 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 CFC 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 CFC 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,

31

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 CFC Trust Agreement, shall not be deemed to be Outstanding under the provisions of this CFC 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 CFC 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 CFC 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 CFC Construction Fund (the "Construction Fund"), is hereby created and established, and the Authority shall establish separate accounts therein pursuant to each CFC Supplemental Trust Agreement pertaining to the initial Series of Bonds issued hereunder and to any 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 CFC 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 CFC 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 CFC Trust Agreement and the CFC 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 CFC 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 CFC 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 design, construction and acquisition of said Airport System CFC 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 CFC Trust Agreement the cost of the design, construction and acquisition of any Airport System CFC

30

(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 CFC Project or the site thereof, or any part thereof, or in furtherance of the construction and acquisition of said Airport System CFC 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 CFC 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.

32

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 CFC 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 CFC Project.

Section 4.07 Completion; Disposition of Excess Proceeds. When the construction and acquisition of said Airport System CFC 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 CFC Project shall be transferred to the Trustee, and the Trustee shall deposit such moneys in the Debt Service Reserve Fund or the Reserve Account created for such Additional Bonds, as the case may be, to the extent necessary to make the amount then on deposit therein equal to the maximum amount required to be on deposit in said Debt Service Reserve Fund or Reserve Account 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 design, construction and/or acquisition of other Airport System CFC Projects 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 CFC Sinking Fund.

Within ninety (90) days of delivering the described certificate regarding the applicable 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 Tax Exempt Bonds to the expenditures made to complete the applicable Airport System CFC 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 applicable Airport System CFC 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 such Tax Exempt Bonds (or sixty (60) days after the retirement of such applicable Tax Exempt Bonds, if earlier). The Authority shall create a written record of the final allocation of the proceeds of such Tax Exempt Bonds to the expenditures made to complete the applicable Airport System CFC Project and shall maintain and retain that record for not less than six (6) years after the date of payment in full of such 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

33

called the "Authority Reimbursement Fund"), to be held and administered by the Authority; (vii) the CFC Repair and Replacement Fund (herein called the "CFC Repair and Replacement Fund") to be held and administered by the Authority; and (viii) the CFC Surplus Fund (herein called the "CFC Surplus Fund") to be held and administered by the Authority.

Section 5.03 Deposit of Pledged Revenue. All Pledged Revenues and other Pledged Cash Flow shall be deposited with the Authority in the CFC Revenue Fund upon receipt, except as otherwise expressly provided herein.

Section 5.04 Disposition of Pledged Revenues before Substantial Completion. Before Substantial Completion, all Pledged Revenues held in the CFC Revenue Fund shall be disbursed and applied by the Authority to satisfy the deposit requirements in the amounts and manner contemplated in Sections 5.05(A) through (G) below and to pay cost overruns or shortfalls in the cost of constructing the Airport System CFC Project to the extent the Authority anticipates deficiencies in the funds set aside for such purpose in the Construction Account established for such Airport System CFC Project. Prior to Substantial Completion, Pledged Revenues not needed for the purposes described in the preceding sentence shall remain in the CFC Revenue Fund. On the date of Substantial Completion, the Authority will apply the funds then on deposit in the CFC Revenue Fund in the following manner and order of priority:

(A) First, to fund the CFC Repair and Replacement Fund up to, but not in excess of, \$10,000,000 in the aggregate. Funds in the CFC Repair and Replacement Fund shall be used and applied in accordance with the provisions of Section 5.05(H) below; and

(B) Then, to fund the Deficiency Reserve Fund up to but not in excess of, \$10,000,000 in the aggregate. The Deficiency Reserve Fund shall not be replenished after Substantial Completion, and shall not be subject to a lien in favor of the holders of the Bonds. Funds in the Deficiency Reserve Fund, until they have been exhausted, shall be withdrawn by the Authority as needed and applied to the following purposes in the following order of priority: (i) to satisfy the obligations of the Concessionaires to make Concessionaire Deficiency Payments as the same become due under the Concessionaire Agreement; (ii) on a pro rata basis among all Concessionaires to reimburse Concessionaires for fifty percent (50%) of the "Operating Expenses" related to "Common Public Areas" (each as defined in the Concessionaire Agreement), but not to exceed two million dollars (\$2,000,000) in each Fiscal Year, to the extent required under the Concessionaire Agreement; and (iii) to reimburse the Authority for "Rental Revenue Recovery" to the extent contemplated in the Concessionaire Agreement.

(C) Any funds remaining in the CFC Revenue Fund as of the date of Substantial Completion after satisfying the deposit requirements under clauses (A) and (B) above shall be deposited into the CFC Surplus Fund (or an account therein established by the Authority) and applied in accordance with Section 5.05(I)(iii) below.

Section 5.05 Disposition of Pledged Revenues after Substantial Completion. After Substantial Completion, the moneys in the CFC 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:

Construction Fund may be amended, modified or superseded by the CFC 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 CFC Supplemental Trust Agreement, the provisions of such CFC Supplemental Trust Agreement shall control.

ARTICLE V. REVENUES AND FUNDS

Section 5.01 Rate Covenant. The Authority will, to the extent permitted by law, fix, revise from time to time when necessary, maintain and collect Pledged Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of this CFC Trust Agreement the greater of:

(a) 100% of the amounts required to be deposited into the CFC Sinking Fund, the Debt Service Reserve Fund, the Expense Fund, the Rebate Fund, the Authority Reimbursement Fund and the CFC Repair and Replacement Fund in such Fiscal Year as contemplated in Section 5.05(A) through (H); or

(b) The sum of:

(i) 100% of the amounts required to be deposited into the Debt Service Reserve Fund, the Expense Fund and the Rebate Fund in such Fiscal Year as contemplated in Section 5.05(D) through (F); plus

(ii) One Hundred Fifty percent (150%) of the Bond Service Requirement for such Fiscal Year.

For purposes of this requirement, moneys remaining in the CFC 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 CFC Revenue Fund in the following Fiscal Year may be considered as Pledged Revenues in the Fiscal Year in which they are so re-deposited for purpose of satisfying the Rate Covenant set forth above, provided that such transfers shall be limited to not more than 25% of the Bond Service Requirement and the coverage contemplated in clause (b)(ii) above, without the application of this paragraph, shall be at least One Hundred Twenty Five percent (125%) of the Bond Service Requirement for such Fiscal Year.

Section 5.02 Creation of Funds and Accounts. The following special funds and accounts are hereby created and designated as follows: (i) the CFC Revenue Fund (herein called the "CFC Revenue Fund") to be held and administered by the Authority; (ii) the CFC Sinking Fund (herein called the "CFC 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; (iii) the Debt Service Reserve Fund (herein called the "Debt Service Reserve Fund") and separate accounts therein for any series of Bonds to be created at the direction of the Authority, each to be held and administered by the Trustee; (iv) the Rebate Fund (herein called the "Rebate Fund"), to be held and administered by the Authority; (v) the Expense Fund (herein called the "Expense Fund"), to be held and administered by the Authority; (vi) the Authority Reimbursement Fund (herein

(A) Interest Account and Qualified Hedge Payment Account. The moneys in the CFC Revenue Fund shall first be deposited pro rata into the Interest Account and the Qualified Hedge Payment Account in the CFC Sinking Fund, and the Trustee shall deposit in the 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 the Interest Account shall not be required to be made to the extent sufficient moneys are then on deposit in the special fund in the 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 CFC 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 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) Redemption Account. Such moneys shall next be used for deposits into the Redemption Account in the CFC Sinking Fund, after making the deposits provided for in subsections (A) and (B) 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 CFC 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 Series of Bonds; provided, however, that the separate account for any Series of 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 CFC Trust Agreement as follows:

35

36

(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 posting or publishing an appropriate notice at least once at least fourteen (14) days prior to the receipt of tenders on EMMA or 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 CFC 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 CFC 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 5.05(C) 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.

37

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.

(D) Debt Service Reserve Fund. Such moneys shall next be used for deposits into the Debt Service Reserve Fund, after making the deposits provided for in subsections (A), (B) and (C), inclusive, above, and the Trustee shall deposit in said Debt Service Reserve Fund, and pro rata into each separate Reserve Account created therein pursuant to CFC 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 Debt Service Reserve Fund and each such Reserve Account, will be sufficient to make the funds on deposit therein equal to the aggregate Reserve Account Requirement; provided, however, that:

(i) to the extent the deficiency arises in any month from a withdrawal from the Debt Service Reserve Fund and/or any applicable Reserve Account therein to satisfy deposit shortfalls required under subsections (A), (B) and/or (C) above (the deficiency arising from a withdrawal in each such month a "Reserve Deficiency Amount"), the monthly deposit requirements pursuant to this subsection (D) will be one twelfth (1/12th) of the Reserve Deficiency Amount until the aggregate Reserve Account Requirement has been replenished; and

(ii) if Reserve Deficiency Amounts accrue in successive or subsequent months, based on subsequent withdrawals to cure shortfalls under subsections (A), (B), and/or (C) above, the monthly deposit requirements shall be the sum of one twelfth (1/12th) of each respective monthly Reserve Deficiency Amount that remains unreplenished.

Deficiencies in a Reserve Account Requirement for any Series of Bonds arising from market fluctuations in investments on deposit in the Debt Service Reserve Fund or in any account therein shall be replenished from the first Pledged Revenues available at this level of priority and shall not be funded in monthly increments over twelve (12) months as contemplated above.

No further deposits shall be required to be made into said Debt Service Reserve Fund or into any separate Reserve Account therein whenever and as long as the amounts then on deposit therein are equal to the Reserve Account Requirement for the common Debt Service 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 Debt Service 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. The Debt Service Reserve Fund shall serve as a common reserve fund for all Bonds for which a separate Reserve Account has not been established. If separate accounts in the Debt Service Reserve Fund have been established for Series of Additional Bonds, deficiencies in the Interest Account, Principal Account and Redemption

38

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 Series of Additional Bonds, or from the respective Reserve Fund Credit Enhancement acquired with respect thereto, and not from other funds deposited in the Debt Service Reserve Fund. Funds on deposit in the Debt Service Reserve Fund or the separate Reserve Accounts therein established for a Series of Bonds in excess of the respective Reserve Account Requirement with respect thereto, may be withdrawn at the Authority's request and deposited (i) into the CFC 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 CFC 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 CFC 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 Debt Service Reserve Fund, including each Reserve Account created thereunder, shall be restored, to the extent required pursuant to the foregoing, from the first Pledged 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 Debt Service Reserve Fund, in lieu of making a cash deposit to the Debt Service Reserve Fund or the accounts therein, 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 Debt Service Reserve Fund or any special Reserve Account created with respect to a Series of Bonds, as applicable, equals or exceeds the Reserve Account Requirement for such fund or account 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 Debt Service Reserve Fund or a specific Reserve Account thereunder, 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 Debt Service Reserve Fund or such Reserve Account) 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 Debt Service Reserve Fund or such Reserve Account, any interest or principal payment or mandatory sinking fund redemption with respect to any Bonds Outstanding.

39

(2) Any excess funds on deposit in the Debt Service Reserve Fund or Reserve Account, as applicable, 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 Debt Service Reserve Fund or applicable Reserve Account. Such issuer's right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Debt Service Reserve Fund and the accounts therein, 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 Debt Service Reserve Fund and the accounts therein, 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) if any two Rating Agencies then maintaining a rating on the issuer of the Reserve Fund Credit Enhancement withdraw or suspend their ratings on such issuer, or if any two such Rating Agencies drop the rating of such issuer's claims-paying ability below "AA-" from S&P, Fitch or Kroll, or below "Aa3" from Moody's, the obligation to reimburse the issuer of the Reserve Fund Credit Enhancement shall be subordinated to the cash replenishment of the Debt Service Reserve Fund and the accounts therein until the requisite ratings have been re-established.

(4) If the Authority chooses to provide or substitute Reserve Fund Credit Enhancement in lieu of a cash-funded Debt Service Reserve Fund or Reserve Account, 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 Debt Service Reserve Fund or the applicable Reserve Account and in any other calculation of debt service requirements required to be made pursuant to this CFC Trust Agreement for any purpose, e.g., Rate Covenant or Additional Bonds test.

(E) Rebate Fund. Such moneys or, alternatively, investment earnings on moneys deposited in the other funds and accounts created hereunder or any other legally available funds of the Authority, shall next be deposited into the accounts in the Rebate Fund in the amount necessary to cause the aggregate balance in the accounts in the Rebate Fund to equal the sum of the Rebate Amounts for each outstanding Series of Bonds issued hereunder that are not Taxable Bonds. The Authority covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all determinations and

40

calculations of the Rebate Amount for each Series of Bonds issued hereunder that are not Taxable Bonds. The Authority shall use the moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by each applicable CFC Supplemental Trust Agreement. Funds on deposit in an account in the Rebate Fund in excess of the Rebate Amount for the related Series of Bonds, however, may be withdrawn and paid over to the Authority. In complying with the foregoing, the Authority may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder that are not Taxable Bonds and after payment in full of the Rebate Amount as to each such Series of Bonds to the United States in accordance with the terms hereof, such amounts shall be available to the Authority for any lawful purpose.

Notwithstanding any other provision of this CFC Trust Agreement, including in particular Section 12.01 hereof, the obligation to pay over the Rebate Amount to the United States and to comply with all other requirements of this Section 5.05(E) shall survive the defeasance or payment in full of the Bonds to the extent necessary to preserve the exclusion of interest on the Bonds issued hereunder, other than Taxable Bonds, from gross income for federal income tax purposes.

(F) Expense Fund. Such moneys shall next be deposited into the Expense Fund in amounts determined by the Authority from time to time as may be necessary for, and shall be used by the Authority to pay, the fees, costs and expenses of the Trustee, any remarketing agents, liquidity and credit providers, consultants and other costs associated with the administration of the Bonds, including appropriate accruals therefor.

(G) Authority Reimbursement Fund. Such moneys shall next be deposited into the Authority Reimbursement Fund in amounts determined by the Authority from time to time as may be necessary for, and shall be used by the Authority (i) to pay or reimburse the Authority for forty percent (40%) of operating and maintenance expenses incurred by the Authority and attributable to the APM and (ii) to pay or reimburse the Authority for (x) debt service accruing with respect to bonds issued under the Senior Trust Agreement for prior rental car projects, and (y) monthly amortization recovery of the Authority's investments in so called "pay as you go" projects for prior rental car facilities, the costs of which were paid for with available funds of the Authority.

(H) CFC Repair and Replacement Fund. After making the deposits provided for in subsections (A) to (G), inclusive, above, such moneys shall be deposited in the CFC Repair and Replacement Fund on the first day of each month in an amount which, together with the moneys previously deposited in said Fund in such Fiscal Year, is equal to the annual amount required to be set aside and added to the funds on deposit therein pursuant to the Authority's annual budget for such Fiscal Year as a reserve for renewals, modifications, repairs and replacements of the Airport System CFC Project, as such budget may be amended by the Authority from time to time in such Fiscal Year.

The moneys in the CFC Repair and Replacement Fund shall be used only for the payment of costs of renewals, modifications, repairs and replacements of the Airport System CFC Project

41

Section 5.07 Funds Held in Trust. Subject to the terms and conditions set forth in this CFC 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 5.08 Unclaimed Funds. All moneys which the Trustee shall have withdrawn from the CFC 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 5.09 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 CFC 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 CFC 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 CFC Trust Agreement with the Trustee or any other Depositary shall be held in trust and applied only in accordance with the provisions of this CFC Trust Agreement, and shall not be subject to lien or attachment by any creditor of the Authority.

43

as determined in the Authority's sole discretion. Any moneys in said Account that the Authority determines, in its sole discretion, are in excess of the amounts required to be on deposit therein, may be transferred to and deposited in the CFC Surplus Fund.

(I) CFC Surplus Fund. After making all the deposits or payments provided in subsections (A) to (H), inclusive, above, including all deficiencies for prior required deposits and payments, the Authority shall on the first day of each month, withdraw all moneys then remaining in the CFC Revenue Fund and deposit the same into the CFC Surplus Fund.

Moneys deposited in the CFC Surplus Fund each month shall be used by the Authority first for the payment of all Reimbursement Obligations and Derivative Non-Scheduled Payments then due, and then shall be used or applied, in the following order of priority, for the following purposes (i) first, from funds deposited into the CFC Surplus Fund in an applicable Fiscal Year (and not from prior deposits therein) to reimburse the Concessionaires for fifty percent (50%) of their respective share of "Operating Expenses" related to the "Common Public Areas," each as defined in the Concessionaire Agreements, in such Fiscal Year thereof, but not to exceed \$2,000,000 in the aggregate in any Fiscal Year, (ii) then, to reimburse the Authority for "Rental Revenue Recovery" as determined in accordance with the Concessionaire Agreements, and (iii) then, at the Authority's discretion in any combination (x) to be accumulated, held and applied to pay the costs of additions to, expansions of and improvements to Airport System CFC Projects as determined by the Authority, and (y) for redeposit of all or any portion of such funds then remaining into the CFC Revenue Fund.

After moneys deposited into the CFC Surplus Fund each month have been applied to reimburse the Concessionaires as described in Clause (i) above, the funds thereafter remaining in the Surplus Fund may be retained by the Authority in the Surplus Fund or may be deposited into separate accounts therein as designated by the Authority and, in either case, such moneys shall no longer be available to reimburse the Concessionaires as described in Clause (i) above or for any other purposes described in Sections 5.05(A) through (I)(i) above, except at the discretion of the Authority.

(J) In the event any of the deposits or payments required under subsections (A) to (H), 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.

(K) 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 Debt Service 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.

Section 5.06 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 Cash Flow.

42

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 CFC 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 CFC 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 Debt Service 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

44

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 Debt Service 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.

The moneys in the Authority Reimbursement Fund, the Expense Fund, the Rebate Fund, the CFC Repair and Replacement Fund and CFC 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 CFC 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 and each respective Account therein shall remain in and be a part of said Construction Fund and Account. All income derived from the investment of moneys in the Interest Account, Principal Account, Redemption Account and Debt Service 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, if any, required to be on deposit in such Funds or Accounts, and any remaining balance shall be deposited in the CFC 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. Income derived from the investment of moneys in all other Funds and Accounts established hereunder, at the Authority's direction, (i) shall be deposited into the Rebate Fund in amounts necessary to satisfy its annual rebate requirement as provided therein and/or (ii) shall be retained in such Funds and Accounts and shall be used and applied in the manner provided herein.

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 CFC 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

45

(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 shall be rendered against the Authority (i) to the effect that all or any portion of the On-Airport CFCs or Off-Airport TFCs constitute an impermissible tax or charge or (ii) otherwise invalidating any material portion thereof, if the result thereof, in either case, is to prevent the Authority from meeting its covenants in Section 5.01 hereof; or

(E) 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

(F) 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 Pledged Cash Flow, 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

(G) 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 Pledged Revenues or other moneys pledged therefor; or

(H) 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 CFC 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, and furnished with reasonable indemnity in accordance with Section 9.02, shall proceed, subject to the provisions of Section

47

payable solely from the Pledged Revenues and other moneys pledged therefor under this CFC 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 CFC Trust Agreement and the Act hereinbefore referred to.

Section 7.02 Covenants with respect to Pledged Revenues.

The Authority covenants that so long as Bonds are outstanding hereunder, it will not take any action or omit to take any action with respect to the Pledged Revenues if such action or omission would jeopardize the validity or enforceability of the imposition of On-Airport CFCs, Off-Airport TFCs or the Concessionaire Deficiency Payments, as the case may be, or impede the Authority's ability to impose and collect On-Airport CFCs, Off-Airport TFCs or Concessionaire Deficiency Payments in the amounts contemplated hereby.

Section 7.03 Construction of Projects. The Authority covenants that upon the receipt of the proceeds of the initial Series of Bonds issued hereunder, and any Additional Bonds issued under the provisions of Section 2.07 or Section 2.08 (with respect to Completion Bonds) of this CFC Trust Agreement, it will to the full extent of its legal powers, proceed to acquire and construct the Airport System CFC Projects for which such 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 over such Projects, 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 the Pledged Revenues except the lien and charge created hereunder in favor of the Bonds secured hereby, the lien and charge thereon in favor of Reimbursement Obligations and Qualified Hedge Payments, and the lien and charge in favor of subordinated indebtedness issued in compliance with Section 5.06.

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 CFC 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. It is the intention of the Authority that the interest on the Bonds issued hereunder other than Taxable Bonds be and remain excluded from gross income for federal income tax purposes and to this end the Authority will comply with such tax covenants as shall be set forth in each CFC Supplemental Trust Agreement with respect to a Series of Bonds.

ARTICLE VIII. REMEDIES

Section 8.01 Events of Default. Each of the following events is hereby declared an "event of default":

46

9.02 of this CFC 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 CFC 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 the Pledged Cash Flow, which receiver shall be under the duty of collecting and distributing the Pledged Cash Flow pursuant to the provisions and requirements of this CFC Trust Agreement to the extent permitted by law. 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 CFC Trust Agreement and the Act;

(B) The right to bring an action upon all or any part of the Bonds or claims appertaining 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 CFC 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 CFC 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 CFC 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 CFC 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:

48

(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 CFC 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.

49

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 CFC Trust Agreement or before the completion of the enforcement of any other remedy under this CFC 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 CFC Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this CFC 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 CFC 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 CFC 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 Pledged Cash Flow available in the Expense Fund 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 the Expense Fund.

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

51

Section 8.05 Holder's Control of Proceeding. Anything in this CFC 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 CFC 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 CFC 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 CFC 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 CFC 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 CFC 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 CFC 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 CFC Trust Agreement to the

50

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 CFC 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 Depository or paying agent other than itself in which such moneys shall have been deposited under the provisions of this CFC 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 CFC 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 Expense Fund, or as otherwise may be negotiated between the Authority and the Trustee, 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 Pledged Revenues 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 CFC Trust Agreement and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder. Under no circumstances shall the Trustee be required to expend any of its own funds for any purpose for which funds are to be disbursed under this Trust Agreement.

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 CFC 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 CFC 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 CFC 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.

52

Section 9.07 Notice of Events. Except as otherwise provided in this CFC 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 CFC 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 CFC 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 CFC 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 CFC 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.

The Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise as a prudent man would exercise under the circumstances in the conduct of his own affairs.

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 posted on EMMA or 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 CFC 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, at the cost of the Authority, 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 CFC 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.

53

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 CFC 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 CFC 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 depository, 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 depository 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 CFC 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. CFC 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 CFC Supplemental Trust Agreements as shall not be inconsistent with the terms and provisions of this CFC Trust Agreement (which CFC Supplemental Trust Agreements shall thereafter form a part hereof):

(A) To provide for the issuance of Additional Bonds pursuant to Sections 2.07 and 2.08; or

55

54

(B) To cure any ambiguity or formal defect or omission in this CFC Trust Agreement or in any CFC Supplemental Trust Agreement; or

(C) 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

(D) 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

(E) 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 CFC 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 CFC 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 CFC Trust Agreement or in any CFC 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 Cash Flow ranking prior to the lien or pledge created by this CFC 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 CFC Supplemental Trust Agreement. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the execution of any CFC 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 CFC Supplemental Trust Agreement for any of the purposes of this Section, the Trustee shall, from funds available in the Expense Fund, cause notice of the proposed execution of such CFC Supplemental Trust Agreement to be posted on EMMA and mailed, postage prepaid, or sent electronically, to all registered owners of Bonds then Outstanding, at their physical or electronic 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 CFC 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

56

subject to any liability to any Bondholder by reason of its failure to mail or deliver the notice required in this Section, and any such failure shall not affect the validity of such CFC Supplemental Trust Agreement when consented to and approved as provided in this Section.

Whenever 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 CFC 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 CFC 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. Holders of Bonds issued pursuant to CFC Supplemental Trust Agreements containing such amendments and providing that the holders of such Bonds, by acceptance thereof, consent to and approve the terms thereof, shall be deemed to have consented to such amendments for all purposes hereof.

If the holders of not less than a majority of the Bond Obligation Outstanding at the time of the execution of such CFC 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 CFC 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 CFC Supplemental Trust Agreement pursuant to the provisions of this Section, this CFC Trust Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this CFC 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 CFC Supplemental Trust Agreement and to make the further agreements and stipulations which may be contained therein. Any CFC Supplemental Trust Agreement executed in accordance with the provisions of this Article shall thereafter form a part of this CFC Trust Agreement and all of the terms and conditions contained in any such CFC 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 CFC Trust Agreement for any and all purposes. In case of the execution and delivery of any CFC 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 CFC Supplemental Trust Agreement does or does not comply with the provisions of this CFC Trust Agreement, and

57

To the Trustee, at its then principal office, currently The Bank of New York Mellon, 101 Barclay Street 7W, New York, New York 10286.

All documents received by the Trustee under the provisions of this CFC Trust Agreement shall be retained in its possession, subject at all reasonable times to the inspection by the Authority and any Bondholder, and the agents and representatives thereof.

Section 13.03 Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this CFC 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 CFC Trust Agreement, any right, remedy or claim, legal or equitable, under or by reason of this CFC Trust Agreement or any provision hereof, this CFC 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 CFC 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 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 CFC Trust Agreement.

Section 13.05 Severability. In case any one or more of the provisions of this CFC 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 CFC Trust Agreement or of said Bonds, but this CFC 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 CFC 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 CFC 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.

59

that it is or is not proper for the Trustee, under the provisions of this Article, to join in the execution of such CFC Supplemental Trust Agreement.

ARTICLE XII. DEFESANCE

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 CFC 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 CFC 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 CFC Sinking Fund and all balances remaining in any other funds or accounts other than moneys held for redemption or payment of Bonds; otherwise this CFC 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 CFC 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 CFC 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 CFC Trust Agreement if and when sent by registered mail, return receipt requested.

To the Authority, if addressed to the Chief Executive Officer, Hillsborough County Aviation Authority, Post Office Box 22287, Tampa, Florida 33622.

58

Section 13.07 Counterparts. This CFC 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 CFC 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 CFC Trust Agreement to be executed by its Chairman, and the corporate seal of said Authority to be impressed hereon and attested by its Chief Executive Officer and its Vice President of Finance and Information Technology; and The Bank of New York Mellon, has caused this CFC 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

Chief Executive Officer
Hillsborough County Aviation Authority

Vice President of Finance and
Information Technology
Hillsborough County Aviation Authority

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THE BANK OF NEW YORK MELLON,
Trustee

By: _____
Name: _____
Its: _____

Attest:

By: _____
Name: _____
Its: _____

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SUPPLEMENTAL TRUST AGREEMENT

RELATING TO

HILLSBOROUGH COUNTY AVIATION AUTHORITY
\$88,975,000
TAMPA INTERNATIONAL AIRPORT
CUSTOMER FACILITY CHARGE REVENUE BONDS,
2015 SERIES A (NON-AMT)

AND
\$294,350,000
TAMPA INTERNATIONAL AIRPORT
CUSTOMER FACILITY CHARGE REVENUE BONDS,
2015 SERIES B (TAXABLE)

THE BANK OF NEW YORK MELLON, Trustee

Dated as of September 1, 2015

TABLE OF CONTENTS

ARTICLE I DEFINITIONS 2
Section 1.01 Definitions 2
ARTICLE II ISSUANCE OF BONDS; USE OF PROCEEDS 5
Section 2.01 Issuance and Terms of 2015 CFC Bonds 5
Section 2.02 Form of Bonds 7
Section 2.03 Use of Proceeds 7
Section 2.04 2015 Construction Account 8
Section 2.05 Parity Bonds 10
ARTICLE III PAYMENTS INTO REDEMPTION ACCOUNT FOR 2015 BONDS 10
Section 3.01 Sinking Fund Installments for the 2015 CFC Bonds 10
ARTICLE IV TERMS OF REDEMPTION; RELEASE OF LIEN 10
Section 4.01 Optional Redemption for 2015A CFC Bonds 10
Section 4.02 Optional Redemption for 2015B CFC Bonds 10
Section 4.03 Mandatory Redemption of 2015 CFC Bonds 11
Section 4.04 Provisions of CFC Trust Agreement Applicable; Supplemental Redemption Provisions 11
Section 4.05 Revocation of Redemption Notice 12
Section 4.06 Release of Lien of CFC Trust Agreement 13
ARTICLE V CFC TRUST AGREEMENT APPLICABLE TO 2015 CFC BONDS 13
Section 5.01 CFC Trust Agreement Incorporated into this CFC Supplemental Trust Agreement 13
ARTICLE VI ADDITIONAL COVENANTS 13
Section 6.01 Covenants Concerning Compliance with Tax Laws 13
ARTICLE VII MISCELLANEOUS PROVISIONS 15
Section 7.01 Vesting of Trusts in Successor 15
Section 7.02 Notices 16
Section 7.03 Inspection of Documents 16
Section 7.04 No Third Party Beneficiaries 16
Section 7.05 Limitations on Liability 17
Section 7.06 Effect of Partial Invalidity 17
Section 7.07 Controlling Law, Member of Authority Not Liable 17
Section 7.08 Counterparts 17
Section 7.09 Headings Not Part of CFC Supplemental Trust Agreement 17

THIS CFC SUPPLEMENTAL TRUST AGREEMENT, dated for convenience of reference as of the 1st day of September, 2015, between the HILLSBOROUGH COUNTY AVIATION AUTHORITY (the "Authority"), and 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, 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 CFC Agreement, the "Trustee"),

WITNESSETH:

WHEREAS, the Authority is a body politic and corporate governed by Chapter 2012-234, Laws of Florida (2012) (which, together with acts amendatory thereof and supplemental thereto is collectively referred to herein as 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 and The Bank of New York Mellon, as trustee, duly executed and entered into that certain CFC Trust Agreement (the "Original CFC Trust Agreement") dated as of September 1, 2015, which agreement is being supplemented by this CFC Supplemental Trust Agreement (the Original CFC Trust Agreement, as supplemented hereby, being collectively referred to herein as the "CFC Trust Agreement" and all terms used herein in capitalized form, and not otherwise defined herein, having the meaning ascribed to such terms in the CFC Trust Agreement); and

WHEREAS, the Authority deems it advisable to issue, as part of the initial series of Bonds under the Original CFC Trust Agreement, its Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) (the "2015A CFC Bonds") for the purpose of financing a portion of the APM as herein described; and

WHEREAS, the Authority deems it advisable to issue, as part of the initial series of Bonds under the Original CFC Trust Agreement, its Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable) (the "2015B CFC Bonds") for the purpose of financing all or a portion of the cost of the 2015 Airport System CFC Project as herein described (the 2015A CFC Bonds and the 2015B CFC Bonds being collectively referred to herein as the "2015 CFC Bonds"); and

WHEREAS, the principal of and interest on the 2015 CFC Bonds and all other payments provided for herein will be payable solely from the Pledged Cash Flow, as defined in the CFC Trust Agreement, and the payment thereof will not constitute a general obligation of the Authority, Hillsborough County, Florida, the City of Tampa, Florida or any other political subdivision of the State of Florida 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 State, and no Registered Owner of any 2015 CFC Bond 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 State for the payment thereof; and

WHEREAS, the Authority does hereby find and determine that the 2015 CFC Bonds shall be secured by the CFC Trust Agreement, and by this CFC Supplemental Trust Agreement entered into by the Authority and the Trustee; and

WHEREAS, the Authority represents that it has full power and authority to issue the 2015 CFC Bonds and to pledge the Pledged Cash Flow pursuant to the Act and the CFC Trust Agreement, and any Additional Bonds hereafter issued pursuant to the terms of the CFC Trust Agreement; and the Authority has taken all actions necessary to authorize its proper officers to acknowledge, execute, sign, seal and deliver this CFC Supplemental Trust Agreement and to execute, sign, seal and deliver the 2015 CFC Bonds issued hereunder;

NOW, THEREFORE, this CFC Supplemental 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 2015 CFC Bonds by the Registered Owners 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 CFC Supplemental Trust Agreement, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the 2015 CFC Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Registered Owners thereof, and in order to secure the payment of the 2015 CFC 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, in each case subject to the CFC Trust Agreement, the Authority has pledged and does hereby pledge to the Trustee the Pledged Cash Flow, to the extent provided in the CFC Trust Agreement, as security for the payment of the Bonds issued thereunder, including the 2015 CFC Bonds, and as security for the satisfaction of any other obligation assumed by it in connection with such 2015 CFC Bonds, and it is mutually agreed and covenanted by and between the parties hereto, for the equal and proportionate benefit and security of all present and future Registered Owners of the 2015 CFC Bonds issued and to be issued under this CFC Supplemental 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, as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. As used herein:

"2015 Airport System CFC Project" means, collectively, construction, installation, startup and placing in service of, and the financing or refinancing of (i) the ConRAC and (ii) up to forty percent (40%) of the APM, net of grants received by the Authority for the APM project and applied to the cost thereof.

“APM System” means the construction, installation, startup and placing in service of the APM, all as more particularly described in Exhibit A hereto, as the same may be modified from time to time by the Authority.

“Authorizing Resolution” shall have the meaning provided in Section 2.01(a).

“2015 CFC Bonds” mean, collectively, the 2015A CFC Bonds and the 2015B CFC Bonds, in each case as authorized to be issued pursuant to this CFC Supplemental Trust Agreement.

“2015A CFC Bonds” mean the Hillsborough County Aviation Authority Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT), authorized to be issued pursuant to this CFC Supplemental Trust Agreement.

“2015B CFC Bonds” mean the Hillsborough County Aviation Authority Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable), authorized to be issued pursuant to this CFC Supplemental Trust Agreement.

“2015 CFC Supplemental Trust Agreement” or “this CFC Supplemental Trust Agreement” means this CFC Supplemental Trust Agreement entered into between the Trustee and the Authority with respect to the issuance of the 2015 CFC Bonds.

“Chairman” means the Chairperson, Vice Chairperson 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 provisions 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.

“ConRAC” means the construction, installation, startup and placing in service of the ConRAC, all as more particularly described in Exhibit A hereto, as the same may be modified from time to time by the Authority.

“2015 Construction Account” means the special account in the Construction Fund created pursuant to Section 2.03(a)(ii) of this CFC Supplemental Trust Agreement and shall include, as the context requires, the subaccount therein known as the “Tax Exempt 2015 CFC Construction Subaccount.”

“Costs” shall have the meaning set forth in Section 2.04 of this 2015 Supplemental Trust Agreement.

“Executive Director,” means the Chief Executive Officer of the Authority, or his successor.

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, associations and other legal entities, including public bodies, as well as natural persons.

**ARTICLE II
ISSUANCE OF BONDS; USE OF PROCEEDS**

Section 2.01 *Issuance and Terms of 2015 CFC Bonds.* For the purpose of financing the cost of a portion of the 2015 Airport System CFC Project related to the APM, there shall be issued under and secured by this CFC Supplemental Trust Agreement and the CFC Trust Agreement, 2015A CFC Bonds of the Authority in the aggregate principal amount of \$88,975,000. The 2015A CFC Bonds shall be designated “Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT).”

For the purpose of financing the cost of a portion of the 2015 Airport System CFC Project related to the ConRAC and paying a portion of the outstanding principal of the SunTrust Note, there shall be issued under and secured by this CFC Supplemental Trust Agreement and the CFC Trust Agreement, 2015B CFC Bonds of the Authority in the aggregate principal amount of \$294,350,000. The 2015B CFC Bonds shall be designated “Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable).”

The 2015 CFC Bonds shall be dated as of the date of issuance thereof, shall be initially issued as fully registered Bonds in denominations of Five Thousand Dollars (\$5,000) or any multiple thereof approved by the Authority, and shall bear such identifying numbers and subseries designations as the Authority shall determine, and shall be executed on behalf of the Authority, either manually or by facsimile signature, by the Chairman and the corporate seal of the Authority attested by the Treasurer, Secretary or any Assistant Secretary or any other authorized officer of the Authority.

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“Fitch” means Fitch Ratings, or any successor rating agency 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.

“Kroll” means Kroll Bond Rating Agency, Inc. or its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Kroll” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“Moody’s” means Moody’s Investors Service, Inc. or its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“Reimbursement Resolution” means the resolution of the governing board of the Authority, adopted on October 2, 2014, to evidence the Authority’s intent to use proceeds of the 2015 CFC Bonds to reimburse certain expenditures paid prior to the issuance thereof.

“Revolving Credit Agreement” means that certain Amended and Restated Revolving Credit Agreement among SunTrust Bank, STI Institutional & Government, Inc. and the Authority dated as of October 18, 2013.

“S&P” means the Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business or its successors and assigns and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“SunTrust Note” mean the Hillsborough County Aviation Authority Tampa International Airport Taxable Subordinated Revenue Note, Series 2013B issued under and pursuant to the Revolving Credit Agreement and held by STI Institutional & Government, Inc.

“Vice President of Finance” means and shall refer to the Vice President of Finance and Information Technology or his successor.

“Taxable Projects” means the portion of the 2015 Airport System CFC Project related to the ConRAC described in Exhibit A hereto, the cost of which is to be paid in whole or in part from the 2015B CFC Bonds, and such additional projects as may be added thereto pursuant to Section 2.04 of this CFC Supplemental Trust Agreement.

All the defined terms contained in Section 1.01 of Article I of the CFC Trust Agreement, except as the same are inconsistent with the definitions contained in this CFC Supplemental Trust Agreement, shall have the same meanings in this CFC Supplemental Trust Agreement.

Words of the masculine gender include correlative words of the feminine and neuter genders.

The 2015A CFC Bonds shall bear interest from their date of issuance and shall mature on October 1 of each year in such years and amounts as are set forth below:

\$88,975,000 5.000% Term Bond due October 1, 2044

The 2015B CFC Bonds shall bear interest from their date of issuance and shall mature on October 1 of each year in such years and amounts as are set forth below:

2015B CFC Serial Bonds due October 1:

Amount	Maturity (October 1)	Interest Rate
\$ 8,370,000	2019	2.587%
8,585,000	2020	2.887
8,835,000	2021	3.249
9,120,000	2022	3.549
9,445,000	2023	3.751
9,800,000	2024	3.901
10,180,000	2025	3.981
10,585,000	2026	4.151
11,025,000	2027	4.301
11,500,000	2028	4.451
12,010,000	2029	4.601
12,565,000	2030	4.751

\$72,965,000 5.170% Term Bond due October 1, 2035

\$99,365,000 5.250% Term Bond due October 1, 2041

*Final Maturity

The 2015 CFC Bonds shall mature and be subject to optional redemption, and to mandatory redemption from Sinking Fund Installments, all as set forth in Article III below.

The 2015 CFC Bonds shall be substantially in the form set forth in Exhibit B-1 or Exhibit B-2 hereto, respectively, and shall be executed in the manner hereinabove set forth and deposited with the Trustee for authentication, but before the 2015 CFC Bonds shall be authenticated and delivered by the Trustee there shall be filed with the Trustee the following:

(a) Certified copies of (i) the Reimbursement Resolution and (ii) a resolution adopted by the Authority awarding the sale of the 2015 CFC Bonds, specifying the interest rate or rates of such Bonds (or delegating to the Chairman or Chief Executive Officer the power to award the sale of the 2015 CFC Bonds and to set the interest rates thereof) and directing the authentication and delivery of such Bonds to or upon the order of the purchasers therein named (or designated by the Chairman or Chief Executive Officer) upon payment of the purchase price therein set forth (the “Authorizing Resolution”); and

(b) An opinion of counsel for the Authority stating that the signer is of the opinion that the issuance of the 2015 CFC Bonds has been duly authorized and that all conditions precedent to the delivery of such 2015 CFC Bonds have been fulfilled; and that such 2015 CFC Bonds have been duly sold in accordance with all requirements of law.

When the documents mentioned above shall have been filed with the Trustee and when the 2015 CFC Bonds shall have been executed and authenticated as required by this CFC Supplemental Trust Agreement, the Trustee shall deliver the 2015 CFC Bonds to or upon the order of the purchasers named in the Authorizing Resolution, but only upon payment to the Trustee of the purchase price of the 2015 CFC Bonds specified in the Purchase Contract (as defined in the Authorizing Resolution) together with accrued interest thereon. The Trustee shall be entitled to rely upon the Authorizing Resolution as to the name of the purchasers, the amount of the purchase price and the amount of the 2015 CFC Bonds sold.

Section 2.02 Form of Bonds. The form of 2015A CFC Bonds to be issued and secured hereby, the Trustee's authentication certificate, and the provisions for registration to be endorsed on all such 2015A CFC Bonds shall be substantially in the form set forth in Exhibit B-1 hereto, and the form of 2015B CFC Bonds to be issued and secured hereby, the Trustee's authentication certificate, and the provisions for registration to be endorsed on such 2015B CFC Bonds shall be substantially in the form set forth in Exhibit B-2 hereto, in each case, with appropriate omissions and insertions as otherwise permitted or authorized as herein provided.

Section 2.03 Use of Proceeds.

(a) The net proceeds of the 2015A CFC Bonds shall be applied concurrently with the delivery of the 2015A CFC Bonds, as follows:

(i) \$89,967,827.22 of the proceeds from the 2015A CFC Bonds, shall be transferred to the Authority for deposit into the Tax Exempt 2015 CFC Construction Subaccount in the 2015 Construction Account, each of which is hereby created and established with the Authority pursuant to Section 2.04 below, and used to pay a portion of the Cost of the 2015 Airport System CFC Project related to the APM in accordance with that Section;

(ii) \$6,174,689.75 of the proceeds from the 2015A CFC Bonds shall be transferred to the Trustee for deposit in the common Debt Service Reserve Fund created pursuant to the CFC Trust Agreement and shall be held, on a pro rata basis, for the benefit of the 2015A CFC Bonds and all other Bonds issued and Outstanding under the CFC Trust Agreement, other than those Bonds for which a special Reserve Account has been established; and

(iii) The balance of such proceeds of the 2015A CFC Bonds (\$355,465.08) shall be transferred to the Authority and used to pay an allocable share of the costs of issuance of the 2015 CFC Bonds.

7

All income derived from the investment of moneys in the 2015 Construction Account and the subaccount therein shall remain in and be a part of such 2015 Construction Account and the applicable subaccount as the case may be, and shall be used to pay the Costs of the 2015 Airport System CFC Project to the extent permitted hereunder.

Except as otherwise provided herein, all disbursements from the 2015 Construction Account shall be made pursuant to and in accordance with Sections 4.04 through 4.07 of the CFC Trust Agreement. No funds on deposit in the Tax Exempt 2015 Construction Subaccount may be used to pay any cost of other Projects without an opinion of Bond Counsel to the effect that such use will not cause interest on the 2015A CFC Bonds not to be excludable from the gross income of the Holders thereof for federal income tax purposes.

When the construction and acquisition of the APM shall have been completed, which fact shall be evidenced by a certificate, filed with the Authority, stating the date of completion, signed by the Chief Executive Officer or Chairman of the Authority, the balance remaining in the Tax Exempt 2015 Construction Subaccount not reserved by the Authority for the payment of any remaining part of the cost of the construction and acquisition of the APM or for the payment of the Rebate Amount pursuant to Section 6.01 hereof shall be used at the Authority's option (i) for the purchase or prior redemption of 2015A CFC Bonds from the special subaccount in the Redemption Account allocable to the 2015A CFC Bonds, in the manner provided in the CFC Trust Agreement; or (ii) for the design, construction and/or acquisition of other Airport System CFC Projects, provided that, with respect to funds derived from the 2015A CFC Bonds, the Authority shall first deliver to the Trustee an opinion of Bond Counsel that such use will not adversely affect the exclusion of interest on the 2015A CFC Bonds from gross income for federal income tax purposes.

In making the transfer to the Redemption Account, the Trustee may rely upon (a) a certificate filed with it by the Authority, signed by the Chairman of the Authority, 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 the counsel for the Authority, as to the status and amount of any disputed claims then outstanding affecting such cost. The Trustee may require the filing of such certificates as a condition of such transfer.

Within ninety (90) days of delivering the described certificate regarding the 2015A CFC 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 the 2015A CFC Bonds to the expenditures made to complete the APM. 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 APM (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 the 2015A CFC Bonds (or sixty (60) days after the retirement of the 2015A CFC Bonds, if earlier). The Authority shall create a written record of the final allocation of the proceeds of the 2015A CFC Bonds to the expenditures made to complete the APM and shall maintain and retain that record for not less than six (6) years after the date of payment in full of the 2015A CFC Bonds or such other period as shall be necessary to comply with the Code.

9

(b) The net proceeds, including premium, if any, of the 2015B CFC Bonds shall be applied concurrently with the delivery of the 2015B CFC Bonds, as follows:

(i) \$266,817,973.87 of the proceeds of the 2015B CFC Bonds, shall be transferred to the Authority for deposit into the 2015 Construction Account, which is hereby created and established with the Authority pursuant to Section 2.04 below, and used to pay the Cost of the 2015 Airport System CFC Project related to the ConRAC in accordance with that Section;

(ii) \$20,427,310.25 of the proceeds of the 2015B CFC Bonds shall be transferred to the Trustee for deposit in the common Debt Service Reserve Fund created pursuant to the Trust Agreement and shall be held, on a pro rata basis, for the benefit of the 2015 CFC Bonds and all other Bonds issued and Outstanding under the Trust Agreement, other than those Bonds for which a special Reserve Account has been established; and

(iii) \$5,106,827.56 of such proceeds of the 2015B CFC Bonds shall be transferred to the Authority for deposit into the CFC Surplus Fund solely for use, at the discretion of the Authority as provided in Section 5.05(1)(iii), to pay all or a part of the cost of capital projects related to the Airport System CFC Project (including the 2015 Airport System CFC Project) or to deposit in the CFC Revenue Fund to pay debt service (including capitalized interest) on the 2015 Bonds;

(iv) The balance of such proceeds of the 2015B CFC Bonds (\$1,168,303.64) shall be transferred to the Authority and used to pay the allocable portion of the costs of issuance of the 2015 CFC Bonds.

The 2015 CFC Bonds will be secured by the common Debt Service Reserve Fund on a pro rata basis with all other Bonds issued and Outstanding under the CFC Trust Agreement, other than those Bonds for which a special Reserve Account or a zero (-0-) Reserve Account Requirement has been established.

Section 2.04 2015 Construction Account. There is hereby created and established pursuant to the provisions of Article IV of the CFC Trust Agreement a "2015 Construction Account" and the "Tax Exempt 2015 Construction Subaccount" therein, each to be held by the Authority. The provisions of Article IV of the CFC Trust Agreement shall apply to the 2015 Construction Account, including the subaccount therein, except as expressly modified hereby.

Funds on deposit in the 2015 Construction Account shall be applied to pay Costs of the 2015 Airport System CFC Project and funds in the Tax Exempt 2015 Construction Subaccount shall be used solely to pay Costs of the APM. For purposes of this 2015 Supplemental Trust Agreement, "Costs" shall mean and include those costs described in Section 4.03 of the CFC Trust Agreement, costs of issuance of the 2015 CFC Bonds, capitalized interest on the 2015 CFC Bonds and all other costs and expenses for which proceeds of the 2015 CFC Bonds may be expended pursuant to the Act.

8

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.

Proceeds of the 2015B Bonds remaining after the completion of the 2015 Airport System CFC Project may be used, applied or expended by the Authority for any lawful purpose in accordance with the CFC Trust Agreement and the Act.

Section 2.05 Parity Bonds. The 2015 CFC Bonds shall be on a parity and rank equally with all other Bonds hereafter issued on a parity therewith pursuant to the provisions of the CFC Trust Agreement as to the lien on and source and security for payment from the Pledged Cash Flow, and all of the provisions of the CFC Trust Agreement, except as to details of this CFC Supplemental Trust Agreement inconsistent therewith, shall apply to and be for the benefit and security and protection of the Registered Owners of the 2015 CFC Bonds as fully and to the same extent as for the holders of any other Bonds hereafter issued and then Outstanding and secured by the CFC Trust Agreement.

ARTICLE III
PAYMENTS INTO REDEMPTION ACCOUNT FOR 2015 BONDS

Section 3.01 Sinking Fund Installments for the 2015 CFC Bonds. The Authority shall cause to be deposited into the 2015 Redemption Subaccount Account, which is hereby created within the Redemption Account under Section 5.05(C) of the CFC Trust Agreement, those amounts necessary to cause the redemption of the 2015 CFC Bonds on the dates and in the amounts set forth in Section 4.03 below and such amounts shall be designated as the Sinking Fund Installments for the 2015A CFC Bonds.

ARTICLE IV
TERMS OF REDEMPTION: RELEASE OF LIEN

Section 4.01 Optional Redemption for 2015A CFC Bonds. The 2015A CFC Bonds may be redeemed prior to their maturity, at the option of the Authority, from time to time on or after October 1, 2024, in whole or in part, on any date, in such amounts and in the order of maturity as may be determined by the Authority and 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 2015A CFC Bonds to be redeemed, plus accrued interest to the redemption date.

Section 4.02 Optional Redemption for 2015B CFC Bonds. The 2015B CFC Bonds maturing on and after October 1, 2026, may be redeemed prior to their maturity, at the option of the Authority, from time to time on or after October 1, 2025, in whole or in part, on any date, in such amounts and in the order of maturity as may be determined by the Authority and 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 2015B CFC Bonds to be redeemed, plus accrued interest to the redemption date.

10

Section 4.03 Mandatory Redemption of 2015 CFC Bonds. The 2015A CFC Bonds maturing on October 1, 2044 and the 2015B CFC Bonds maturing on October 1, 2035 and October 1, 2041, respectively, are subject to mandatory redemption on the dates set forth below at the redemption price of par plus accrued interest and without premium (each such redemption to be treated as an Amortization Installment for the 2015 CFC Bonds referred to below):

2015A CFC Term Bonds due October 1, 2044:

Amount to be Redeemed	Redemption Date (October 1)
\$16,535,000	2041
22,980,000	2042
24,125,000	2043
25,335,000	2044*

*Final Maturity

2015B CFC Term Bonds due October 1, 2035:

Amount to be Redeemed	Redemption Date (October 1)
\$13,160,000	2031
13,840,000	2032
14,555,000	2033
15,310,000	2034
16,100,000	2035*

*Final Maturity

2015B CFC Term Bonds due October 1, 2041:

Amount to be Redeemed	Redemption Date (October 1)
\$16,935,000	2036
17,820,000	2037
18,755,000	2038
19,740,000	2039
20,780,000	2040
5,335,000	2041*

*Final Maturity

Section 4.04 Provisions of CFC Trust Agreement Applicable: Supplemental Redemption Provisions.

(a) The 2015 CFC Bonds to be redeemed pursuant to the foregoing shall be subject to the provisions for redemption set forth in Article III of the CFC Trust Agreement and in the form of 2015 CFC Bonds contained in this CFC Supplemental Trust Agreement, except

11

redemption mailed to the Holders pursuant to Section 4.04 hereof shall be null and void. In such event, after the date on which the Trustee receives notice of such revocation, the Bond Registrar, at the direction of the Trustee, shall cause a notice of such revocation in the name of the Trustee to be mailed to all Holders owning such Bonds.

Section 4.06 Release of Lien of CFC Trust Agreement. If any 2015 CFC Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such 2015 CFC Bond shall have been deposited with the Trustee for the benefit of the holder or holders thereof, all liability of the Authority to the holder or holders thereof for the payment of such 2015 CFC Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the holder or holders of such 2015 CFC Bond for such period as shall be prescribed by law, but (to the extent permitted by law) in no event less than one (1) year (the "Holding Period"), who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this CFC Supplemental Trust Agreement or the CFC Trust Agreement on, or with respect to, said 2015 CFC Bond. All moneys which the Trustee shall have withdrawn from the Sinking Fund or shall have received from any other source and set aside for the purpose of paying any of the 2015 CFC Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective owners of such 2015 CFC Bonds. Any moneys which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the owners of such 2015 CFC Bonds after expiration of the Holding Period shall upon request in writing be paid to the Authority in accordance with the provisions of Section 5.08 of the CFC Trust Agreement, and thereafter the owners of such 2015 CFC Bonds shall look only to the Authority or to such officer, board or body, as the case may be, for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys.

ARTICLE V

CFC TRUST AGREEMENT APPLICABLE TO 2015 CFC BONDS

Section 5.01 CFC Trust Agreement Incorporated into this CFC Supplemental Trust Agreement. The CFC Trust Agreement shall be for the benefit and security of the Registered Owners of the 2015 CFC Bonds authorized herein and all of the provisions of the CFC Trust Agreement, except to the extent the same are inconsistent with the provisions of this CFC Supplemental Trust Agreement, are hereby made a part of this CFC Supplemental Trust Agreement as fully and to the same extent as if such provisions were incorporated verbatim herein.

**ARTICLE VI
ADDITIONAL COVENANTS**

Section 6.01 Covenants Concerning Compliance with Tax Laws. In addition to any other requirements contained in the CFC Trust Agreement, as supplemented and amended, the Authority hereby covenants and agrees, for the benefit of the holders from time to time of the 2015A CFC 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

13

that (i) notice of redemption will be mailed by regular mail, postage prepaid or delivered electronically or by such other means as the Authority may direct in accordance with the then prevailing custom and practice, to the registered owners of such 2015 CFC Bonds at their physical or electronic addresses as they appear on the registration books, at least twenty-five (25) days prior to the redemption date and (ii) the Authority will endeavor to post notice of the redemption on the Electronic Municipal Market Access system (generally known as EMMA), a service provided by the Municipal Securities Rulemaking Board, or any successor or similar nationally recognized electronic municipal information repository. Failure to mail or deliver the foregoing notice to such registered owners, or any defect therein, shall not affect the validity of the proceedings for redemption of 2015 CFC Bonds with respect to which no such failure or defect occurred, and failure to post notice of redemption on EMMA will not affect the validity of the proceedings for any such redemption. Any notice mailed or delivered 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 and whether or not notice was actually, timely or correctly posted on EMMA.

(b) In addition to the requirements of Article III of the CFC Trust Agreement, each notice of redemption and payment of the redemption price shall meet the requirements set forth below; provided however that, notwithstanding any other provision of this CFC Supplemental Trust Agreement or of the CFC Trust Agreement to the contrary, failure of such notice or payment to comply with the terms of this Section 4.04(b) shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as otherwise prescribed in Section 4.04(a) above.

Each notice of redemption given hereunder shall contain the date fixed for redemption, the redemption price to be paid and, if less than all of the 2015 CFC Bonds Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such 2015 CFC Bonds to be redeemed and, in the case of 2015 CFC Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Each notice of redemption shall also contain (a) the CUSIP numbers of all 2015 CFC Bonds being redeemed, if CUSIP numbers are then in general use; (b) the date of issue of the 2015 CFC Bonds as originally issued; (c) the rate of interest borne by each 2015 CFC Bond being redeemed; (d) the maturity date of each 2015 CFC Bond being redeemed; (e) the publication date, if any, of the official notice of redemption; (f) the name and address of the Bond Registrar; and (g) any other descriptive information needed to identify accurately the 2015 CFC Bonds being redeemed.

Upon the payment of the redemption price of 2015 CFC Bonds being redeemed, each check or other transfer of funds issued for such purpose (other than wire transfers) shall bear the CUSIP number identifying, by issue and maturity, the 2015 CFC Bonds being redeemed with the proceeds of such check or other transfer.

Section 4.05 Revocation of Redemption Notice. The Authority reserves the right to revoke any notice of optional redemption at any time prior to the redemption date. Notwithstanding any other provision of the CFC Trust Agreement, if, on any day preceding any date fixed for redemption of 2015 CFC Bonds pursuant to Sections 4.01 and 4.02 hereof, the Authority notifies the Trustee in writing that the Authority has elected to revoke its election to redeem such Bonds, the 2015 CFC Bonds shall not be redeemed on such date and any notice of

12

Counsel's opinion, are necessary to preserve the exclusion of interest on the 2015A CFC 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 Rebate Amount;
- (b) to set aside sufficient moneys from the funds and sources of revenues pledged to the payment of the 2015A CFC 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 as to the 2015A CFC Bonds, and required payments of the Rebate Amount as to the 2015A CFC Bonds, for not less than six (6) years after the date of payment in full of the 2015A CFC 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 2015A CFC Bonds to become arbitrage bonds under Section 148 of the Code; and
- (f) to refrain from taking any action that would cause the 2015A CFC Bonds to be classified as "private activity bonds" under Section 141(a) 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 2015A CFC 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 2015A CFC 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 2015A CFC Bonds as follows:

- (g) The weighted average maturity of the 2015A CFC Bonds will not exceed 120 percent of the weighted average reasonably expected economic life of the APM;
- (h) None of the proceeds of the 2015A CFC Bonds will be used, directly or indirectly, to make or finance loans to two or more ultimate borrowers (including governmental borrowers); and

14

(i) The Authority shall complete and file Form 8038-G, Information Return for Governmental Obligations with respect to the 2015A CFC 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.

The Authority, for the benefit and security of the holders of the 2015A CFC Bonds, hereby represents and warrants as follows:

(j) All of the property to be financed or refinanced with the proceeds from the issuance of either the 2015A CFC Bonds, is or will be owned by the Authority;

(k) Not more than fifty percent (50%) of the proceeds of the 2015A CFC Bonds will be invested in a guaranteed investment contract with a term of four (4) years or more, or in another form of non-purpose 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 2015A CFC 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 2015A CFC 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; and

(iii) The payment of principal or interest on the 2015A CFC 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 2015A CFC 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; and

(m) The entire amount of the proceeds of the 2015A CFC Bonds will be needed for the governmental purposes described above.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

Section 7.01 Vesting of Trusts in Successor. 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 CFC Supplemental 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 such 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.

The Trustee and the Authority agree that, notwithstanding anything to the contrary in Sections 9.11 and 9.12 of the CFC Trust Agreement, the Trustee will not resign, and the Authority will not exercise its rights to remove the Trustee, in each case unless a successor Trustee, meeting the criteria set forth in the CFC Trust Agreement, has been duly appointed and has accepted its duties and obligations thereunder; provided however, that if a successor trustee is not appointed within sixty (60) days' of the Trustee's notice of intent to resign, the Trustee may (at the expense of the Authority) petition a court of competent jurisdiction to appoint a successor trustee.

Section 7.02 Notices. Any notice, demand, directive, request or other instrument authorized or required by this CFC Supplemental Trust Agreement to be given to or filed with the Authority and the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this CFC Supplemental Trust Agreement if and when sent by registered mail, return receipt requested:

To the Authority, if addressed to:
Hillsborough County Aviation Authority
Post Office Box 22287
Tampa, Florida 33622
Attn: Chief Executive Officer

To the Trustee, if addressed to:
The Bank of New York Mellon
101 Barclay Street - 7W
New York, New York 10286
Attn: Corporate Trust Administration

Section 7.03 Inspection of Documents. All documents received by the Trustee under the provisions of this CFC Supplemental Trust Agreement shall be retained in its possession, subject at all reasonable times to the inspection by the Authority and any Bondholder, and the agents and representatives thereof.

Section 7.04 No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this CFC Supplemental 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 2015 CFC Bonds issued under and secured by this CFC Supplemental Trust Agreement, any right, remedy or claim, legal or equitable, under or by reason of this CFC Supplemental Trust Agreement or any provision hereof, this CFC Supplemental Trust Agreement and all its provisions being intended to be and being for the sole

and exclusive benefit of the parties hereto and the Registered Owners from time to time of the 2015 CFC Bonds issued hereunder.

Section 7.05 Limitations on Liability. Nothing in the 2015 CFC Bonds or in this CFC Supplemental Trust Agreement shall create or constitute or be construed as creating or constituting 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 or statutory debt limitation or provision, nor a lien upon any property of the Authority, said County, City, or any other political subdivision in said State, except the Pledged Cash Flow in the manner hereinbefore provided. No Registered Owner of any 2015 CFC Bond issued hereunder shall ever have the right to require 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 the principal of or any interest on any 2015 CFC Bonds or the making of any payments required by this CFC Supplemental Trust Agreement.

Section 7.06 Effect of Partial Invalidity. In case any one or more of the provisions of this CFC Supplemental Trust Agreement or of the 2015 CFC 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 CFC Supplemental Trust Agreement or of the 2015 CFC Bonds, but this CFC Supplemental Trust Agreement and the 2015 CFC 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 2015 CFC Bonds or in this CFC Supplemental 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 7.07 Controlling Law, Member of Authority Not Liable. All covenants, stipulations, obligations and agreements of the Authority contained in this CFC Supplemental 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 or employees of the Authority nor any official executing the 2015 CFC Bonds or related documents shall be liable personally on the 2015 CFC Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 7.08 Counterparts. This CFC Supplemental 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 7.09 Headings Not Part of CFC Supplemental Trust Agreement. Any headings preceding the text of the several Articles and Sections hereof shall be solely for convenience of reference and shall not constitute a part of this CFC Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Hillsborough County Aviation Authority has caused this CFC Supplemental Trust Agreement to be executed by its Chairman, and the corporate seal of said Authority to be impressed hereon and attested by its Chief Executive Officer and its Vice President of Finance and Information Technology; and The Bank of New York Mellon, has caused this CFC Supplemental Trust Agreement to be executed on its behalf, as Trustee, by one of its Vice Presidents, and attested by one of its duly authorized officers, all as of the day and year first above written.

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

(Seal)

Attest: By: _____
Chairman

Chief Executive Officer
Hillsborough County Aviation Authority

Vice President of Finance and
Information Technology
Hillsborough County Aviation Authority

THE BANK OF NEW YORK MELLON,
Trustee

By: _____
Name: David J. O'Brien
Its: Vice President

Automated People Mover

The APM system will be a train system that will connect the Main Terminal to the ConRAC (approximately 1.4 miles). The APM system is designed initially to accommodate approximately 2,300 passengers per hour per direction. It is estimated that an initial fleet of three 120 foot trains (or three typical APM cars per train) with one spare train would provide sufficient capacity to accommodate the initial projected line capacity requirement. It is anticipated the APM will have a three minute travel time from the Main Terminal to the ConRAC APM Station. The APM project will include three stations:

- **Station 1:** Terminal APM Station – This station will be located adjacent to the Main Terminal with easy and convenient access to the transfer, ticketing, and baggage claim levels. Enhancements to the Main Terminal will be required to facilitate passenger access to/from the station to the baggage, ticketing, and transfer levels of the Main Terminal.
- **Station 2:** Economy Garage APM Station – This station will be located adjacent to the Economy Garage. This station connection will eliminate shuttle busses that run every seven minutes on the George Bean parkway to and from the Main Terminal. Enhancements to the Economy Garage will be required to facilitate passenger access to/from the garage to the APM station. This station connection will eliminate employee busses that operate every five minutes between the Main Terminal and the north employee parking lot across Taxilane A.
- **Station 3:** ConRAC APM Station – This station will be located at the ConRAC facility with direct access to the rental car service center lobby and adjacent vertical circulation lobby located along the new curbside for easy access by Airport customers, users, and employees.

The APM project will be subject to modification from time to time by the Authority.

Consolidated Rental Car Facility (ConRAC)

The Authority's rental car facilities were evaluated in the 2012 Master Plan. The current facilities are split into two operations on opposite sides (blue side and red side) of the main terminal. The blue side consists of a quick turnaround area, rental car ready return spaces and rental counters all located on the bottom two floors of the long term parking garage. The red side has a duplicate rental car ready garage and rental counters. The rental car operators lease an additional 55 acres in the south terminal support area due to space limitations at the main terminal. The current rental car operations are a major contributor to congestion and capacity constraints for the main terminal, curbsides and roadways. Current facilities cannot accommodate rental car operation growth projections beyond 2016, and thus the ConRAC Project was developed.

The ConRAC project will consist of the relocation and expansion of the existing rental car operations to a 50.5 acre parcel located just south of the economy garages in the south terminal support area and the construction and improvement of a new Consolidated Rental Car Facility located thereon, including all associated repairs and improvements to the main terminal

[Signature Page to CFC Supplemental Trust Agreement]

A-1-1

associated with such relocation and all associated structures, roadways, commercial curbs, facilities, utilities, and other infrastructure improvements related thereto including, without limitation, (i) customer service area; (ii) the exclusive premises for the Concessionaires; (iii) a ready/return area; (iv) a quick turnaround area dedicated to fueling, vacuuming, washing and servicing rental vehicles, together with a dedicated roadway for rental vehicle use; (v) storage/service facilities; (vi) service centers for rental car maintenance; and (vii) common concessionaire areas and common public areas, in each case together with any other ancillary facilities and any expansions, additions, extensions and/or improvements thereto. It is currently anticipated that the main facility will consist of a four-level, 2.5 million square foot facility for normal rental car operations, with an additional 75,000 square foot facility to house four service centers for vehicle maintenance. The ConRAC project will be subject to modification from time to time by the Authority.

EXHIBIT B-1

(FORM OF 2015A CFC BOND)

No. R-__ **\$_____**

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF HILLSBOROUGH
HILLSBOROUGH COUNTY AVIATION AUTHORITY
TAMPA INTERNATIONAL AIRPORT
CUSTOMER FACILITY CHARGE REVENUE BONDS,
2015 SERIES A (NON-AMT)

Interest	Maturity	Interest	Cusip No.
Rate	Date	Accrual Date	
%	October 1, _____	October 1, _____	

REGISTERED OWNER: CEDE & CO.

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 The Bank of New York Mellon, 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, such interest being payable semiannually on the first day of April and the first day of October in each year, commencing on October 1, 2015. 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.

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 CFC Trust Agreement dated as of September 1, 2015, by and among the Authority and The Bank of New York Mellon, as supplemented (collectively, the "Original CFC Trust Agreement"), pursuant and subject to the provisions, terms and conditions of Resolution No. 2015-96 adopted by the Authority on July 2, 2015 (the "Resolution"), and the CFC Supplemental Trust Agreement, dated as of September 1, 2015 (the "CFC Supplemental Trust Agreement"), by and among the Authority and the Trustee by an equal lien on the Pledged Cash Flow in the manner provided in the Original CFC Trust Agreement and the CFC Supplemental Trust Agreement (collectively, the "CFC Trust Agreement").

Reference is hereby made to the Resolution, the CFC Trust Agreement and the CFC Supplemental 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, and circumstances under which the lien to which this Bond is entitled under the CFC Trust Agreement and the CFC Supplemental 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 Pledged Cash Flow as described in the CFC Trust Agreement, 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 Pledged Cash Flow, in the manner provided in the CFC Trust Agreement and the CFC Supplemental

B-1-2

Each Sinking Fund Installment of this Bond shown above under "Amounts to be Redeemed" shall be treated as principal payments on Serial Bonds for purposes of Section 5.05(B) of the CFC Trust Agreement.

A notice of the redemption of any of said Bonds shall be sent to the registered owners of such Bonds by regular mail, postage prepaid, or by electronic delivery, to their physical or electronic 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 CFC Trust Agreement and CFC Supplemental Trust Agreement; provided, however, that failure to so mail or deliver 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 such failure or defect occurred. Any notice mailed or delivered 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 and whether or not notice was actually, timely or correctly posted on EMMA.

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 CFC Trust Agreement and CFC Supplemental 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 and whether or not other notice procedures in the CFC Trust Agreement were followed. 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 CFC 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 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 CFC 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 twenty-five (25) days next preceding an interest payment date on the Bonds or,

B-1-4

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 the Pledged Cash Flow, all in the manner and to the extent provided in the CFC Trust Agreement and the CFC Supplemental 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 \$88,975,000 of like date, tenor and effect, except as to number, 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 2012-234, Laws of Florida, (2012), together with acts amendatory thereof and supplemental thereto (collectively, the "Act"), and other applicable statutes, and Section 2.07 of the CFC Trust Agreement, as amended through the date of issuance of the Hillsborough County Aviation Authority, Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT), for the purpose of financing a portion of the cost of an automated people mover project connecting the terminal to a new rental car facility.

The Bonds of this series, together with the concurrent issuance of the Hillsborough County Aviation Authority, Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable) in the aggregate principal amount of \$294,350,000, are being issued for the purpose of financing the cost of the ConRAC, a portion of the APM and various other projects and improvements to the Airport System, all as more particularly described in the Supplemental Trust Agreement.

The Bonds of this series may be redeemed prior to their maturity, at the option of the Authority, from time to time on or after October 1, 2024, in whole or in part, on any date, in such amounts and in the order of maturity all as determined by the Authority and 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.

The Bonds of this series are subject to mandatory redemption on the dates set forth below at the redemption price of par plus accrued interest and without premium (each such redemption to be treated as a Sinking Fund Installment for purposes of the CFC Trust Agreement):

Amount to be Redeemed	Redemption Date (October 1)
\$16,535,000	2041
22,980,000	2042
24,125,000	2043
25,335,000	2044*

*Final Maturity

B-1-3

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 CFC Trust Agreement and the CFC Supplemental Trust Agreement until the Certificate of Authentication endorsed hereon shall have been signed by the Trustee.

B-1-5

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 Chief Executive Officer and its Vice President of Finance and Information Technology, all as of the 3rd day of September, 2015.

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

By: _____
Chairman of the Hillsborough County
Aviation Authority

(Seal)

Attest:

Chief Executive Officer
Hillsborough County Aviation Authority

Vice President of Finance and
Information Technology
Hillsborough County Aviation Authority

CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned CFC Trust Agreement and CFC Supplemental Trust Agreement.

THE BANK OF NEW YORK MELLON, Trustee

By _____
Authorized Signatory

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.

(END OF FORM OF 2015A CFC BOND)

B-1-6

B-1-7

EXHIBIT B-2

(FORM OF 2015B TAXABLE REGISTERED BOND)

No. R-__ **\$ _____ **

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF HILLSBOROUGH
HILLSBOROUGH COUNTY AVIATION AUTHORITY
TAMPA INTERNATIONAL AIRPORT
CUSTOMER FACILITY CHARGE REVENUE BONDS,
2015 SERIES B (TAXABLE)

Interest Rate %	Maturity Date October 1, _____	Interest Accrual Date October 1, _____	Cusip No.
-----------------	-----------------------------------	---	-----------

REGISTERED OWNER: CEDE & CO.

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 The Bank of New York Mellon, 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, such interest being payable semiannually on the first day of April and the first day of October in each year, commencing on October 1, 2015. 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.

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 Customer Facility Charge Trust Agreement dated as of September 1, 2015, by and among the Authority and The Bank of New York Mellon, as supplemented (collectively, the "Original CFC Trust Agreement"), pursuant and subject to the provisions, terms and conditions of Resolution No. 2015-96 adopted by the Authority on July 2, 2015 (the "Resolution"), and the CFC Supplemental Trust Agreement, dated as of September 1, 2015 (the "CFC Supplemental Trust Agreement"), by and among the Authority and the Trustee by an equal lien on the Pledged Cash Flow in the manner provided in the Original CFC Trust Agreement and the CFC Supplemental Trust Agreement (collectively, the "CFC Trust Agreement").

Reference is hereby made to the Resolution, the CFC Trust Agreement and the Supplemental CFC 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, and circumstances under which the lien to which this Bond is entitled under the CFC Trust Agreement and the CFC Supplemental 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 Pledged Cash Flow as described in the CFC Trust Agreement, 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 Pledged Cash Flow, in the manner provided in the CFC Trust Agreement and the CFC Supplemental

B-2-1

B-2-2

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 the Pledged Cash Flow, all in the manner and to the extent provided in the CFC Trust Agreement and the CFC Supplemental 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 \$294,350,000 of like date, tenor and effect, except as to number, 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 2012-234, Laws of Florida, (2012), together with acts amendatory thereof and supplemental thereto (collectively, the "Act"), and other applicable statutes, and Section 2.07 of the CFC Trust Agreement, as amended through the date of issuance of the Hillsborough County Aviation Authority, Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable), for the purpose of financing the cost of a new rental car facility.

The Bonds of this series, together with the concurrent issuance of the Hillsborough County Aviation Authority, Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) in the aggregate principal amount of \$88,975,000, are being issued, for the purpose of financing the cost of the ConRAC, a portion of the APM and various other projects and improvements to the Airport System, all as more particularly described in the Supplemental Trust Agreement.

The Bonds of this series maturing prior to October 1, 2026, are not subject to optional redemption by the Authority prior to their respective dates of maturity. The Bonds of this series maturing on and after October 1, 2026, may be redeemed prior to their maturity, at the option of the Authority, from time to time on or after October 1, 2025, in whole or in part, on any date, in such amounts and in the order of maturity all as determined by the Authority and 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.

B-2-3

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 CFC Trust Agreement and CFC Supplemental 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 and whether or not other notice procedures in the CFC Trust Agreement were followed. 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 CFC 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 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 CFC 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 twenty-five (25) 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.

B-2-5

The Bonds of this series maturing on October 1, 2035 and October 1, 2041, respectively, are subject to mandatory redemption on the dates set forth below at the redemption price of par plus accrued interest and without premium (each such redemption to be treated as a Sinking Fund Installment for purposes of the CFC Trust Agreement):

2015B CFC Bonds due October 1, 2035

Amount to be Redeemed	Redemption Date (October 1)
\$13,160,000	2031
13,840,000	2032
14,555,000	2033
15,310,000	2034
16,100,000	2035*

*Final Maturity

2015B CFC Bonds due October 1, 2041

Amount to be Redeemed	Redemption Date (October 1)
\$16,935,000	2036
17,820,000	2037
18,755,000	2038
19,740,000	2039
20,780,000	2040
5,335,000	2041*

*Final Maturity

Each Sinking Fund Installment of this Bond shown above under "Amounts to be Redeemed" shall be treated as principal payments on Serial Bonds for purposes of Section 5.05(B) of the CFC Trust Agreement.

A notice of the redemption of any of said Bonds shall be sent to the registered owners of such Bonds by regular mail, postage prepaid, or by electronic delivery, to their physical or electronic 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 CFC Trust Agreement and CFC Supplemental Trust Agreement; provided, however, that failure to so mail or deliver 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 such failure or defect occurred. Any notice mailed or delivered 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 and whether or not notice was actually, timely or correctly posted on EMMA.

B-2-4

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 CFC Trust Agreement and the CFC Supplemental 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 Chief Executive Officer and its Vice President of Finance and Information Technology, all as of the 3rd day of September, 2015.

HILLSBOROUGH COUNTY
AVIATION AUTHORITY

By: _____
Chairman of the Hillsborough County
Aviation Authority

(Seal)

Attest:

Chief Executive Officer
Hillsborough County Aviation Authority

Vice President of Finance and
Information Technology
Hillsborough County Aviation Authority

B-2-6

CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned CFC Trust Agreement and CFC Supplemental Trust Agreement.

THE BANK OF NEW YORK MELLON, Trustee

By _____
Authorized Signatory

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.

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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.

(END OF FORM OF 2015B CFC BOND)

#34619207_v16

B-2-7

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APPENDIX D

ON-AIRPORT CONCESSIONAIRE AGREEMENT

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Lease and Concession Contract

Parties And Addresses:

Authority: Hillsborough County Aviation Authority
 Post Office Box 22287
 Tampa, Florida 33622
 Telephone: 813-870-8700
 Fax: 813-875-6670

Concessionaire:

Prepared by: Procurement Department
 Hillsborough County Aviation Authority
 P.O. Box 22287
 Tampa, Florida 33622

TABLE OF CONTENTS	
ARTICLE I.	DEFINITIONS 5
SECTION 1.01	DEFINITIONS 5
ARTICLE II.	EXCLUSIVE PREMISES 14
SECTION 2.01	EXCLUSIVE PREMISES DESCRIPTION 14
SECTION 2.02	CONRAC COMMON FUEL SYSTEM 14
SECTION 2.03	SERVICE CENTER SITE PETROLEUM STORAGE AND FUEL SYSTEMS 15
SECTION 2.04	ALLOCATION OF CUSTOMER SERVICE SPACE, OFFICE SPACE, READY/RETURN SPACE, QTA SPACE, AND VEHICLE STORAGE AREA SPACE WITHIN CONRAC 16
SECTION 2.05	RECONSTITUTION OF CONCESSIONAIRES 16
SECTION 2.06	OPTION TO RENEGOTIATE; NO ASSURANCE OF CONTINUED PARTICIPATION 17
SECTION 2.07	MINOR MODIFICATIONS TO CONRAC 17
SECTION 2.08	INGRESS AND EGRESS 18
SECTION 2.09	RIGHT OF ENTRY 18
SECTION 2.10	EXCLUSIVE PREMISES ACCEPTANCE AS IS 18
SECTION 2.11	NO WARRANTY OF ECONOMIC VIABILITY 18
ARTICLE III.	TERM 18
SECTION 3.01	TERM 18
SECTION 3.02	HOLDOVER 18
SECTION 3.03	RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION 19
SECTION 3.04	END OF TERM TRANSITION 20
ARTICLE IV.	PAYMENTS, OTHER CHARGES, REPORTING, AND ACCOUNTING RECORDS 20
SECTION 4.01	GROSS RECEIPTS 20
SECTION 4.02	PRIVILEGE FEE 23
SECTION 4.03	CONCESSION RECOVERY FEE 24
SECTION 4.04	CFC COLLECTIONS 25
SECTION 4.05	GROUND RENT 27
SECTION 4.06	CONCESSIONAIRE'S DEFICIENCY PAYMENTS, OPERATING EXPENSES, AND IMPOSITION 27
SECTION 4.07	LIABILITY FOR CONCESSIONAIRE'S DEFICIENCY PAYMENT 34
SECTION 4.08	TAXES 35
SECTION 4.09	OTHER FEES AND CHARGES 35
SECTION 4.10	FAILURE TO MAKE TIMELY PAYMENTS 35
SECTION 4.11	AUTHORITY'S LIEN 36
SECTION 4.12	RECORD KEEPING, REPORTS, ANNUAL AUDIT, AND END OF YEAR ADJUSTMENT 36
SECTION 4.13	PLACE OF PAYMENT AND STATEMENT FILING 39
SECTION 4.14	FORM OF PAYMENT 39

Tampa International Airport
 On-Airport Vehicle Rental Concession
 Contract
 ITB No. 15-534-004

Page i of 91
 June 4, 2015

CONTRACT

SECTION 4.15	AUTHORITY'S RIGHT TO PERFORM AUDITS, INSPECTIONS, OR ATTESTATION ENGAGEMENTS 40
ARTICLE V.	PERMITTED USES 41
SECTION 5.01	PERMITTED USES 41
SECTION 5.02	NON-EXCLUSIVE RIGHTS 42
SECTION 5.03	RESTRICTIONS 43
SECTION 5.04	PERMITS AND LICENSES 43
ARTICLE VI.	OPERATIONS AND PERFORMANCE STANDARDS 43
SECTION 6.01	AUTHORITY'S RIGHT TO MONITOR PERFORMANCE 43
SECTION 6.02	OPERATING PROCEDURES AND STANDARDS 44
SECTION 6.03	TRASH, WASTE AND REFUSE 47
SECTION 6.04	BADGING AND SECURITY REQUIREMENTS 48
SECTION 6.05	EMPLOYEE PARKING 49
SECTION 6.06	PAGING, AUDIO, VIDEO SYSTEMS AND FREQUENCY PROTECTION 49
SECTION 6.07	COMPLAINTS 49
ARTICLE VII.	NON-DISCRIMINATION / AFFIRMATIVE ACTION 51
ARTICLE VIII.	AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE 51
SECTION 8.01	AUTHORITY'S POLICY 51
SECTION 8.02	NON-DISCRIMINATION 52
SECTION 8.03	ACDBE PARTICIPATION AND COMPLIANCE 52
ARTICLE IX.	CONRAC CONSTRUCTION 54
SECTION 9.01	CONRAC/APM PROJECT 54
SECTION 9.02	CONSTRUCTION OF CONCESSIONAIRE IMPROVEMENTS BY CONCESSIONAIRE 58
SECTION 9.03	ALTERATIONS 60
SECTION 9.04	AUTHORITY STANDARDS 62
SECTION 9.05	TITLE TO IMPROVEMENTS 62
SECTION 9.06	SIGNAGE 62
ARTICLE X.	DISCLAIMER OF LIENS 63
ARTICLE XI.	MAINTENANCE AND REPAIRS 64
SECTION 11.01	CONCESSIONAIRE'S MAINTENANCE AND REPAIR OBLIGATIONS 64
SECTION 11.02	AUTHORITY'S MAINTENANCE AND REPAIR OBLIGATIONS 67
ARTICLE XII.	DEFAULT, REMEDIES AND TERMINATION RIGHTS 68
SECTION 12.01	EVENTS OF DEFAULT 68
SECTION 12.02	CONCESSIONAIRE REMEDIES 69
SECTION 12.03	AUTHORITY REMEDIES 69
SECTION 12.04	HABITUAL DEFAULT 70
ARTICLE XIII.	INDEMNIFICATION 70
ARTICLE XIV.	INSURANCE 71
SECTION 14.01	INSURANCE TERMS AND CONDITIONS 71

Tampa International Airport
 On-Airport Vehicle Rental Concession
 Contract
 ITB No. 15-534-004

Page ii of 91
 June 4, 2015

CONTRACT

SECTION 14.02	LIMITS AND REQUIREMENTS 72
SECTION 14.03	CONDITIONS OF ACCEPTANCE 74
ARTICLE XV.	SECURITY FOR PERFORMANCE AND PAYMENT 75
SECTION 15.01	FORM OF PAYMENT AND PERFORMANCE SECURITY 75
SECTION 15.02	APPLICATION OF PAYMENT SECURITY 75
SECTION 15.03	RELEASE OF PAYMENT SECURITY 76
SECTION 15.04	GUARANTY OF CONTRACT 76
ARTICLE XVI.	PROPERTY DAMAGE 76
SECTION 16.01	PARTIAL DAMAGE 76
SECTION 16.02	EXTENSIVE DAMAGE 76
SECTION 16.03	COMPLETE DESTRUCTION 77
SECTION 16.04	ABATEMENT OF FEES 77
SECTION 16.05	LIMITS OF AUTHORITY'S OBLIGATIONS DEFINED 77
SECTION 16.06	ALTERNATE SPACE 77
SECTION 16.07	WAIVER OF SUBROGATION 78
ARTICLE XVII.	DAMAGING ACTIVITIES 78
ARTICLE XVIII.	COMPLIANCE WITH LAWS, REGULATIONS, ORDINANCES AND RULES 78
ARTICLE XIX.	ENVIRONMENTAL COMPLIANCE 78
ARTICLE XX.	AIRPORT SECURITY 84
ARTICLE XXI.	AMERICANS WITH DISABILITIES ACT 84
ARTICLE XXII.	FAA APPROVAL 85
ARTICLE XXIII.	RIGHT OF FLIGHT 85
ARTICLE XXIV.	FEDERAL RIGHT TO RECLAIM 85
ARTICLE XXV.	PROPERTY RIGHTS RESERVED 85
ARTICLE XXVI.	ASSIGNMENT AND SUBCONTRACT 85
ARTICLE XXVII.	ORGANIZATIONAL STANDING 86
ARTICLE XXVIII.	NON-EXCLUSIVE RIGHTS 86
ARTICLE XXIX.	RIGHT TO DEVELOP AIRPORT 86
ARTICLE XXX.	APPLICABLE LAW AND VENUE 86
ARTICLE XXXI.	ATTORNEYS' FEES AND COSTS 86
ARTICLE XXXII.	RIGHT TO AMEND 87
ARTICLE XXXIII.	HEADINGS 87
ARTICLE XXXIV.	NOTICES AND COMMUNICATIONS 87
ARTICLE XXXV.	SUBORDINATION TO CFC TRUST AGREEMENT 88
ARTICLE XXXVI.	RELATIONSHIP OF THE PARTIES 88
ARTICLE XXXVII.	AUTHORITY APPROVALS 88
ARTICLE XXXVIII.	SEVERABILITY 88
ARTICLE XXXIX.	TIME IS OF THE ESSENCE 88

Tampa International Airport
 On-Airport Vehicle Rental Concession
 Contract
 ITB No. 15-534-004

Page iii of 91
 June 4, 2015

CONTRACT

ARTICLE XL	SIGNATURES	89
SECTION 40.01	SIGNATURE OF PARTIES	89
SECTION 40.02	COUNTERPARTS	89
ARTICLE XLII	SCRUTINIZED COMPANIES LIST	89
ARTICLE XLIII	AGENT FOR SERVICE OF PROCESS	89
ARTICLE XLIV	COMPLIANCE WITH PUBLIC RECORDS LAW	89
ARTICLE XLV	DATA SECURITY	90
ARTICLE XLVI	FLORIDA PUBLIC ENTITY CRIMES	90
ARTICLE XLVII	HAZARDOUS SUBSTANCES AND OSHA COMPLIANCE	91
ARTICLE XLVIII	NON-DISCLOSURE	91
ARTICLE XLIX	WAIVERS	92
ARTICLE L	COMPLETE CONTRACT	92
ARTICLE LL	ORDER OF PRECEDENCE	92

EXHIBITS:

EXHIBIT A	OPERATING SPACE COMPONENTS
EXHIBIT B	MONTHLY GROSS RECEIPTS REPORT
EXHIBIT C	MONTHLY DETAIL SALES INFORMATION
EXHIBIT D	FORM OF GUARANTY OF CONTRACT
EXHIBIT E	CONRAC OPERATIONS & MAINTENANCE STANDARDS
EXHIBIT F	CONCESSIONAIRE IMPROVEMENT HANDBOOK
EXHIBIT G	TENANT WORK PERMIT HANDBOOK
EXHIBIT H	AUTHORITY'S CONTRACTUAL INSURANCE TERMS AND CONDITIONS
EXHIBIT I	SCHEDULE OF CONCESSIONAIRE IMPROVEMENTS
EXHIBIT J	MAIN CONRAC BASELINE ENVIRONMENTAL REPORT
EXHIBIT K	SERVICE CENTER SITE 4 BASELINE ENVIRONMENTAL REPORT
EXHIBIT L	MAJORITY IN INTEREST EXAMPLE

accordance with Authority's Concessionaire Improvement Handbook and Tenant Work Permit Handbook.

- F. **Authority's Fiscal Year:** The twelve-month period beginning October 1st of a calendar year through September 30th of the following calendar year.
- G. **Authority's Work:** The work to be done by or on behalf of Authority to construct the ConRAC pursuant to Section 10.01 (B) of this Contract.
- H. **Bonds:** Collectively, the Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series S and 2015 Series B (or such other or additional designation(s) as may be given to those Bonds under the CFC Trust Agreement), and any additional bonds from time to time issued and outstanding under the CFC Trust Agreement, the proceeds of which are used to pay the cost of modifications, replacements, expansions, and/or improvements to the ConRAC/APM Project, costs of issuance, and other Eligible Costs.
- I. **Bond Documents:** The documents and authorizations relating to the issuance, financing, investment, application, and retirement of the Bonds, including, without limitation, the CFC Trust Agreement Resolution, as supplemented and amended from time to time, and the CFC Trust Agreement, as supplemented and amended from time to time, and ancillary documents related thereto.
- J. **CFC Revenues:** The amount of Customer Facility Charges received by the Authority from Concessionaires pursuant to Section 4.04 of this Contract.
- K. **CFC Trust Agreement:** The agreement by and between the Authority and the Trustee from time to time named therein, pursuant to which the Bonds will be issued, as supplemented and amended from time to time.
- L. **CFC Trust Agreement Resolution:** Those certain resolutions adopted by the Authority's Board of Directors which, among other things, provide for the issuance of the Bonds to fund the design and construction of the ConRAC/APM Project, as such resolution(s) may be further supplemented or amended from time to time.
- M. **Common Concessionaire Areas:** Those areas of the ConRAC designed for the non-exclusive use in common by the Concessionaires pursuant to this Contract, including those which are more particularly described on Exhibit A, "Operating Space Components", attached hereto and made a part hereof. Common Concessionaire Areas include, but are not limited to, roadways, ramps, or other facilities within the ConRAC as designated by Authority. These areas will be maintained by the ConRAC Facility Manager at Concessionaires' expense.
- N. **Common Fuel System:** Collectively, the elements of the fuel receipt, storage, transmission, delivery and dispensing systems and related facilities, fixtures,

CONTRACT

This Lease and Concession Contract for On-Airport Vehicle Rental at Tampa International Airport (hereinafter referred to as Contract) is made and entered into this 6th day of June 2015 between the Hillsborough County Aviation Authority, a public body corporate under the laws of the State of Florida whose post office address is Post Office Box 22287, Tampa, Florida 33622 (hereinafter referred to as Authority), and _____, a _____ company, authorized to do business in the State of Florida, (hereinafter referred to as Concessionaire), (collectively hereinafter referred to as the Parties).

NOW, THEREFORE, for and in consideration of the mutual covenants hereof, the Parties do hereby agree as follows:

Article I. DEFINITIONS

Section 1.01 DEFINITIONS

The following terms will have the meanings set forth below:

- A. **Airport:** Tampa International Airport located at 4100 George J. Bean Parkway, Tampa, Florida.
 - B. **Airport Customer:** A person or person(s) who rents, picks-up, or enters into a Vehicle Rental Contract for the rental of a vehicle from a vehicle rental Concessionaire at the ConRAC on the Airport.
 - C. **Airport Terminals:** The passenger transportation facilities at the Airport, existing or under construction as of the Effective Date of this Contract, or to be constructed during the Term of this Contract, known individually as the Main Terminal, Airside A, Airside C, Airside E, and Airside F, including all user movement areas, areas leased exclusively or preferentially to any third party or parties, common areas and baggage claim areas therein, and interconnecting hallways, concourses, and bridges.
 - D. **APM:** The Airport's automated people mover system and any modifications, replacements, expansions, and/or improvements thereto, which travels on a dedicated guideway providing passenger transportation service at the Airport, including, without limitation, to the ConRAC, Main Terminal, and parking areas, and including, without limitation, the vehicles used for transport, stations, and all related equipment and associated improvements from time to time, together with any expansions or extensions thereof.
 - E. **Approved Project:** As it applies to any portion of the Exclusive Premises, Concessionaire's construction, furnishing, fixturing, and remodeling of such portion of the Exclusive Premises as reviewed and approved by Authority in
- equipment and other real and personal property used in conjunction therewith and as otherwise constructed by Authority as part of the ConRAC, and thereafter operated and maintained by the ConRAC Facility Manager.
- O. **Common Public Areas:** Those portions of the ConRAC designated for the non-exclusive use in common by the public, Concessionaires, and other Authority authorized users of the ConRAC pursuant to this Contract, which are more particularly described on Exhibit A, attached hereto and made a part hereof. Common Public Areas include, but is not limited to, public circulation space, lobbies, elevators, escalators, restrooms, or other facilities within the ConRAC as designated by Authority. These areas will be maintained by the Authority at Concessionaires' expense.
 - P. **Concession:** The rights granted to Concessionaire by Authority to operate an on-airport vehicle rental business at the ConRAC in accordance with the terms and conditions of this Contract.
 - Q. **Concessionaire:** The legal entity that is party to this Contract and that is bound by this Contract to operate an on-airport vehicle rental business at the ConRAC. In all provisions of this Contract that require a person to comply with a specific provision requiring representation of Concessionaire, this person will be an authorized official of Concessionaire.
 - R. **Concessionaire Improvement Handbook:** Authority's ConRAC design and construction standards governing all aspects of the Concessionaire's design and construction of the Exclusive Premises, attached hereto as Exhibit F and incorporated herein. Authority reserves the right to amend the Concessionaire Improvement Handbook during the Term. Any amendment will be binding on Concessionaire without need for amendment of this Contract, provided that the amendment of the Concessionaire Improvement Handbook does not conflict with the other terms and conditions of this Contract. Authority will provide Concessionaire with any amendment to the Concessionaire Improvement Handbook.
 - S. **Concessionaires:** Concessionaire and those other rental car companies from time to time that are parties to a valid contract with the Authority to operate an on-airport vehicle rental business at the ConRAC.
 - T. **Concessionaire's Deficiency Payments:** Those payments required to be made by Concessionaire as defined in Section 4.06(A) of this Contract.
 - U. **Concessionaire's Operating Obligations:** The various maintenance, repair, and operating responsibilities and obligations in this Contract to be performed by Concessionaire, at its own cost and expense, in the performance of the Concession. The performance of these obligations by the Concessionaire, or payment to a third party for the performance of these obligations, are not rental

payments or other considerations for the right to occupy real property, but are acknowledgements by the Concessionaire of its obligation to maintain and repair the Exclusive Premises, as further described in Exhibit E, ConRAC Operations & Maintenance Standards, attached hereto and made a part hereof.

- V. **Concessionaire's Proportionate Share:** The percentage determined by dividing the aggregate square footage of Concessionaire's Exclusive Premises as depicted in Exhibit A (which is deemed to be _____ square feet) by the aggregate square footage of all Concessionaires' Exclusive Premises (which is deemed to be _____ square feet), which is acknowledged and agreed to be _____ % as of the Effective Date hereof, or otherwise as determined by the Authority from time to time based upon any increases, decreases or reconfigurations or reallocations of space.
- W. **ConRAC:** The Consolidated Rental Car Facility and any modifications, replacements, expansions, and/or improvements thereto, including the associated structures, roadways, facilities, infrastructure improvements to utilities, and other infrastructure to be constructed consisting of: (i) customer service area; (ii) the Exclusive Premises; (iii) Ready/Return Area; (iv) the QTA, together with a dedicated roadway for rental vehicle use; (v) storage/service facilities; and (vi) the portion of the Common Concessionaire Areas and Common Public Areas of the ConRAC allocated and dedicated to the Concessionaires, as reasonably determined by the Authority.
- X. **ConRAC/APM Project:** The permitting, design, development, construction, equipping, furnishing, and acquisition of the ConRAC, adjacent Service Center Sites, and APM, including the associated structures, roadways, facilities, infrastructure improvements to utilities, and other infrastructure to support the ConRAC and APM. For the purposes of this definition, the ConRAC/APM Project as it relates to the cost of the APM means, and is limited to, forty percent (40%) of the cost of the APM.
- Y. **ConRAC Facility Manager:** The third-party property manager hired from time to time by the Concessionaires for the operation, management and maintenance of the ConRAC.
- Z. **Contract:** This Contract, including all exhibits, schedules, subsequent amendments and attachments thereto, as well as Concessionaire's response to Invitation to Bid No.15-534-004 ("ITB"), On-Airport Vehicle Rental Concession, and any subsequent information submitted by Concessionaire (such response and subsequent information collectively hereinafter referred to as Concessionaire's Response). Concessionaire and Authority acknowledge that Concessionaire's Response is a valuable consideration in the award of this Contract to Concessionaire, and is an authoritative reference for understanding the intention of the parties. Accordingly, Concessionaire will be obligated to meet all specifications described in Concessionaire's Response; provided, however,

that where an express provision of this Contract conflicts with any provision of Concessionaire's Response, this Contract will control.

AA. **Contract Dates:**

- 1. **Commencement Date:** The day the ConRAC opens to the public for business.
- 2. **Effective Date:** The date of full execution of this Contract by the Parties.
- 3. **Expiration Date:** The thirtieth (30th) anniversary of the date of issuance of the initial series of Bonds.
- 4. **Required Completion Date:** The date set forth in the Notice to Proceed, which will not be less than 180 days, by which Concessionaire must achieve Substantial Completion of an Approved Project, except as such date may be extended in accordance with the provisions herein.
- 5. **Access Date:** The date on which the Authority authorizes Concessionaire to access the ConRAC for the purpose of commencing construction of the Concessionaire's Approved Project within Concessionaire's Exclusive Premises, which will not be less than 180 days.

The Authority will confirm, no later than 30 Days after the Required Completion Date, the actual Contract Dates. Such confirmation will be in the form of a letter from the Authority's Director of Concessions, without need for formal amendment to the Contract.

- BB. **Contract Day:** The period of time up to twenty four (24) hours from the opening of the Vehicle Rental Contract to the close of the Vehicle Rental Contract. In the event Concessionaire offers a Grace Period for the vehicle rental returns, such Grace Period will be considered the same Contract Day. If a vehicle rental return exceeds Concessionaire's Grace Period, then another Contract Day will be applicable even if the Airport Customer is charged hourly and not a full additional day. The number of Contract Days will be applicable to the calculation of CFCs due to the Authority pursuant to Section 1.01(DD).
- CC. **Contract Year:** (a) With respect to the first Contract Year during the Term, the period commencing on the Commencement Date and continuing through the end of Authority's Fiscal Year in which the Commencement Date occurs, and (b) with respect to each Contract Year thereafter during the Term, each twelve-month period commencing on the first day of Authority's Fiscal Year and ending on the last day of Authority's subsequent Fiscal Year, provided that if the Term expires or is terminated on a day other than the last day of a Contract Year, the last Contract Year will then end as of the date of such expiration or termination.

- DD. **Customer Facility Charge or "CFC":** The rates or fees imposed by the Authority on Concessionaires which are specifically designated as "customer facility charges", the rates or amounts of which may be adjusted from time to time by the Authority's Board of Directors. Such fees do not constitute a rental charge for the use of a vehicle or for the use of real property.
- EE. **Day(s):** Unless otherwise stated, means calendar day(s).
- FF. **Debt Service:** The principal and interest payments, and redemption premiums, if any, due on the Bonds from time to time, puts and mandatory or optional tenders with respect to variable rate demand obligations, and any related required costs, payments, or deposits in connection with any of the foregoing, including, without limitation, costs of issuance, costs of on-going tax compliance, reimbursements, fees, costs and expenses of trustees, credit and liquidity providers, remarketing agents, tender agents and the like, financing and administration costs and charges, and reserves, and further including, specifically, the amounts of any required deposits into each of the funds specifically referenced and defined in the Bond Documents and any amounts required to meet the coverage requirements of the Bond Documents, together with all deposits required in connection with any of the foregoing (except to the extent that any such costs, payments, deposits, credit and liquidity fees, or reserves are funded from the initial proceeds of the Bonds and comprise part of the principal and interest payments, it being understood and agreed that there will be no "double counting" of any such amounts for purposes hereof).
- GG. **Default Rate:** The rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less.
- HH. **Deficiency Reserve Fund:** The fund established by the Authority, in an amount not to exceed ten million dollars (\$10,000,000), to be funded in accordance with Section 4.06(E) from Excess CFCs remaining at the end of the construction period for the ConRAC/APM Project. Amounts in the Deficiency Reserve Fund will be applied as provided in Section 4.06(F). The Deficiency Reserve Fund will be funded one time by the Authority, to the extent funds are available at the end of the construction period in accordance with Section 4.06(E), and will not be replenished if it is depleted.
- II. **Director of Concessions:** The Authority employee designated by Authority's Chief Executive Officer to manage and oversee this Contract.
- JJ. **Eligible Costs:** The sum of (a) Debt Service; (b) 40% of the annual cost for the operation and maintenance of the APM, as determined by the Authority (hereinafter referred to as "APM O&M"); (c) amounts necessary to establish and fund adequate repair/replacement reserves for the ConRAC/APM Project as required by the CFC Trust Agreement; (d) funds needed to pay or reimburse the Authority for (i) debt service accruing with respect to bonds heretofore issued by

the Authority, and (ii) monthly amortization for recovery of the Authority's investments in so called "pay as you go" projects, in each case to the extent the proceeds of such bonds, or Authority funds, as the case may be, are used to pay the cost of existing rental car facilities. Subparagraphs ((a) through (d) are collectively hereinafter referred to as "Mandatory Eligible Costs"); and (e) any other funding deposits or payments that are required by the CFC Trust Agreement (hereinafter referred to as "Secondary Eligible Costs").

- KK. **Excess CFCs:** CFC funds remaining after funding of Mandatory Eligible Costs as more particularly described in Section 4.06(D).
- LL. **Exclusive Premises:** Those areas of the ConRAC and Concessionaire's Service Center Site which are leased exclusively to Concessionaire pursuant to this Contract which are more particularly described on Exhibit A.
- MM. **FAA:** The U.S. Department of Transportation Federal Aviation Administration or any successor thereto.
- NN. **Ground Rent:** The rent paid by Concessionaire to Authority for the land area on which the ConRAC and Concessionaire's Service Center Site are situated.
- OO. **Grace Period:** The period of time after the Airport Customer's rental vehicle is due, for which Concessionaire does not apply any additional charges.
- PP. **Impositions:** All real property taxes, assessments, license fees, license taxes, business license fees, commercial rental taxes, levies, charges, improvement bonds, taxes, water and sewer rents and charges, utilities and communications taxes and charges, and similar or dissimilar impositions imposed by any authority having the direct power to tax, including any city, county, state, or federal government, or any school, agricultural, lighting, drainage, mosquito, water management or other improvement or special assessment district thereof, or any other governmental charge, general and special, ordinary and extraordinary, foreseen and unforeseen, which may be assessed against any legal or equitable interest of the Authority or Concessionaire in connection with the ConRAC and Service Center Site, or any portion or portions thereof, including, without limitation, (i) any tax on the Authority's "right" to rent or "right" to other income from the ConRAC and Service Center Site, or as against the Authority's business of leasing the ConRAC and Service Center Site; (ii) any assessment, tax, fee, levy or charge in substitution, partially or totally, of any assessment, tax, fee, levy, or charge previously included within real property tax, it being acknowledged by Concessionaire and the Authority that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, it being the intention of Concessionaire and the Authority that all such new and increased assessments, taxes, fees, levies, and

charges be included within the definition of "Impositions" for the purposes of this Contract; (iii) any assessment, tax, fee, levy or charge allocable to or measured by the area of the ConRAC and Service Center Site, or the rent payable by Concessionaire hereunder, including, without limitation, any gross receipts tax or excise tax levied by state, city, or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use, or occupancy by ConRAC and Service Center Site, or any portion thereof, but not on the Authority's other operations; (iv) any assessment, tax, fee, levy or charge upon this Contract or any document to which Concessionaire is a party, creating or transferring an interest or an estate in the ConRAC and/or Service Center Site; (v) any assessment, tax, fee, levy, or charge by any governmental agency related to any transportation plan, fund, or system (including assessment districts) instituted within the geographic area of which the ConRAC and Service Center Site are a part; and/or (vi) any costs and expenses (including, without limitation, reasonable attorneys' fees and costs) incurred in attempting to protest, reduce or minimize such impositions.

Any obligation of a Concessionaire to pay any tax, assessment, fee, levy, charge, or any other obligation imposed by any governmental or semi-governmental entity or authority, or by a regulated or unregulated utility or telecommunications provider, and defined as an "Imposition" herein or elsewhere in this Contract, is not deemed to be a rental payment or a payment in lieu of rent, or any form of payment by the Concessionaire, on behalf of the Authority or any of its related agencies or entities (as landlord), and is expressly excluded as an obligation to pay rent subject to the commercial rental tax imposed under Section 212.031, Florida Statutes. However, its exclusion as any form of rent (or substitution of rent) does not affect the Concessionaire's obligation to make such payments as otherwise required under this Contract, together with any attendant interest, penalties, or attorneys' fees.

- QQ. **Market Share Percentage:** The amount, expressed as a percentage, equal to (i) the total rental transactions of Concessionaire during the immediately preceding twelve (12) month period, divided by (ii) the aggregate sum of all Concessionaires' rental transactions during the immediately preceding twelve (12) month period.
- RR. **Month(s):** Unless otherwise stated, means calendar month(s).
- SS. **Notice to Proceed:** As it applies to any portion of the Exclusive Premises, the written notice from Authority to Concessionaire delivering possession of such portion of the Exclusive Premises to Concessionaire to commence the initial Approved Project for such portion of the Exclusive Premises, and which establishes the Access Date and Required Completion Date for such portion of the Exclusive Premises.

activities at the Airport, attached hereto as Exhibit G and incorporated herein. Authority reserves the right to amend the Tenant Work Permit Handbook during the Term. Any such amendment will be binding on Concessionaire without need for amendment of this Contract, provided that such amendment of the Tenant Work Permit Handbook does not conflict with the other terms and conditions of this Contract. Authority will provide Concessionaire with any amendment to the Tenant Work Permit Handbook.

- CCC. **Term:** The period of time beginning on the Commencement Date and ending on the Expiration Date.
- DDD. **TSA:** The U.S. Department of Homeland Security Transportation Security Administration or any successor thereto.
- EEE. **Vehicle Rental Contract:** The written contract or other agreement under which a vehicle is rented at the ConRAC to an Airport Customer by Concessionaire.
- FFF. **Vehicle Storage Area:** Those areas comprising a portion of the ConRAC in which Concessionaire's overflow rental vehicles are stored, as depicted on Exhibit A.

Article II. EXCLUSIVE PREMISES

Section 2.01 EXCLUSIVE PREMISES DESCRIPTION

Authority hereby leases to Concessionaire and Concessionaire hereby agrees to lease from Authority the Exclusive Premises within the ConRAC consisting of the Customer Service Building, Ready/Return Area, QTA Area, Vehicle Storage Area, and adjacent Service Center Site, as listed and depicted in Exhibit A, Operating Space Components, including any improvements to be made or modifications to be made thereto.

The parties acknowledge that as of the Effective Date the exact configuration of the Exclusive Premises are still being designed and determined. Upon determination by the Authority and the Concessionaire of the final location, size and configuration of the Exclusive Premises, the parties agree to modify Exhibit A to incorporate such final areas, such modifications to be confirmed by letter from the Authority's Director of Concessions, without need for formal amendment to this Contract.

Section 2.02 CONRAC COMMON FUEL SYSTEM

Authority hereby leases to Concessionaire an undivided, non-exclusive interest, in common with other Concessionaires, in and to the ConRAC Common Fuel System and grants to Concessionaire the non-exclusive right and privilege, for the benefit of Concessionaire and its employees and other authorized individuals, to use (subject to management in common by the ConRAC Facility Manager) the Common Fuel System with other Concessionaires. Concessionaire will have no right to fuel any vehicles other than Concessionaire's rental vehicles.

- TT. **Petroleum Storage and Fuel Systems:** Concessionaire's fueling facility including all component parts thereof, that is now or hereafter located at Concessionaire's Service Center Site.
- UU. **Privilege Fee:** The annual fee paid by Concessionaire to Authority as consideration for the privilege of concession rights at the Airport that is comprised of the Minimum Annual Privilege Fee and the Percentage Fee as further described in Section 4.02.
- VV. **Quick Turn-Around Area or "QTA":** The areas located within the ConRAC dedicated to fueling, vacuuming, washing and servicing rental vehicles, as depicted on Exhibit A.
- WW. **Ready/Return Area:** The area comprising a portion of the ConRAC in which rental vehicles are parked and/or staged for Airport Customer pick-up or return as depicted on Exhibit A.
- XX. **Repair and Replacement Fund:** The fund established and maintained pursuant to the CFC Trust Agreement and held by the Authority to pay the cost of modifications, repairs, and replacements of the ConRAC/APM Project.
- YY. **Rental Revenue Recovery:** The amount funded by Excess CFCs, to the extent they are available, to recover shortfalls in rental revenue to the Authority, pursuant to Section 4.06(E).
- ZZ. **Service Center Site:** That portion of Concessionaire's Exclusive Premises for use by Concessionaire for administration facilities, maintenance facilities, vehicle servicing, and supplemental vehicle storage as depicted on Exhibit A.
- AAA. **Substantial Completion:** The stage in the process of any construction or other work when such work is sufficiently complete, as reasonably determined by Authority, so that (i) in the case of Authority's Work, Concessionaire is able to take possession of its Exclusive Premises for the purpose of performing the Approved Project, or (ii) in the case of Approved Project work, Concessionaire has received a Certificate of Occupancy and/or a Temporary Certificate of Occupancy from the appropriate governmental agencies and is able to occupy the Exclusive Premises for the purpose of opening for business. In no event will Substantial Completion of any work occur prior to the issuance by Authority of the Notice to Proceed. It is the intent of the Parties that the application of the term Substantial Completion in the context of this Contract will coincide with the application of that term in Florida Statute Section 192.042, so that the date on which Substantial Completion occurs under this Contract will be the same date relative to the imposition and levy of local ad valorem taxes.
- BBB. **Tenant Work Permit Handbook:** Authority's standards, procedures, requirements, and rules and regulations governing Concessionaire's construction

Section 2.03 SERVICE CENTER SITE PETROLEUM STORAGE AND FUEL SYSTEMS

- A. Concessionaire will operate its own Petroleum Storage and Fuel Systems in its Service Center Site. Notwithstanding any provision of this Contract giving Authority title to improvements located in the Concessionaire's Service Center Site, Authority will not acquire title to any part of the Petroleum Storage and Fuel Systems at any time whatsoever. The Petroleum Storage and Fuel Systems (and all component parts thereof) must be completely removed from the Service Center Site upon the expiration or other termination of this Contract, which removal will be performed in accordance with all applicable laws, rules and regulations. During the period of removal of all Petroleum Storage and Fuel Systems, and until the time that there is a completion of Florida Department of Environmental Protection (FDEP) closure requirements, Concessionaire will continue to demonstrate financial responsibility as required by Chapters 62-761 and 62-762 of the Florida Administrative Code as amended until the Petroleum Storage and Fuel Systems are closed and removed, as evidenced by the receipt of a letter from FDEP or designee confirming same. Similarly, upon termination or expiration of this Contract as provided herein, Concessionaire will remove any and all oil-water separators and restore the Service Center Site to the same condition prior to installation or as approved by the Authority.
- B. In the event Concessionaire will fail or fails to remove the Petroleum Storage and Fuel Systems and oil-water separators at Concessionaire's Service Center Site upon the expiration or other termination of this Contract, then, Concessionaire will be considered to be holding over under Section 3.02 hereof and will be liable for charges payable pursuant to such Section. In addition, in the event Concessionaire will fail to remove the Petroleum Storage and Fuel Systems and oil-water separators within sixty (60) Days following the expiration or other termination of this Contract, then, in addition to all remedies available hereunder and at law or in equity, Authority will have the right to remove the Petroleum Storage and Fuel Systems and oil-water separators and Concessionaire will be liable for all expenses and charges (whether direct or indirect) incurred by Authority in effectuating such removal (including any storage charges), and Authority may include interest thereon at the Default Rate from the date incurred. In contracting for any such removal, Authority will be entitled to dispose of the Petroleum Storage and Fuel Systems and oil-water separators in any way it sees fit, including, without limitation, demolition, giving salvage rights to a contractor, by storage, by public auction, or other means of disposal.
- C. Concessionaire will provide Authority with documentation that the Petroleum Storage and Fuel Systems and oil-water separators have been removed in accordance with all applicable laws, rules and regulations, including such back-up documentation as the Authority may reasonably request. The provisions of this Section 2.03 will survive any termination or expiration of this Contract.

Section 2.04 ALLOCATION OF CUSTOMER SERVICE SPACE, OFFICE SPACE, READY/RETURN SPACE, QTA SPACE, AND VEHICLE STORAGE AREA SPACE WITHIN CONRAC

- A. Concessionaire's Exclusive Premises will initially be allocated in accordance with the ITB.
- B. Concessionaires operating and sharing space within Area Four (4) will cooperate with one another and will not hamper or interfere with the operations of the other Concessionaires at said locations.
- C. Concessionaire's Exclusive Premises may be subject to reallocation amongst other Concessionaires based upon a change that is fifteen percent (15%) or greater in Concessionaires' respective Market Share Percentages on the fifth (5th) anniversary of the Commencement Date, and once every five (5) years thereafter subject to any reasonable adjustments by the Director of Concessions, taking into account, among other things, the inherent cost and difficulty associated with reallocating the Exclusive Premises.

Any such reallocation as provided hereunder will be reflected in an exhibit detailing such reallocation. The effective date and the applicable square footage(s) will be attached to this Contract by letter from the Director of Concessions and the rentals payable hereunder will be adjusted as necessary according to the square footage of the resulting space, without the need for amendment of this Contract.

Such reallocation will apply to the amount of space attributable to Concessionaires' Exclusive Premises only, and will not be deemed to apply to the location of such Exclusive Premises. In the event that the Director of Concessions approves such reallocation, any and all costs and expenses associated therewith, including, without limitation, reallocation costs and the costs incurred by any other Concessionaire affected by such reallocation will be allocated amongst Concessionaires based upon their respective Market Share Percentage. Such reallocation will not apply if all Concessionaires agree to remain in their Exclusive Premises.

Section 2.05 RECONSTITUTION OF CONCESSIONAIRES

Notwithstanding anything herein to the contrary, in the event that any Concessionaire ceases to operate at the ConRAC at any time during the Term hereof, the Authority may, but will not be obligated to, enter into a new Contract with a reasonably comparable replacement Concessionaire. In the event that no reasonably comparable replacement Concessionaire is substituted therefor, the Authority may, but will not be obligated to, reassign and reallocate Exclusive Premises including available counter space, back office space, Ready/Return parking spaces, QTA parking spaces, and Vehicle Storage Area spaces, or parts thereof, among the remaining Concessionaires based upon their respective Market Share Percentage. Notwithstanding any such

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 16 of 94

operations, security renovations, legal or regulatory requirements, maintenance, or other work to be completed in the ConRAC.

Section 2.08 INGRESS AND EGRESS

Concessionaire will have the right of ingress to and egress from the Airport and the ConRAC for Concessionaire's officers, employees, agents, and invitees, including customers, suppliers of materials, furnishers of services, equipment, vehicles, machinery and other property. Such right of ingress and egress will be subject to FAA Regulations, applicable laws, and Authority's Rules and Regulations and Operating Directives, as amended from time to time.

Section 2.09 RIGHT OF ENTRY

Authority will have the right to enter the Exclusive Premises, with advance notice, for the purposes of periodic inspection thereof from the standpoint of safety and health, and to monitor Concessionaire's compliance with the terms of this Contract.

Section 2.10 EXCLUSIVE PREMISES ACCEPTANCE AS IS

Concessionaire accepts the Exclusive Premises in its present condition, as is and with all existing faults. Authority will not be obligated to construct additional improvements or to modify existing conditions, nor to provide services of any type, character, or nature (including any utilities or telephone/data service), on or to the Exclusive Premises during the Term other than as explicitly stated in this Contract.

Section 2.11 NO WARRANTY OF ECONOMIC VIABILITY

Authority makes no warranty, promises or representations as to the economic viability of the ConRAC or Concessionaire's business or any other matter pertinent to the potential or likelihood for success or failure of Concessionaire's business operations. Concessionaire acknowledges aspects of Airport operations are subject to change during the Term without notice and that the Authority makes no warranty regarding such Airport operations. Except as is specifically set forth herein, Authority will not, by virtue of the existence of this Contract, be constrained in connection with its operation of the Airport.

Article III. TERM

Section 3.01 TERM

This Contract will be effective and binding upon the Parties as of the Effective Date. The term of this Contract will begin on the Commencement Date and continue through the Expiration Date, unless sooner terminated as herein provided.

Section 3.02 HOLDOVER

Any occupancy of Exclusive Premises by Concessionaire with the written consent of Authority after the Expiration Date will be on a month to month basis with all provisions of this Contract, including rent, fees and charges, remaining in full force and effect

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 18 of 94

cessation of operations, substitution, or reallocation, Concessionaire will remain obligated to pay its allocable share of the Concessionaire Deficiency Payments, based on its Market Share Percentage at the date of execution of this Contract, unless the Authority expressly agrees in writing to the contrary.

Section 2.06 OPTION TO RENEGOTIATE; NO ASSURANCE OF CONTINUED PARTICIPATION

Notwithstanding anything herein to the contrary, the Authority will have the right and option, to be exercised in its sole, exclusive and absolute discretion, to renegotiate the terms of this Contract and the rights granted hereunder every ten (10) years during the Term hereof. In such event Authority will notify Concessionaire no later than twelve (12) months prior to the expiration of every tenth (10th) Contract Year of its election to open this Contract and the contracts of the other Concessionaires for renegotiation. The terms subject to such renegotiation may include, but are not limited to, a modified Minimum Annual Percentage Fee (MAPF), a modified Percentage Fee, a modified definition of Gross Receipts, and such other terms as the Authority may deem appropriate. Such renegotiation will not include the right to modify the Concessionaire's Deficiency Payments or Ground Rent provisions contained in the Contract. Concessionaire hereby acknowledges and agrees that the Authority has advised Concessionaire of the Authority's right and option to require the periodic renegotiation of this Contract as aforesaid, and Concessionaire further acknowledges that the Authority has not given Concessionaire any assurances that Concessionaire will be given the opportunity to continually participate in the ConRAC pursuant to this Contract. If (i) those Concessionaires then-located in Areas 1, 2, and 3 representing more than fifty percent (50%) of the Market Share among those Concessionaires then-located in Areas 1, 2, and 3; and (ii) those Concessionaires then-located in Area 4 representing more than fifty percent (50%) of the Market Share among those Concessionaires then-located in Area 4; and (iii) more than one-half (1/2) of the total number of Concessionaires then-located in Areas 1, 2, 3 and 4 (the "Majority in Interest" an example of which is depicted on Exhibit L) and the Authority are able to reach agreement on proposed modified terms in connection with any such periodic renegotiation, the terms as modified by the Majority in Interest will become binding on all Concessionaires and this Contract will be deemed so modified, without further act by the Authority and the Concessionaire. If the Majority in Interest and the Authority are unable to reach agreement on the proposed modified terms, the Authority will have the right to reaffirm the terms of this Contract without revision, or to terminate this Contract and the Contracts of all other Concessionaires upon not less than thirty (30) Days' written notice. Upon such termination, the obligations of Concessionaire and the Authority hereunder will thereupon terminate (except for any obligations accruing hereunder prior to such termination or which expressly survive the termination hereof). Upon the approval of any such modifications, the Authority will provide Concessionaire with either a copy of such changes, or a restated agreement reflecting such changes.

Section 2.07 MINOR MODIFICATIONS TO CONRAC

Authority will have the right to make minor modifications, as defined by Authority, to any portion of the ConRAC at the sole discretion of Authority to accommodate Airport

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 17 of 94

between and among the parties until such time that Authority gives notice to Concessionaire to surrender the Exclusive Premises. Notice to surrender Exclusive Premises will be provided not less than 30 Days prior to the anticipated surrender date.

Any occupancy of Exclusive Premises by Concessionaire after the termination of this Contract, without the written approval of Authority, constitutes a month-to-month lease with the same terms and conditions of this Contract remaining in full force and effect. Concessionaire must pay the Ground Rent and Privilege Fee for the entire holdover period for that portion of Exclusive Premises where the Contract has expired or been terminated ("Holdover Premises"). Ground Rent for Holdover Premises will be payable at double the annual rate for that portion of the Exclusive Premises during the preceding Contract Year. No occupancy of any portion of the Exclusive Premises by Concessionaire after the expiration or other termination of this Contract with respect to such portion of the Exclusive Premises extends the Term, except as a holdover tenancy. Also, in the event of such holdover tenancy, Concessionaire will indemnify Authority against all damages arising out of the Concessionaire's holdover tenancy, including but not limited to, any costs incurred by Authority to evict Concessionaire, and all insurance policies and payment securities required to be obtained and maintained by Concessionaire as set forth in this Contract will continue in full force and effect. Any costs of eviction incurred by Authority shall include attorneys' fees and expert fees in preparation, at trial or in any ancillary proceeding or appeal.

Section 3.03 RIGHTS AND OBLIGATIONS UPON EXPIRATION OR TERMINATION

Concessionaire will, upon termination of this Contract by the Authority, with or without cause, surrender the Exclusive Premises to Authority peaceably, quietly and in as good order and condition as the same now are or may be hereafter improved by Concessionaire or Authority, reasonable use and wear thereof and damage by casualty, which damage Concessionaire did not cause and is not required to repair or restore to the extent based upon any exculpation as provided elsewhere herein, excepted. Concessionaire will remove all signage and provide temporary walls to seal all openings of the Exclusive Premises that meet the guidelines outlined in the Tenant Work Permit Handbook. Concessionaire will also provide to Authority any and all keys to doors or any area of controlled access within the footprint of the Exclusive Premises. Authority will be entitled to exercise the non-judicial remedy of locking Concessionaire out of the Holdover Premises as a means of enforcing the Authority's right of possession, regardless of whether Concessionaire is delinquent in rental payments, including without limitation, the de-activation of Concessionaire's security badges or credentials; and this right of de-activation will not, and legally cannot, limit or otherwise affect the Authority's governmental police powers to de-activate security credentials for security or other governmental reasons.

Upon expiration or termination of this Contract, Concessionaire will, subject to the Authority's Lien described in Section 4.11, remove all furniture, fixtures and equipment installed by Concessionaire, Concessionaire or brand proprietary property, inventory and other personal property, and leave the Exclusive Premises in broom clean

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 19 of 94

condition. Any damage to the Exclusive Premises caused by Concessionaire's removal of such furniture, fixtures and equipment will be immediately repaired by Concessionaire at Concessionaire's sole cost, fee and expense and to the satisfaction of Authority. Notwithstanding the foregoing, if Concessionaire fails to remove such furniture, fixtures, equipment or property within thirty (30) Days from the date of termination or expiration of this Contract, then Concessionaire will be deemed to have abandoned same and Authority will have the right, at its option, and in its sole discretion, to take title to said furniture, fixtures, equipment and/or property and sell, contract, salvage, or dispose of the same in any manner permitted by law. Concessionaire will have no right, interest or claim in or to any proceeds of the sale or other disposition of such items. Any net expense Authority incurs in disposing of such will be immediately reimbursed by Concessionaire with interest at the Default Rate. No act by Authority will be deemed an acceptance of a surrender of the Exclusive Premises. No acceptance of a surrender of the Exclusive Premises will be valid unless it is in writing and signed by Authority nor will it constitute a release of Concessionaire of its obligations under this Contract unless such release is in writing and signed by an authorized official of the Authority and then only to the extent and with regard to the matters specified therein.

Section 3.04 END OF TERM TRANSITION

Authority may award and transition to new contracts for the Concession that may include rights to the Exclusive Premises or portions thereof. If Concessionaire is not selected for the new contract, Authority will notify Concessionaire in writing of the exact dates of a transition period. Concessionaire will cooperate fully with Authority and Concessionaire's successor to ensure an effective and efficient transition of the Exclusive Premises and Concession operations to the successor. Concessionaire acknowledges its responsibility to continuously perform all of its obligations, duties and responsibilities under this Contract during the transition to the successor.

Article IV. PAYMENTS, OTHER CHARGES, REPORTING, AND ACCOUNTING RECORDS

Section 4.01 GROSS RECEIPTS

A. As used herein, the term "Gross Receipts" shall mean the total amount actually charged by Concessionaire for or in connection with the use of a vehicle and any additional services or accessories contracted for, delivered, rented to, or picked up by Airport Customers, as shown on the Vehicle Rental Contract, regardless of where, how (cash, credit, or barter) or by whom the payment is made or where the vehicle is returned. Unless revenues from Concessionaire's Concession are expressly and particularly excluded from "Gross Receipts" under this Contract, such revenues shall be included in Gross Receipts. Revenues derived from sources similar but not identical to those described herein shall also be included in Gross Receipts unless expressly excluded by this Contract.

Gross Receipts will mean all revenues paid or due to Concessionaire arising out of or in connection with its operations at the Airport, including but not limited to:

1. All time and mileage revenues.
2. All revenues from the sale of liability damage waiver, collision damage waiver, personal accident insurance, or any waiver or other insurance products.
3. All revenue relating to furnishing and/or replacing fuel provided by Concessionaire at the commencement or conclusion of the rental transaction.
4. Daily and weekly service fees for toll transponders or similar license plate recognition services.
5. Cellular phones and global positioning navigation systems (GPS).
6. Child restraints.
7. Drop charges.
8. Additional driver fees.
9. Underage or overage driver fees.
10. Guaranteed reservation fees.
11. Third party vehicle comps for promotional services rendered as a travel promoter, agent, or otherwise.
12. Loss of Use payments by Airport Customers or insurance companies (actual payment amount(s)-not claim amount(s)) received by Concessionaire in lieu of rent for damage to vehicles, Concessionaire's property, or for loss, conversion, or abandonment of vehicles.
13. Vehicle sharing and/or valet services.
14. All other revenues paid or due to Concessionaire arising out of or in connection with its operations at the Airport unless expressly excluded by this Contract.
15. All time and revenue related to car-sharing or other similar type services including any and all membership fees.

B. Gross Receipts will not include:

1. Amounts of any Federal, State, or municipal taxes and surcharges separately stated on the Vehicle Rental Contract and collected from Airport Customers, and which are payable directly to the taxing authority by Concessionaire. No exclusion shall be allowed for taxes levied on Concessionaire's activities, facilities, equipment, or real or personal property, payroll taxes, income taxes, taxes on frequent flyer miles paid directly to the airline, license or tag fees, or other charges which recoup operating costs.
2. Any Concession Recovery Fee (as defined in Section 4.03 below).
3. CFCs.
4. Amounts for credits, refunds, or adjustments to Airport Customers for transactions made at the Airport at the time of, or prior to, the close-out of the rental transaction and shown on the Vehicle Rental Contract (without mark-up or additional fees). Includes customer satisfaction program adjustments applicable to revenues included in Gross Receipts which are subsequently refunded by Concessionaire and recorded and reported in a separately documented account

from non-excludable adjustments. Concessionaire forfeits exclusion of all customer satisfaction program adjustments in the event otherwise allowable adjustments are commingled with any non-excludable amounts. Non-excludable adjustments are those which affect amounts already excludable from Gross Receipts (example: taxes) since this would result in a duplicate deduction from Gross Receipts.

5. Any discounts separately stated on the Vehicle Rental Contract which are granted at the time the rental transaction commences, and are recorded and reported in separately documented accounts from non-excludable discounts. Concessionaire forfeits exclusion of all discounts in the event otherwise allowable discounts are commingled with any non-excludable amounts. No exclusion shall be allowed for any amount retained by a third party as a financing discount which may apply by reason of Concessionaire's acceptance of credit cards or other credit arrangements. No exclusion shall be allowed for the portion of retroactive rebates, dividends or refunds to any Airport Customer upon attainment of a specified volume of rentals attributable to revenue or as part of any other marketing plan which does not list the discount on the Vehicle Rental Contract at the commencement of the rental transaction.
6. Sums received by reason of Concessionaire's disposal of capital assets and/or trade fixtures.
7. Sums received by Concessionaire from its Airport Customers, including all associated administrative charges, for traffic tickets, parking tickets, towing charges, impound fees, and other similar governmental fines and charges actually paid by Concessionaire on behalf of such Airport Customers (without mark-up or additional fees).
8. Sums received by Concessionaire for pass-through charges collected by Concessionaire from its Airport Customers with respect to damage repair, parts replacement, extraordinary cleaning of vehicles, towing and transporting of damaged vehicles rented by such Airport Customers, and replacement of keys for such vehicles (without mark-up or additional fees). This exclusion does not include any payments by Airport Customers or insurance companies (actual payment amount(s) - not claim amount(s)) received by Concessionaire in lieu of rent for those vehicles ("Loss of Use" payments).
9. Sums received by Concessionaire for damage to vehicles or Concessionaire's property or premises from loss, conversion, or abandonment of vehicles (without mark up or additional fees).

C. It is understood and agreed that all losses or chargebacks (including bad debt expenses) are to be borne solely by Concessionaire, and Authority is to be paid on Gross Receipts without charge or reduction for costs of losses. As indicated above, Loss of Use payments by Airport customers or insurance companies (actual payment amount(s) - not claim amount(s)) received by Concessionaire in lieu of rental fees and charges for those vehicles are considered Gross Receipts.

D. Concessionaire shall not intentionally divert, through direct or indirect means, any of Concessionaire's rental car or related business with Airport customers to off-airport

locations of Concessionaire or affiliates of Concessionaire without including the Gross Receipts of such transactions, in Concessionaire's reported Gross Receipts. Any such intentional diversion of Gross Receipts shall constitute a Default under this Contract and Authority shall have the right to immediately terminate this Contract upon determination by Authority or its auditors that an intentional diversion exists or has occurred.

E. Concessionaire shall not modify its accounting treatment or rename or redefine services or products which under the terms of this Contract would be subject to the Percentage Fee unless approved in writing by the Authority.

Section 4.02 PRIVILEGE FEE

In consideration of the rights granted herein to operate the Concession at the Airport, beginning on the Commencement Date and continuing through the Term, Concessionaire agrees to pay to Authority for each Contract Year, or portion thereof, a Privilege Fee equal to the greater of the MAPF or the Percentage Fee. The Privilege Fee is not rent, but is a payment excluded from the tax imposed by Florida Statute Sections 212.02(10)(j) and 212.031(1) (c).

A. MAPF.

1. Concessionaire's MAPF for the first full Contract Year is \$692,101.00. Beginning on the Commencement Date and continuing through the Contract Year in which the Commencement Date occurs, Concessionaire's MAPF will be pro-rated to include only the period of time from the Commencement Date to the end of that Contract Year.
2. Beginning with the second full Contract Year and for each Contract Year thereafter, the MAPF will be equal to eighty-five percent (85%) of the Privilege Fee payable by Concessionaire to the Authority for the previous Contract Year, but will never be less than the MAPF set forth in Section 4.02(A)1 above. The MAPF applicable to the last Contract Year of this Contract will be pro-rated if such Contract Year is less than 12 months.

B. Percentage Fee. Concessionaire will pay a Percentage Fee for each Contract Year in an amount equal to ten percent (10%) of Gross Receipts, but only to the extent that such amount exceeds the MAPF for that Contract Year. If the Percentage Fee calculated in accordance with this Section 4.02 is an amount less than the MAPF, no Percentage Fee will be payable.

C. Payment of Privilege Fee. On or before the first (1st) day of each Month after the Commencement Date, Concessionaire will pay to Authority, in advance and without set off, deduction, prior notice, or demand, one-twelfth (1/12th) of the MAPF. For any payment period of less than one Month, the MAPF payment will be paid on a pro rata basis in the same proportion that the number of days in the payment period bears to the total number of Days in the Month for which the

MAPF is payable.

- D. Car-Sharing or Similar Service. A portion of the revenues that Concessionaire directly or indirectly derives from the operation of a car-sharing or similar type service that consists of joining, membership, or subscriber fees paid to Concessionaire by members or subscribers (collectively the "Membership Fees"), and the portion of such Membership Fees allocable to a transaction in which an Airport Customer takes possession of a rental vehicle under car-sharing or other similar type service, and is dependent upon the factors which are not known at the time payments of the Percentage Fee are required to be made. Therefore, Concessionaire agrees to add to the Percentage Fee an amount equal to two dollars (\$2.00) for each vehicle rental transaction in which an Airport Customer takes possession of a rental vehicle during the applicable period as an equitable increase to the amount of the Percentage Fee (the "Car-Sharing Adjustment"). For the avoidance of doubt, the Percentage Fee first will be calculated as provided in this Contract, and then Concessionaire will add to the Percentage Fee so calculated an amount equal to the product of (a) the total number of vehicle rental transactions in which Airport Customers took possession of car-sharing or similar vehicles during the applicable period, multiplied by (b) two dollars (\$2.00). The Car-Sharing Adjustment is not subject to downward adjustment after be paid, and no portion of a Car-Sharing Adjustment is refundable; provided, however, that Authority will have the right to audit and recover any underpayment of the Car-Sharing Adjustment as it exists with respect to the remainder of the Percentage Fee.

Within ten (10) Days after the end of each Month during the Term, Concessionaire will pay to Authority the Percentage Fee in the amount, if any, by which Gross Receipts for the Contract Year to date (for the Contract Year in which the Month falls) multiplied by the Percentage Fee exceeds the sum of the monthly MAPF and the Percentage Fee previously paid for such Contract Year.

Section 4.03 CONCESSION RECOVERY FEE

Concessionaire acknowledges that the Percentage Fee is a fee payable by Concessionaire to the Authority under this Contract for Concessionaire's privilege to operate its Concession at the Airport and is not a fee imposed by the Authority upon Concessionaire's Airport Customers. The Authority does not require, but will not prohibit, a separate statement of and charge for the Percentage Fee on Vehicle Rental Contracts (such separate charge being referred to herein as the "Concession Recovery Fee"), provided that such Concession Recovery Fee meets all of the following conditions: (a) it is permitted by the laws of the State of Florida and all other applicable laws, including, without limitation, Federal Trade Commission requirements, as such laws exist as of the Commencement Date of this Contract, or as such laws may hereafter be amended; (b) it is titled "Concession Recovery Fee", "Concession Recoupment Fee", or such other name as is first approved by the Authority in writing; (c) it must be shown separately on the Vehicle Rental Contract and apart from other Concessionaire charges (i.e. "below the tax line"); (d) as stated on the Vehicle Rental

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 24 of 94

timely furnish any such Monthly Gross Receipts Report or fails to make available its books and records, the Authority will have the right to estimate the CFCs due and payable hereunder. In such case, the Authority will furnish to Concessionaire, on a monthly basis, a report showing, in the aggregate, the total number of Contract Days and the total amount of CFCs payable in connection with such Contract Days hereunder, which shall be binding on Concessionaire.

- D. The audit rights set forth in Section 4.15 of this Contract will apply and will be available to the Authority with respect to the CFCs and collections thereof hereunder; provided, (i) if any such audit with respect to CFCs will disclose that Concessionaire's Monthly Gross Receipts Report understated CFC collections to the extent of two percent (2%) or more, Concessionaire will pay to the Authority, within fifteen (15) Days, the cost of said audit in addition to the deficiency (together with interest on such deficiency at the Default Rate from the date due until paid), which deficiency will be payable in any event, or (ii) if any such audit with respect to CFCs and collections thereof discloses that Concessionaire's Monthly Gross Receipts Report understated CFC collections by less than two percent (2%), Concessionaire will pay to the Authority, within fifteen (15) Days, one-half (1/2) the cost of said audit in addition to the deficiency (together with interest on such deficiency at the Default Rate from the date due until paid), which deficiency will be payable in any event. If the Authority requires or performs more than one (1) audit during any Contract Year during the Term hereof, the cost of any such additional audit will be paid by the Authority (except to the extent that the initial or prior audit for such Contract Year revealed a deficiency of two percent (2%) or more, in which case the aforementioned provisions will apply).
- E. If Concessionaire elects to charge its Airport Customers the CFC, the Authority is authorized to mandate the manner in which Concessionaire identifies the CFC on Vehicle Rental Contracts.
- F. Concessionaire will not intentionally divert vehicle rentals to other locations to avoid the imposition or collection of CFCs. Intentional diversion will include, without limitation, Concessionaire advising, directing, or otherwise suggesting to an Airport Customer or prospective Airport Customer arriving at the Airport that such Airport Customer or prospective Airport Customer rent a vehicle at any off-Airport location, whether from Concessionaire or some other rental car provider, regardless of the basis or reason for such advice, direction, or suggestion. All CFCs which would otherwise have been imposed upon Concessionaire from such intentionally diverted rentals may, at the option of the Authority, be charged to and will be due and payable by Concessionaire as CFCs hereunder.
- G. Concessionaire covenants and agrees that Concessionaire will not be entitled to any rights to offset or other reduction in the requirements herein and will be required to remit to the Authority all CFCs imposed upon Concessionaire regardless of any amounts that may be owed or due to Concessionaire by the Authority.

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 26 of 94

Contract and as charged to the Airport Customer, it will be no more than ten percent (10%) of Gross Receipts (and will not be included in Gross Receipts for purposes of calculation of the Concession Recovery Fee); (e) Concessionaire will neither identify, treat, or refer to it as a tax or levy, nor state or imply that the Authority is requiring the pass-through or collection thereof; and (f) Concessionaire will not pass through, unbundle, or list any fees (other than a Concession Recovery Fee, vehicle license fee payable to the State of Florida, and CFC) as a separate item on its Vehicle Rental Contracts, except with the Authority's prior written approval in each instance.

Section 4.04 CFC COLLECTIONS

The Authority's Board of Directors adopted Resolution No. 2011-106 on September 1, 2011, implementing collection of CFCs on rental car companies at the Airport (collectively, as amended from time to time, including Resolution No. 2014-36, the "CFC Resolution"). The CFC Resolution and its rate may be amended and approved from time to time by the Authority's Board of Directors after the Effective Date. Concessionaire's obligations with respect to CFCs hereunder will be in addition to, and not in substitution for, Concessionaire's obligations for Ground Rent, the MAPF, the Percentage Fee, Concessionaire's Deficiency Payments and other charges.

- A. Concessionaire will be required to pay CFCs to the Authority (regardless of whether such amounts are charged to or collected from Airport Customers) in accordance with the CFC Resolution. Concessionaire's election to not charge or collect CFCs will not relieve Concessionaire from its responsibility to pay the full amount of such CFCs due and payable to the Authority hereunder. Upon receiving such CFCs, Authority will deposit them in accordance with the requirements of the CFC Resolution, the CFC Trust Agreement Resolution, and the CFC Trust Agreement.
- B. Concessionaire will be required to pay CFCs for each car-sharing or similar service transaction regardless of the number of times car-sharing or similar type vehicles are rented by Airport Customers.
- C. Concessionaire will include in its Monthly Gross Receipts Report, in substantially the form set forth in Exhibit B hereto, the: (i) total number of Vehicle Rental Contracts entered into by Concessionaire with Airport Customers, (ii) total number of Contract Days thereunder, and (iii) total amount of CFCs payable by Concessionaire in connection with such Vehicle Rental Contracts. Concessionaire will remit to the Authority, by the tenth (10th) Day of the Month, the total amount of CFCs that accrued for the previous Month. Any such CFCs which are not paid by the 10th Day of the Month shall bear interest at the Default Rate until paid. In the event Concessionaire will fail to timely furnish to the Authority any Monthly Gross Receipts Report required under this Section, the Authority will have the right (but not the obligation), with seven (7) days' written notice, to conduct an audit of Concessionaire's books and records, which books and records will be prepared and maintained in accordance with, and will include all of the information required under Sections 4.12 and 4.15 hereof, and to prepare such Monthly Gross Receipts Report at Concessionaire's expense. Moreover, in the event that Concessionaire fails to

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 25 of 94

Section 4.05 GROUND RENT

Concessionaire will pay annual Ground Rent for the underlying land for its Service Center Site, which is calculated to be _____ square feet, and Ground Rent for Concessionaire's Proportionate Share of the land underlying the ConRAC, which is calculated to be _____ square feet. The initial annual Ground Rent is one dollar and 07/100 (\$1.07) per square foot. The annual Ground Rent, subject to adjustment as hereinafter provided, will be paid by the Concessionaire in twelve (12) equal monthly installments, together with all applicable sales taxes thereon, in advance and without demand, set off or deduction. The first monthly installment of annual Ground Rent will be paid on the Commencement Date. Thereafter monthly installments of annual Ground Rent will be payable in advance on the 1st day of each and every Month during the Term. If the Commencement Date does not occur on the 1st day of a Month, then a partial payment of annual Ground Rent will be due, which will be an amount equal to the number of calendar Days remaining in the Month, together with all applicable sales taxes thereon.

- (1) The annual Ground Rent payable during the first Contract Year of the Term shall be _____ (\$_____), plus applicable sales taxes. The monthly installment payments of annual Ground Rent during the first Contract Year will be _____ (\$_____ each, plus applicable sales taxes.
- (2) Authority and Concessionaire agree that following the Commencement Date, the annual Ground Rent established in subparagraph (1) above will be adjusted on the first day of each subsequent Contract Year based on the percentage increase in the CPI from the previous October. Said CPI is the Consumer Price Index (All Urban Consumers) (CPI-U) for the Tampa Bay areas as published by the U.S. Department of Labor, Bureau of Labor Statistics, or the generally accepted national replacement or successor index, as readjusted to the base month and computed by comparison to the October index with the index of the preceding October. In no event shall the rental rate decrease due to a decrease in the CPI. The CPI will not increase rent by more than 3% per Contract Year. Such adjusted annual Ground Rent (together with applicable sales taxes thereon) shall be the new annual Ground Rent for the succeeding Contract Year (subject to adjustment as hereinafter provided), and shall be payable in twelve equal monthly installments.

Concessionaires that share a Service Center Site will pay annual Ground Rent based on their pro-rata share of space occupied within the shared Service Center Site.

Section 4.06 CONCESSIONAIRE'S DEFICIENCY PAYMENTS, OPERATING EXPENSES, AND IMPOSITION

- A. Concessionaire will pay in monthly installments in accordance with the terms set forth in Sections 4.06(B) and 4.06(C) below, Concessionaire's Deficiency Payments for each Contract Year under this Contract. For purposes hereof, the "Concessionaire's Deficiency Payments" shall mean the Concessionaire's Market

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 27 of 94

Share Percentage of the CFC Deficiency. "CFC Deficiency" shall mean the amount, if any, computed on an annual basis, by which the Mandatory Eligible Costs in such Contract Year exceed the total CFC Revenues received by the Authority from all Concessionaires in such Contract Year, reduced by the amount, if any, in the Deficiency Reserve Fund and available therefor pursuant to the CFC Agreement. Deficiency Payments will be paid by Concessionaire as and when required under Sections 4.06(B) and 4.06(C) below, and in all events without set-off, deduction, credit, or discount, except for such credits for overpayments as are expressly permitted hereunder.

- B. The Authority will, within a reasonable time following the Commencement Date hereof, and as soon as reasonably possible after the commencement of each Contract Year thereafter or at such other time as the Authority determines in its sole discretion, provide Concessionaire with a statement of the estimated amounts of such Concessionaire's Deficiency Payments which will be due for the remainder of such initial or subsequent Contract Year under this Contract, as the case may be (the "Concessionaire's Deficiency Payment Estimate"). Concessionaire's Deficiency Payment Estimate will be based on, among other things, the Authority's estimate or forecast of the number of Contract Days for such Contract Year, and will be the estimated amount necessary to offset the CFC Deficiency in such Contract Year. Concessionaire will pay to the Authority, concurrently with its monthly payment of Ground Rent as provided in Section 4.05 above, equal monthly installments of the estimated annual amount of Concessionaire's Deficiency Payments for the Contract Year in question as set forth in such Concessionaire's Deficiency Payment Estimate.
- C. As soon as reasonably practicable following the end of each Contract Year hereunder during the Term hereof, the Authority will provide Concessionaire with a statement (the "Deficiency Reconciliation Statement") indicating (i) the Mandatory Eligible Costs for the preceding Contract Year, (ii) the total CFC Revenues received by the Authority in such Contract Year, and (iii) the amount in the Deficiency Reserve Fund applied by the Authority to pay such Mandatory Eligible Costs in such Contract Year. If such Deficiency Reconciliation Statement indicates that the total amount of Mandatory Eligible Costs for such Contract Year exceeded the sum of (a) the total amount of CFC Revenues attributable to such Contract Year, plus (b) the amounts then available in the Deficiency Reserve Fund, plus (c) the aggregate monthly installments of all Concessionaire's Deficiency Payments received by the Authority from Concessionaire and all Concessionaires for such Contract Year, Concessionaire will pay to the Authority Concessionaire's Market Share Percentage of any such deficiency ("Concessionaire's Deficiency True-up") within sixty (60) Days after Concessionaire receives the Deficiency Reconciliation Statement for such Contract Year, and such sums will be deemed additional payments hereunder. Any such Concessionaire's Deficiency True-up which remains unpaid from and after such 60-Day period will bear interest at the Default Rate hereunder from the date due until paid. The Concessionaire will be required to timely pay its Market Share Percentage of any Deficiency Payment Estimate and Concessionaire's

Deficiency True-up payable hereunder directly to the Authority, without set-off or counterclaim and without regard to any other rights and remedies it may have against the Authority hereunder or otherwise.

- D. If such Deficiency Reconciliation Statement indicates that the total amount of Mandatory Eligible Costs for such Contract Year was less than the total amount of CFC Revenues attributable to such Contract Year (such amount being referred to herein as "Excess CFCs"), the Authority will apply such Excess CFC Revenues first to Secondary Eligible Costs and then as otherwise permitted under the terms and provisions of the CFC Resolution or the CFC Trust Agreement (provided, the Authority will advise Concessionaire of any Excess CFCs which are to be applied to items other than Mandatory Eligible Costs and Secondary Eligible Costs). The CFCs and CFC Revenues will be governed by Section 4.04 hereof.
- E. The CFC Trust Agreement will require that all CFCs and Concessionaire's Deficiency Payments be deposited into a revenue fund. Funds in the revenue fund will be used and applied in the following order and priority as set forth in the CFC Trust Agreement (subject to amendments and modifications as described therein), provided, however, that during the construction period for the ConRAC/APM Project, such amounts in the revenue fund will only be used to fund items 1, 2, 3 and 4 below, and any remaining funds shall be held in the revenue fund. Upon the date of completion of the ConRAC/APM Project, the amounts remaining in the revenue fund will be applied as follows to the extent funds are available: i) to make an initial deposit of up to ten million dollars (\$10,000,000) to the Repair and Replacement Fund, and ii) to deposit up to ten million dollars (\$10,000,000) in the Deficiency Reserve Fund. Any remaining amounts shall be held in the surplus fund. Any funds remaining in the revenue fund after the disbursements contemplated in (i) and (ii) above shall be used for the purposes and in the order or priority established by the CFC Trust Agreement.

Following the completion of the ConRAC/APM Project, amounts in the CFC revenue fund shall be applied in order as shown below. For purposes of clarity, items 1 through 5 below, collectively, are the Mandatory Eligible Costs.

1. First to a sinking fund, which shall include an interest account, principal account, and redemption account established for the CFC Bonds.
2. Next to a reserve fund for the CFC Bonds.
3. Next to an expense fund to be used to pay the fees, costs, and expenses of the trustee, remarketing agents, liquidity and credit providers, and other costs associated with the administration of the Bonds and to pay any rebate payments due to the United States Department of Treasury.
4. Next to an Authority reimbursement fund to be used (i) to reimburse the Authority for a 40% share of the operating and maintenance expenses (including repairs

and replacements) attributable to the APM and (ii) to reimburse the Authority for (a) debt service accruing with respect to bonds previously issued by the Authority, and (b) amortization recovery of the Authority's investments in so called "pay as you go" projects, in each case to the extent the proceeds of such bonds, or Authority funds, as the case may be, the proceeds of which were used to pay the cost of prior rental car facilities.

5. Next to the Repair and Replacement Fund in amounts determined by the Authority, to be held as a reserve to pay the cost of modifications, repairs, and replacements for the ConRAC/APM Project.

CFCs remaining after making the deposits in items 1 through 5 above shall be considered Excess CFCs. Such Excess CFCs shall be applied in order toward items 6, 7 and 8 below which, collectively, are the Secondary Eligible Costs.

6. To reimburse the Concessionaires, on a pro rata basis, for up to 50% of their respective costs of maintaining the Common Public Areas of the ConRAC in an amount not to exceed two million dollars (\$2,000,000) per Contract Year.
 7. To reimburse the Authority for Rental Revenue Recovery in the amount of two million dollars (\$2,000,000) each Contract Year.
 8. To be held in the surplus fund and used, in the Authority's sole and absolute discretion, to fund additions to, expansions of, and improvements to the ConRAC/APM, or other projects related to rental car facilities on the Airport, or to redempt into the revenue fund under the CFC Trust Agreement, or for both purposes.
- F. The Deficiency Reserve Fund will be established and held by the Authority outside of the CFC Trust Agreement. Amounts in the Deficiency Reserve Fund may be used for the following purposes in the following order of priority: (i) on a pro rata basis among Concessionaire and all other Concessionaires to satisfy the obligations of the Concessionaires to fund the Concessionaire's Deficiency Payments and the Concessionaires Deficiency True-up Payments as contemplated herein; (ii) on a pro rata basis among Concessionaire and all other Concessionaires to cover shortfalls, if any, in any Contract Year in the amount of Excess CFCs available to reimburse Concessionaires for up to two million dollars (\$2,000,000) of Operating Expenses on Common Public Areas; and (iii) to reimburse the Authority for Rental Revenue Recovery to the extent that Excess CFCs are not sufficient to do so. Withdrawals from the Deficiency Reserve Fund will not be replenished.
- G. Authority will annually provide the budget of estimated costs for maintaining Common Public Areas of the ConRAC to the Concessionaires.
- H. As used herein, Operating Expenses means and will include any and all costs, expenses, and obligations in connection with the operation, ownership,

management, repair, and replacement, as and when necessary, of the ConRAC, or any portion or portions thereof, whether or not the Authority is obligated hereunder to assume and perform maintenance obligations with respect thereto, including (i) additions or alterations made by the Authority to the ConRAC, or any portion or portions thereof, in order to comply with laws (other than those expressly required herein to be made by Concessionaire), or that are necessary or appropriate to the continued operation of the ConRAC, or any portion or portions thereof; provided, however, that the cost of additions or alterations that are required to be capitalized for federal income tax purposes will be amortized or depreciated on a straight line basis over a period equal to the lesser of the useful life thereof for federal income tax purposes or ten (10) years; (ii) premiums for liability, property damage, fire, workers compensation, earthquake, terrorism, wind and/or hurricane, rent, and any and all other insurance which the Authority deems necessary to carry on, for, or in connection with the Authority's ownership and operation of the ConRAC; and (iii) any and all other costs or expenses incurred by the Authority for the ConRAC, or any portion or portions thereof, and all other similar maintenance and repair expenses incurred by the Authority for the ConRAC, or any portion or portions thereof. Operating Expenses will not include any costs, expenses, or obligations to the extent incurred solely in connection with the Service Center Site costs, expenses, and obligations, which are the sole responsibility of the Concessionaire.

- I. The Authority will have the right to invoice Concessionaire monthly or quarterly for Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions as estimated by the Authority, and Concessionaire will pay to the Authority those amounts for which Concessionaire is invoiced within fifteen (15) Days after receipt of said invoice. Alternatively, at the Authority's election, the Authority will have the right to invoice Concessionaire monthly for Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions, as reasonably estimated by the Authority. Notwithstanding the foregoing, with respect to the first Contract Year only, in the event that the Authority elects to estimate Concessionaire's Proportionate Share of Operating Expenses pursuant to this Section 4.06, any monies paid in advance to the Authority by Concessionaire will not accrue interest thereon. No later than sixty (60) Days following the end of each Contract Year thereafter, the Authority will deliver a statement to Concessionaire setting forth the difference between the actual Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions and the total amount of monthly payments theretofore paid by Concessionaire to the Authority for such Contract Year thereafter (the "Annual Operating Expense, Taxes and Impositions Statement"). Concessionaire will thereafter pay to the Authority the full amount of any difference between Concessionaire's actual obligation over the total amount of Concessionaire's estimated payments within thirty (30) Days after receipt of said Annual Operating Expense, Taxes and Impositions Statement. Conversely, in the event Concessionaire's estimated payments exceed Concessionaire's actual obligation, the Authority will credit said overpayment against Concessionaire's monthly obligation for Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions within thirty (30) Days following the Authority's

delivery of such Annual Operating Expense, Taxes and Impositions Statement. In the event that this Contract expires on a date other than the end of a billing period, Concessionaire's obligation with respect to any amounts owed to the Authority will survive the Expiration Date and will be invoiced to Concessionaire when the same have been accurately determined, or at the Authority's option, such amounts will be reasonably estimated by the Authority to reflect the period of time this Contract was in effect during such billing period. If Concessionaire is owed any amounts by the Authority at the end of the Term, the Authority will issue a payment to Concessionaire within thirty (30) Days after the end of the Term.

- J. Any delay or failure of the Authority in (i) delivering any estimate or statement described in this Section 4.06, or (ii) computing or billing of Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions, will not constitute a waiver of Authority's right to require an increase of its estimate of Operating Expenses, Taxes, and Impositions each Contract Year, or in any way impair the continuing obligations of Concessionaire under this Section 4.06. Notwithstanding the provisions of this Section 4.06(J), the Authority may only invoice Concessionaire for up to two (2) prior Contract Years if the Authority fails to deliver the Annual Operating Expense, Taxes, and Impositions Statement for those two (2) Contract Years. In the event of any dispute as to any component of Operating Expenses, Taxes and Impositions due under this Contract, Concessionaire, an officer of Concessionaire, or Concessionaire's certified public accountant (but (i) in no event will Concessionaire hire or employ an accounting firm or any other person to audit the Authority as set forth under this Section 4.06 who is compensated or paid for such audit on a contingency basis, (ii) in the event Concessionaire hires or employs an independent party to perform such audit, Concessionaire will provide the Authority with a copy of the engagement letter, and (iii) such accounting firm or other person must enter into a confidentiality agreement reasonably acceptable to the Authority) will have the right, after reasonable notice and at reasonable times, to inspect the Authority's accounting records at the Authority's designated accounting office only with respect to those items comprising part of Operating Expenses, Taxes or Impositions hereunder. If, after such inspection, Concessionaire still disputes such Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions, then, upon Concessionaire's written request therefor, a certification (the "Certification") as to the proper amount of all Operating Expenses, Taxes and Impositions and the amount due to or payable by Concessionaire will be made by an independent certified public accountant selected by the Authority; provided, however, that such certified public accountant will not be the accountant who conducted the Authority's initial calculation of the Operating Expenses, Taxes and Impositions to which Concessionaire is objecting. Such Certification will be final and conclusive as to all Parties. If the Certification reflects that Concessionaire has overpaid Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions for the period in question, then the Authority will credit such excess to Concessionaire's next payment(s) of Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions. Conversely, if Concessionaire has

underpaid Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions, Concessionaire will pay such underpayment to the Authority within ten (10) Days following the Authority's written demand therefor. Concessionaire agrees to pay the cost of such Certification and any investigation with respect thereto, and no adjustments in Concessionaire's favor will be made unless it is determined that the Authority's original Annual Operating Expense, Taxes and Impositions Statement was in error. Concessionaire waives the right to dispute any matter relating to the calculation of Concessionaire's Proportionate Share of the Operating Expenses, Taxes and Impositions under this Section 4.06 if any claim or dispute is not asserted in writing to the Authority within thirty (30) Days after delivery to Concessionaire of the original Annual Operating Expense, Taxes and Impositions Statement with respect thereto. Notwithstanding anything herein to the contrary, Concessionaire will maintain strict confidentiality of all of the Authority's accounting records to which Concessionaire is granted or otherwise provided access hereunder, and will not disclose the contents of same to any other person or entity except for Concessionaire's professional advisory representatives (such as Concessionaire's employees, accountants, advisors, attorneys, and consultants) with a need to know such accounting information, who agree to similarly maintain the confidentiality of such financial information.

- K. If in any Contract Year there are Excess CFCs, the Authority will reimburse Concessionaires up to 50% of the Operating Expenses paid by Concessionaires, not to exceed two million dollars (\$2,000,000) in the aggregate per Contract Year, but only to the extent that either Excess CFCs are available pursuant to Section 4.06(E) or amounts in the Deficiency Reserve Fund are available pursuant to Section 4.06(F).
- L. For purposes of determining Impositions hereunder, if under applicable law any Imposition may at the option of the Authority be paid in installments, the Authority may elect to pay such Imposition in installments as the same from time to time becomes due under applicable law, together with such interest as may accrue thereon as the result of such installment payment. Should the Authority elect to pay such Impositions in installments, Concessionaire will not be responsible for any interest that may accrue and such interest will be the sole responsibility of the Authority. Any Impositions (other than Impositions payable in installments as referred to herein or which are assessed against the Exclusive Premises) relating to a fiscal or taxing period of the public authority imposing the Imposition which falls partly within the Term and partly after the Expiration Date or earlier termination of this Contract, will be considered as accruing from day to day during such fiscal or taxing period so that the amount thereof will be adjusted and prorated between the Authority and Concessionaire as of the Expiration Date or the earlier termination of this Contract. Commencing on a date no later than eighteen (18) Months prior to the Expiration Date, Concessionaire will, at the election of the Authority, pay into an escrow, at an escrow which the Authority selects, an amount sufficient to pay that portion of such Impositions which will not be payable prior to the Expiration Date or earlier termination of the Contract (i) which accrued during the Term, (ii) which

relate to fiscal or taxing periods falling entirely within the Term, or (iii) which relate to the Exclusive Premises (even if the fiscal period for which they are payable or assessed extends beyond the Term). Alternatively, Concessionaire will furnish the Authority a letter of credit or other security in amount and form acceptable to the Authority as security for payment of such Impositions. Concessionaire will have no liability for that portion of such Impositions (other than those payable in installments as referred to herein or which are assessed against the Exclusive Premises) which relates to the period after the Expiration Date or earlier termination of the Contract. No proration will be made for Impositions relating to Concessionaire's Exclusive Premises (regardless of the fiscal period for which assessed or payable), all such Impositions being the sole responsibility of Concessionaire. For purposes hereof, if any Imposition subject to deposit in escrow has not yet become due and payable or the rate or amount thereof has not become fixed at the Expiration Date or earlier termination of the Contract, then the estimated amount of the Imposition for the purposes of calculating the aforementioned escrow deposit will be based upon one hundred ten percent (110%) of the amount or rate of the same relevant Imposition for the immediately preceding fiscal or taxing period of the public authority.

- M. Notwithstanding anything herein to the contrary, the Authority will have the right (but not the obligation), at any time and from time to time, to seek separate parcel identification numbers or tax identification numbers attributable to the Service Center Site and/or such other portion or portions of the ConRAC as the Authority will deem appropriate in order to provide for separate assessment and levy of Impositions with respect thereto. In such event, Impositions for the Exclusive Premises or such portion or portions of the ConRAC so separately assessed, as the case may be, will be payable directly by Concessionaire to the appropriate taxing authority as and when due (failing which the Authority will have the right, but not the obligation, to pay the same, in which event Concessionaire will reimburse the Authority for any and all amounts so paid within ten (10) Days following the Authority's invoice therefor, and such sums will be deemed additional payments hereunder).

- N. The terms and provisions of this Section 4.06 which accrue during the Term hereof will survive the expiration or earlier termination of this Contract.

Section 4.07 LIABILITY FOR CONCESSIONAIRE'S DEFICIENCY PAYMENT

If a Concessionaire (a "Defaulting Concessionaire") fails to pay the full aggregate amount of its respective Concessionaire's Deficiency Payments due under its respective Contract, and such amounts remain unpaid for thirty (30) days, each non-defaulting Concessionaire will be liable, on a proportional basis based upon the pro-rata share of the Exclusive Premises allocated to Defaulting Concessionaire and each non-defaulting Concessionaire, for any and all of such Defaulting Concessionaire's Deficiency Payments payable under its respective Contract ("Concessionaire's Step-up Payments"). Concessionaire's Step-up Payments, to the extent they become due, will be treated as part of Concessionaire's Deficiency Payments for all purposes hereof. The payment of Concessionaire's Step-up Payments will not relieve Concessionaire of any

of its other obligations to the Authority hereunder. If the Authority thereafter receives all or any portion of such Defaulted Concessionaire's Deficiency Payment, the Authority will, as soon as reasonably practicable thereafter, provide each non-defaulting Concessionaire with a credit.

Section 4.08 TAXES

Concessionaire will bear, at its own expense, all costs of operating its business including all applicable sales, use, intangible and ad valorem taxes of any kind, against Concessionaire's Exclusive Premises, the real property and any improvements thereto, trade fixtures and other personal property used in the performance of the Concession or Exclusive Premises, or which result from Concessionaire's occupancy or use of the Exclusive Premises or assessed on any payments made by Concessionaire hereunder, whether levied against Concessionaire or Authority. Concessionaire will also pay any other taxes, fees, or assessments against the Exclusive Premises. Concessionaire will pay the taxes, fees, or assessments reflected in a notice Concessionaire receives from the Authority within thirty (30) Days after Concessionaire's receipt of that notice or within the time period prescribed in the tax bill. Authority will attempt to cause the taxing authority to send the applicable tax bills directly to Concessionaire and Concessionaire will remit payment directly to the taxing authority in such instance. Concessionaire may reserve the right to contest such taxes, fees, or assessments and withhold payment upon written notice to Authority of its intent to do so, so long as the nonpayment does not result in a lien against the real property or any improvements thereon or a direct liability on the part of Authority. Any such tax challenge on the part of Concessionaire will be done so consistent with the requirements of applicable law, including but not limited to, the payment of the amount admitted in good faith to be due and owing.

Section 4.09 OTHER FEES AND CHARGES

- A. Utilities. Concessionaire will pay for all utilities necessary in the operation of the Concession. All charges, including, but not limited to, deposits, installation costs, connection charges, usage, service charges, and applicable taxes for utility services metered directly to the Exclusive Premises or pro-rated by usage will be paid by Concessionaire, regardless of whether the utility services are furnished by Authority or other utility service entities. Any utility payments due to the Authority are due fifteen (15) Days from the date of invoice.

- B. Other Charges. Concessionaire agrees to pay Authority within fifteen (15) Days from date of invoice, other charges and fees as Authority assesses, which may include, but are not limited to, reimbursables and administrative costs in accordance with its procedures and requirements and that Concessionaire incurs in the normal course of its Concession business.

Section 4.10 FAILURE TO MAKE TIMELY PAYMENTS

Without waiving any other right or action available to Authority, in the event Concessionaire is delinquent in the payment of rents, fees, or charges hereunder or rightly due and owing by an audit of Concessionaire's books and records as provided in Section 4.12 and/or 4.15, and in the event Concessionaire is delinquent in paying to

Authority any such rents, fees, or charges for a period of seven (7) Days after the payment is due. Authority reserves the right to charge Concessionaire a late fee of \$250.00 per Day until such payments are received.

In the event of a dispute as to the amount to be paid, Authority will accept the sum tendered without prejudice and, if a deficiency is determined to exist, interest will apply only to the deficiency. The acceptance of any such payment will not constitute a waiver, modification or accord and satisfaction with respect to the total amount due and owing under the Contract.

The right of Authority to require payment of interest and the obligation of the Concessionaire to pay same will be in addition to and not in lieu of the right of Authority to enforce other provisions herein, including termination of this Contract, and to pursue other remedies provided by law.

The failure of Authority to take action in the event of a delinquent payment or series of payments will in no way waive the right of Authority to take such action at a subsequent time. Authority expects all rent, fees and charges to be paid on time and Concessionaire agrees to pay on time.

Notwithstanding other provisions of this Contract, and without limiting the other provisions of this Contract concerning, among other things, events deemed to constitute default of Concessionaire, Authority may, in Authority's reasonably exercised discretion, terminate this Contract upon written notice to Concessionaire if there are three (3) instances during any Contract Year in which (i) Concessionaire's payments required hereunder are not timely or are insufficient to cover sums actually due and payable; or (ii) Concessionaire fails to maintain adequate records and accounts reflecting its Concession at the Airport and calculation of Gross Receipts under this Contract; or (iii) Concessionaire fails or refuses to submit the formal supporting paperwork as required herein.

Section 4.11 AUTHORITY'S LIEN

Authority will have a lien upon all tenant improvements of the Concessionaire placed in or on the Exclusive Premises, to the extent permitted by law, for the purpose of securing the payment of all sums of money that may be due to Authority from Concessionaire under this Contract.

Section 4.12 RECORD KEEPING, REPORTS, ANNUAL AUDIT, AND END OF YEAR ADJUSTMENT

A. Generally Accepted Accounting Principles. Concessionaire will prepare and maintain, in accordance with Generally Accepted Accounting Principles, complete and accurate books and records that include all financial transactions in the performance of this Contract. Concessionaire will maintain Source Documents sufficient to support its books, records, and reports. All monies related to this Contract will be deposited to and paid from a business bank account(s), the records for which will be subject to review and audit in

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 36 of 94

4. Concessionaire acknowledges that Authority will incur additional administrative costs if Concessionaire is late in providing all of the required monthly information in the monthly reports and electronic files required by this Section, and the amount of those costs are difficult to determine with certainty. Consequently, Concessionaire agrees to pay Authority, in addition to all other financial requirements of this Contract, one hundred dollars (\$100.00) per Report for each Day Concessionaire is late in submitting all of the monthly information in the formats required by this Section. Said charge will continue until specific performance is accomplished and will not be offset against any other amount due Authority as detailed in this Contract.

C. Annual Audit. No later than ninety (90) days after the end of each Contract Year during the Term, Concessionaire will, at its sole cost and expense, provide an annual audit report by an independent Certified Public Accountant, licensed in the State of Florida and acceptable to Authority, of Concessionaire's monthly Gross Receipts and the amounts paid to Authority as a Privilege Fee for the subject Contract Year or part thereof (said annual audit report hereinafter referred to as Annual Report). There may be no limitation on the scope of the engagement that would preclude the auditor from expressing an unqualified opinion as to the correctness and completeness of the reported Gross Receipts. The engagement will include a Schedule of Gross Receipts and Privilege Fees for each Month of the Concessionaire's operations in the Contract Year, prepared in accordance with the comprehensive basis of accounting defined herein and reported in a format acceptable to Authority. The engagement will be conducted in accordance with Generally Accepted Auditing Standards and will include an opinion on whether the Schedule of Gross Receipts and Privilege Fees has been completely and accurately presented, calculated and reported according to the terms of this Contract.

Authority reserves the right to challenge any findings or conclusions of the Annual Report if it believes an error may have occurred. In such event, Authority may conduct its own audit under the provisions in Section 4.15, or may require production of the supporting documentation used to reach the finding or conclusion in question. The resolution of Authority of any dispute will be final. Delivery of an Annual Report containing a qualified opinion, or an adverse opinion, or a disclaimer of opinion as defined in the Statements on Auditing Standards issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, or any successor board or agency thereto, will be deemed a material breach of this Contract.

If Concessionaire has paid to Authority an amount greater than Concessionaire is required to pay as Privilege Fee for a Contract Year under the terms hereof, Concessionaire will be entitled to a credit which must be used against the next invoice. If Concessionaire has paid less than the amount required to be paid as Privilege Fee for such Contract Year, then Concessionaire will pay the difference

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 38 of 94

accordance with the provisions hereof. Source Documents include but are not limited to open Vehicle Rental Contracts, closed Vehicle Rental Contracts, master rental agreements, all manual rental agreements, vouchers, and coupons. Concessionaire shall maintain records and controls pertaining to each Vehicle Rental Contract written at the Airport. The Vehicle Rental Contract shall be identified to indicate that Tampa International Airport is the originating location. All Vehicle Rental Contract forms used by Concessionaire in its operations at the Airport shall be sequentially numbered, in a numbering series exclusively for Tampa International Airport, including manual Vehicle Rental Contracts. Accounting records of Concessionaire shall be stored sequentially, or in such other manner approved by Authority, to provide reasonable and expeditious access for audit purposes hereunder. In the event the Concessionaire does not maintain exclusive sequential numbering for Vehicle Rental Contracts commencing at the Airport, the Concessionaire agrees to provide copies of Vehicle Rental Contracts from other rental locations included in the non-exclusive sequence to Authority or its auditors for the purposes of testing reporting completeness. A log shall be maintained for all manual Vehicle Rental Contracts that includes all pre-printed, pre-numbered manual Vehicle Rental Contract numbers and related computer generated rental agreement numbers.

B. Financial Reports.

1. Monthly Gross Receipts Report. No later than ten (10) Days after the end of each Month during the Term, Concessionaire will deliver to Authority a Monthly Gross Receipts Report, in a form as set forth in Exhibit B, or other such form that is acceptable to the Authority, signed by an authorized official of Concessionaire, stating Gross Receipts for said Month and the calculation of the Privilege Fee payable for said Month. The report will: (i) detail Gross Receipts for the prior Month; (ii) separately identify any exclusions from Gross Receipts, as provided herein, in the calculation of the Percentage Fee payments due to the Authority; (iii) detail Gross Receipts for each of Concessionaire's brands operating at the Airport; (iv) list the number of rental transactions, Contract Days, and average rental price occurring during the Month; and (v) be signed by an authorized official of Concessionaire.

2. Monthly Detail Sales Information. No later than ten (10) Days after the end of each Month during the Term, Concessionaire will deliver to Authority an electronic file that details monthly sales information by transaction number, as outlined in Exhibit C, Monthly Detail Sales Information, or other such form that is acceptable to the Authority. The monthly sales details presented in Exhibit C must agree with the total amounts reported in Exhibit B.

3. Authority reserves the right to change the monthly reporting forms and information submittal process at any time with thirty (30) Days' written notice to Concessionaire. Additionally, at the Authority's discretion, Exhibit B may be required in electronic format or by utilizing a portal system.

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 37 of 94

to Authority within fifteen (15) Days from the date of invoice. If Concessionaire is owed any amounts by the Authority at the end of the Term, the Authority will issue a payment to Concessionaire within thirty (30) days after the end of the Term.

D. Form, Frequency, and Method of Reporting. Acceptance of monthly reports and payments by Authority does not constitute agreement by Authority with the amounts reported and paid. Authority reserves the right to change the form and frequency of reports and statements, including, but not limited to, the Monthly Gross Receipts Report and Monthly Detail Sales Information, and to require the submission by Concessionaire of other statistics and information pertaining to the Gross Receipts hereunder.

Authority will have the right at any time to require that reports be delivered electronically using technology and procedures designated by Authority. If Authority instructs Concessionaire to deliver any reports and statements required hereunder by computer, e-mail, internet website, or other electronic transmission, Authority will not be obligated to furnish Concessionaire with the equipment or systems necessary to do so.

Section 4.13 PLACE OF PAYMENT AND STATEMENT FILING

Payments, reports, and statements required by this Contract will be delivered to:

Hillsborough County Aviation Authority
Attention: Finance Department
Tampa International Airport Service Building
4160 George J. Bean Pkwy, Suite 2400
Red Side, 2nd floor
Tampa, Florida 33607

The designated place of payment and filing may be changed at any time by Authority upon ten (10) Days' written notice to Concessionaire. Checks will be payable to Hillsborough County Aviation Authority. Concessionaire assumes all risk of loss of payments.

Section 4.14 FORM OF PAYMENT

All payments due under this Contract will be paid in lawful money of the United States of America. Authority may accept payment without prejudice to its right to recover the balance of said amount due and to pursue any other remedies under this Contract or otherwise. Concessionaire will pay returned check fees as reasonably determined by Authority in the event of a returned check. The acceptance of any such payment shall not constitute a waiver, modification or accord and satisfaction with respect to the total amount due and owing under the Contract.

Authority may require all payments of Ground Rent, MAPF, Privilege Fee, and all other

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 39 of 94

fees and charges to be made by Automated Clearing House electronic transfers, or other method as designated in writing by Authority. Concessionaire will provide Authority with necessary information and authorizations as needed to facilitate such payments.

Section 4.15 AUTHORITY'S RIGHT TO PERFORM AUDITS, INSPECTIONS, OR ATTESTATION ENGAGEMENTS

Notwithstanding Concessionaire's requirement to submit an Annual Report set forth above, Authority, or its representative, will have the right, with seven (7) Days advance written notice, through the expiration of the fifth (5th) year after the expiration or termination of this Contract, through its representatives, and at all reasonable times, to review all books, records, and contracts of Concessionaire and, where applicable, all individuals or other business entities who are party to this Contract, including franchisee/licensee records and audits of all business transactions and records of sale at any business locations of Concessionaire within three (3) miles of the Airport boundary, requested by Authority's representatives to substantiate the accuracy of reported Gross Receipts and Concessionaire's compliance with other provisions of this Contract. The Concessionaire must provide documentation acceptable to the Authority which verifies Concessionaire's claim that any rentals that may be occurring at Concessionaire's locations other than at the Airport are not Airport Customers. This includes, but is not limited to, financial statements, general ledgers, sales journals, daily or periodic summary reports, inventory and purchasing records, reports, bank deposit slips, bank statements, cancelled checks, tax reports/returns filed with state or federal entities, discount or rebate/allowance contracts, records of refunds or voids, and joint venture or partnership contracts. Such right of examination will include cooperation by Concessionaire personnel (including, but not limited to, cooperation in sending confirmations to Concessionaire's suppliers or others, assisting Authority in obtaining from governmental entities official copies of tax reports/returns, and disclosing all bank or other accounts into which Gross Receipts are deposited) as reasonably considered necessary by Authority or its representatives to complete the engagement. There may be no limitation in the scope of the engagement that would hinder Authority in testing the accuracy and completeness of the reported Gross Receipts. All such books, records, and contracts will be kept for a minimum period of five (5) years after the close of each Contract Year.

Engagements will be conducted at the Airport. However, if agreed to by Authority, the engagement can be conducted at another location, in which event Concessionaire will reimburse Authority for reasonable transportation, food and lodging costs associated with the engagement, in accordance with Authority's Policy and Standard Procedure relating to Travel Expenses. Concessionaire will allow Authority's representatives to photocopy any records the representatives determine to be necessary to conduct and support the engagement. Concessionaire will provide Authority's representatives with retrievals of computer-based record or transactions the representatives determine to be necessary to conduct the engagement. Concessionaire will not charge Authority for reasonable use of Concessionaire's photocopy machine while conducting the engagement, nor for any cost of retrieving, downloading to storage media and/or

- A. The use of the Exclusive Premises for the rental of vehicles, support functions such as the washing, fueling, maintenance, and storage of vehicles held for rental, and the related provision of gasoline, collision damage waiver protection, insurance (including, but not limited to, personal injury insurance), the rental of child restraints, mobile telephones, and such other services, items, and equipment as are reasonably associated with the rental of vehicles.
- B. Subject to the Rules and Regulations promulgated by the Authority from time to time, (i) Concessionaire will have the non-exclusive right to the Common Concessionaire Areas and Common Public Areas at the ConRAC, and (ii) Concessionaire or any subcontractor of Concessionaire is prohibited from transporting Airport Customers between the Airport Terminals and ConRAC (provided, Concessionaire or any subcontractor will be permitted to provide direct transportation to the Airport Terminals solely with respect to Airport Customers that have bona fide and verifiable physical disabilities which reasonably preclude use of the APM).
- C. All of the operations of Concessionaire hereunder, including all Airport-related vehicle rental transactions conducted by Concessionaire, will take place at the ConRAC and from no other location at or on the Airport.
- D. Concessionaire will not permit parking on the Exclusive Premises and/or the ConRAC of vehicles of persons (other than employees, agents, licensees, members, and invitees of Concessionaire at the Exclusive Premises), it being acknowledged and agreed that no public parking will be allowed therein.
- E. Concessionaire will also have a non-exclusive right and license during the Term hereof for use of the APM. Concessionaire will not interfere with off-airport rental car companies and their customers using the APM, other parties as permitted by the Authority, and, solely in the event of an emergency, temporary shutdown or inaccessibility of other transportation systems or means of ingress and egress to and from the Airport, or other exigent circumstances, Concessionaire will not interfere with such other parties as the Authority will reasonably direct from time to time to so utilize the APM; provided, in all such instances, such use will not unreasonably disrupt the use of the APM by Concessionaire and the Authority will charge such other parties a proportionate share directly for use of the APM.

Section 5.02 NON-EXCLUSIVE RIGHTS

The rights granted herein for the performance of the Concession specifically provided that they are non-exclusive and that other Concessionaires of the Authority are engaged in the vehicle rental business at the Airport and will have equal rights and privileges.

In the event of a dispute between Concessionaire and any other Concessionaires operating at the ConRAC or the Airport as to the rights of the parties under their respective contracts, Authority will determine the rights of each party and Concessionaire agrees to be bound by Authority's decision.

printing of any records or transactions stored in magnetic, optical microform or other media. Concessionaire will provide all records and retrievals requested within seven Days of the request. The Parties recognize that Authority will incur additional costs if records requested are not provided in a timely manner and that the amount of those costs is difficult to determine with certainty. Consequently, the Parties agree that Authority may assess liquidated damages in the amount of one hundred dollars (\$100.00) per Day, for each requested record not received. Such damages may be assessed beginning on the eighth (8th) day following the date the request was made. Accrual of such damages will continue until specific performance is accomplished.

If, as a result of any engagement, it is established that Concessionaire owes additional rent, fees or charges to Authority, Concessionaire will pay such additional rents, fees and charges and Authority may assess interest up to the Default Rate on the amount due from the date the amount was initially due. If it is established that Concessionaire underreported Gross Receipts or underpaid fees related to Gross Receipts by three percent (3%) or more for the period under consideration, the entire expense of the engagement may be billed to Concessionaire. Any additional payments due will be paid by Concessionaire to Authority and the Authority may assess interest at the Default Rate on the amount due from the date the amount was initially due. All payments will be due on the date stated within the transmittal letter accompanying the engagement results, but no less than fifteen (15) Days following issuance of said letter. If it is established that Concessionaire underreported Gross Receipts or underpaid fees related to Gross Receipts by seven percent (7%) or more for the period under consideration, Authority will be entitled to terminate this Contract for cause upon thirty (30) Days' written notice, regardless of whether the deficiency is paid.

Article V. PERMITTED USES

Section 5.01 PERMITTED USES

Subject to the terms, provisions, and conditions hereof, the Concessionaire will have the non-exclusive right, privilege and obligation to conduct and operate a high-quality, well-managed vehicle rental concession at the Airport, during the term of this Contract, from its Exclusive Premises. Concessionaire will have the right, privilege and obligation to provide only passenger-type rental vehicles; to dispense fuel (expressly limited to dispensing fuel to vehicles used in the Airport vehicle rental business of the Concessionaire); to rent and check-in passenger-type vehicle rentals, including the right to offer for sale related loss and collision damage waiver protection, personal injury and accident insurance, supplemental liability, uninsured motorist, and personal effects insurance; and to provide customer service features, including but not limited to, child restraints, global positioning navigation systems (GPS), and cellular phones.

Subject to the terms and provisions contained in this Contract, and all applicable laws in connection with the conduct of activities by Concessionaire at or around the Airport, Concessionaire is granted the following rights only and will use the ConRAC for the following purposes only:

Section 5.03 RESTRICTIONS

Nothing in this Article will be construed as authorizing Concessionaire to conduct its Concession in any areas at the Airport other than the ConRAC.

Any and all rights and privileges not specifically granted to Concessionaire for its use of and operations at the Airport pursuant to this Contract are hereby reserved for and to Authority.

Section 5.04 PERMITS AND LICENSES

Concessionaire will obtain and maintain throughout the Term all permits, certificates, licenses, or other authorizations required in connection with the operation of the Concession. Copies of all required permits, certificates, licenses, or other authorizations will be appropriately displayed within the Exclusive Premises and forwarded to Authority upon issuance and each renewal.

Article VI. OPERATIONS AND PERFORMANCE STANDARDS

Section 6.01 AUTHORITY'S RIGHT TO MONITOR PERFORMANCE

It is Authority's intention that Concessionaire's business be conducted in a manner so as to meet the needs of Airport patrons and employees and in a manner that will reflect positively upon the Concessionaire and Authority. The Concessionaire will equip, organize and efficiently manage the Concession to provide service in a clean, attractive and pleasant atmosphere.

Authority in its sole discretion will have the right to raise reasonable objections to the condition of the Exclusive Premises, the quality and the character of the service, the hours of operation, and/or the appearance and performance of service personnel, and to require any such conditions or practices objectionable to Authority to be promptly remedied by Concessionaire. If requested by Concessionaire, Authority will submit its objections in writing and provide Concessionaire an opportunity to reply to the objections. Such reply will be given consideration by Authority.

Authority reserves the right to conduct periodic performance audits of the Exclusive Premises to assure that all of the operational, safety and compliance standards of this Contract are consistently performed by Concessionaire. Concessionaire acknowledges that performance audits will be conducted by Authority, or its representative, and hereby agrees to cooperate with all performance audits.

- 1. Performance audits may include minimum objective standards in any or all of the areas of (i) customer service; and (ii) cleanliness and maintenance. Authority reserves the right to issue written notices of violation of performance standards.
- 2. In order to assure consistent adherence to performance standards throughout the Term, the Authority will use a rolling twelve (12)-month cycle in the recording of

incidents of failure to meet performance standards. Authority reserves the right to issue written notices of violation of performance standards.

3. Repeated violations and deficiencies in performance by Concessionaire may be cause, at Authority's sole discretion, to terminate this Contract.

Section 6.02 OPERATING PROCEDURES AND STANDARDS

- A. Without limiting any other requirement set forth in this Contract, Concessionaire will conduct its operations in the ConRAC and within the Airport in a commercially reasonable manner in order to minimize the emanation of noise, vibration, dust, fumes, and odors, and so as not to create a nuisance or interfere with the use and operation of the Airport, adjacent areas on or surrounding the Airport, or adjacent areas surrounding the ConRAC.
- B. The Authority and Concessionaire acknowledge that the operation of the business of Concessionaire in the ConRAC, as well as Concessionaire's performance of its obligations under this Contract with respect thereto, will enhance the economic development of the Authority, and that the rights of Concessionaire to use the ConRAC are subject to the rights of the Authority, as landlord, to monitor compliance with this Contract to ensure that the ConRAC is used and operated as required by this Contract.
- C. Concessionaire covenants and agrees to operate the Concessionaire's vehicle rental business during all hours of air carrier operations at the Airport each day as may be necessary to meet reasonable demands for such services and to properly and adequately serve the public, as determined by the Authority.
- D. Throughout the Term, the management and operation of the Concessionaire's vehicle rental business at the ConRAC will be under the supervision and direction of a Manager. The Concessionaire's Manager will be generally available, either in person or by phone, during regular business hours.
- E. Concessionaire will obtain all permits required for conduct of its operations at the Exclusive Premises and the ConRAC, all in accordance with applicable laws. Upon commencement of operations at the ConRAC and thereafter at the Authority's reasonable request, Concessionaire will provide evidence to the Authority that Concessionaire has obtained or caused to be obtained such permits and registrations.
- F. Concessionaire will not use or occupy or permit the Exclusive Premises and/or the ConRAC to be used or occupied, or do or permit anything to be done in or on the Exclusive Premises and/or the ConRAC, in whole or in part, in a manner which would in any way violate any certificate of occupancy affecting the Exclusive Premises and/or the ConRAC, or make void or voidable any insurance then in force with respect thereto, or which may make it impossible to obtain fire or other insurance thereon required to be furnished by Concessionaire under this Contract,

or which will constitute a public or private nuisance, or which will disrupt the safe, efficient, and normal operations of the Airport.

- G. Concessionaire will not use or occupy the Exclusive Premises and/or the ConRAC, or permit the Exclusive Premises and/or the ConRAC to be used or occupied, in whole or in part, in a manner which may violate Permitted Uses, and Concessionaire will at all times comply with all applicable governmental laws, ordinances, regulations, codes and permits in the conduct of its operations under this Contract including, but not limited to, Authority and TSA rules and regulations.
- H. Concessionaire will be solely responsible for the quality of all work performed by Concessionaire, its employees and/or its subcontractors under this Contract. All services furnished by Concessionaire, its employees and/or its subcontractors must be performed in accordance with best management practices and professional judgment, in a timely manner, and must be fit and suitable for the purposes intended by Authority. Concessionaire's services and deliverables must conform with all applicable laws, regulations, and ordinances.
- I. The occupancy and use by Concessionaire of the ConRAC and the rights herein conferred upon Concessionaire will be subject to Authority Rules and Regulations and Operating Directives as are now or may hereafter be prescribed by Authority through the lawful exercise of its powers.
- J. Concessionaire will ensure that the Concession is maintained and operated in a manner that the Exclusive Premises are kept in a safe, clean, orderly and inviting condition at all times in a manner satisfactory to Authority. To comply with these requirements, Concessionaire must regularly review or cause to be reviewed the Exclusive Premises and Concessionaire's operations at the Airport.
- K. Concessionaire will, at its own cost and expense, provide all janitorial services for the Exclusive Premises. Concessionaire will ensure that the Premises are kept clean and free from all rubbish and refuse.
- L. Concessionaire, at its cost and expense, is responsible for pest control within the Exclusive Premises. Concessionaire will contract with a professional pest control service to provide pest control services on a regular basis and at any other times as needed. Concessionaire will coordinate its pest control service with third parties as directed by Authority. Upon request, Concessionaire must furnish Authority a copy of its pest control contract and monthly service reports.
- M. No less than thirty (30) Days prior to the Commencement Date, Authority and Concessionaire will finalize a preventive and routine cleaning and maintenance program for the Exclusive Premises and Common Concessionaire Areas. The provisions of the program will be subject to the initial written approval of and periodic review by Authority. Upon request by Authority, Concessionaire will be required to update and/or adjust Concessionaire's cleaning and maintenance

program.

- N. Concessionaire agrees to employ sufficient personnel and provide necessary equipment to keep the Exclusive Premises, and all furniture, furnishings, fixtures and equipment thereon, clean, neat, safe, sanitary and in good working order and condition at all times pursuant to the maintenance requirements of this Contract.
- O. Authority will be the sole judge of the quality of Concessionaire's maintenance of the Exclusive Premises. Authority or its representative may at any time, without notice, enter the Exclusive Premises to determine if maintenance satisfactory to Authority is being performed. Performance by Concessionaire of maintenance pursuant to a written maintenance plan previously approved by Authority will be conclusive evidence of satisfactory maintenance unless Authority determines that there is a present and substantial danger or safety hazard within the Exclusive Premises. If Authority determines that maintenance is not satisfactory, Authority will notify Concessionaire in writing. Concessionaire will commence the required maintenance within fifteen (15) Days after receipt of written notice and perform the work to the Authority's satisfaction within fifteen (15) Days after commencement of the required maintenance, or Authority or its representative will have the right to enter upon the Exclusive Premises and perform the maintenance. Concessionaire agrees to promptly reimburse Authority for the cost thereof, plus an administrative fee of fifteen percent (15%) of such costs.
- P. If Authority establishes a customer service training program for the employees of all concessionaires at the Airport, Authority, after first giving reasonable notice to Concessionaire, will require all Concessionaire's employees to complete the training program.
1. Concessionaire's employees as of the date of implementation of the Authority's customer service training program must complete the training within six (6) months of the date of notice from the Authority.
 2. Concessionaire's employees hired after the date of implementation of the Authority's customer service training program must complete the training within one (1) month of being employed.

If established, the Authority customer service training program will be limited to no more than two (2) full working days per employee per year, will be conducted at the Airport, and will be evidenced by a Certificate of Completion issued to each employee upon successful completion. The Authority customer service training program will be offered at no cost to Concessionaire; however Concessionaire will be responsible for employees' wages, benefits and other employment costs incurred as a result of the training.

- Q. In addition to the requirements set forth herein, Concessionaire will ensure that all personnel engaged in the performance of the Concession will comply with

Authority Rules and Regulations and Operating Directives.

- R. Authority will have the right to object to the demeanor, conduct, and appearance of any Personnel of Concessionaire, any of its invitees, and those doing business with it. Immediately upon notice of objection by Authority, Concessionaire will take all steps necessary to remedy the cause of the objection. If requested by Concessionaire, Authority will present its objections in writing and provide Concessionaire the opportunity to reply to the objections and such reply will be given consideration by Authority.
- S. Unless approved in writing in advance by Authority, which approval is at Authority's sole discretion, Concessionaire will not install or permit to be installed coin-operated vending machines on the Exclusive Premises. Authority reserves the right to install and maintain, through independent contractors, coin-operated vending machines at the Airport, including in Common Concessionaire Areas and Common Public Areas.
- T. Concessionaire will not place excessive loads on the walls, ceilings, and floor or pavement areas of the ConRAC or Exclusive Premises and will repair any area damaged by excessive loading to the satisfaction of Authority.
- U. Unless approved in writing in advance by Authority, which approval is in Authority's sole discretion, Concessionaire will not keep or display anything on or within, or otherwise obstruct, any part of the ConRAC outside of the Exclusive Premises. Concessionaire will keep all service corridors, hallways, stairways, and doorways leading to and from the Exclusive Premises free and clear of all obstructions.
- V. Concessionaire will not interfere or permit interference with the use, operation, or maintenance of Airport, including but not limited to, the effectiveness or accessibility of the drainage, sewerage, water, communications, fire protection, utility, electrical or other systems installed or located from time to time at Airport.
- W. Concessionaire will not engage in any activity prohibited by Authority Rules and Regulations and Operating Directives as may be modified during the Term. If any prohibited act is not corrected as directed by Authority, Authority or its representative will have the right to enter upon the Exclusive Premises and take the corrective action, and Concessionaire agrees to promptly reimburse Authority for any related costs, plus an administrative fee equal to fifteen percent (15%) of the corrective action costs.

Section 6.03 TRASH, WASTE AND REFUSE

Concessionaire will, at its own cost and expense, provide for sanitary removal and disposal of all trash, waste and other refuse caused as a result of the operation of the Concession. Piling of boxes, cartons, barrels or other similar items in, or within view of, Common Public Areas or Common Concessionaire Areas will not be permitted. Concessionaire will use designated locations, containers and transport routes for trash, waste and refuse removal as directed by the Authority.

In transporting trash, waste and refuse associated with operating the Concession to and from the Exclusive Premises, where not otherwise restricted or prohibited by this Contract, Concessionaire will use only carts, vehicles, or conveyances that are sealed, leak proof and equipped with wheels suitable for operating without damaging floor coverings and which are approved by Authority. Concessionaire will not use the APM System for the purpose of transporting trash, waste or other refuse. Authority reserves the right to require changes in Concessionaire's transporting of trash, waste and other refuse, including permitted hours for transport, equipment used for each activity and routes of transport.

The plumbing facilities within the Exclusive Premises and elsewhere in the ConRAC will not be used for any purpose other than for the purposes for which they were constructed, and no foreign substance of any kind will be thrown therein. The expense to repair any breakage, stoppage, or damage resulting from a violation of this paragraph, wherever the breakage, stoppage or damage occurs, will be charged by Authority to Concessionaire if within Concessionaire's Exclusive Premises, or to all Concessionaires if elsewhere in the ConRAC.

Authority reserves the right, if deemed to be in its best interest, to provide trash, waste and other refuse removal, disposal and recycling services. In the event Authority elects to provide these services on behalf of Concessionaire, Concessionaire will pay its share of the cost of such trash, waste and other refuse removal, disposal and recycling services in an amount determined by Authority. If Authority establishes an Airport-wide recycling program, Concessionaire agrees to participate in any such program at its own cost.

Section 6.04 BADGING AND SECURITY REQUIREMENTS

All of Concessionaire's personnel who work at the Airport must apply for and be issued a proper security identification badge prior to beginning work at the Airport. Concessionaire shall be responsible for ensuring personnel, vendor and contractor compliance with all security rules, regulations and procedures including, but not limited to, those issued by the FAA, TSA, and Authority. The rules, regulations and procedures of the FAA, TSA and Authority regarding security matters may be modified during the Term and Concessionaire shall be required to comply with all modifications. Concessionaire shall pay all costs associated with obtaining the required security identification badge and security clearances for its personnel, including, but not limited to, the costs of training and badging as established by Authority.

Authority will fine Concessionaire for each security identification badge that is lost, stolen, unaccounted for or not returned to Authority at the time of security identification badge expiration, employee termination, termination of this Contract, or upon written request by Authority. This fine will be due within 15 Days from the date of invoice. The fine is subject to change without notice, and Concessionaire will be responsible for paying any increase in the fine.

If any of Concessionaire's personnel is terminated or leaves Concessionaire's employment, Authority must be notified immediately, and the security identification badge must be returned to Authority promptly.

Concessionaire's personnel who are issued security identification badges shall only utilize such badges and access rights in connection with the operation of Concessionaire's business as outlined herein. Concessionaire's personnel shall be informed by Concessionaire in writing of this requirement and a violation of such shall be a basis for the termination of a person's employment if that person violates such restrictions.

Section 6.05 EMPLOYEE PARKING

Concessionaire may provide parking for employees in the ConRAC in Concessionaire's Exclusive Premises. However, nothing in this Contract will be deemed to require Authority to provide parking to Concessionaire's employees. Authority may provide parking accommodations to Concessionaire's employees in common with employees of other concessionaires and users of the Airport subject to the payment of reasonable charges therefor as may be established from time to time by Authority. In such event, Concessionaire's employees will be required to park within the designated areas.

Section 6.06 PAGING, AUDIO, VIDEO SYSTEMS AND FREQUENCY PROTECTION

If Concessionaire installs, in accordance with the Tenant Work Permit Handbook and the Concessionaire Improvement Handbook, and with Authority's approval, any type of radio transmitter or other wireless communications equipment, Concessionaire will provide frequency protection within the aviation air/ground VHF frequency band and the UHF frequency band in accordance with restrictions promulgated by the FAA for the vicinity of FAA Transmitter or Receiver facilities. Frequency protection will also be provided for all other frequency bands operating in the vicinity of Concessionaire's equipment. If frequency interference occurs as a result of Concessionaire's installation, Authority reserves the right to shut down Concessionaire's installation until appropriate remedies to the frequency interference are made by Concessionaire. Remedies may include relocation of Concessionaire's equipment to another site. The cost to remedy the frequency interference will be solely at Concessionaire's expense.

Section 6.07 COMPLAINTS

A. If Concessionaire receives (or Authority receives and forwards to Concessionaire) any written complaint concerning the operation in or use by Concessionaire of the Exclusive Premises, the ConRAC or the APM, other than (i) minor complaints not related in any material respect to Concessionaire's duties and obligations under this Contract or any other agreement between Concessionaire and Authority, or (ii) manifestly invalid or baseless complaints (as mutually and reasonably determined by Concessionaire and Authority following Concessionaire's submission of reasonable supporting or explanatory documentation in connection therewith), then (without limitation of the Authority's other rights and remedies hereunder),

Concessionaire will deliver a copy of such complaint to the Authority within five (5) Days of its receipt, and:

1. In the case of the first such complaint, Concessionaire will promptly respond to such complaint in writing within seven (7) Days of its receipt and make a good-faith attempt to resolve or rectify the cause of such complaint within such seven (7) Day period, and in the event Concessionaire fails to do so, the Authority may (but will not be obligated to), at its election, resolve or rectify the cause of such complaint, in which event the reasonable costs, expenses, and fees incurred by the Authority in connection therewith will be deemed additional rent hereunder and will be due and payable by Concessionaire to the Authority within thirty (30) Days following the Authority's invoice therefor, and if not paid within such 30-Day period, will bear interest at the Default Rate until paid.
2. In the case of the second such complaint from the same customer, or concerning the same or substantially the same issue, received by Concessionaire within ninety (90) Days following the first such complaint, Concessionaire will promptly respond to such complaint in writing within twenty-four (24) hours of its receipt and make a good-faith attempt to resolve or rectify the cause of such complaint within such 24-hour period, and in the event Concessionaire fails to do so, the Authority may (but will not be obligated to), at its election, resolve or rectify the cause of such complaint, in which event the reasonable costs, expenses, and fees incurred by the Authority in connection therewith will be deemed additional rent hereunder and will be due and payable by Concessionaire to the Authority within thirty (30) Days following the Authority's invoice therefor, and if not paid within such 30-Day period, will bear interest at the Default Rate until paid.
3. In the case of the third such complaint from the same customer, or concerning the same or substantially the same issue, received by Concessionaire within ninety (90) Days following the second such complaint, the Authority may (but will not be obligated to), in addition to its rights and remedies under clause (2) above, at its election and upon prior notice to Concessionaire, thereafter perform directly the function(s) that were the basis of such complaint(s) for a period of time as determined by the Authority at its sole discretion, in which event the costs, expenses, and fees thereafter incurred by the Authority in connection with the performance of such functions will be payable by Concessionaire to the Authority.
4. Without further notice or demand, Concessionaire will keep a copy of each such complaint and Concessionaire's written response thereto for a period of six (6) months from the date of the complaint, and will make the complaint and the written response available to the Authority upon its request.

B. Concessionaire will respond in writing to complaints registered by the Authority's

Police Department with respect to violations of traffic regulations committed on Airport roadways, including, without limitation, any use relating to the business operations of Concessionaire at the Exclusive Premises or the ConRAC by the agents, contractors, invitees, and licensees of Concessionaire, setting forth such action as has been taken or is immediately contemplated to remedy said violations.

Article VII. Non-Discrimination / Affirmative Action

Concessionaire assures that, in the performance of its obligations hereunder, it will fully comply with the requirements of 14 CFR Part 152, subpart E (Nondiscrimination in Airport Aid Program), as amended during the Term, to the extent applicable to Concessionaire, to ensure, *inter alia*, that no person will be excluded from participating in any employment, contracting or leasing activities covered by these regulations on the grounds of race, creed, color, national origin, or sex. Concessionaire, if required by these regulations, will provide assurances to Authority that Concessionaire will undertake an affirmative action program or steps for equal employment opportunity and will require the same of its subcontractors.

Concessionaire, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, (1) that no person on the grounds of race, color, or national origin will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination; and (3) that Concessionaire will fully comply with the requirements of 49 CFR Part 21 (Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), as amended.

In the event of breach of any of the above non-discrimination covenants pursuant to 49 CFR Part 21, as amended, Authority will have the right to terminate the Contract and to re-enter the Exclusive Premises as if the Contract had never been made or issued. The provision will not be effective until the procedures of 49 CFR Part 21 are followed and completed, including exercise or expiration of appeal rights.

Article VIII. AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE

Section 8.01 AUTHORITY'S POLICY

Authority is committed to a policy and program for the participation of Airport Concession Disadvantaged Business Enterprises (herein referred to as ACDBEs) in concession-related contracting opportunities in accordance with 49 CFR Part 23, as set forth in the Authority's Airport Concession Disadvantaged Business Enterprise (ACDBE) Policy and Program, incorporated herein by reference (hereinafter referred to as

ACDBE Program). In advancing Authority's ACDBE Program, Concessionaire agrees to ensure that ACDBEs, as defined in 49 CFR Part 23 and Authority's ACDBE Program, have a fair opportunity to participate in the performance of this Contract. Concessionaire will take all necessary and reasonable steps in accordance therewith to ensure that ACDBEs are encouraged to compete for and perform subcontracts under this Contract.

Section 8.02 NON-DISCRIMINATION

- A. Concessionaire and any subcontractor of Concessionaire will not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. Concessionaire will carry out applicable requirements of 49 CFR Part 23, as amended from time to time during the Term, in the award and administration of agreements. Failure by Concessionaire to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as Authority deems appropriate.
- B. This Contract is subject to the requirements of the U. S. Department of Transportation's regulations found at 49 CFR Part 23, as amended from time to time during the Term. Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.
- C. Concessionaire agrees to include the statements in paragraphs (A) and (B) above in any subsequent concessions agreement or contract covered by 49 CFR Part 23 that it enters into and cause those businesses to similarly include the statements in further agreements.

Section 8.03 ACDBE PARTICIPATION AND COMPLIANCE

- A. ACDBE Contract Goal. Pursuant to 49 CFR Part 23, the Authority is required to develop an overall goal for ACDBE participation in car rental concessions to cover a three-year period. The Authority's overall car rental goal for the three-year period beginning October 1, 2017 through September 30, 2020 has not been established. It is anticipated that the new overall car rental goal effective October 1, 2017 will be established during the third quarter of calendar year 2017. The new overall car rental goal, and subsequent overall car rental goals, will be incorporated into this Contract as the ACDBE Contract Goal by letter from the Authority's Director of Concessions, without need for formal amendment to the Contract. Concessionaire agrees that it will provide for a level of ACDBE participation in this Contract equal to or greater than the ACDBE Contract Goal as established by the Authority in 2017, or clearly demonstrate in a manner acceptable to Authority its good faith efforts to do so. Within 60 Days of the date of the letter from the Authority's Director of Concessions of the ACDBE Contract Goal to be incorporated

into this Contract, Concessionaire will submit to the Authority a plan for achievement of the ACDBE Contract Goal and Letter(s) of Intent for each ACDBE proposed to meet the ACDBE Contract Goal, or documentation that it made sufficient good faith efforts to do so in accordance with 49 CFR Part 23.25(e) (1) (iii) and (iv). The Letter(s) of Intent will be required to include the following information: (1) the names and addresses of ACDBEs that will participate in the Concession; (2) a description of the work that each ACDBE will perform; (3) the dollar amount of the participation of each ACDBE participating; (4) written and signed documentation of commitment to use an ACDBE whose participation Concessionaire submits to meet a Contract Goal; (5) written and signed confirmation from the ACDBE that it is participating in the Concession as provided in the Concessionaire's commitment; and (6) if the Contract Goal is not met, evidence of good faith efforts. Concessionaire will contract with those ACDBEs as identified in Concessionaire's plan and Letter of Intent for each ACDBE as approved by the Authority, or such other ACDBEs certified with the Florida Unified Certification Program as may be approved by the Authority. Concessionaire is required to make good faith efforts to explore all available options to meet the ACDBE Contract Goal to the maximum extent practicable through direct ownership arrangements with ACDBEs.

- B. ACDBE Termination and Substitution. Concessionaire will not terminate an ACDBE for convenience without the Authority's prior written consent. If an ACDBE is terminated by Concessionaire with the Authority's consent or, if an ACDBE fails to complete its work on the Contract for any reason, Concessionaire must make good faith efforts, in accordance with the requirements of 49 CFR Part 23.25(e) (1) (iii) and (iv), to find another ACDBE to substitute for the original ACDBE to provide the same amount of ACDBE participation.
- C. Reporting Requirements. Concessionaire will submit to Authority, on the Authority's monthly ACDBE Utilization Report form, or in a format acceptable to Authority, a report of Concessionaire's total Gross Receipts and the total dollar value of Gross Receipts earned by an ACDBE under this Contract during the Month calculated in accordance with the requirements of 49 CFR Part 23. If any reported ACDBE participation is from the purchase and/or lease of goods and services or if the ACDBE Contract Goal as established by the Authority is expressed as a percentage of total goods and services purchased or leased, Concessionaire also must submit to Authority, on Authority's monthly ACDBE Utilization Report form, a report of the total dollar value of all goods and services purchased or leased from ACDBE and non-ACDBE firms during the Month by the Concessionaire under this Contract and the total dollar value of goods and services purchased or leased from an ACDBE under this Contract calculated in accordance with the requirements of 49 CFR Part 23. The monthly ACDBE Utilization Report form will be submitted no later than fifteen (15) Days after the end of the Month that follows the Month for which such form is filed. Consequently, the parties agree Concessionaire shall pay Authority, in addition to all other financial requirements of this Contract, \$10 for every Day for each report Concessionaire is late in submitting all of the monthly information in the formats required by this Section. Said charge will continue until

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 52 of 94

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 53 of 94

specific performance is accomplished and shall not be offset against any other amount due Authority as detailed in this Contract.

- D. Monitoring. Authority will monitor the compliance and good faith efforts of Concessionaire in meeting the requirements of this Article. Authority will have access to the necessary records to examine such information as may be appropriate for the purpose of investigating and determining compliance with this Article, including, but not limited to, records, records of expenditures, contracts between Concessionaire and the ACDBE participants, and other records pertaining to the ACDBE participation plan, which Concessionaire will maintain for a minimum of three years following the termination of this Contract. The extent of ACDBE participation will be reviewed prior to the exercise of any renewal, extension or material amendment of this Contract to consider whether an adjustment in the ACDBE requirement is warranted. Without limiting the requirements of the Contract, Authority reserves the right to review and approve all subcontracts, in advance of their commitment, utilized by the Concessionaire for the achievement of its Contract Goal.
- E. Prompt Payment. Concessionaire agrees to pay each subcontractor under this Contract for satisfactory performance of its contract no later than ten (10) Days from the receipt of each invoice and acceptance of work or services. Concessionaire agrees further to release retainage payments to each subcontractor within ten (10) Days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above-referenced time frame may occur only for good cause following written approval of Authority. This clause applies to both ACDBE and non-ACDBE subcontractors.
- F. Non-Compliance. In the event Concessionaire fails to comply with the ACDBE Program or fails to meet the ACDBE Contract Goal set forth in Section 8.03(A) and fails to demonstrate a good faith effort to do so, Authority may, in addition to pursuing any other available legal remedy, terminate, suspend or cancel this Contract in whole or in part; and/or suspend or debar Concessionaire from eligibility to contract with Authority in the future or to receive bid packages or request for proposal packages or other solicitations, unless Concessionaire demonstrates, within a reasonable time as determined by Authority, its compliance with the terms of the ACDBE Program or this Article or its good faith efforts to comply with such.

Article IX. CONRAC CONSTRUCTION

Section 9.01 CONRAC/APM PROJECT

- A. Pursuant to the Bond Resolution, the Authority anticipates the issuance of the Bonds in connection with the design and construction of the ConRAC/APM Project hereunder. Such Bonds are being issued pursuant to and in accordance with the Bond Indenture, together with any and all related documents executed in connection therewith, and will be and remain subject to the applicable terms,

conditions, and provisions thereof, as the same may be amended or modified from time to time.

- B. The Authority will, with reasonable diligence and at its own cost and expense (except as expressly provided to the contrary herein and subject to the Authority's receipt of funds attributable to the Bonds), and as soon as reasonably practicable following the Effective Date, commence the construction of the ConRAC/APM Project. The ConRAC/APM Project will include, if applicable, (i) any and all Petroleum Storage and Fuel Systems and oil-water separators to be installed as part of the construction of the ConRAC/APM Project, and title to such Systems and oil separators in the Exclusive Premises will immediately pass to Concessionaire upon Substantial Completion thereof, and (ii) any and all on-site and off-site preparation and improvements necessary or desirable in connection with the ConRAC/APM Project, including, without limitation, earthwork, roadwork, off-site transportation-related improvements, wetland mitigation, the extension of utilities, storm water drainage, and water retention or detention. The Authority will thereafter diligently pursue completion of the ConRAC/APM Project, subject to force majeure delays, any other delays caused by governmental regulations or lack of governmental funding, requirements and delays attributable to the acts or omissions of Concessionaire, and any delays caused by governmental regulations or governmental funding delays or requirements. The Authority will not be liable to Concessionaire for any delays in the completion of the ConRAC/APM Project and Concessionaire expressly waives its rights to make a claim for any such delays or loss of use.
- C. The Authority does not warrant the accuracy of any of the information provided by third parties as part of the ConRAC/APM Project and will have no liability arising out of any inaccurate information provided by third parties as part thereof; provided, to the extent that the Authority has actual knowledge of any such inaccurate information, the Authority will so advise Concessionaire and such third parties and will direct such third parties to correct such inaccurate information. The Authority's construction of the ConRAC/APM Project will not impose upon the Authority or its Board Members, officials, officers, employees, or agents any liability or obligation with respect to the design or construction of the ConRAC/APM Project, or the compliance of the ConRAC/APM Project with any applicable laws; provided: (i) except to the extent arising from any acts or omissions of Concessionaire, any other Concessionaires, or any of their respective members, officers, employees, agents, contractors, or representatives, and subject to the availability of adequate CFC Revenues therefor, the Authority will be responsible for correcting any latent defects in, or any non-compliance with applicable laws resulting from the initial design or construction of the foundation, roof, structural components, or exterior walls of the ConRAC for a period equal to the greater of (A) one (1) year following Substantial Completion, or (B) the period of any third party warranty applicable to such portion of the ConRAC/APM Project; (ii) with respect to any other matters, the Authority will reasonably cooperate with Concessionaire (at no cost or expense to the Authority) with respect to any action, claim, or proceeding Concessionaire may

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 54 of 94

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 55 of 94

elect to bring against the architect, engineer, general contractor(s), or any subcontractor(s) in connection with the design or construction of the ConRAC/APM Project, or any portion thereof; (iii) subject to the Authority's obligations under clause (i) above, the Authority will, upon the written request of Concessionaire, assign to Concessionaire or otherwise make available to Concessionaire the benefit of any and all warranties and guarantees received by the Authority, together with other rights and remedies of the Authority, if any, in connection with the design and construction of the ConRAC/APM Project, or the applicable portions thereof (including, without limitation, any rights of the Authority against all designers, contractors, subcontractors, vendors and suppliers, together with their respective insurance carriers and bonding agents), it being understood and agreed that, with respect to claims involving more than one Concessionaire hereunder, all Concessionaires then operating at the ConRAC will reasonably coordinate and cooperate with respect to such claims and any related enforcement actions; and (iv) upon the written request of Concessionaire, but subject to the Authority's obligations under clause (i) above, the Authority will commence and pursue on behalf of Concessionaire (and at Concessionaire's sole cost and expense) any action, claim, or proceeding reasonably necessary to enforce the rights of Concessionaire and/or the Authority hereunder as against the architect, engineer, general contractor(s), or any subcontractor(s) in connection with the design or construction of the ConRAC/APM Project, or any warranties, guarantees, or other claims relating thereto.

D. The Authority will (i) authorize Concessionaire to access the ConRAC for the purpose of commencing construction of its Concessionaire Improvements (as defined in Section 9.02 hereof) at such time as the ConRAC/APM Project is sufficiently completed such that Concessionaire is reasonably able to so commence construction of its Concessionaire Improvements hereunder on the Access Date, (ii) endeavor to notify Concessionaire in writing at least sixty (60) Days prior to the Access Date, and (iii) notify Concessionaire in writing promptly upon Substantial Completion. Within ten (10) Days after the Authority notifies Concessionaire in writing that ConRAC Substantial Completion has occurred, the Authority and Concessionaire will conduct a joint inspection of the Exclusive Premises and will agree upon a written list of the "Punch List" items identifying touch-up work, minor repairs, and incomplete items necessary to complete the Exclusive Premises in substantial accordance with the ConRAC plans. As soon thereafter as reasonably practicable, the Authority will promptly commence work on the "Punch List" items and will diligently pursue such work to completion, subject to force majeure delay and other delays attributable to Concessionaire or any of its respective officers, employees, agents, contractors, guests, invitees, or licensees. In the event that Concessionaire fails to participate in a joint inspection of the Exclusive Premises within the aforementioned ten (10) Day period, Concessionaire will be deemed to have accepted the ConRAC/APM Project as completed. In addition, promptly following the date on which the Authority notifies Concessionaire in writing that Substantial Completion has occurred, the Authority and Concessionaire will execute the confirmation by letter from the Director of Concessions.

E. Notwithstanding anything in this Contract to the contrary, it is hereby acknowledged, understood, and agreed as follows:

1. In the event that the Authority fails to commence construction of the ConRAC/APM Project by the last day of the thirty-sixth (36th) full calendar Month following the Effective Date hereof (such date being referred to herein as the "Construction Commencement Deadline"), then, if and only to the extent that, such failure is not attributable to force majeure delays or other Concessionaire delay, Concessionaire will be entitled to terminate this Contract upon written notice delivered to the Authority within sixty (60) Days following the Construction Commencement Deadline, in which case neither the Authority nor Concessionaire will have any further liability or obligation hereunder, provided, however, in the event that the Authority thereafter commences construction of the ConRAC/APM Project within sixty (60) Days following the Authority's receipt of such termination notice, the Authority will so notify Concessionaire thereof in writing, in which event Concessionaire's termination notice will be deemed null and void and this Contract will thereafter continue in full force and effect.
2. In the event the Design-Builder's Guaranteed Maximum Price ("GMP") for the ConRAC/APM Project is exceeded by the amount of Seventy Three Million Five Hundred Ninety Two Thousand Five Hundred and No/100 Dollars (\$73,592,500) (the "Initial Cost Threshold"), Concessionaire will be entitled to object by written notice delivered to the Authority within ten (10) Days following the date on which the Authority notifies Concessionaire of such GMP, failing which Concessionaire will be deemed to have accepted and agreed to such GMP for purposes of this Contract and Concessionaire will deliver to the Authority a written confirmation of Concessionaire's waiver of any right to terminate this Contract pursuant to this Section. In the event that Concessionaire timely objects to such GMP as aforesaid, Concessionaire and the Authority will have a period of sixty (60) Days following the Authority's receipt of such written objection from Concessionaire (the "Negotiation Period") to negotiate and attempt to address and resolve such objection, during which time the Authority may, but will not be required to, modify, revise, or "value engineer" the ConRAC/APM Project so as to reduce the GMP below the Initial Cost Threshold, or as may otherwise be reasonably acceptable to the parties hereto, and Concessionaire and the Authority will at all times proceed in good faith and in a commercially reasonable manner during such Negotiation Period. If during the Negotiation Period the Authority and Concessionaire reach an agreement on a revised GMP, then the Concessionaire will deliver to the Authority a written confirmation of such agreement and state that the Concessionaire is waiving any further right to terminate this Contract pursuant to this Section. In the event that Concessionaire and the Authority, each acting reasonably and in good faith, are unable to resolve such objection or otherwise reach agreement prior to the expiration of such Negotiation Period, Concessionaire will thereupon be entitled to terminate this Contract upon written notice delivered to the Authority within five (5) Days following the expiration of

such Negotiation Period, in which case neither the Authority nor Concessionaire will have any further liability or obligation hereunder; provided, however, in the event that one or more other Concessionaire also exercises its respective termination rights on the basis set forth in this Section 10.01(E), then, irrespective of whether Concessionaire will have exercised such termination right, the Authority will also have the right and option to terminate this Contract upon written notice delivered to Concessionaire within thirty (30) Days following the exercise of such termination rights by such other Concessionaire.

Section 9.02 CONSTRUCTION OF CONCESSIONAIRE IMPROVEMENTS BY CONCESSIONAIRE

Concessionaire covenants and agrees, and it is an express condition of this Contract, that Concessionaire will, with due diligence and at Concessionaire's sole cost and expense, commence the construction within the Exclusive Premises of the improvements described herein (collectively, the "Concessionaire Improvements"), all in accordance with this Section 9.02, Exhibit I, Schedule of Concessionaire Improvements, and other terms and provisions of this Contract.

- A. Concessionaire may not commence construction of the Concessionaire Improvements in the Exclusive Premises without the Authority's prior written approval of the plans and specifications relating thereto (the "Concessionaire Improvement Plans"), which approval will not be unreasonably withheld, conditioned, or delayed, and receipt of all necessary Authority and other governmental approvals, licenses, and permits in connection therewith.
- B. Following approval of its Concessionaire Improvement Plans hereunder, and subject to compliance with the other terms and provisions of this Contract, Concessionaire will notify the Authority in advance of the date Concessionaire will commence construction of its Concessionaire Improvements in the Exclusive Premises and its proposed construction schedule with respect thereto.
- C. Prior to commencement of construction (and to the extent required), Concessionaire will procure the approval of the final Concessionaire Improvement Plans by any and all other governmental authorities, offices, and departments having jurisdiction of the Exclusive Premises. The Authority will cooperate with Concessionaire in procuring such approvals, provided that the Authority will have given its prior approval to such final Concessionaire Improvement Plans.
- D. Neither the approval by the Authority of the Concessionaire Improvement Plans, nor any other action taken by the Authority with respect thereto under the provisions of this Contract, will constitute an opinion or representation by the Authority as to the sufficiency of said Concessionaire Improvement Plans, or such design standards as the Authority will have in effect from time to time, compliance with any laws, or ability of Concessionaire to receive any permits from any department or agency of the Authority or other jurisdictions, nor impose any present or future liability or responsibility upon the Authority. Approval will not constitute approval of the

Authority or its departments or agencies for any construction, extension, or renovation of any public utilities or public ways which may be necessary to service the Exclusive Premises. In any case where more than one standard, code, regulation, or requirement applies to construction or the Concessionaire Improvement Plans, the strictest will control.

- E. After Concessionaire's execution of any contracts for construction, engineering, or architectural services, Concessionaire will furnish to the Authority the names of the person or entity whom Concessionaire has engaged for such services. Such architect, engineer, and contractor will be licensed in the discipline being contracted for, experienced in design and construction of improvements comparable to those for which its services are being required by Concessionaire and airport-related work, not be listed on any local, state, or federal non-responsible bidders' list, and not be debarred under any state or federal statute, regulation, or proceeding. Prior to commencement of construction, Concessionaire will deliver to the Authority copies of its contracts with any design architect, engineer and/or the general contractor.
- F. Concessionaire will also furnish co-obligee payment and performance bonds for all projects where the cost of construction is over twenty five thousand dollars (\$25,000). The bonds will be for Concessionaire's estimated construction cost, on the forms provided by or deemed acceptable by the Authority, with a surety or sureties for the full and faithful performance of the work. The surety on any bond will be a corporate surety, satisfactory to the Authority, authorized under the laws of Florida to do business in the State of Florida and authorized to write that type of bond through a resident agent of the corporation located in the State of Florida. Bonds must be approved by the Authority prior to the commencement of any on-site work. Any forms used other than the Authority form will require legal review by Authority staff. Such review may cause delay in the final approval of a permit.
- G. Once commenced, Concessionaire will diligently construct and substantially complete the Concessionaire Improvements within the time required by this Contract, notwithstanding any instances of force majeure events or delays caused by the Authority. For purposes of the Concessionaire Improvements, "Concessionaire Improvement Substantial Completion" will mean the completion, in accordance with the Concessionaire Improvement Plans and applicable Laws, of all Concessionaire's Improvements, other than minor punch list items, and will include issuance of a certificate of substantial completion by the architect and engineer in a customary form reasonably required by the Authority. If any work does not comply with the provisions of this Contract, the Authority may, by notice to Concessionaire, require that Concessionaire stop the work and take steps necessary to cause corrections to be made.
- H. Concessionaire will pay all costs of the construction incurred by Concessionaire when due, and will require all contractors to deliver sworn statements of persons furnishing materials and labor before any payment is made and waivers of lien for

all work for which payment is made, in order to prevent attachment of mechanic's liens or other liens by reason of work, labor, services, or materials furnished with respect to the Exclusive Premises. During the course of construction, Concessionaire, at its sole expense, will carry or cause to be carried, the insurance required to be carried pursuant to Article 14.

- I. During the course of the construction, the Authority, and its architects, engineers, agents and employees on behalf of the Authority with responsibilities relating to the Exclusive Premises, may enter upon and inspect the Exclusive Premises for the purpose of verifying that the Concessionaire Improvements are proceeding in accordance with the requirements of this Contract. With respect to any such entry and inspection on behalf of the Authority, persons requiring entry will present proper identification to Concessionaire. No right of review or inspection will make the Authority responsible for work not completed in accordance with the Approved Project or applicable laws. Concessionaire will keep at the Exclusive Premises all Concessionaire Improvement Plans, shop drawings, and specifications relating to such construction, which the Authority may examine at all reasonable times and, if required by the Authority, Concessionaire will also furnish the Authority with copies thereof. Further, Concessionaire will at all times during construction of Concessionaire Improvements and thereafter during the Term have an employee, representative, or contractor authorized to make decisions for Concessionaire available on the Premises or who may be contacted immediately by telephone or other communication to permit the Authority timely entry into Concessionaire Improvements or locked areas where required or permitted under this Contract.
- J. Any work performed at the direction of Concessionaire, even though performed by contractors, will be the responsibility of Concessionaire. During any construction by Concessionaire, Concessionaire will be solely responsible for the support, maintenance, safety, and protection of all facilities of the Authority resulting from such construction activities, and for the safety and protection of all persons or employees and of all property therein. All work will be performed in accordance with (and all Concessionaire Improvements, when completed, will comply with) the Concessionaire Improvement Plans and other documents submitted to and approved by the Authority, with such design standards and Airport and construction conditions as the Authority will have in effect from time to time, and any other applicable federal, state, or local laws and ConRAC/APM Project requirements.
- K. Within ninety (90) Days after the occupancy date with respect to any Concessionaire Improvements, Concessionaire will, at its expense, provide the Authority with a complete set of "as built" plans and specifications on a set of machine readable disks containing electronic data in a format that meets the Authority's graphic standards of the "as-constructed" or "record" plans for such improvements.

Section 9.03 ALTERATIONS

Concessionaire will have the right from time to time after the completion of the initial

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004
CONTRACT
June 4, 2015
Page 60 of 94

Concessionaire Improvements, in accordance with the provisions of Section 9.02, and at Concessionaire's sole cost and expense, to make alterations and changes ("Alterations") in or to the Exclusive Premises (except as hereinafter provided), provided Concessionaire will not then be in default in the performance of any of Concessionaire's covenants or agreements in this Contract; and further provided that Substantial Alterations may be made only with the written consent of the Authority, which consent will not be unreasonably withheld or delayed. "Substantial Alterations" means any Alterations (i) to infrastructure improvements, (ii) to the structure of the ConRAC or Exclusive Premises or any portion thereof, (iii) to other items required to be shown on the Concessionaire Improvement Plans for such Alterations or Substantial Alterations, as the case may be, and approved by Authority, or (iv) which would cost more than ten percent (10%) of the replacement cost of the Concessionaire Improvements. The provisions of this Section 9.03 will apply to and will be complied with by Concessionaire as a condition to the performance of any Alteration or Substantial Alteration. The Authority's approval of the Concessionaire Improvement Plans for Alterations or Substantial Alterations, as the case may be, will not be required for those aspects of the Concessionaire Improvement Plans to the extent such approval would not be required for initial Concessionaire Improvements. Furthermore, all Alterations and Substantial Alterations will be subject to the following:

- A. No Alteration or Substantial Alteration of any kind will be made without the written consent of the Authority (which may be withheld in its sole discretion) which would (i) change the general design, use, or character of the Exclusive Premises, (ii) reduce or impair, to any material extent, the value, rentability, or usefulness of the Exclusive Premises, or constitute waste, or (iii) give to any owner, lessee, or occupant of any other property or to any other person or corporation any easement, right-of-way, or any other right over the Exclusive Premises.
- B. Any Alteration or Substantial Alteration will be made with reasonable dispatch and in a good and workmanlike manner and in compliance with all applicable permits and authorizations and building and zoning laws and with all other laws, and in accordance with the orders, rules, and regulations of the National Board of Fire Underwriters or any other body or bodies hereafter exercising similar functions. If any work does not comply with the provisions of this Contract, the Authority may, by notice to Concessionaire, require that Concessionaire stop the work and take steps necessary to cause corrections to be made.
- C. Concessionaire will demonstrate to the Authority's satisfaction financial capability to pay the entire cost of any Substantial Alteration or, in lieu thereof, furnish to the Authority a bond as described in Section 9.02 hereof, or cash or other security reasonably satisfactory to the Authority, in an amount at least equal to one hundred twenty percent (120%) of the estimated cost of such Substantial Alteration, guaranteeing the completion and payment of the cost thereof free and clear of all liens, conditional bills of sale, and chattel mortgages, except that security for demolition and new construction will be furnished as provided in Section 9.02 hereof.

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004
CONTRACT
June 4, 2015
Page 61 of 94

- D. After completion of Concessionaire Improvements, Concessionaire will not demolish such Concessionaire Improvements without the prior written consent of the Authority. In connection with any such demolition, Concessionaire will otherwise comply with all of the other provisions of this Section 9.03 as though said demolition were a Substantial Alteration. Concessionaire will proceed diligently with its demolition and all demolition will be completed within a reasonable time after its commencement.
- E. In the event Concessionaire constructs a Petroleum Storage and Fuel System at its Service Center Site, Concessionaire will pay for all costs of construction, maintenance, repair, and upkeep, and all taxes and all use and occupational permits or licenses required by federal, state, and local regulations, statutes, codes, or ordinances associated with a petroleum storage system. Concessionaire will construct a Petroleum Storage and Fuel System in such a manner as will meet all federal, state, or local requirements, including but not limited to the regulations of the FDEP as stated in Chapters 62-761 and 62-762, Florida Administrative Code (F.A.C.), the requirements of the Federal Oil Pollution Prevention regulation found in Title 40 of the Code of Federal Regulations Part 112 (40 CFR Part 112), as well as the requirements of the Environmental Protection Commission of Hillsborough County (EPC), as may be amended or replaced. Upon termination or expiration of this Contract as provided herein, Concessionaire will remove any and all Petroleum Storage and Fuel Systems and oil-water separators from its Service Center Site and restore the Service Center Site to condition prior to installation or as approved by the Authority.

Section 9.04 AUTHORITY STANDARDS

In its design and construction work on the Exclusive Premises, Concessionaire will fully comply with the Concessionaire Improvement Handbook and Tenant Work Permit Handbook. Authority reserves the right to amend the Concessionaire Improvement Handbook and Tenant Work Permit Handbook during the Term. Concessionaire agrees to comply with the version of the Concessionaire Improvement Handbook and Tenant Work Permit Handbook in effect as of the date of any construction it undertakes.

Section 9.05 TITLE TO IMPROVEMENTS

The Authority will own the ConRAC/APM Project and all Concessionaire Improvements now existing or hereafter constructed (excluding the trade fixtures, trade equipment, supplies and personal property of Concessionaire) therein, except Common Fuel Systems, Petroleum Storage and Fuel Systems, and oil-water separators. The Common Fuel Systems, Petroleum Storage and Fuel Systems, and oil-water separators installed hereunder by the Authority or Concessionaire will be the personal property of Concessionaire.

Section 9.06 SIGNAGE

Subject to the terms and conditions of this Section 9.06, Concessionaire will have the right to install and maintain signs on the Exclusive Premises, provided that the design,

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004
CONTRACT
June 4, 2015
Page 62 of 94

installation and maintenance of all signs will be subject to the terms of this Section and comply with the Concessionaire Improvement Handbook. Concessionaire further acknowledges Authority's desire to maintain a high level of aesthetic quality in all concession facilities throughout the ConRAC. Therefore, Concessionaire covenants and agrees that in the exercise of its privilege to install and maintain appropriate signs on the Exclusive Premises, it will submit to Authority, for its review and approval, the size, design, content, construction or fabrication and intended location of each and every sign it proposes to install on or within the Exclusive Premises. Concessionaire will not install signs of any type on or within the Exclusive Premises without prior written approval of Authority, which approval will not be unreasonably withheld or denied if the proposal is in compliance with the Concessionaire Improvement Handbook and other Authority Rules and Regulations and Operating Directives governing signage.

Article X. DISCLAIMER OF LIENS

Absent prior written approval of Authority, none of the improvements made by or for Concessionaire shall be liened, pledged or mortgaged, or otherwise serve as collateral for any reason whatsoever. Further, the interest of Authority in the Exclusive Premises will not be subject to liens for any work, labor, materials or improvements made by or for Concessionaire to the Exclusive Premises, whether or not the same is made or done in accordance with an agreement between Authority and Concessionaire. A written statement evidencing this prohibition against construction, mechanics', laborer's or materialmen's liens shall be provided to all of Concessionaire's contractors, subcontractors, suppliers, laborers and materialmen. It is specifically understood and agreed by Concessionaire that in no event will Authority or the interest of Authority in the Exclusive Premises be liable for or subject to any construction, mechanic's, laborer's or materialmen's liens for materials furnished, improvements, labor or work made by or for Concessionaire to the Exclusive Premises. Concessionaire is specifically prohibited from subjecting Authority's interest in the Exclusive Premises to any construction, mechanic's, materialmen's, or laborers' liens for improvements made by or for Concessionaire or for any materials, improvements or work for which Concessionaire is responsible for payment. Concessionaire will indemnify and hold Authority harmless for any expense or cost associated with any lien or claim of lien that may be filed against the Exclusive Premises or Authority, including attorney fees incurred by Authority. Concessionaire will provide written and receipted notice of this disclaimer of liens to all contractors or subcontractors providing any materials or making any improvements to the Exclusive Premises.

In the event any construction, mechanic's, laborer's, materialmen's or other lien or interest of lien is filed against any portion of the Exclusive Premises for any work, labor or materials furnished to the Exclusive Premises, whether or not the same is made or done in accordance with an agreement between Authority and Concessionaire, Concessionaire will cause any such lien to be discharged of record within 30 Days after notice of filing thereof by payment bond or otherwise or by posting with a reputable title Concessionaire or other escrow agent acceptable to Authority, security reasonably satisfactory to Authority to secure payment of such lien, if requested by Authority, while

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004
CONTRACT
June 4, 2015
Page 63 of 94

Concessionaire contests to conclusion the claim giving rise to such lien.

Article XI. MAINTENANCE AND REPAIRS

Section 11.01 CONCESSIONAIRE'S MAINTENANCE AND REPAIR OBLIGATIONS

A. Exclusive Premises. Concessionaire will, at all times during the Term hereof, at its sole cost and expense, operate and keep its Exclusive Premises in good condition and repair, in a safe, secure, clean and sanitary condition, and in full compliance with any and all applicable laws and such Rules, Regulations and standards as the Authority will maintain in effect from time to time, including, without limitation, the ConRAC Operations & Maintenance Standards attached as Exhibit E hereto and made a part hereof. Concessionaire will be responsible for all maintenance, repair and replacements of any kind or nature whatsoever to its Exclusive Premises (except to the extent that the same are the express responsibility of the Authority) as further specified in Exhibit E. Concessionaire will keep its Exclusive Premises free from filth, overloading, danger of fire or any pest or nuisance, and repairing and/or replacing any damage or breakage done by Concessionaire, or any of its respective officers, agents, employees, contractors, guests, invitees, or licensees, including, without limitation, damage done by installation of Concessionaire's Improvements. Except for items which are the Authority's responsibility under Section 11.02 below, if any portion of the Exclusive Premises or any system or equipment in the Exclusive Premises which Concessionaire is obligated to maintain or repair cannot be fully repaired or restored, Concessionaire will promptly replace such portion of the Exclusive Premises or such system or equipment. Concessionaire will maintain a preventive maintenance contract providing for the regular inspection and maintenance of the heating and air conditioning system for the Exclusive Premises by a licensed heating and air conditioning contractor, such contract and contractor to be approved by the Authority. In the event that Concessionaire fails to perform any of its obligations hereunder, and fails to cure or commence to cure such failure within fourteen (14) Days after written notice from the Authority, or to thereafter diligently proceed to complete such cure, the Authority may, but will not be obligated to, enter the Exclusive Premises at any time to undertake any maintenance, repairs, alterations, improvements or additions as the Authority will direct or deem necessary for the maintenance, repair, safety, protection, preservation, or improvement of the Exclusive Premises, or as the Authority may be required to do by any governmental department or agency, or by the order or decree of any court or by any other proper authority. Any and all costs and expenses of such repairs, alterations, improvements or additions made by the Authority hereunder will include a fifteen percent (15%) administrative fee and will be due and payable by Concessionaire to the Authority within fifteen (15) Days following the Authority's invoice therefore. If not paid within such fifteen (15) Day period, such costs and expenses will bear interest at the Default Rate until paid. Concessionaire and other Concessionaires may contract with a third party to fulfill these responsibilities.

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 64 of 94

which relate to the ConRAC may be payable by the concessionaires which operate concessions at the ConRAC; provided, however, that such provisions must provide that in the event of non-payment of any such amounts when due by any such concessionaire, such amount shall become the joint and several obligation of all concessionaires, payable to the Authority or such other third party in a commercially reasonable manner.

2. Assignment of Right. Concessionaire agrees it will not, without the Authority's prior written consent, transfer, assign, or grant a performance interest in the amounts paid relating to occupancy, construction, maintenance, and operation of the ConRAC Revenues under the Operating Agreement (provided that Authority may permit the granting of a security interest in certain contract rights under the Operating Agreement to a trustee or any other person first approved by the Authority); provide for any cross-default between the Operating Agreement and any other agreement between Concessionaire and other concessionaires; permit a termination of the Operating Agreement, except as expressly provided in the Operating Agreement; collect Revenues more than one (1) month in advance (except for the initial investment in the Operating Agreement); evict any Concessionaire under the Operating Agreement; waive, cancel, release, modify, excuse, discount, set off, compromise, or discharge the Concessionaire under the Operating Agreement from any obligations under the Operating Agreement; amend or extend the Operating Agreement; or enter into any collateral agreement with the other concessionaires relating to the Exclusive Premises which is not included in the Operating Agreement.
3. Consistent with Contract. The Operating Agreement shall acknowledge this Contract, be consistent with this Contract, and require Concessionaire and other Concessionaires to comply with the terms of this Contract or such other Concessionaires' contracts. The Operating Agreement shall require the other Concessionaires to give notice to the Authority of any default by any concessionaire thereunder and provide the Authority with the option to elect to cure any such default within a period commensurate with any cure period given to Concessionaire under the Operating Agreement. In addition to the foregoing, the Operating Agreement shall prohibit the other Concessionaires from paying any amounts owed thereunder which have been assigned to the Authority more than thirty (30) Days in advance and shall be expressly subordinated to this Contract.
4. Prompt notification. The RAC Consortium shall promptly notify the Authority of any non-payment of Revenues (to the extent that the RAC Consortium has actual knowledge of any such non-payment of such Revenues) or other default by a Concessionaire under the Operating

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 66 of 94

B. Common Concessionaire Areas. Concessionaire will be jointly and severally responsible with other Concessionaires to perform such other maintenance, repair, and replacement of the Common Concessionaire Areas as specified in Exhibit E. Concessionaire and other Concessionaires shall contract with a third party to fulfill these responsibilities.

C. Operating Agreement. No later than one (1) year prior to the Commencement Date, Concessionaire and each of the other Concessionaires will create and enter into an operating agreement (the "Operating Agreement") establishing a consortium of the Concessionaires (the "RAC Consortium") which provides, among other things, for (i) the maintenance and repair of the Common Concessionaire Areas; (ii) the operation, maintenance, repair, and replacement of the QTA pursuant to, and in accordance with, the terms and provisions of this Contract then (or to be) in effect; (iii) the hiring of a ConRAC Facility Manager, reasonably acceptable to the Authority; (iv) disbursement mechanisms among the Concessionaires for reimbursements received by the Authority; and (v) the allocation and assumption of liability for sums due and payable by Concessionaire hereunder and sums due and payable by the other Concessionaires then (or that will be) operating and occupying a portion or portions of the ConRAC from time to time.

1. Acceptable to the Authority. The Operating Agreement shall be acceptable to the Authority in form and substance, shall remain in full force and effect, and shall not dissolve or be terminated during the Term. The Operating Agreement shall provide for execution of additional agreements or other operative documents to provide for the parties' rights and obligations relating to Concessionaire and the ConRAC. The Operating Agreement shall provide for the circumstance when a new Concessionaire replaces an existing Concessionaire. Further, the Operating Agreement shall provide for the circumstance when, following a termination of a contract due to default by a Concessionaire thereunder, the Authority either replaces the Concessionaire with a new Concessionaire by entering into a new contract or, until replacement, permits the terminated concessionaire's spaces and areas to be re-allocated among the remaining Concessionaires in the manner described herein. The Operating Agreement shall also provide for the circumstance where the Authority, at its sole option, may require the addition of another concessionaire to the RAC Consortium from time to time. Once a concessionaire's contract is terminated, Authority shall not permit it to occupy any portion of the ConRAC. The Operating Agreement must acknowledge that no removal or replacement of a concessionaire shall serve to excuse such concessionaire from liability for any environmental damages incurred by such concessionaire. The Operating Agreement may include provisions providing that responsibility for Operating Expenses, any costs arising from compliance with Article 11, and other expenses

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 65 of 94

Agreement or of any notice of default received by the RAC Consortium under the Operating Agreement.

D. Concessionaire will be solely responsible for the illumination of the Exclusive Premises, which will comply with all FAA and Authority requirements. Any signs installed by Concessionaire on the Exclusive Premises will be limited to the purpose of identifying Concessionaire (including, without limitation, trade names, trademarks, logos, and brand names), and not for any third party advertising. The number, general type, size, design, and location of such signs, and any modifications or replacements thereof, will be subject to the prior written approval of the Authority in each instance, which approval will not be unreasonably withheld or delayed so long as such signage complies with applicable laws and applicable Airport signage standards, and is otherwise consistent with the appearance and architectural integrity of the Exclusive Premises. Signage will be approved separately or as part of the Concessionaire Improvement Plans. No exterior or roof signs are permitted. All signage will comply with such design standards and Main Terminal development guidelines as the Authority will have in effect from time to time.

Section 11.02 AUTHORITY'S MAINTENANCE AND REPAIR OBLIGATIONS

- A. The Authority will be responsible for performing any maintenance, repairs, and janitorial services in the Common Public Areas, subject to the inclusion of the costs thereof as part of Operating Expenses.
- B. The Authority will be responsible for performing any capital repairs or replacements of the ConRAC, including, without limitation, the foundation, roof, structural components, exterior walls, and HVAC chiller plant thereof, which are reasonably required during the Term hereof, and payment of all such costs, to the extent sufficient funds are not available in the Repair and Replacement Fund, in the Authority's discretion, will be included in the Operating Expenses and payable by the Concessionaires pursuant to Section 4.06(H) to the extent permitted hereunder. Concessionaire will promptly report in writing to the Authority any defective condition known to Concessionaire which the Authority is required to repair under this Section 11.02(A). Any maintenance, repairs, or replacements to the ConRAC, or any portion thereof, including, without limitation, the foundation, roof, structural supports, exterior walls and HVAC chiller plant thereof, which are required due to damage caused by, or as a result of, any act or omission of Concessionaire or Concessionaires, or any of its respective officers, agents, employees, contractors, guests, invitees, or licensees, will be performed by the Authority at the sole cost and expense of Concessionaire or Concessionaires and such costs and expenses will be due and payable by Concessionaire or Concessionaires to the Authority within fifteen (15) Days following the Authority's invoice therefor. If not paid within such fifteen (15) Day period, such costs and expenses will bear interest at the Default Rate until paid. The Authority may enter the ConRAC, inclusive of the Exclusive Premises, at all reasonable times upon reasonable prior notice (except in the event of an

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 67 of 94

emergency) to perform any maintenance, repairs, or replacements which are the Authority's responsibility hereunder, or as the Authority may be required to do by any applicable laws, governmental department or agency, or by the order or decree of any court or by any other proper authority. For purposes hereof, the determination of whether a repair item constitutes a capital repair or replacement hereunder will be made by Authority in accordance with Internal Policies and Standard Procedures. Notwithstanding anything herein to the contrary, in no event will the Authority be required to maintain, repair, and/or replace Concessionaire's Exclusive Premises, or any portion or portions thereof. Notwithstanding anything herein to the contrary, in the event that any such repair, maintenance, or replacement costs are reimbursed or reimbursable from funds available in the Repair and Replacement Fund, such costs will not also be included as part of Operating Expenses hereunder, it being understood and agreed that there will be no "double counting" of any such costs for purposes hereof.

Article XII. DEFAULT, REMEDIES AND TERMINATION RIGHTS

Section 12.01 EVENTS OF DEFAULT

Concessionaire will be deemed to be in default of this Contract upon the occurrence of any of the following:

1. The failure or omission by Concessionaire to perform its obligations under this Contract or the breach of any terms, conditions and covenants required herein.
2. The conduct of any business or performance of any acts at the Airport not specifically authorized in this Contract or by any other agreement between Authority and Concessionaire, and Concessionaire's failure to discontinue that business or those acts within thirty (30) Days of receipt by Concessionaire of Authority's written notice to cease said business or acts (which thirty (30) Day notice and cure period will also satisfy the 30-Day notice requirement of Section 12.03 below).
3. The appointment of a Trustee, custodian, or receiver of all or a substantial portion of Concessionaire's assets.
4. The divestiture of Concessionaire's estate herein by operation of law, by dissolution, or by liquidation, not including a merger or sale of assets.
5. The insolvency of Concessionaire; or if Concessionaire will take the benefit of any present or future insolvency statute, will make a general assignment for the benefit of creditors, or will seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof including the filing by Concessionaire of a voluntary petition of bankruptcy or the

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 68 of 94

3. Declare this Contract to be terminated, ended, null and void, and reclaim possession of the Exclusive Premises, whereupon all rights and interest of Concessionaire in the Exclusive Premises will immediately end.

No delay, failure, or omission of Authority to re-enter the Exclusive Premises or to exercise any right, power, privilege, or option arising from any default nor subsequent acceptance of fees or charges then or thereafter accrued will impair any such right, power, privilege, or option, or be construed to be a waiver of any such default, relinquishment, or acquiescence of the Exclusive Premises. No option, right, power, remedy, or privilege of Authority will be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options, or remedies given to Authority by this Contract are cumulative and that the exercise of one right, power, option, or remedy by Authority will not impair its rights to any other right, power, option, or remedy available under this Contract or provided by law.

Section 12.04 HABITUAL DEFAULT

Notwithstanding the foregoing, in the event that the Concessionaire has defaulted three (3) times within one (1) Contract Year in the performance of or breached any of the terms, covenants and conditions required of this Contract, as determined solely by the Authority, and regardless of whether the Concessionaire has cured each individual condition of breach or default, the Concessionaire may be determined by the Authority to be a "habitual violator." At the time that such determination is made, the Authority will issue to the Concessionaire a written notice advising of such determination and citing the circumstances therefore. Such notice will also advise Concessionaire that there will be no further notice or grace periods to correct any subsequent breaches or defaults and that any subsequent breaches or defaults of whatever nature, taken with all previous breaches and defaults, will be considered cumulative and collectively, will constitute a condition of non-curable default and grounds for immediate termination of this Contract. In the event of any such subsequent breach or default, the Authority may terminate this Contract upon the giving of written notice of termination to the Concessionaire, such termination to be effective upon delivery of the notice to the Concessionaire.

Article XIII. INDEMNIFICATION

To the fullest extent permitted by law, Concessionaire agrees to protect, reimburse, indemnify and hold Authority, its Board members, agents, employees, officers and volunteers free and harmless from and against any and all liabilities, claims, expenses, losses, costs, fines, and damages (including but not limited to attorney's fees and court costs) and causes of action of every kind and character arising out of, resulting from, incident to, or in connection with Concessionaire's presence on or use or occupancy of the Exclusive Premises, ConRAC or the Airport; Concessionaire's acts, omissions, negligence, activities, or operations; Concessionaire's performance, non-performance or purported performance of this Contract; or any breach by Concessionaire of the terms of this Contract, or any such acts, omissions, negligence, activities, or operation

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 70 of 94

institution of proceedings against Concessionaire for the adjudication of Concessionaire as bankrupt pursuant thereto.

6. Concessionaire's violation of Florida Statute Section 287.133 concerning criminal activity on contracts with public entities.
7. Any action or failure to act which results in the Authority being in violation of any governmental regulation, applicable law, Bond Documents, or other contractual obligation associated with any state, federal or other funding received by Authority.

Section 12.02 CONCESSIONAIRE REMEDIES

Upon thirty (30) Days' written notice to Authority, Concessionaire may terminate this Contract and all of its obligations hereunder, if Concessionaire is not in default of any term, provision, or covenant of this Contract or in the payment of any fees or charges to Authority, upon or after the inability of Concessionaire to use the Airport or operate its business for a period longer than ninety (90) consecutive Days due to war, terrorism, or the issuance of any order, rule or regulation by a competent governmental authority or court having jurisdiction over Authority; provided, however, that such inability or such order, rule or regulation is not due to any fault or negligence of Concessionaire.

Section 12.03 AUTHORITY REMEDIES

In the event of any of the foregoing events of default of Concessionaire, and following thirty (30) Days' written notice by Authority and Concessionaire's failure to cure, Authority, at its election, may exercise any one or more of the following options or remedies, the exercise of any of which will not be deemed to preclude the exercise of any other remedy herein listed or otherwise provided by statute or general law:

1. Terminate Concessionaire's rights under this Contract and, in accordance with law, take possession of the Exclusive Premises. In doing so, Authority will not be deemed to have thereby accepted a surrender of the Exclusive Premises, and Concessionaire will remain liable for all payments or other sums due under this Contract and for all damages suffered by Authority because of Concessionaire's breach of any of the covenants of this Contract; or
2. Treat the Contract as remaining in existence, and cure Concessionaire's default by performing or paying the obligation which Concessionaire has breached. In such event all sums paid or expenses incurred by Authority directly or indirectly in curing Concessionaire's default will become immediately due and payable, as well as interest thereon, from the date such fees or charges became due to the date of payment, at the Default Rate; or

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 69 of 94

of Concessionaire's officers, employees, agents, subcontractors, invitees, or any other person directly or indirectly employed or utilized by Concessionaire, that results in any bodily injury (including death) or any damage to any property, including loss of use, or the environment (including but not limited to contamination of soil, groundwater, or storm water by fuel, gas, chemicals, or any other substance deemed by the Environmental Protection Agency or the appropriate regulatory agency to be an environmental contaminant at the time this Contract is executed or as may be redefined in the future) incurred or sustained by any party hereto, any agent or employee of any party hereto, any other person whomsoever, or any governmental agency, regardless of whether or not it is caused in whole or in part by the negligence of a party indemnified hereunder.

In addition to the duty to indemnify and hold harmless, Concessionaire will have the duty to defend Authority, its Board members, agents, employees, officers and volunteers from all liabilities, claims, expenses, losses, costs, fines, and damages (including but not limited to attorney's fees and court costs) and causes of action of every kind and character. The duty to defend under this Article is independent and separate from the duty to indemnify, and the duty to defend exists regardless of any ultimate liability of Concessionaire, Authority, and any indemnified party. The duty to defend arises immediately upon written presentation of a claim to Concessionaire.

Concessionaire recognizes the broad nature of these indemnification, hold harmless, and duty to defend clauses, and voluntarily makes this covenant and expressly acknowledges the receipt of \$10.00 and such other good and valuable consideration provided by Authority in support of this indemnification in accordance with the laws of the State of Florida. This Article will survive the termination of this Contract. Compliance with insurance requirements under this Agreement will not relieve Concessionaire of its liability or obligation to indemnify, hold harmless, and defend Authority as set forth in this article.

Article XIV. INSURANCE

Section 14.01 INSURANCE TERMS AND CONDITIONS

The following minimum limits and coverages will be maintained by Concessionaire throughout the term of this Contract. In the event of default on the following requirements, Authority reserves the right to take whatever actions deemed necessary to protect its interests. Liability and property policies, other than Workers' Compensation/Employer's Liability, will provide that Authority, members of the Authority's governing body, and the Authority's officers, volunteers and employees are included as additional insured. Section I of Exhibit H only applies to the required commercial general liability insurance for all Concessionaires whose MAPF is more than \$1 million per year.

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 71 of 94

Section 14.02 LIMITS AND REQUIREMENTS

A. Commercial General Liability

The minimum limits of Commercial General Liability insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the operations pursuant to this Contract will be the amounts specified herein. Coverage will be provided for liability resulting from, or in connection with, operations performed by, or on behalf of, Concessionaire under this Contract or the use or occupancy of Authority premises by, or on behalf of, Concessionaire in connection with this Contract. Coverage will be provided on a form no more restrictive than the most recent version of ISO Form CG 00 01. Additional insurance coverage will be provided on a form no more restrictive than ISO Form CG 20 10 10 01 and CG 20 37 10 01.

	Contract Specific
General Aggregate	\$5,000,000
Each Occurrence	\$5,000,000
Personal and Injury	\$5,000,000

B. Worker's Compensation and Employer's Liability Insurance

The minimum limits of Workers' Compensation/Employer's Liability insurance (inclusive of any amount provided by an umbrella or excess policy) are:

Part One (Workers' Compensation)	Florida Statutory
Part Two (Employer's Liability)	
Each Accident	\$1,000,000
Disease – Policy Limit	\$1,000,000
Disease – Each Employee	\$1,000,000

C. Business Automobile Liability Insurance

Coverage will be provided for all owned, hired and non-owned vehicles on a form no more restrictive than the most recent version of ISO Form CA 00 01. The minimum limits of Business Auto Liability insurance (inclusive of any amounts provided by an umbrella or excess policy) covering all owned, hired and non-owned vehicles are:

Each Occurrence – Bodily Injury and Property Damage combined	\$5,000,000
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D. Property Insurance

Concessionaire will procure and maintain all risk Property Insurance covering all forms of risk on all improvements and any other interests of Concessionaire, if applicable, in or about Authority premises, including inventory, supplies, and other

property of Concessionaire located at said Authority premises in an amount equal to the full replacement value of tenant improvements and any other interests of Concessionaire in or about said premises.

Except as described below, Authority will be responsible for procuring and maintaining Property Insurance on the ConRAC. The limits and deductibles of such insurance program will be determined by the Authority at its sole discretion. Authority is not obligated to procure any insurance pursuant to this Section and retains the right, in its sole discretion, to terminate any such Property Insurance procured by Authority pursuant to this Section. Concessionaire will be responsible for reimbursing the Authority for its pro rata share of such property insurance costs. Concessionaire's pro rata share of such Property Insurance costs will be based on its respective allocated space. To the extent any deductibles apply to any loss under any Authority provided Property Insurance, Concessionaire will be responsible for its pro rata portion of such deductible, which will be determined in the same manner as the pro rata responsibility for all other Property Insurance costs. Insurance reimbursable to the Authority will be invoiced annually in advance for the year and payable in advance without demand on the 1st of the Month.

In the event that Concessionaire is the sole occupant or user of any building that is a part of the Service Center Site, then Concessionaire will be required to purchase all risk Property Insurance covering such building. At a minimum, the Property Insurance will be written on a replacement cost basis and in the amount of the total replacement cost of the building. The maximum deductible for damage by windstorm will be fifty thousand dollars (\$50,000) per occurrence or five percent (5%) of the replacement cost of the building, whichever is greater. The maximum deductible for all perils other than windstorm will be fifty thousand dollars (\$50,000) per occurrence. Concessionaire will be responsible for paying all deductibles applicable to such Concessionaire purchased Property Insurance. Alternatively, at its sole discretion, upon thirty (30) Days' advance written notice to Concessionaire from Authority's Chief Executive Officer or designee, the Authority may elect to procure the Property Insurance on such Concessionaire occupied building and, in such instance, Concessionaire will be responsible for reimbursing the Authority for one hundred percent (100%) of the cost of such Property Insurance.

E. Environmental Impairment (Pollution) Liability Insurance

The minimum limits of Environmental Impairment (Pollution) Liability Insurance coverage (inclusive of any amounts provided by an umbrella or excess policy) for liability resulting from pollution or other environmental impairment in connection with operations performed by or on behalf of Concessionaire under this Contract, including but not limited to, the ownership, use and maintenance of underground and above ground storage tanks that are used solely by Concessionaire are:

Each Occurrence	\$1,000,000
Annual Aggregate	\$1,000,000

To the extent Concessionaire is the sole user of any fuel storage tank, such tank must be covered by the Concessionaire's Environmental Impairment (Pollution) Liability Insurance. Concessionaire will maintain this coverage for the term of the Contract and until the petroleum storage system(s) are closed and removed from the sites as evidenced by the receipt of a letter from FDEP or designee confirming same.

F. Environmental Impairment Fuel Tank Liability

Authority may, in its sole discretion, maintain Fuel Tank Pollution Liability Insurance under the Florida Petroleum Liability Insurance Program Administrators (FPLIPA) for the fuel storage tank system, including piping and containment, owned by Authority and leased to Concessionaire under this Contract, at Authority's expense. It is understood and agreed by Concessionaire that such insurance covers only the aforementioned fuel storage tank system, including piping and containment, and does not provide any liability protection or insurance coverage to Concessionaire for bodily injury, pollution or other environmental impairment arising out of, or in connection with, Concessionaire's use and occupancy of Exclusive Premises. Concessionaire will remain fully liable for any bodily injury, pollution or environmental impairment occurring as a result of its operations and use and occupancy of Exclusive Premises. Any insurance procured by Authority pursuant to this section is solely for Authority's benefit and is not intended to replace or supplement any insurance coverage that otherwise would have been maintained by Concessionaire. Authority is not obligated to procure any insurance pursuant to this Section and retains the right, in its sole discretion, to terminate any such insurance procured by Authority pursuant to this Section.

G. Application of Limits

Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required for the Commercial General Liability, Employer's Liability, and Business Automobile Liability Policy. If applicable, the amounts specified as Contract specific will be an initial layer of coverage that will be applicable only to claims arising out of, or in connection with, the work performed or the use or occupancy of Authority premises in connection with this Contract and will not be reduced or diminished in any manner by claims resulting from other than the work performed or the use or occupancy of Authority premises in connection with this Contract. The amounts specified as total limits will be the total minimum limits required, including the initial layer.

Section 14.03 CONDITIONS OF ACCEPTANCE

The insurance maintained by Concessionaire throughout the Term must conform to all times with the Authority's Standard Procedure S250.06, Contractual Insurance Terms and Conditions, as may be amended from time, which is attached hereto as Exhibit H

and made a part hereof.

Article XV. SECURITY FOR PERFORMANCE AND PAYMENT

Section 15.01 FORM OF PAYMENT AND PERFORMANCE SECURITY

To secure payment for rents, fees, charges and other payments required hereunder, Concessionaire will post with Authority a surety bond or standby letter of credit drawn in favor of Authority (hereinafter referred to as Payment and Performance Security).

The Payment and Performance Security will be maintained throughout the Term of this Contract and any holdover or extension period. Concessionaire's initial Payment and Performance Security will be an amount equal to the sum of one-fourth (1/4) of Concessionaire's MAPF for the first Contract Year, plus one-fourth (1/4) of Concessionaire's estimated CFC Revenues for the first Contract year, plus one-fourth (1/4) of Concessionaire's Ground Rent for the first Contract Year. Beginning with the second Contract Year and each Contract Year thereafter, Concessionaire's Payment and Performance Security will be adjusted to an amount equal to one-fourth (1/4) of Concessionaire's MAPF payable to the Authority for the previous Contract Year, plus one-fourth (1/4) of Concessionaire's CFC Revenues payable to the Authority for the previous Contract Year, plus one-fourth (1/4) of Concessionaire's Ground Rent for such Contract Year. The Payment and Performance Security will be issued by a bank or surety provider acceptable to Authority and authorized to do business in the State of Florida, and will be in a form and content satisfactory to Authority. Each time the Payment and Performance Security expires it will be renewed at the amount equal to the sum of the Concessionaire's Proportionate Share of the Ground Rent plus Concessionaire's MAPF payable for a period of three (3) Months then in effect. The Concessionaire will provide the Authority with written notice and accompanying documentation of the renewed or replaced Payment and Performance Security no later than sixty (60) Days prior to the date of expiration.

Concessionaire will furnish the Payment and Performance Security within thirty (30) Days prior to the Commencement Date of this Contract as security for the payment of all financial obligations and full performance of every provision of this Contract by Concessionaire. Failure to maintain the Payment and Performance Security as set forth herein will be an event of default hereunder.

Nothing in this Section will prevent Authority from requiring such additional Payment and Performance Security as it deems required to adequately protect Authority's interests.

Section 15.02 APPLICATION OF PAYMENT SECURITY

In the event Concessionaire fails to meet its financial obligations or fails to perform any obligation of this Contract, Authority, in addition to any other rights and remedies available by law or in equity, may, at any time, apply the Payment and Performance

Security or any part thereof toward the payment of Concessionaire's obligations and performance of Concessionaire's obligations under this Contract. In such event, within five (5) Days after written notice of application of the Payment and Performance Security, Concessionaire will restore the Payment and Performance Security to its original amount. Authority will not be required to pay Concessionaire any interest on the Payment and Performance Security. Authority's Chief Executive Officer or designee, upon fourteen (14) Days' written notice to Concessionaire, may require an increase in the amount of the Payment and Performance Security equal to no more than three (3) additional Months of rents, fees, charges and other payments because of increased obligations hereunder, or, if upon a review of Concessionaire's payment or performance history at the Airport, Authority determines an increase is required.

Section 15.03 RELEASE OF PAYMENT SECURITY

The release of the Payment and Performance Security will be subject to the satisfactory performance by Concessionaire of all terms, conditions, and covenants contained herein throughout the entire Term. Upon termination of this Contract, the release of Payment and Performance Security will not occur until all rents, fees, charges, other payments, and all obligations due to Authority are satisfied and Authority has accepted the findings of Concessionaire's audit or has successfully conducted an audit in accordance with the provisions of Section 4.15 of this Contract. In the event of a dispute as to the condition of the Exclusive Premises, only the amount in dispute will be retained for remedy. Authority will release the Payment and Performance Security without interest within thirty (30) Days of Concessionaire meeting all of the above requirements.

Section 15.04 GUARANTY OF CONTRACT

This Contract is contingent upon execution of a Limited Guaranty of Contract by the person or entity designated on the form shown in Exhibit D, Form of Guaranty of Contract.

Article XVI. PROPERTY DAMAGE

Section 16.01 PARTIAL DAMAGE

In the event all or a portion of the ConRAC or Exclusive Premises are partially damaged by fire, explosion, the elements, a public enemy, Act of God, or other casualty, but not rendered unusable, Concessionaire will give Authority immediate notice thereof, and Authority will make the necessary repairs with due diligence at its own cost and expense. Concessionaire will be required to comply with the obligations set forth in Article IX with respect to all work required to be performed in accordance with this Section.

Section 16.02 EXTENSIVE DAMAGE

In the event damages as a result of any event outlined in Section 16.01 are so extensive as to render all or a significant portion of the ConRAC or Exclusive Premises unusable, but capable of being repaired within one hundred twenty (120) Days,

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 76 of 94

omissions or negligence.

Section 16.07 WAIVER OF SUBROGATION

To the extent insurance permits, and then only to the extent collected or collectable by Concessionaire under its property insurance coverage, Concessionaire waives any and all claims against Authority and its Board members, directors, officers, agents, servants, volunteers and employees for loss or damage to property.

Article XVII. DAMAGING ACTIVITIES

Except for the Common Fuel System and Concessionaire's Petroleum Storage and Fuel Systems, no goods or materials will be kept, stored, or used in or in the ConRAC and Exclusive Premises that are flammable, explosive, hazardous (as defined in Article XIX) or that may be offensive or cause harm to the general public or cause damage to the ConRAC and Exclusive Premises. Nothing will be done in the ConRAC and Exclusive Premises other than as provided in this Contract that will increase the rate of or suspend the insurance on the ConRAC and Exclusive Premises or on any structure of the Authority. No machinery or apparatus will be used or operated in the ConRAC and Exclusive Premises that will damage the ConRAC and Exclusive Premises or adjacent areas; provided, however, that nothing in this Article will preclude Concessionaire from bringing or using on or about the ConRAC and Exclusive Premises, with approval by Authority, such materials, supplies, equipment, and machinery as are appropriate or customary in the operation of Concessionaire's business under this Contract.

Article XVIII. COMPLIANCE WITH LAWS, REGULATIONS, ORDINANCES AND RULES

Concessionaire, its officers, employees, agents, subcontractors, or those under its control, will at all times comply with applicable federal, state, and local laws and regulations, Airport Rules, Regulations, Policies, Procedures and Operating Directives as are now or may hereinafter be prescribed by Authority, all applicable health rules and regulations and other mandates whether existing or as promulgated from time to time by the federal, state, or local government, or Authority including, but not limited to, permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations and any other operational matters related to the operation of Airport.

Article XIX. ENVIRONMENTAL COMPLIANCE

A. General Conditions.

Notwithstanding any other provisions of this Contract, and in addition to any and all other requirements of this Contract or any other covenants, representations, or warranties of Concessionaire, Concessionaire hereby expressly covenants, warrants, and represents to Authority, in connection with Concessionaire's

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 78 of 94

Concessionaire will give Authority immediate notice thereof, and Authority will make the necessary repairs with due diligence, at its own cost and expense. Concessionaire will be required to comply with the obligations set forth in Article IX with respect to all work required to be performed in accordance with this Section.

Section 16.03 COMPLETE DESTRUCTION

In the event the ConRAC and Exclusive Premises are completely destroyed as a result of an event outlined in Section 16.01 and the damages render the entire ConRAC and Exclusive Premises unusable and the ConRAC and Exclusive Premises cannot be repaired within one hundred twenty (120) Days, Concessionaire will give Authority immediate notice thereof, and Authority will be under no obligation to repair, replace, or reconstruct said ConRAC and Exclusive Premises. In the event Authority elects not to repair, replace, or reconstruct said ConRAC and Exclusive Premises, Authority will not be required to provide alternative operating areas to Concessionaire and this Contract and the obligations of the Parties hereunder will terminate.

Section 16.04 ABATEMENT OF FEES

In the event of extensive damage or complete destruction as referenced in Section 16.02 and Section 16.03 above, the portion of the Ground Rent and MAPF attributable to unusable Exclusive Premises will abate from the date of casualty until such time as Authority issues notice to Concessionaire that the unusable portion of the ConRAC and Exclusive Premises can be re-occupied. For purposes of this Section 16.04, the portion of MAPF attributable to the unusable ConRAC and Exclusive Premises will be the proportion of MAPF equal to the proportion of the Gross Receipts attributable to the unusable ConRAC areas and Exclusive Premises bears to total Gross Receipts in the prior Contract Year. Notwithstanding the foregoing, in the event the ConRAC and Exclusive Premises are damaged or destroyed as a result of an act, omission, or negligence of Concessionaire, its employees, agents, representatives, invitees and/or subcontractors, Concessionaire's MAPF will not abate and Concessionaire will be responsible for all costs to repair or rebuild that portion of the ConRAC and Exclusive Premises damaged or destroyed as a result thereof.

Section 16.05 LIMITS OF AUTHORITY'S OBLIGATIONS DEFINED

Redecoration, replacement, and refurbishment of furniture, fixtures, equipment, and supplies will be the responsibility of and paid for by Concessionaire and will be of equivalent quality to that originally installed hereunder. Authority will not be responsible to Concessionaire for any claims related to loss of use, loss of profits, delay, or loss of business resulting from any partial, extensive, or complete destruction of the ConRAC and Exclusive Premises regardless of the cause of damage.

Section 16.06 ALTERNATE SPACE

Authority will use its best efforts to provide Concessionaire with alternate areas acceptable to Concessionaire to continue its operation while Authority makes repairs to the ConRAC and Exclusive Premises in accordance with the terms of Sections 16.01 and 16.02 of this Article, except for damages caused by Concessionaire's acts,

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 77 of 94

operations on the Exclusive Premises, the following:

1. Concessionaire is knowledgeable of and agrees to comply with all applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders that apply to Concessionaire's facilities or operations at the Exclusive Premises and acknowledges that such environmental laws, ordinances, rules, regulations, and orders change from time to time, and Concessionaire agrees to keep informed of any such future changes.
2. In addition to any and all other requirements of Concessionaire to indemnify and hold Authority harmless contained in this Contract, Concessionaire agrees to hold harmless and indemnify Authority, its Board Members, employees, officers and volunteers for any violation by Concessionaire of such applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders and for any non-compliance by Concessionaire with any permits issued to Concessionaire pursuant to such environmental laws, which hold harmless and indemnify will include but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures, and monitor environmental conditions and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against Concessionaire, its employees, invitees, suppliers, or service providers or against Authority by reason of Concessionaire's violation or non-compliance.
3. Concessionaire agrees to cooperate with any investigation, audit, or inquiry by Authority or any governmental agency regarding possible violation of any environmental law or regulation upon the Exclusive Premises.
4. Concessionaire agrees that all remedies of Authority as provided herein with regard to violation of any federal, state, or local environmental laws, ordinances, rules, regulations, or orders will be deemed cumulative in nature and will survive termination of this Contract.
5. Concessionaire agrees that any notice of violation, notice of non-compliance, or other enforcement action of the nature described herein will be provided to Authority within twenty four (24) hours of receipt by Concessionaire or Concessionaire's agent. Any violation or notice of violation or non-compliance with federal, state, or local environmental law or ordinance that Concessionaire fails to rectify within the cure period established in Article XII of this Contract will be deemed a default under this Contract. Any such default that is not cured will be grounds for termination of this Contract.
6. In entering this Contract, Authority expressly relies on the covenants, representations, and warranties of Concessionaire as stated herein.

B. Environmental Considerations.

1. Concessionaire, its officers, agents, servants, employees, invitees, independent contractors, successors, or assigns will not discharge or spill any Hazardous

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 79 of 94

Substance, as defined herein, into any component of the storm drainage system or onto any paved or unpaved area within the boundaries of the Exclusive Premises. In addition, Concessionaire will not discharge or spill any Hazardous Substance into any component of the sanitary sewer system without first neutralizing or treating same as required by applicable anti-pollution laws or ordinances, in a manner satisfactory to Authority and other public bodies, federal, state, or local, having jurisdiction over or responsibility for the prevention of pollution of canals, streams, rivers, and other bodies of water. Concessionaire's discharge, spill or introduction of any Hazardous Substance onto the Exclusive Premises or into any component of Authority's sanitary or storm drainage systems will, if not remedied by Concessionaire with all due dispatch and as required by all applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders, be deemed a default and cause for termination of this Contract by Authority, subject to notice and cure. Such termination will not relieve Concessionaire of or from liability for such discharge or spill.

2. If Concessionaire is deemed to be a generator of hazardous waste, as defined by federal, state, or local law, Concessionaire will obtain a generator identification number from the U.S. Environmental Protection Agency (EPA) and the appropriate generator permit and will comply with all federal, state, and local laws, and any rules and regulations promulgated thereunder, including but not limited to, ensuring that the transportation, storage, handling, and disposal of such hazardous wastes are conducted in full compliance with applicable law.
3. Concessionaire agrees to provide Authority, within 10 Days after Authority's request, copies of all hazardous waste permit application documentation, permits, monitoring reports, transportation, responses, storage and disposal plans, material safety data sheets and waste disposal manifests prepared or issued in connection with Concessionaire's use of the Exclusive Premises.
4. At the end of the Contract, Concessionaire will dispose of all solid and hazardous wastes and containers in compliance with all applicable regulations. Copies of all waste manifests will be provided to Authority at least 30 Days prior to the end of the Contract.

C. Hazardous Substance and Solid Waste.

1. The term "Hazardous Substance", as used in this Contract, will mean:
 - a. any substance the presence of which requires or may later require notification, investigation or remediation under any environmental law; or
 - b. any substance that is or becomes defined as a "hazardous waste", "hazardous material", "hazardous substance", "pollutant", or "contaminant" under any environmental law, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C §9601 et seq.), the Resources Conservation and Recovery Act (42 U.S.C. §6901 et seq.)

and the associated regulations; or

- c. any substance that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency, or instrumentality of the United States, any state of the United States, or any political subdivision within any state; or
 - d. any substance that contains gasoline, diesel fuel, oil, or other petroleum hydrocarbons or volatile organic compounds; or
 - e. any substance that contains polychlorinated biphenyls (PCBs), asbestos or urea Formaldehyde foam insulation; or
 - f. any substance that contains or emits radioactive particles, waves, or materials, including, without limitation, radon gas.
2. The term "Solid Waste", as used in this Contract, will mean:
- a. any waste that is or becomes defined as a "solid waste", "waste", "special waste", "garbage", or "commercial solid waste" under any environmental law, including but not limited to, the rules of FDEP, specifically Chapter 62-702, FAC; or
 - b. any waste that can require special handling and management, including but not limited to, white goods, waste tires, used oil, lead-acid batteries, construction and demolition debris, ash residue, yard trash, biological wastes, and mercury-containing devices and lamps; or
 - c. any waste that is not hazardous waste and that is not prohibited from disposal in a lined landfill under Rule 62-701.300, FAC; or
 - d. yard trash, construction and demolition debris, processed tires, asbestos, carpet, cardboard, paper, glass, plastic, or furniture other than appliances.

D. Prior Environmental Impacts.

Nothing in this Article will be construed to make Concessionaire liable in any way for any environmental impacts or release of Hazardous Substances, as defined herein, affecting the Exclusive Premises that occurred prior to Concessionaire's entry upon or occupancy of the Exclusive Premises by Concessionaire or that occurred as a result of the actions of Authority or any of its employees, agents, or contractors. Concessionaire and Authority acknowledge and agree that Exhibit J, Main ConRAC Baseline Environmental Report and Exhibit K, Service Center Site 4 Baseline Environmental Report, attached hereto and by this reference made a part hereof, state the condition of the Exclusive Premises at the Effective Date of this Contract. Concessionaire reserves the right to conduct its own environmental due diligence in

the form of a Phase 1 ESA (in accordance with ASTM 1527-13, as may be amended from time to time) and/or soil and/or groundwater baseline in the vicinity of the new fuel system. Such report will be made available to Authority upon completion.

E. Off-Site Contamination.

Nothing in this Article will be construed to make Concessionaire liable in any way for any environmental impacts or release of Hazardous Substances affecting the Exclusive Premises that occurs by reason of the migration or flow to the Exclusive Premises from verifiable or documented off-site contamination that is not attributable to Concessionaire's activities at the Exclusive Premises.

F. Petroleum Storage and Fuel Systems.

1. At Concessionaire's expense, Concessionaire will at all times comply with all federal, state, or local requirements, including but not limited to the regulations of the FDEP as stated in Chapters 62-761 and 62-762, FAC, the requirements of 40 CFR Part 112, as well as the requirements of the EPC as may be amended or replaced, pertaining to petroleum storage tank and piping system construction, operation, inspection, and compliance monitoring programs; release detection methods and procedures; maintenance; and preventative maintenance programs. Concessionaire will be responsible for all spillage, overflow, or escape of gases, petroleum or petroleum products, and for all fines and penalties in connection therewith. All petroleum storage systems will be registered by Concessionaire, and Concessionaire will display the registration placard as required by law.
2. Concessionaire will train its employees and employees of fuel suppliers on proper fuel delivery and dispensing procedures with an emphasis on safety as well as on spill prevention and response. All fuel delivered to or dispensed from fuel farm facilities will be attended by a Concessionaire employee. Concessionaire will comply with all requirements of 40 CFR Part 112, as may be revised or amended. As a result, Concessionaire will prepare and implement a Spill Prevention Control and Countermeasure plan as applicable. Notification and response related to the spill or release of petroleum products will be in compliance with FDEP regulations as well as EPC's requirements.
3. Concessionaire will strictly comply with safety and fire prevention ordinances of the City of Tampa and Hillsborough County and all applicable safety regulations at the Exclusive Premises that may be adopted by the Authority. Concessionaire will provide adequate fire extinguishers and will establish a fuel dispensing operations manual for its employees and submit a copy to Authority.
4. Concessionaire is responsible for all costs and expenses that may be incurred as a result of compliance with this section.

G. Stormwater.

Notwithstanding any other provisions or terms of this Contract, Concessionaire acknowledges that certain properties within the Exclusive Premises or on Authority-owned land are subject to stormwater rules and regulations. Concessionaire agrees to observe and abide by such stormwater rules and regulations as may be applicable to the Exclusive Premises, and, if applicable, Concessionaire hereby expressly covenants, warrants, and represents to Authority, in connection with Concessionaire's operations on the Exclusive Premises, the following:

1. At Authority's request, Concessionaire may be required to submit a Notice of Intent to use the State of Florida Multi-Sector General Permit for Stormwater Discharge Associated with Industrial Activity. Authority and Concessionaire both acknowledge that close cooperation is necessary to ensure compliance with any stormwater discharge permit terms and conditions, as well as to ensure safety and to minimize the cost of compliance. Concessionaire acknowledges further that it may be necessary to undertake actions to minimize the exposure of stormwater to "significant materials" (as such term may be defined by applicable stormwater rules and regulations) generated, stored, handled, or otherwise used by Concessionaire by implementing and maintaining "best management practices" (BMPs) (as such term may be defined in applicable stormwater rules and regulations). Concessionaire will establish a BMP Plan for the Exclusive Premises and submit a copy to Authority.
2. Concessionaire will be knowledgeable of any stormwater discharge permit requirements applicable to Concessionaire and with which Concessionaire will be obligated to comply. The submittal of a Notice of Intent will be made by Concessionaire to the FDEP; a copy will be submitted to Authority. Concessionaire is required to comply with the following requirements including but not limited to: certification of non-stormwater discharges; collection of stormwater samples; preparation of a Stormwater Pollution Prevention Plan or similar plans; implementation of BMPs; and maintenance and submittal of necessary records. In complying with such requirements, Concessionaire will observe applicable deadlines set by the regulatory agency that has jurisdiction over the permit. Concessionaire agrees to undertake, as its sole expense, those stormwater permit requirements for which it has received written notice from the regulatory agency and that apply to the Exclusive Premises, and Concessionaire agrees that it will hold harmless and indemnify Authority for any violations or non-compliance with any such permit requirements.

H. Environmental Inspection at End of Contract Term.

1. At least one hundred twenty (120) Days before the expiration or early termination of the Term, as provided herein, Concessionaire will conduct an environmental inspection and examination of the Exclusive Premises. At its discretion, the Authority may complete environmental reviews to determine if recognized environmental conditions exist that could warrant soil and groundwater sampling.

If warranted by the findings of Concessionaire or Authority's inspection or if requested by the Authority, a compliance audit or site assessment will be performed within the aforementioned time period by a qualified professional acceptable to the Authority who will report the findings to the Authority. The cost for professional consulting or engineering services required for such compliance audit or site assessment will be at the expense of Concessionaire. If a site assessment is conducted, Concessionaire agrees to pay all associated laboratory and testing fees incurred to test and analyze samples collected during the site assessment process. Authority may also choose to conduct the compliance audit or site assessment. If the results of the compliance audit or site assessment indicate that Exclusive Premises have been impacted by the release of Hazardous Substances or hazardous waste is detected, Concessionaire will immediately take such action as is necessary and will provide a substantial guaranty in a form and content acceptable to Authority that Concessionaire will clean up the contamination at its own expense, at no expense to Authority, and in accordance with applicable federal, state, and local law to the extent that it is obligated to do so by virtue of the foregoing provisions of this Article.

- 2. During the period of a cleanup due to the environmental condition of the Exclusive Premises or Common Concessionaire Areas, Concessionaire's obligations, including the payment of rents, charges, and fees, under the existing terms of the Contract will continue in full force and effect, in addition to any other damages for which Concessionaire may be liable.
- 3. The firm conducting cleanup work must be approved by Authority, and the methodology used by such firm will be consistent with engineering practices and methods required by the State of Florida or the United States government.

Article XX. AIRPORT SECURITY

Concessionaire, its officers, employees, agents, subcontractors, and those under its control, will comply with safety, operational, or security measures required of Concessionaire or Authority by the FAA or TSA. If Concessionaire, its officers, employees, agents, subcontractors or those under its control fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against Authority, then, in addition to any other remedies available to Authority, Concessionaire will be responsible and will reimburse Authority in the full amount of any such monetary penalty or other damages. This amount must be paid by Concessionaire within fifteen (15) Days from the date of the invoice or written notice.

Article XXI. AMERICANS WITH DISABILITIES ACT

Concessionaire will comply with the applicable requirements of the Americans with Disabilities Act; the Florida Americans with Disabilities Accessibility Implementation Act; Florida Building Code, Chapter 11, Florida Accessibility Code for Building Construction;

constitute any release of the Concessionaire's obligation to perform and to make all of the payments required under this Contract.

Article XXVII. ORGANIZATIONAL STANDING

The undersigned representative of Concessionaire hereby warrants and certifies to Authority that Concessionaire is an organization in good standing in its state of registration, that it is authorized to do business in the State of Florida, and that the undersigned Officer is authorized and empowered to bind the organization to the terms of this Contract by his or her signature and seal thereto.

Article XXVIII. NON-EXCLUSIVE RIGHTS

This Contract will not be construed to grant or authorize the granting of an exclusive right within the meaning of 49 USC 40103(e) or 49 USC 47107(a), as may be amended from time to time, and related regulations.

Article XXIX. RIGHT TO DEVELOP AIRPORT

It is covenanted and agreed that Authority, in its sole and absolute discretion, reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Concessionaire or its subcontractors and without interference or hindrance.

Article XXX. APPLICABLE LAW AND VENUE

This Contract will be construed in accordance with the laws of the State of Florida. Venue for any action brought pursuant to this Contract will be in Hillsborough County, Florida, or in the Tampa Division of the U.S. District Court for the Middle District of Florida.

Concessionaire hereby waives any claim against Authority and its officers, Board members, agents, or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Contract or any part hereof, or by any judgment or award in any suit or proceeding declaring this Contract null, void, or voidable, or delaying the same, or any part hereof, from being carried out.

Article XXXI. ATTORNEYS' FEES AND COSTS

In the event legal action is required by Authority to enforce this Contract, Authority will be entitled to recover costs and attorneys' fees, including in-house attorney time (fees) and appellate fees.

and any similar or successor laws, ordinances, rules, standards, codes, guidelines and regulations and will cooperate with Authority concerning the same subject matter.

Article XXII. FAA APPROVAL

This Contract may be subject to approval of the FAA. If the FAA disapproves this Contract, it will become null and void, and both Parties will bear their own expenses relative to this Contract, up to the date of disapproval.

Article XXIII. RIGHT OF FLIGHT

Concessionaire expressly agrees for itself, its successors and assigns, to prevent any use of the ConRAC and Exclusive Premises which would interfere with or adversely affect the operation or maintenance of Airport, or otherwise constitute an Airport hazard.

Article XXIV. FEDERAL RIGHT TO RECLAIM

In the event a United States governmental agency demands and takes over the entire facilities of the Airport or the portion thereof wherein the Exclusive Premises are located, for public purposes, for a period in excess of ninety (90) Days, then this Contract will terminate and Authority will be released and fully discharged from any and all liability hereunder. In the event of such termination, Concessionaire's obligation to pay rent will cease; however, nothing herein will be construed as relieving either Party from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination.

Article XXV. PROPERTY RIGHTS RESERVED

This Contract will be subject and subordinate to all the terms and conditions of any instruments and documents under which Authority acquired the land or improvements thereon, of which said ConRAC and Exclusive Premises are a part. Concessionaire understands and agrees that this Contract will be subordinate to the provisions of any existing or future agreement between Authority and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity. The Concessionaire shall not take any actions that would violate any of the funding requirements and other obligations that are addressed in this Article.

Article XXVI. ASSIGNMENT AND SUBCONTRACT

Concessionaire will not assign this Contract or sublease its Exclusive Premises without the prior written consent of Authority which may be withheld by the Authority in its sole and absolute discretion. Any assignment or subcontract permitted by Authority will not

Article XXXII. RIGHT TO AMEND

In the event that the FAA or its successors requires amendments, modifications, revisions, supplements, or deletions in this Contract as a condition precedent to the granting of funds for the improvement of the Airport, Concessionaire agrees to consent to such amendments, modifications, revisions, supplements, or deletions to this Contract as may be reasonably required to obtain such funds; provided, however, that in no event will Concessionaire be required, pursuant to this paragraph, to agree to an increase in the monetary obligations or charges provided for hereunder.

Article XXXIII. HEADINGS

The headings contained herein, including the Table of Contents, are for convenience in reference and are not intended to define or limit the scope of any provisions of this Contract. If for any reason there is a conflict between content and headings, the content will control.

Article XXXIV. NOTICES AND COMMUNICATIONS

All notices or communication, whether to Authority or to Concessionaire pursuant hereto will be deemed validly given, served, or delivered upon receipt by the party by hand delivery certified mail, return receipt requested, or one Day after depositing such notice or communication with a reputable overnight courier service, and addressed as follows:

**TO AUTHORITY:
(MAIL DELIVERY)**
Hillsborough County Aviation Authority
Tampa International Airport
P.O. Box 22287
Tampa, Florida 33622-2287
Attn: Chief Executive Officer

**TO CONCESSIONAIRE:
(MAIL DELIVERY)**

**OR
(HAND DELIVERY)**
Hillsborough County Aviation Authority
Tampa International Airport
Administrative Offices Bldg., 2nd floor
4160 George J. Bean Parkway
Suite 2400
Tampa, Florida 33607
Attn: Chief Executive Officer

(HAND DELIVERY)

or to such other address as either party may designate in writing by notice to the other Party delivered in accordance with the provisions of this Article.

If the notice is sent through a mail system, a verifiable tracking documentation, such as a certified return receipt or overnight mail tracking receipt, is encouraged.

Article XXXV. SUBORDINATION TO CFC TRUST AGREEMENT

This Contract and all rights of Concessionaire hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made at any time by Authority to secure financing. This Contract is subject and subordinate to the terms, covenants, and conditions of the CFC Trust Agreement made by Authority authorizing the issuance of bonds by Authority. Conflicts between this Contract and the documents mentioned above will be resolved in favor of such documents.

Article XXXVI. RELATIONSHIP OF THE PARTIES

Concessionaire is and will be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and Authority will in no way be responsible therefore. No third-party reliance or third-party liability will be contemplated by this Contract.

Article XXXVII. AUTHORITY APPROVALS

Except as otherwise indicated elsewhere in this Contract, wherever in this Contract approvals are required to be given or received by Authority, it is understood that the Authority's Chief Executive Officer, or a designee of the Authority's Chief Executive Officer, is hereby empowered to act on behalf of Authority.

Article XXXVIII. SEVERABILITY

The invalidity of any part, portion, article, paragraph, provision, or clause of this Contract will not have the effect of invalidating any other part, portion, article, paragraph, provision, or clause thereof, and the remainder of this Contract will be valid and enforced to the fullest extent permitted by law.

Article XXXIX. TIME IS OF THE ESSENCE

Time is of the essence of this Contract.

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 88 of 94

- A. Keep and maintain public records that ordinarily and necessarily would be required by Authority.
- B. Provide the public with access to public records on the same terms and conditions that Authority would provide the public records and at a cost that does not exceed the cost provided in Chapter 119 of Florida Statutes or as otherwise provided by law.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.
- D. Meet all requirements for retaining public records and transfer, at no cost, to Authority all public records in possession of Concessionaire upon termination of this Contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to Authority in a format that is compatible with Authority's information technology systems.

Article XLIV. DATA SECURITY

Concessionaire will establish and maintain safeguards against the destruction, loss or alteration of Authority data or third party data that Concessionaire may gain access to or be in possession of in the performance of this Contract. Concessionaire will not attempt to access, and will not allow its personnel access to, Authority data or third party data that is not required for the performance of the services of this Contract by such personnel.

Concessionaire will adhere to and abide by the security measures and procedures established by Authority. In the event Concessionaire or Concessionaire's subcontractor (if any) discovers or is notified of a breach or potential breach of security relating to Authority data or third party data, Concessionaire will promptly: (i) notify Authority of such breach or potential breach; and ii) if the applicable Authority data or third party data was in the possession of Concessionaire at the time of such breach or potential breach, Concessionaire will investigate and cure the breach or potential breach.

Article XLV. FLORIDA PUBLIC ENTITY CRIMES

Concessionaire attests compliance with Florida Statute Section 287.133, concerning public entity crimes.

Article XLVI. RADON GAS NOTIFICATION

RADON GAS NOTIFICATION: In accordance with requirements of the State of Florida, the following notification statement will be included in all agreements relating to rental of real property. This is provided for information purposes only.

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 90 of 94

Article XL. SIGNATURES

Section 40.01 SIGNATURE OF PARTIES

It is an express condition of this Contract that it will not be complete or effective until signed by Authority and by Concessionaire.

Section 40.02 COUNTERPARTS

This Contract may be executed in one or more counterparts, each of which will be deemed an original and all of which will be taken together and deemed to be one instrument.

Article XLI. SCRUTINIZED COMPANIES LIST

This Contract will be terminated in accordance with Florida Statute Section 287.135(3) if it is found that Concessionaire submitted a false Scrutinized Company Certification as provided in Florida Statute Section 287.135(5) or has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.

Article XLII. AGENT FOR SERVICE OF PROCESS

It is expressly agreed and understood that if Concessionaire is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, then in any such event Concessionaire does designate the Secretary of State, State of Florida, as its agent for the purpose of service of process in any court action between it and Authority arising out of or based upon this Contract, and the service will be made as provided by the laws of the State of Florida for service upon a non-resident. It is further expressly agreed, covenanted, and stipulated that if for any reason service of such process is not possible, and Concessionaire does not have a duly noted resident agent for service of process, as an alternative method of service of process, Concessionaire may be personally served with such process out of this State, by the registered mailing of such complaint and process to Concessionaire at the address set out in this Contract. Such service will constitute valid service upon Concessionaire as of the date of mailing. Concessionaire will have thirty (30) Days from date of mailing to respond thereto. It is further expressly understood that Concessionaire hereby agrees to the process so served, submits to the jurisdiction of the court, and waives any and all obligation and protest thereto, any laws to the contrary notwithstanding.

Article XLIII. COMPLIANCE WITH PUBLIC RECORDS LAW

Concessionaire agrees in accordance with Florida Statute Section 119.0701 to comply with public records laws at all times during the Term of this Contract including the following:

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 89 of 94

RADON GAS: Radon is naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health department.

Article XLVII. HAZARDOUS SUBSTANCES AND OSHA COMPLIANCE

- A. Except as otherwise set forth herein, no goods, merchandise or material will be kept or stored by Concessionaire at the Airport which are explosive or hazardous; and no offensive or dangerous trade, business or occupation will be carried on therein or thereon. Nothing will be done in the performance of this Contract which will increase the rate of or suspend any insurance policy or coverage of Authority.
- B. Concessionaire assures that all materials, equipment, and all other items used in the performance of this Contract are in compliance with Occupational Safety and Health Administration (OSHA).

Article XLVIII. NON-DISCLOSURE

- A. All written and oral information and materials (hereinafter referred to as Information) disclosed or provided by Authority to Concessionaire under this Contract will not be disclosed by Concessionaire, whether or not provided before or after the date of this Contract.
- B. The Information will remain the exclusive property of Authority and will only be used by Concessionaire for purposes permitted under this Contract. Concessionaire will not use the Information for any purpose which might be directly or indirectly detrimental to Authority or any of its affiliates or subsidiaries.
- C. Concessionaire will prevent the unauthorized use, disclosure, dissemination or publication of the Information. Concessionaire agrees that it will cause its employees and representatives who have access to the Information to comply with these provisions and Concessionaire will be responsible for the acts and omissions of its employees and representatives with respect to the Information.
- D. Concessionaire agrees that any disclosure of the Information by Concessionaire's employees and/or representatives will be deemed a breach of this Contract. Concessionaire agrees that in the event of any breach or threatened breach by Concessionaire of its non-disclosure obligation, Authority may obtain such legal remedies as are available, and, in addition thereto, such equitable relief as may be necessary to protect Authority.
- E. The non-disclosure obligation imposed on Concessionaire under this Contract will survive the expiration or termination, as the case may be, of this Contract and the

Tampa International Airport
On-Airport Vehicle Rental Concession
Contract
ITB No. 15-534-004

CONTRACT

June 4, 2015
Page 91 of 94

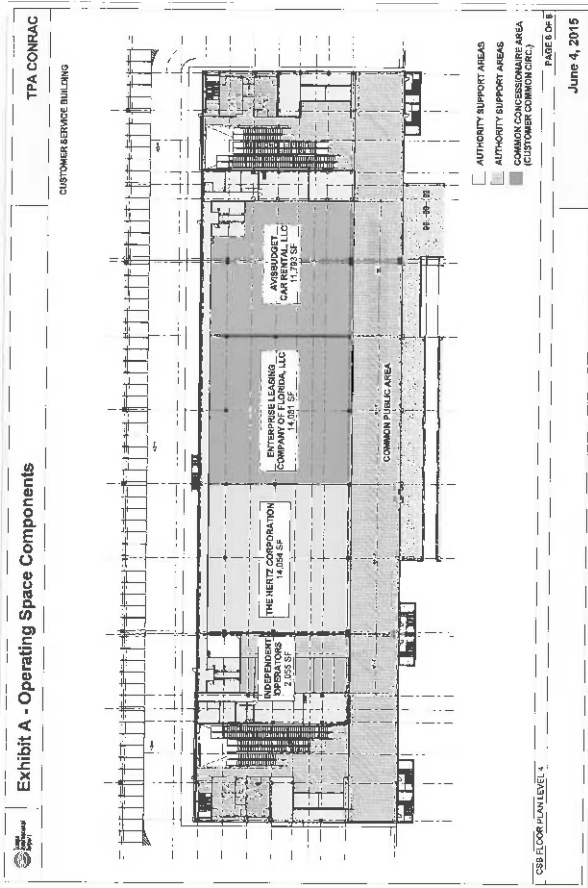
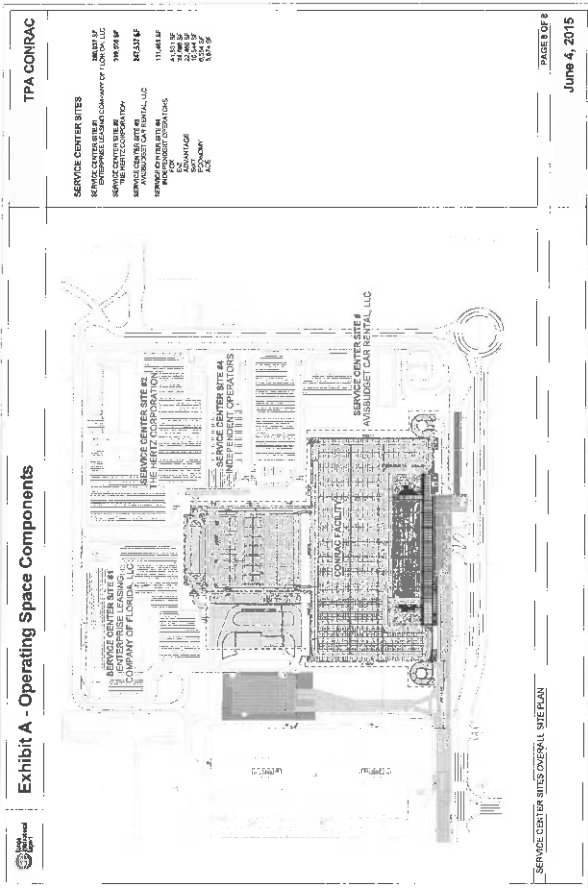


EXHIBIT B - MONTHLY GROSS RECEIPTS REPORT

Company Name: _____
 Monthly Reporting Form For the Month Of: _____
 Statement of Gross Receipts and Fees due to Hillsborough County Aviation Authority as required by Section 4.12

	Privilege Fee	Gross Receipts
TIME & RELEASE		\$0.00
DRUG CHARGE		\$0.00
BABY SEAT		\$0.00
UPGRADES		\$0.00
UNUSUAL AND ADDITIONAL UNWEH		\$0.00
PERSONAL ACCIDENT INSURANCE		\$0.00
COLLISION DAMAGE WAIVER		\$0.00
EXCESS LIABILITY		\$0.00
PERSONAL EFFECTS COVERAGE		\$0.00
OTHER INSURANCE COVERAGE		\$0.00
FUEL		\$0.00
SALES TAXES		\$0.00
STATE SURCHARGE		\$0.00
CUSTOMER FACILITY CHARGE		\$0.00
TOLL TRANSPONDERS		\$0.00
TOLL SERVICE REVENUE		\$0.00
LOSS OF USE REVENUE		\$0.00
CONCESSION RECOVERY FEE		\$0.00
OTHER REVENUE (666209)		\$0.00
OTHER REVENUE (666209)		\$0.00
GROSS RECEIPTS		\$0.00
LESS:		
EXCLUSIONS PER SECTION 4.01(B)		
DISCOUNTS	(\$0.00)	
ADJUSTMENTS	(\$0.00)	
SALES TAXES	(\$0.00)	
CONCESSION RECOVERY FEE	(\$0.00)	
STATE SURCHARGE	(\$0.00)	
CUSTOMER FACILITY CHARGE	(\$0.00)	
TOTAL DEDUCTIONS	\$0.00	
GROSS RECEIPTS SUBJECT TO PRIVILEGE FEES	\$0.00	
PRIVILEGE FEE	\$0.00	
The Greater Of:		
(A) 10% of Gross Receipts		
(B) Minimum Annual Privilege Fee (Paid for the reporting month)		
LESS: Minimum Privilege Fee Paid for the reporting month	\$0.00	
Charge Privilege Fee Due		\$0.00
Number of Contract Days:	0	\$0.00
X \$5.00 Customer Facility Charge *		\$0.00
TOTAL DUE WITH THIS REPORT		0

Contract Day: The period of time up to 24 hours from the opening of the Vehicle Rental Contract to the close of the Vehicle Rental Contract. In the event Concessionaire offers a grace period for vehicle rental returns, such grace period will be considered the same Contract Day. If a vehicle return exceeds Concessionaire's grace period, then another Contract Day will be applicable even if customer is charged hourly and not a full additional day. The number of Contract Days will be applicable to the calculation of OFCs due to the Authority pursuant to Section 4.12(2)(c).

Grace Period: The period of time after the Airport Customer's rental vehicle is due, when Concessionaire does not apply any additional charges.

Total number of Contract Days: _____
 Average rental price (total rental): _____
 Authorized company official: _____

Name of Company Official (Printed): _____ Title of Company Official: _____ Phone Number: _____
 E-Mail Address: _____
 Signature: _____ Date: _____

Tampa International Airport
 On Airport Vehicle Rental Concession
 Exhibit B, Monthly Gross Receipts Report
 June 4, 2015

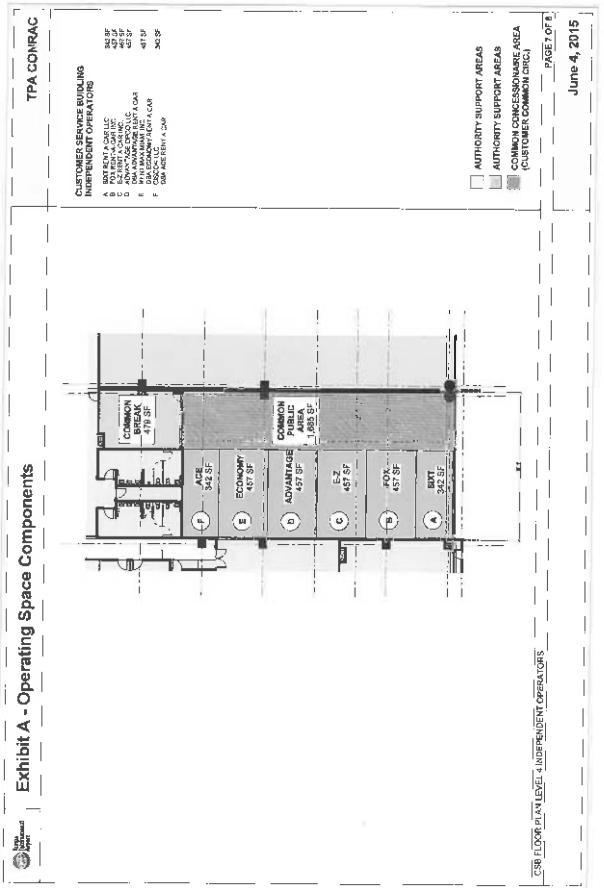


EXHIBIT C - MONTHLY RENTAL SALES INFORMATION
RENTALS FOR TAMPA INTERNATIONAL AIRPORT

	DATE OUT
	DATE IN
	RA NUMBER
	TIME & MILEAGE
	LDW CHARGES
	TOTAL OTHERS
	TOLL SERVICE
	WEAR/TEAR
	LOSS OF USE
	FUEL
	VEH LICENSE / TIRE
	BATH / 333 NILES TAX
	RECOVERY FEES
	\$2 ON / DAY FL
	SURCHARGE
	FL SALES TAX
	UPGL ADD'L DRIV
	UNDERAGE
	MISC & OTHER
	REVENUE
	DISCOUNTS
	ADJUSTMENTS
	VOIDS
	AIRPORT FEE (10%)
	CRG (85.0000%)
	TITLE CHARGES
	ORIG. CHECK CARD
	ADVANCE DEPOSIT
	AMOUNT OF VOUCHER
	PAYMENT
	(COMPANY NAME) -
	YOUR VOUCHER
	NO. OF CONTRACT
	DAYS

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit C, Monthly Rental Sales Information
ITB No. 15-534-004

June 4, 2015

EXHIBIT D FORM OF GUARANTY OF CONTRACT

WHEREAS, a certain Contract, more fully described below, has been or will be executed:

Location: Tampa International Airport
Administrative Offices Bldg., 2nd Floor
4160 George J. Bean Parkway Suite 2400
Tampa, Florida 33607

Authority: Hillsborough County Aviation Authority

Concessionaire: Advantage Opco, LLC d/b/a Advantage Rent A Car

Guarantor:

WHEREAS, Authority under said Contract requires as a condition to its execution of said Contract that the undersigned (hereinafter referred to as Guarantor) guarantee the full performance of the obligations of Concessionaire under said Contract; and

WHEREAS, the undersigned is desirous that Authority enter into said Contract with Concessionaire.

NOW THEREFORE, in consideration of the execution of said Contract by Authority, Guarantor hereby unconditionally guarantees the complete and timely performance of each and all of the terms, covenants and conditions of said Contract to be kept and performed by said Concessionaire, including the payment of all Ground Rent and all other rent, fees and other charges to accrue thereunder. Guarantor further agrees as follows:

1. That this Guaranty shall continue in favor of Authority notwithstanding any extension, modifications, or alteration of said Contract entered into by and between the parties thereto, or their successors or assigns, notwithstanding any assignment of said Contract, with or without the consent of Authority, and no extension, modification, alteration or assignment of the above referred-to Contract shall in any manner release or discharge Guarantor and it does hereby consent thereto; and
2. This Guaranty will continue unchanged by any bankruptcy, reorganization or insolvency of Concessionaire or any successor or assignee thereof or by any disaffirmance or abandonment by a trustee to Concessionaire; and
3. Authority, may, without notice, assign this Guaranty in whole or in part, and no assignment or transfer of the Contract shall operate to extinguish or diminish the liability of Guarantor hereunder; and
4. The liability of Guarantor under this Guaranty shall be primary and, in any

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit D, Form of Guaranty of Contract
ITB No. 15-534-004

Page 1 of 2
June 4, 2015

Exhibit E, ConRAC Operations & Maintenance Standards

GENERAL OPERATIONS & MAINTENANCE RESPONSIBILITIES:

The Consolidated Rental Car Facility (ConRAC) is intended to be in operation twenty-four (24) hours per day and seven (7) days a week. It must be operated and maintained to meet the needs of the customers, visitors, and employees and in accordance with the terms of the Lease and Concession Contract for On-Airport Vehicle Rental Concession at Tampa International Airport (Contract).

The Hillsborough County Aviation Authority (Authority) is responsible for the operations and maintenance of the Common Public Areas in the Customer Service Building and circulation cores as well as landscaping on the exterior of the ConRAC. Concessionaires are responsible for the operations and maintenance of the Exclusive Premises and Common Concessionaire Areas. Concessionaires may delegate these responsibilities to a ConRAC Facility Manager. However, in all circumstances, it is ultimately the responsibility of the Concessionaires to ensure that their Exclusive Premises and the Common Concessionaire Areas are operated and maintained in accordance with Authority standards as required by the Contract, including all appendices and attachments thereto.

Responsibilities of the Concessionaires include but are not limited to:

- 1) Provide custodial services, including supplies;
- 2) Dispose of trash, debris, and/or other refuse;
- 3) Maintain and keep in good condition all ConRAC building finishes, including:
 - a) Floors (concrete, terrazzo, carpet, VCT, etc.)
 - b) Walls (paint or wall covering on gypsum drywall, ceramic tile, concrete, masonry, special coatings)
 - c) Ceilings (Lay-in Acoustical, painted gypsum drywall, etc.)
 - d) Restroom partitions (maintain in good working order; repair or replace where damaged or vandalized)
 - e) Exterior Metal Wall Panels
 - f) Exposed / Painted steel
 - g) Other ConRAC building finishes as directed by Authority.
- 4) Maintain and keep in good condition all equipment, including:
 - a) Heating Ventilating Air Conditioning (HVAC) and other mechanical systems
 - b) Plumbing systems
 - c) Electrical systems
 - d) Fire protection and safety systems as determined by Authority
 - e) Other equipment as directed by Authority.
- 5) Provide general repairs and maintenance, including painting;

right of action that shall accrue to Authority under the Contract, Authority may, at its option, proceed against the undersigned without having commenced any action or obtained any judgment against Concessionaire; and

5. Guarantor shall pay Authority's reasonable attorney fees and all costs and other expenses incurred in any negotiations, action or proceeding commenced to enforce this Guaranty; and
6. Guarantor hereby waives notice of any demand by Authority as well as of any notice of Concessionaire's default in the payment of rent or any other amounts contained or reserved in the Contract; and
7. Guarantor hereby consents to personal jurisdiction and venue in the state and judicial district in which the Exclusive Premises is located.

The use of the singular herein shall include the plural. The obligation of two or more parties shall be joint and several. The terms and provisions of this Guaranty shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successor and assigns of the parties herein named.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty of Contract to be executed as of the effective date of the above mentioned Contract.

Corporate Seal:

By: _____
Title: _____
Printed Name: _____
Date: _____
Address: _____
City, State, Zip: _____
Telephone: _____

NOTE: If Guarantor is a corporation, its authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. This Guaranty must be executed by the President or Vice President and the Secretary or Assistant Secretary, unless the bylaws or a resolution of Authority of Directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, shall be attached to this Guaranty. The appropriate corporate seal should be affixed hereto.

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit D, Form of Guaranty of Contract
ITB No. 15-534-004

Page 2 of 2
June 4, 2015

Page 1 of 0

Exhibit E, ConRAC Operations & Maintenance Standards

- 6) Maintain all utility (electrical, gas and water) services, including maintenance and repair of all utility lines (in connection with the utility service provider and/or the Authority);
- 7) Maintain parking lots, sidewalks, and roadways and ramps within the QTA Areas, Ready Return Area, and around the Service Center Sites and the ConRAC;
- 8) Maintain all office and storage areas, including non-Authority telecommunications rooms;
- 9) Operate and maintain access control systems leading to and from the QTA Areas. (The Authority will require the use of the access control system in support of Authority's day-to-day operations and emergency response requirements.);
- 10) Provide custodial services within the Exclusive Premises and Common Concessionaire Areas;
- 11) Develop an emergency plan(s) for the ConRAC. The emergency plan(s) will be submitted to the Authority for review and comment not less than thirty (30) days prior to the Contract Commencement Date, and
- 12) Repair and maintain pedestrian and vehicle way-finding signage located within the ConRAC.

MAINTENANCE REQUIREMENTS:

Concessionaires will submit a preventative and routine cleaning and maintenance program schedule to the Authority for approval at least thirty (30) days prior to the Contract Commencement Date. The following general requirements apply to the Exclusive Premises and Common Concessionaire Areas and will be incorporated into the preventative and routine cleaning and maintenance program schedule:

- 1) Routine service schedules will conform to warranty and/or manufacturers' requirements.
 - Routine service work will be scheduled in advance and will be completed on time. Maintain detailed database of routine service and warranty work history.
- 2) Windows / Skylights
 - Check for and maintain weather-tightness
 - Check for operation (as applicable)
 - Clean (interior and exterior)
- 3) Doors
 - Interior Doors
 - a) Check closers, locks and hinges
 - b) Check frame and operation
 - Exterior Doors

Exhibit E, ConRAC Operations & Maintenance Standards

- a) Check closers, locks and hinges
- b) Check frame and operation
- Overhead Doors
 - a) Lube door tracks
 - b) Check operation
- 4) Structure
 - Check walls for unusual cracks (building settlement)
 - Check for and repair (as necessary) cracks in concrete floors
 - Check for drainage or leakage
 - Immediately report structural issues to the Authority
- 5) Heating, Ventilating, and Air Conditioning Systems (HVAC)
 - Replace filters (4x per year minimum)
 - Clean condenser coils (1x per year or as recommend by manufacturer)
 - Clean evaporator coils
 - Check and replace belts
 - Check cooling operation
 - Check heating operation
 - Lubricate bearings and motors
 - Calibrate thermostats
 - Operate and maintain the building control system components for the Exclusive Premises and Common Concessionaire Areas.
- 6) Electrical Systems
 - Check all circuit breakers for trips
 - Check for damaged outlets, switches and conduit boxes
 - Have panel lugs checked and infrared scanned (annually, or as otherwise delineated in the preventative and routine cleaning and maintenance program schedule)
 - Repair/replace plumbing systems and fixtures within the Common Concessionaire Areas and Exclusive Premises (as needed)
- 7) Lighting Systems
 - Check for lamp outage (daily)
 - Provide all lighting maintenance including the cleaning of fixtures and lamp and ballast replacement (as needed)
 - Check emergency light fixtures, exit signs and test batteries (monthly)
 - Check time clocks for parking lot lighting (twice daily: on at dusk, off at sunrise)
 - Check lights, entrance and exit signage (daily)
- 8) Plumbing
 - Check for plumbing fixture leaks (i.e. faucets, hose bibs, valves and showers) (weekly)

Exhibit E, ConRAC Operations & Maintenance Standards

- Check for clogged sanitary lines (daily)
 - Repair/replace plumbing systems and fixtures within the Common Concessionaire Areas and Exclusive Premises (as needed)
- 9) Ready/Return Areas
 - Conduct visual inspections and evaluation of the Exclusive Premises and Common Concessionaire Areas within the Ready/ Return areas, including but not limited to:
 - a) Lighting
 - b) Striping
 - c) Signage
 - d) Bollards
 - e) Walkways
 - f) Stairways
 - g) Egress areas
 - h) Car stops
 - i) Headache bars
 - Perform the following activities within the Ready/ Return Area:
 - a) Paint curbs (minimum once annually)
 - b) Pavement striping (minimum once annually)
 - c) Perform preventative maintenance on tiger teeth and gate arms (as needed)
 - d) Pick up trash (daily)
 - e) Clean out storm drains (minimum once annually)
 - f) Sweep (weekly)
 - g) Pressure wash
 - 10) Third-party service provider contracts:
 - Pest Control
 - a) Spray for bugs (minimum once monthly, or more frequently as required)
 - b) Provide animal control (as needed/required)
 - Cleaning
 - a) Provide for daily service
 - b) Check floors, walls, cabinets, desks, counters, rest rooms, windows, carpeting, seating, fixtures, paper products, and booths for cleanliness
 - Fire Alarm/Fire Suppression
 - a) Check smoke detectors (minimum semi-annually)
 - b) Check fire extinguishers (monthly)
 - c) Check sprinkler system (annually)
 - d) Check fire pump (monthly) (Check for leaks & check pressure gauges)
 - e) Check pull boxes (annually)
 - f) Check annunciator panel (monthly)
 - g) Check call signal to alarm company (weekly)

Exhibit E, ConRAC Operations & Maintenance Standards

- Fuel Management
 - a) Tanks, pumps, and fuel delivery system
 - b) Necessary repairs as required
- HVAC Management
 - a) Regular maintenance/cleaning
 - b) Necessary repairs as required
- 11) Trash Removal
 - Check trash containers several times daily for capacity and remove to Trash Compactor
 - Clean area around Trash Compactor and ensure Service Yard remains clean
- 12) Safety & Security
 - Plan and stage any safety drills as may be required or prudent, in coordination with the Authority. This includes development of the written safety plan
 - Develop and maintain a security plan for operations. The security plan will be developed in conjunction with Authority policy requirements and Concessionaires' goals
 - Develop and maintain a safety plan for operations. The safety plan will be developed in conjunction with Authority policy requirements and Concessionaires' goals

CONRAC FACILITY MANAGER GENERAL RESPONSIBILITIES AND REQUIREMENTS

- 1) Have a named manager and supervisor(s) which serve as Authority's point of contact for the operation.
- 2) Be available twenty-four (24) hours per day and seven (7) days a week and maintain up-to-date contact information with the Authority.
- 3) At Authority's request, develop a customer comment process that includes the ability to receive, track, and respond to customer comments in a timely fashion. The customer comment process will be developed with assistance from Authority staff and will require Authority approval prior to its implementation or any significant future modification.
- 4) Provide to the Concessionaires the training necessary to operate the equipment and systems in the ConRAC, including QTA Areas.
- 5) ConRAC Facility Manager and any service providers hired by ConRAC Facility Manager are not authorized to speak to the media on behalf of the Authority or Tampa International Airport.
- 6) Ensure compliance with service provider personnel requirements, including but not limited to:
 - Service providers are required to have proper company specific identification and to present this identification to the ConRAC Facility Manager, or representative on duty, upon arrival at the ConRAC. ConRAC Facility Manager should be

Exhibit E, ConRAC Operations & Maintenance Standards

- provided with an authorized personnel list in advance of crew arrival for any overnight servicing.
 - Service providers are required to wear appropriate attire at all times (i.e., no tank tops, no T-shirts with inappropriate graphics, etc.)
 - Service providers are required to check in and out with the ConRAC Facility Manager or representative on duty whenever they enter or exit the ConRAC. Check-out procedures may involve visual inspection of all bags, boxes, toolboxes, buckets, etc.
 - Service providers must be able to communicate with the ConRAC Facility Manager in English.
 - Service providers are responsible for providing the necessary tools, cleaning products (removing paint, etc.), vacuums, ladders, etc. for specific jobs they are servicing.
- 7) Ensure compliance with the following Environmental, Health & Safety (EH&S) Requirements, including but not limited to:
- Along with any service providers, obtain required EH&S permits or agency approvals required to conduct work for Concessionaires in accordance with the Contract.
 - Along with any service providers, have and act in accordance with all required EH&S plans (e.g., storm water pollution plans, spill prevention control plans, emergency response, health and safety plans, waste minimization/recycling plans, etc.) and all Federal, State and local governing laws and regulations.
 - Immediately notify the Authority if hazardous conditions arise.
 - Prior to using hazardous material(s) in or around the ConRAC through self or service providers:
 - a) Notify the Authority and identify the hazardous material(s)
 - b) Identify any specific hazards associated with the material(s)
 - c) Supply a material safety data sheet (MSDS) for those material(s)
 - d) Obtain approval of Authority's Environmental Compliance Manager for using the material(s)
 - Dispose of all wastewater in accordance with State of Florida Environmental requirements. ConRAC Facility Manager, along with any service provider, is prohibited from discharging any chemical, waste or wastewater to storm drains or sewers.
 - Along with any service provider, be responsible for providing and properly using the appropriate Personal Protective Equipment (PPE) for the specific job.
 - ConRAC Facility Manager, along with any service provider, is responsible for providing their employees with all applicable EH&S training.
 - ConRAC Facility Manager, along with any service provider, must provide adequate ventilation to remove potential air contaminants from the work areas and adjacent spaces.
 - When ConRAC Facility Manager, through self or any service provider, must store materials on site:

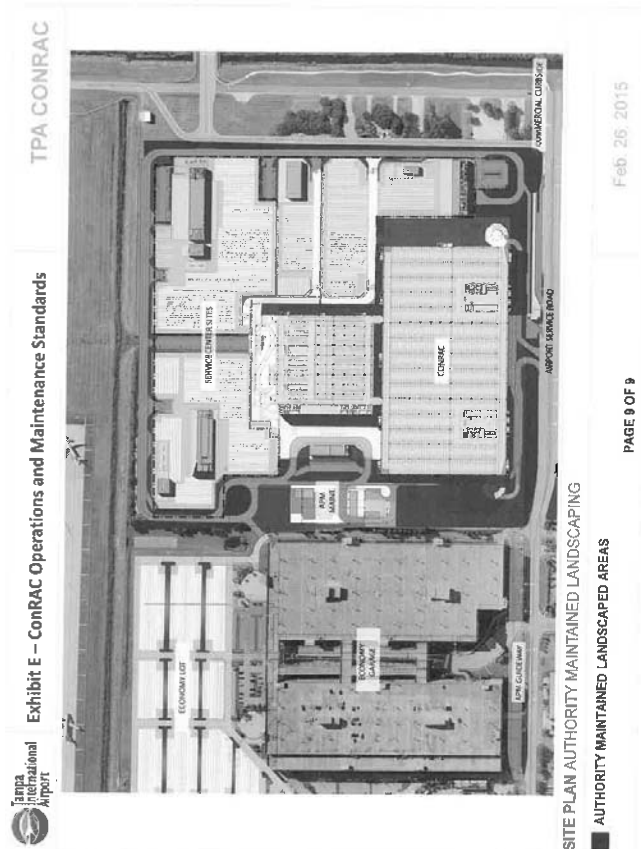
Exhibit E, ConRAC Operations & Maintenance Standards

- All necessary inspections, repairs and maintenance, regardless of local code or frequency requirements, to the fire alarm, burglar alarm, sprinkler and fire extinguishers.
- 14) Fueling and QTA Systems and Equipment located in Common Concessionaire Areas
- All necessary inspections, repairs and maintenance, regardless of State or local code or frequency requirements, to the Fueling system (including tanks, pumps and fuel delivery system) and QTA Areas Equipment (including carwash, fire suppression, vacuum, compressed air, windshield washer fluid).
- 15) Plumbing in Common Concessionaire Areas and Exclusive Premises
- Clear in-facility sanitary lines and drains, repair/replace faucets, flush valves, water heaters; secure sinks, repair/replace toilets, urinals, handrails, tissue holders, hand dryers, towel and sanitary napkin dispensers, toilet seats; and remedy leaks.
- 16) Custodial Plan
- Prepare a custodial plan consistent with then-current Authority custodial standards. The custodial plan will be developed with the assistance of Authority staff and will require Authority approval prior to its implementation. The custodial plan will be included in the ConRAC Facility Manager's Operations Manual and approved by the Authority annually.

Notwithstanding any provisions of these ConRAC Operations & Maintenance Standards, Concessionaire specifically acknowledges Article 11 of the Contract, Maintenance and Repairs, relating to the ConRAC Facility Manager.

Exhibit E, ConRAC Operations & Maintenance Standards

- a) Inform the Authority of the hazardous material(s) intended to be stored on site and identify the material(s)
 - b) Identify any specific hazards associated with the material(s)
 - c) Store minimal amount of material(s) necessary
 - d) Maintain MSDS(s) on site for those material(s)
 - e) Maintain a secure storage area that meets all applicable regulations
 - f) Comply with all other hazardous materials storage regulations
 - g) Dispose of all wastewater in accordance with State of Florida Environmental requirements. ConRAC Facility Manager, along with any service provider, is prohibited from discharging any chemical, waste or wastewater to storm drains or sewers.
- 8) HVAC Management Program
- HVAC management program shall consist of performing quarterly preventative maintenance services, receipt, dispatching and resolution of emergency and routine repair and maintenance work requests, warranty issues resolution and all associated management reporting and invoicing requirements within Exclusive Premises and Common Concessionaire Areas.
- 9) Lighting and Signage Maintenance Program
- Respond within 24-hours following notification or observation of outages.
- 10) General Repairs
- Doors
 - a) All necessary repairs and maintenance to doors and gates, hardware (including hinges and closers), door replacement, door refinishing, and repair due to vandalism or accidents.
 - Locks
 - a) All necessary repairs and maintenance to locksets, door alarms, or panic hardware.
 - b) Replacement of lost keys, lockouts.
- 11) Electrical
- All necessary repairs and maintenance to electrical service, outlets, receptacles, and restroom ventilation fans; testing of emergency light fixtures as required; and replacement of circuit breakers, timers, contactors, HVAC electrical system repair and maintenance, underground or exterior work, switchgear, electrical panel work, lightning damage/shorts, new wiring/outlets.
- 12) Signs
- All repairs and maintenance to all internal parts, replacement of sign faces, underground electrical, electrical connections, and repair due to vandalism or accidents.
- 13) Fire Protection System



This Exhibit is currently being developed and will be available once finalized.

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STANDARD PROCEDURE	Number: <u>S750.06</u>
Aviation Authority	Effective: <u>05/31/02</u>
	Revised: <u>12/11/14</u>
	Page: <u>1</u> of <u>8</u>
Subject: CONTRACTUAL INSURANCE TERMS AND CONDITIONS	

PURPOSE: To establish the insurance terms and conditions associated with contractual insurance requirements. This Standard Procedure is applicable to all companies with Authority contracts. Unless otherwise provided herein, any exceptions to the following conditions or changes to required coverages or coverage limits must have prior written approval from the Vice President of Facilities and Administration or designee.

INSURANCE COVERAGE:

A. Procurement of Coverage:

With respect to each of the required coverages, the company will, at the company's expense, procure, maintain and keep in force the amounts and types of insurance conforming to the minimum requirements set forth in the applicable contract. Coverages will be provided by insurance companies eligible to do business in the State of Florida and having an AM Best rating of A- or better and a financial size category of VII or better. Utilization of non-rated companies or companies with AM Best ratings lower than A- or a financial size category lower than VII may be approved on a case by case basis by Risk Management.

B. Term of Coverage:

Except as otherwise specified in the contract, the insurance will commence on or prior to the effective date of the contract and will be maintained in force throughout the duration of the contract. Completed operations coverage may be required to be maintained on specific commercial general liability policies effective on the date of substantial completion or the termination of the contract, whichever is earlier. If a policy is written on a claims made form, the retroactive date must be shown and this date must be before the earlier of the date of the execution of the contract or the beginning of contract work, and the coverage must respond to all claims reported within three years following the period for which coverage is required unless stated otherwise in the contract.

STANDARD PROCEDURE	Number: <u>S750.06</u>
Aviation Authority	Effective: <u>05/31/02</u>
	Revised: <u>12/11/14</u>
	Page: <u>2</u> of <u>8</u>
Subject: CONTRACTUAL INSURANCE TERMS AND CONDITIONS	

C. Reduction of Aggregate Limits:

If the aggregate limit is exhausted, the company will immediately take all possible steps to have it reinstated. The general liability policies shall include a per policy endorsement providing that the limits of such insurance specified in the contract shall apply solely to the work under the contract without erosion of such limits by other claims or occurrences.

1. Cancellation Notice

Each of the insurance policies will be specifically endorsed to require the insurer to provide the Authority with 30 days written notice (or 10 days for non-payment of premium) prior to the cancellation of the policy. The endorsement will specify that such notice will be sent to:

Hillsborough County Aviation Authority
Attn.: Chief Executive Officer
Tampa International Airport
Post Office Box 22287
Tampa, Florida 33622

D. No waiver by approval/disapproval:

The Authority accepts no responsibility for determining whether the company's insurance is in full compliance with the insurance required by the contract. Neither the approval by the Authority nor the failure to disapprove the insurance furnished by the company will relieve the company of their full responsibility to provide the insurance required by the contract.

STANDARD PROCEDURE	Number: <u>S250.06</u>
Aviation Authority	Effective: <u>05/31/02</u>
	Revised: <u>12/11/14</u>
Subject: CONTRACTUAL INSURANCE TERMS AND CONDITIONS	Page: <u>3</u> of <u>8</u>

STANDARD PROCEDURE	Number: <u>S250.06</u>
Aviation Authority	Effective: <u>05/31/02</u>
	Revised: <u>12/11/14</u>
Subject: CONTRACTUAL INSURANCE TERMS AND CONDITIONS	Page: <u>4</u> of <u>8</u>

E. Future Modifications – Changes in Circumstances:

1. Changes in Coverages and Required Limits of Insurance

The coverages and minimum limits of insurance required by the contract are based on circumstances in effect at the inception of the contract. If, in the opinion of the Authority, circumstances merit a change in such coverages or minimum limits of insurance required by the contract, the Authority may change the coverages and minimum limits of insurance required, and the company will, within 60 days of receipt of written notice of a change in the coverages and minimum limits required, comply with such change and provide evidence of such compliance in the manner required by the contract. Provided, however, that no change in the coverages or minimum limits of insurance required will be made until at least two years after inception of the contract. Subsequent changes in the coverages or minimum limits of insurance will not be made until at least two years after any prior change unless extreme conditions warrant such change and are agreeable to both parties.

If, in the opinion of the Authority, compliance with the insurance requirements is not commercially practicable for the company, at the written request of the company, the Authority may, at its sole discretion and subject to any conditions it deems appropriate, relax or temporarily suspend, in whole or in part, the insurance requirements which would otherwise apply to the company. Any such modification will be subject to the prior written approval of the Vice President of Facilities and Administration or designee, and subject to the conditions of such approval.

F. Proof of Insurance – Insurance Certificate:

1. Prior to Work, Use or Occupancy of Authority Premises

The company will not commence work, use or occupy Authority premises in connection with the contract until the required insurance is in force, preliminary evidence of insurance acceptable to the Authority has been provided to the Authority, and the Authority has granted permission to the company to commence work, use or occupy the premises in connection with the contract.

2. Proof of Insurance Coverage

As preliminary evidence of compliance with the insurance required by the contract, the company will furnish the Authority with a certificate(s) of insurance satisfactory to the Authority. This certificate must be signed by an authorized representative of the insurer. If requested by the Authority, the company will, within 15 days after receipt of written request from the Authority, provide the Authority, or make available for review, certificates of insurance, copies of required endorsements and/or a certified complete copy of the policies of insurance. The company may redact those portions of the insurance policies that are not relevant to the coverage required by the contract. The company will provide the Authority with renewal or replacement evidence of insurance, acceptable to the Authority, prior to expiration or termination of such insurance.

The insurance certificate must:

a. Indicate that, to the extent required by the contract:

- i. the Authority, members of the Authority's governing body, and the Authority's officers, volunteers and employees are included as

STANDARD PROCEDURE	Number: <u>S250.06</u>
Aviation Authority	Effective: <u>05/31/02</u>
	Revised: <u>12/11/14</u>
Subject: CONTRACTUAL INSURANCE TERMS AND CONDITIONS	Page: <u>5</u> of <u>8</u>

STANDARD PROCEDURE	Number: <u>S250.06</u>
Aviation Authority	Effective: <u>05/31/02</u>
	Revised: <u>12/11/14</u>
Subject: CONTRACTUAL INSURANCE TERMS AND CONDITIONS	Page: <u>6</u> of <u>8</u>

- ii. Additional Insureds on all policies other than workers compensation and professional liability, and

- iii. the insurers for all policies have waived their subrogation rights against the Authority;

- b. Indicate that the certificate has been issued in connection with the contract;

- c. Indicate the amount of any deductible or self-insured retention applicable to all coverages;

- d. Identify the name and address of the certificate holder as:

Hillsborough County Aviation Authority
Attn: Chief Executive Officer
Tampa International Airport
Post Office Box 22287
Tampa, Florida 33622
and;

- e. Be signed and dated using approved methods by an individual who is an authorized representative of each insurer, whose insurance is the subject of the certificate and who is authorized by each such insurer to issue the certificate of insurance as modified. Facsimile signatures are acceptable.

G. Deductibles / Self Insurance:

- 1. All property and builders risk deductibles, as well as all self-insured retentions or any schemes other than a fully insured program, must be approved by the Vice President of Facilities and Administration or designee. The company agrees to

provide all documentation necessary for the Authority to review the deductible or alternative program.

- 2. The company will pay on behalf of the Authority, or any member of the Authority's governing body or any officer or employee of the Authority, any deductible or self-insured retention (SIR) which, with respect to the required insurance, is applicable to any claim by or against the Authority, or any member of the Authority's governing body, or any officer or employee of the Authority.

- 3. The contract by the Authority to allow the use of a deductible or self-insurance program will be subject to periodic review by the Risk Manager. If, at any time, the Authority deems that the continued use of a deductible or self-insurance program by the company should not be permitted, the Authority may, upon 60 days written notice to the company, require the company to replace or modify the deductible or self-insurance in a manner satisfactory to the Authority.

- 4. Any deductible amount or SIR program will be included and clearly described on the certificate prior to any approval by the Authority. This is to include fully insured programs as to a zero deductible per the policy. Authority reserves the right to deny any certificate not in compliance with this requirement.

H. Company's Insurance Primary:

The company's required insurance will apply on a primary basis. Any insurance maintained by the Authority will be excess and will not contribute to the insurance provided by or on behalf of the company.

I. Applicable Law:

With respect to any contract entered into by the Authority with a value exceeding \$10,000,000, if any required policy is: (i) issued to a policyholder outside of Florida or (ii) contains a "choice of law" or similar provision stating that the law

of any state other than Florida shall govern disputes concerning the policy, then such policy must be endorsed so that Florida law (including but not limited to Part II of Chapter 627 of the Florida Statutes) will govern any and all disputes concerning the policy in connection with claims arising out of work performed pursuant to the contract.

Except to the extent any insurance procured by the Authority actually provides the insurance coverage required by the contract, the company will remain fully liable for full compliance with the insurance requirements in the contract.

J. Waiver of Subrogation:

The company, for itself and on behalf of its insurers, to the fullest extent permitted by law without voiding the insurance required by the contract, waives all rights against the Authority, members of the Authority's governing body and the Authority's officers, volunteers and employees, for damages or loss to the extent covered and paid for by any insurance maintained by the company.

b. Authority's Right to Terminate, Modify, or Not Procure

Any insurance procured by the Authority is solely for the Authority's benefit and is not intended to replace or supplement any insurance coverage which otherwise would have been maintained by the company. Authority is not obligated to procure any insurance pursuant to these requirements and retains the right, at its sole discretion, to terminate any such insurance which might be procured by the Authority.

K. Company's Failure to Comply with Insurance Requirements:

1. Authority's Right to Procure Replacement Insurance

If, after the inception of the contract, the company fails to fully comply with the insurance requirements of the contract, in addition to and not in lieu of any other remedy available to the Authority provided by the contract, the Authority may, at its sole discretion, procure and maintain on behalf of the company, insurance which provides, in whole or in part, the required insurance coverage.

2. Replacement Coverage at Sole Expense of Company

The entire cost of any insurance procured by the Authority will be paid by the company. At the option of the Authority, the company will either directly pay the entire cost of the insurance or immediately reimburse the Authority for any costs incurred by the Authority including premium and a 15% administration cost.

a. Company to Remain Fully Liable

APPROVED: Joe Lopano DATE: 12/11/14

Exhibit I Schedule of Concessionaire Improvements

AREA	ITEM	SUPPLIED BY		MAINTAINED BY		COMMENTS
		AIRPORT	TENANT	AIRPORT	TENANT	
Building Exterior Improvements	Building Exterior Signage					
	Building Exterior Lighting					
	Building Exterior Maintenance					
	Building Exterior Repairs					
	Building Exterior Painting					
	Building Exterior Cleaning					
	Building Exterior Sealing					
	Building Exterior Insulation					
	Building Exterior Waterproofing					
	Building Exterior Accessibility					
Interior Building Improvements	Interior Building Signage					
	Interior Building Lighting					
	Interior Building Maintenance					
	Interior Building Repairs					
	Interior Building Painting					
	Interior Building Cleaning					
	Interior Building Sealing					
	Interior Building Insulation					
	Interior Building Waterproofing					
	Interior Building Accessibility					

June 4, 2015

Exhibit I Schedule of Concessionaire Improvements

AREA	ITEM	SUPPLIED BY		MAINTAINED BY		COMMENTS
		AIRPORT	TENANT	AIRPORT	TENANT	
Building Exterior Improvements	Building Exterior Signage					
	Building Exterior Lighting					
	Building Exterior Maintenance					
	Building Exterior Repairs					
	Building Exterior Painting					
	Building Exterior Cleaning					
	Building Exterior Sealing					
	Building Exterior Insulation					
	Building Exterior Waterproofing					
	Building Exterior Accessibility					

June 4, 2015

Exhibit I Schedule of Concessionaire Improvements

AREA	ITEM	SUPPLIED BY		MAINTAINED BY		COMMENTS
		REPORT	TEAM	REPORT	TEAM	
DATA CENTER AND APPLICATIONS	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
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	Application Servers					
	Application Servers					

1/14/2019

University of Maryland System
 University of Maryland System
 1/14/2019 12:00:00 PM

Exhibit I Schedule of Concessionaire Improvements

AREA	ITEM	SUPPLIED BY		MAINTAINED BY		COMMENTS
		REPORT	TEAM	REPORT	TEAM	
DATA CENTER AND APPLICATIONS	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
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	Application Servers					
	Application Servers					

1/14/2019

University of Maryland System
 University of Maryland System
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Exhibit I Schedule of Concessionaire Improvements

AREA	ITEM	SUPPLIED BY		MAINTAINED BY		COMMENTS
		REPORT	TEAM	REPORT	TEAM	
DATA CENTER AND APPLICATIONS	Application Servers					
	Application Servers					
	Application Servers					
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	Application Servers					
	Application Servers					

1/14/2019

University of Maryland System
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 1/14/2019 12:00:00 PM

Exhibit I Schedule of Concessionaire Improvements

AREA	ITEM	SUPPLIED BY		MAINTAINED BY		COMMENTS
		REPORT	TEAM	REPORT	TEAM	
DATA CENTER AND APPLICATIONS	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
	Application Servers					
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	Application Servers					

1/14/2019

University of Maryland System
 University of Maryland System
 1/14/2019 12:00:00 PM

Hillsborough County Aviation Authority

Exhibit J: Main ConRAC Baseline Environmental Report

Tampa International Airport, Tampa, FL

Prepared for:

Hillsborough County Aviation Authority
Concessions Department

Prepared by:

Hillsborough County Aviation Authority
Planning and Development Department

December 1, 2014

Prepared by:

 12/1/14
Keith Fleming, PG, Florida Registration No. 2078
Professional Geologist

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit J, Main ConRAC Baseline Environmental Report
ITB No. 15-534-004

Page 1 of 7
December 1, 2014

At the request of the Hillsborough County Aviation Authority's (the Authority's) Concessions Department, the Authority's Planning and Development (P&D) Department completed this Baseline Environmental Conditions Report (Baseline Report) for the Authority-owned On-Airport Vehicle Rental Concession, which is commonly referred to as the Main ConRAC and is located in the Gateway Area of Tampa International Airport in Tampa Florida. A site map is provided in the Appendix. The purpose of the baseline investigation is to document the site conditions at the beginning of the tenancy, and to determine if any recognized environmental conditions (RECs) are likely to exist. The identification of a REC means the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment, (2) under conditions indicative of a release to the environment, or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not RECs.

In the case of the On-Airport Vehicle Rental Concession, the Authority commissioned CB&I Government Solutions, Inc (CB&I), to conduct an onsite soil investigation. Soil borings were conducted at select locations that have the highest likelihood of future environmental concern based on the proposed layout of future equipment including petroleum storage systems and oil-water separators. At each boring location, soil samples were collected from the vadose zone in general accordance with the Florida Department of Environmental Protection (FDEP) Standard Operating Procedure (SOP) PCS-004. Soil samples were screened in the field using an organic vapor analyzer. Sampling equipment was decontaminated between sample locations in accordance with FDEP SOP-001/01 FC 1000. CB&I's report is provided in the Appendix of this Baseline Report. CB&I's report provides a site map showing the soil boring locations and a table summarizing the soil testing results. CB&I's results do not identify any known or previously unknown environmental concerns.

Authority P&D staff has extensive knowledge of the site history as well as risk and receptor studies performed on other sites in the area. As a result of this knowledge and CB&I's results, Authority P&D staff has determined that RECs are not likely to exist with respect to the site and no further assessment of soils or groundwater is warranted at this time.

For the purpose of this Baseline Report, the term recognized environmental condition has been adapted from the American Society for Testing and Materials (ASTM) Designation E 1527-13, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*.

References

ASTM 2013, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. American Society for Testing Materials (ASTM E 1527-13).

CB&I Government Solutions, Inc., *Soil Testing Report*, November 20, 2014.

Hillsborough County Aviation Authority, Authority files, October 2014.

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit J, Main ConRAC Baseline Environmental Report
ITB No. 15-534-004

Page 2 of 7
December 1, 2014

November 20, 2014

Mr. Keith Fleming, P.G.
Manager of Environmental Design
Hillsborough County Aviation Authority
PO Box 22287
Tampa, Florida 33622

Re: Soil Testing Report (Service Center Site #4 and Main ConRAC)
Work Order #15-04
TPA, RAC Service Center Sites
Hillsborough County Aviation Authority
HCAA Project #1105 14

Dear Mr. Fleming:

CB&I Government Solutions, Inc. (CB&I) recently performed additional requested support work in accordance with Task 1 of Work Order #15-04. Enclosed, please find tables containing field data of all additional soil borings advanced at the RAC Service Center Sites, and maps of each site containing locations of each soil boring.

On November 18, 2014, a CB&I geologist advanced a total of 10 soil borings in two RAC areas (Service Center Site 4 and the Main ConRAC site). All borings were installed to 4 feet below surface (ft bis) via stainless-steel hand auger, and samples were collected at 0.5 ft bis, 2.0 ft bis, and 4 ft bis for field screening with an organic vapor analyzer (OVA) equipped with a flame-ionization detector (FID) and visual inspection. Equipment was decontaminated between locations in accordance with FDEP's SOP-001/01 FC 1000. Results are presented in the enclosed tables and figures.

The services described in this report were performed consistent with generally accepted professional consulting principles and practices. No other warranty, express or implied, is made. These services were performed consistent with our agreement with our client. This report is solely for the use and information of our client and the county, unless otherwise noted. Any reliance on this report by a third party is at such party's sole risk.

Opinions and recommendations contained in this report apply to conditions existing when services were performed and are intended only for the client, county, FDEP, purposes, locations, timeframes, and project parameters indicated. CB&I is not responsible for the impacts of any changes in environmental standards, practices, or regulations subsequent to performance of services. CB&I does not warrant the accuracy of information supplied by others, nor the use of segregated portions of this report.

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit J, Main ConRAC Baseline Environmental Report
ITB No. 15-534-004

Page 3 of 7
December 1, 2014

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit J, Main ConRAC Baseline Environmental Report
ITB No. 15-534-004

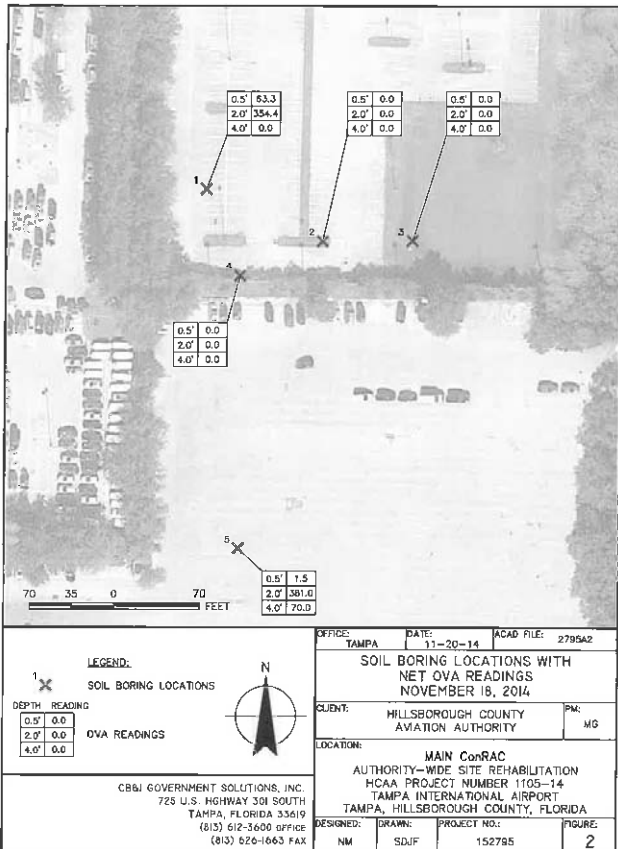
Page 4 of 7
December 1, 2014

Sample			OVA Screening Results			
ID Number	Date	Approx. Depth to Water (feet)	Sample Interval (ft bbs)	Unfiltered Reading (ppm)	Filtered Reading (ppm)	Net Reading (ppm)
SB-1	11/18/14	NA	0.5	155.4	92.1	63.3
			2.0	843.8	287.4	354.4
			4.0	0.0	0.0	0.0
SB-2	11/18/14	NA	0.5	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0
SB-3	11/18/14	NA	0.5	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0
SB-4	11/18/14	NA	0.5	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0
SB-5	11/18/14	NA	0.5	341.2	339.7	1.5
			2.0	1,358	997.0	361.0
			4.0	1,690	1,820	70.0

Notes: ft bbs = feet below land surface
OVA = organic vapor analyzer
ppm = parts per million
NA = not encountered

LOCATION	DATE	BORING	LATITUDE	LONGITUDE
Service Center Site #4	11/18/14	1	27° 57' 41.840 N	82° 31' 57.731 W
		2	27° 57' 42.028 N	82° 31' 58.592 W
		3	27° 57' 42.771 N	82° 31' 59.745 W
		4	27° 57' 43.821 N	82° 31' 59.163 W
		5	27° 57' 43.921 N	82° 31' 58.209 W
Main ConRAC	11/18/14	1	27° 57' 51.948 N	82° 32' 00.136 W
		2	27° 57' 51.512 N	82° 31' 59.064 W
		3	27° 57' 51.495 N	82° 31' 58.264 W
		4	27° 57' 51.207 N	82° 31' 59.638 W
		5	27° 57' 48.893 N	82° 32' 00.134 W

Coordinates collected utilizing a Trimble GeoExplorer 2008 Series GeoXT.



Hillsborough County Aviation Authority

Exhibit K: Service Center Site 4 Baseline Environmental Report

Tampa International Airport, Tampa, FL

Prepared for:

Hillsborough County Aviation Authority
Concessions Department

Prepared by:

Hillsborough County Aviation Authority
Planning and Development Department

December 1, 2014

Prepared by: *Keith Fleming* 12/1/14
Keith Fleming, PG, Florida Registration No. 2078
Professional Geologist

At the request of the Hillsborough County Aviation Authority's (the Authority's) Concessions Department, the Authority's Planning and Development (P&D) Department completed this Baseline Environmental Conditions Report (Baseline Report) for the Authority-owned rent-a-car Service Center Site 4, located in the Gateway Area of Tampa International Airport in Tampa Florida. A site map is provided in the Appendix. The purpose of the baseline investigation is to document the site conditions at the beginning of the tenancy, and to determine if any recognized environmental conditions (RECs) are likely to exist. The identification of a REC means the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not RECs.

In the case of Service Center Site 4, the Authority commissioned CB&I Government Solutions, Inc. (CB&I), to conduct an onsite soil investigation. Soil borings were conducted at select locations that have the highest likelihood of future environmental concern based on the proposed layout of future equipment including petroleum storage systems and oil-water separators. At each boring location, soil samples were collected from the vadose zone in general accordance with the Florida Department of Environmental Protection (FDEP) Standard Operating Procedure (SOP) PCS-004. Soil samples were screened in the field using an organic vapor analyzer. Sampling equipment was decontaminated between sample locations in accordance with FDEP SOP-001/01 FC 1000. CB&I's report is provided in the Appendix of this Baseline Report. CB&I's report provides a site map showing the soil boring locations and a table summarizing the soil testing results. CB&I's results do not identify any known or previously unknown environmental concerns.

Authority P&D staff has extensive knowledge of the site history as well as risk and receptor studies performed on other sites in the area. As a result of this knowledge and CB&I's results, Authority P&D staff has determined that RECs are not likely to exist with respect to the site and no further assessment of soils or groundwater is warranted at this time.

For the purpose of this Baseline Report, the term recognized environmental condition has been adapted from the American Society for Testing and Materials (ASTM) Designation E 1527-13, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*.

References

ASTM 2013, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. American Society for Testing Materials (ASTM E 1527-13).

CB&I Government Solutions, Inc., *Soil Testing Report*, November 20, 2014.

Hillsborough County Aviation Authority, Authority files, October 2014.

November 20, 2014

Mr. Keith Fleming, P.G.
Manager of Environmental Design
Hillsborough County Aviation Authority
PO Box 22287
Tampa, Florida 33622

Re: Soil Testing Report (Service Center Site #4 and Main ConRAC)
Work Order #15-04
TPA, RAC Service Center Sites
Hillsborough County Aviation Authority
HCAA Project #1105.14

Dear Mr. Fleming:

CB&I Government Solutions, Inc. (CB&I) recently performed additional requested support work in accordance with Task 1 of Work Order #15-04. Enclosed, please find tables containing field data of all additional soil borings advanced at the RAC Service Center Sites, and maps of each site containing locations of each soil boring.

On November 18, 2014, a CB&I geologist advanced a total of 10 soil borings in two RAC areas (Service Center Site 4 and the Main ConRAC site). All borings were installed to 4 feet below surface (ft bls) via stainless-steel hand auger, and samples were collected at 0.5 ft bls, 2.0 ft bls, and 4 ft bls for field screening with an organic vapor analyzer (OVA) equipped with a flame-ionization detector (FID) and visual inspection. Equipment was decontaminated between locations in accordance with FDEP's SOP-001/01 FC 1000. Results are presented in the enclosed tables and figures.

The services described in this report were performed consistent with generally accepted professional consulting principles and practices. No other warranty, express or implied, is made. These services were performed consistent with our agreement with our client. This report is solely for the use and information of our client and the county, unless otherwise noted. Any reliance on this report by a third party is at such party's sole risk.

Opinions and recommendations contained in this report apply to conditions existing when services were performed and are intended only for the client, county, FDEP, purposes, locations, timeframes, and project parameters indicated. CB&I is not responsible for the impacts of any changes in environmental standards, practices, or regulations subsequent to performance of services. CB&I does not warrant the accuracy of information supplied by others, nor the use of segregated portions of this report.

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit K, Service Center Site 4 Baseline Environmental Report
ITB No. 15-534-004

Page 2 of 7
December 1, 2014

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit K, Service Center Site 4 Baseline Environmental Report
ITB No. 15-534-004

Page 3 of 7
December 1, 2014

CB&I appreciates the HCAA's assistance with this matter. In the event revisions or clarifications are necessary that can be addressed via e-mail to accelerate and streamline the schedule for this project, please contact Nathan Miller at nathan.miller@cbi.com or (813) 612-3642.

Sincerely,
CB&I Government Solutions, Inc

Nathan Miller
Environmental Scientist

Donald L. Lewis, PE
Program Manager

Attachments: Table 1: Soil Data Summary - Service Center Site #4
Table 2: Soil Data Summary - Main ConRAC Site
Table 3: Boring GPS Coordinates
Figure 1: Net OVA Results - Service Center Site #4
Figure 2: Net OVA Results - Main ConRAC

cc: Project File

Facility Name: TPA RAC Service Center Sites
HCAA Project No.: 1105.14

Sample			OVA Screening Results			
ID Number	Date	Approx. Depth to Water (ft/bl)	Sample Interval (ft bls)	Unfiltered Reading (ppm)	Filtered Reading (ppm)	Net Reading (ppm)
SB-1	11/18/14	NA	0.5	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0
SB-2	11/18/14	NA	0.5	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0
SB-3	11/18/14	NA	0.5	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0
SB-4	11/18/14	NA	0.5	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0
SB-5	11/18/14	NA	1.0*	0.0	0.0	0.0
			2.0	0.0	0.0	0.0
			4.0	0.0	0.0	0.0

Note: ft bls = feet below land surface
OVA = organic vapor analyzer
ppm = parts per million
NA = not encountered
* Approximately first 10 inches of surface were concrete, sample collected at 1.0 ft bls

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit K, Service Center Site 4 Baseline Environmental Report
ITB No. 15-534-004

Page 4 of 7
December 1, 2014

Tampa International Airport
On-Airport Vehicle Rental Concession
Exhibit K, Service Center Site 4 Baseline Environmental Report
ITB No. 15-534-004

Page 5 of 7
December 1, 2014

Facility Name: TPA RAC Service Center Sites
HCAA Project No.: 1105.14

LOCATION	DATE	BORING	LATITUDE	LONGITUDE
Service Center Site #4	11/19/14	1	27° 57' 41.640 N	82° 31' 57.731 W
		2	27° 57' 42.028 N	82° 31' 58.662 W
		3	27° 57' 42.771 N	82° 31' 59.745 W
		4	27° 57' 43.821 N	82° 31' 59.183 W
		5	27° 57' 43.921 N	82° 31' 58.299 W
Mail Ctr/RAC	11/19/14	1	27° 57' 51.848 N	82° 32' 00.136 W
		2	27° 57' 51.512 N	82° 31' 59.094 W
		3	27° 57' 51.495 N	82° 31' 58.264 W
		4	27° 57' 51.237 N	82° 31' 59.838 W
		5	27° 57' 49.963 N	82° 32' 00.134 W

Coordinates collected utilizing a Trimble GeoExplorer 2008 Series GeoXT.

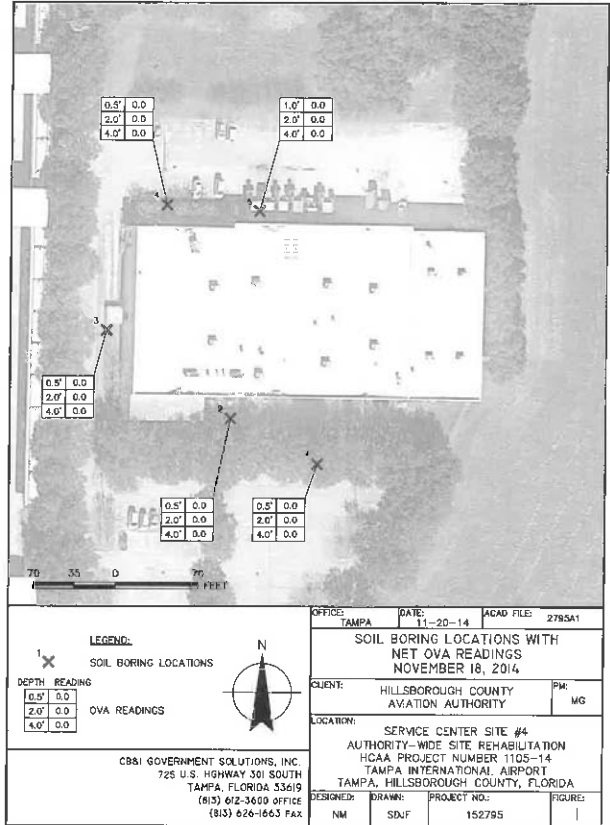


EXHIBIT L - MAJORITY IN INTEREST EXAMPLE

"Majority in Interest" means: Those Concessionaires (i) then-located in Areas 1, 2, and 3 representing more than fifty percent (50%) of the Market Share among those Concessionaires then-located in Areas 1, 2, and 3; and (ii) those Concessionaires then-located in Area 4 representing more than fifty percent (50%) of the Market Share among those Concessionaires then-located in Area 4; and (iii) more than one-half (1/2) of the total number of Concessionaires then-located in Areas 1, 2, 3 and 4.

Assume the following number of Concessionaires and relative market shares:

A. Market Share of Concessionaires in Areas 1, 2, and 3

Concessionaire/Area #	Relative Market Share among Concessionaires in Areas 1, 2 and 3
1. Area 1	42%
2. Area 2	31%
3. Area 3	27%

Example: 2 Concessionaires required to equal more than 50% of Market Share

B. Market Share of Concessionaires in Area 4

Concessionaire/Area #	Relative Market Share among Concessionaires in Area 4
4. Area 4	24%
5. Area 4	21%
6. Area 4	20%
7. Area 4	18%
8. Area 4	11%
9. Area 4	6%

Example: 3 Concessionaires required to equal more than 50% of Market Share

C. Must have more than 50% of Market share in Areas 1, 2, 3; More than 50% of Market Share in Area 4; and more than 50% of the total number of Concessionaires in Areas 1, 2, 3, and 4.

More than 50%	Number of Concessionaires Required to Achieve "Majority in Interest" (at least 5 out of 9)
Number of Concessionaires representing more than 50% of Market Share of Concessionaires in Areas 1, 2, 3; and	2
Number of Concessionaires representing more than 50% of Market Share of Concessionaires in Area 4; and	3
More than 50% of the total number of Concessionaires in Areas 1, 2, 3 and 4	5

Example:
2 Concessionaires in Areas 1, 2, and 3 equal more than 50% of Market Share

EXHIBIT L - MAJORITY IN INTEREST EXAMPLE

3 Concessionaires in Area 4 equal more than 50% of Market Share
In this this example, 5 Concessionaires out of 9 total Concessionaires equal more than 50% of number of Concessionaires.

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APPENDIX E

DTC INFORMATION

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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 2015 CFC Bonds. The 2015 CFC 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 2015 CFC 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 2015 CFC Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such 2015 CFC Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015 CFC 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 2015 CFC 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 2015 CFC Bonds, except in the event that use of the book-entry system for the 2015 CFC Bonds is discontinued.

To facilitate subsequent transfers, all of the 2015 CFC 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 2015 CFC 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 2015 CFC Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 CFC 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 2015 CFC Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 CFC Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 CFC Bond documents. For example, Beneficial Owners of the 2015 CFC Bonds may wish to ascertain that the nominee holding the 2015 CFC 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 2015 CFC 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 2015 CFC 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 2015 CFC Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2015 CFC 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 2015 CFC 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 2015 CFC 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 2015 CFC Bonds will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2015 CFC BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE 2015 CFC BONDS OR REGISTERED OWNERS OF THE 2015 CFC BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2015 CFC BONDS.

The Authority can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the 2015 CFC 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 2015 CFC Bonds or redemption notices to the Beneficial Owners of such 2015 CFC 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 2015 CFC Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the 2015 CFC Bonds and the manner of transferring or pledging those interests is subject to applicable state law. Holders of beneficial interests in the 2015 CFC Bonds may want to discuss the manner of transferring or pledging their interest in the 2015 CFC 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 2015 CFC Bond certificates will be printed and delivered. Thereafter, the 2015 CFC Bond certificates may be transferred and exchanged as described in the Trust Agreement. See APPENDIX C – "CFC TRUST AGREEMENT" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE CONCESSION AGREEMENT."

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX F

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 Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) in the aggregate principal amount of \$88,975,000 (the "2015A CFC Bonds") and its Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable) in the aggregate principal amount of \$294,350,000 (the "2015B CFC Bonds" and collectively with the 2015A CFC Bonds, the "2015 CFC Bonds").

The 2015 CFC Bonds are being issued under the provisions of the CFC Trust Agreement dated September 1, 2015 (the "Original CFC Trust Agreement"), by and between the Authority and The Bank of New York Mellon, as Trustee (the "Trustee" and "Registrar") and as supplemented by a Supplemental Trust Agreement dated as of September 1, 2015 (the "2015 CFC Supplemental Trust Agreement" and, collectively with the Original CFC Trust Agreement, the "CFC Trust Agreement"). 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 2015 CFC 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 CFC Trust Agreement 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 2015 CFC Bonds (including persons holding 2015 CFC Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2015 CFC 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, or any successor entity approved in accordance with the Rule.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Agreement.

"Participating Underwriters" shall mean the original underwriters of the 2015 CFC Bonds required to comply with the Rule in connection with offering of the 2015 CFC 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 2015 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. 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.

(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 financial information and operating data from the Official Statement in tabular form:

1. CFC Collections on a historical basis;
2. Rental Car Transactions;
3. Rental Car Transaction Days;
4. CFC Debt Service Coverage on a historical basis;

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.

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 2015 CFC 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 2015 CFC Bonds;
7. Modifications to rights of holders of the 2015 CFC Bonds, if material;
8. 2015 CFC Bond calls, if material, and tender offers;
9. 2015 CFC Bond defeasances;
10. Release, substitution, or sale of property securing repayment of the 2015 CFC 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; and

14. Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material.

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 2015 CFC Bonds. If the 2015 CFC Bonds are defeased, the Issuer shall give a separate notice that this Disclosure Agreement has been terminated in the same manner as for a Listed Event under Section 5.

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, 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 2015 CFC 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 (i) is approved by the Holders of the 2015 CFC 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 2015 CFC 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, 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 2015 CFC 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 CFC Trust Agreement.

SECTION 11. 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 2015 CFC Bonds, and shall create no rights in any other person or entity.

Date as of September 3, 2015

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: \$88,975,000 Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) and \$294,350,000 Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable)

Date of Issuance: September 3, 2015

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named 2015 CFC Bonds issued pursuant to the CFC Trust Agreement, as required by Sections 3 and 4 of the Continuing Disclosure Agreement dated September 3, 2015. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

ISSUER

By: _____
Name: _____
Title: _____

APPENDIX G

FORM OF BOND COUNSEL OPINION

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PROPOSED FORM OF BOND COUNSEL OPINION
[Preliminary, Subject to Change]

September 3, 2015

Hillsborough County Aviation Authority
Tampa International Airport
Tampa, Florida 33607

Re: Hillsborough County Aviation Authority \$88,975,000 Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) and Hillsborough County Aviation Authority \$294,350,000 Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable)

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 Customer Facility Charge Revenue Bonds, 2015 Series A (Non-AMT) in the aggregate principal amount of \$88,975,000 (the “2015A Bonds”) and its Tampa International Airport Customer Facility Charge Revenue Bonds, 2015 Series B (Taxable) in the aggregate principal amount of \$294,350,000 (the “2015B Bonds” and collectively with the 2015A Bonds, the “2015 Bonds”).

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the CFC Trust Agreement dated as of September 1, 2015 (the “Original CFC Trust Agreement”), as supplemented and amended from time to time including by a Supplemental Trust Agreement dated as of September 1, 2015 (the “2015 CFC Supplemental Trust Agreement”), each by and between the Authority and The Bank of New York Mellon, New York, New York, as Trustee. The Original CFC Trust Agreement and the 2015 CFC Supplemental Trust Agreement are collectively referred to herein as the “CFC Trust Agreement.”

The description of the 2015 Bonds in this opinion and other statements concerning the terms and conditions of the issuance of the 2015 Bonds do not purport to set forth all of the terms and conditions of the 2015 Bonds or any other document relating to the issuance thereof, but are intended only to identify the 2015 Bonds and to describe briefly certain features thereof.

The 2015 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. 2015-96 of the Authority pertaining to the 2015 Bonds adopted on July 2, 2015 (“Authorizing Resolution”) and the 2015 CFC Supplemental Trust Agreement.

The 2015 Bonds are being issued for the purpose of financing a portion of the 2015 Airport System CFC Project, making a deposit into the common Debt Service Reserve Fund under the CFC Trust Agreement, and paying the costs of issuance incurred with respect thereto.

Pursuant to the CFC Trust Agreement, the principal of and all interest on the 2015 Bonds are payable from and secured by a lien upon and pledge of the Pledged Revenues derived by the Authority from On-Airport CFCs, Off-Airport TFCs and Concessionaire Deficiency Payments, to the extent and in the manner described in the CFC Trust Agreement, and certain other revenues pledged therefor, on a parity with Additional Bonds hereafter issued pursuant to the terms of the CFC Trust Agreement.

The 2015 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 CFC Trust Agreement. Bondholders do not have a lien on the general airport revenues derived from the operation of the Airport System, and do not have the right to require or compel the exercise of the ad valorem taxing power of any entity to pay the 2015 Bonds.

In rendering the opinions set forth below, we have examined certified copies of the CFC 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 2015A 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 2015 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 other 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 Michael Kamprath, Esq., Assistant General Counsel of the Authority, on which we rely as to the due creation and valid existence of the Authority, the due adoption of the Authorizing Resolution, the due authorization, execution and delivery of the CFC Trust Agreement, the 2015 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 2015 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 2015 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 CFC Trust Agreement.

(2) Under existing law, the interest on the 2015A Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and will not be treated as an item of tax preference for purposes of the federal alternative minimum tax; however, it should be noted that with respect to certain corporations (as defined for federal income tax purposes), such interest will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations.

The opinions expressed in the preceding sentence 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 not to use any proceeds of the 2015A Bonds or facilities financed or refinanced therewith in a manner that would cause the 2015A Bonds to be classified as private activity bonds under Section 141(b) of the Code and to comply with the requirements contained in Section 148 of the Code), to the extent necessary to preserve the exclusion of interest on the 2015A Bonds from gross income for federal income tax purposes. Failure of the Authority to comply with such requirements could cause the interest on the 2015A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2015A Bonds.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the 2015A 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 2015A Bonds.

(3) Under existing law, the stated interest on the 2015B Bonds will be treated as interest income for federal income tax purposes and is not excludable from gross income for federal income tax purposes.

We express no opinion regarding any state tax consequences of acquiring, carrying, owning, or disposing of the 2015 Bonds. Owners of the 2015 Bonds should consult their tax advisors regarding the applicability of any state tax consequences of owning the 2015 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 in a manner that may adversely affect the opinions contained herein or the exclusion from gross income of interest on the 2015A 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 2015 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 2015 Bonds, including the appendices thereto or other offering material relating to the 2015 Bonds (except to the extent stated 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 Revenues or other funds created by the CFC 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 sale or distribution of the 2015 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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