## PANAMA CITY – BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

*Northwest Florida Beaches International Airport (ECP)*

# INVITATION TO NEGOTIATE (ITN) No. ITN-2026-07

## NON-REVOLVING LINE OF CREDIT (TAX-EXEMPT, SUBJECT TO AMT)

in the Approximate Principal Amount of

# $75,000,000

**ISSUED: July 7, 2026**
**PROPOSALS DUE: Wednesday, July 29, 2026, at 3:00 P.M. Central Time**

6300 West Bay Parkway, Suite A | Panama City, FL 32409
www.iflybeaches.com

**Municipal Advisor:**
Ford & Associates, Inc. | 813-874-6621 |
jonford@fordassocinc.com
wreed@fordassocinc.com
jwford@fordassocinc.com

## NOTICE TO PROPOSERS

The Panama City – Bay County Airport and Industrial District (the "District"), which owns and operates Northwest Florida Beaches International Airport (the "Airport" or "ECP"), hereby issues this Invitation to Negotiate (ITN) No. ITN-2026-07 seeking proposals from qualified financial institutions (each, a "Proposer" or "Bank") to provide a non-revolving line of credit facility in the approximate principal amount of Seventy-Five Million Dollars ($75,000,000) (the "Line of Credit" or "Line" or "Facility"). The Line will be tax-exempt, subject to the Alternative Minimum Tax (AMT).

This ITN is issued pursuant to the District's procurement authority as an independent special district under Florida law. The District reserves the right to reject any or all proposals, to waive informalities and irregularities, to negotiate with one or more Proposers, and to award the transaction in the manner that best serves the interests of the District and the traveling public.

Proposals must be submitted electronically via the District's procurement portal on DemandStar (www.demandstar.com) and email or as otherwise directed in addenda, and must be received no later than the date and time specified in the Solicitation Timeline below. Late proposals will not be accepted.

Questions must be submitted in writing via email to the designated Point of Contact by the deadline.

**All communications regarding this ITN must comply with the Cone of Silence provisions set forth herein. Unauthorized contact may result in disqualification.**

## SOLICITATION TIMELINE

*The District reserves the right to modify this schedule via addendum.*

| EVENT | DATE / TIME |
|---|---|
| ITN Release / Issuance | Tuesday, July 7, 2026 |
| Written Questions Due | Monday, July 20, 2026, at 3:00 P.M. CT |
| Addenda Issued (if any) | On or before Wednesday, July 22, 2026 |
| **Proposals Due** | **Wednesday, July 30, 2026, at 3:00 P.M. CT** |
| Evaluation / Negotiation | Friday, July 31 – Tuesday, August 4, 2026 |
| Board Agenda Deadline | August 19, 2026 |
| Board Consideration / Award | August 26, 2026 |
| Expected Closing | Promptly upon approval by the Board |

## 1. INTRODUCTION

The District is an independent special district and political subdivision of the State of Florida, created by Special Act of the Florida Legislature in 1967. Chapter 2005-311 and Chapter 2010-274 form the District's current charter.

The District has no ad valorem taxing power and operates on a self-supporting basis primarily through airport revenues, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), grants, and other user fees.

ECP is a growing commercial service airport serving the Florida panhandle. The District is currently implementing a significant capital improvement program, including terminal expansion, infrastructure enhancements, and facility upgrades to accommodate increasing passenger traffic and airline operations.

The District seeks to establish a tax-exempt non-revolving line of credit facility to provide flexible, cost-effective interim and short-term financing for capital projects, equipment acquisitions, and other lawful purposes related to the Airport, while maintaining strong liquidity and minimizing carrying costs during construction and draw periods.

The District is represented by Ford & Associates, Inc. (municipal advisor), Greenberg Traurig P.A. (bond counsel), and Hand Arendall Harrison Sale (counsel to the District) in connection with this transaction. Other professionals will be engaged as needed.

## 2. BACKGROUND AND FINANCIAL INFORMATION

Detailed information regarding the District's operations, governance, and key aviation statistics are available via the District's website at https://www.iflybeaches.com/airport-district/about-ecp. Audited financial statements are available at https://www.iflybeaches.com/audits-budgets. The District's current Capital Improvement Program is included as Attachment A. Outstanding State Infrastructure Bank loan documents (the "SIB Debt") are included as follows:

- Attachment B – SIB Loan #1 and Amendments 1 and 2
- Attachment C – SIB Loan #2 and Amendments 1 and 2
- Attachment D – SIB Loan #3

Proposers responding to this ITN should review District's most recent audited financial statements and other relevant documents prior to submitting a proposal.

The Line will be structured as a special obligation of the District, payable from and secured by a pledge of Net Revenues as defined in SIB Loan # 3 included as Attachment D. Proposers should assume the Line will be on a parity position with the SIB Debt. As determined during negotiations, future debt may be senior, on a parity with, or subordinate to existing debt.

The District anticipates that draws under the Line will be used primarily to fund eligible capital expenditures on an interim basis, with potential long-term refinancing via revenue bond issuance, grants, or other sources.

## 3. PURPOSE AND SCOPE OF THE LINE OF CREDIT

### 3.1 Amount and Structure

Maximum Commitment: Not to exceed $75,000,000 aggregate principal amount.

Facility Type: Non-revolving line of credit / drawdown loan facility.

Facility Term: The District prefers a maturity date of no less than 36 months from the closing date, but Proposers may suggest another final maturity date, as well.

Tax Status: The interest on advances or notes issued under the Line shall be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be treated as a qualified private activity bond or exempt facility bond for airport purposes under Section 142 of the Code (subject to the Alternative Minimum Tax for certain investors and holders).

Bank Qualification: The Line will not be "bank qualified" under Section 265(b)(3) of the Code.

### 3.2 Purpose of Draws

Draw proceeds under the Line may be used for any one or more of the following lawful purposes of the District:

- Costs of capital improvements, expansions, renovations, and equipment acquisitions at the Airport (including terminal, airfield, landside, and support facilities);

- Reimbursement of prior expenditures for eligible projects (to the extent permitted by the Code and Treasury Regulations);
- Payment of costs of issuance associated with the Line and related financing documents;
- Other lawful airport purposes as approved by the District's Board and consistent with the authorizing resolution(s) and the Code.

### 3.3 Desired Features

The District desires a facility with the following characteristics (Proposers should address each and may propose alternatives that provide equal or greater value):

- Competitive tax-exempt variable rate pricing (e.g., based on % of SOFR or other appropriate short-term tax-exempt index plus a fixed spread);
- No or minimal upfront/facility fees, with any such fees clearly disclosed and capped;
- Flexible draw mechanics with reasonable notice periods (e.g., same-day or next-business-day for advances, low minimum draw requirement, multiple draws per month);
- Prepayment without penalty or premium at any time;
- Option to convert outstanding draws to a fixed-rate term loan or to extend the maturity upon mutual agreement;
- Covenants, events of default, and reporting requirements that are reasonable and consistent with the existing SIB Debt and the District's financial profile (rate covenant, additional bonds test, etc.);
- No requirement for a debt service reserve fund;
- No minimum balance requirements;
- Ability for the District to issue additional debt on parity or senior basis subject to standard coverage tests or consultant certification.

## 4. INSTRUCTIONS TO PROPOSERS

### 4.1 Point of Contact and Cone of Silence

The Point of Contact (POC) for all matters related to this ITN shall be via email to the following:

**Ford & Associates, Inc.**
jonford@fordassocinc.com
wreed@fordassocinc.com
jwford@fordassocinc.com

**From the date of release of this ITN until the final award and execution of definitive documents (or cancellation), a "Cone of Silence" is in effect. No Proposer, or any representative or agent thereof, may contact, directly or indirectly, any member of the District's Board of Directors, any District employee, or any consultant or advisor other than the District's Municipal Advisor regarding this ITN or the proposed transaction. Violation of the Cone of Silence may result in immediate disqualification of the Proposer's proposal.**

All questions, requests for clarification, or requests for additional information must be submitted in writing via email to the POC with the subject line "**ITN-2026-07** – Proposer Name – Question". Questions received after the deadline may not be answered. Responses will be issued via addendum posted on DemandStar and the District's website.

### 4.2 Submission Requirements

There are two required identical electronic submissions, one through DemandStar and one to Ford & Associates. Proposals must be submitted electronically through the District's procurement portal on DemandStar (preferred) or as otherwise instructed in an addendum. One (1) complete searchable electronic copy (PDF) is required. The proposal file name should clearly reference "**ITN-2026-07** – Proposer Name – Proposal". In addition, One (1) complete searchable electronic copy (PDF) must be submitted to the District's Municipal Advisor as follows:

Ford & Associates, Inc.
JonFord@FordAssocInc.com
Subject: ITN-2026-07_Submitted by *Name of Proposer*

**Both the submissions to DemandStar and to Ford & Associates must be received by the submission deadline. Failure to do so may result in in the disqualification of the Proposer's proposal.**

Proposals must remain valid for a minimum of sixty (60) days from the due date.

Proposers are solely responsible for ensuring timely delivery. The District is not responsible for technical issues with electronic submission.

### 4.3 Proposal Content Requirements

Each proposal should be organized clearly and address, at a minimum, the following):

1. Cover Letter / Executive Summary – Signed by an authorized officer, summarizing the Bank's interest, key proposed terms, and commitment to negotiate in good faith.
2. Proposed Term Sheet – Detailed summary of all material terms including (but not limited to): interest rate formula and current indicative spread, commitment fee, any upfront or other fees (capped), term of commitment and draw period, repayment/amortization schedule or bullet maturity, prepayment provisions, conditions precedent to closing and each advance, representations and warranties, affirmative and negative covenants (including financial covenants), events of default and remedies, reporting requirements, assignment/syndication provisions, tax treatment confirmation, governing law (Florida) and venue (Bay County, Florida), and any other material terms or conditions.
3. Qualifications and Experience – Description of the Bank (or parent), most recent audited financial statements or Call Report, credit ratings of the Bank and parent (if applicable), and a list of at least three (3) similar transactions closed within the last two (2) years involving tax-exempt or municipal lines of credit or direct-purchase debt for airports, special districts, (include contact information for references).
4. Proposed Security and Structure – Recommended security package (e.g., subordinate or parity pledge of Net Revenues as described in Attachment D) and any suggested enhancements or alternative structures.
5. Legal and Closing Requirements – Confirmation that the Bank can close on a tax-exempt basis, identification of Bank's counsel, estimated timeline to closing, and any conditions or requirements the Bank will impose on the District or its counsel.
6. Required Certifications and Forms – Completed and signed copies of the Public Entity Crimes Affidavit (per Section 287.133, F.S.), Non-Collusion Affidavit, and any other forms provided in Attachment E or required by addendum.
7. Exceptions and Deviations – Clear listing of any exceptions to the terms described in this ITN or standard District documentation. The District prefers proposals with minimal exceptions.

## 5. EVALUATION CRITERIA AND NEGOTIATION PROCESS

This is an Invitation to Negotiate. The District will evaluate responses to determine which Proposer(s) offer the best overall value to the District, considering both quantitative (cost) and qualitative factors. The evaluation will be conducted by a selection committee appointed by the District.

Initial evaluation criteria and approximate weighting (subject to adjustment by the committee):

| Evaluation Criterion | Weight | Focus |
|---|---|---|
| Proposed Terms, Covenants, Flexibility & Conditions | 40% | Reasonableness & fit |
| Proposed Pricing & All-In Cost (interest rate, fees, structure) | 30% | Lowest effective cost |
| Bank Experience, Qualifications & References (esp. airport/FL municipal) | 20% | Proven capability |
| Financial Strength, Capacity & Creditworthiness of Bank | 5% | Ability to fund/hold |
| Overall Quality of Response | 5% | Ease of negotiation |

The District may shortlist one or more top-ranked Proposers and/or enter into negotiations to finalize terms, pricing, and documentation. Negotiations may include requests for best and final offers. The District reserves the right to negotiate with any Proposer, to terminate negotiations with any Proposer at any time, and to award to the Proposer that, in the District's sole judgment, provides the best value. Award is subject to final Board approval and execution of definitive loan or note purchase documents.

## 6. GENERAL TERMS AND CONDITIONS

### 6.1 Reservation of Rights

The District expressly reserves the right to:

- Reject any or all proposals, in whole or in part;
- Waive any informalities, irregularities, or minor deviations;
- Negotiate with one, some, or all Proposers;
- Modify or cancel this ITN at any time prior to award;
- Accept a proposal that is not the lowest cost if it provides superior overall value or better terms;
- Issue addenda to this ITN at any time.

### 6.2 Public Entity Crimes and Debarment

Pursuant to Section 287.133, Florida Statutes, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for Category Two, for a period of 36 months from the date of being placed on the convicted vendor list. Proposers must complete and submit the required affidavit with their proposal.

### 6.3 Public Records and Confidentiality

Proposals are subject to Chapter 119, Florida Statutes (Public Records Act). Proposers should clearly mark any information they consider proprietary or trade secret as "CONFIDENTIAL – PROPRIETARY" and provide a redacted copy for public release if requested. The District will make the final determination regarding confidentiality in accordance with Florida law. Financial terms and material terms of the final agreement will generally be public.

### 6.4 Anti-Human Trafficking

Pursuant to Section 787.06, Florida Statutes, the winning proposer shall be required to provide a signed and notarized Anti-Human Trafficking Affidavit attached hereto as Attachment E.

### 6.4 Governing Law and Venue

This ITN and any resulting agreement shall be governed by and construed in accordance with the laws of the State of Florida. Any litigation arising out of this ITN or the transaction shall be brought exclusively in the state or federal courts located in Bay County, Florida.

### 6.5 Costs and Expenses

Each Proposer is solely responsible for all costs and expenses incurred in preparing and submitting its proposal and in participating in negotiations. The District will not reimburse any such costs, whether or not a proposal is selected or an award is made. The selected Bank will be responsible for its own legal fees and expenses unless otherwise negotiated and agreed in the final documents.

### 6.6 Protest Procedures

Any protest of the award or of this ITN process must be filed in writing with the POC within seventy-two (72) hours after the posting of the notice of intended award (or after the event giving rise to the protest). A formal written protest with bond must be filed within ten (10) days thereafter in accordance with applicable Florida law and District procedures. Failure to timely protest constitutes a waiver.

### 6.7 Miscellaneous

The selected Bank will be required to comply with all applicable laws, FAA grant assurances, and District policies. The final agreement will include standard District provisions regarding indemnification, insurance (as applicable to lenders), public records, audit rights, and anti-discrimination.

## 7. Award & Execution

The selection committee will recommend a preferred Proposer (or Proposers for negotiation) to the District's Board of Directors. Upon Board approval, the District and the selected Bank will negotiate and execute a definitive Loan Agreement, Note Purchase Agreement, or similar document(s), together with related authorizing resolutions, tax certificates, and opinions of counsel. Closing is anticipated on or before August 31, 2026, or such other date as mutually agreed.

The District anticipates that the transaction will close with delivery of the Bank's funds against delivery of the District's note(s) or execution of the loan documents, with advances to be made thereafter upon satisfaction of conditions precedent.

# ATTACHMENTS

- Attachment A: ECP Capital Improvement Program
- Attachment B: SIB Loan #1 and Amendments 1 and 2
- Attachment C: SIB Loan #2 and Amendments 1 and 2
- Attachment D: SIB Loan #3
- Attachment E:  Anti-Human Trafficking Affidavit

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***— END OF INVITATION TO NEGOTIATE —***

*Proposers are advised to monitor DemandStar and www.iflybeaches.com for addenda and updates.*

NORTHWEST FLORIDA BEACHES INTERNATIONAL AIRPORT

# CIP 2027-2031

| Starting Entitlement Balance | $ 95,542 | Starting AIG Allocation (FY23) | $ 4,401,441 |
|---|---|---|---|

| CALENDAR YEAR 2027 | | | Cost | Funding Rates | | | FAA | | | | PFC | FDOT Funding | Other Funding | FDOT SIB | Local Funding | Local Funding (Non-AIP Eligible) | CFC | Other Funding Source | Annual Entitlement | $ 3,924,011 | Annual AIG Allocation | $ - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year (FY) | Proposed Project | Project Type | | FAA | FDOT | Local | AIP | AIP(d) | AIG | ATP(d) | | | | | | | | | Total Entitlement | $ 3,962,121 | Total AIG Allocation | $ 2,392,060 |
| **PLANNING AND ENVIRONMENTAL** | | | | | | | | | | | | | | | | | | | | | | |
| **ENGINEERING AND CONSTRUCTION** | | | | | | | | | | | | | | | | | | | | | | |
| FY2027 | Rehab Flex Joint Seal Runway 16/34 | Construction | $ 3,000,000 | 90% | 5% | 5% | $ - | $ - | $ - | $ - | $ - | $ 150,000 | $ - | $ - | $ 150,000 | $ - | $ - | $ - | | $ 3,962,121 | | $ 2,392,060 |
| FY2027 | Taxiways - D, T, & U (Mill and Overlay) DESIGN | Engineering | $ 150,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 75,000 | $ - | $ - | $ 75,000 | $ - | $ - | $ - | | $ 3,962,121 | | $ 2,392,060 |
| FY2027 | Terminal Loop Road Phase 2 - DESIGN | Engineering | $ 750,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 375,000 | $ - | $ - | $ 375,000 | $ - | $ - | $ - | | $ 3,962,121 | | $ 2,392,060 |
| FY2027 | T Hangar Design and Construction | Eng/Const | $ 750,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 375,000 | $ - | $ - | $ 375,000 | $ - | $ - | $ - | | $ 3,962,121 | | $ 2,392,060 |
| **ARCHITECTURE AND BUILDINGS** | | | | | | | | | | | | | | | | | | | | | | |
| FY2027 | North Terminal Expansion- CONSTRUCTION (CGMP 3) | Building | $ - | 0% | 0% | 0% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,962,121 | | $ 2,392,060 |
| FY2027 | TSA Relocation & Expansion - CONSTRUCTION (CGMP 3) | Building | $ 17,625,000 | 5% | 0% | 95% | $ 3,962,121 | $ - | $ - | $ - | $ - | $ - | $ 13,662,879 | $ - | $ - | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| FY2027 | Terminal Skylight Replacement | Building | $ 475,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 237,500 | $ - | $ - | $ 237,500 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| **EQUIPMENT** | | | | | | | | | | | | | | | | | | | | | | |
| FY2027 | Security Gate/Operator Replacement | Equipment | $ 300,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 150,000 | $ - | $ - | $ 150,000 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| | ***CALENDAR YEAR TOTALS*** | | **$ 23,050,000** | | | | **$ 3,962,121** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 1,362,500** | **$ 13,662,879** | **$ -** | **$ 1,362,500** | **$ -** | **$ -** | **$ -** | | **$ -** | | **$ 2,392,060** |

| CALENDAR YEAR 2028 | | | Cost | Funding Rates | | | FAA | | | | PFC | FDOT Funding | Other Funding | FDOT SIB | Local Funding | Local Funding (Non-AIP Eligible) | CFC | Other Funding Source | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year (FY) | Proposed Project | Project Type | | FAA | FDOT | Local | AIP | AIP(d) | AIG | ATP(d) | | | | | | | | | Total Entitlement | $ 3,412,472 | Total AIG Allocation | $ 2,392,060 |
| **PLANNING AND ENVIRONMENTAL** | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | Master Plan Update | Planning | $ 900,000 | 90% | 0% | 10% | $ 810,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 90,000 | $ - | $ - | $ - | | $ 2,602,472 | | $ 2,392,060 |
| FY2028 | Terminal Area Projects Environmental Assessment (EA) Study (moved from 27) | Environmental | $ 500,000 | 90% | 0% | 10% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 50,000 | $ - | $ - | $ - | | $ - | | $ - |
| **ENGINEERING AND CONSTRUCTION** | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | Terminal Loop Road Phase 2 - CONSTRUCTION | Engineering | $ 10,000,000 | 90% | 5% | 5% | $ 1,072,472 | $ 7,927,528 | $ - | $ - | $ - | $ 500,000 | $ - | $ - | $ 500,000 | $ - | $ - | $ - | | $ 1,530,000 | | $ 2,392,060 |
| FY2028 | Taxiways - D, T, & U (Mill and Overlay) CONSTRUCTION | Engineering | $ 1,700,000 | 90% | 0% | 10% | $ 1,530,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 170,000 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| **ARCHITECTURE AND BUILDINGS** | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | North Terminal Expansion - CONSTRUCTION PHASE 4? | Building | $ - | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| FY2028 | CBP International Facility - DESIGN | Building | $ 411,740 | 90% | 5% | 5% | $ - | $ 370,566 | $ - | $ - | $ - | $ 20,587 | $ - | $ - | $ 20,587 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| **EQUIPMENT** | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | Replacement vehicle for ARFF and Extrication Equipment | Equipment | $ 775,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 387,500 | $ - | $ - | $ 387,500 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| FY2028 | Replacement of Terminal Building Emergency Power Generator | Equipment | $ 1,600,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 800,000 | $ - | $ - | $ 800,000 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| FY2028 | Boom Lift | Equipment | $ 100,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 50,000 | $ - | $ - | $ 50,000 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| | ***CALENDAR YEAR TOTALS*** | | **$ 15,986,740** | | | | **$ 3,412,472** | **$ 8,298,094** | **$ -** | **$ -** | **$ -** | **$ 1,758,087** | **$ -** | **$ -** | **$ 2,068,087** | **$ -** | **$ -** | **$ -** | | **$ -** | | **$ 2,392,060** |

| CALENDAR YEAR 2029 | | | Cost | Funding Rates | | | FAA | | | | PFC | FDOT Funding | Other Funding | FDOT SIB | Local Funding | Local Funding (Non-AIP Eligible) | CFC | Other Funding Source | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year (FY) | Proposed Project | Project Type | | FAA | FDOT | Local | AIP | AIP(d) | AIG | ATP(d) | | | | | | | | | Total Entitlement | $ 3,412,472 | Total AIG Allocation | $ 2,392,060 |
| **PLANNING AND ENVIRONMENTAL** | | | | | | | | | | | | | | | | | | | | | | |
| **ENGINEERING AND CONSTRUCTION** | | | | | | | | | | | | | | | | | | | | | | |
| FY2029 | South Parking Expansion | Construction | $ 4,350,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 2,175,000 | $ - | $ - | $ 2,175,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| FY2029 | Vehicle Parking Expansion (Garage) | Construction | $ 40,000,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 20,000,000 | $ - | $ - | $ 20,000,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| FY2029 | Stormwater Pond Expansion | Construction | $ 4,400,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 2,200,000 | $ - | $ - | $ 2,200,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| **ARCHITECTURE AND BUILDINGS** | | | | | | | | | | | | | | | | | | | | | | |
| FY2029 | Airport Public Safety Expansion - DESIGN and CONSTRUCTION | Building | $ 2,500,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 1,250,000 | $ - | $ - | $ 1,250,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| **EQUIPMENT** | | | | | | | | | | | | | | | | | | | | | | |
| FY2029 | Airport Operations and Maintenance Equipment | Equipment | $ 600,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 300,000 | $ - | $ - | $ 300,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| | ***CALENDAR YEAR TOTALS*** | | **$ 51,850,000** | | | | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 25,925,000** | **$ -** | **$ -** | **$ 25,925,000** | **$ -** | **$ -** | **$ -** | | **$ 3,412,472** | | **$ 2,392,060** |

| CALENDAR YEAR 2030 | | | Cost | Funding Rates | | | FAA | | | | PFC | FDOT Funding | Other Funding | FDOT SIB | Local Funding | Local Funding (Non-AIP Eligible) | CFC | Other Funding Source | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year (FY) | Proposed Project | Project Type | | FAA | FDOT | Local | AIP | AIP(d) | AIG | ATP(d) | | | | | | | | | Total Entitlement | $ 6,824,944 | Total AIG Allocation | $ 2,392,060 |
| **PLANNING AND ENVIRONMENTAL** | | | | | | | | | | | | | | | | | | | | | | |
| FY2030 | Runway 21 RPZ Property Acquisition | Planning | $ 355,000 | 90% | 0% | 10% | $ 319,500 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 35,500 | $ - | $ - | $ - | | $ 6,505,444 | | $ 2,392,060 |
| FY2030 | Crosswind Runway (3/21) Environmental Assessment (EA) Study | Environmental | $ 500,000 | 90% | 0% | 10% | $ 450,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 50,000 | $ - | $ - | $ - | | $ 6,055,444 | | $ 2,392,060 |
| **ENGINEERING AND CONSTRUCTION** | | | | | | | | | | | | | | | | | | | | | | |
| FY2030 | East Airfield Development - DESIGN | Construction | $ 5,000,000 | 90% | 5% | 5% | $ 4,500,000 | $ - | $ - | $ - | $ - | $ 250,000 | $ - | $ - | $ 250,000 | $ - | $ - | $ - | | $ 1,555,444 | | $ 2,392,060 |
| FY2030 | Pave Internal Service Road (Security Road) - Phase I CONSTRUCTION | Construction | $ 5,369,000 | 90% | 5% | 5% | $ 1,555,444 | $ 3,276,656 | $ - | $ - | $ - | $ 268,450 | $ - | $ - | $ 268,450 | $ - | $ - | $ - | | $ - | | $ 2,392,060 |
| FY2030 | Vehicle Parking Long Term #3 | Construction | $ 3,600,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 1,800,000 | $ - | $ - | $ 1,800,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| FY2030 | Vehicle Parking Long Term #4 | Construction | $ 5,000,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 2,500,000 | $ - | $ - | $ 2,500,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| **ARCHITECTURE AND BUILDINGS** | | | | | | | | | | | | | | | | | | | | | | |
| **EQUIPMENT** | | | | | | | | | | | | | | | | | | | | | | |
| | ***CALENDAR YEAR TOTALS*** | | **$ 19,824,000** | | | | **$ 6,824,944** | **$ 3,276,656** | **$ -** | **$ -** | **$ -** | **$ 4,818,450** | **$ -** | **$ -** | **$ 4,903,950** | **$ -** | **$ -** | **$ -** | | **$ -** | | **$ -** |

| CALENDAR YEAR 2031 | | | Cost | Funding Rates | | | FAA | | | | PFC | FDOT Funding | Other Funding | FDOT SIB | Local Funding | Local Funding (Non-AIP Eligible) | CFC | Other Funding Source | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year (FY) | Proposed Project | Project Type | | FAA | FDOT | Local | AIP | AIP(d) | AIG | ATP(d) | | | | | | | | | Total Entitlement | $ 3,412,472 | Total AIG Allocation | $ - |
| **PLANNING AND ENVIRONMENTAL** | | | | | | | | | | | | | | | | | | | | | | |
| FY2031 | | Planning | $ - | 90% | 5% | 5% | $ - | $ - | $ - | $ - | $ - | $ 37,500 | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,412,472 | | $ - |
| **ENGINEERING AND CONSTRUCTION** | | | | | | | | | | | | | | | | | | | | | | |
| FY2031 | East Airfield Development - Phase I - CONSTRUCTION | Construction | $ - | 90% | 5% | 5% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,412,472 | | $ - |
| FY2031 | Crosswind Runway - DESIGN | Engineering | $ 3,000,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ - |
| FY2031 | Crosswind Runway - Phase I CONSTRUCTION | Construction | $ 30,000,000 | 90% | 5% | 5% | $ 3,412,472 | $ 23,587,528 | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | | $ - | | $ - |
| FY2031 | Taxilane "F" Pavement Rehabilitation - DESIGN | Engineering | $ 300,000 | 90% | 0% | 10% | $ - | $ 270,000 | $ - | $ - | $ - | $ 250,000 | $ - | $ - | $ 30,000 | $ - | $ - | $ - | | $ - | | $ - |
| FY2031 | Taxilane "F" Pavement Rehabilitation - CONSTRUCTION | Construction | $ 2,500,000 | 90% | 0% | 10% | $ - | $ 2,250,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 250,000 | $ - | $ - | $ - | | $ - | | $ - |
| FY2031 | CBP International Screening Facility- Design | Construction | $ 300,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 150,000 | $ - | $ - | $ 150,000 | $ - | $ - | $ - | | $ 3,412,472 | | $ 2,392,060 |
| FY2031 | CBP International Screening Facility- Construction | Construction | $ 1,200,000 | 90% | 0% | 10% | $ - | $ 2,250,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 120,000 | $ - | $ - | $ - | | $ - | | $ - |
| FY2031 | Parallel Taxiway - DESIGN | Engineering | $ 1,200,000 | 90% | 0% | 10% | $ - | $ 1,080,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 120,000 | $ - | $ - | $ - | | $ - | | $ - |
| **ARCHITECTURE AND BUILDINGS** | | | | | | | | | | | | | | | | | | | | | | |
| | | Building | $ - | 90% | 0% | 10% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | | $ - |
| | | Building | $ - | 90% | 5% | 5% | $ - | $ - | $ - | $ - | $ - | $ 20,587 | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | | $ - |
| **EQUIPMENT** | | | | | | | | | | | | | | | | | | | | | | |
| | | Equipment | $ - | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 800,000 | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | | $ - |
| | | Equipment | $ - | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ 50,000 | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | | $ - |
| | ***CALENDAR YEAR TOTALS*** | | **$ 38,500,000** | | | | **$ 3,412,472** | **$ 29,437,528** | **$ -** | **$ -** | **$ -** | **$ 4,308,087** | **$ -** | **$ -** | **$ 3,670,000** | **$ -** | **$ -** | **$ -** | | **$ -** | | **$ -** |

NORTHWEST FLORIDA BEACHES INTERNATIONAL AIRPORT

# CIP 2026-2030

| Starting Entitlement Balance | $ 95,542 | Starting AIG Allocation (FY23) | $ 4,401,441 |
|---|---|---|---|

| FISCAL YEAR (FY) | Proposed Project | Project Description | Project Type | Cost | Funding Rates FAA | Funding Rates FDOT | Funding Rates Local | FAA AIP | FAA AIP(d) | FAA AIG | FAA AIG FCT | FAA ATP(d) | FAA CARES 1, 2, 3 | PFC | FDOT Funding | Other Funding | FDOT SIB | Local Funding | Local Funding (Non-AIP Eligible) | CFC | Other Funding Source | | Running Entitlement Balance | | Running AIG Allocation Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CALENDAR YEAR 2025 | | | | | | | | | | | | | | | | | | | | | | Annual Entitlement | $ 3,791,635 | Annual AIG Allocation | $ 4,283,376 |
| | | | | | | | | | | | | | | | | | | | | | | Total Entitlement Available | $ 3,887,177 | Total AIG Allocation Available | $ 8,684,817 |
| PLANNING AND ENVIRONMENTAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENGINEERING AND CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2025 | Terminal Loop Road - Phase I - CONSTRUCTION (to 26) | Term Exp Program | Construction | $ - | 90% | 0% | 10% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,887,177 | | $ 8,684,817 |
| FY2025 | Fuel Farm Expansion - DESIGN | | Engineering | $ 179,836 | 90% | 0% | 10% | $ - | $ - | $ 161,852 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 17,984 | $ - | $ - | $ - | | $ 3,887,177 | | $ 8,522,965 |
| ARCHITECTURE AND BUILDINGS | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2025 | North Terminal Expansion - CONSTRUCTION (CGMP 1) | Term Exp Program | Building | $ 10,526,316 | 95% | 0% | 5% | $ - | $ - | $ - | $ - | $ 10,000,000 | $ - | $ - | $ - | $ - | $ - | $ 526,316 | $ - | $ - | $ - | | $ 3,887,177 | | $ 8,522,965 |
| FY2025 | Mechanical Room Relocation - CONSTRUCTION (to 26) | Term Exp Program | Building | $ - | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,887,177 | | $ 8,522,965 |
| FY2025 | Rental Car Relocation and Expansion - CONSTRUCTION (to 26) | Term Exp Program | Building | $ - | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,887,177 | | $ 8,522,965 |
| FY2025 | Arrival Hall Modifications - DESIGN/CONSTRUCTION (to 26) | Term Exp Program | Building | $ - | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,887,177 | | $ 8,522,965 |
| EQUIPMENT | | | | | | | | | | | | | | | | | | | | | | | | | |
| | **CALENDAR YEAR TOTALS** | | | **$ 10,706,152** | | | | **$ -** | **$ -** | **$ 161,852** | **$ -** | **$ 10,000,000** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 544,300** | **$ -** | **$ -** | **$ -** | | **$ 3,887,177** | | **$ 8,522,965** |
| CALENDAR YEAR 2026 | | | | | | | | | | | | | | | | | | | | | | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ 3,855,038 |
| | | | | | | | | | | | | | | | | | | | | | | Total Entitlement Available | $ 7,299,649 | Total AIG Allocation Available | $ 12,066,697 |
| PLANNING AND ENVIRONMENTAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENGINEERING AND CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2026 | Vehicle Parking Expansion - Phase II - DESIGN/CONSTRUCTION (to 27) | | Engineering | $ - | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 7,299,649 | | $ 12,066,697 |
| FY2026 | Employee Parking Lot Rehab (new project) | | Construction | $ 289,200 | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 289,200 | $ - | $ - | $ - | | $ 7,299,649 | | $ 12,066,697 |
| FY2026 | Terminal Loop Road - Phase I - CONSTRUCTION (from FY25) | Term Exp Program | Construction | $ 6,318,180 | 90% | 0% | 10% | $ - | $ - | $ 5,686,362 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 631,818 | $ - | $ - | $ - | | $ 7,299,649 | | $ 6,380,335 |
| FY2026 | FP&L Relocation (new project) | | Construction | $ 150,000 | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 150,000 | $ - | $ - | $ - | | $ 7,299,649 | | $ 6,380,335 |
| FY2026 | Taxilane - Johnny Reaver Rd - DESIGN/CONSTRUCTION | | Eng/Const | $ 3,729,397 | 90% | 0% | 10% | $ - | $ - | $ 3,356,457 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 372,940 | $ - | $ - | $ - | | $ 7,299,649 | | $ 3,023,878 |
| FY2026 | Fuel Farm Expansion - CONSTRUCTION | | Construction | $ 1,320,200 | 90% | 0% | 10% | $ - | $ - | $ 1,188,180 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 132,020 | $ - | $ - | $ - | | $ 7,299,649 | | $ 1,835,698 |
| ARCHITECTURE AND BUILDINGS | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2026 | North Terminal Expansion - CONSTRUCTION (CGMP 1&2) | Term Exp Program | Building | $ 82,662,280 | 95% | 0% | 5% | $ - | $ - | $ - | $ - | $ 8,000,000 | $ - | $ - | $ - | $ 25,609,648 | $ 26,000,000 | $ 1,052,632 | $ - | $ - | $ - | | $ 7,299,649 | | $ 1,835,698 |
| FY2026 | Arrival Hall Modifications - DESIGN/CONSTRUCTION (from 25) | Term Exp Program | Building | $ 1,350,000 | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,215,000 | $ 135,000 | $ - | $ - | $ - | | $ 7,299,649 | | $ 1,835,698 |
| FY2026 | Rental Car Relocation and Expansion - CONSTRUCTION (from 25) | Term Exp Program | Building | $ 7,000,000 | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 7,000,000 | $ - | | $ 7,299,649 | | $ 1,835,698 |
| FY2026 | Mechanical Room Relocation - CONSTRUCTION (from 25) | Term Exp Program | Building | $ 1,200,000 | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,080,000 | $ 120,000 | $ - | $ - | $ - | | $ 7,299,649 | | $ 1,835,698 |
| FY2026 | Airport Maintenance and Facility Expansion | | Building | $ 500,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 250,000 | $ - | $ - | $ 250,000 | $ - | $ - | $ - | | $ 7,299,649 | | $ 1,835,698 |
| EQUIPMENT | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2026 | Acquire Passenger Boarding Bridge (PBB) Equipment - New Gates 8, 9 | Term Exp Program | Equipment | $ 3,500,000 | 90% | 0% | 10% | $ 3,150,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 350,000 | $ - | $ - | $ - | | $ 4,149,649 | | $ 1,835,698 |
| FY2026 | Security System Upgrade - DESIGN & CONSTRUCTION | | Equipment | $ 4,000,000 | 90% | 0% | 10% | $ 3,600,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 400,000 | $ - | $ - | $ - | | $ 549,649 | | $ 1,835,698 |
| FY2026 | Outbound Baggage Carousel Replacement | | Equipment | $ 650,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 279,000 | $ - | $ - | $ 371,000 | $ - | $ - | $ - | | $ 549,649 | | $ 1,835,698 |
| | **CALENDAR YEAR TOTALS** | | | **$ 112,669,257** | | | | **$ 6,750,000** | **$ -** | **$ 10,230,999** | **$ -** | **$ 8,000,000** | **$ -** | **$ -** | **$ 529,000** | **$ 25,609,648** | **$ 28,295,000** | **$ 4,254,610** | **$ -** | **$ 7,000,000** | **$ -** | | **$ 549,649** | | **$ 1,835,698** |
| CALENDAR YEAR 2027 | | | | | | | | | | | | | | | | | | | | | | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ - |
| | | | | | | | | | | | | | | | | | | | | | | Total Entitlement Available | $ 3,962,121 | Total AIG Allocation Available | $ 1,835,698 |
| PLANNING AND ENVIRONMENTAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2027 | Terminal Area Projects Environmental Assessment (EA) Study | | Environmental | $ 500,000 | 90% | 0% | 10% | $ 450,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 50,000 | $ - | $ - | $ - | | $ 3,512,121 | | $ 1,835,698 |
| ENGINEERING AND CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2027 | Expand Terminal Cell Phone Lot | | Construction | $ 400,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 200,000 | $ - | $ - | $ 200,000 | $ - | $ - | $ - | | $ 3,512,121 | | $ 1,835,698 |
| FY2027 | Vehicle Parking Expansion - Phase II - DESIGN/CONSTRUCTION (from 26) | | Engineering | $ 3,500,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,750,000 | $ - | $ - | $ 1,750,000 | $ - | $ - | $ - | | $ 3,512,121 | | $ 1,835,698 |
| FY2027 | Rehab Flex Joint Seal Runway 16/34 | | Construction | $ 3,000,000 | 90% | 5% | 5% | $ 2,700,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 150,000 | $ - | $ - | $ 150,000 | $ - | $ - | $ - | | $ 812,121 | | $ 1,835,698 |
| FY2027 | T Hangar Design and Construction | | Eng/Const | $ 750,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 375,000 | $ - | $ - | $ 375,000 | $ - | $ - | $ - | | $ 812,121 | | $ 1,835,698 |
| ARCHITECTURE AND BUILDINGS | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2027 | North Terminal Expansion- CONSTRUCTION (CGMP 3) | Term Exp Program | Building | $ - | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 812,121 | | $ 1,835,698 |
| FY2027 | TSA Relocation & Expansion - CONSTRUCTION (CGMP 3) | Term Exp Program | Building | $ 17,625,000 | 90% | 0% | 10% | $ 812,121 | $ 15,050,379 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,762,500 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| FY2027 | Terminal Skylight Replacement | | Building | $ 475,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 237,500 | $ - | $ - | $ 237,500 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| EQUIPMENT | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2027 | Security Gate/Operator Replacement | | Equipment | $ 300,000 | 0% | 50% | 50% | | $ - | $ - | $ - | $ - | $ - | $ - | $ 150,000 | $ - | $ - | $ 150,000 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| | **CALENDAR YEAR TOTALS** | | | **$ 26,550,000** | | | | **$ 3,962,121** | **$ 15,050,379** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 2,862,500** | **$ -** | **$ -** | **$ 4,675,000** | **$ -** | **$ -** | **$ -** | | **$ -** | | **$ 1,835,698** |
| CALENDAR YEAR 2028 | | | | | | | | | | | | | | | | | | | | | | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ - |
| | | | | | | | | | | | | | | | | | | | | | | Total Entitlement Available | $ 3,412,472 | Total AIG Allocation Available | $ 1,835,698 |
| PLANNING AND ENVIRONMENTAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | Master Plan Update | | Planning | $ 750,000 | 90% | 5% | 5% | $ 675,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ 37,500 | $ - | $ - | $ 37,500 | $ - | $ - | $ - | | $ 2,737,472 | | $ 1,835,698 |
| ENGINEERING AND CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | Taxilane "F" Pavement Rehabilitation - DESIGN | | Engineering | $ 300,000 | 90% | 0% | 10% | $ 270,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 30,000 | $ - | $ - | $ - | | $ 2,467,472 | | $ 1,835,698 |
| FY2028 | East Airfield Development - DESIGN | | Engineering | $ 5,000,000 | 90% | 5% | 5% | $ 843,520 | $ 3,656,480 | $ - | $ - | $ - | $ - | $ - | $ 250,000 | $ - | $ - | $ 250,000 | $ - | $ - | $ - | | $ 1,623,952 | | $ 1,835,698 |
| FY2028 | Terminal Loop Road Phase 2 - CONSTRUCTION | | Engineering | $ 6,400,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 3,200,000 | $ - | $ - | $ 3,200,000 | $ - | $ - | $ - | | $ 1,623,952 | | $ 1,835,698 |
| FY2028 | Taxiway "D" Pavement Rehabilitation - DESIGN | | Engineering | $ 1,800,000 | 90% | 0% | 10% | $ 1,620,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 180,000 | $ - | $ - | $ - | | $ 3,952 | | $ 1,835,698 |
| ARCHITECTURE AND BUILDINGS | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | North Terminal Expansion - CONSTRUCTION PHASE 4? | Term Exp Program | Building | $ - | 0% | 0% | 100% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,952 | | $ 1,835,698 |
| FY2028 | CBP International Facility - DESIGN | | Building | $ 411,740 | 90% | 5% | 5% | $ - | $ 370,566 | $ - | $ - | $ - | $ - | $ - | $ 20,587 | $ - | $ - | $ 20,587 | $ - | $ - | $ - | | $ 3,952 | | $ 1,835,698 |
| EQUIPMENT | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2028 | Replacement vehicle for ARFF and Extrication Equipment | | Equipment | $ 775,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 387,500 | $ - | $ - | $ 387,500 | $ - | $ - | $ - | | $ 3,952 | | $ 1,835,698 |
| FY2028 | Replacement of Terminal Building Emergency Power Generator | | Equipment | $ 1,600,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 800,000 | $ - | $ - | $ 800,000 | $ - | $ - | $ - | | $ 3,952 | | $ 1,835,698 |
| FY2028 | Boom Lift | | Equipment | $ 100,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 50,000 | $ - | $ - | $ 50,000 | $ - | $ - | $ - | | $ 3,952 | | $ 1,835,698 |
| | **CALENDAR YEAR TOTALS** | | | **$ 17,136,740** | | | | **$ 3,408,520** | **$ 4,027,046** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 4,745,587** | **$ -** | **$ -** | **$ 4,955,587** | **$ -** | **$ -** | **$ -** | | **$ 3,952** | | **$ 1,835,698** |
| CALENDAR YEAR 2029 | | | | | | | | | | | | | | | | | | | | | | Annual Entitlement | $ 3,412,472 | Annual AIG Allocation | $ - |
| | | | | | | | | | | | | | | | | | | | | | | Total Entitlement Available | $ 3,416,424 | Total AIG Allocation Available | $ 1,835,698 |
| PLANNING AND ENVIRONMENTAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| ENGINEERING AND CONSTRUCTION | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2029 | Taxilane "F" Pavement Rehabilitation - CONSTRUCTION | | Construction | $ 2,500,000 | 90% | 0% | 10% | $ - | $ 2,250,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 250,000 | $ - | $ - | $ - | | $ 3,416,424 | | $ 1,835,698 |
| FY2029 | East Airfield Development - Phase I - CONSTRUCTION | | Construction | $ - | 90% | 5% | 5% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ 3,416,424 | | $ 1,835,698 |
| FY2029 | Taxiway "D" Pavement Rehabilitation - CONSTRUCTION | | Construction | $ 12,000,000 | 90% | 0% | 10% | $ 3,416,424 | $ 7,383,576 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,200,000 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| FY2029 | Pave Internal Service Road (Security Road) - Phase I CONSTRUCTION | | Construction | $ 5,369,000 | 90% | 5% | 5% | $ - | $ 4,832,100 | $ - | $ - | $ - | $ - | $ - | $ 268,450 | $ - | $ - | $ 268,450 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| FY2029 | Parallel Taxiway - DESIGN | | Engineering | $ 1,200,000 | 90% | 0% | 10% | $ - | $ 1,080,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 120,000 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| ARCHITECTURE AND BUILDINGS | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2029 | Airport Public Safety Expansion - DESIGN and CONSTRUCTION | | Building | $ 2,500,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,250,000 | $ - | $ - | $ 1,250,000 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| EQUIPMENT | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY2029 | Airport Operations and Maintenance Equipment | | Equipment | $ 600,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 300,000 | $ - | $ - | $ 300,000 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| | ***CALENDAR YEAR TOTALS*** | | | **$ 24,169,000** | | | | **$ 3,416,424** | **$ 15,545,676** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 1,818,450** | **$ -** | **$ -** | **$ 3,388,450** | **$ -** | **$ -** | **$ -** | | **$ -** | | **$ 1,835,698** |

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***CALENDAR YEAR 2030*** | | | | | | | | | | | | | | | | | | | | | | **Annual Entitlement** | **$ 3,412,472** | **Annual AIG Allocation** | **$ -** |
| | | | | | | | | | | | | | | | | | | | | | | **Total Entitlement Available** | **$ 3,412,472** | **Total AIG Allocation Available** | **$ 1,835,698** |
| **PLANNING AND ENVIRONMENTAL** | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2030 | Runway 21 RPZ Property Acquisition | | Planning | $ 355,000 | 90% | 0% | 10% | $ 319,500 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 35,500 | $ - | $ - | $ - | | $ 3,092,972 | | $ 1,835,698 |
| FY2030 | Crosswind Runway (3/21) Environmental Assessment (EA) Study | | Environmental | $ 500,000 | 90% | 0% | 10% | $ 450,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 50,000 | $ - | $ - | $ - | | $ 2,642,972 | | $ 1,835,698 |
| **ENGINEERING AND CONSTRUCTION** | | | | | | | | | | | | | | | | | | | | | | | | | |
| FY2030 | Crosswind Runway - DESIGN | | Engineering | $ 3,000,000 | 0% | 50% | 50% | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | | $ 2,642,972 | | $ 1,835,698 |
| FY2030 | Crosswind Runway - Phase I CONSTRUCTION | | Construction | $ 30,000,000 | 90% | 5% | 5% | $ 2,642,972 | $ 24,357,028 | $ - | $ - | $ - | $ - | $ - | $ 1,500,000 | $ - | $ - | $ 1,500,000 | $ - | $ - | $ - | | $ - | | $ 1,835,698 |
| **ARCHITECTURE AND BUILDINGS** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **EQUIPMENT** | | | | | | | | | | | | | | | | | | | | | | | | | |
| | ***CALENDAR YEAR TOTALS*** | | | **$ 33,855,000** | | | | **$ 3,412,472** | **$ 24,357,028** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 3,000,000** | **$ -** | **$ -** | **$ 3,085,500** | **$ -** | **$ -** | **$ -** | | **$ -** | | **$ 1,835,698** |

**Execution Copy**

# STATE OF FLORIDA
# DEPARTMENT OF TRANSPORTATION

**AND**

**Panama City-Bay County Airport and Industrial District**

# STATE-FUNDED
# STATE INFRASTRUCTURE BANK
# LOAN AGREEMENT

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**(AGENCY VERSION)**

**Catalog of State Financial Assistance (CSFA): 55.020**

**Contract Number: ___________**

**Financial Project Number: 421137-1-94-01**

State of Florida Department of Transportation
605 Suwannee Street
Tallahassee, Florida 32399-0450

STATE INFRASTRUCTURE BANK LOAN AGREEMENT

<u>CONTENTS</u> <u>PAGE</u>

**STATE-FUNDED**
**STATE INFRASTRUCTURE BANK LOAN AGREEMENT**

THIS AGREEMENT is dated as of December 21, 2007 and is by and between the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (the "Department") and Panama City-Bay County Airport and Industrial District, (the "Agency"), existing as an independent special district under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to Section 339.55, Florida Statutes (the "State Act"), the Department is authorized to make loans to governmental units and private entities to finance or refinance the construction, reconstruction, and improvement of transportation facilities that are on the State Highway System or that provide for increased mobility on the State's transportation system or provide intermodal connectivity with airports, seaports, rail facilities, and other transportation terminals; and

WHEREAS, in accordance with the provisions of the State Act, the Department has responsibility for the performance of various activities in connection with such loans; and

WHEREAS, the Agency has made application for the financing of the Project (as hereinafter defined), through a loan made under and pursuant to the State Act, and the Department has determined that the Project meets all requirements for a loan and has agreed to make a loan to the Agency for the financing of the Project as set forth in this Agreement (the "Loan"); and

WHEREAS, in accordance with the provisions of Sections 215.57 – 215.83 (the "State Bond Act") and that certain Resolution of the Division of Bond Finance of the State Board of Administration of Florida (the "Division"), dated March 30, 2004, as supplemented and amended from time to time (the "Resolution"), the Division is authorized to issue bonds (the "Bonds") on behalf of the Department to fund loans pursuant to the State Act and to refund Bonds; and

WHEREAS, the Loan and all payments of principal and interest thereon, including prepayments, and all proceeds thereof, have been or are intended to be pledged and assigned under the Resolution as security for the payment of principal of, premium, if any, and interest on the Bonds;

NOW, THEREFORE, in consideration of the Department making the loan to the Agency, in the principal amount and pursuant to the covenants hereinafter set forth, and intending to be legally bound by this Agreement, the Department and the Agency agree as follows:

# ARTICLE I – DEFINITIONS AND CONDITIONS PRECEDENT

## 1.01. DEFINITIONS.

In addition to the words and terms elsewhere defined in this Agreement, the following words and terms shall have the meanings set forth below. Further, words of the masculine gender shall be understood to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural and the word "person" shall include departments and associations, including public bodies, as well as natural persons.

(1) "Adjusted Pledged Funds" shall mean, with respect to any particular measurement period or measurement date, Pledged Funds adjusted by (1) subtracting debt service on and payment or deposit obligations with respect to, Senior Debt, paid or deposited or to be paid or deposited, during the relevant measurement period, and (2) adding the balance in any excess reserve fund, surplus fund, coverage account or similar account established under documents relating to Permitted Parity Debt as of the relevant measurement date. For purposes of the foregoing, the Available PFC Revenues component of Pledged Funds shall not exceed 100% of Eligible PFC Debt Service with respect to Senior Debt Outstanding and Senior Debt Proposed to be issued, nor 110% of such Loan Payments and debt service payments with respect to Permitted Parity Debt eligible to be paid from Available PFC Revenues.

(2) "Agreement" or "Loan Agreement" shall mean this loan agreement and all exhibits and schedules attached hereto.

(3) "Agreement Date" means the date first written above.

(4) "Applicable Tax-Exempt Bonds" shall mean Tax-Exempt Bonds, the proceeds of which are allocated to the Loan.

(5) "Airport Consultant" shall mean the airport consultant or engineer or architect or firm of airport consultants or engineers or architects retained by the Agency to perform and carry out the duties imposed on said Airport Consultant by this Agreement who is of favorable repute and has national recognition or experience in relation to the development, operation and management of airports and aviation facilities, the recommending of schedules of rentals and other rates and charges for the use of services and facilities of airports and aviation facilities and the estimation and projection of revenues to be derived from the operation of airports and other aviation facilities and who shall not be a regular employee of the Agency.

(6) "Airport System" shall mean all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the Agency, including the Panama City-Bay County International Airport, and any area of land or water which is designated for the landing and taking off of

aircraft, whether or not facilities are provided for the shelter, servicing or repairing of aircraft, or for receiving or discharging of passengers or cargo and all appurtenant areas used or suitable for airport buildings or other airport facilities and all appurtenant rights-of-way, including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Agency or in which the Agency has other rights or from which the Agency derives revenues, and including or excluding, as the case may be, such property as the Agency may hereafter acquire or which shall hereafter be placed under its control, but excluding such property as the Agency may hereafter divest or hereafter have removed from its control. Without limiting the generality of the foregoing, the Airport System includes the Project. Following the decommissioning of the Existing Airport Property by the Federal Aviation Administration and the transfer of all right, title, interest and possession of the Existing Airport Property to the purchaser thereof pursuant to the terms of the Existing Airport Purchase Agreement, the Existing Airport Property shall not constitute part of the Airport System.

(6) "Authorized Representative" or "Authorized Agency Representative" shall mean the official or officials of the Agency authorized by resolution to sign documents associated with the Loan.

(7) "Available PFC Revenues" shall mean net revenues from PFCs collected by the Agency and available to pay PFC Eligible Loan Payments in the applicable period.

(8) "Bond Counsel Opinion" shall mean an opinion of any attorney or firm of attorneys of recognized standing and experience in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds and which attorney or firm of attorneys is acceptable to the Department and the Division.

(9) "Bond Year" shall mean 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 principal and interest on the bonds or other debt obligations of the Agency maturing or becoming subject to redemption, interest and principal 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.

(10) "Code" shall mean the Internal Revenue Code of 1986, the Treasury Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable.

(11) "Commercial Paper Credit Agreement" shall mean the Letter of Credit and Reimbursement Agreement dated as of December 1, 2007, between the provider of the Commercial Paper Letter of Credit and the Agency, and any and all modifications, alterations, amendments and supplements thereto, or, upon the issuance of a substitute letter of credit or other credit facility in substitution for the then existing Commercial Paper Letter of Credit, the credit or reimbursement agreement pursuant to which such substitute Commercial Paper Letter of Credit has been issued.

(12) "Commercial Paper Indenture" shall mean that certain Indenture of Trust, dated as of December 1, 2007, by and between the Agency and Regions Bank (as Trustee thereunder) regarding the issuance of Commercial Paper Notes.

(13) "Commercial Paper Letter of Credit" shall mean the irrevocable letter of credit issued pursuant to the Commercial Paper Credit Agreement, or a substitute letter of credit or other credit facility issued pursuant to the Commercial Paper Indenture in substitution for the then existing letter of credit securing the payment of the principal of and interest on Commercial Paper Notes issued by the Agency pursuant to the Commercial Paper Indenture.

(14) "Commercial Paper Notes" shall mean the Panama City-Bay County Airport and Industrial District Airport Facilities Commercial Paper Notes, Series A, Series B (AMT) and Series C (Taxable), issued and outstanding from time to time under and pursuant to the Commercial Paper Indenture.

(15) "Defeasance Obligations" means, to the extent permitted by law, direct non-callable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or "stripped" interest payment obligations of debt obligations of the Resolution Funding Corporation.

(16) "Existing Airport Property" shall mean the approximately 708 acres of land on which the existing Panama City-Bay County Airport is located at 3173 Airport Road, Panama City, Florida.

(17) "Existing Airport Purchase Agreement" shall mean that certain Agreement for Purchase and Sale between the Agency and the Community Airport Redevelopment, L.L.C., dated as of October 24, 2007.

(18) "Existing Airport Sale Proceeds" shall mean the net proceeds received by the Agency from the sale of the Existing Airport Property upon the completion and placing in service of additions to the Airport System that include the Project, including, without limitation, net proceeds received by the Agency pursuant to the Existing Airport Purchase Agreement.

(19) "Financing Rate" shall mean the charges, expressed as a percent per annum, imposed on the unpaid principal of the Loan as set forth herein.

(20) "First Series Bond Proceeds" means net proceeds of the First Series Bonds in an amount which, together with the Existing Airport Sale Proceeds and any other legally available funds provided by the Agency, shall be sufficient to pay the outstanding principal amount of the Commercial Paper Notes (or reimburse the Bank for a drawing or the Letter of Credit for such purpose).

(21) "First Series Bonds" means the first series of long term airport facilities revenue bonds secured primarily by a pledge of and lien on the Net Revenues of the Airport System and eligible Passenger Facility Charges, issued by the Agency to provide permanent financing for

additions to the Airport System that include the Project; provided, however, that upon the prior written consent of the Department, the proceeds of the first such issue of such airport facilities revenue bonds may be used for purposes other than retiring outstanding Commercial Paper Notes as contemplated herein, in which case "First Series Bonds" shall refer to such subsequent issue of long term airport facilities revenue bonds. "First Series Bonds" shall not include the Loan.

(22) "Fitch" shall mean Fitch, Inc. and its successors, if any, and if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall mean any other nationally recognized rating agency designated by the Agency.

(23) "Gross Revenues" or "Revenues" means all income and revenues from all sources collected or received by the Agency in the operation of the Airport System that are legally available to make payments required hereunder, including, without limitation, except as otherwise provided herein, all rentals, charges, landing fees, use charges, concession revenues and proceeds from the sale or provision of supplies, materials, goods and services provided by or made available by the Agency received by or on behalf of the Agency in its capacity as operator of the Airport System in connection with the operation, improvement and enlargement of the Airport System, gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are not restricted in application to a specific purpose inconsistent with their treatment as Gross Revenues and are otherwise lawfully available for the payment of the Loan Payments hereunder, Qualified Hedge Payments income from the investment of moneys held pursuant to the Commercial Paper Indenture, excluding, however, Passenger Facility Charges and any amounts not considered to be revenues in accordance with generally accepted accounting principles or that are restricted to use to purposes other than payment of Operating Expenses or Loan Payments.

(24) "Loan" shall mean the loan made to the Agency pursuant to this Agreement and the State Act in the initial principal amount of $25,000,000.

(25) "Loan Application" shall mean the completed form, as supplemented and amended, which provides all information required to support obtaining the Loan.

(26) "Loan Payment" shall mean the periodic loan payment due from the Agency.

(27) "Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall mean any other nationally recognized securities rating agency designated by the Agency.

(28) "Net Revenues" means, for any given period, Gross Revenues or Revenues for such period, less Operating Expenses for such period.

(29) "Operating Expenses" means the current expenses, paid or accrued, of operation, maintenance, and ordinary current repairs of the Airport System and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Agency relating solely to the Airport System, including engineering, architectural, legal, airport consultants, and accounting fees and expenses, and fees and expenses of the Trustee under the Commercial Paper Indenture, and such other reasonable current expenses as shall be in

accordance with sound accounting practice. "Operating Expenses" shall not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of special purpose facilities or airside buildings where the lessees thereof are obligated to pay such operating expenses.

(30) "Passenger Facility Charges" or "PFCs" means passenger facility charges imposed from time to time pursuant to the Aviation Safety and Capacity Expansion Act of 1990, the Aviation Investment Reform Act of 2000 and 14 CFR Part 158, as amended from time to time, in respect of any component of the Airport System and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such Passenger Facility Charge revenues.

(31) "Permitted Parity Debt" shall mean the obligations issued under the Commercial Paper Indenture up to, but not in excess of, the Stated Amount and obligations in any form of the Agency, which are secured by a lien upon the Pledged Revenues on a parity with the lien thereon securing the Loan and which comply with the provisions of Section 7.02 relating to the issuance of Permitted Parity Debt.

(32) "PFC Eligible Loan Payment" shall mean that portion of a Loan Payment allocated by certificate of the Agency to the financing of PFC Eligible Projects and which may be payable from PFCs in accordance with applicable PFC authorizations.

(33) "PFC Eligible Projects" shall mean those components of the Project for which the Agency is authorized to impose and use PFCs as confirmed by an opinion of counsel to the Agency or of the Airport Consultant.

(34) "Pledged Funds" shall mean, collectively, Net Revenues and Available PFC Revenues.

(35) "Pledged Revenues" means, collectively, Net Revenues, Available PFC Revenues and all income received from the investment thereof and any other revenues pledged by the Agency to the payment of the Loan.

(36) "Project" shall mean the state capital outlay project financed by the Loan, consisting of all "SIB-eligible" and "Non-AMT-eligible" labor, materials, and equipment to construct or acquire those certain additions to the Airport System as described in the Loan Application and set forth in Exhibit D. For purposes of the foregoing, "Non-AMT-eligible" means only such labor, materials and equipment as can be financed on a federally-tax exempt, non-AMT basis under the Code.

(37) "Qualified Hedge Agreement" shall mean an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Agency 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 nationally recognized securities rating agencies, [or who is obligated to post collateral for the benefit and protection of the Agency under the terms of the credit support annex or comparable agreement] 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 enhancement from any entity, whose long-term unsecured debt is then rated in one of the three (3) highest rating categories or above (without regard to gradations), or (b) such counterparty shall be obligated to post collateral for the benefit and protection of the Agency under the terms of a credit support annex or comparable agreement, and which agreement is entered into by the Agency as a debt management tool with respect to Senior Debt or Permitted Parity Debt, and is designated by the Agency as a Qualified Hedge Agreement.

(38) "Qualified Hedge Payments" shall mean the net payment obligation of the Agency 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 all or a portion of the Senior Debt or Permitted Parity Debt, issued or anticipated to be issued, 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 fees payable to the counterparty).

(39) "Qualified Hedge Receipts" shall mean the net payment obligations of the counterparty to the Agency 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 all or a portion of the Senior Debt or Permitted Parity Debt, issued or anticipated to be issued, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled receipts under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other receipts under such agreement (for example, any termination payment, fee for extension, indemnification obligations or other fees payable by the counterparty).

(40) “Rating Agency” shall mean Moody's, Fitch and S&P and any other nationally recognized rating agency, to the extent they have in effect a rating on any of the obligations of the Agency outstanding hereunder at the request of the Agency.

(41) "S&P" shall mean Standard & Poor's Corporation, a division of McGraw Companies, organized and existing under the laws of the State of New York, its successors and assigns and if such corporation 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 Agency.

(42) “Senior Debt” shall mean debt obligations in any form of the Agency which are secured by a lien on the Pledged Revenues that is senior to the lien granted to the Department herein, and which comply with the provisions of Section 7.02 herein relating to the issuance of Senior Debt.

(43) "State" means the State of Florida.

(44) “State Fiscal Year" shall mean the period commencing on July 1 of each year and ending on June 30 of the succeeding year.

(45) "State Infrastructure Bank" or "SIB" means the State-funded State Infrastructure Bank created pursuant to Section 339.55, Florida Statutes.

(46) “Stated Amount” shall mean the maximum amount available to be drawn under the Commercial Paper Letter of Credit pursuant to the terms thereof, which shall not be less than the principal amount of and interest to stated maturity (including the maturity value of commercial paper notes sold at a discount) on all Commercial Paper Notes issued and outstanding pursuant to the Commercial Paper Indenture (or to be issued thereunder if the Stated Amount is being determined prior to the first issue of such Commercial Paper Notes) (exclusive of Commercial Paper Notes purchased with draws on the Commercial Paper Letter of Credit), taking into account the use of proceeds of obligations issued thereunder to (i) pay maturing principal of other obligations issued thereunder or (ii) reimburse the provider of the Commercial Paper Letter of Credit.

(47) “Subordinate Obligation” shall mean an obligation in any form of the Agency secured by a lien on the Pledged Revenues that is junior and subordinate to the lien on Pledged Revenues securing the Loan made pursuant to this Agreement. All obligations issued or incurred by the Agency other than Senior Debt and Permitted Parity Debt shall be Subordinate Obligations.

(48) “Tax-Exempt Bonds” means Bonds the interest on which is intended on their date of issuance to be excludable from gross income of the holders thereof for federal income tax purposes.

1.02. CONDITIONS PRECEDENT.

In addition to other conditions precedent, concurrent or subsequent set forth in other sections of this Agreement and affecting the rights and obligations of the parties hereto, the following constitutes a condition precedent to the Department’s obligations under this Agreement:

(1) Delivery to the Department of an opinion of counsel to the Agency acceptable to the Department that the lien on the Pledged Revenues established pursuant to the Agency’s Resolution 94-01 providing for the issuance of the Bay County Airport and Industrial District Airport Revenue Bonds, Series 1993 has been legally defeased or otherwise extinguished; and

(2) Delivery to the Department of a copy of the executed Commercial Paper Credit Agreement.

## ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. GENERAL WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Agency warrants, represents and covenants that:

(1) The Agency has full power and authority to enter into this Agreement and to comply with the provisions hereof and shall initiate and prosecute to completion all proceedings necessary to enable the Agency to provide the necessary funds for repayment of the Loan.

(2) The Agency currently is not the subject of bankruptcy, insolvency, or reorganization proceedings and is not in default of, or otherwise subject to, any agreement or any law, administrative regulation, judgment, decree, note, resolution, charter or ordinance which would currently restrain or enjoin it from entering into, or complying with, this Agreement.

(3) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body, pending or, to the best of the Agency's knowledge, threatened, which seeks to restrain or enjoin the Agency from entering into or complying with this Agreement.

(4) All permits, real property interests, and approvals required to be in effect at the stage of development of the Project as of the date of this Agreement have been obtained. The Agency knows of no reason why any future required permits or approvals for the construction and use of the Project are not obtainable.

(5) The Agency shall undertake the Project on its own responsibility, to the extent permitted by law.

(6) To the extent permitted by law, including, but not limited to, Section 768.28, Florida Statutes, the Agency shall release and hold harmless the State, its agencies, the Department, and each of their respective officers, members, and employees from any claim arising in connection with the Agency's actions or omissions in the Agency's planning, engineering, administrative, and construction activities financed by the Loan or its operation of the Project.

(7) All Agency representations to the Department, pursuant to the Loan Application and this Agreement, were and are true and accurate as of the date the Loan Application and this Agreement were each executed by the Agency, respectively. The financial information delivered by the Agency to the Department was current and correct as of its date. Since the date of such financial information, there has not been any material adverse change in the financial condition or revenues and expenditures of the Agency, or in the collection of the Pledged Revenues. The Agency shall comply with all applicable State and Federal laws, rules, and regulations. To the extent that any assurance, representation, or covenant requires a future action, the Agency shall take such action as is necessary for compliance.

(8) The Agency shall adhere to accepted governmental accounting principles established by the Governmental Accounting Standards Board. As part of its bookkeeping system, the Agency shall keep accounts of the Project separate from all other accounts and it shall keep accurate records of all expenditures relating to the Project, the Pledged Revenues and Loan disbursement receipts.

(9) Pursuant to Section 216.347 of the Florida Statutes, the Agency shall not use the Loan proceeds for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(10) The Agency agrees to construct and/or acquire the Project or cause the Project to be constructed and/or acquired materially in accordance with the plans, specifications and time schedules set forth or referenced in the Loan Application. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Agency are excepted. If for any reason construction or acquisition is not completed as scheduled, there shall be no resulting diminution or delay in the Loan Payment unless consented to by the Department in writing.

(11) The Agency covenants that this Agreement is entered into for the purpose of providing a portion of the financing for the acquisition and construction of the Project which will in all events serve a public purpose. The Agency covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

(12) The Agency shall submit to the Department such data, reports, records, contracts and other documents relating to the Project as the Department may request in order to ascertain the performance by the Agency of its obligations under this Agreement. The Department shall have the right to conduct on-site monitoring visits and audits, and the Agency shall cooperate and assist the Department in the reasonable inspection and audit of books, records, accounts, data and other information related to the Project, and in copying and removing the same for such purposes at all reasonable times. The Agency shall provide additional information as deemed appropriate by the Department.

(13) At such time as may be requested by the Department or the Division, the Agency shall execute a Disclosure Agreement, substantially in the form attached hereto as Exhibit E, and shall furnish and certify to such information and execute and deliver and cause to be executed and delivered such documents, certificates and opinions as the Department or the Division may reasonably require in connection with the Bonds, including, without limitation, a Non-Arbitrage Certificate, the form of which is attached hereto as Exhibit F, an IRS Form 8038 and any continuing disclosure undertaking necessary for the Department or the Division to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12.

(16) The Project is in agreement with the Airport Project Priorities planning documentation accepted by the Bay County Transportation Planning Organization at its September, 2005 meeting.

(17) The Agency hereby covenants and agrees to, in good faith, use its best efforts to issue, sell and deliver on or before fifteen (15) days prior to the expiration of the Commercial Paper Letter of Credit, First Series Bonds in such principal amount as shall provide net proceeds in an amount, together with the net amount of proceeds from the sale of the Existing Airport Property and other legally available funds of the Agency deposited with the Trustee under the Commercial Paper Indenture for such purpose, sufficient to pay the outstanding principal amount of all obligations issued under the Commercial Paper Indenture and to extinguish the lien granted pursuant to the Commercial Paper Indenture on Pledged Revenues.

(18) The Agency hereby also covenants and agrees not to amend, modify or supplement the Commercial Paper Indenture or the Commercial Paper Credit Agreement without prior written consent of the Department, which shall not be unreasonably withheld, except that the Agency may amend, modify or supplement the Commercial Paper Indenture for purpose of

issuing additional obligations thereunder in accordance with the provisions of the Commercial Paper Indenture as of the date of this Agreement, and further provided that such additional issuance does not result in obligations outstanding in an amount greater than the lesser of (i) $80,000,000, or (ii) the Maximum Stated Amount (as defined in the Commercial Paper Credit Agreement to be an amount not to exceed $80,000,000). Notwithstanding the foregoing, no prior written consent of the Department will be required for the Agency to amend the Commercial Paper Credit Agreement in order to extend the expiration date of the Commercial Paper Letter of Credit or to increase the Stated Amount or the Maximum Stated Amount to an amount not to exceed $80,000,000.

(19) The Existing Airport Property has been sold pursuant to an executed contract for sale for a gross purchase price of not less than $56,500,000, which is secured by the purchaser pursuant to an escrow fund or account fully-funded in amount of the sale price of the Existing Airport Property. Such escrow fund is held by J.P. Morgan Bank for the benefit of the Agency, its successors and assigns.

(20) The Agency is the grantee of a recorded deed transferring to it title to the site on which the Panama City-Bay County International Airport will be relocated.

2.02. TAX WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Agency acknowledges that the Department may issue Applicable Tax Exempt Bonds and that the maintenance of the tax-exempt status of such Applicable Tax-Exempt Bonds will depend, in part, on the Agency's compliance with the provisions of this Agreement. Accordingly, the Agency warrants, represents and covenants that:

(1) Notwithstanding any other provisions of this Agreement, including specifically Section 2.02(8), if the Agency shall be notified by the Department or the Division as of any date that any payment is required to be made to the United States Treasury in respect of Applicable Tax-Exempt Bonds, and such payment is due to the failure of the Agency to comply with this Agreement, the Agency shall pay to the Department or the State Board of Administration, as the case may be, (for deposit to the appropriate Account or Subaccount established by the Resolution) the amount specified in the notice by the Department or the Division.

(2) The Agency is a "governmental person" (as defined in Treasury Regulations §1.141-1(b)) (a "Governmental Unit") and it is legally authorized to expend its revenues for purposes of the Project.

(3) The Agency will not take any action or omit to take any action, which action or omission will adversely affect the exclusion from gross income of the interest on the Applicable Tax-Exempt Bonds for federal income tax purposes or cause the interest on the Applicable Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code, and in the event of such action or omission, promptly upon having such brought to its attention, it will take such reasonable actions based upon a Bond Counsel Opinion, obtained at the expense of the Agency, as may rescind or otherwise negate such action or omission. The Agency will not, directly or indirectly, use or permit the use of any proceeds of the Applicable Tax-Exempt Bonds

or any other funds of the Agency, or take or omit to take any action, that would cause the Applicable Tax-Exempt Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) of the Code or to fail to meet any other applicable requirement of Sections 141, 148, 149 and 150 of the Code or (except for Applicable Tax-Exempt Bonds which constitute Tax-Exempt AMT Bonds, as defined in the Resolution) cause the interest on the Applicable Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. To that end, the Agency will comply with all requirements of Sections 141, 148, 149 and 150 of the Code to the extent such provisions apply to the Applicable Tax-Exempt Bonds. In the event that at any time the Department or the Division is of the opinion that it is necessary to restrict or limit the yield on the investment of any moneys held by the Agency, the Department or the Division shall so instruct the Agency in writing and the Agency shall so restrict the yield.

(4) The Agency (or any "related party", as defined in Treasury Regulations §1.150-1(b)) is prohibited from purchasing and shall not purchase any Applicable Tax-Exempt Bonds other than purchases in the open market for the purpose of tendering them to the Division for purchase and retirement.

(5) The Agency will take no action, nor will it permit or suffer any action or event, which will cause any of the Applicable Tax-Exempt Bonds to be or become a "private activity bond" within the meaning of the Code. To that end, the Agency will not permit more than 5% of the Project or portion thereof financed with Tax-Exempt Bonds, including Applicable Tax-Exempt Bonds, to be used for a Private Business Use. The term "Private Business Use" means use directly or indirectly in a trade or business or any other activity carried on by any Private Person other than use as a member of, and on the same basis as, the general public. The term "Private Person" means any person other than a Governmental Unit. For this purpose, the United States or any agency or instrumentality thereof is not a Governmental Unit and is therefore a Private Person. For purposes of this paragraph (5), property is considered "used" by a Private Person if:

(i) it is owned by, or leased, to such Private Person;

(ii) it is operated, managed or otherwise physically employed, utilized or consumed by such Private Person, other than operation or management pursuant to an agreement that meets the conditions described in paragraph (6) below;

(iii) capacity in or output service from such property is reserved or committed to such Private Person under a take-or-pay, output, incentive payment or similar contract or arrangement;

(iv) such property is used to provide service to (or such service is committed to or reserved for) such Private Person on a basis or terms that are different from the basis or terms on which such service is provided (or committed or reserved) to members of the public generally (except possibly for the amount of use and any corresponding rate adjustment);

(v) such Private Person is a developer and a significant amount of the Project financed with proceeds of Tax-Exempt Bonds serves only a limited area substantially all of which is owned by such Private Person, or a limited group of developers, unless such improvement carries out an essential governmental function, such developer reasonably expects to proceed with all reasonable speed to develop the improvement and property benefited by that improvement, and the improvement is in fact transferred to a Governmental Unit promptly after the property benefited by the improvement is developed; or

(vi) substantial burdens and benefits of ownership of the Project financed with proceeds of Tax-Exempt Bonds are otherwise effectively transferred to such Private Person.

(6) Use of Bond-Financed Property.

(i) For purposes of this Agreement, the use by a Private Person of the Project financed with the proceeds of Tax-Exempt Bonds (the "Bond Financed Property") pursuant to a Qualified Use Contract (as hereafter defined) shall not be treated as a Private Business Use by such Private Person of such Bond-Financed Property or of funds used to finance or refinance such Bond-Financed Property.

(ii) An arrangement under which services are to be provided by a Private Person involving the use of all or any portion of, or any function of, the Bond-Financed Property (for example, management services for an entire facility or a specific department of a facility ("Use Contract")) is a "Qualified Use Contract" if it complies (as determined by a Bond Counsel Opinion obtained at the Agency's expense) with the provisions set forth in Revenue Procedure 97-13 or 97-14, as applicable, and as amended or superceded by the Code, Regulations or additional administrative promulgation from the Internal Revenue Service.

(iii) The Agency may treat a Use Contract that does not comply with the criteria of subparagraph (6)(ii) as not resulting in Private Business Use of Bond-Financed Property if it delivers to the Department and the Division, at its expense, a Bond Counsel Opinion to the effect that to do so would not adversely affect the exclusion from gross income of interest on the Applicable Tax-Exempt Bonds or cause the interest on the Applicable Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code.

(7) Notwithstanding any provision of this Section 2.02, if the Agency provides to the Department and the Division a Bond Counsel Opinion, obtained at the Agency's expense, to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Applicable Tax-Exempt Bonds pursuant to Section 103(a) of the Code, the Agency, the Department and the Division may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

(8) All tax warranties, representations, covenants and obligations of the Agency contained in this Section 2.02 shall remain in effect and be binding upon the Agency until all of the Applicable Tax-Exempt Bonds have been paid, notwithstanding any earlier termination of this Agreement or any provision for payment of principal of and premium, if any, and interest on the outstanding Applicable Tax-Exempt Bonds and release and discharge of the Resolution.

(9) The Agency may create an account (a "Loan Debt Service Account") for the purpose of matching revenues to debt service on the loan. Any amounts deposited from time to time in any such Loan Debt Service Account will be used to pay principal of or interest on the Loan within 13 months after the amounts are so deposited.

(10) The Agency has not established and except as set forth above, does not expect to establish or use any sinking fund, debt service fund, redemption fund, reserve or replacement fund, or similar fund, or any other fund to pay principal of, interest and any redemption premium on the Loan. Except for money referred to in paragraph (9) above, no other money or investment property (including, without limitation, fixed income, equity and other investments) is or will be pledged as collateral or used for the payment of such principal and interest (or for the reimbursement of any others who may provide money to pay that principal and interest), or is or will be restricted, dedicated, encumbered, or set aside in any way as to afford the Department or holders of the Applicable Tax-Exempt Bonds reasonable assurance of the availability of such money or investment property to pay debt service on the Loan or the Applicable Tax-Exempt Bonds.

(11) Except as stated otherwise in this Agreement, no portion of the Loan will be used:

(i) to pay principal of or interest on, refund, renew, roll over, retire, or replace any other obligations issued by or on behalf of the Department, the Agency or any other Governmental Unit,

(ii) to replace any proceeds of another issue of tax-exempt bonds that were not expended on the project for which such other issue was issued,

(iii) to replace any money that was or will be used directly or indirectly to acquire investments,

(iv) to make a loan to any other person or Governmental Unit,

(v) to pay any working capital expenditure other than expenditures identified in Treasury Regulations §1.148-6(d)(3)(ii)(A) and (B) (i.e., issuance costs of the Applicable Tax-Exempt Bonds, qualified administrative costs, reasonable charges for a qualified guarantee or for a qualified hedge, interest on the Loan for a period commencing on the issuance date of the Applicable Tax-Exempt Bonds and ending on the date that is the later of three years from that issuance date or one year after the date on which the Project was or will be placed in service, and costs, other than those already described, that do not exceed 5% of the sale proceeds of the Applicable Tax-Exempt Bonds and that are directly related to capital expenditures financed or deemed financed by the Applicable Tax-Exempt Bonds), or

(vi) to reimburse any expenditures made prior to the issuance date of the Applicable Tax-Exempt Bonds except those that qualify as a reimbursement of prior capital expenditures, based upon a Bond Counsel Opinion, obtained at the Agency's expense, delivered to the Department and the Division.

(12) The Agency does not intend to sell or otherwise dispose of its interest in the Project or any portion thereof during the term of the Applicable Tax-Exempt Bonds except for dispositions of property in the normal course at the end of such property's useful life to the Agency. The Agency will not sell, assign ownership, or otherwise dispose of its interest in the Project or specific rights to utilize any portion of its interest in the Project without the prior consent of the Department and receipt by the Department of a Bond Counsel Opinion, obtained at the Agency's expense, that such Agency action will not adversely impact the tax status of Applicable Tax-Exempt Bonds.

(13) None of the Loan Payments shall be federally guaranteed within the meaning of Section 149(b) of the Code.

(14) The term of the Loan does not exceed the expected useful life of the Project.

2.03. LEGAL AUTHORIZATION.

Upon signing this Agreement, the Agency's legal counsel shall express the opinion, subject to laws affecting the rights of creditors generally, that:

(1) This Agreement has been duly authorized by the Agency and shall constitute a valid and legal obligation of the Agency enforceable in accordance with its terms upon execution by both parties; and

(2) This Agreement specifies the revenues pledged for repayment of the Loan, and the pledge is valid and enforceable.

2.04. AUDIT AND MONITORING REQUIREMENTS.

The administration of resources awarded by the department to the Agency may be subject to audits and/or monitoring by the department, as described in this section. For further guidance, see the Executive Office of the Governor website, which can be found at: www.fssa.state.fl.us.

Recipients of state funds (i.e. a non-state entity as defined by Section 215.97(2)(l), Florida Statutes) are to have audits done annually using the following criteria:

In the event that the recipient expends a total amount of state financial assistance equal to or in excess of $500,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Executive Office of the Governor and the CFO; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department, other state agencies, and other non-state entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a non-state entity for Federal program matching requirements.

In connection with the audit requirements, the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(d), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

If the recipient expends less than $500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than $500,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

State awards are to be identified using the Catalog of State Financial Assistance (CSFA) title and number, award number and year, and name of the state agency awarding it.

The recipient shall follow up and take corrective action on audit findings. Preparation of a summary schedule of prior year audit findings, including corrective action and current status of the audit findings is required. Current year audit findings require corrective action and status of findings.

Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is completed or the dispute is resolved. Access to project records and audit work papers shall be given to the FDOT, the Comptroller, and the Auditor General. This section does not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any other state official. Copies of financial reporting packages, reports, or management letters required by this agreement shall be submitted by or on behalf of the recipient directly to following offices:

Florida Department of Transportation
SIB Program Manager
Office of Financial Development
605 Suwannee Street, MS #7
Tallahassee, FL 32399-0450

Auditor General's Office
Room 401, Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Any reports, management letter, or other information required to be submitted to the Department pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

Recipients, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133 or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

The submission requirement may be satisfied with the availability of the Financial Reporting Package on the recipient's Internet Web site, in which case a hard copy will not be required. The Department is to be notified when the Reporting Package is available, including the Internet address.

Progress Reports. The Agency shall provide to the Department's Office of Financial Development semi-annual progress reports on "program and financial activities" that occur each year. The report will be signed or submitted electronically in accordance with Chapter 668, Florida Statutes, by an individual authorized by the governing board of the Agency. The following program information shall be included: program accomplishments (specific action taken to implement approved objectives/activities) and percent of accomplishments for each in terms of percentage completed; problems delaying implementation; and revised Project schedules if activities are not conforming to approved Project schedules as contained in the application. The following financial information shall be included: beginning fund balance; amount of expenditures; ending fund balance; interest earned to date; and the amount and percent of funds being contributed to the Project from other sources. The semi-annual progress report is available on the SIB website at www.dot.state.fl.us/financialplanning/finance/sib.htm.

Records Rentention. The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of at least five years from the date the audit report is issued, and shall allow the Department, or its designee, the state CFO or Auditor General access to such records upon request. The recipient shall ensure that the independent audit working papers are made available to the Department, or its designee, the state CFO, or Auditor General upon request for a period of at least five years from the date the audit report is issued, unless extended in writing by the Department.

All costs charged to the Project, including any approved services contributed by the Agency or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges.

Any check or order drawn by the Agency with respect to any item which is or will be supported by the Loan must be supported with a properly signed voucher on file in the office of the Agency stating in proper detail the purpose for which such check or order is drawn. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, and readily accessible, and, to the extent feasible, kept separate and apart from all other such documents.

Access to Project Site. The Agency shall provide access to Project sites and administrative offices to authorized representatives of the Department at any reasonable time. The Agency shall cause its engineers and contractors to cooperate during Project inspections, including making available working copies of plans and specifications and supplementary materials

## ARTICLE III - LOAN REPAYMENT ACCOUNTS

3.01. LOAN REPAYMENT ACCOUNT.

The Agency may establish a Loan Repayment Account for the purpose of matching Pledged Revenues to Loan Payments.

If at any time the Agency has advance notice that it will not be able to pay any Loan Payment when due, the Agency shall immediately notify the Department of such inability to make the required payment.

## ARTICLE IV - THE PROJECT

4.01. PROJECT CHANGES.

The Agency covenants and agrees that it will not change the function of the Project or alter the nature of the Project in any material fashion, or substitute any other project for the Project, without the prior written approval of the Department.

4.02. TITLE OF PROJECT.

The Agency shall have an interest in real and personal property comprising the Project sufficient to enable the Agency to complete the Project. Upon completion of the Project, title thereto shall be free and clear of liens and encumbrances which would impair the usefulness of the Project for its intended use. The Authorized Representative shall submit proof of title insurance on the real property comprising the Project on or before the Agreement Date.

4.03. PERMITS AND APPROVALS.

The Agency or the owner of the Project shall have obtained, prior to the award of construction contracts, all permits and approvals required for commencement of the Project or portion of the Project funded under this Agreement.

4.04. PROHIBITION AGAINST ENCUMBRANCES.

The Agency is prohibited from selling, leasing, or disposing of any part of the Project which would materially adversely affect the ability of the Agency to meet its obligations under this Agreement so long as this Agreement, including any amendment thereto, is in effect unless the written consent of the Department is first secured.

4.05. COMPLETION MONEYS.

In addition to the proceeds of this Loan, the Agency covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete the Project, based on estimates of cost or completion as of the date of this Agreement. Failure of the Department to approve additional financing, where required, shall not constitute a waiver of the Agency's covenants to complete and place the Project in operation.

4.06. PROJECT SCHEDULE AND INDEBTNESS.

The Agency agrees:

(1) Initiation of Project construction/acquisition is anticipated to be July, 2008.

(2) Completion of Project construction/acquisition is anticipated to be June 30, 2010.

(3) Proof of title insurance on the real property comprising the Project shall be submitted to the Department no later than the Agreement Date.

(4) The Loan Payments shall be due at the times and in the amounts set forth on Article X hereof.

4.07 OFFICIAL INTENT.

This Loan Agreement, when executed by an authorized representative of the Agency, shall constitute the Agency's official intent, within the meaning Treasury Regulation § 1.150-2, to reimburse itself with proceeds of tax-exempt debt for obligations incurred with respect to the Project.

## ARTICLE V – RATE COVENANTS AND USE OF TRANSPORTATION SYSTEM

5.01. RATE COVERAGE.

(1) During such period in which there is no Senior Debt outstanding, the Agency covenants and agrees to, based on budgets and projections for the forthcoming fiscal year of the Agency, fix, revise, maintain and collect such fees, rentals and other charges for the use of the facilities and services of the Airport System as will generate Pledged Revenues in each fiscal year of the Agency in an amount which together with other legally available funds provided for such purpose shall be at least equal to (i) 110% of the sum of the (1) Loan Payments due hereunder and (2) debt service coming due or required to be paid on Permitted Parity Debt during such fiscal year, and (ii) 100% of amounts coming due or required to be paid on Subordinate Obligations during such fiscal year and all amounts other than debt service required to be paid pursuant to documents relating to Permitted Parity Debt (such as reserve fund deposits, capital improvement deposits and federal arbitrage rebate payments) during such fiscal year. The Agency further covenants to take such actions based on budgets and projections and in such time in advance as necessary to generate such Pledged Revenues in the time needed to pay the amounts and deposits referenced in the preceding sentence.

(2) During all periods in which Senior Debt is outstanding or is proposed to be outstanding (such as in the case of the issuance of new or additional Senior Debt), the Agency covenants and agrees to, based on budgets and projections for the forthcoming fiscal year of the Agency, fix, revise, maintain and collect such fees, rentals and other charges for the use of the facilities and services of the Airport System as will generate in each fiscal year of the Agency (i) revenues and other amounts pledged for the payment of Senior Debt (including amounts in any excess reserve fund, surplus fund, coverage account or similar account established under documents relating to Senior Debt) at least equal to 125% of the debt service requirement for

such Senior Debt and 100% of all other payments required to be made under documents relating to such Senior Debt (such as reserve fund deposits, capital improvement deposits and federal arbitrage rebate payments) scheduled to become due and payable during such forthcoming fiscal year of the Agency, (ii) Adjusted Pledged Funds at least equal to 110% of the sum of (1) the Loan Payments coming due during such forthcoming fiscal year of the Agency, and (2) debt service coming due or required to be paid during such forthcoming fiscal year of the Agency under documents relating to Permitted Parity Debt, and (iii) Adjusted Pledged Funds at least equal to 100% of all amounts coming due or payable on Subordinate Obligations during such forthcoming fiscal year and all amounts other than debt service required to be paid pursuant to documents relating to Permitted Parity Debt (such as reserve fund deposits, capital improvement deposits and federal arbitrage rebate payments) during such fiscal year of the Agency. The Agency further covenants to take such actions based on budgets and projections and in such time in advance as necessary to generate such revenues and amounts in the time needed to pay the amounts and deposits referenced in the preceding sentence.

For purposes of the preceding paragraphs (1) and (2), references to debt service and other amounts due and owing with respect to Senior Debt, Permitted Parity Debt and Subordinate Obligations shall be determined with reference to the manner and assumptions used to determine such amounts pursuant to documents relating to Senior Debt, Permitted Parity Debt and Subordinate Obligations, including assumptions referenced in such documents relating to the treatment of variable rate obligations, Qualified Hedge Payments and Qualified Hedge Receipts.

5.02. RESERVED.

5.03. MAINTENANCE OF PROJECT.

The Agency shall operate and maintain the Airport System and the Project in a proper, sound and economical manner and shall make all necessary repairs, renewals, and replacements.

5.04. PROJECT ADDITIONS AND MODIFICATIONS.

The Agency may make any additions, modifications or improvements to the Project which it deems desirable and which do not materially adversely affect the ability of the Agency to meet its obligations under this Agreement. All such renewals, replacements, additions, modifications and improvements shall become part of the Airport System.

5.05. COLLECTION OF PLEDGED REVENUES.

The Agency shall use its best efforts to collect all Pledged Revenues and other amounts due to it, and shall take no action to impair the collection of the Pledged Revenues.

## ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

Each of the following events is hereby declared an event of default:

(1) Failure to make any Loan Payment when it is due and such failure shall continue for a period of 5 days.

(2) Any warranty, representation or other statement by, or on behalf of, the Agency contained in this Agreement or in any document, certificate or information furnished in compliance with, or in reference to, this Agreement, is determined to be false or misleading.

(3) An order or decree is entered, with the acquiescence of the Agency, appointing a receiver for any part of the Project or the Pledged Revenues; or if such order or decree, having been entered without the consent or acquiescence of the Agency, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.

(4) Any proceeding is instituted, with the acquiescence of the Agency, for the purpose of effecting a composition between the Agency and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Pledged Revenues.

(5) Any bankruptcy, insolvency or other similar proceeding is instituted by, or against, the Agency under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Agency, is not dismissed within 60 days after filing.

(6) Termination or expiration of any liquidity facility securing Senior Debt or Permitted Parity Debt, including the Commercial Paper Letter of Credit, while obligations supported by such liquidity facility are still outstanding without substitution of an alternate liquidity facility therefor, to the extent that a liquidity facility is required to be in effect with respect to such Senior Debt or Permitted Parity Debt.

(7) Any event of default under documents relating to any liquidity or credit facility securing Senior Debt or Permitted Parity Debt, including the Commercial Paper Letter of Credit, that triggers an acceleration of the entire principal amount of the associated Senior Debt or Permitted Parity Debt.

(8) Any default under documents relating to Senior Debt or Permitted Parity Debt not cured within the time permitted to be cured thereunder.

(9) Except as provided in Subsection 6.01(1), any failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement (a "General Non-compliance Default"), provided, however, that if the Agency provides the Department with written notice of a General Non-compliance Default within 30 days of the date of such General Non-compliance Default, then the Agency shall have 60 days from the date of such General Non-compliance Default to cure such General Non-compliance Default to the satisfaction of the Department in the Department's sole and absolute discretion. If the Agency fails, within the time periods provided in the previous sentence, to (i) provide written notice of a General Non-compliance Default, or (ii) cure the General Non-compliance Default to the satisfaction of the Department in the Department's sole and absolute discretion, then the Agency shall be deemed to be in default of this Agreement as of the date of the General Non-compliance Default.

6.02. REMEDIES.

Upon any event of default, the Department or the Division may pursue any available remedy at law or in equity, including:

(1) By mandamus or other proceeding at law or in equity, cause the Agency to remit to the Department Pledged Revenues sufficient to enable the Agency to satisfy its obligations under this Agreement.

(2) By action or suit in equity, require the Agency to account for all moneys received pursuant to this Agreement and to account for the receipt, use, application, or disposition of the Pledged Revenues.

(3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department or the Division.

(4) By applying to a court of competent jurisdiction, cause the appointment of a receiver to manage the Project, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement.

(5) By certifying to the Auditor General and the Chief Financial Officer delinquency on Loan repayments, the Department may provide for the payment to the Department of the delinquent amount plus a penalty from any unobligated funds due to the Agency under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. A default interest rate may be imposed in an amount not to exceed an interest rate of 18 percent per annum on the amount due in addition to charging the cost to handle and process the debt.

(6) By notifying financial market credit rating agencies of the event of default.

(7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

(8) By (i) accelerating the repayment of the Loan such that the entire Disbursed balance becomes immediately due and payable to the Department, or (ii) increasing the Financing Rate on the unpaid principal of the Loan to as much as 1.667 times the Financing Rate for a default under Subsection 6.01(1).

In addition to pursuing one or more of the above remedies, upon an event of default, the Department may, by providing 60 days advance written notice to the Agency, elect to terminate this Agreement, and the Department shall have no further obligation or commitment under this Agreement to the Agency. Any partial Loan Payments by the Agency shall be allocated first to interest and second to principal.

6.03. REMEDIES NOT EXCLUSIVE; DELAY AND WAIVER.

No remedy conferred upon or reserved to the Department by this Article is exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy. No delay or omission by the Department to exercise any right or power accruing as a result of an event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient. No waiver of any default under this Agreement shall extend to or affect any subsequent event of default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

## ARTICLE VII - THE PLEDGED REVENUES

### 7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

The obligations of the Agency hereunder shall be payable solely from the Pledged Revenues and there is hereby granted to the Department as security for the Agency's obligations hereunder a pledge of and lien on the Pledged Revenues, which shall be on parity with the pledge of and lien on the Pledged Revenues granted to the Trustee under the Commercial Paper Indenture and any Permitted Parity Debt hereafter issued in accordance with Section 7.02(2) hereof. The pledge of and lien on the Pledged Revenues granted hereunder shall be junior and subordinate in all respects to the pledge thereof and lien thereon securing the payment of Senior Debt hereafter issued in accordance with Section 7.02(1) hereof The obligations of the Agency hereunder do not constitute a general obligation or pledge of the faith and credit or taxing power of the Agency, Panama City, Florida (the "City") or Bay County, Florida (the "County"), the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation, but are limited obligations of the Agency payable solely from and secured by a pledge of and lien upon the Pledged Revenues as provided herein. Neither the Agency, the City, the County, nor the State or any political subdivision thereof shall ever be required to exercise any taxing power in any form to pay the obligations of the Agency hereunder or to pay the same from any funds other than the Pledged Revenues as provided herein.

### 7.02. ADDITIONAL DEBT OBLIGATIONS.

(1) Senior Debt.

(a) The Agency shall not issue Senior Debt unless the requirements of subsection (a)(i) and (ii) of this Section 7.02(1) are satisfied, or, in the case such Senior Debt are refunding bonds, unless the requirements of subsections (b) of this Section 7.02(1) is satisfied. However, notwithstanding compliance with subsections (a) and/or (b) of this Section 7.02(1), the Agency shall not issue Senior Debt that is commercial paper, or similar obligations more than 25% of the principal amount of which is nominally due and payable within 366 days of issuance thereof, unless the Department has, in its sole and absolute discretion, provided to the Agency the Department's advance written consented to the issuance of such Senior Debt.

(i) The outstanding Senior Debt and the Senior Debt proposed to be issued is rated "BBB" (or Moody's equivalent) or higher from at least one Rating Agency and from all Rating Agencies that maintain a rating on the Agency's Senior Debt, and

(ii) Either:

(A) an Airport Consultant retained by the Agency has provided to the Department a certificate or report stating that, based upon reasonable assumptions, projected Pledged Funds will be sufficient to satisfy the rate covenant set forth in Section 5.01(2) (disregarding any Senor Debt, Permitted Parity Debt or Subordinate Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of the Senior Debt proposed to be issued) for each of the next five full Bond Years following issuance of the Senior Debt, or each full Bond Year from issuance of the Senior Debt through two full Bond Years following completion of the Airport System Projects financed by the Senior Debt proposed to be issued, whichever is later; provided that, if maximum annual debt service (determined pursuant to documents relating to such Senior Debt) with respect to any outstanding Senior Debt and proposed Senior Debt in any Bond Year is greater than 110% of annual debt service for such Senior Debt in any of the test years, then the last Bond Year of the test must use such maximum annual debt service with respect to outstanding Senior Debt and proposed Senior Debt; or

(B) an Authorized Agency Representative has provided to the Department a certificate stating that for any 12 consecutive months out of the most recent 24 consecutive months immediately preceding the date of issuance of the proposed Senior Debt, (1) Net Revenues, plus Available PFC Revenues (not to exceed 125% of Eligible PFC Debt Service with respect to the Senior Debt outstanding and the Senior Debt proposed to be issued), plus any amounts in an excess reserve fund, surplus fund, coverage account or similar account established under documents relating to the Senior Debt, were not less than 125% of the aggregate of (x) actual debt service requirement on Senior Debt outstanding in such 12 month period (disregarding any Senior Debt, Permitted Parity Debt or Subordinated Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of, such Senior Debt proposed to be issued), plus (y) maximum annual debt service with respect to such Senior Debt proposed to be issued, and (2) Adjusted Pledged Funds were not less than 110% of the sum of (x) the Loan Payments required to be made hereunder during such 12 month period and (y) debt service payments required to be paid during such 12 month period under documents relating to Permitted Parity Debt.

(b) With respect to Senior Debt proposed to be issued to refund outstanding Senior Debt, either the requirement set forth in (a) is satisfied or the Agency has provided to the Department evidence that (i) the outstanding Senior Debt and the Senior Debt proposed to be issued is rated "BBB" (or Moody's equivalent) or higher from at least one Rating Agency and from all Rating Agencies that maintain a rating on the Agency's Senior Debt, and (ii) the debt service requirement in each Fiscal Year with respect to all Senior Debt outstanding after issuance of such refunding Senior Debt shall be no greater than the debt service requirement in each such Fiscal Year through the last Fiscal Year in which Senior Debt is outstanding prior to the issuance of such refunding Senior Debt (calculated without regard to the use of any debt service reserve funds in satisfaction of debt service requirement).

(2) Permitted Parity Debt

(a) The Agency may issue additional obligations up to the Stated Amount pursuant to the terms of the Commercial Paper Indenture, the lien of which on the Pledged Revenues shall be on parity with the lien of this Agreement on such Pledged Revenues.

(b) The Agency may issue other obligations from time to time pursuant to the terms of other instruments or agreements, the lien of which on the Pledged Revenues shall be on parity with the lien of this Agreement on such Pledged Revenues, provided either

(i) an Airport Consultant retained by the Agency has provided to the Department a certificate or report stating that, based upon reasonable assumptions, projected Pledged Funds will be sufficient to satisfy the rate covenant set forth in Section 5.01 (disregarding any Senor Debt, Permitted Parity Debt or Subordinate Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of the Permitted Parity Debt proposed to be issued) for each of the next five full Bond Years following issuance of the Permitted Parity Debt, or each full Bond Year from issuance of the Permitted Parity Debt through two full Bond Years following completion of the Airport System Projects financed by the Permitted Parity Debt proposed to be issued, whichever is later; provided that, if maximum annual debt service (determined pursuant to documents relating to such Permitted Parity Debt) with respect to any outstanding Permitted Parity Debt and proposed Permitted Parity Debt in any Bond Year is greater than 110% of annual debt service for such Permitted Parity Debt in any of the test years, then the last Bond Year of the test must use such maximum annual debt service with respect to outstanding Permitted Parity Debt and proposed Permitted Parity Debt; or

(ii) an Authorized Agency Representative has provided to the Department a certificate stating that for any 12 consecutive months out of the most recent 24 consecutive months immediately preceding the date of issuance of the proposed Permitted Parity Debt, (A) Net Revenues, plus Available PFC Revenues (not to exceed 125% of Eligible PFC Debt Service with respect to the Senior Debt outstanding), plus any amounts in an excess reserve fund, surplus fund, coverage account or similar account established under documents relating to Senior Debt, were not less than 125% of actual debt service requirement on Senior Debt outstanding in such 12 month period (disregarding any Senior Debt, Permitted Parity Debt or Subordinated Obligations that have been paid or discharged or will be paid or discharged after the issuance of such Permitted Parity Debt), and (B) Adjusted Pledged Funds were not less than 110% of the sum of (1) the Loan Payments required to be made hereunder during such 12 month period (2) the actual amounts required to be paid during such 12 month period under documents relating to Permitted Parity Debt, and (3) the maximum annual debt service with respect to such Permitted Parity Debt (as determined in documents relating to such Permitted Parity Debt) proposed to be issued coming due in any Fiscal Year.

(c) With respect to Permitted Parity Debt proposed to be issued to refund outstanding Permitted Parity Debt, either the requirements set forth in (a) or (b) is satisfied or the Agency has provided to the Department evidence that the debt service requirement in each Fiscal Year with respect to all Permitted Parity Debt outstanding after issuance of such refunding Permitted Parity Debt shall be no greater than the debt service requirement in each such Fiscal Year through the last Fiscal Year in which Permitted Parity Debt is outstanding prior to the issuance of such refunding Permitted Parity Debt (calculated without regard to the use of any debt service reserve funds in satisfaction of debt service requirement).

(3) (a) For purposes of (1)(a)(ii)(A) and (2)(b)(i) above, in estimating Net Revenues and Available PFCs, the Airport Consultant may take into account (i) Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided, (ii) any increase in fees, rates, charges, rentals or other sources of Revenues which has been approved by the Agency or any increase in the permitted rate at which PFCs may be charged, approved by the Federal Aviation Administration and, in each such case, will be in effect during the period for which the estimates are provided or (iii) any other increases in Revenues which the Airport Consultant believes to be a reasonable assumption for such period. With respect to Operating Expenses, the Airport Consultant shall use such assumptions as the Airport Consultant believes to be reasonable, taking into account: (x) historical Operating Expenses, (y) Operating Expenses of the Agency associated with the Airport System Projects and any other new Airport Facilities, and (z) such other factors, including inflation and changing operations or policies of the Agency, as the Airport Consultant believes to be appropriate. The Airport Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of the debt service requirement or maximum annual debt service, which calculations may be based upon information provided by the Agency a financial advisory or investment banking firm or another Airport Consultant.

(b) In addition, for purposes of (1)(a)(ii)(B) and (2)(b)(ii) above, the Agency shall be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Senior Debt or Permitted Parity Debt, as the case may be, but which, during the last completed Fiscal Year or 12-month period, was not in effect for the entire Fiscal Year or 12-month period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole of the last completed Fiscal Year or 12-month period, as shown by the certificate or opinion of an Airport Consultant retained by the Agency.

(c) For purposes of preparing the certificate or certificates or report described above, the Airport Consultant or Airport Consultants may rely upon financial statements prepared by the Agency which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Agency Representative shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles.

(d) None of the certificates described under (1)(a)(ii)(A) or (B) or (2)(b)(i) or (ii) above shall be required if the proceeds of Senior Debt or Permitted Parity Debt being issued will be used to pay costs of completing an Airport System project for which Senior Debt or Permitted Parity Debt has previously been issued and the principal amount of such Senior Debt or Permitted Parity Debt being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Senior Debt or Permitted Parity Debt originally issued for such Airport System project and reasonably allocable to the Airport System project to be completed as shown in a written certificate of an Authorized Agency Representative and there is delivered to the Department (i) an Airport Consultant's certificate stating that the nature and purpose of such Airport System Project has not materially changed and (ii) a certificate of an Authorized Agency Representative to the effect that (A) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Airport System Project) of the original Senior Debt or Permitted Parity Debt issued to finance such Airport System Project have been or will be used to pay Costs of the Project and (B) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Airport System Project (including unspent proceeds of Senior Debt or Permitted Parity Debt previously issued for such purpose).

(e) If a credit facility provider makes payment of principal of or interest on Senior Debt or Permitted Parity Debt or advances funds to pay or provide for the purchase price of Senior Debt or Permitted Parity Debt and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Agency, but is not reimbursed, the Agency's repayment obligation under such written agreement may, if so provided in the written agreement, be afforded the status of Senior Debt (if such written agreement relates to Senior Debt) or Permitted Parity Debt (if such written agreement relates to Permitted Parity Debt) issued under this Section 7.02, and, if afforded such status, the Credit Facility Provider shall be the holder thereof and such deemed Senior Debt or Permitted Parity Debt, as the case may be, shall be deemed to have been issued at the time of the issuance of the original obligation for which the credit facility was provided and will not be subject to the provisions of this Section 7.02. The payment terms of the thus-deemed Senior Debt or Permitted Parity Debt held by the credit facility provider hereunder shall be the stated terms of the repayment obligation (unless otherwise provided under documents pursuant to which the original obligation were issued). Any amount which comes due with respect to the repayment obligation by its terms and which is in excess of the amount treated as principal of and interest on Senior Debt or Permitted Parity Debt shall be a Subordinated Obligation of the Agency. This provision shall not defeat or alter the rights of subrogation which any credit facility provider may have under law or under the terms of documents relating to any Senior Debt or Permitted Parity Debt.

(4) The Agency hereby covenants that it will not issue any other obligations, except Senior Debt and Permitted Parity Debt and Qualified Hedge Agreements, payable from the Pledged Revenues nor voluntarily create or cause to be created any debt, lien, pledge assignment, encumbrance or other charge, having priority or being on a parity with the lien on the Pledged Revenues granted to the Department herein. Any such other obligation, except Permitted Parity Debt, hereafter issued or incurred by the Agency, shall contain an express statement that such obligations are junior and subordinate to this Loan as to lien on and source and security for payment from such Pledged Revenues.

(5) For purposes of this Section 7.02, references to debt service and other amounts due and owing with respect to Senior Debt, Permitted Parity Debt and Subordinate Obligations shall be determined with reference to the manner and assumptions used to determine such amounts pursuant to documents relating to Senior Debt, Permitted Parity Debt and Subordinate

Obligations, including assumptions referenced in such documents relating to the treatment of variable rate obligations and Qualified Hedge Payments and Qualified Hedge Receipts.

(6) The Department acknowledges and agrees that, until the later of the date on which the Commercial Paper Notes are no longer outstanding or the date no obligations of the Agency that have been incurred under the Commercial Paper Credit Agreement remain unpaid by the Agency, the Department shall have no interest in or make any claim on the Existing Airport Property, Existing Airport Purchase Agreement or Existing Airport Sale Proceeds, which are pledged solely to secure and pay obligations of the Agency under the Commercial Paper Credit Agreement and to pay Commercial Paper Notes.

7.03. COVENANTS REGARDING QUALIFIED HEDGE AGREEMENTS.

The Agency may, to the extent permitted by law, enter into one or more Qualified Hedge Agreements concurrently with the issuance of Senior Debt or Permitted Parity Debt hereunder, provided that the financial tests described in Section 7.02 are complied with, applying the assumptions and provisions relating to the treatment of Qualified Hedge Agreements in computing annual debt service requirement under the documents relating to the Senior Debt or Permitted Parity Obligations. The Agency is permitted to enter into a Qualified Hedge Agreement prior to the issuance of debt intended to be hedged by such Qualified Hedge Agreement and may treat the Qualified Hedge Payments made thereunder as Senior Debt or Permitted Parity Debt hereunder provided that the provisions of Section 7.02 are met with respect to such Qualified Hedge Agreement and such Qualified Hedge Payments.

The Agency hereby further covenants and agrees that it will not terminate any Qualified Hedge Agreement unless (i) the Agency certifies to the Department in writing prior to such termination that it will pay or provide for the payment in full of any termination payments or penalties due to the Counterparty as a result of such termination within 30 days after such termination, and (ii) the Agency demonstrates in writing prior to such termination that it has or will have amounts sufficient to pay or provide for the payment of such termination payments or penalties. The Agency must also certify that complying with (i) and (ii) of the preceding sentence will not result in a default hereunder.

The Agency further covenants that it will not, without prior written consent of the Department, enter into any Qualified Hedge Agreement that permits any counterparty to such Agreement to (i) terminate the agreement without cause in such a manner as to cause the Agency to incur a termination payment or penalty thereunder, or (ii) in any way cause the Agency to incur a termination payment or penalty, unless (1) such termination payment or penalty is a Subordinate Obligation, or (2) the incurrence of such termination payment or penalty complies with Section 7.02(2) hereof relating to the incurrence of Permitted Parity Debt.

## ARTICLE VIII - GENERAL PROVISIONS

8.01. DISCHARGE OF OBLIGATIONS.

All payments required to be made under this Agreement shall be cumulative and any deficiencies in any Fiscal Year shall be added to the payments due in the succeeding Fiscal Year and all Fiscal Years thereafter until fully paid. Loan Payments shall continue to be secured by this Agreement until all of the payments required shall be fully paid to the Department. If at any time the Agency shall have paid all amounts due under this Agreement, or shall, in accordance with the provisions of this Section 8.01 have defeased the Loan, the pledge of, and lien on, the Pledged Revenues to the Department shall be no longer in effect and, except as provided in Section 2.02, this Agreement shall terminate. Deposit of sufficient cash or Defeasance Obligations may be made to effect defeasance of this Loan; provided that, the deposit shall be made in irrevocable trust with a banking institution or trust company for the sole benefit of the Department or its assignees and the Department has approved in writing such deposit. Notwithstanding any provision of this Agreement to the contrary, the Agency may prepay this Loan only upon the express written consent of the Department, which consent shall not be withheld if such prepayment, in the judgment of the Department and the Division, will not adversely impact the Department's ability to comply with covenants relating to obligations secured by such Loan.

8.02. RESERVED.

8.03. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Agency hereby expressly acknowledges that the Loan and all payments of principal and interest thereon, and all proceeds thereof, have been pledged and assigned under the Resolution as security for the payment of principal of, premium, if any, and interest on the Bonds and by the execution of this Agreement the Agency in all respects consents to such pledge and assignment. The Department and the Division may further pledge or assign all or any parts of this Agreement without the prior consent of the Agency after written notification to the Agency. The Agency shall not assign its rights and obligations under this Agreement without the prior written consent of the Department and receipt by the Department and the Division of a Bond Counsel Opinion, obtained at the Agency's expense, that such assignment will not adversely impact the tax status of Applicable Tax-Exempt Bonds.

8.04. AMENDMENT OF AGREEMENT.

This Agreement may be amended in writing, except that no amendment shall be permitted which is inconsistent with any applicable State or Federal law. This Agreement may be amended after all construction contracts are executed to re-establish the Project cost, Project schedule, and Loan amount. A final amendment establishing the final Project costs shall be completed after the Department's final inspection of the Project records.

8.05. ANNULMENT OF AGREEMENT.

The Department, in consultation with the Division, may unilaterally annul this Agreement if the Agency has not drawn any of the Loan proceeds within six months of the first scheduled disbursement date referenced in Article X. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Agency.

8.06 SUSPENSION AND TERMINATION.

If the Agency abandons or, before completion, discontinues the Project; or if the commencement, prosecution, or timely completion of the Project by the Agency is rendered improbable, infeasible, impossible, or illegal, by written notice to the Agency, the Department may suspend any or all of its obligations under this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected, or at its option, the Department may terminate any or all of its remaining obligations under this Agreement.

Upon receipt of any termination or suspension notice, the Agency shall proceed promptly to carry out the actions required therein which may include, but not be limited to: (1) necessary action to terminate or suspend, as the case may be, Project activities and contracts and such other action as may be required or desirable to keep to the minimum the costs upon the Loan; (2) furnish a statement of the Project activities and contracts, and other undertakings the cost of which are otherwise includable as Project costs; and (3) repay the SIB according to the provisions of the Agreement, or as otherwise agreed upon, in writing, by the Department and the Agency. The termination or suspension shall be carried out in conformity with the latest schedule, plan, and budget as approved by the Department or upon the basis of terms and conditions imposed by the Department upon the failure of the Agency to furnish the schedule, plan, and budget within a reasonable time.

The Department reserves the right to unilaterally cancel this Agreement for refusal by the Agency to allow public access to all documents, papers, letters or other materials subject to the provisions of Chapter 119, Florida Statutes, and made or received in conjunction with this Agreement.

8.07. SEVERABILITY CLAUSE.

If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

8.08. APPROPRIATION.

The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature.

The provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated verbatim: "(a) The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000 and which have a term for a period of more than 1 year."

## ARTICLE IX – INSURANCE

The Agency shall cause the Project to be and remain insured by an insurance company or companies licensed to do and doing business in the State against loss or damage due to any accident or casualty. Such insurance shall remain in place for the useful life of the Project.

The Proceeds of insurance policies received as a result of damage to or destruction of the Project shall be used to (i) restore or replace damaged or destroyed portions of the Project, (ii) with the written consent of the Department, repay all or a portion of the Loan, or (iii) any combination of the foregoing. If such insurance proceeds are insufficient to restore or replace damaged portions of the Project, the Agency shall provide additional funds to restore or replace such portions of the Project. Repair, construction or replacement shall be promptly completed.

## ARTICLE X - DETAILS OF FINANCING

### 10.01. PRINCIPAL AMOUNT OF LOAN.

The Department agrees to lend to the Agency, and the Agency agrees to repay the Department the Loan at the times, in the amounts and in the manner set forth in this Agreement.

The estimated principal amount of the Loan as of the date of the first Loan Payment is $25,000,000, which consists of the amounts scheduled to be disbursed to the Borrower in the amounts and at the times set forth in Disbursement Schedule attached hereto as Exhibit A (each such scheduled disbursement a "Disbursement").

### 10.02. FINANCING RATE.

Beginning October 1, 2010, interest shall accrue on the principal amount of the Loan at the Financing Rate (defined below) The Financing Rate is 4.6% per annum, compounded annually, using an actual-days-elapsed/365 day counting convention, as indicated by the schedule of Loan Payments attached hereto as Exhibit B.

### 10.03. LOAN DISBURSEMENTS.

The Department shall disburse the Loan to the Agency in the amounts and at the times set forth in the Disbursement Schedule (Exhibit A), provided that prior to each Disbursement, the Department receives a completed Disbursement Request Form substantially in the form of Exhibit C attached hereto and such other certificates or documents as the Department shall reasonably request from time to time upon 30 days written notice to the Agency.

Upon written request by the Agency, the Department may, in its sole and absolute discretion, amend the Disbursement Schedule to take into account unexpected events or reasonable adjustments to the financing of the Project, including, but not limited to, increases or decreases in the Disbursement amounts and acceleration or delays in the construction of the Project. The Department may, in its sole and absolute discretion, adjust the Loan Payment Schedule attached hereto as Exhibit B to take into account the adjustments permitted by the previous sentence.

Under no circumstances shall the sum of the Disbursements to the Agency exceed $25,000,000 under this Agreement. Furthermore, the Department's obligation to fund any Disbursement is subject to funds being made available by an appropriation made pursuant to Florida law.

Notwithstanding anything herein to the contrary, any disbursement to be utilized for repayment of prior Agency indebtedness must be expended within 90 days of issuance of Applicable Tax-Exempt Bonds unless the Department shall receive a Bond Counsel Opinion, obtained at the Agency's expense, to the effect that such utilization will not adversely impact the tax status of such Applicable Tax-Exempt Bond.

10.04. LOAN PAYMENTS.

Loan Payments shall be made at the time and in the amounts set forth in the Loan Payment Schedule attached hereto as Exhibit B. To the extent the actual principal amount of the Loan calculated as provided in Section 10.01 above is less than the estimated principal amount of the Loan as set forth in Section 10.01 hereof, the amount of the scheduled Loan Payment credited to principal shall increase and the Loan Payment Schedule shall be adjusted, so that the Loan is paid in full over a shorter amount of time. Notwithstanding the foregoing, however, if the actual principal amount of the Loan calculated as provided in Section 10.01 above is less than the estimated principal amount of the Loan as set forth in Section 10.01, the parties to this Agreement hereby agree to adjust the Loan Payment Schedule in such a way as to not adversely impact any obligations of the Department secured by repayments under this Agreement.

In all cases, Loan Payments shall be credited first to interest accruing on the principal amount of the Loan, if any, then to principal.

## ARTICLE XI – MISCELLANEOUS

11.01. RESERVED.

11.02. COMPLIANCE WITH CONSULTANT'S COMPETITIVE NEGOTIATION ACT.

Compliance with Consultants' Competitive Negotiation Act: The Agency's Attorney shall certify to the Department that selection of consultants has been accomplished in compliance with the Consultants' Competitive Negotiation Act, Section 287.055, Florida Statutes, if and to the extent the Consultants' Competitive Negotiation Act applies to the procurement.

11.03. DISADVANTAGED BUSINESS ENTERPRISE (DBE) POLICY AND OBLIGATION.

It is the policy of the Department that disadvantaged business enterprises as defined in 49 CFR Part 23, as amended, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with funds disbursed by the Department under this Agreement.

The Agency and its contractors agree to ensure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26, as amended, have the maximum opportunity to participate in the performance of contracts and this Agreement. In this regard, all recipients, and contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26, as amended, to ensure that the Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform contracts. Grantees, recipients and their contractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of Department assisted contracts.

11.04. DISCRIMINATORY VENDOR.

Pursuant to Section 287.134(3)(a), Florida Statutes, the following is included in this Agreement. Section 287.134(2)(a), Florida Statutes: "An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity."

11.05. EQUAL EMPLOYMENT OPPORTUNITY.

In connection with the carrying out of any project, the Agency shall not discriminate against any employee or applicant for employment because of race, age, creed, color, sex or national origin.

11.06. PROHIBITED INTERESTS.

Neither the Agency nor any of its contractors, subcontractors, consultants, or subconsultants shall enter into any contract with one another, or arrangement in connection with the Project or any property included or planned to be included in the Project, which violates any provision of Chapter 112, Florida Statutes, relating to conflicts of interest and prohibited transactions. The Agency shall further diligently abide by all provisions of Florida law regulating the Agency with respect to procurement, contracting, and ethics. The Agency shall insert in all contracts entered into in connection with the Project subsequent to the date hereof, and shall hereafter require its contractors and consultants to insert in each of their contracts the following provision:

"The Agency is governed in its contracts and transactions by provisions of Florida law relating to conflicts of interest, prohibited transactions, and ethics in government. All parties to contracts with the Agency relating to this project shall familiarize themselves with Chapter 112, Florida Statutes, and with general Florida law regulating the Agency's ethical requirements, prohibitions, and limitations with respect to procurement and contracts."

The provisions of this subsection shall not be applicable to any agreement between the Agency and its fiscal depositories, or to any agreement for utility services the rates for which are fixed or controlled by a governmental agency.

11.07. ENVIRONMENTAL POLLUTION.

Execution of this Agreement constitutes a certification by the Agency that the Project will be carried out in conformance with all applicable environmental regulations including the securing of any applicable permits. The Agency will be solely responsible for any liability in the event of non-compliance with applicable environmental regulations, including the securing of any applicable permits, and will reimburse the Department for any loss incurred in connection therewith.

11.08. NO OBLIGATION TO THIRD PARTIES.

Except to the extent set forth herein, neither the Department nor the Agency shall be obligated or liable hereunder to any person or entity not a party to this Agreement.

11.09. WHEN RIGHTS AND REMEDIES NOT WAIVED.

In no event shall the making by the Department of any Disbursement to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist, on the part of the Agency, and the making of such Disbursement by the Department while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.

11.10. BONUS OR COMMISSION.

By execution of the Agreement the Agency represents that it has not paid and, also, agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the Loan established hereunder.

11.11. USE AND MAINTENANCE OF PROJECT.

The Agency agrees that the Project facility and equipment will be used by the Agency to provide or support public transportation for the period of the useful life of such facility and equipment as determined in accordance with general accounting principles. The Agency further agrees to maintain the Project facility and equipment in good working order for the useful life of said facility or equipment, and maintain property records, conduct physical inventories, and develop control systems.

11.12. INDEMNITY.

To the extent allowed by law, including but not limited to, Section 768.28, Florida Statutes, the Agency shall indemnify, defend, and hold harmless the Department and all of its officers, agents, and employees from any claim, loss, damages, cost, charge, or expense arising out of any act, error, omission, or negligent act by the Agency, its agents, employees, contractors and/or subcontractors during the performance of the Agreement, except that neither the Agency, its agents, employees, contractors and/or subcontractors will be liable under this paragraph for any claim, loss, damages, cost, charge, or expense arising out of any act, error, omission, or negligent act by the Department, or any of its officers, agents, or employees, during the performance of the Agreement.

If the Department receives notice of claim for damages that may have been caused by the Agency in the performance of services required under this Agreement, the Department will immediately forward the claim to the Agency. The Department's failure to promptly notify the Agency of a claim will not act as a waiver or any right herein.

11.13. PLANS AND SPECIFICATIONS.

In the event that this Agreement involves the purchasing of capital equipment or the constructing and equipping of a facility, the Agency shall design and construct the equipment and/or facility in accordance with the standards applicable to the Agency. Failure to follow the plans and specifications shall be sufficient cause for delays in the distribution of disbursements by the Department.

11.14. PROJECT COMPLETION, AGENCY CERTIFICATION.

Upon completion of the Project, the Agency will certify in writing that the Project (or expending of the Loan) was completed in accordance with applicable plans and specifications and that the Project is accepted by the Agency as suitable for the intended purpose.

11.15 THIRD PARTY BENEFICIARY.

To the extent this Agreement confers upon or grants to the Division any right, remedy, or claim hereunder, the Division is hereby recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim given or granted hereunder.

11.16. ENTIRE AGREEMENT.

The Loan Application executed by the Agency, all exhibits, attachments and schedules attached to the Loan Application, and this Agreement ("the Agreement Documents") sets forth the entire agreement between the parties and incorporate and supercede all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein and therein, and the parties hereto agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in the Agreement Documents. Accordingly, it is agreed that no deviation from the terms of the Agreement Documents shall be predicated upon any prior representation or agreements whether oral or written. It is further agreed that no modification, amendment or alteration in the terms and conditions contained in the Agreement Documents shall be effective unless contained in a written document executed by the parties hereto.

In the event of conflict between the terms and conditions of the Agreement Documents: (i) the terms and conditions contained in the body of this Agreement prevail over conflicting terms and conditions contained in any exhibits, schedules and attachments attached to this Agreement; (ii) the terms and conditions contained in the body of the Loan Application prevail over any conflicting terms and conditions contained in any exhibits, schedules and attachments attached to the Loan Application; and (iii) the terms and conditions of the Agreement, including all exhibits, schedules and attachments hereto, prevail over conflicting terms and conditions contained in the Loan Application and any exhibits, schedules and attachments thereto.

11.17. NOTICES.

Any notice, demand, request or other instrument which is required to be given under this Agreement in writing shall be delivered to the following addresses:

If to the Department: Jennifer G. Weeks
Florida Department of Transportation
Office of Financial Development
Project Finance Team
605 Suwannee Street, MS #7
Tallahassee, Florida 32399-0450

If to Agency: Panama City-Bay County Airport and Industrial District
Attn: Executive Director
3173 Airport Road, Box A
Panama City, Florida 32405

ARTICLE XII - EXECUTION OF AGREEMENT

This Agreement shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by its Secretary and the Agency has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be the Agreement Date.

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

S C Kopel
Secretary

Legal

PANAMA CITY-BAY COUNTY AIRPORT
AND INDUSTRIAL DISTRICT

Joseph K. Tannehill Sr.
Its:

Attest

Randall S. Curtis
Its: Executive Director

SEAL

## EXHIBIT A

### Disbursement Schedule Form

Total SIB Loan Amount: $25,000,000

Total SIB Commitment: $25,000,000

SIB Estimated Disbursement Schedule:

| Fiscal Year Ending | Amount | Balance |
|---|---|---|
| 2009 | $19,000,000 | $6,000,000 |
| 2010 | $6,000,000 | $0 |

Based on estimated annual expenditures and the Department's historical cash flow rates.

# EXHIBIT B

## Loan Payment Schedule

| Panama City - Bay County International Airport<br>Panama City - Bay County International Airport Relocation Project | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Date | Beginning Balance | Estimated/Actual Disbursement | Interest Accrued at 4.6% | Balance Including Interest | Repayment to Principal | Repayment to Interest | Total Repayment | Ending Balance |
| 2008/09 | 07/01/2008 | $0.00 | $19,000,000.00 | $0.00 | $19,000,000.00 | $0.00 | $0.00 | $0.00 | $19,000,000.00 |
| 2009/10 | 07/01/2009 | $19,000,000.00 | $6,000,000.00 | $0.00 | $25,000,000.00 | $0.00 | $0.00 | $0.00 | $25,000,000.00 |
| 2010/11 | 10/01/2010 | $25,000,000.00 | $0.00 | $0.00 | $25,000,000.00 | $0.00 | $0.00 | $0.00 | $25,000,000.00 |
| 2011/12 | 10/01/2011 | $25,000,000.00 | $0.00 | $1,150,000.00 | $26,150,000.00 | $518,074.00 | $1,150,000.00 | $1,668,074.00 | $24,481,926.00 |
| 2012/13 | 10/01/2012 | $24,481,926.00 | $0.00 | $1,126,168.60 | $25,608,094.60 | $541,905.40 | $1,126,168.60 | $1,668,074.00 | $23,940,020.60 |
| 2013/14 | 10/01/2013 | $23,940,020.60 | $0.00 | $1,101,240.95 | $25,041,261.54 | $566,833.05 | $1,101,240.95 | $1,668,074.00 | $23,373,187.54 |
| 2014/15 | 10/01/2014 | $23,373,187.54 | $0.00 | $1,075,166.63 | $24,448,354.17 | $592,907.37 | $1,075,166.63 | $1,668,074.00 | $22,780,280.17 |
| 2015/16 | 10/01/2015 | $22,780,280.17 | $0.00 | $1,047,892.89 | $23,828,173.06 | $620,181.11 | $1,047,892.89 | $1,668,074.00 | $22,160,099.06 |
| 2016/17 | 10/01/2016 | $22,160,099.06 | $0.00 | $1,019,364.56 | $23,179,463.61 | $648,709.44 | $1,019,364.56 | $1,668,074.00 | $21,511,389.61 |
| 2017/18 | 10/01/2017 | $21,511,389.61 | $0.00 | $989,523.92 | $22,500,913.54 | $678,550.08 | $989,523.92 | $1,668,074.00 | $20,832,839.54 |
| 2018/19 | 10/01/2018 | $20,832,839.54 | $0.00 | $958,310.62 | $21,791,150.16 | $709,763.38 | $958,310.62 | $1,668,074.00 | $20,123,076.16 |
| 2019/20 | 10/01/2019 | $20,123,076.16 | $0.00 | $925,661.50 | $21,048,737.66 | $742,412.50 | $925,661.50 | $1,668,074.00 | $19,380,663.66 |
| 2020/21 | 10/01/2020 | $19,380,663.66 | $0.00 | $891,510.53 | $20,272,174.19 | $776,563.47 | $891,510.53 | $1,668,074.00 | $18,604,100.19 |
| 2021/22 | 10/01/2021 | $18,604,100.19 | $0.00 | $855,788.61 | $19,459,888.80 | $812,285.39 | $855,788.61 | $1,668,074.00 | $17,791,814.80 |
| 2022/23 | 10/01/2022 | $17,791,814.80 | $0.00 | $818,423.48 | $18,610,238.28 | $849,650.52 | $818,423.48 | $1,668,074.00 | $16,942,164.28 |
| 2023/24 | 10/01/2023 | $16,942,164.28 | $0.00 | $779,339.56 | $17,721,503.83 | $888,734.44 | $779,339.56 | $1,668,074.00 | $16,053,429.83 |
| 2024/25 | 10/01/2024 | $16,053,429.83 | $0.00 | $738,457.77 | $16,791,887.61 | $929,616.23 | $738,457.77 | $1,668,074.00 | $15,123,813.61 |
| 2025/26 | 10/01/2025 | $15,123,813.61 | $0.00 | $695,695.43 | $15,819,509.03 | $972,378.57 | $695,695.43 | $1,668,074.00 | $14,151,435.03 |
| 2026/27 | 10/01/2026 | $14,151,435.03 | $0.00 | $650,966.01 | $14,802,401.04 | $1,017,107.99 | $650,966.01 | $1,668,074.00 | $13,134,327.04 |
| 2027/28 | 10/01/2027 | $13,134,327.04 | $0.00 | $604,179.04 | $13,738,506.09 | $1,063,894.96 | $604,179.04 | $1,668,074.00 | $12,070,432.09 |
| 2028/29 | 10/01/2028 | $12,070,432.09 | $0.00 | $555,239.88 | $12,625,671.96 | $1,112,834.12 | $555,239.88 | $1,668,074.00 | $10,957,597.96 |
| 2029/30 | 10/01/2029 | $10,957,597.96 | $0.00 | $504,049.51 | $11,461,647.47 | $1,164,024.49 | $504,049.51 | $1,668,074.00 | $9,793,573.47 |
| 2030/31 | 10/01/2030 | $9,793,573.47 | $0.00 | $450,504.38 | $10,244,077.85 | $1,217,569.62 | $450,504.38 | $1,668,074.00 | $8,576,003.85 |
| 2031/32 | 10/01/2031 | $8,576,003.85 | $0.00 | $394,496.18 | $8,970,500.03 | $1,273,577.82 | $394,496.18 | $1,668,074.00 | $7,302,426.03 |
| 2032/33 | 10/01/2032 | $7,302,426.03 | $0.00 | $335,911.60 | $7,638,337.62 | $1,332,162.40 | $335,911.60 | $1,668,074.00 | $5,970,263.62 |
| 2033/34 | 10/01/2033 | $5,970,263.62 | $0.00 | $274,632.13 | $6,244,895.75 | $1,393,441.87 | $274,632.13 | $1,668,074.00 | $4,576,821.75 |
| 2034/35 | 10/01/2034 | $4,576,821.75 | $0.00 | $210,533.80 | $4,787,355.55 | $1,457,540.20 | $210,533.80 | $1,668,074.00 | $3,119,281.55 |
| 2035/36 | 10/01/2035 | $3,119,281.55 | $0.00 | $143,486.95 | $3,262,768.50 | $1,524,587.05 | $143,486.95 | $1,668,074.00 | $1,594,694.50 |
| 2036/37 | 10/01/2036 | $1,594,694.50 | $0.00 | $73,355.95 | $1,668,050.45 | $1,594,694.50 | $73,355.95 | $1,668,050.45 | $0.00 |
| | | | $25,000,000.00 | $18,369,900.45 | | $25,000,000.00 | $18,369,900.45 | $43,369,900.45 | |

Interest will begin accruing October 1, 2010 and will accrue annually October 1 and end each September 30 thereafter until loan is repaid.

This calculation assumes the following disbursement date:

FY 2008/09 $19,000,000.00
FY 2009/10 $6,000,000.00

If disbursements are made on dates other than those above, the interest calculations will be modified and this schedule updated according.

Total Loan Amount - $25,000,000.00
Total Interest Accrued - $18,369,900.45
Total Repayments to Loan - $43,369,900.45

## EXHIBIT C

### Disbursement Request Form

TOTAL SIB LOAN AMOUNT: $25,000,000

DATE OF THIS DISBURSEMENT REQUEST: ______________

AMOUNT REQUESTED FOR THIS DISBURSEMENT: $______________

BALANCE OF LOAN TO BE DISBURSED: $______________

CONTRACT NUMBER: ______________

FINANCIAL PROJECT NUMBER: 421137-1-94-01

Warrant should be disbursed to:

Name: ______________________________
Title: ______________________________
Address: ______________________________
______________________________
Telephone Number: ______________________________
E-Mail Address: ______________________________

Per Section 10.03 Loan Disbursements of the State Infrastructure Bank Loan Agreement, I certify, to the best of my knowledge, $______________ in expenses has been incurred on the ______________________________ project and these costs are eligible for reimbursement and use of the SIB funds.

______________________________
Signature

______________________________
Printed Name and Title

# EXHIBIT D

## Summary Project Specifications

**PANAMA CITY - BAY COUNTY INTERNATIONAL AIRPORT**
**BUDGET SUMMARY**
*28 November 2007*

| Project Elements / Description of Cost | | SIB Eligible % | AIP Eligible % |
|---|---|---|---|
| **Airfield Development, Paving & Lighting** | | | |
| Base Bid | | 90% | 77% |
| Bid Alt. 3 - Primary Runway Paving (ACC) | | 100% | 81% |
| | Subtotal | 91% | 77% |
| **Utilities** | | | |
| Master Utilities | | 50% | 50% |
| Water Storage Tanks/Booster Stations | | 50% | 50% |
| Parking Lot Revenue Control | | 0% | 0% |
| Security & Telecommunications | | 50% | 100% |
| Fuel Farm Facilities | | 0% | 0% |
| Waste Water Treatment Facility | | 0% | 50% |
| | Subtotal | 35% | 45% |
| **Terminal & Support Facilities** | | | |
| Terminal Building | | 0% | 65% |
| Rental Car | | 0% | 0% |
| Airport Maintenance Building | | 100% | 16% |
| Air Cargo Building | | 0% | 0% |
| NAVAIDS | | 100% | 100% |
| Public Safety Building | | 100% | 75% |
| Air Traffic Control Tower | | 0% | 100% |
| | Subtotal | 10% | 60% |
| **GA Facilities** | | | |
| GA Facilities | | 0% | 0% |
| GA Apron Paving | | 0% | 39% |
| | Subtotal | 0% | 20% |
| **Landscaping, Irrigation, Hardscape & Signage** | | | |
| Landscaping, Irrigation, Hardscape & Signage | | 100% | 4% |
| **Total of Construction Packages Above** | | **53%** | **61%** |
| **Soft Costs (**All 53% Estimates reflect a Pro-rata share of costs being eligible based on overall program eligibility)** | | | |
| To Go Design Cost | | 53% | 54% |
| Other Consultants | | 53% | 54% |
| Engineering Services During Construction | | 53% | 54% |
| Construction Management | | 53% | 54% |
| FAA Fees | | 0% | 100% |
| County Fees | | 0% | 100% |
| Environmental Mitigation (During Construction Period) | | 100% | 0% |
| WQM, QMS, Mitigation Bidding, Permit Compliance | | 53% | 0% |
| Underground Electrical Main Feeder & Branch (Gulf Power) | | 53% | 50% |
| Existing Site Remediation | | 100% | 100% |
| **Total Soft Costs** | | **52.1%** | **54%** |
| | | **Non-AMT Eligible %** | **AIP Eligible %** |
| **Grand Total Costs** | | **53%** | **54%** |

## EXHIBIT E

**Continuing Disclosure Agreement**

## FORM OF
## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by PC-Bay Co. Airport (the "Agency") in connection with the execution of that certain Loan Agreement dated December 21, 2007 by and between the Department and the Agency (the "Loan Agreement"). This Disclosure Agreement is being executed and delivered pursuant to Paragraph 13 of Section 2.01 of the Loan Agreement. The Agency hereby covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Agency to the Department in order to assist the Department in fulfilling its disclosure obligations under applicable rules of the Securities and Exchange Commission (the "SEC") and to assist in complying with SEC Rule 15c2-12 (the "Rule").

SECTION 2. DEFINITIONS. The definitions set forth in the Loan Agreement apply to any capitalized term used in this Disclosure Agreement.

SECTION 3. CONTINUING DISCLOSURE. (A) Information To Be Provided. The Agency assumes all responsibilities for any continuing disclosure as described below. The Agency hereby agrees to provide or cause to be provided the information set forth below, or such other information as the Department may reasonably require to be provided, from time to time, in order to comply with the Rule and other applicable SEC rules.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2008 and thereafter, annual financial information and operating data shall be provided within six months after the end of the State's fiscal year. Such information shall include:

(a) [Tablature and narrative information presented under the heading "ISSUER FINANCIAL FACTORS" in that certain Commercial Paper Memorandum of the Agency relating to the Commercial Paper Notes;]

(b) Historical (reflecting the most recent five fiscal years of the Agency) debt service coverage information pertaining to Senior Debt, Permitted Parity Debt and the Loan; and

(c) Other Information as reasonably determined by the Department, which shall include at a minimum all information necessary to enable the Department to comply with the provisions of the Rule relating to the Bonds (as defined in the Recitals to the Agreement).

(2) Audited Financial Statement. If not submitted as part of the annual financial information, a copy of the Agency's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Loan Agreement will be provided in a timely manner:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults;
(c) unscheduled draws on Loan Agreement reserves, if any, reflecting financial difficulties;
(d) unscheduled draws on Loan Agreement credit enhancements, if any, reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions received by the Agency or events within the reasonable knowledge of the Agency affecting the tax-exempt status of Applicable Tax Exempt Bonds;
(i) defeasance of the Loan Agreement;
(j) release, substitution or sale of property securing repayment of the Loan Agreement;
(k) any change in any credit rating of the Agency.

(4) Failure to Provide Annual Financial Information; Remedies.

Failure of Agency to provide the information required at the time and in the manner provided herein shall constitute an event of default under the Loan Agreement.

(5) Methods of Providing Information.

All information described herein shall be provided to the Department as follows:

electronic facsimile transmissions confirmed by first class mail, postage prepaid;
(b) overnight delivery service;
(c) electronic delivery;
(d) first class mail, postage prepaid;
(e) any other delivery method generally acceptable in the tax-exempt bond market; or
(f) by whatever means are mutually acceptable to the Department or its designated agent and the entity to which it is to be provided.

Where applicable, the following address for the Department may be used until further notice to the Agency provided as set forth in the Loan Agreement:

Florida Department of Transportation
Office of Financial Development
Project Finance Team
605 Suwannee Street, MS #7

Tallahassee, Florida 32399-0450
Attention: Jennifer G. Weeks

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Agency's obligations hereunder shall continue until such time as Agency's obligations under the Loan Agreement have terminated.

(E) This Disclosure Agreement may be amended or modified by mutual consent of the Agency and the Department so long as any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Agency chooses to include additional information not specifically required by this Disclosure Agreement, the Agency shall have no obligation to update such information or include it in any such future submission.

Dated this 14th day of December, 2007

AGENCY

By: ______________________________

## EXHIBIT F

## FORM OF
## NON-ARBITRAGE CERTIFICATE

I, the undersigned, hereby certify that I am a duly qualified and acting officer of the Panama City-Bay County Airport and Industrial District ("Agency"), and that in my official capacity as such officer, I am responsible for executing and delivering on behalf of the Agency that certain State Infrastructure Bank Loan Agreement between the Agency and the State of Florida Department of Transportation, dated as of December 21, 2007, (the "Loan Agreement"). This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, Sections 1.148-0 through 1.148-11 and 1.150-1 and 1.150-2 (the "Regulations"). The following facts, estimates and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter. Capitalized terms not defined herein have the meanings ascribed to them in the Loan Agreement.

1. The Loan Agreement will provide for the financing by the Agency of the acquisition of the Project described in the Loan Agreement. Pursuant to the Loan Agreement, the Agency will be required to make Loan Payments, comprising principal and interest, on the dates and in the amounts set forth in applicable Schedules to the Loan Agreement.

2. The Project will be acquired and implemented with due diligence, and it is expected that at least 85 percent of the spendable proceeds of a Disbursement will be allocated to the cost of Project on the date of the Disbursement and in any event within three years from the date thereof.

3. Not more than 50 percent of the unexpended proceeds of a Disbursement will be invested in obligations having a substantially guaranteed yield for four years or more.

4. The proceeds of any Disbursement under the Loan Agreement, and the interest to be earned thereon, will not exceed the amount necessary for the purpose for which the Disbursement is requested.

5. The interest of the Agency in the Project has not been and is not expected during the term of the Loan Agreement to be sold or disposed of by the Agency.

6. No sinking fund is expected to be created by the Agency with respect to the Loan Payments [other than the Loan Repayment Account referenced in Section 3.01 of the Agreement].

7. For purposes of this certificate, "yield" has the meaning ascribed to it under the Regulations pertaining to obligations issued under Section 103 of the Code.

8. The Agency hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America. It is expected that all gross proceeds of the financing derived from each Disbursement will be expended on and allocated to the Project no later than the day which is six months after the date of each Disbursement.

9. Neither the proceeds of the financing nor the Project financed therewith shall be used for any "private business use" within the meaning of Section 141(b)(6) of the Code. No proceeds of the financing will be used to make or finance a loan to another person.

10. The payment of Loan Payments is not guaranteed, directly or indirectly, in whole or in part by the United States or any agency or instrumentality thereof, nor is it otherwise federally guaranteed within the meaning of Section 149(b) of the Code.

11. There are no other obligations of the Agency that (i) are being sold within 15 days of the date of the Loan Agreement; (ii) are being sold pursuant to a common plan of financing together with the Loan Agreement; and (iii) will be paid out of substantially the same source of funds as the Loan Agreement.

12. To the best of the knowledge and belief of the undersigned, the expectations of The Agency, as set forth above, are reasonable, and there are no present facts, estimates and circumstances which would change the foregoing expectations.

13. The Agency has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

WITNESS my hand this 14th day of December, 2007

AGENCY

Name:
Title:

# FIRST AMENDMENT

This First Amendment to the State-Funded State Infrastructure Bank Loan Agreement dated as of July 20, 2009 (the "First Amendment") supplements and amends the State-Funded State Infrastructure Bank Loan Agreement (the "Original Agreement") dated December 21, 2007 by and between the State of Florida Department of Transportation (the "Department") and the Panama City-Bay County Airport and Industrial District (the "Agency"), existing as an independent special district under the laws of the State of Florida.

## WITNESSETH:

WHEREAS, undefined capitalized terms used herein shall have the meanings ascribed thereto in the Original Agreement unless expressly stated otherwise; and

WHEREAS, pursuant to the Original Agreement the Department made a Loan to the Agency for the purpose of financing a portion of the costs of the Project; and

WHEREAS, the obligations of the Agency under the Original Agreement are payable solely from Pledged Revenues and are secured by a pledge of and lien on the Pledged Revenues, which is on a parity with the pledge of and lien on the Pledged Revenues granted to the Trustee under the Commercial Paper Indenture and any Permitted Parity Debt issued by the Agency; and

WHEREAS, recent downgrades to the credit ratings of Regions Bank (issuer of the Commercial Paper Letter of Credit) have negatively affected the marketability and interest costs of the Commercial Paper Notes; and

WHEREAS, the Agency now desires to enter into a loan agreement with Regions Bank whereby Regions Bank will provide a non-revolving line of credit in an aggregate principal amount not to exceed $55,000,000 (the "Replacement Loan") to (i) retire all outstanding Commercial Paper Notes and (ii) finance a portion of the costs of the Project as well as some of the costs incurred in connection with the decommissioning, closing and disposing of the Existing Airport Property; and

WHEREAS, the Agency's obligation to repay amounts due under the Replacement Loan will be evidenced by the Replacement Notes (as such term is defined herein); and

WHEREAS, the Replacement Notes will constitute Permitted Parity Debt under the Original Agreement; and

WHEREAS, the Replacement Loan will replace the Commercial Paper Notes issued under the Commercial Paper Indenture as the interim financing for the Project; and

WHEREAS, after proceeds from Agency's first draw on the Replacement Loan are used to retire the outstanding Commercial Paper Notes, the commercial paper program provided under the Commercial Paper Indenture will be terminated; and

WHEREAS, the Department and the Agency now desire and agree to amend the Original Agreement to (i) eliminate all references to the Commercial Paper Notes and matters associated therewith and (ii) provide definitions and proper references for the Replacement Loan and the Replacement Notes; and

WHEREAS, Section 8.04 of the Original Agreement authorizes written amendments to the Original Agreement.

NOW THEREFORE, the Department and the Agency agree as follows:

## ARTICLE I - DEFINITIONS

Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Original Agreement. As used herein:

"First Amendment" shall mean this First Amendment to the State-Funded State Infrastructure Bank Loan Agreement dated as of July 20, 2009 by and between the Department and the Agency.

"Original Agreement" shall mean the State-Funded State Infrastructure Bank Loan Agreement dated as of December 21, 2007 by and between the Agency and the Department.

"Replacement Loan" shall mean the non-revolving line of credit in an aggregate principal amount not to exceed $55,000,000 extended by Regions Bank to the Agency under and pursuant to the terms of the Replacement Loan Agreement.

"Replacement Loan Agreement" shall mean the Loan Agreement dated as of July 1, 2009 by and between the Agency and Regions Bank under and pursuant to which Regions Bank will provide the Replacement Loan and the Agency will issue the Replacement Notes.

"Replacement Notes" shall mean the Series A Note and the Series B Note.

"Series A Note" shall mean the Panama City-Bay County Airport and Industrial District Airport Facilities Revenue Note, Series A issued by the Agency under and pursuant to the Replacement Loan Agreement.

"Series B Note" shall mean the Panama City-Bay County Airport and Industrial District Airport Facilities Taxable Revenue Note, Series B issued by the Agency under and pursuant to the Replacement Loan Agreement.

## ARTICLE II – AMENDMENTS TO THE ORIGINAL AGREEMENT

**Section 2.01** Amendments to Section 1.01 of the Original Agreement.

(a) The defined terms "Commercial Paper Credit Agreement," "Commercial Paper Indenture," "Commercial Paper Letter of Credit," "Commercial Paper Notes," and "Stated Amount" are hereby deleted in their entirety.

(b) The defined terms "Replacement Loan," "Replacement Loan Agreement," "Replacement Notes," "Series A Note," and "Series B Note" are hereby added to Section 1.01 of the Original Agreement in forms identical to the definitions provided in Article I of this First Amendment.

(c) The defined term "First Series Bond Proceeds" is hereby amended and restated in its entirety to read as follows:

> "First Series Bond Proceeds" shall mean net proceeds of the First Series Bonds in an amount which, together with the Existing Airport Sale Proceeds and any other legally available funds provided by the Agency, shall be sufficient to pay the outstanding principal amount of the Replacement Loan.

(d) The defined term "First Series Bonds" is hereby amended and restated in its entirety to read as follows:

> "First Series Bonds" shall mean the first series of long term airport facilities revenue bonds secured by a pledge of and lien on the Net Revenues of the Airport System and eligible Passenger Facility Charges, issued by the Agency to provide permanent financing for additions to the Airport System that include the Project; provided, however, that upon the prior written consent of the Department, the proceeds of the first such issue of such airport facilities revenue bonds may be used for purposes other than retiring the outstanding principal amount of the Replacement Loan as contemplated herein, in which case "First Series Bonds" shall refer to such subsequent issue of long term airport facilities revenue bonds. "First Series Bonds" shall not include the Loan.

(e) The defined term "Permitted Parity Debt" is hereby amended and restated in its entirety to read as follows:

> "Permitted Parity Debt" shall mean the Replacement Notes, and obligations in any form of the Agency, which are

secured by a lien upon the Pledged Revenues on a parity with the lien thereon securing the Loan and which comply with the provisions of Section 7.02 relating to the issuance of Permitted Parity Debt.

**Section 2.02 Amendments to Section 2.01 of the Original Agreement.**

Paragraphs (17) and (18) of Section 2.01 of the Original Agreement are hereby amended and restated in their entirety to read as follows:

(17) The Agency hereby covenants and agrees to, in good faith, use its best efforts to issue, sell and deliver on or before fifteen (15) days prior to the stated maturity date of the Replacement Loan, the First Series Bonds in such principal amount as shall provide net proceeds in an amount, together with the net amount of proceeds from the sale of the Existing Airport Property and other legally available funds of the Agency sufficient to pay the outstanding principal amount of the Agency's obligations under the Replacement Loan Agreement and the Replacement Notes and to extinguish the lien granted to the holder of the Replacement Notes on the Pledged Revenues pursuant to the Replacement Loan Agreement.

(18) The Agency hereby also covenants and agrees not to amend, modify or supplement the Replacement Loan Agreement without prior written consent of the Department, which shall not be unreasonably withheld.

**Section 2.03** Amendments to Section 7.01 of the Original Agreement.

Section 7.01 of the Original Agreement is hereby amended and restated in its entirety to read as follows:

7.01 SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

The obligations of the Agency hereunder shall be payable solely from the Pledged Revenues and there is hereby granted to the Department as security for the Agency's obligations hereunder a pledge of and lien on the Pledged Revenues, which shall be on a parity with the pledge of and lien on the Pledged Revenues granted to the holder of the Replacement Notes and any Permitted Parity Debt hereafter issued in accordance with Section 7.02(2) hereof. The pledge of and lien on the Pledged Revenues granted hereunder shall be junior and subordinate in all respects to the pledge thereof and lien thereon securing the payment of Senior Debt hereafter issued in accordance with Section 7.02(1) hereof. The obligations of the Agency hereunder do not constitute a general obligation or pledge of the faith and credit or taxing power of the Agency, Panama City, Florida (the "City") or Bay County, Florida (the "County"), the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation, but are limited obligations of the Agency payable solely from and secured by a pledge of and lien upon the Pledged Revenues as provided herein. Neither the Agency, the City, the County, nor the State or any political subdivision thereof shall ever be required to exercise any taxing power in any form to pay the obligations of the Agency hereunder or to pay the same from any funds other than the Pledged Revenues as provided herein.

**Section 2.04** Amendments to Section 7.02 of the Original Agreement.

Paragraph 7.02(2)(a) of the Original Agreement is hereby amended and restated in its entirety to read as follows:

(a) The Replacement Notes constitute Permitted Parity Debt and the holder of the Replacement Notes has been granted a lien on Pledged Revenues which shall be on a parity with the lien of this Agreement on such Pledged Revenues.

## ARTICLE III - MISCELLANEOUS

**Section 3.01** Status of the Original Agreement. All the provisions, definitions, terms and conditions of the Original Agreement, except as modified hereby, are hereby ratified, approved and confirmed. All references to "this Agreement" in the Original Agreement shall be to the Original Agreement as supplemented by this First Amendment.

**Section 3.02** Severability. If any clause of this First Amendment shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

## ARTICLE IV – EXECUTION OF FIRST AMENDMENT

This First Amendment shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this First Amendment to be executed on its behalf its Secretary and the Agency has caused this First Amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this First Amendment shall be July 20, 2009.

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

SE Kopel
Secretary

Legal

PANAMA CITY-BAY COUNTY AIRPORT
AND INDUSTRIAL DISTRICT

X Joseph K. Tannehill Sr.
Its: Board Chairman

Attest:

Patricia L. Sauer
Its: Executive Secretary

(SEAL)

# SECOND AMENDMENT TO STATE-FUNDED STATE INFRASTRUCTURE BANK LOAN AGREEMENT BETWEEN THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION AND THE PANAMA CITY-BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT

THIS SECOND AMENDMENT TO STATE-FUNDED STATE INFRASTRUCTURE BANK LOAN AGREEMENT ("Second Amendment") is between the State of Florida, Department of Transportation (the "Department") and the Panama City-Bay County Airport and Industrial District (the "Agency"), existing as an independent special district under the laws of the State of Florida, and is effective as of the date last signed.

## RECITALS

A. The Department and the Agency entered into a State-Funded State Infrastructure Bank Loan Agreement effective December 21, 2007 ("Original Agreement") under which the Department agreed to make a loan to the Agency in principal amount of Twenty-Five Million Dollars ($25,000,000.00).

B. The Department and the Agency supplemented and amended the Original Agreement by a First Amendment effective July 20, 2009 ("First Amendment").

C. Section 8.04 of the Original Agreement authorizes written amendments to the Original Agreement.

D. Terms not defined in this Second Amendment shall have the meaning given under the Original Agreement, as amended by the First Amendment.

## AGREEMENT

The parties agree the terms of the Original Agreement are further amended as follows:

1. Section 10.02 is deleted in its entirety and restated as follows:

   10.02. FINANCING RATE.

   Beginning October 1, 2010 and until July 31, 2021, interest shall accrue on the principal amount of the Loan at the Financing Rate of 4.6% per annum, compounded annually, using an actual-days-elapsed/365 day counting convention, as indicated by the schedule of Loan Payments attached hereto as Exhibit B.

   Beginning August 1, 2021, interest shall accrue on the principal amount of the Loan at the Financing Rate of 1.97% per annum, compounded annually, using an actual-days-elapsed/365 day counting convention, as indicated by the schedule of Loan Payments attached hereto as Exhibit B.

2. Exhibit B is deleted in its entirety and replaced with Exhibit B attached hereto.

3. The parties agree that the Loan Agreement will not be amended in the future to change the Financing Rate established in this Second Amendment.

4. This Second Amendment may be executed in counterparts.

5. Other than as expressly stated in this Second Amendment, the terms and conditions of the Original Agreement, as amended by the First Amendment, remain in full force and effect.

*The remainder of this page intentionally left blank.*

The parties have executed this Second Amendment on the date(s) below:

**PANAMA CITY-BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT**

Glen McDonald, Board Chairman

7/26/2021
Date

Parker W. McClellan, Jr., Executive Director

7/20/21
Date

**STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION**

Kevin J. Thibault, P.E., Secretary

7/29/21
Date

DocuSigned by:
Sean Gellis
CDA7B0B2C175491...
Legal Review

# EXHIBIT B
# LOAN PAYMENT SCHEDULE

**Panama City - Bay County International Airport**
**Panama City - Bay County International Airport Relocation Project**

| Fiscal Year | Date | Beginning Balance | Estimated/Actual Disbursement | Interest Accrued at 4.6% through 7/31/21 | Interest Accrued at 1.97% beginning 8/1/21 | Balance Including Interest | Repayment to Principal | Repayment to Interest | Total Repayment | Ending Balance |
|---|---|---|---|---|---|---|---|---|---|---|
| 2008/09 | 7/28/2008 | $0.00 | $2,292,811.00 | $0.00 | $0.00 | $2,292,811.00 | $0.00 | $0.00 | $0.00 | $2,292,811.00 |
| | 12/29/2008 | $2,292,811.00 | $574,051.48 | $0.00 | $0.00 | $2,866,862.48 | $0.00 | $0.00 | $0.00 | $2,866,862.48 |
| | 1/30/2009 | $2,866,862.48 | $7,285,485.00 | $0.00 | $0.00 | $10,152,347.48 | $0.00 | $0.00 | $0.00 | $10,152,347.48 |
| | 2/9/2009 | $10,152,347.48 | $5,066,611.22 | $0.00 | $0.00 | $15,218,958.70 | $0.00 | $0.00 | $0.00 | $15,218,958.70 |
| | 2/17/2009 | $15,218,958.70 | $740,365.51 | $0.00 | $0.00 | $15,959,324.21 | $0.00 | $0.00 | $0.00 | $15,959,324.21 |
| | 3/10/2009 | $15,959,324.21 | $3,040,675.79 | $0.00 | $0.00 | $19,000,000.00 | $0.00 | $0.00 | $0.00 | $19,000,000.00 |
| 2009/10 | 2/2/2010 | $19,000,000.00 | $405,247.09 | $0.00 | $0.00 | $19,405,247.09 | $0.00 | $0.00 | $0.00 | $19,405,247.09 |
| | 3/5/2010 | $19,405,247.09 | $2,553,988.51 | $0.00 | $0.00 | $21,959,235.60 | $0.00 | $0.00 | $0.00 | $21,959,235.60 |
| | 6/24/2010 | $21,959,235.60 | $2,540,764.40 | $0.00 | $0.00 | $24,500,000.00 | $0.00 | $0.00 | $0.00 | $24,500,000.00 |
| | 10/1/2010 | $24,500,000.00 | $0.00 | $0.00 | $0.00 | $24,500,000.00 | $0.00 | $0.00 | $0.00 | $24,500,000.00 |
| 2011/12 | 7/29/2011 | $24,500,000.00 | $500,000.00 | $0.00 | $0.00 | $25,000,000.00 | $0.00 | $0.00 | $0.00 | $25,000,000.00 |
| | 10/1/2011 | $25,000,000.00 | $0.00 | $1,131,032.88 | $0.00 | $26,131,032.88 | $537,041.12 | $1,131,032.88 | $1,668,074.00 | $24,462,958.88 |
| 2012/13 | 10/1/2012 | $24,462,958.88 | $0.00 | $1,125,296.11 | $0.00 | $25,588,254.99 | $542,777.89 | $1,125,296.11 | $1,668,074.00 | $23,920,180.99 |
| 2013/14 | 10/1/2013 | $23,920,180.99 | $0.00 | $1,100,328.33 | $0.00 | $25,020,509.32 | $567,745.67 | $1,100,328.33 | $1,668,074.00 | $23,352,435.32 |
| 2014/15 | 10/1/2014 | $23,352,435.32 | $0.00 | $1,074,212.02 | $0.00 | $24,426,647.34 | $593,861.98 | $1,074,212.02 | $1,668,074.00 | $22,758,573.34 |
| 2015/16 | 10/1/2015 | $22,758,573.34 | $0.00 | $1,046,894.37 | $0.00 | $23,805,467.71 | $621,179.63 | $1,046,894.37 | $1,668,074.00 | $22,137,393.71 |
| 2016/17 | 10/1/2016 | $22,137,393.71 | $0.00 | $1,018,320.11 | $0.00 | $23,155,713.82 | $649,753.89 | $1,018,320.11 | $1,668,074.00 | $21,487,639.82 |
| 2017/18 | 10/1/2017 | $21,487,639.82 | $0.00 | $988,431.43 | $0.00 | $22,476,071.25 | $679,642.57 | $988,431.43 | $1,668,074.00 | $20,807,997.25 |
| 2018/19 | 10/1/2018 | $20,807,997.25 | $0.00 | $957,167.87 | $0.00 | $21,765,165.12 | $710,906.13 | $957,167.87 | $1,668,074.00 | $20,097,091.12 |
| 2019/20 | 10/1/2019 | $20,097,091.12 | $0.00 | $924,466.19 | $0.00 | $21,021,557.31 | $743,607.81 | $924,466.19 | $1,668,074.00 | $19,353,483.31 |
| 2020/21 | 10/1/2020 | $19,353,483.31 | $0.00 | $890,260.23 | $0.00 | $20,243,743.54 | $777,813.77 | $890,260.23 | $1,668,074.00 | $18,575,669.54 |
| 2021/22 | 10/1/2021 | $18,575,669.54 | $0.00 | $711,677.16 | $61,157.21 | $19,348,503.91 | $813,593.20 | $772,834.37 | $1,586,427.57 | $17,762,076.34 |
| 2022/23 | 10/1/2022 | $17,762,076.34 | $0.00 | $0.00 | $349,912.90 | $18,111,989.24 | $1,029,328.49 | $349,912.90 | $1,379,241.39 | $16,732,747.85 |
| 2023/24 | 10/1/2023 | $16,732,747.85 | $0.00 | $0.00 | $329,635.13 | $17,062,382.98 | $1,049,606.26 | $329,635.13 | $1,379,241.39 | $15,683,141.59 |
| 2024/25 | 10/1/2024 | $15,683,141.59 | $0.00 | $0.00 | $308,957.89 | $15,992,099.48 | $1,070,283.50 | $308,957.89 | $1,379,241.39 | $14,612,858.09 |
| 2025/26 | 10/1/2025 | $14,612,858.09 | $0.00 | $0.00 | $287,873.30 | $14,900,731.39 | $1,091,368.09 | $287,873.30 | $1,379,241.39 | $13,521,490.00 |
| 2026/27 | 10/1/2026 | $13,521,490.00 | $0.00 | $0.00 | $266,373.35 | $13,787,863.35 | $1,112,868.04 | $266,373.35 | $1,379,241.39 | $12,408,621.96 |
| 2027/28 | 10/1/2027 | $12,408,621.96 | $0.00 | $0.00 | $244,449.85 | $12,653,071.81 | $1,134,791.54 | $244,449.85 | $1,379,241.39 | $11,273,830.42 |
| 2028/29 | 10/1/2028 | $11,273,830.42 | $0.00 | $0.00 | $222,094.46 | $11,495,924.88 | $1,157,146.93 | $222,094.46 | $1,379,241.39 | $10,116,683.49 |
| 2029/30 | 10/1/2029 | $10,116,683.49 | $0.00 | $0.00 | $199,298.66 | $10,315,982.15 | $1,179,942.73 | $199,298.66 | $1,379,241.39 | $8,936,740.76 |
| 2030/31 | 10/1/2030 | $8,936,740.76 | $0.00 | $0.00 | $176,053.79 | $9,112,794.55 | $1,203,187.60 | $176,053.79 | $1,379,241.39 | $7,733,553.16 |
| 2031/32 | 10/1/2031 | $7,733,553.16 | $0.00 | $0.00 | $152,351.00 | $7,885,904.16 | $1,226,890.39 | $152,351.00 | $1,379,241.39 | $6,506,662.77 |
| 2032/33 | 10/1/2032 | $6,506,662.77 | $0.00 | $0.00 | $128,181.26 | $6,634,844.03 | $1,251,060.13 | $128,181.26 | $1,379,241.39 | $5,255,602.64 |
| 2033/34 | 10/1/2033 | $5,255,602.64 | $0.00 | $0.00 | $103,535.37 | $5,359,138.01 | $1,275,706.02 | $103,535.37 | $1,379,241.39 | $3,979,896.62 |
| 2034/35 | 10/1/2034 | $3,979,896.62 | $0.00 | $0.00 | $78,403.96 | $4,058,300.58 | $1,300,837.43 | $78,403.96 | $1,379,241.39 | $2,679,059.19 |
| 2035/36 | 10/1/2035 | $2,679,059.19 | $0.00 | $0.00 | $52,777.47 | $2,731,836.66 | $1,326,463.92 | $52,777.47 | $1,379,241.39 | $1,352,595.27 |
| 2036/37 | 10/1/2036 | $1,352,595.27 | $0.00 | $0.00 | $26,646.13 | $1,379,241.40 | $1,352,595.26 | $26,646.13 | $1,379,241.39 | $0.00 |
| | | | $25,000,000.00 | $10,968,086.70 | $2,987,701.73 | | $25,000,000.00 | $13,955,788.43 | $38,955,788.42 | |

***Interest will begin accruing October 1, 2010 and will accrue and compound annually each October 1 thereafter, until loan is completely repaid.***

These calculations assume the following disbursement dates:

| | |
|---|---|
| FY 2008/09 | $19,000,000.00 |
| FY 2009/10 | $5,500,000.00 |
| FY 2010/11 | $500,000.00 |
| **Total** | **$25,000,000.00** |

| | |
|---|---|
| Total Loan Amount | $25,000,000.00 |
| Total Interest | $13,955,788.43 |
| **Total Repayments** | **$38,955,788.42** |

**Remit Payment to:**

**Mailing Address:**
State Board of Administration of Florida
Post Office Box 13300
Tallahassee, FL 32317-3300

**Street Address:**
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, FL 32308

**Wiring Instructions:**
The Bank of New York Mellon
ABA #: 021000018
A/C #: 8059338400
A/C Name: Debt Service Funds
For: Florida State Board of Administration
Attn: Stephen Salvato 617-382-1956

**Note on Payment for "FDOT SIB Loan - 421137-1-94-01"**

**Execution Copy**

# STATE OF FLORIDA
# DEPARTMENT OF TRANSPORTATION

**AND**

**Panama City-Bay County Airport and Industrial District**

# STATE-FUNDED
# STATE INFRASTRUCTURE BANK
# LOAN AGREEMENT

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**(AGENCY VERSION)**

**Catalog of State Financial Assistance (CSFA): 55.020**

**Contract Number: AP795**

**Financial Project Number: 421137-1-94-02**

State of Florida Department of Transportation
605 Suwannee Street
Tallahassee, Florida 32399-0450

STATE INFRASTRUCTURE BANK LOAN AGREEMENT

CONTENTS

PAGE

**STATE-FUNDED**
**STATE INFRASTRUCTURE BANK LOAN AGREEMENT**

THIS AGREEMENT is dated as of April 27, 2009 and is by and between the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (the "Department") and Panama City-Bay County Airport and Industrial District, (the "Agency"), existing as an independent special district under the laws of the State of Florida.

WITNESSETH:

WHEREAS, pursuant to Section 339.55, Florida Statutes (the "State Act"), the Department is authorized to make loans to governmental units and private entities to finance or refinance the construction, reconstruction, and improvement of transportation facilities that are on the State Highway System or that provide for increased mobility on the State's transportation system or provide intermodal connectivity with airports, seaports, rail facilities, and other transportation terminals; and

WHEREAS, in accordance with the provisions of the State Act, the Department has responsibility for the performance of various activities in connection with such loans; and

WHEREAS, the Agency has made application for the financing of the Project (as hereinafter defined), through a loan made under and pursuant to the State Act, and the Department has determined that the Project meets all requirements for a loan and has agreed to make a loan to the Agency for the financing of the Project as set forth in this Agreement (the "Loan"); and

WHEREAS, in accordance with the provisions of Sections 215.57 – 215.83 (the "State Bond Act") and that certain Resolution of the Division of Bond Finance of the State Board of Administration of Florida (the "Division"), dated March 30, 2004, as supplemented and amended from time to time (the "Resolution"), the Division is authorized to issue bonds (the "Bonds") on behalf of the Department to fund loans pursuant to the State Act and to refund Bonds; and

WHEREAS, the Loan and all payments of principal and interest thereon, including prepayments, and all proceeds thereof, have been or are intended to be pledged and assigned under the Resolution as security for the payment of principal of, premium, if any, and interest on the Bonds;

NOW, THEREFORE, in consideration of the Department making the loan to the Agency, in the principal amount and pursuant to the covenants hereinafter set forth, and intending to be legally bound by this Agreement, the Department and the Agency agree as follows:

## ARTICLE I – DEFINITIONS AND CONDITIONS PRECEDENT

### 1.01. DEFINITIONS.

In addition to the words and terms elsewhere defined in this Agreement, the following words and terms shall have the meanings set forth below. Further, words of the masculine gender shall be understood to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural and the word "person" shall include departments and associations, including public bodies, as well as natural persons.

(1) "Adjusted Pledged Funds" shall mean, with respect to any particular measurement period or measurement date, Pledged Funds adjusted by (1) subtracting debt service on and payment or deposit obligations with respect to, Senior Debt, paid or deposited or to be paid or deposited, during the relevant measurement period, and (2) adding the balance in any excess reserve fund, surplus fund, coverage account or similar account established under documents relating to Permitted Parity Debt as of the relevant measurement date. For purposes of the foregoing, the Available PFC Revenues component of Pledged Funds shall not exceed 100% of Eligible PFC Debt Service with respect to Senior Debt Outstanding and Senior Debt Proposed to be issued, nor 110% of such Loan Payments and debt service payments with respect to Permitted Parity Debt eligible to be paid from Available PFC Revenues.

(2) "Agreement" or "Loan Agreement" shall mean this loan agreement and all exhibits and schedules attached hereto.

(3) "Agreement Date" means the date first written above.

(4) "Applicable Tax-Exempt Bonds" shall mean Tax-Exempt Bonds, the proceeds of which are allocated to the Loan.

(5) "Airport Consultant" shall mean the airport consultant or engineer or architect or firm of airport consultants or engineers or architects retained by the Agency to perform and carry out the duties imposed on said Airport Consultant by this Agreement who is of favorable repute and has national recognition or experience in relation to the development, operation and management of airports and aviation facilities, the recommending of schedules of rentals and other rates and charges for the use of services and facilities of airports and aviation facilities and the estimation and projection of revenues to be derived from the operation of airports and other aviation facilities and who shall not be a regular employee of the Agency.

(6) "Airport System" shall mean all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the Agency, including the Panama City-Bay County International

Airport, and any area of land or water which is designated for the landing and taking off of aircraft, whether or not facilities are provided for the shelter, servicing or repairing of aircraft, or for receiving or discharging of passengers or cargo and all appurtenant areas used or suitable for airport buildings or other airport facilities and all appurtenant rights-of-way, including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Agency or in which the Agency has other rights or from which the Agency derives revenues, and including or excluding, as the case may be, such property as the Agency may hereafter acquire or which shall hereafter be placed under its control, but excluding such property as the Agency may hereafter divest or hereafter have removed from its control. Without limiting the generality of the foregoing, the Airport System includes the Project. Following the decommissioning of the Existing Airport Property by the Federal Aviation Administration and the transfer of all right, title, interest and possession of the Existing Airport Property to the purchaser thereof pursuant to the terms of the Existing Airport Purchase Agreement, the Existing Airport Property shall not constitute part of the Airport System.

(6) "Authorized Representative" or "Authorized Agency Representative" shall mean the official or officials of the Agency authorized by resolution to sign documents associated with the Loan.

(7) "Available PFC Revenues" shall mean net revenues from PFCs collected by the Agency and available to pay PFC Eligible Loan Payments in the applicable period.

(8) "Bond Counsel Opinion" shall mean an opinion of any attorney or firm of attorneys of recognized standing and experience in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds and which attorney or firm of attorneys is acceptable to the Department and the Division.

(9) "Bond Year" shall mean 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 principal and interest on the bonds or other debt obligations of the Agency maturing or becoming subject to redemption, interest and principal 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.

(10) "Code" shall mean the Internal Revenue Code of 1986, the Treasury Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable.

(11) "Commercial Paper Credit Agreement" shall mean the Letter of Credit and Reimbursement Agreement dated as of December 1, 2007, between the provider of the Commercial Paper Letter of Credit and the Agency, and any and all modifications, alterations, amendments and supplements thereto, or, upon the issuance of a substitute letter of credit or other credit facility in substitution for the then existing Commercial Paper Letter of Credit, the credit or reimbursement agreement pursuant to which such substitute Commercial Paper Letter of Credit has been issued.

(12) “Commercial Paper Indenture” shall mean that certain Indenture of Trust, dated as of December 1, 2007, as supplemented and amended from time to time, by and between the Agency and Regions Bank (as Trustee thereunder) regarding the issuance of Commercial Paper Notes.

(13) “Commercial Paper Letter of Credit” shall mean the irrevocable letter of credit issued pursuant to the Commercial Paper Credit Agreement, or a substitute letter of credit or other credit facility issued pursuant to the Commercial Paper Indenture in substitution for the then existing letter of credit securing the payment of the principal of and interest on Commercial Paper Notes issued by the Agency pursuant to the Commercial Paper Indenture.

(14) “Commercial Paper Notes” shall mean the Panama City-Bay County Airport and Industrial District Airport Facilities Commercial Paper Notes, Series A, Series B (AMT) and Series C (Taxable), issued and outstanding from time to time under and pursuant to the Commercial Paper Indenture.

(15) "Defeasance Obligations" means, to the extent permitted by law, direct non-callable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or "stripped" interest payment obligations of debt obligations of the Resolution Funding Corporation.

(16) “Existing Airport Property” shall mean the approximately 708 acres of land on which the existing Panama City-Bay County Airport is located at 3173 Airport Road, Panama City, Florida.

(17) “Existing Airport Purchase Agreement” shall mean that certain Agreement for Purchase and Sale between the Agency and the Community Airport Redevelopment, L.L.C., dated as of October 24, 2007.

(18) “Existing Airport Sale Proceeds” shall mean the net proceeds received by the Agency from the sale of the Existing Airport Property upon the completion and placing in service of additions to the Airport System that include the Project, including, without limitation, net proceeds received by the Agency pursuant to the Existing Airport Purchase Agreement.

(19) "Financing Rate" shall mean the charges, expressed as a percent per annum, imposed on the unpaid principal of the Loan as set forth herein.

(20) “First Loan” means the first SIB Loan between the Agency and the Department in the principal amount of $25,000,000, dated December 21, 2007.

(21) "First Series Bond Proceeds" means net proceeds of the First Series Bonds in an amount which, together with the Existing Airport Sale Proceeds and any other legally available funds provided by the Agency, shall be sufficient to pay the outstanding principal amount of the Commercial Paper Notes (or reimburse the Bank for a drawing or the Letter of Credit for such purpose).

(22) "First Series Bonds" means the first series of long term airport facilities revenue bonds secured primarily by a pledge of and lien on the Net Revenues of the Airport System and eligible Passenger Facility Charges, issued by the Agency to provide permanent financing for additions to the Airport System that include the Project; provided, however, that upon the prior written consent of the Department, the proceeds of the first such issue of such airport facilities revenue bonds may be used for purposes other than retiring outstanding Commercial Paper Notes as contemplated herein, in which case "First Series Bonds" shall refer to such subsequent issue of long term airport facilities revenue bonds. "First Series Bonds" shall not include this Loan or the First Loan.

(23) "Fitch" shall mean Fitch, Inc. and its successors, if any, and if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall mean any other nationally recognized rating agency designated by the Agency.

(23) "Gross Revenues" or "Revenues" means all income and revenues from all sources collected or received by the Agency in the operation of the Airport System that are legally available to make payments required hereunder, including, without limitation, except as otherwise provided herein, all rentals, charges, landing fees, use charges, concession revenues and proceeds from the sale or provision of supplies, materials, goods and services provided by or made available by the Agency received by or on behalf of the Agency in its capacity as operator of the Airport System in connection with the operation, improvement and enlargement of the Airport System, gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are not restricted in application to a specific purpose inconsistent with their treatment as Gross Revenues and are otherwise lawfully available for the payment of the Loan Payments hereunder, Qualified Hedge Payments income from the investment of moneys held pursuant to the Commercial Paper Indenture, excluding, however, Passenger Facility Charges and any amounts not considered to be revenues in accordance with generally accepted accounting principles or that are restricted to use to purposes other than payment of Operating Expenses or Loan Payments.

(24) "Loan" shall mean the loan made to the Agency pursuant to this Agreement and the State Act in the initial principal amount of $20,000,000.

(25) "Loan Application" shall mean the completed form, as supplemented and amended, which provides all information required to support obtaining the Loan.

(26) "Loan Payment" shall mean the periodic loan payment due from the Agency.

(27) "Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall mean any other nationally recognized securities rating agency designated by the Agency.

(28) "Net Revenues" means, for any given period, Gross Revenues or Revenues for such period, less Operating Expenses for such period.

(29) "Operating Expenses" means the current expenses, paid or accrued, of operation, maintenance, and ordinary current repairs of the Airport System and shall include, without

limiting the generality of the foregoing, insurance premiums, administrative expenses of the Agency relating solely to the Airport System, including engineering, architectural, legal, airport consultants, and accounting fees and expenses, and fees and expenses of the Trustee under the Commercial Paper Indenture, and such other reasonable current expenses as shall be in accordance with sound accounting practice. "Operating Expenses" shall not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of special purpose facilities or airside buildings where the lessees thereof are obligated to pay such operating expenses.

(30) "Passenger Facility Charges" or "PFCs" means passenger facility charges imposed from time to time pursuant to the Aviation Safety and Capacity Expansion Act of 1990, the Aviation Investment Reform Act of 2000 and 14 CFR Part 158, as amended from time to time, in respect of any component of the Airport System and interest earnings thereon, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such Passenger Facility Charge revenues.

(31) “Permitted Parity Debt” shall mean the First Loan, obligations issued under the Commercial Paper Indenture up to, but not in excess of, the Stated Amount and obligations in any form of the Agency, which are secured by a lien upon the Pledged Revenues on a parity with the lien thereon securing the Loan and which comply with the provisions of Section 7.02 relating to the issuance of Permitted Parity Debt.

(32) “PFC Eligible Loan Payment” shall mean that portion of a Loan Payment allocated by certificate of the Agency to the financing of PFC Eligible Projects and which may be payable from PFCs in accordance with applicable PFC authorizations.

(33) “PFC Eligible Projects” shall mean those components of the Project for which the Agency is authorized to impose and use PFCs as confirmed by an opinion of counsel to the Agency or of the Airport Consultant.

(34) “Pledged Funds” shall mean, collectively, Net Revenues and Available PFC Revenues.

(35) "Pledged Revenues" means, collectively, Net Revenues, Available PFC Revenues and all income received from the investment thereof and any other revenues pledged by the Agency to the payment of the Loan.

(36) "Project" shall mean the state capital outlay project financed by the Loan, consisting of all “SIB-eligible” and “Non-AMT-eligible” labor, materials, and equipment to construct or acquire those certain additions to the Airport System as described in the Loan Application and set forth in Exhibit D. For purposes of the foregoing, “Non-AMT-eligible” means only such labor, materials and equipment as can be financed on a federally-tax exempt, non-AMT basis under the Code.

(37) "Qualified Hedge Agreement" shall mean an agreement such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Agency 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 nationally recognized securities rating agencies, [or who is obligated to post collateral for the benefit and protection of the Agency under the terms of the credit support annex or comparable agreement] 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 enhancement from any entity, whose long-term unsecured debt is then rated in one of the three (3) highest rating categories or above (without regard to gradations), or (b) such counterparty shall be obligated to post collateral for the benefit and protection of the Agency under the terms of a credit support annex or comparable agreement, and which agreement is entered into by the Agency as a debt management tool with respect to Senior Debt or Permitted Parity Debt, and is designated by the Agency as a Qualified Hedge Agreement.

(38) "Qualified Hedge Payments" shall mean the net payment obligation of the Agency 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 all or a portion of the Senior Debt or Permitted Parity Debt, issued or anticipated to be issued, 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 fees payable to the counterparty).

(39) "Qualified Hedge Receipts" shall mean the net payment obligations of the counterparty to the Agency 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 all or a portion of the Senior Debt or Permitted Parity Debt, issued or anticipated to be issued, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled receipts under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other receipts under such agreement (for example, any termination payment, fee for extension, indemnification obligations or other fees payable by the counterparty).

(40) "Rating Agency" shall mean Moody's, Fitch and S&P and any other nationally recognized rating agency, to the extent they have in effect a rating on any of the obligations of the Agency outstanding hereunder at the request of the Agency.

(41) "S&P" shall mean Standard & Poor's Corporation, a division of McGraw Companies, organized and existing under the laws of the State of New York, its successors and assigns and if such corporation 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 Agency.

(42) "Senior Debt" shall mean debt obligations in any form of the Agency which are secured by a lien on the Pledged Revenues that is senior to the lien granted to the Department

herein, and which comply with the provisions of Section 7.02 herein relating to the issuance of Senior Debt.

(43) "State" means the State of Florida.

(44) “State Fiscal Year" shall mean the period commencing on July 1 of each year and ending on June 30 of the succeeding year.

(45) "State Infrastructure Bank" or "SIB" means the State-funded State Infrastructure Bank created pursuant to Section 339.55, Florida Statutes.

(46) “Stated Amount” shall mean the maximum amount available to be drawn under the Commercial Paper Letter of Credit pursuant to the terms thereof, which shall not be less than the principal amount of and interest to stated maturity (including the maturity value of commercial paper notes sold at a discount) on all Commercial Paper Notes issued and outstanding pursuant to the Commercial Paper Indenture (or to be issued thereunder if the Stated Amount is being determined prior to the first issue of such Commercial Paper Notes) (exclusive of Commercial Paper Notes purchased with draws on the Commercial Paper Letter of Credit), taking into account the use of proceeds of obligations issued thereunder to (i) pay maturing principal of other obligations issued thereunder or (ii) reimburse the provider of the Commercial Paper Letter of Credit.

(47) “Subordinate Obligation” shall mean an obligation in any form of the Agency secured by a lien on the Pledged Revenues that is junior and subordinate to the lien on Pledged Revenues securing the Loan made pursuant to this Agreement. All obligations issued or incurred by the Agency other than Senior Debt and Permitted Parity Debt shall be Subordinate Obligations.

(48) “Tax-Exempt Bonds” means Bonds the interest on which is intended on their date of issuance to be excludable from gross income of the holders thereof for federal income tax purposes.

## ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

### 2.01. GENERAL WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Agency warrants, represents and covenants that:

(1) The Agency has full power and authority to enter into this Agreement and to comply with the provisions hereof and shall initiate and prosecute to completion all proceedings necessary to enable the Agency to provide the necessary funds for repayment of the Loan.

(2) The Agency currently is not the subject of bankruptcy, insolvency, or reorganization proceedings and is not in default of, or otherwise subject to, any agreement or any law, administrative regulation, judgment, decree, note, resolution, charter or ordinance which would currently restrain or enjoin it from entering into, or complying with, this Agreement.

(3) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body, pending or, to the best of the Agency's knowledge, threatened, which seeks to restrain or enjoin the Agency from entering into or complying with this Agreement.

(4) All permits, real property interests, and approvals required to be in effect at the stage of development of the Project as of the date of this Agreement have been obtained. The Agency knows of no reason why any future required permits or approvals for the construction and use of the Project are not obtainable.

(5) The Agency shall undertake the Project on its own responsibility, to the extent permitted by law.

(6) To the extent permitted by law, including, but not limited to, Section 768.28, Florida Statutes, the Agency shall release and hold harmless the State, its agencies, the Department, and each of their respective officers, members, and employees from any claim arising in connection with the Agency's actions or omissions in the Agency's planning, engineering, administrative, and construction activities financed by the Loan or its operation of the Project.

(7) All Agency representations to the Department, pursuant to the Loan Application and this Agreement, were and are true and accurate as of the date the Loan Application and this Agreement were each executed by the Agency, respectively. The financial information delivered by the Agency to the Department was current and correct as of its date. Since the date of such financial information, there has not been any material adverse change in the financial condition or revenues and expenditures of the Agency, or in the collection of the Pledged Revenues. The Agency shall comply with all applicable State and Federal laws, rules, and regulations. To the extent that any assurance, representation, or covenant requires a future action, the Agency shall take such action as is necessary for compliance.

(8) The Agency shall adhere to accepted governmental accounting principles established by the Governmental Accounting Standards Board. As part of its bookkeeping system, the Agency shall keep accounts of the Project separate from all other accounts and it shall keep accurate records of all expenditures relating to the Project, the Pledged Revenues and Loan disbursement receipts.

(9) Pursuant to Section 216.347 of the Florida Statutes, the Agency shall not use the Loan proceeds for the purpose of lobbying the Florida Legislature, the Judicial Branch, or a State agency.

(10) The Agency agrees to construct and/or acquire the Project or cause the Project to be constructed and/or acquired materially in accordance with the plans, specifications and time schedules set forth or referenced in the Loan Application. Delays incident to strikes, riots, acts of God, and other events beyond the reasonable control of the Agency are excepted. If for any reason construction or acquisition is not completed as scheduled, there shall be no resulting diminution or delay in the Loan Payment unless consented to by the Department in writing.

(11) The Agency covenants that this Agreement is entered into for the purpose of providing a portion of the financing for the acquisition and construction of the Project which will in all events serve a public purpose. The Agency covenants that it will, under all conditions, complete and operate the Project to fulfill the public need.

(12) The Agency shall submit to the Department such data, reports, records, contracts and other documents relating to the Project as the Department may request in order to ascertain the performance by the Agency of its obligations under this Agreement. The Department shall have the right to conduct on-site monitoring visits and audits, and the Agency shall cooperate and assist the Department in the reasonable inspection and audit of books, records, accounts, data and other information related to the Project, and in copying and removing the same for such purposes at all reasonable times. The Agency shall provide additional information as deemed appropriate by the Department.

(13) At such time as may be requested by the Department or the Division, the Agency shall execute a Disclosure Agreement, substantially in the form attached hereto as Exhibit E, and shall furnish and certify to such information and execute and deliver and cause to be executed and delivered such documents, certificates and opinions as the Department or the Division may reasonably require in connection with the Bonds, including, without limitation, a Non-Arbitrage Certificate, the form of which is attached hereto as Exhibit F, an IRS Form 8038 and any continuing disclosure undertaking necessary for the Department or the Division to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12.

(16) The Project is in agreement with the Airport Project Priorities planning documentation accepted by the Bay County Transportation Planning Organization at its September, 2005 meeting, as such documentation may have been amended through the Agreement Date.

(17) The Agency hereby covenants and agrees to, in good faith, use its best efforts to issue, sell and deliver on or before fifteen (15) days prior to the expiration of the Commercial Paper Letter of Credit, First Series Bonds in such principal amount as shall provide net proceeds in an amount, together with the net amount of proceeds from the sale of the Existing Airport Property and other legally available funds of the Agency deposited with the Trustee under the Commercial Paper Indenture for such purpose, sufficient to pay the outstanding principal amount of all obligations issued under the Commercial Paper Indenture and to extinguish the lien granted pursuant to the Commercial Paper Indenture on Pledged Revenues.

(18) The Agency hereby also covenants and agrees not to amend, modify or supplement the Commercial Paper Indenture or the Commercial Paper Credit Agreement without prior written consent of the Department, which shall not be unreasonably withheld, except that the Agency may amend, modify or supplement the Commercial Paper Indenture for purpose of issuing additional obligations thereunder in accordance with the provisions of the Commercial Paper Indenture as of the date of this Agreement, and further provided that such additional issuance does not result in obligations outstanding in an amount greater than the lesser of (i) $80,000,000, or (ii) the Maximum Stated Amount (as defined in the Commercial Paper Credit Agreement to be an amount not to exceed $80,000,000). Notwithstanding the foregoing, no prior written consent of the Department will be required for the Agency to amend the Commercial

Paper Credit Agreement in order to extend the expiration date of the Commercial Paper Letter of Credit or to increase the Stated Amount or the Maximum Stated Amount to an amount not to exceed $80,000,000.

(19) The Existing Airport Property has been sold pursuant to an executed contract for sale for a gross purchase price of not less than $56,500,000, which is secured by the purchaser pursuant to an escrow fund or account fully-funded in amount of the sale price of the Existing Airport Property. Such escrow fund is held by J.P. Morgan Bank for the benefit of the Agency, its successors and assigns.

(20) The Agency is the grantee of a recorded deed transferring to it title to the site on which the Panama City-Bay County International Airport will be relocated.

2.02. TAX WARRANTIES, REPRESENTATIONS AND COVENANTS.

The Agency acknowledges that the Department may issue Applicable Tax Exempt Bonds and that the maintenance of the tax-exempt status of such Applicable Tax-Exempt Bonds will depend, in part, on the Agency's compliance with the provisions of this Agreement. Accordingly, the Agency warrants, represents and covenants that:

(1) Notwithstanding any other provisions of this Agreement, including specifically Section 2.02(8), if the Agency shall be notified by the Department or the Division as of any date that any payment is required to be made to the United States Treasury in respect of Applicable Tax-Exempt Bonds, and such payment is due to the failure of the Agency to comply with this Agreement, the Agency shall pay to the Department or the State Board of Administration, as the case may be, (for deposit to the appropriate Account or Subaccount established by the Resolution) the amount specified in the notice by the Department or the Division.

(2) The Agency is a "governmental person" (as defined in Treasury Regulations §1.141-1(b)) (a "Governmental Unit") and it is legally authorized to expend its revenues for purposes of the Project.

(3) The Agency will not take any action or omit to take any action, which action or omission will adversely affect the exclusion from gross income of the interest on the Applicable Tax-Exempt Bonds for federal income tax purposes or cause the interest on the Applicable Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code, and in the event of such action or omission, promptly upon having such brought to its attention, it will take such reasonable actions based upon a Bond Counsel Opinion, obtained at the expense of the Agency, as may rescind or otherwise negate such action or omission. The Agency will not, directly or indirectly, use or permit the use of any proceeds of the Applicable Tax-Exempt Bonds or any other funds of the Agency, or take or omit to take any action, that would cause the Applicable Tax-Exempt Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) of the Code or to fail to meet any other applicable requirement of Sections 141, 148, 149 and 150 of the Code or (except for Applicable Tax-Exempt Bonds which constitute Tax-Exempt AMT Bonds, as defined in the Resolution) cause the interest on the Applicable Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative

minimum tax imposed on individuals and corporations under the Code. To that end, the Agency will comply with all requirements of Sections 141, 148, 149 and 150 of the Code to the extent such provisions apply to the Applicable Tax-Exempt Bonds. In the event that at any time the Department or the Division is of the opinion that it is necessary to restrict or limit the yield on the investment of any moneys held by the Agency, the Department or the Division shall so instruct the Agency in writing and the Agency shall so restrict the yield.

(4) The Agency (or any "related party", as defined in Treasury Regulations §1.150-1(b)) is prohibited from purchasing and shall not purchase any Applicable Tax-Exempt Bonds other than purchases in the open market for the purpose of tendering them to the Division for purchase and retirement.

(5) The Agency will take no action, nor will it permit or suffer any action or event, which will cause any of the Applicable Tax-Exempt Bonds to be or become a "private activity bond" within the meaning of the Code. To that end, the Agency will not permit more than 5% of the Project or portion thereof financed with Tax-Exempt Bonds, including Applicable Tax-Exempt Bonds, to be used for a Private Business Use. The term "Private Business Use" means use directly or indirectly in a trade or business or any other activity carried on by any Private Person other than use as a member of, and on the same basis as, the general public. The term "Private Person" means any person other than a Governmental Unit. For this purpose, the United States or any agency or instrumentality thereof is not a Governmental Unit and is therefore a Private Person. For purposes of this paragraph (5), property is considered "used" by a Private Person if:

(i) it is owned by, or leased, to such Private Person;

(ii) it is operated, managed or otherwise physically employed, utilized or consumed by such Private Person, other than operation or management pursuant to an agreement that meets the conditions described in paragraph (6) below;

(iii) capacity in or output service from such property is reserved or committed to such Private Person under a take-or-pay, output, incentive payment or similar contract or arrangement;

(iv) such property is used to provide service to (or such service is committed to or reserved for) such Private Person on a basis or terms that are different from the basis or terms on which such service is provided (or committed or reserved) to members of the public generally (except possibly for the amount of use and any corresponding rate adjustment);

(v) such Private Person is a developer and a significant amount of the Project financed with proceeds of Tax-Exempt Bonds serves only a limited area substantially all of which is owned by such Private Person, or a limited group of developers, unless such improvement carries out an essential governmental function, such developer reasonably expects to proceed with all reasonable speed to develop the improvement and property benefited by that improvement, and the improvement is in fact transferred to a

Governmental Unit promptly after the property benefited by the improvement is developed; or

(vi) substantial burdens and benefits of ownership of the Project financed with proceeds of Tax-Exempt Bonds are otherwise effectively transferred to such Private Person.

(6) Use of Bond-Financed Property.

(i) For purposes of this Agreement, the use by a Private Person of the Project financed with the proceeds of Tax-Exempt Bonds (the "Bond Financed Property") pursuant to a Qualified Use Contract (as hereafter defined) shall not be treated as a Private Business Use by such Private Person of such Bond-Financed Property or of funds used to finance or refinance such Bond-Financed Property.

(ii) An arrangement under which services are to be provided by a Private Person involving the use of all or any portion of, or any function of, the Bond-Financed Property (for example, management services for an entire facility or a specific department of a facility ("Use Contract")) is a "Qualified Use Contract" if it complies (as determined by a Bond Counsel Opinion obtained at the Agency's expense) with the provisions set forth in Revenue Procedure 97-13 or 97-14, as applicable, and as amended or superceded by the Code, Regulations or additional administrative promulgation from the Internal Revenue Service.

(iii) The Agency may treat a Use Contract that does not comply with the criteria of subparagraph (6)(ii) as not resulting in Private Business Use of Bond-Financed Property if it delivers to the Department and the Division, at its expense, a Bond Counsel Opinion to the effect that to do so would not adversely affect the exclusion from gross income of interest on the Applicable Tax-Exempt Bonds or cause the interest on the Applicable Tax-Exempt Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code.

(7) Notwithstanding any provision of this Section 2.02, if the Agency provides to the Department and the Division a Bond Counsel Opinion, obtained at the Agency's expense, to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Applicable Tax-Exempt Bonds pursuant to Section 103(a) of the Code, the Agency, the Department and the Division may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder shall be deemed to be modified to that extent.

(8) All tax warranties, representations, covenants and obligations of the Agency contained in this Section 2.02 shall remain in effect and be binding upon the Agency until all of the Applicable Tax-Exempt Bonds have been paid, notwithstanding any earlier termination of this Agreement or any provision for payment of principal of and premium, if any, and interest on the outstanding Applicable Tax-Exempt Bonds and release and discharge of the Resolution.

(9) The Agency may create an account (a "Loan Debt Service Account") for the purpose of matching revenues to debt service on the loan. Any amounts deposited from time to time in any such Loan Debt Service Account will be used to pay principal of or interest on the Loan within 13 months after the amounts are so deposited.

(10) The Agency has not established and except as set forth above, does not expect to establish or use any sinking fund, debt service fund, redemption fund, reserve or replacement fund, or similar fund, or any other fund to pay principal of, interest and any redemption premium on the Loan. Except for money referred to in paragraph (9) above, no other money or investment property (including, without limitation, fixed income, equity and other investments) is or will be pledged as collateral or used for the payment of such principal and interest (or for the reimbursement of any others who may provide money to pay that principal and interest), or is or will be restricted, dedicated, encumbered, or set aside in any way as to afford the Department or holders of the Applicable Tax-Exempt Bonds reasonable assurance of the availability of such money or investment property to pay debt service on the Loan or the Applicable Tax-Exempt Bonds.

(11) Except as stated otherwise in this Agreement, no portion of the Loan will be used:

(i) to pay principal of or interest on, refund, renew, roll over, retire, or replace any other obligations issued by or on behalf of the Department, the Agency or any other Governmental Unit,

(ii) to replace any proceeds of another issue of tax-exempt bonds that were not expended on the project for which such other issue was issued,

(iii) to replace any money that was or will be used directly or indirectly to acquire investments,

(iv) to make a loan to any other person or Governmental Unit,

(v) to pay any working capital expenditure other than expenditures identified in Treasury Regulations §1.148-6(d)(3)(ii)(A) and (B) (i.e., issuance costs of the Applicable Tax-Exempt Bonds, qualified administrative costs, reasonable charges for a qualified guarantee or for a qualified hedge, interest on the Loan for a period commencing on the issuance date of the Applicable Tax-Exempt Bonds and ending on the date that is the later of three years from that issuance date or one year after the date on which the Project was or will be placed in service, and costs, other than those already described, that do not exceed 5% of the sale proceeds of the Applicable Tax-Exempt Bonds and that are directly related to capital expenditures financed or deemed financed by the Applicable Tax-Exempt Bonds), or

(vi) to reimburse any expenditures made prior to the issuance date of the Applicable Tax-Exempt Bonds except those that qualify as a reimbursement of prior capital expenditures, based upon a Bond Counsel Opinion, obtained at the Agency's expense, delivered to the Department and the Division.

(12) The Agency does not intend to sell or otherwise dispose of its interest in the Project or any portion thereof during the term of the Applicable Tax-Exempt Bonds except for dispositions of property in the normal course at the end of such property's useful life to the Agency. The Agency will not sell, assign ownership, or otherwise dispose of its interest in the Project or specific rights to utilize any portion of its interest in the Project without the prior consent of the Department and receipt by the Department of a Bond Counsel Opinion, obtained at the Agency's expense, that such Agency action will not adversely impact the tax status of Applicable Tax-Exempt Bonds.

(13) None of the Loan Payments shall be federally guaranteed within the meaning of Section 149(b) of the Code.

(14) The term of the Loan does not exceed the expected useful life of the Project.

2.03. LEGAL AUTHORIZATION.

Upon signing this Agreement, the Agency's legal counsel shall express the opinion, subject to laws affecting the rights of creditors generally, that:

(1) This Agreement has been duly authorized by the Agency and shall constitute a valid and legal obligation of the Agency enforceable in accordance with its terms upon execution by both parties; and

(2) This Agreement specifies the revenues pledged for repayment of the Loan, and the pledge is valid and enforceable.

2.04. AUDIT AND MONITORING REQUIREMENTS.

The administration of resources awarded by the department to the Agency may be subject to audits and/or monitoring by the department, as described in this section. For further guidance, see the Executive Office of the Governor website, which can be found at: www.fssa.state.fl.us.

Recipients of state funds (i.e. a non-state entity as defined by Section 215.97(2)(l), Florida Statutes) are to have audits done annually using the following criteria:

In the event that the recipient expends a total amount of state financial assistance equal to or in excess of $500,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Executive Office of the Governor and the CFO; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department, other state agencies, and other non-state entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a non-state entity for Federal program matching requirements.

In connection with the audit requirements, the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(d), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

If the recipient expends less than $500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than $500,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the non-state entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

State awards are to be identified using the Catalog of State Financial Assistance (CSFA) title and number, award number and year, and name of the state agency awarding it.

The recipient shall follow up and take corrective action on audit findings. Preparation of a summary schedule of prior year audit findings, including corrective action and current status of the audit findings is required. Current year audit findings require corrective action and status of findings.

Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is completed or the dispute is resolved. Access to project records and audit work papers shall be given to the FDOT, the Comptroller, and the Auditor General. This section does not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any other state official. Copies of financial reporting packages, reports, or management letters required by this agreement shall be submitted by or on behalf of the recipient directly to following offices:

Florida Department of Transportation
SIB Program Manager
Office of Financial Development
605 Suwannee Street, MS #7
Tallahassee, FL 32399-0450

Auditor General's Office
Room 401, Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Any reports, management letter, or other information required to be submitted to the Department pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

Recipients, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133 or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

The submission requirement may be satisfied with the availability of the Financial Reporting Package on the recipient's Internet Web site, in which case a hard copy will not be required. The

Department is to be notified when the Reporting Package is available, including the Internet address.

Progress Reports. The Agency shall provide to the Department's Office of Financial Development semi-annual progress reports on "program and financial activities" that occur each year. The report will be signed or submitted electronically in accordance with Chapter 668, Florida Statutes, by an individual authorized by the governing board of the Agency. The following program information shall be included: program accomplishments (specific action taken to implement approved objectives/activities) and percent of accomplishments for each in terms of percentage completed; problems delaying implementation; and revised Project schedules if activities are not conforming to approved Project schedules as contained in the application. The following financial information shall be included: beginning fund balance; amount of expenditures; ending fund balance; interest earned to date; and the amount and percent of funds being contributed to the Project from other sources. The semi-annual progress report is available on the SIB website at www.dot.state.fl.us/financialplanning/finance/sib.htm.

Records Rentention. The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of at least five years from the date the audit report is issued, and shall allow the Department, or its designee, the state CFO or Auditor General access to such records upon request. The recipient shall ensure that the independent audit working papers are made available to the Department, or its designee, the state CFO, or Auditor General upon request for a period of at least five years from the date the audit report is issued, unless extended in writing by the Department.

All costs charged to the Project, including any approved services contributed by the Agency or others, shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges.

Any check or order drawn by the Agency with respect to any item which is or will be supported by the Loan must be supported with a properly signed voucher on file in the office of the Agency stating in proper detail the purpose for which such check or order is drawn. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, and readily accessible, and, to the extent feasible, kept separate and apart from all other such documents.

Access to Project Site. The Agency shall provide access to Project sites and administrative offices to authorized representatives of the Department at any reasonable time. The Agency shall cause its engineers and contractors to cooperate during Project inspections, including making available working copies of plans and specifications and supplementary materials

## ARTICLE III - LOAN REPAYMENT ACCOUNTS

### 3.01. LOAN REPAYMENT ACCOUNT.

The Agency may establish a Loan Repayment Account for the purpose of matching Pledged Revenues to Loan Payments.

If at any time the Agency has advance notice that it will not be able to pay any Loan Payment when due, the Agency shall immediately notify the Department of such inability to make the required payment.

## ARTICLE IV - THE PROJECT

### 4.01. PROJECT CHANGES.

The Agency covenants and agrees that it will not change the function of the Project or alter the nature of the Project in any material fashion, or substitute any other project for the Project, without the prior written approval of the Department.

### 4.02. TITLE OF PROJECT.

The Agency shall have an interest in real and personal property comprising the Project sufficient to enable the Agency to complete the Project. Upon completion of the Project, title thereto shall be free and clear of liens and encumbrances which would impair the usefulness of the Project for its intended use. The Authorized Representative shall submit proof of title insurance on the real property comprising the Project on or before the Agreement Date.

### 4.03. PERMITS AND APPROVALS.

The Agency or the owner of the Project shall have obtained, prior to the award of construction contracts, all permits and approvals required for commencement of the Project or portion of the Project funded under this Agreement.

### 4.04. PROHIBITION AGAINST ENCUMBRANCES.

The Agency is prohibited from selling, leasing, or disposing of any part of the Project which would materially adversely affect the ability of the Agency to meet its obligations under this Agreement so long as this Agreement, including any amendment thereto, is in effect unless the written consent of the Department is first secured.

### 4.05. COMPLETION MONEYS.

In addition to the proceeds of this Loan, the Agency covenants that it has obtained, or will obtain, sufficient moneys from other sources to complete the Project, based on estimates of cost or completion as of the date of this Agreement. Failure of the Department to approve additional financing, where required, shall not constitute a waiver of the Agency's covenants to complete and place the Project in operation.

### 4.06. PROJECT SCHEDULE AND INDEBTNESS.

The Agency agrees:

(1) Initiation of Project construction/acquisition is anticipated to be July, 2008.

(2) Completion of Project construction/acquisition is anticipated to be June 30, 2010.

(3) Proof of title insurance on the real property comprising the Project shall be submitted to the Department no later than the Agreement Date.

(4) The Loan Payments shall be due at the times and in the amounts set forth on Article X hereof.

4.07 OFFICIAL INTENT.

This Loan Agreement, when executed by an authorized representative of the Agency, shall constitute the Agency's official intent, within the meaning Treasury Regulation § 1.150-2, to reimburse itself with proceeds of tax-exempt debt for obligations incurred with respect to the Project.

ARTICLE V – RATE COVENANTS AND USE OF TRANSPORTATION SYSTEM

5.01. RATE COVERAGE.

(1) During such period in which there is no Senior Debt outstanding, the Agency covenants and agrees to, based on budgets and projections for the forthcoming fiscal year of the Agency, fix, revise, maintain and collect such fees, rentals and other charges for the use of the facilities and services of the Airport System as will generate Pledged Revenues in each fiscal year of the Agency in an amount which together with other legally available funds provided for such purpose shall be at least equal to (i) 110% of the sum of the (1) Loan Payments due hereunder and (2) debt service coming due or required to be paid on Permitted Parity Debt during such fiscal year, and (ii) 100% of amounts coming due or required to be paid on Subordinate Obligations during such fiscal year and all amounts other than debt service required to be paid pursuant to documents relating to Permitted Parity Debt (such as reserve fund deposits, capital improvement deposits and federal arbitrage rebate payments) during such fiscal year. The Agency further covenants to take such actions based on budgets and projections and in such time in advance as necessary to generate such Pledged Revenues in the time needed to pay the amounts and deposits referenced in the preceding sentence.

(2) During all periods in which Senior Debt is outstanding or is proposed to be outstanding (such as in the case of the issuance of new or additional Senior Debt), the Agency covenants and agrees to, based on budgets and projections for the forthcoming fiscal year of the Agency, fix, revise, maintain and collect such fees, rentals and other charges for the use of the facilities and services of the Airport System as will generate in each fiscal year of the Agency (i) revenues and other amounts pledged for the payment of Senior Debt (including amounts in any excess reserve fund, surplus fund, coverage account or similar account established under documents relating to Senior Debt) at least equal to 125% of the debt service requirement for such Senior Debt and 100% of all other payments required to be made under documents relating to such Senior Debt (such as reserve fund deposits, capital improvement deposits and federal arbitrage rebate payments) scheduled to become due and payable during such forthcoming fiscal year of the Agency, (ii) Adjusted Pledged Funds at least equal to 110% of the sum of (1) the Loan Payments coming due during such forthcoming fiscal year of the Agency, and (2) debt service coming due or required to be paid during such forthcoming fiscal year of the Agency under documents relating to Permitted Parity Debt, and (iii) Adjusted Pledged Funds at least

equal to 100% of all amounts coming due or payable on Subordinate Obligations during such forthcoming fiscal year and all amounts other than debt service required to be paid pursuant to documents relating to Permitted Parity Debt (such as reserve fund deposits, capital improvement deposits and federal arbitrage rebate payments) during such fiscal year of the Agency. The Agency further covenants to take such actions based on budgets and projections and in such time in advance as necessary to generate such revenues and amounts in the time needed to pay the amounts and deposits referenced in the preceding sentence.

For purposes of the preceding paragraphs (1) and (2), references to debt service and other amounts due and owing with respect to Senior Debt, Permitted Parity Debt and Subordinate Obligations shall be determined with reference to the manner and assumptions used to determine such amounts pursuant to documents relating to Senior Debt, Permitted Parity Debt and Subordinate Obligations, including assumptions referenced in such documents relating to the treatment of variable rate obligations, Qualified Hedge Payments and Qualified Hedge Receipts.

5.02. RESERVED.

5.03. MAINTENANCE OF PROJECT.

The Agency shall operate and maintain the Airport System and the Project in a proper, sound and economical manner and shall make all necessary repairs, renewals, and replacements.

5.04. PROJECT ADDITIONS AND MODIFICATIONS.

The Agency may make any additions, modifications or improvements to the Project which it deems desirable and which do not materially adversely affect the ability of the Agency to meet its obligations under this Agreement. All such renewals, replacements, additions, modifications and improvements shall become part of the Airport System.

5.05. COLLECTION OF PLEDGED REVENUES.

The Agency shall use its best efforts to collect all Pledged Revenues and other amounts due to it, and shall take no action to impair the collection of the Pledged Revenues.

ARTICLE VI - DEFAULTS AND REMEDIES

6.01. EVENTS OF DEFAULT.

Each of the following events is hereby declared an event of default:

(1) Failure to make any Loan Payment when it is due and such failure shall continue for a period of 5 days.

(2) Any warranty, representation or other statement by, or on behalf of, the Agency contained in this Agreement or in any document, certificate or information furnished in compliance with, or in reference to, this Agreement, is determined to be false or misleading.

(3) An order or decree is entered, with the acquiescence of the Agency, appointing a receiver for any part of the Project or the Pledged Revenues; or if such order or decree, having been entered without the consent or acquiescence of the Agency, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.

(4) Any proceeding is instituted, with the acquiescence of the Agency, for the purpose of effecting a composition between the Agency and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Pledged Revenues.

(5) Any bankruptcy, insolvency or other similar proceeding is instituted by, or against, the Agency under federal or state bankruptcy or insolvency law now or hereafter in effect and, if instituted against the Agency, is not dismissed within 60 days after filing.

(6) Termination or expiration of any liquidity facility securing Senior Debt or Permitted Parity Debt, including the Commercial Paper Letter of Credit, while obligations supported by such liquidity facility are still outstanding without substitution of an alternate liquidity facility therefor, to the extent that a liquidity facility is required to be in effect with respect to such Senior Debt or Permitted Parity Debt.

(7) Any event of default under documents relating to any liquidity or credit facility securing Senior Debt or Permitted Parity Debt, including the Commercial Paper Letter of Credit, that triggers an acceleration of the entire principal amount of the associated Senior Debt or Permitted Parity Debt.

(8) Any default under documents relating to Senior Debt or Permitted Parity Debt not cured within the time permitted to be cured thereunder.

(9) Except as provided in Subsection 6.01(1), any failure to comply with the provisions of this Agreement or failure in the performance or observance of any of the covenants or actions required by this Agreement (a "General Non-compliance Default"), provided, however, that if the Agency provides the Department with written notice of a General Non-compliance Default within 30 days of the date of such General Non-compliance Default, then the Agency shall have 60 days from the date of such General Non-compliance Default to cure such General Non-compliance Default to the satisfaction of the Department in the Department's sole and absolute discretion. If the Agency fails, within the time periods provided in the previous sentence, to (i) provide written notice of a General Non-compliance Default, or (ii) cure the General Non-compliance Default to the satisfaction of the Department in the Department's sole and absolute discretion, then the Agency shall be deemed to be in default of this Agreement as of the date of the General Non-compliance Default.

6.02. REMEDIES.

Upon any event of default, the Department or the Division may pursue any available remedy at law or in equity, including:

(1) By mandamus or other proceeding at law or in equity, cause the Agency to remit to the Department Pledged Revenues sufficient to enable the Agency to satisfy its obligations under this Agreement.

(2) By action or suit in equity, require the Agency to account for all moneys received pursuant to this Agreement and to account for the receipt, use, application, or disposition of the Pledged Revenues.

(3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department or the Division.

(4) By applying to a court of competent jurisdiction, cause the appointment of a receiver to manage the Project, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement.

(5) By certifying to the Auditor General and the Chief Financial Officer delinquency on Loan repayments, the Department may provide for the payment to the Department of the delinquent amount plus a penalty from any unobligated funds due to the Agency under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. A default interest rate may be imposed in an amount not to exceed an interest rate of 18 percent per annum on the amount due in addition to charging the cost to handle and process the debt.

(6) By notifying financial market credit rating agencies of the event of default.

(7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees.

(8) By (i) accelerating the repayment of the Loan such that the entire Disbursed balance becomes immediately due and payable to the Department, or (ii) increasing the Financing Rate on the unpaid principal of the Loan to as much as 1.667 times the Financing Rate for a default under Subsection 6.01(1).

In addition to pursuing one or more of the above remedies, upon an event of default, the Department may, by providing 60 days advance written notice to the Agency, elect to terminate this Agreement, and the Department shall have no further obligation or commitment under this Agreement to the Agency. Any partial Loan Payments by the Agency shall be allocated first to interest and second to principal.

6.03. REMEDIES NOT EXCLUSIVE; DELAY AND WAIVER.

No remedy conferred upon or reserved to the Department by this Article is exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy. No delay or omission by the Department to exercise any right or power accruing as a result of an event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient. No waiver of any default under this Agreement shall extend to or affect any subsequent event of default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

## ARTICLE VII - THE PLEDGED REVENUES

### 7.01. SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

The obligations of the Agency hereunder shall be payable solely from the Pledged Revenues and there is hereby granted to the Department as security for the Agency's obligations hereunder a pledge of and lien on the Pledged Revenues, which shall be on parity with the pledge of and lien on the Pledged Revenues granted to the Trustee under the Commercial Paper Indenture and on parity with the pledge of and lien on the Pledged Revenues granted pursuant to documents relating to Permitted Parity Debt. The pledge of and lien on the Pledged Revenues granted hereunder shall be junior and subordinate in all respects to the pledge thereof and lien thereon securing the payment of Senior Debt hereafter issued in accordance with Section 7.02(1) hereof The obligations of the Agency hereunder do not constitute a general obligation or pledge of the faith and credit or taxing power of the Agency, Panama City, Florida (the "City") or Bay County, Florida (the "County"), the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation, but are limited obligations of the Agency payable solely from and secured by a pledge of and lien upon the Pledged Revenues as provided herein. Neither the Agency, the City, the County, nor the State or any political subdivision thereof shall ever be required to exercise any taxing power in any form to pay the obligations of the Agency hereunder or to pay the same from any funds other than the Pledged Revenues as provided herein.

### 7.02. ADDITIONAL DEBT OBLIGATIONS.

(1) Senior Debt.

(a) The Agency shall not issue Senior Debt unless the requirements of subsection (a)(i) and (ii) of this Section 7.02(1) are satisfied, or, in the case such Senior Debt are refunding bonds, unless the requirements of subsections (b) of this Section 7.02(1) is satisfied. However, notwithstanding compliance with subsections (a) and/or (b) of this Section 7.02(1), the Agency shall not issue Senior Debt that is commercial paper, or similar obligations more than 25% of the principal amount of which is nominally due and payable within 366 days of issuance thereof, unless the Department has, in its sole and absolute discretion, provided to the Agency the Department's advance written consented to the issuance of such Senior Debt.

(i) The outstanding Senior Debt and the Senior Debt proposed to be issued is rated "BBB" (or Moody's equivalent) or higher from at least one Rating Agency and from all Rating Agencies that maintain a rating on the Agency's Senior Debt, and

(ii) Either:

(A) an Airport Consultant retained by the Agency has provided to the Department a certificate or report stating that, based upon reasonable assumptions, projected Pledged Funds will be sufficient to satisfy the rate covenant set forth in Section 5.01(2) (disregarding any Senor Debt, Permitted Parity Debt or Subordinate Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of the Senior Debt proposed to be issued) for each of the next five full Bond Years following issuance of the Senior Debt, or each full Bond Year from issuance of the Senior Debt through two full Bond Years following completion of the Airport System Projects financed by the Senior Debt proposed to be issued, whichever is later; provided that, if maximum annual debt service (determined pursuant to documents relating to such Senior Debt) with respect to any outstanding Senior Debt and proposed Senior Debt in any Bond Year is greater than 110% of annual debt service for such Senior Debt in any of the test years, then the last Bond Year of the test must use such maximum annual debt service with respect to outstanding Senior Debt and proposed Senior Debt; or

(B) an Authorized Agency Representative has provided to the Department a certificate stating that for any 12 consecutive months out of the most recent 24 consecutive months immediately preceding the date of issuance of the proposed Senior Debt, (1) Net Revenues, plus Available PFC Revenues (not to exceed 125% of Eligible PFC Debt Service with respect to the Senior Debt outstanding and the Senior Debt proposed to be issued), plus any amounts in an excess reserve fund, surplus fund, coverage account or similar account established under documents relating to the Senior Debt, were not less than 125% of the aggregate of (x) actual debt service requirement on Senior Debt outstanding in such 12 month period (disregarding any Senior Debt, Permitted Parity Debt or Subordinated Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of, such Senior Debt proposed to be issued), plus (y) maximum annual debt service with respect to such Senior Debt proposed to be issued, and (2) Adjusted Pledged Funds were not less than 110% of the sum of (x) the Loan Payments required to be made hereunder during such 12 month period and (y) debt service payments required to be paid during such 12 month period under documents relating to Permitted Parity Debt.

(b) With respect to Senior Debt proposed to be issued to refund outstanding Senior Debt, either the requirement set forth in (a) is satisfied or the Agency has provided to the Department evidence that (i) the outstanding Senior Debt and the Senior Debt proposed to be issued is rated "BBB" (or Moody's equivalent) or higher from at least one Rating Agency and from all Rating Agencies that maintain a rating on the Agency's Senior Debt, and (ii) the debt service requirement in each Fiscal Year with respect to all Senior Debt outstanding after issuance of such refunding Senior Debt shall be no greater than the debt service requirement in each such Fiscal Year through the last Fiscal Year in which Senior Debt is outstanding prior to the issuance of such refunding Senior Debt (calculated without regard to the use of any debt service reserve funds in satisfaction of debt service requirement).

(2) Permitted Parity Debt

(a) The Agency may issue additional obligations up to the Stated Amount pursuant to the terms of the Commercial Paper Indenture, the lien of which on the Pledged Revenues shall be on parity with the lien of this Agreement on such Pledged Revenues.

(b) The Agency may issue other obligations from time to time pursuant to the terms of other instruments or agreements, the lien of which on the Pledged Revenues shall be on parity with the lien of this Agreement on such Pledged Revenues, provided either

(i) an Airport Consultant retained by the Agency has provided to the Department a certificate or report stating that, based upon reasonable assumptions, projected Pledged Funds will be sufficient to satisfy the rate covenant set forth in Section 5.01 (disregarding any Senor Debt, Permitted Parity Debt or Subordinate Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of the Permitted Parity Debt proposed to be issued) for each of the next five full Bond Years following issuance of the Permitted Parity Debt, or each full Bond Year from issuance of the Permitted Parity Debt through two full Bond Years following completion of the Airport System Projects financed by the Permitted Parity Debt proposed to be issued, whichever is later; provided that, if maximum annual debt service (determined pursuant to documents relating to such Permitted Parity Debt) with respect to any outstanding Permitted Parity Debt and proposed Permitted Parity Debt in any Bond Year is greater than 110% of annual debt service for such Permitted Parity Debt in any of the test years, then the last Bond Year of the test must use such maximum annual debt service with respect to outstanding Permitted Parity Debt and proposed Permitted Parity Debt; or

(ii) an Authorized Agency Representative has provided to the Department a certificate stating that for any 12 consecutive months out of the most recent 24 consecutive months immediately preceding the date of issuance of the proposed Permitted Parity Debt, (A) Net Revenues, plus Available PFC Revenues (not to exceed 125% of Eligible PFC Debt Service with respect to the Senior Debt outstanding), plus any amounts in an excess reserve fund, surplus fund, coverage account or similar account established under documents relating to Senior Debt, were not less than 125% of actual debt service requirement on Senior Debt outstanding in such 12 month period (disregarding any Senior Debt, Permitted Parity Debt or Subordinated Obligations that have been paid or discharged or will be paid or discharged after the issuance of such Permitted Parity Debt), and (B) Adjusted Pledged Funds were not less than 110% of the sum of (1) the Loan Payments required to be made hereunder during such 12 month period (2) the actual amounts required to be paid during such 12 month period under documents relating to Permitted Parity Debt, and (3) the maximum annual debt service with respect to such Permitted Parity Debt (as determined in documents relating to such Permitted Parity Debt) proposed to be issued coming due in any Fiscal Year.

(c) With respect to Permitted Parity Debt proposed to be issued to refund outstanding Permitted Parity Debt, either the requirements set forth in (a) or (b) is satisfied or the Agency has provided to the Department evidence that the debt service requirement in each Fiscal Year with respect to all Permitted Parity Debt outstanding after issuance of such refunding Permitted Parity Debt shall be no greater than the debt service requirement in each such Fiscal Year through the last Fiscal Year in which Permitted Parity Debt is outstanding prior to the issuance of such refunding Permitted Parity Debt (calculated without regard to the use of any debt service reserve funds in satisfaction of debt service requirement).

(3) (a) For purposes of (1)(a)(ii)(A) and (2)(b)(i) above, in estimating Net Revenues and Available PFCs, the Airport Consultant may take into account (i) Revenues from Projects or Airport Facilities reasonably expected to become available during the period for

which the estimates are provided, (ii) any increase in fees, rates, charges, rentals or other sources of Revenues which has been approved by the Agency or any increase in the permitted rate at which PFCs may be charged, approved by the Federal Aviation Administration and, in each such case, will be in effect during the period for which the estimates are provided or (iii) any other increases in Revenues which the Airport Consultant believes to be a reasonable assumption for such period. With respect to Operating Expenses, the Airport Consultant shall use such assumptions as the Airport Consultant believes to be reasonable, taking into account: (x) historical Operating Expenses, (y) Operating Expenses of the Agency associated with the Airport System Projects and any other new Airport Facilities, and (z) such other factors, including inflation and changing operations or policies of the Agency, as the Airport Consultant believes to be appropriate. The Airport Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of the debt service requirement or maximum annual debt service, which calculations may be based upon information provided by the Agency a financial advisory or investment banking firm or another Airport Consultant.

(b) In addition, for purposes of (1)(a)(ii)(B) and (2)(b)(ii) above, the Agency shall be allowed to adjust Net Revenues for earnings arising from any increase in the rates, charges and fees for the use of the Airport System which has become effective prior to the issuance of such proposed Senior Debt or Permitted Parity Debt, as the case may be, but which, during the last completed Fiscal Year or 12-month period, was not in effect for the entire Fiscal Year or 12-month period under consideration, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, charges and fees had been in effect during the whole of the last completed Fiscal Year or 12-month period, as shown by the certificate or opinion of an Airport Consultant retained by the Agency.

(c) For purposes of preparing the certificate or certificates or report described above, the Airport Consultant or Airport Consultants may rely upon financial statements prepared by the Agency which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Agency Representative shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles.

(d) None of the certificates described under (1)(a)(ii)(A) or (B) or (2)(b)(i) or (ii) above shall be required if the proceeds of Senior Debt or Permitted Parity Debt being issued will be used to pay costs of completing an Airport System project for which Senior Debt or Permitted Parity Debt has previously been issued and the principal amount of such Senior Debt or Permitted Parity Debt being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Senior Debt or Permitted Parity Debt originally issued for such Airport System project and reasonably allocable to the Airport System project to be completed as shown in a written certificate of an Authorized Agency Representative and there is delivered to the Department (i) an Airport Consultant's certificate stating that the nature and purpose of such Airport System Project has not materially changed and (ii) a certificate of an Authorized Agency Representative to the effect that (A) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Airport System Project) of the original Senior Debt or Permitted Parity Debt issued to finance such Airport System Project have been or will be used to pay Costs of the Project and (B) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Airport System Project (including unspent proceeds of Senior Debt or Permitted Parity Debt previously issued for such purpose).

(e) If a credit facility provider makes payment of principal of or interest on Senior Debt or Permitted Parity Debt or advances funds to pay or provide for the purchase price of Senior Debt or Permitted Parity Debt and is entitled to reimbursement thereof, pursuant to a separate written agreement with the Agency, but is not reimbursed, the Agency's repayment obligation under such written agreement may, if so provided in the written agreement, be afforded the status of Senior Debt (if such written agreement relates to Senior Debt) or Permitted Parity Debt (if such written agreement relates to Permitted Parity Debt) issued under this Section 7.02, and, if afforded such status, the Credit Facility Provider shall be the holder thereof and such deemed Senior Debt or Permitted Parity Debt, as the case may be, shall be deemed to have been issued at the time of the issuance of the original obligation for which the credit facility was provided and will not be subject to the provisions of this Section 7.02. The payment terms of the thus-deemed Senior Debt or Permitted Parity Debt held by the credit facility provider hereunder shall be the stated terms of the repayment obligation (unless otherwise provided under documents pursuant to which the original obligation were issued). Any amount which comes due with respect to the repayment obligation by its terms and which is in excess of the amount treated as principal of and interest on Senior Debt or Permitted Parity Debt shall be a Subordinated Obligation of the Agency. This provision shall not defeat or alter the rights of subrogation which any credit facility provider may have under law or under the terms of documents relating to any Senior Debt or Permitted Parity Debt.

(4) The Agency hereby covenants that it will not issue any other obligations, except Senior Debt and Permitted Parity Debt and Qualified Hedge Agreements, payable from the Pledged Revenues nor voluntarily create or cause to be created any debt, lien, pledge assignment, encumbrance or other charge, having priority or being on a parity with the lien on the Pledged Revenues granted to the Department herein. Any such other obligation, except Permitted Parity Debt, hereafter issued or incurred by the Agency, shall contain an express statement that such obligations are junior and subordinate to this Loan as to lien on and source and security for payment from such Pledged Revenues.

(5) For purposes of this Section 7.02, references to debt service and other amounts due and owing with respect to Senior Debt, Permitted Parity Debt and Subordinate Obligations shall be determined with reference to the manner and assumptions used to determine such amounts pursuant to documents relating to Senior Debt, Permitted Parity Debt and Subordinate Obligations, including assumptions referenced in such documents relating to the treatment of variable rate obligations and Qualified Hedge Payments and Qualified Hedge Receipts.

(6) The Department acknowledges and agrees that, until the later of the date on which the Commercial Paper Notes are no longer outstanding or the date no obligations of the Agency

that have been incurred under the Commercial Paper Credit Agreement remain unpaid by the Agency, the Department shall have no interest in or make any claim on the Existing Airport Property, Existing Airport Purchase Agreement or Existing Airport Sale Proceeds, which are pledged solely to secure and pay obligations of the Agency under the Commercial Paper Credit Agreement and to pay Commercial Paper Notes.

7.03. COVENANTS REGARDING QUALIFIED HEDGE AGREEMENTS.

The Agency may, to the extent permitted by law, enter into one or more Qualified Hedge Agreements concurrently with the issuance of Senior Debt or Permitted Parity Debt hereunder, provided that the financial tests described in Section 7.02 are complied with, applying the assumptions and provisions relating to the treatment of Qualified Hedge Agreements in computing annual debt service requirement under the documents relating to the Senior Debt or Permitted Parity Obligations. The Agency is permitted to enter into a Qualified Hedge Agreement prior to the issuance of debt intended to be hedged by such Qualified Hedge Agreement and may treat the Qualified Hedge Payments made thereunder as Senior Debt or Permitted Parity Debt hereunder provided that the provisions of Section 7.02 are met with respect to such Qualified Hedge Agreement and such Qualified Hedge Payments.

The Agency hereby further covenants and agrees that it will not terminate any Qualified Hedge Agreement unless (i) the Agency certifies to the Department in writing prior to such termination that it will pay or provide for the payment in full of any termination payments or penalties due to the Counterparty as a result of such termination within 30 days after such termination, and (ii) the Agency demonstrates in writing prior to such termination that it has or will have amounts sufficient to pay or provide for the payment of such termination payments or penalties. The Agency must also certify that complying with (i) and (ii) of the preceding sentence will not result in a default hereunder.

The Agency further covenants that it will not, without prior written consent of the Department, enter into any Qualified Hedge Agreement that permits any counterparty to such Agreement to (i) terminate the agreement without cause in such a manner as to cause the Agency to incur a termination payment or penalty thereunder, or (ii) in any way cause the Agency to incur a termination payment or penalty, unless (1) such termination payment or penalty is a Subordinate Obligation, or (2) the incurrence of such termination payment or penalty complies with Section 7.02(2) hereof relating to the incurrence of Permitted Parity Debt.

## ARTICLE VIII - GENERAL PROVISIONS

8.01. DISCHARGE OF OBLIGATIONS.

All payments required to be made under this Agreement shall be cumulative and any deficiencies in any Fiscal Year shall be added to the payments due in the succeeding Fiscal Year and all Fiscal Years thereafter until fully paid. Loan Payments shall continue to be secured by this Agreement until all of the payments required shall be fully paid to the Department. If at any time the Agency shall have paid all amounts due under this Agreement, or shall, in accordance with the provisions of this Section 8.01 have defeased the Loan, the pledge of, and lien on, the Pledged Revenues to the Department shall be no longer in effect and, except as provided in

Section 2.02, this Agreement shall terminate. Deposit of sufficient cash or Defeasance Obligations may be made to effect defeasance of this Loan; provided that, the deposit shall be made in irrevocable trust with a banking institution or trust company for the sole benefit of the Department or its assignees and the Department has approved in writing such deposit. Notwithstanding any provision of this Agreement to the contrary, the Agency may prepay this Loan only upon the express written consent of the Department, which consent shall not be withheld if such prepayment, in the judgment of the Department and the Division, will not adversely impact the Department's ability to comply with covenants relating to obligations secured by such Loan.

8.02. RESERVED.

8.03. ASSIGNMENT OF RIGHTS UNDER AGREEMENT.

The Agency hereby expressly acknowledges that the Loan and all payments of principal and interest thereon, and all proceeds thereof, have been pledged and assigned under the Resolution as security for the payment of principal of, premium, if any, and interest on the Bonds and by the execution of this Agreement the Agency in all respects consents to such pledge and assignment. The Department and the Division may further pledge or assign all or any parts of this Agreement without the prior consent of the Agency after written notification to the Agency. The Agency shall not assign its rights and obligations under this Agreement without the prior written consent of the Department and receipt by the Department and the Division of a Bond Counsel Opinion, obtained at the Agency's expense, that such assignment will not adversely impact the tax status of Applicable Tax-Exempt Bonds.

8.04. AMENDMENT OF AGREEMENT.

This Agreement may be amended in writing, except that no amendment shall be permitted which is inconsistent with any applicable State or Federal law. This Agreement may be amended after all construction contracts are executed to re-establish the Project cost, Project schedule, and Loan amount. A final amendment establishing the final Project costs shall be completed after the Department's final inspection of the Project records.

8.05. ANNULMENT OF AGREEMENT.

The Department, in consultation with the Division, may unilaterally annul this Agreement if the Agency has not drawn any of the Loan proceeds within six months of the first scheduled disbursement date referenced in Article X. If the Department unilaterally annuls this Agreement, the Department will provide written notification to the Agency.

8.06 SUSPENSION AND TERMINATION.

If the Agency abandons or, before completion, discontinues the Project; or if the commencement, prosecution, or timely completion of the Project by the Agency is rendered improbable, infeasible, impossible, or illegal, by written notice to the Agency, the Department may suspend any or all of its obligations under this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected, or at its option, the Department may terminate any or all of its remaining obligations under this Agreement.

Upon receipt of any termination or suspension notice, the Agency shall proceed promptly to carry out the actions required therein which may include, but not be limited to: (1) necessary action to terminate or suspend, as the case may be, Project activities and contracts and such other action as may be required or desirable to keep to the minimum the costs upon the Loan; (2) furnish a statement of the Project activities and contracts, and other undertakings the cost of which are otherwise includable as Project costs; and (3) repay the SIB according to the provisions of the Agreement, or as otherwise agreed upon, in writing, by the Department and the Agency. The termination or suspension shall be carried out in conformity with the latest schedule, plan, and budget as approved by the Department or upon the basis of terms and conditions imposed by the Department upon the failure of the Agency to furnish the schedule, plan, and budget within a reasonable time.

The Department reserves the right to unilaterally cancel this Agreement for refusal by the Agency to allow public access to all documents, papers, letters or other materials subject to the provisions of Chapter 119, Florida Statutes, and made or received in conjunction with this Agreement.

8.07. SEVERABILITY CLAUSE.

If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

8.08. APPROPRIATION.

The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature.

The provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated verbatim: "(a) The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000 and which have a term for a period of more than 1 year."

## ARTICLE IX – INSURANCE

The Agency shall cause the Project to be and remain insured by an insurance company or companies licensed to do and doing business in the State against loss or damage due to any accident or casualty. Such insurance shall remain in place for the useful life of the Project.

The Proceeds of insurance policies received as a result of damage to or destruction of the Project shall be used to (i) restore or replace damaged or destroyed portions of the Project, (ii) with the written consent of the Department, repay all or a portion of the Loan, or (iii) any combination of the foregoing. If such insurance proceeds are insufficient to restore or replace damaged portions of the Project, the Agency shall provide additional funds to restore or replace such portions of the Project. Repair, construction or replacement shall be promptly completed.

## ARTICLE X - DETAILS OF FINANCING

### 10.01. PRINCIPAL AMOUNT OF LOAN.

The Department agrees to lend to the Agency, and the Agency agrees to repay the Department the Loan at the times, in the amounts and in the manner set forth in this Agreement.

The estimated principal amount of the Loan as of the date of the first Loan Payment is $20,000,000, which consists of the amounts scheduled to be disbursed to the Borrower in the amounts and at the times set forth in Disbursement Schedule attached hereto as Exhibit A (each such scheduled disbursement a "Disbursement").

### 10.02. FINANCING RATE.

Beginning October 1, 2010, interest shall accrue on the principal amount of the Loan at the Financing Rate (defined below) The Financing Rate is 4.6% per annum, compounded annually, using an actual-days-elapsed/365 day counting convention, as indicated by the schedule of Loan Payments attached hereto as Exhibit B.

### 10.03. LOAN DISBURSEMENTS.

The Department shall disburse the Loan to the Agency in the amounts and at the times set forth in the Disbursement Schedule (Exhibit A), provided that prior to each Disbursement, the Department receives (i) a completed Disbursement Request Form substantially in the form of Exhibit C attached hereto, (ii) such documentation as shall be requested by the Department that establishes to the satisfaction of the Department in the Department's sole and absolute discretion that the Agency has obtained a committed, accessible source of funds or financing that is sufficient (taking into consideration the funding to be provided by the Department from all SIB Loans then executed with the Agency) to complete the Project, based on estimates of cost of completion as of the date of the Disbursement, and (iii) such other certificates or documents as the Department shall reasonably request from time to time upon 30 days written notice to Agency.

Upon written request by the Agency, the Department may, in its sole and absolute discretion, amend the Disbursement Schedule to take into account unexpected events or reasonable adjustments to the financing of the Project, including, but not limited to, increases or decreases in the Disbursement amounts and acceleration or delays in the construction of the Project. The Department may, in its sole and absolute discretion, adjust the Loan Payment Schedule attached hereto as Exhibit B to take into account the adjustments permitted by the previous sentence.

Under no circumstances shall the sum of the Disbursements to the Agency exceed $20,000,000 under this Agreement. Furthermore, the Department's obligation to fund any Disbursement is subject to funds being made available by an appropriation made pursuant to Florida law.

Notwithstanding anything herein to the contrary, any disbursement to be utilized for repayment of prior Agency indebtedness must be expended within 90 days of issuance of Applicable Tax-Exempt Bonds unless the Department shall receive a Bond Counsel Opinion, obtained at the Agency's expense, to the effect that such utilization will not adversely impact the tax status of such Applicable Tax-Exempt Bond.

10.04. LOAN PAYMENTS.

Loan Payments shall be made at the time and in the amounts set forth in the Loan Payment Schedule attached hereto as Exhibit B. To the extent the actual principal amount of the Loan calculated as provided in Section 10.01 above is less than the estimated principal amount of the Loan as set forth in Section 10.01 hereof, the amount of the scheduled Loan Payment credited to principal shall increase and the Loan Payment Schedule shall be adjusted, so that the Loan is paid in full over a shorter amount of time. Notwithstanding the foregoing, however, if the actual principal amount of the Loan calculated as provided in Section 10.01 above is less than the estimated principal amount of the Loan as set forth in Section 10.01, the parties to this Agreement hereby agree to adjust the Loan Payment Schedule in such a way as to not adversely impact any obligations of the Department secured by repayments under this Agreement.

In all cases, Loan Payments shall be credited first to interest accruing on the principal amount of the Loan, if any, then to principal.

## ARTICLE XI – MISCELLANEOUS

11.01. RESERVED.

11.02. COMPLIANCE WITH CONSULTANT'S COMPETITIVE NEGOTIATION ACT.

Compliance with Consultants' Competitive Negotiation Act: The Agency's Attorney shall certify to the Department that selection of consultants has been accomplished in compliance with the Consultants' Competitive Negotiation Act, Section 287.055, Florida Statutes, if and to the extent the Consultants' Competitive Negotiation Act applies to the procurement.

11.03. DISADVANTAGED BUSINESS ENTERPRISE (DBE) POLICY AND OBLIGATION.

It is the policy of the Department that disadvantaged business enterprises as defined in 49 CFR Part 23, as amended, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with funds disbursed by the Department under this Agreement.

The Agency and its contractors agree to ensure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26, as amended, have the maximum opportunity to participate in the performance of contracts and this Agreement. In this regard, all recipients, and contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26, as amended, to ensure that the Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform contracts. Grantees, recipients and their contractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of Department assisted contracts.

11.04. DISCRIMINATORY VENDOR.

Pursuant to Section 287.134(3)(a), Florida Statutes, the following is included in this Agreement. Section 287.134(2)(a), Florida Statutes: "An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity."

11.05. EQUAL EMPLOYMENT OPPORTUNITY.

In connection with the carrying out of any project, the Agency shall not discriminate against any employee or applicant for employment because of race, age, creed, color, sex or national origin.

11.06. PROHIBITED INTERESTS.

Neither the Agency nor any of its contractors, subcontractors, consultants, or subconsultants shall enter into any contract with one another, or arrangement in connection with the Project or any property included or planned to be included in the Project, which violates any provision of Chapter 112, Florida Statutes, relating to conflicts of interest and prohibited transactions. The Agency shall further diligently abide by all provisions of Florida law regulating the Agency with respect to procurement, contracting, and ethics. The Agency shall insert in all contracts entered into in connection with the Project subsequent to the date hereof, and shall hereafter require its contractors and consultants to insert in each of their contracts the following provision:

"The Agency is governed in its contracts and transactions by provisions of Florida law relating to conflicts of interest, prohibited transactions, and ethics in government. All parties to contracts with the Agency relating to this project shall familiarize themselves with Chapter 112, Florida Statutes, and with general Florida law regulating the Agency's ethical requirements, prohibitions, and limitations with respect to procurement and contracts."

The provisions of this subsection shall not be applicable to any agreement between the Agency and its fiscal depositories, or to any agreement for utility services the rates for which are fixed or controlled by a governmental agency.

11.07. ENVIRONMENTAL POLLUTION.

Execution of this Agreement constitutes a certification by the Agency that the Project will be carried out in conformance with all applicable environmental regulations including the securing of any applicable permits. The Agency will be solely responsible for any liability in the event of non-compliance with applicable environmental regulations, including the securing of any applicable permits, and will reimburse the Department for any loss incurred in connection therewith.

11.08. NO OBLIGATION TO THIRD PARTIES.

Except to the extent set forth herein, neither the Department nor the Agency shall be obligated or liable hereunder to any person or entity not a party to this Agreement.

11.09. WHEN RIGHTS AND REMEDIES NOT WAIVED.

In no event shall the making by the Department of any Disbursement to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist, on the part of the Agency, and the making of such Disbursement by the Department while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.

11.10. BONUS OR COMMISSION.

By execution of the Agreement the Agency represents that it has not paid and, also, agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the Loan established hereunder.

11.11. USE AND MAINTENANCE OF PROJECT.

The Agency agrees that the Project facility and equipment will be used by the Agency to provide or support public transportation for the period of the useful life of such facility and equipment as determined in accordance with general accounting principles. The Agency further agrees to maintain the Project facility and equipment in good working order for the useful life of said facility or equipment, and maintain property records, conduct physical inventories, and develop control systems.

11.12. INDEMNITY.

To the extent allowed by law, including but not limited to, Section 768.28, Florida Statutes, the Agency shall indemnify, defend, and hold harmless the Department and all of its officers, agents, and employees from any claim, loss, damages, cost, charge, or expense arising out of any act, error, omission, or negligent act by the Agency, its agents, employees, contractors and/or subcontractors during the performance of the Agreement, except that neither the Agency, its agents, employees, contractors and/or subcontractors will be liable under this paragraph for any claim, loss, damages, cost, charge, or expense arising out of any act, error, omission, or negligent act by the Department, or any of its officers, agents, or employees, during the performance of the Agreement.

If the Department receives notice of claim for damages that may have been caused by the Agency in the performance of services required under this Agreement, the Department will immediately forward the claim to the Agency. The Department's failure to promptly notify the Agency of a claim will not act as a waiver or any right herein.

11.13. PLANS AND SPECIFICATIONS.

In the event that this Agreement involves the purchasing of capital equipment or the constructing and equipping of a facility, the Agency shall design and construct the equipment and/or facility in accordance with the standards applicable to the Agency. Failure to follow the plans and specifications shall be sufficient cause for delays in the distribution of disbursements by the Department.

11.14. PROJECT COMPLETION, AGENCY CERTIFICATION.

Upon completion of the Project, the Agency will certify in writing that the Project (or expending of the Loan) was completed in accordance with applicable plans and specifications and that the Project is accepted by the Agency as suitable for the intended purpose.

11.15 THIRD PARTY BENEFICIARY.

To the extent this Agreement confers upon or grants to the Division any right, remedy, or claim hereunder, the Division is hereby recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim given or granted hereunder.

11.16. ENTIRE AGREEMENT.

The Loan Application executed by the Agency, all exhibits, attachments and schedules attached to the Loan Application, and this Agreement ("the Agreement Documents") sets forth the entire agreement between the parties and incorporate and supercede all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein and therein, and the parties hereto agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in the Agreement Documents. Accordingly, it is agreed that no deviation from the terms of the Agreement Documents shall be predicated upon any prior representation or agreements whether oral or written. It is further agreed that no modification, amendment or alteration in the terms and conditions contained in the Agreement Documents shall be effective unless contained in a written document executed by the parties hereto.

In the event of conflict between the terms and conditions of the Agreement Documents: (i) the terms and conditions contained in the body of this Agreement prevail over conflicting terms and conditions contained in any exhibits, schedules and attachments attached to this Agreement; (ii) the terms and conditions contained in the body of the Loan Application prevail over any conflicting terms and conditions contained in any exhibits, schedules and attachments attached to the Loan Application; and (iii) the terms and conditions of the Agreement, including all exhibits, schedules and attachments hereto, prevail over conflicting terms and conditions contained in the Loan Application and any exhibits, schedules and attachments thereto.

It is further agreed that no disbursement will be made to the Agency in accordance with this agreement, or any other prior or existing agreement, by and between the Department and the Agency, if there are any outstanding financial, budget, or other debt obligations pending. Any delay or default of any financial obligation, debt, or repayment, must be remedied and evidenced, in writing, prior to any further disbursements for this agreement.

11.17. NOTICES.

Any notice, demand, request or other instrument which is required to be given under this Agreement in writing shall be delivered to the following addresses:

If to the Department: Jennifer G. Weeks
Florida Department of Transportation
Office of Financial Development
Project Finance Team
605 Suwannee Street, MS #7
Tallahassee, Florida 32399-0450

If to Agency: Panama City-Bay County Airport and Industrial District
Attn: Executive Director
3173 Airport Road, Box A
Panama City, Florida 32405

## ARTICLE XII - EXECUTION OF AGREEMENT

This Agreement shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this Agreement to be executed on its behalf by its Secretary and the Agency has caused this Agreement to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this Agreement shall be the Agreement Date.

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

SCKopel
______________________________
Secretary

______________________________
Legal

PANAMA CITY-BAY COUNTY AIRPORT
AND INDUSTRIAL DISTRICT

Joseph K. Tannehill
______________________________
Its: Board Chairman

Attest

Randall D. Curtis
______________________________
Its: Executive Director

SEAL

## EXHIBIT A

### Disbursement Schedule Form

Total SIB Loan Amount: $20,000,000

Total SIB Commitment: $20,000,000

SIB Estimated Disbursement Schedule:

| Fiscal Year | Amount | Balance |
|---|---|---|
| 2008/2009 | $10,000,000 | $10,000,000 |
| 2009/2010 | $10,000,000 | $0 |

Based on estimated annual expenditures and the Department's historical cash flow rates.

**Panama City - Bay County International Airport**
**Panama City - Bay County International Airport Relocation**

| Fiscal Year | Date | Beginning Balance | Estimated/Actual Disbursement | Interest Accrued at 4.6% | Balance Including Interest | Repayment to Principal | Repayment to Interest | Total Repayment | Ending Balance |
|---|---|---|---|---|---|---|---|---|---|
| 2009/10 | 4/12/2010 | $0.00 | $5,000,000.00 | $0.00 | $5,000,000.00 | $0.00 | $0.00 | $0.00 | $5,000,000.00 |
| 2010/11 | 8/4/2010 | $5,000,000.00 | $892,423.09 | $0.00 | $5,892,423.09 | $0.00 | $0.00 | $0.00 | $5,892,423.09 |
| | 8/10/2010 | $5,892,423.09 | $4,137,835.35 | $0.00 | $10,030,258.44 | $0.00 | $0.00 | $0.00 | $10,030,258.44 |
| | 10/11/103 | $10,030,258.44 | $2,700,809.77 | $0.00 | $12,731,068.21 | $0.00 | $0.00 | $0.00 | $12,731,068.21 |
| | 12/13/2010 | $12,731,068.21 | $3,600,425.97 | $0.00 | $16,331,494.18 | $0.00 | $0.00 | $0.00 | $16,331,494.18 |
| | 1/20/2011 | $16,331,494.18 | $2,168,505.82 | $0.00 | $18,500,000.00 | $0.00 | $0.00 | $0.00 | $18,500,000.00 |
| | 10/1/2010 | $18,500,000.00 | $0.00 | $0.00 | $18,500,000.00 | $0.00 | $0.00 | $0.00 | $18,500,000.00 |
| 2011/12 | 7/29/2011 | $18,500,000.00 | $1,500,000.00 | $0.00 | $20,000,000.00 | $0.00 | $0.00 | $0.00 | $20,000,000.00 |
| | 10/1/2011 | $20,000,000.00 | $0.00 | $863,098.63 | $20,863,098.63 | $0.00 | $0.00 | $0.00 | $20,863,098.63 |
| 2012/13 | 10/1/2012 | $20,863,098.63 | $0.00 | $959,702.54 | $21,822,801.17 | $0.00 | $1,421,500.00 | $1,421,500.00 | $20,401,301.17 |
| 2013/14 | 10/1/2013 | $20,401,301.17 | $0.00 | $938,459.85 | $21,339,761.02 | $81,738.98 | $1,339,761.02 | $1,421,500.00 | $19,918,261.02 |
| 2014/15 | 10/1/2014 | $19,918,261.02 | $0.00 | $916,240.01 | $20,834,501.03 | $505,259.99 | $916,240.01 | $1,421,500.00 | $19,413,001.03 |
| 2015/16 | 10/1/2015 | $19,413,001.03 | $0.00 | $892,998.05 | $20,305,999.08 | $528,501.95 | $892,998.05 | $1,421,500.00 | $18,884,499.08 |
| 2016/17 | 10/1/2016 | $18,884,499.08 | $0.00 | $868,686.96 | $19,753,186.03 | $552,813.04 | $868,686.96 | $1,421,500.00 | $18,331,686.03 |
| 2017/18 | 10/1/2017 | $18,331,686.03 | $0.00 | $843,257.56 | $19,174,943.59 | $578,242.44 | $843,257.56 | $1,421,500.00 | $17,753,443.59 |
| 2018/19 | 10/1/2018 | $17,753,443.59 | $0.00 | $816,658.41 | $18,570,102.00 | $604,841.59 | $816,658.41 | $1,421,500.00 | $17,148,602.00 |
| 2019/20 | 10/1/2019 | $17,148,602.00 | $0.00 | $788,835.69 | $17,937,437.69 | $632,664.31 | $788,835.69 | $1,421,500.00 | $16,515,937.69 |
| 2020/21 | 10/1/2020 | $16,515,937.69 | $0.00 | $759,733.13 | $17,275,670.82 | $661,766.87 | $759,733.13 | $1,421,500.00 | $15,854,170.82 |
| 2021/22 | 10/1/2021 | $15,854,170.82 | $0.00 | $729,291.86 | $16,583,462.68 | $692,208.14 | $729,291.86 | $1,421,500.00 | $15,161,962.68 |
| 2022/23 | 10/1/2022 | $15,161,962.68 | $0.00 | $697,450.28 | $15,859,412.96 | $724,049.72 | $697,450.28 | $1,421,500.00 | $14,437,912.96 |
| 2023/24 | 10/1/2023 | $14,437,912.96 | $0.00 | $664,144.00 | $15,102,056.96 | $757,356.00 | $664,144.00 | $1,421,500.00 | $13,680,556.96 |
| 2024/25 | 10/1/2024 | $13,680,556.96 | $0.00 | $629,305.62 | $14,309,862.58 | $792,194.38 | $629,305.62 | $1,421,500.00 | $12,888,362.58 |
| 2025/26 | 10/1/2025 | $12,888,362.58 | $0.00 | $592,864.68 | $13,481,227.26 | $828,635.32 | $592,864.68 | $1,421,500.00 | $12,059,727.26 |
| 2026/27 | 10/1/2026 | $12,059,727.26 | $0.00 | $554,747.45 | $12,614,474.71 | $866,752.55 | $554,747.45 | $1,421,500.00 | $11,192,974.71 |
| 2027/28 | 10/1/2027 | $11,192,974.71 | $0.00 | $514,876.84 | $11,707,851.55 | $906,623.16 | $514,876.84 | $1,421,500.00 | $10,286,351.55 |
| 2028/29 | 10/1/2028 | $10,286,351.55 | $0.00 | $473,172.17 | $10,759,523.72 | $948,327.83 | $473,172.17 | $1,421,500.00 | $9,338,023.72 |
| 2029/30 | 10/1/2029 | $9,338,023.72 | $0.00 | $429,549.09 | $9,767,572.81 | $991,950.91 | $429,549.09 | $1,421,500.00 | $8,346,072.81 |
| 2030/31 | 10/1/2030 | $8,346,072.81 | $0.00 | $383,919.35 | $8,729,992.16 | $1,037,580.65 | $383,919.35 | $1,421,500.00 | $7,308,492.16 |
| 2031/32 | 10/1/2031 | $7,308,492.16 | $0.00 | $336,190.64 | $7,644,682.80 | $1,085,309.36 | $336,190.64 | $1,421,500.00 | $6,223,182.80 |
| 2032/33 | 10/1/2032 | $6,223,182.80 | $0.00 | $286,266.41 | $6,509,449.21 | $1,135,233.59 | $286,266.41 | $1,421,500.00 | $5,087,949.21 |
| 2033/34 | 10/1/2033 | $5,087,949.21 | $0.00 | $234,045.66 | $5,321,994.87 | $1,187,454.34 | $234,045.66 | $1,421,500.00 | $3,900,494.87 |
| 2034/35 | 10/1/2034 | $3,900,494.87 | $0.00 | $179,422.76 | $4,079,917.63 | $1,242,077.24 | $179,422.76 | $1,421,500.00 | $2,658,417.63 |
| 2035/36 | 10/1/2035 | $2,658,417.63 | $0.00 | $122,287.21 | $2,780,704.84 | $1,299,212.79 | $122,287.21 | $1,421,500.00 | $1,359,204.84 |
| 2036/37 | 10/1/2036 | $1,359,204.84 | $0.00 | $62,523.42 | $1,421,728.27 | $1,359,204.85 | $62,523.42 | $1,421,728.27 | $0.00 |
| | | | $20,000,000.00 | $15,537,728.27 | | $20,000,000.00 | $15,537,728.27 | $35,537,728.27 | |

Interest begins accruing annually October 1, 2010 and will accrue and compound annually each October 1 thereafter, until loan is completely repaid.

These calculations assume the following disbursement dates:

| | |
|---|---|
| FY 2009/10 | $5,000,000.00 |
| FY 2010/11 | $13,500,000.00 |
| FY 2011/12 | $1,500,000.00 |

If disbursements are made on dates other than those above, the interest calculations will be modified and this schedule updated according.

| | |
|---|---|
| Total Loan Amount | $20,000,000.00 |
| Total Interest | $15,537,728.27 |
| Total Repayments | $35,537,728.27 |

Remit Payment to:

Mailing Address:

State Board of Administration of Florida
Post Office Box 13300
Tallahassee, FL 32317-3300

Street Address:

State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, FL 32308

Wiring Instructions:

Bank of America
ABA #0260-0959-3
Credit: State Board of Administration
Account #: 003660048119

Note on Payment for "FDOT SIB Loan - 421137-1"

## EXHIBIT C

### Disbursement Request Form

| | |
|---|---|
| TOTAL SIB LOAN AMOUNT: | $20,000,000 |
| DATE OF THIS DISBURSEMENT REQUEST: | ____________ |
| AMOUNT REQUESTED FOR THIS DISBURSEMENT: | $____________ |
| BALANCE OF LOAN TO BE DISBURSED: | $____________ |
| CONTRACT NUMBER: | AP795 |
| FINANCIAL PROJECT NUMBER: | 421137-1-94-02 |

Warrant should be disbursed to:

| | |
|---|---|
| Name: | Mr. Randall S. Curtis, AAE |
| Title: | Executive Director |
| Address: | Panama City – Bay County International Airport<br>3173 Airport Road, Box A<br>Panama City, FL 32405 |
| Telephone Number: | (850) 763-6751 |
| E-Mail Address: | rcurtis@pcairport.com |

Per Section 10.03 Loan Disbursements of the State Infrastructure Bank Loan Agreement, I certify, to the best of my knowledge, $______________ in expenses has been incurred on the Panama City – Bay County International Airport Relocation project and these costs are eligible for reimbursement and use of the SIB funds.

______________________________________
Signature

______________________________________
Printed Name and Title

# EXHIBIT D

## Summary Project Specifications

**PANAMA CITY - BAY COUNTY INTERNATIONAL AIRPORT**
**BUDGET SUMMARY**
*28 November 2007*

| Project Elements / Description of Cost | | SIB Eligible % | AIP Eligible % |
|---|---|---|---|
| Airfield Development, Paving & Lighting | | | |
| Base Bid | | 90% | 77% |
| Bid Alt. 3 - Primary Runway Paving (ACC) | | 100% | 81% |
| | Subtotal | 91% | 77% |
| Utilities | | | |
| Master Utilities | | 50% | 50% |
| Water Storage Tanks/Booster Stations | | 50% | 50% |
| Parking Lot Revenue Control | | 0% | 0% |
| Security & Telecommunications | | 50% | 100% |
| Fuel Farm Facilities | | 0% | 0% |
| Waste Water Treatment Facility | | 0% | 50% |
| | Subtotal | 35% | 45% |
| Terminal & Support Facilities | | | |
| Terminal Building | | 0% | 65% |
| Rental Car | | 0% | 0% |
| Airport Maintenance Building | | 100% | 16% |
| Air Cargo Building | | 0% | 0% |
| NAVAIDS | | 100% | 100% |
| Public Safety Building | | 100% | 75% |
| Air Traffic Control Tower | | 0% | 100% |
| | Subtotal | 10% | 60% |
| GA Facilities | | | |
| GA Facilities | | 0% | 0% |
| GA Apron Paving | | 0% | 39% |
| | Subtotal | 0% | 20% |
| Landscaping, Irrigation, Hardscape & Signage | | | |
| Landscaping, Irrigation, Hardscape & Signage | | 100% | 4% |
| **Total of Construction Packages Above** | | **53%** | **61%** |
| Soft Costs (**All 53% Estimates reflect a Pro-rata share of costs being eligible based on overall program eligibility) | | | |
| To Go Design Cost | | 53% | 54% |
| Other Consultants | | 53% | 54% |
| Engineering Services During Construction | | 53% | 54% |
| Construction Management | | 53% | 54% |
| FAA Fees | | 0% | 100% |
| County Fees | | 0% | 100% |
| Environmental Mitigation (During Construction Period) | | 100% | 0% |
| WQM, QMS, Mitigation Bidding, Permit Compliance | | 53% | 0% |
| Underground Electrical Main Feeder & Branch (Gulf Power) | | 53% | 50% |
| Existing Site Remediation | | 100% | 100% |
| **Total Soft Costs** | | **52.1%** | **54%** |
| | | **Non-AMT Eligible %** | **AIP Eligible %** |
| **Grand Total Costs** | | **53%** | **54%** |

**EXHIBIT E**

**Continuing Disclosure Agreement**

**FORM OF**
**CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Panama City – Bay County Airport and Industrial District (the "Agency") in connection with the execution of that certain Loan Agreement dated April 27 2009 by and between the Department and the Agency (the "Loan Agreement"). This Disclosure Agreement is being executed and delivered pursuant to Paragraph 13 of Section 2.01 of the Loan Agreement. The Agency hereby covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Agency to the Department in order to assist the Department in fulfilling its disclosure obligations under applicable rules of the Securities and Exchange Commission (the "SEC") and to assist in complying with SEC Rule 15c2-12 (the "Rule").

SECTION 2. DEFINITIONS. The definitions set forth in the Loan Agreement apply to any capitalized term used in this Disclosure Agreement.

SECTION 3. CONTINUING DISCLOSURE. (A) Information To Be Provided. The Agency assumes all responsibilities for any continuing disclosure as described below. The Agency hereby agrees to provide or cause to be provided the information set forth below, or such other information as the Department may reasonably require to be provided, from time to time, in order to comply with the Rule and other applicable SEC rules.

(1) Financial Information and Operating Data. For fiscal years ending on June 30, 2008 and thereafter, annual financial information and operating data shall be provided within six months after the end of the State's fiscal year. Such information shall include:

(a) [Tablature and narrative information presented under the heading "ISSUER FINANCIAL FACTORS" in that certain Commercial Paper Memorandum of the Agency relating to the Commercial Paper Notes;]

(b) Historical (reflecting the most recent five fiscal years of the Agency) debt service coverage information pertaining to Senior Debt, Permitted Parity Debt and the Loan; and

(c) Other Information as reasonably determined by the Department, which shall include at a minimum all information necessary to enable the Department to comply with the provisions of the Rule relating to the Bonds (as defined in the Recitals to the Agreement).

(2) Audited Financial Statement. If not submitted as part of the annual financial information, a copy of the Agency's audited financial statements, prepared in accordance with generally accepted accounting principles, will be provided when and if available.

(3) Material Events Notices. Notice of the following events relating to the Loan Agreement will be provided in a timely manner:

(a) principal and interest payment delinquencies;
(b) non-payment related defaults;
(c) unscheduled draws on Loan Agreement reserves, if any, reflecting financial difficulties;
(d) unscheduled draws on Loan Agreement credit enhancements, if any, reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions received by the Agency or events within the reasonable knowledge of the Agency affecting the tax-exempt status of Applicable Tax Exempt Bonds;
(i) defeasance of the Loan Agreement;
(j) release, substitution or sale of property securing repayment of the Loan Agreement;
(k) any change in any credit rating of the Agency.

(4) Failure to Provide Annual Financial Information; Remedies.

Failure of Agency to provide the information required at the time and in the manner provided herein shall constitute an event of default under the Loan Agreement.

(5) Methods of Providing Information.

All information described herein shall be provided to the Department as follows:

electronic facsimile transmissions confirmed by first class mail, postage prepaid;
(b) overnight delivery service;
(c) electronic delivery;
(d) first class mail, postage prepaid;
(e) any other delivery method generally acceptable in the tax-exempt bond market; or
(f) by whatever means are mutually acceptable to the Department or its designated agent and the entity to which it is to be provided.

Where applicable, the following address for the Department may be used until further notice to the Agency provided as set forth in the Loan Agreement:

Florida Department of Transportation
Office of Financial Development
Project Finance Team
605 Suwannee Street, MS #7

Tallahassee, Florida 32399-0450
Attention: Jennifer G. Weeks

(C) If this Disclosure Agreement is amended to change the operating data or financial information to be disclosed, the annual financial information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(D) The Agency's obligations hereunder shall continue until such time as Agency's obligations under the Loan Agreement have terminated.

(E) This Disclosure Agreement may be amended or modified by mutual consent of the Agency and the Department so long as any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body.

SECTION 4. ADDITIONAL INFORMATION. If, when submitting any information required by this Disclosure Agreement, the Agency chooses to include additional information not specifically required by this Disclosure Agreement, the Agency shall have no obligation to update such information or include it in any such future submission.

Dated this 27 day of April, 2009

AGENCY

By: Joseph K. Tannehill
Joseph K. Tannehill
Board Chairman

## EXHIBIT F

## FORM OF
## NON-ARBITRAGE CERTIFICATE

I, the undersigned, hereby certify that I am a duly qualified and acting officer of the Panama City-Bay County Airport and Industrial District ("Agency"), and that in my official capacity as such officer, I am responsible for executing and delivering on behalf of the Agency that certain State Infrastructure Bank Loan Agreement between the Agency and the State of Florida Department of Transportation, dated as of April 27, 2009, (the "Loan Agreement"). This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, Sections 1.148-0 through 1.148-11 and 1.150-1 and 1.150-2 (the "Regulations"). The following facts, estimates and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter. Capitalized terms not defined herein have the meanings ascribed to them in the Loan Agreement.

1. The Loan Agreement will provide for the financing by the Agency of the acquisition of the Project described in the Loan Agreement. Pursuant to the Loan Agreement, the Agency will be required to make Loan Payments, comprising principal and interest, on the dates and in the amounts set forth in applicable Schedules to the Loan Agreement.

2. The Project will be acquired and implemented with due diligence, and it is expected that at least 85 percent of the spendable proceeds of a Disbursement will be allocated to the cost of Project on the date of the Disbursement and in any event within three years from the date thereof.

3. Not more than 50 percent of the unexpended proceeds of a Disbursement will be invested in obligations having a substantially guaranteed yield for four years or more.

4. The proceeds of any Disbursement under the Loan Agreement, and the interest to be earned thereon, will not exceed the amount necessary for the purpose for which the Disbursement is requested.

5. The interest of the Agency in the Project has not been and is not expected during the term of the Loan Agreement to be sold or disposed of by the Agency.

6. No sinking fund is expected to be created by the Agency with respect to the Loan Payments [other than the Loan Repayment Account referenced in Section 3.01 of the Agreement].

7. For purposes of this certificate, "yield" has the meaning ascribed to it under the Regulations pertaining to obligations issued under Section 103 of the Code.

8. The Agency hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America. It is expected that all gross proceeds of the financing derived from each Disbursement will be expended on and allocated to the Project no later than the day which is six months after the date of each Disbursement.

9. Neither the proceeds of the financing nor the Project financed therewith shall be used for any "private business use" within the meaning of Section 141(b)(6) of the Code. No proceeds of the financing will be used to make or finance a loan to another person.

10. The payment of Loan Payments is not guaranteed, directly or indirectly, in whole or in part by the United States or any agency or instrumentality thereof, nor is it otherwise federally guaranteed within the meaning of Section 149(b) of the Code.

11. There are no other obligations of the Agency that (i) are being sold within 15 days of the date of the Loan Agreement; (ii) are being sold pursuant to a common plan of financing together with the Loan Agreement; and (iii) will be paid out of substantially the same source of funds as the Loan Agreement.

12. To the best of the knowledge and belief of the undersigned, the expectations of The Agency, as set forth above, are reasonable, and there are no present facts, estimates and circumstances which would change the foregoing expectations.

13. The Agency has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

WITNESS my hand this 27 day of April, 2009

AGENCY

Joseph K. Tannehill

Name: Joseph K. Tannehill
Title: Board Chairman

# FIRST AMENDMENT

This First Amendment to the State-Funded State Infrastructure Bank Loan Agreement dated as of July 20, 2009 (the "First Amendment") supplements and amends the State-Funded State Infrastructure Bank Loan Agreement (the "Original Agreement") dated April 27, 2009 by and between the State of Florida Department of Transportation (the "Department") and the Panama City-Bay County Airport and Industrial District (the "Agency"), existing as an independent special district under the laws of the State of Florida.

## WITNESSETH:

WHEREAS, undefined capitalized terms used herein shall have the meanings ascribed thereto in the Original Agreement unless expressly stated otherwise; and

WHEREAS, pursuant to the Original Agreement the Department made a Loan to the Agency for the purpose of financing a portion of the costs of the Project; and

WHEREAS, the obligations of the Agency under the Original Agreement are payable solely from Pledged Revenues and are secured by a pledge of and lien on the Pledged Revenues, which is on a parity with the pledge of and lien on the Pledged Revenues granted to the Trustee under the Commercial Paper Indenture and any Permitted Parity Debt issued by the Agency; and

WHEREAS, recent downgrades to the credit ratings of Regions Bank (issuer of the Commercial Paper Letter of Credit) have negatively affected the marketability and interest costs of the Commercial Paper Notes; and

WHEREAS, the Agency now desires to enter into a loan agreement with Regions Bank whereby Regions Bank will provide a non-revolving line of credit in an aggregate principal amount not to exceed $55,000,000 (the "Replacement Loan") to (i) retire all outstanding Commercial Paper Notes and (ii) finance a portion of the costs of the Project as well as some of the costs incurred in connection with the decommissioning, closing and disposing of the Existing Airport Property; and

WHEREAS, the Agency's obligation to repay amounts due under the Replacement Loan will be evidenced by the Replacement Notes (as such term is defined herein); and

WHEREAS, the Replacement Notes will constitute Permitted Parity Debt under the Original Agreement; and

WHEREAS, the Replacement Loan will replace the Commercial Paper Notes issued under the Commercial Paper Indenture as the interim financing for the Project; and

WHEREAS, after proceeds from Agency's first draw on the Replacement Loan are used to retire the outstanding Commercial Paper Notes, the commercial paper program provided under the Commercial Paper Indenture will be terminated; and

WHEREAS, the Department and the Agency now desire and agree to amend the Original Agreement to (i) eliminate all references to the Commercial Paper Notes and matters associated therewith and (ii) provide definitions and proper references for the Replacement Loan and the Replacement Notes; and

WHEREAS, Section 8.04 of the Original Agreement authorizes written amendments to the Original Agreement.

NOW THEREFORE, the Department and the Agency agree as follows:

## ARTICLE I – DEFINITIONS

Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Original Agreement. As used herein:

"First Amendment" shall mean this First Amendment to the State-Funded State Infrastructure Bank Loan Agreement dated as of July 20, 2009 by and between the Department and the Agency.

"Original Agreement" shall mean the State-Funded State Infrastructure Bank Loan Agreement dated as of April 27, 2009 by and between the Agency and the Department.

"Replacement Loan" shall mean the non-revolving line of credit in an aggregate principal amount not to exceed $55,000,000 extended by Regions Bank to the Agency under and pursuant to the terms of the Replacement Loan Agreement.

"Replacement Loan Agreement" shall mean the Loan Agreement dated as of July 1, 2009 by and between the Agency and Regions Bank under and pursuant to which Regions Bank will provide the Replacement Loan and the Agency will issue the Replacement Notes.

"Replacement Notes" shall mean the Series A Note and the Series B Note.

"Series A Note" shall mean the Panama City-Bay County Airport and Industrial District Airport Facilities Revenue Note, Series A issued by the Agency under and pursuant to the Replacement Loan Agreement.

"Series B Note" shall mean the Panama City-Bay County Airport and Industrial District Airport Facilities Taxable Revenue Note, Series B issued by the Agency under and pursuant to the Replacement Loan Agreement.

## ARTICLE II – AMENDMENTS TO THE ORIGINAL AGREEMENT

**Section 2.01 Amendments to Section 1.01 of the Original Agreement.**

(a) The defined terms "Commercial Paper Credit Agreement," "Commercial Paper Indenture," "Commercial Paper Letter of Credit," "Commercial Paper Notes," and "Stated Amount" are hereby deleted in their entirety.

(b) The defined terms "Replacement Loan," "Replacement Loan Agreement," "Replacement Notes," "Series A Note," and "Series B Note" are hereby added to Section 1.01 of the Original Agreement in forms identical to the definitions provided in Article I of this First Amendment.

(c) The defined term "First Series Bond Proceeds" is hereby amended and restated in its entirety to read as follows:

> "First Series Bond Proceeds" shall mean net proceeds of the First Series Bonds in an amount which, together with the Existing Airport Sale Proceeds and any other legally available funds provided by the Agency, shall be sufficient to pay the outstanding principal amount of the Replacement Loan.

(d) The defined term "First Series Bonds" is hereby amended and restated in its entirety to read as follows:

> "First Series Bonds" shall mean the first series of long term airport facilities revenue bonds secured by a pledge of and lien on the Net Revenues of the Airport System and eligible Passenger Facility Charges, issued by the Agency to provide permanent financing for additions to the Airport System that include the Project; provided, however, that upon the prior written consent of the Department, the proceeds of the first such issue of such airport facilities revenue bonds may be used for purposes other than retiring the outstanding principal amount of the Replacement Loan as contemplated herein, in which case "First Series Bonds" shall refer to such subsequent issue of long term airport facilities revenue bonds. "First Series Bonds" shall not include this Loan or the First Loan.

(e) The defined term "Permitted Parity Debt" is hereby amended and restated in its entirety to read as follows:

"Permitted Parity Debt" shall mean, the First Loan, the Replacement Notes, and obligations in any form of the Agency, which are secured by a lien upon the Pledged Revenues on a parity with the lien thereon securing the Loan and which comply with the provisions of Section 7.02 relating to the issuance of Permitted Parity Debt.

**Section 2.02 Amendments to Section 2.01 of the Original Agreement.**

Paragraphs (17) and (18) of Section 2.01 of the Original Agreement are hereby amended and restated in their entirety to read as follows:

(17) The Agency hereby covenants and agrees to, in good faith, use its best efforts to issue, sell and deliver on or before fifteen (15) days prior to the stated maturity date of the Replacement Loan, the First Series Bonds in such principal amount as shall provide net proceeds in an amount, together with the net amount of proceeds from the sale of the Existing Airport Property and other legally available funds of the Agency sufficient to pay the outstanding principal amount of the Agency's obligations under the Replacement Loan Agreement and the Replacement Notes and to extinguish the lien granted to the holder of the Replacement Notes on the Pledged Revenues pursuant to the Replacement Loan Agreement.

(18) The Agency hereby also covenants and agrees not to amend, modify or supplement the Replacement Loan Agreement without prior written consent of the Department, which shall not be unreasonably withheld.

**Section 2.03 Amendments to Section 7.01 of the Original Agreement.**

Section 7.01 of the Original Agreement is hereby amended and restated in its entirety to read as follows:

7.01 SUPERIORITY OF THE PLEDGE TO THE DEPARTMENT.

The obligations of the Agency hereunder shall be payable solely from the Pledged Revenues and there is hereby granted to the Department as security for the Agency's obligations hereunder a pledge of and lien on the Pledged Revenues, which shall be on a parity with the pledge of and lien on the Pledged Revenues granted to the holder of the Replacement Notes and any Permitted Parity Debt hereafter issued in accordance with Section 7.02(2) hereof. The pledge of and lien on the Pledged Revenues granted hereunder shall be junior and subordinate in all respects to the pledge thereof and lien thereon securing the payment of Senior Debt hereafter issued in accordance with Section 7.02(1) hereof. The obligations of the Agency hereunder do not constitute a general obligation or pledge of the faith and credit or taxing power of the Agency, Panama City, Florida (the "City") or Bay County, Florida (the "County"), the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation, but are limited obligations of the Agency payable solely from and secured by a pledge of and lien upon the Pledged Revenues as provided herein. Neither the Agency, the City, the County, nor the State or any political subdivision thereof shall ever be required to exercise any taxing power in any form to pay the obligations of the Agency hereunder or to pay the same from any funds other than the Pledged Revenues as provided herein.

**Section 2.04 Amendments to Section 7.02 of the Original Agreement.**

Paragraph 7.02(2)(a) of the Original Agreement is hereby amended and restated in its entirety to read as follows:

(a) The Replacement Notes constitute Permitted Parity Debt and the holder of the Replacement Notes has been granted a lien on Pledged Revenues which shall be on a parity with the lien of this Agreement on such Pledged Revenues.

## ARTICLE III – MISCELLANEOUS

**Section 3.01 Status of the Original Agreement.** All the provisions, definitions, terms and conditions of the Original Agreement, except as modified hereby, are hereby ratified, approved and confirmed. All references to "this Agreement" in the Original Agreement shall be to the Original Agreement as supplemented by this First Amendment.

**Section 3.02 Severability.** If any clause of this First Amendment shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

[Remainder of page intentionally left blank]

## ARTICLE IV – EXECUTION OF FIRST AMENDMENT

This First Amendment shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this First Amendment to be executed on its behalf its Secretary and the Agency has caused this First Amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this First Amendment shall be July 20, 2009.

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION

SCKopel
Secretary

Legal

PANAMA CITY-BAY COUNTY AIRPORT
AND INDUSTRIAL DISTRICT

x Joseph K. Tannehill Sr.
Its: Board Chairman

Attest:

Patricia L. Stucia
Its: Executive Secretary

(SEAL)

**SECOND AMENDMENT
TO STATE-FUNDED STATE INFRASTRUCTURE
BANK LOAN AGREEMENT BETWEEN THE STATE OF FLORIDA,
DEPARTMENT OF TRANSPORTATION AND THE PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT**

THIS SECOND AMENDMENT TO STATE-FUNDED STATE INFRASTRUCTURE BANK LOAN AGREEMENT ("Second Amendment") is between the State of Florida, Department of Transportation (the "Department") and the Panama City-Bay County Airport and Industrial District (the "Agency"), existing as an independent special district under the laws of the State of Florida, and is effective as of the date last signed.

RECITALS

A. The Department and the Agency entered into a State-Funded State Infrastructure Bank Loan Agreement effective April 27, 2009 ("Original Agreement") under which the Department agreed to make a loan to the Agency in principal amount of Twenty Million Dollars ($20,000,000.00).

B. The Department and the Agency supplemented and amended the Original Agreement by a First Amendment effective July 20, 2009 ("First Amendment").

C. Section 8.04 of the Original Agreement authorizes written amendments to the Original Agreement.

D. Terms not defined in this Second Amendment shall have the meaning given under the Original Agreement, as amended by the First Amendment.

AGREEMENT

The parties agree the terms of the Original Agreement are further amended as follows:

1. Section 10.02 is deleted in its entirety and restated as follows:

   10.02. FINANCING RATE.

   Beginning October 1, 2010 and until July 31, 2021, interest shall accrue on the principal amount of the Loan at the Financing Rate of 4.6% per annum, compounded annually, using an actual-days-elapsed/365 day counting convention, as indicated by the schedule of Loan Payments attached hereto as Exhibit B.

   Beginning August 1, 2021, interest shall accrue on the principal amount of the Loan at the Financing Rate of 2.71% per annum, compounded annually, using an actual-days-elapsed/365 day counting convention, as indicated by the schedule of Loan Payments attached hereto as Exhibit B.

2. Exhibit B is deleted in its entirety and replaced with Exhibit B attached hereto.

3. The parties agree that the Loan Agreement will not be amended in the future to change the Financing Rate established in this Second Amendment.

4. This Second Amendment may be executed in counterparts.

5. Other than as expressly stated in this Second Amendment, the terms and conditions of the Original Agreement, as amended by the First Amendment, remain in full force and effect.

*The remainder of this page intentionally left blank.*

The parties have executed this Second Amendment on the date(s) below:

**PANAMA CITY-BAY COUNTY AIRPORT AND INDUSTRIAL DISTRICT**

Glen McDonald, Board Chairman — 7/26/2021 Date

Parker W. McClellan, Jr., Executive Director — 7/28/21 Date

**STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION**

Kevin J. Thibault, P.E., Secretary — 7/20/21 Date

DocuSigned by:
Sean Gillis
Legal Review

# EXHIBIT B
# LOAN PAYMENT SCHEDULE

**Panama City - Bay County International Airport**
**Panama City - Bay County International Airport Relocation**

| Fiscal Year | Date | Beginning Balance | Estimated/Actual Disbursement | Interest Accrued at 4.6% through 7/31/21 | Interest Accrued at 2.71% beginning 8/1/21 | Balance Including Interest | Repayment to Principal | Repayment to Interest | Total Repayment | Ending Balance |
|---|---|---|---|---|---|---|---|---|---|---|
| 2009/10 | 4/12/2010 | $0.00 | $5,000,000.00 | $0.00 | $0.00 | $5,000,000.00 | $0.00 | $0.00 | $0.00 | $5,000,000.00 |
| 2010/11 | 8/4/2010 | $5,000,000.00 | $892,423.09 | $0.00 | $0.00 | $5,892,423.09 | $0.00 | $0.00 | $0.00 | $5,892,423.09 |
| | 8/10/2010 | $5,892,423.09 | $4,137,835.35 | $0.00 | $0.00 | $10,030,258.44 | $0.00 | $0.00 | $0.00 | $10,030,258.44 |
| | 10/1/2010 | $10,030,258.44 | $0.00 | $0.00 | $0.00 | $10,030,258.44 | $0.00 | $0.00 | $0.00 | $10,030,258.44 |
| | 10/11/2010 | $10,030,258.44 | $2,700,809.77 | $0.00 | $0.00 | $12,731,068.21 | $0.00 | $0.00 | $0.00 | $12,731,068.21 |
| | 12/13/2010 | $12,731,068.21 | $3,600,425.97 | $0.00 | $0.00 | $16,331,494.18 | $0.00 | $0.00 | $0.00 | $16,331,494.18 |
| | 1/20/2011 | $16,331,494.18 | $2,168,505.82 | $0.00 | $0.00 | $18,500,000.00 | $0.00 | $0.00 | $0.00 | $18,500,000.00 |
| 2011/12 | 7/29/2011 | $18,500,000.00 | $1,500,000.00 | $0.00 | $0.00 | $20,000,000.00 | $0.00 | $0.00 | $0.00 | $20,000,000.00 |
| | 10/1/2011 | $20,000,000.00 | $0.00 | $796,235.63 | $0.00 | $20,796,235.63 | $0.00 | $0.00 | $0.00 | $20,796,235.63 |
| 2012/13 | 10/1/2012 | $20,796,235.63 | $0.00 | $956,626.84 | $0.00 | $21,752,862.47 | $0.00 | $1,421,500.00 | $1,421,500.00 | $20,331,362.47 |
| 2013/14 | 10/1/2013 | $20,331,362.47 | $0.00 | $935,242.67 | $0.00 | $21,266,605.14 | $154,894.86 | $1,266,605.14 | $1,421,500.00 | $19,845,105.13 |
| 2014/15 | 10/1/2014 | $19,845,105.13 | $0.00 | $912,874.84 | $0.00 | $20,757,979.97 | $508,625.16 | $912,874.84 | $1,421,500.00 | $19,336,479.97 |
| 2015/16 | 10/1/2015 | $19,336,479.97 | $0.00 | $889,478.08 | $0.00 | $20,225,958.05 | $532,021.92 | $889,478.08 | $1,421,500.00 | $18,804,458.05 |
| 2016/17 | 10/1/2016 | $18,804,458.05 | $0.00 | $865,005.07 | $0.00 | $19,669,463.12 | $556,494.93 | $865,005.07 | $1,421,500.00 | $18,247,963.12 |
| 2017/18 | 10/1/2017 | $18,247,963.12 | $0.00 | $839,406.30 | $0.00 | $19,087,369.42 | $582,093.70 | $839,406.30 | $1,421,500.00 | $17,665,869.42 |
| 2018/19 | 10/1/2018 | $17,665,869.42 | $0.00 | $812,629.99 | $0.00 | $18,478,499.41 | $608,870.01 | $812,629.99 | $1,421,500.00 | $17,056,999.41 |
| 2019/20 | 10/1/2019 | $17,056,999.41 | $0.00 | $784,621.97 | $0.00 | $17,841,621.38 | $636,878.03 | $784,621.97 | $1,421,500.00 | $16,420,121.38 |
| 2020/21 | 10/1/2020 | $16,420,121.38 | $0.00 | $755,325.58 | $0.00 | $17,175,446.96 | $666,174.42 | $755,325.58 | $1,421,500.00 | $15,753,946.96 |
| 2021/22 | 10/1/2021 | $15,753,946.96 | $0.00 | $603,570.40 | $71,350.27 | $16,428,867.63 | $696,818.44 | $674,920.67 | $1,371,739.11 | $15,057,128.52 |
| 2022/23 | 10/1/2022 | $15,057,128.52 | $0.00 | $0.00 | $408,048.18 | $15,465,176.70 | $826,927.69 | $408,048.18 | $1,234,975.87 | $14,230,200.83 |
| 2023/24 | 10/1/2023 | $14,230,200.83 | $0.00 | $0.00 | $385,638.44 | $14,615,839.27 | $849,337.43 | $385,638.44 | $1,234,975.87 | $13,380,863.40 |
| 2024/25 | 10/1/2024 | $13,380,863.40 | $0.00 | $0.00 | $362,621.40 | $13,743,484.80 | $872,354.47 | $362,621.40 | $1,234,975.87 | $12,508,508.93 |
| 2025/26 | 10/1/2025 | $12,508,508.93 | $0.00 | $0.00 | $338,980.59 | $12,847,489.52 | $895,995.28 | $338,980.59 | $1,234,975.87 | $11,612,513.65 |
| 2026/27 | 10/1/2026 | $11,612,513.65 | $0.00 | $0.00 | $314,699.12 | $11,927,212.77 | $920,276.75 | $314,699.12 | $1,234,975.87 | $10,692,236.90 |
| 2027/28 | 10/1/2027 | $10,692,236.90 | $0.00 | $0.00 | $289,759.62 | $10,981,996.52 | $945,216.25 | $289,759.62 | $1,234,975.87 | $9,747,020.65 |
| 2028/29 | 10/1/2028 | $9,747,020.65 | $0.00 | $0.00 | $264,144.26 | $10,011,164.91 | $970,831.61 | $264,144.26 | $1,234,975.87 | $8,776,189.04 |
| 2029/30 | 10/1/2029 | $8,776,189.04 | $0.00 | $0.00 | $237,834.72 | $9,014,023.76 | $997,141.15 | $237,834.72 | $1,234,975.87 | $7,779,047.89 |
| 2030/31 | 10/1/2030 | $7,779,047.89 | $0.00 | $0.00 | $210,812.20 | $7,989,860.09 | $1,024,163.67 | $210,812.20 | $1,234,975.87 | $6,754,884.22 |
| 2031/32 | 10/1/2031 | $6,754,884.22 | $0.00 | $0.00 | $183,057.36 | $6,937,941.58 | $1,051,918.51 | $183,057.36 | $1,234,975.87 | $5,702,965.71 |
| 2032/33 | 10/1/2032 | $5,702,965.71 | $0.00 | $0.00 | $154,550.37 | $5,857,516.08 | $1,080,425.50 | $154,550.37 | $1,234,975.87 | $4,622,540.21 |
| 2033/34 | 10/1/2033 | $4,622,540.21 | $0.00 | $0.00 | $125,270.84 | $4,747,811.05 | $1,109,705.03 | $125,270.84 | $1,234,975.87 | $3,512,835.18 |
| 2034/35 | 10/1/2034 | $3,512,835.18 | $0.00 | $0.00 | $95,197.83 | $3,608,033.01 | $1,139,778.04 | $95,197.83 | $1,234,975.87 | $2,373,057.14 |
| 2035/36 | 10/1/2035 | $2,373,057.14 | $0.00 | $0.00 | $64,309.85 | $2,437,366.99 | $1,170,666.02 | $64,309.85 | $1,234,975.87 | $1,202,391.12 |
| 2036/37 | 10/1/2036 | $1,202,391.12 | $0.00 | $0.00 | $32,584.80 | $1,234,975.92 | $1,202,391.13 | $32,584.80 | $1,234,975.87 | $0.00 |
| | | | $20,000,000.00 | $9,151,017.37 | $3,538,859.85 | | $20,000,000.00 | $12,689,877.22 | $32,689,877.16 | |

***Interest begins accruing annually October 1, 2010 and will accrue and compound annually each October 1 thereafter, until loan is completely repaid.***

These calculations assume the following disbursement dates:

| | |
|---|---|
| FY 2009/10 | $5,000,000.00 |
| FY 2010/11 | $13,500,000.00 |
| FY 2011/12 | $1,500,000.00 |
| **Total** | **$20,000,000.00** |

| | |
|---|---|
| Total Loan Amount | $20,000,000.00 |
| Total Interest | $12,689,877.22 |
| **Total Repayments** | **$32,689,877.16** |

**Remit Payment to:**

**Mailing Address:**
State Board of Administration of Florida
Post Office Box 13300
Tallahassee, FL 32317-3300

**Street Address:**
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, FL 32308

**Wiring Instructions:**
The Bank of New York Mellon
ABA #: 021000018
A/C #: 8059338400
A/C Name: Debt Service Funds
For: Florida State Board of Administration
Attn: Stephen Salvato 617-382-1956

**Note on Payment for "FDOT SIB Loan - 421137-1-94-02"**