



Greater Orlando Aviation Authority

Restructuring Alternatives for Series 1998 A-D PARS

April 30, 2008



Global Markets & Investment Banking Group

and



Market Overview

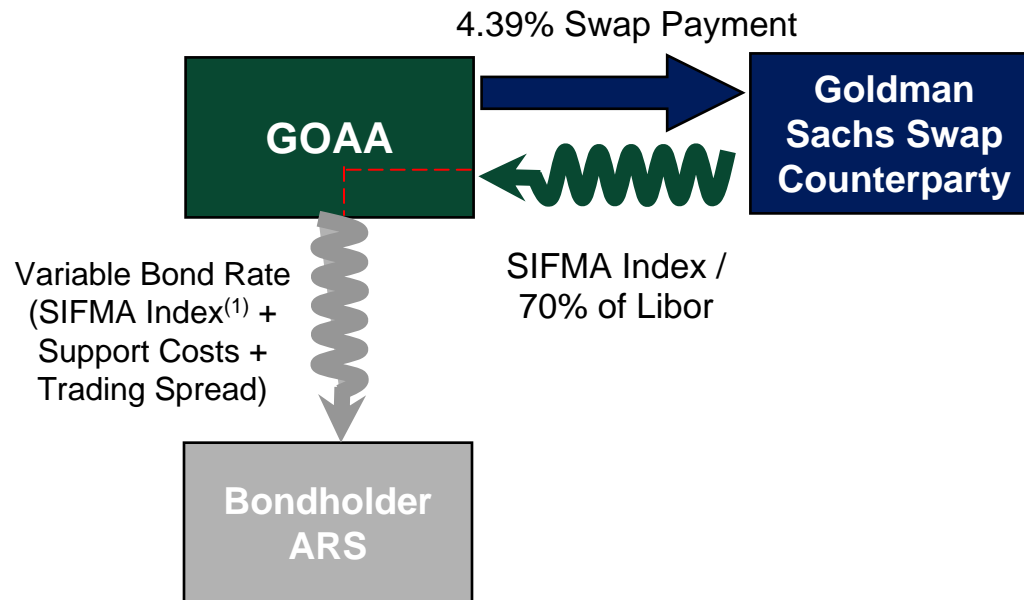
Current Market Challenge

- The Authority had \$282,325,000 of PARS (auction rate securities) outstanding with FGIC insurance
- While SIFMA, the short-term tax-exempt index, has declined by over 100 basis points since 9/3/07, GOAA's spread to SIFMA for the 1998 A-D Bonds has increased dramatically
- Between January 4, 2006 to January 31, 2007, the combined historical spread to SIFMA was between 3.3 to 5.4 basis points for the individual Series of PARS
- The 1998 A-D PARS trading spread increased dramatically beginning in December 2007
 - The 1998A 1-day PARS have traded as high as 334 basis points over SIFMA
 - The 1998B 7-day PARS have traded as high as 309 basis points over SIFMA
 - The 1998C 7-day PARS have traded as high as 323 basis points over SIFMA
 - The 1998D 28-day PARS have traded as high as 327 basis points over SIFMA
- These substantial increases in the interest rates of GOAA's PARS are not offset by the variable rate receipt of the associated swap and result in higher debt service costs to the Authority



Interest Rate Swaps

Floating-to-Fixed Swap: 75% = 70% of Libor; 25% = SIFMA



Historical Fixed Rate Cost of Funds

Pay Variable Bond Rate:	SIFMA Index
Pay Support Costs	0.26%
Pay Fixed Swap Rate:	4.39%
Pay Historical Trading Spread	0.05%
Receive Floating Swap Rate:	(SIFMA Index)
Net Fixed Rate Cost of Funds	4.70%

Q1 08 Fixed Rate Cost of Funds

Pay Variable Bond Rate:	SIFMA Index
Pay Support Costs	0.26%
Pay Fixed Swap Rate:	4.39%
Pay Q108 Trading Spread	2.00%
Receive Floating Swap Rate:	(SIFMA Index)
Net Fixed Rate Cost of Funds	6.65%

(1) Assumes 70% of 1-month Libor swap receipt matches SIFMA





Restructuring Options for the Series 1998 A-D PARS

Restructuring Options for the Series 1998 A-D PARS

Options Considered

As a Working Group, we analyzed several iterations of the following refinancing options:

- Do nothing and leave the current PARS in place
- Convert the PARS to Variable Rate Demand Obligations (“VRDOs”) backed by a Letter of Credit or Line of Credit
- Refund the PARS with VRDOs backed by a Letter of Credit
- Unwind the Swap and refund the PARS with VRDOs and remain floating with no hedge
- Unwind the Swap and refund the PARS with Senior Lien uninsured fixed rate bonds
- Unwind the Swap and refund the PARS with Senior Lien insured fixed rate bonds
- Unwind the Swap and refund the PARS with Subordinate Lien insured fixed rate bonds
- Privately place a fixed or variable rate offering with Dexia Credit Locale

Of those listed above, we have narrowed the refinancing alternatives to the following two options:

1. Convert the PARS to Variable Rate Demand Obligations (“VRDOs”) backed by a Letter of Credit
2. Unwind the Swap and refund the PARS with Senior Lien insured fixed rate bonds





Restructuring Options for the Series 1998 A-D PARS Potential PARS Pricing

Historically, the Series 1998 Bonds traded at a small spread to the SIFMA Index (approximately 5 basis points)

- Recently, that spread increased from 60 to over 200 basis points

The table below shows the projected debt service costs of the program at several spread levels on both a total and a present value basis:

	Budgeted Debt Service @ 4.89%			Trading Spread of 1.00%			Trading Spread of 2.00%		
	Principal	Interest	Total	Additional Interest	Total Debt Service	Difference	Additional Interest	Total Debt Service	Difference
10/1/2008	11,375,000	13,802,869	25,177,869	2,145,670	27,323,539	2,145,670	4,968,920	30,146,789	4,968,920
10/1/2009	24,425,000	13,246,746	37,671,746	2,059,220	39,730,966	2,059,220	4,768,720	42,440,466	4,768,720
10/1/2010	25,975,000	12,052,607	38,027,607	1,873,590	39,901,197	1,873,590	4,338,840	42,366,447	4,338,840
10/1/2011	27,625,000	10,782,690	38,407,690	1,676,180	40,083,870	1,676,180	3,881,680	42,289,370	3,881,680
10/1/2012	29,500,000	9,432,103	38,932,103	1,466,230	40,398,333	1,466,230	3,395,480	42,327,583	3,395,480
10/1/2013	17,875,000	7,989,848	25,864,848	1,242,030	27,106,878	1,242,030	2,876,280	28,741,128	2,876,280
10/1/2014	28,150,000	7,115,940	35,265,940	1,106,180	36,372,120	1,106,180	2,561,680	37,827,620	2,561,680
10/1/2015	30,000,000	5,739,686	35,739,686	892,240	36,631,926	892,240	2,066,240	37,805,926	2,066,240
10/1/2016	23,600,000	4,272,986	27,872,986	664,240	28,537,226	664,240	1,538,240	29,411,226	1,538,240
10/1/2017	34,175,000	3,119,182	37,294,182	484,880	37,779,062	484,880	1,122,880	38,417,062	1,122,880
10/1/2018	29,625,000	1,448,366	31,073,366	225,150	31,298,516	225,150	521,400	31,594,766	521,400
Total:	282,325,000	89,003,023	371,328,023	13,835,610	385,163,633	13,835,610	32,040,360	403,368,383	32,040,360
NPV @ 5%:			280,684,547		291,916,476	11,231,929		306,695,331	26,010,784



Assumes that 70% of 1-month LIBOR swap receipt matches SIFMA Index.



Restructuring Options for the Series 1998 A-D PARS Projected Debt Service Costs

The table below shows the projected debt service costs of the program for the two leading refinancing options considered:

	Budgeted Debt Service @ 4.89%			Conversion to VRDOs				Unwind Swap & Issue Insured Fixed Rate Bonds				
	Principal	Interest	Total	Interest	Ongoing Fees	Upfront COI	Total Net Debt Service & Fees	Difference	New Principal	Interest	Total Debt Service	Difference
10/1/2008	11,375,000	13,802,869	25,177,869	12,814,732	1,129,300	1,750,000	27,069,032	1,891,163	11,900,000	14,752,938	26,652,938	1,475,068
10/1/2009	24,425,000	13,246,746	37,671,746	12,298,421	1,083,800		37,807,221	135,475	24,925,000	14,217,438	39,142,438	1,470,692
10/1/2010	25,975,000	12,052,607	38,027,607	11,189,770	986,100		38,150,870	123,263	26,405,000	13,095,813	39,500,813	1,473,205
10/1/2011	27,625,000	10,782,690	38,407,690	10,010,765	882,200		38,517,965	110,275	28,105,000	11,775,563	39,880,563	1,472,873
10/1/2012	29,500,000	9,432,103	38,932,103	8,756,866	771,700		39,028,566	96,463	30,035,000	10,370,313	40,405,313	1,473,209
10/1/2013	17,875,000	7,989,848	25,864,848	7,417,861	653,700		25,946,561	81,713	18,470,000	8,868,563	27,338,563	1,473,714
10/1/2014	28,150,000	7,115,940	35,265,940	6,606,515	582,200		35,338,715	72,775	28,840,000	7,898,888	36,738,888	1,472,948
10/1/2015	30,000,000	5,739,686	35,739,686	5,328,786	469,600		35,798,386	58,700	30,825,000	6,384,788	37,209,788	1,470,102
10/1/2016	23,600,000	4,272,986	27,872,986	3,967,086	349,600		27,916,686	43,700	24,580,000	4,766,475	29,346,475	1,473,489
10/1/2017	34,175,000	3,119,182	37,294,182	2,895,882	255,200		37,326,082	31,900	35,290,000	3,476,025	38,766,025	1,471,843
10/1/2018	29,625,000	1,448,366	31,073,366	1,344,679	118,500		31,088,179	14,813	30,920,000	1,623,300	32,543,300	1,469,934
Total:	282,325,000	89,003,023	371,328,023	82,631,360	7,281,900	1,750,000	373,988,260	2,660,238	290,295,000	97,230,100	387,525,100	16,197,077
NPV @ 5%:			280,684,547				283,090,157	2,405,609			292,916,355	12,231,808

Rates as of January 28, 2008.

VRDOs option assumes remarketing fees of 0.10%, letter of credit fees of 0.30% and a trading spread of 0.15%.

Fixed rate bonds option assumes termination of swap and issuance of Senior Lien insured fixed rate bonds with insurance at 100 bps.





Restructuring Options for the Series 1998 A-D PARS

Actual Fixed Rate Bond Debt Service Costs

GOAA 1998 PARS - Refinancing Debt Service Analysis

- Initially, the GOAA team pursued a conversion to VRDOs backed by a Letter of Credit
- However, LOC banks continued to increase fees and were slow and non-committal.
- Eventually, as Auction spreads continued to widen, uncertainty clouded aspects of the VRDO market, and we did not have a firm commitment from an LOC provider, the Team voted to move forward with the fixed rate alternative.
- A lower than expected insurance premium from FSA helped the economics of the fixed rate alternative

The table below shows the projected debt service costs of the program at a projected spread of 200 bps :

	Budgeted Debt Service @ 4.89%			Trading Spread of 2.00%			Unwind Swap & Issue FSA Insured Fixed Rate Bonds (Taxable Swap Unwind)			Savings vs Current ARS Levels	
	Principal	Interest	Total	Additional Interest	Total Debt Service	Increase over Budget	2006A DS	2006B DS	Total Debt Service		Savings vs Budget
10/1/2008	11,375,000	6,901,435	18,276,435	2,484,460	20,760,895	2,484,460	6,464,830	9,042,313	15,507,143	2,769,292	5,253,752
10/1/2009	24,425,000	13,246,746	37,671,746	4,768,720	42,440,466	4,768,720	21,788,225	17,982,141	39,770,366	(2,098,621)	2,670,100
10/1/2010	25,975,000	12,052,607	38,027,607	4,338,840	42,366,447	4,338,840	40,136,725	-	40,136,725	(2,109,118)	2,229,722
10/1/2011	27,625,000	10,782,690	38,407,690	3,881,680	42,289,370	3,881,680	40,550,475	-	40,550,475	(2,142,786)	1,738,895
10/1/2012	29,500,000	9,432,103	38,932,103	3,395,480	42,327,583	3,395,480	39,229,225	-	39,229,225	(297,122)	3,098,358
10/1/2013	17,875,000	7,989,848	25,864,848	2,876,280	28,741,128	2,876,280	24,711,025	-	24,711,025	1,153,823	4,030,103
10/1/2014	28,150,000	7,115,940	35,265,940	2,561,680	37,827,620	2,561,680	35,063,225	-	35,063,225	202,715	2,764,395
10/1/2015	30,000,000	5,739,686	35,739,686	2,066,240	37,805,926	2,066,240	35,525,850	-	35,525,850	213,836	2,280,076
10/1/2016	23,600,000	4,272,986	27,872,986	1,538,240	29,411,226	1,538,240	24,507,150	-	24,507,150	3,365,836	4,904,076
10/1/2017	34,175,000	3,119,182	37,294,182	1,122,880	38,417,062	1,122,880	33,919,575	-	33,919,575	3,374,607	4,497,487
10/1/2018	29,625,000	1,448,366	31,073,366	521,400	31,594,766	521,400	27,696,538	-	27,696,538	3,376,829	3,898,229
Total:	282,325,000	82,101,588	364,426,588	29,555,900	393,982,488	29,555,900	329,592,842	27,024,454	356,617,296	7,809,292	37,365,192
NPV @ 5%:			274,111,752		297,756,384	23,644,631			269,829,931	4,281,822	27,926,453





Restructuring Options for the Series 1998 A-D PARS PV Savings Analysis

Following is a PV savings analysis comparing the resulting Series 2008 A&B bonds debt service to a conservative estimated trading spread of 150 bps over SIFMA for the 1998 PARS

Greater Orlando Aviation Authority Airport Facilities Refunding Revenue Bonds, Series 2008A (AMT) & 2008B (Taxable) Present Value Savings Calculation

Prior Refunded Bonds

Series 1998 Subordinated Swap
\$380.725 million original notional amount
Effective Date: September 1, 1998
BMA / 70% of LIBOR
Fixed Swap Rate*: 4.389%
\$282.325 million Series 1998 Outstanding Par

Swap Rate	4.389%
Broker Dealer Fees	0.250%
Auction Agent Fees	0.010%
Current Mkt Trading Spread	1.500%
All-in Rate	6.149%

New Bonds

Dated/Delivery Date	3/31/2008
PV Discount Rate (Combined TIC)	4.7839%
Par Amount	274,180,000

Period End	Principal	All-In Coupon	Interest	Series 1998 Debt Service	Series 1998 Annual Debt Service	2008A (AMT) Debt Service	2008B (Taxable) Debt Service	2008A&B Total DS	2008 Bonds Annual Debt Service	Annual Savings
4/1/2008	-									
10/1/2008	11,375,000	6.149%	8,680,082	20,055,082	20,055,082	6,464,830	9,042,313	15,507,143	15,507,143	4,547,939
4/1/2009	-		8,330,358	8,330,358		6,429,113	263,571	6,692,683		
10/1/2009	24,425,000	6.149%	8,330,358	32,755,358	41,085,716	15,359,113	17,718,571	33,077,683	39,770,366	1,315,350
4/1/2010	-		7,579,411	7,579,411		6,205,863	-	6,205,863		
10/1/2010	25,975,000	6.149%	7,579,411	33,554,411	41,133,822	33,930,863	-	33,930,863	40,136,725	997,097
4/1/2011	-		6,780,810	6,780,810		5,512,738	-	5,512,738		
10/1/2011	27,625,000	6.149%	6,780,810	34,405,810	41,186,620	35,037,738	-	35,037,738	40,550,475	636,145
4/1/2012	-		5,931,479	5,931,479		4,774,613	-	4,774,613		
10/1/2012	29,500,000	6.149%	5,931,479	35,431,479	41,362,958	34,454,613	-	34,454,613	39,229,225	2,133,733
4/1/2013	-		5,024,502	5,024,502		3,995,513	-	3,995,513		
10/1/2013	17,875,000	6.149%	5,024,502	22,899,502	27,924,003	20,715,513	-	20,715,513	24,711,025	3,212,978
4/1/2014	-		4,474,935	4,474,935		3,556,613	-	3,556,613		
10/1/2014	28,150,000	6.149%	4,474,935	32,624,935	37,099,870	31,506,613	-	31,506,613	35,063,225	2,036,645
4/1/2015	-		3,609,463	3,609,463		2,822,925	-	2,822,925		
10/1/2015	30,000,000	6.149%	3,609,463	33,609,463	37,218,926	32,702,925	-	32,702,925	35,525,850	1,693,076
4/1/2016	-		2,687,113	2,687,113		2,038,575	-	2,038,575		
10/1/2016	23,600,000	6.149%	2,687,113	26,287,113	28,974,226	22,468,575	-	22,468,575	24,507,150	4,467,076
4/1/2017	-		1,961,531	1,961,531		1,502,288	-	1,502,288		
10/1/2017	34,175,000	6.149%	1,961,531	36,136,531	38,098,062	32,417,288	-	32,417,288	33,919,575	4,178,487
4/1/2018	-		910,821	910,821		690,769	-	690,769		
10/1/2018	29,625,000	6.149%	910,821	30,535,821	31,446,641	27,005,769	-	27,005,769	27,696,538	3,750,104
	282,325,000		103,260,926	385,585,926		329,592,842	27,024,454	356,617,296		28,968,629

*Assumes that 70% of 1-month LIBOR rate received on 75% of swap matches SIFMA Index



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