McCarran
INTERNATIONAL AIRPORT

Clark County, Nevada
Airport System Revenue Bonds, Senior Series 2010D

Clark County
Department
of Aviation

Randall H. Walker, Director of Aviation

Rosemary A. Vassiliadis, Deputy Director of Aviation

The Clark County Board of Commissioners

Left to right:
Tom Collins, Larry Brown, Rory Reid, Chair, Susan Brager, Vice Chair, Chris Giunchigliani, Lawrence Weekly, Steve Sisolak

<u>NEW ISSUE-BOOK ENTRY ONLY</u> **RATINGS: See "RATINGS" herein**

$132,485,000
Clark County, Nevada
Airport System Revenue Bonds,
Senior Series 2010D
(Tax Exempt Bonds) (Non-AMT Private Activity)

Dated: Date of Delivery **Due: July 1, as shown on inside front cover**

The Series 2010D Bonds are being issued to finance the costs of certain capital improvements to the Airport System, to fund capitalized interest for the Series 2010D Bonds and to pay costs of issuance of the Series 2010D Bonds. The Series 2010D Bonds are secured by a lien on and are payable from Net Revenues of the Airport System, on a parity with $527,455,000 outstanding Senior Bonds and any Senior Bonds hereafter issued, as described herein. Concurrently with the issuance of the Series 2010D Bonds, the County expects to issue $454,280,000 aggregate principal amount of the Series 2010C Bonds, which will be payable from Net Revenues of the Airport System on a parity with the payment of the outstanding Senior Bonds and any Senior Bonds hereafter issued, including the Series 2010D Bonds, as described herein.

The Series 2010D Bonds will be issued in book-entry form, without coupons, initially registered in the name Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the Series 2010D Bonds will not receive physical certificates representing their interests in the Series 2010D Bonds purchased. DTC will act as securities depository for the Series 2010D Bonds. The principal of and interest on the Series 2010D Bonds (which interest is payable on July 1, 2010 and each January 1 and July 1 thereafter) are payable directly to DTC, by The Bank of New York Mellon Trust Company, N.A., as trustee. Upon receipt of payments of such principal and interest, DTC is to remit such principal and interest to the participants in DTC for subsequent disbursement to the beneficial owners of the Series 2010D Bonds. Individual purchases will be made in principal amounts of $5,000 and integral multiples thereof.

The Series 2010D Bonds are subject to optional redemption prior to maturity as more fully described herein.

In the opinion of Swendseid & Stern, a Member in Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2010D Bonds (other than interest on any Series 2010D Bond for any period during which it is held by a "substantial user" of the facilities financed with the Series 2010D Bonds or a "related person" as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2010D Bonds (the "Tax Code")) is excluded from gross income pursuant to Section 103 of the Tax Code, and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. Also, in the opinion of Bond Counsel, under present laws of the State of Nevada, the Series 2010D Bonds, their transfer, and the income thereon are free and exempt from taxation by the State of Nevada or any subdivision thereof except the State estate tax and the State tax on generation skipping transfers. See "TAX MATTERS" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE TERMS OF OR SECURITY FOR THE SERIES 2010D BONDS. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2010D Bonds are offered when, as and if issued, subject to the approval of their validity and enforceability by Swendseid & Stern a Member in Sherman & Howard L.L.C., Las Vegas and Reno, Nevada, Bond Counsel. Certain legal matters will be passed upon for Clark County by the County District Attorney, Las Vegas, Nevada and for the Underwriters by Underwriters' Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Sacramento, California. It is expected that the Series 2010D Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company on or about February 23, 2010.

Siebert Brandford Shank & Co., LLC

Citi **BofA Merrill Lynch** **RBC Capital Markets**

Dated: February 9, 2010

$132,485,000
Clark County, Nevada
Airport System Revenue Bonds,
Senior Series 2010D
(Tax Exempt Bonds) (Non-AMT Private Activity)

Maturity Date (July 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*
2015	$ 9,460,000	5.00%	2.50%	112.455
2016	8,510,000	5.00	2.98	111.613
2016	2,650,000	3.00	2.98	100.112
2017	8,580,000	5.00	3.33	110.811
2017	3,100,000	4.00	3.33	104.335
2018	10,150,000	5.00	3.61	109.944
2018	2,250,000	3.60	3.61	99.925
2019	4,735,000	5.00	3.81	109.286
2019	6,930,000	4.50	3.81	105.383
2020	11,870,000	5.00	3.95	108.498†
2020	310,000	3.90	3.95	99.574
2021	11,995,000	5.00	4.05	107.651†
2021	925,000	4.00	4.05	99.544
2022	15,575,000	5.00	4.16	106.729†
2022	600,000	4.15	4.16	99.899
2023	17,025,000	5.00	4.27	105.817†
2024	17,620,000	5.00	4.37	104.995†
2024	200,000	4.35	4.37	99.783

† Priced to call on January 1, 2020.

CLARK COUNTY, NEVADA
500 South Grand Central Parkway
Las Vegas, Nevada 89106

BOARD OF COUNTY COMMISSIONERS

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Susan Brager, Vice Chair
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Steve Sisolak
Lawrence Weekly

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Edward M. Finger, Comptroller
Diana Alba, Clerk
David Roger, District Attorney

OFFICIALS OF McCARRAN INTERNATIONAL AIRPORT

Randall H. Walker, Director of Aviation
Rosemary A. Vassiliadis, Deputy Director of Aviation
Alan W. Stewart, Assistant Director of Aviation/Finance

FINANCIAL ADVISORS

Hobbs, Ong & Associates, Inc.
Las Vegas, Nevada

Public Financial Management, Inc.
San Francisco, California

BOND COUNSEL

Swendseid & Stern, a Member in
Sherman & Howard, L.L.C.
Las Vegas and Reno, Nevada

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations by the County or the Underwriter, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2010D Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2010D Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

> The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein has been furnished by the County and includes information which has been obtained from other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expression of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implications that there has been no change in the affairs of the County since the date hereof.

IN CONNECTION WITH THIS OFFERING OF THE SERIES 2010D BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010D BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2010D BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE SERIES 2010D BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE AIRPORT SYSTEM" and "FINANCIAL FACTORS."

The County maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2010D Bonds.

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OFFICIAL STATEMENT

Relating to

$132,485,000
Clark County, Nevada
Airport System Revenue Bonds,
Senior Series 2010D
(Tax Exempt Bonds) (Non-AMT Private Activity)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to furnish information concerning Clark County (the "County"), Nevada (the "State"), the County's McCarran International Airport (the "Airport"), as well as four smaller airfields owned and operated by the County used primarily for private aircraft known as North Las Vegas Air Terminal, Henderson Executive Airport, Overton Airport and Jean Airport (collectively with the Airport, the "Airport System," as more fully described herein), and certain other information in connection with the sale of the Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2010D (Tax Exempt Bonds) (Non-AMT Private Activity) (the "Series 2010D Bonds").

Issuance of the Series 2010D Bonds is authorized pursuant to the Nevada Municipal Airports Act (Nevada Revised Statutes §§496.010 *et seq.*) (the "Project Act"), the Nevada Local Government Securities Law (Nevada Revised Statutes §§350.500 *et seq.*) (the "Bond Act") and the Nevada Registration of Public Securities Law (Nevada Revised Statutes §§348.010 *et seq.*) (the "Supplemental Bond Act"). The Series 2010D Bonds are to be issued and secured pursuant to the Master Indenture of Trust dated as of May 1, 2003 (the "Master Indenture"), between the County and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), amending and restating as an indenture of trust the County's General Bond Ordinance No. 1648, the Senior 2010 Series D Indenture, dated as of February 1, 2010, between the County and the Trustee, relating to the Series 2010D Bonds (the "Series Indenture"). The Series 2010D Bonds are secured by and are payable from Net Revenues of the Airport System (as described under the caption "SECURITY FOR THE SERIES 2010D BONDS—Pledge of Airport Revenues").

The Series 2010D Bonds are being issued to finance the costs of certain capital improvements to the Airport System, to fund capitalized interest for the Series 2010D Bonds and to pay costs of issuance for the Series 2010D Bonds.

The Series 2010D Bonds are secured by and are payable from Net Revenues of the Airport System on a parity with the Clark County, Nevada, Airport System Refunding Revenue Bonds, Series 1993A (the "1993A Bonds"), the Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2005A (the "2005A Bonds"), the Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2008E (the "2008E Bonds"), and the Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2009B (the "2009B Bonds") of which $527,455,000 are currently outstanding. The 1993A Bonds, 2005A Bonds, 2008E Bonds, 2009B Bonds and Series 2010D Bonds are secured pursuant to the Master Indenture and, together with the County's obligations under an interest rate swap agreement entered into with respect to the 1993A Bonds, and with future obligations issued on a parity therewith in accordance with the Master Indenture, are referred to herein as the "Senior Bonds."

The County has authorized and expects sold $454,280,000 of the Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2010C (the "Series 2010C Bonds"). The delivery of the Series 2010C Bonds is subject to certain conditions and there can be no assurances that the County will actually issue the

Series 2010C Bonds. If issued, the Series 2010C Bonds will be payable from Net Revenues of the Airport System on a parity with payment of the Series 2010D Bonds.

The Series 2010D Bonds will be secured by a lien on Net Revenues of the Airport System senior to $2,113,590,000 aggregate outstanding principal amount of Second Lien Subordinate Securities plus $1,110,360,000 of PFC Bonds which are additionally secured as Second Lien Subordinate Securities (as described under the caption "SECURITY FOR THE SERIES 2010D BONDS—Second Lien Subordinate Securities, and senior to certain amounts which are payable by the County with respect to interest rate swap agreements described under the caption "FINANCIAL FACTORS—Outstanding Airport Indebtedness," with any other additional Second Lien Subordinate Securities hereafter issued with a lien thereon subordinate to the lien of the Series 2010D Bonds, and with certain amounts which may be payable under future interest rate swap agreements entered into by the County.

The Airport has authorized and sold $150,000,000 aggregate principal amount of Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2010A (the "Series 2010A Bonds") and the $275,000,000 aggregate principal amount of Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2011 (the "Series 2011A Bonds") for delivery on July 1, 2010 and July 1, 2011, respectively. While the Series 2010A Bonds were sold by the County on January 3, 2006, and the Series 2011A Bonds were sold by the County on April 17, 2007, the sale thereof is subject to certain conditions and there can be no assurance such conditions will be met. In addition, the County may elect to seek to terminate the sale of such obligations. If issued, the Series 2010A Bonds and the Series 2011A Bonds will be payable from Net Revenues of the Airport System subordinate to payment of the Series 2010D Bonds.

In addition to the bonds discussed above, the County currently expects to issue approximately $150,000,000* aggregate amount of additional obligations in calendar year 2010 to finance the capital improvement program and $400,000,000 to refund the outstanding Clark County, Nevada Airport System Junior Subordinate Lien Revenue Notes Series 2009A (the "Series 2009A Notes"). The additional obligations may include Senior Bonds, Subordinate Lien Bonds or Third Lien Obligations (including bond anticipation notes). Such obligations may include the Series 2010A Bonds. Upon the issuance of these obligations, financing for the Terminal 3 project and other elements of the Airport System's five-year capital improvement plan will be substantially complete. Currently, the Airport does not have any major capital improvements planned beyond such five-year plan.

The Series 2010D Bonds are special obligations of the County payable solely from Net Revenues of the Airport System as described herein. The Series 2010D Bonds do not constitute an indebtedness or a debt of the County within the meaning of any Constitutional or statutory provision or limitation and the Series 2010D Bonds are not considered or held to be general obligations of the County but constitute the County's special obligations. Neither the full faith and credit nor the taxing power of the County is pledged to the payment thereof.

Brief descriptions of the Series 2010D Bonds, the security for the Series 2010D Bonds, the County, the Airport, and the Financing Plan, among other topics, are included in this Official Statement together with summaries of certain provisions of the Series 2010D Bonds and certain other documents. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Master Indenture, the Series Indenture, the Series 2010D Bonds and other documents and instruments are qualified in their entirety by reference to such documents or instruments or the forms thereof, copies of which are available for inspection at the office of the Assistant Director of Aviation/Finance, Las Vegas-McCarran International Airport, telephone (702) 261-5170. Certain capitalized terms used herein and not defined herein shall have the meaning given such terms in APPENDIX C hereto entitled "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE SERIES INDENTURE."

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* *Preliminary, subject to change*

The Official Statement includes certain changes since the date of the Preliminary Official Statement. These changes are included under the captions under the captions "INTRODUCTION," "SECURITY FOR THE 2010D BONDS—Second Lien Subordinate Securities," "FINANCIAL FACTORS—Outstanding Airport Indebtedness" and "THE AIRPORT SYSTEM—Future Airport Improvements" reflecting the delivery of the 2010B Bonds and the 2010 PFC Bonds (described below), under the captions "INTRODUCTION," "SECURITY FOR THE 2010D BONDS—Senior Bonds, Including the Series 2010D Bonds" reflecting the sale of the Series 2010C Bonds and under the captions "INTRODUCTION," "SECURITY FOR THE 2010C BONDS—Second Lien Subordinate Securities" and "THE AIRPORT SYSTEM—Future Airport Improvements" to update the Airport's financing plan for calendar year 2010.

THE FINANCING PLAN

The County expects to use the proceeds from the Series 2010D Bonds to fund certain capital improvements to the Airport System, to fund capitalized interest for the Series 2010D Bonds and to pay costs of issuance for the Series 2010D Bonds. These capital improvements include acquiring, constructing, enlarging, equipping and improving the Airport System, including, without limitation, the terminals, runways and taxiways, roads, parking, additional facilities for airport security and other facilities thereat, noise mitigation facilities thereat, and the acquisition of land. For a discussion of future airport improvements, see the caption "THE AIRPORT SYSTEM—Future Airport Improvements."

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds from proceeds of the Series 2010D Bonds.

Sources[(1)]	
Par Amount of Bonds	$ 132,485,000
Net Original Issue Premium	9,890,185
Total Sources	$ 142,375,185
Uses[(1)]	
Deposit to Project Account	$ 126,169,528
Capitalized Interest[(2)]	15,205,205
Underwriters' Discount	706,402
Costs of Issuance[(3)]	294,050
Total Uses	$ 142,375,185

(1) Amount rounded to nearest $1.
(2) Amounts to fund capitalized interest through July 1, 2012 will be deposited in the Series 2010D Bond Project Account.
(3) Includes fees of Financial Advisors, Trustee, Bond Counsel, and Certified Public Accountants, and miscellaneous fees and expenses.

DESCRIPTION OF THE SERIES 2010D BONDS

General

The Series 2010D Bonds initially will be dated the date of delivery, and will bear interest from their dates to the maturity dates set forth on the inside front cover of this Official Statement. The Series 2010D Bonds will be subject to redemption prior to the Maturity Date as and to the extent provided in the Series Indenture, as described below under the caption "—Redemption of the Series 2010D Bonds." Interest on the Series 2010D Bonds will be payable on July 1, 2010 and each January 1 and July 1 thereafter.

The principal of any Series 2010D Bond will be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity thereof and upon presentation and surrender at the office of the Registrar in Los Angeles, California. If any Series 2010D Bonds shall not be paid upon presentation and surrender at or after maturity, it will continue to draw interest at the interest rate borne by the Series 2010D Bonds until the principal thereof is paid in full. Except as described in APPENDIX E—"DTC AND BOOK-ENTRY ONLY SYSTEM," payment of interest on any Series 2010D Bonds will be made to the registered owner thereof by check or draft mailed by first class mail by the Paying Agent on each interest payment date to the registered owner thereof at its address as shown on the registration records kept by the Registrar at the close of business on the 15th day of the calendar month immediately preceding such interest payment date (the "Record Date"); except that in the case of such an owner of $1,000,000, or more in aggregate principal amount of Series 2010D Bonds, upon the written request of such Owner to the Trustee at least two Business Days before the Record Date, specifying the account or accounts in the continental United States to which such payment will be made, such payments will be made by wire transfer of immediately available funds on the applicable payment date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such owner by an instrument in writing delivered to the Trustee. Any such interest not so timely paid or duly provided for will cease to be payable to the person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a special record date for the payment of any such defaulted interest (a "Special Record Date"). Such Special Record Date will be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date will be given to the registered owners of the Series 2010D Bonds not less than ten days prior thereto by first class mail to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Series 2010D Bond by such alternative means as may be mutually agreed to between the owner of such Series 2010D Bond and the Paying Agent (but, if such alternative means increase any cost to the County, the Paying Agent will obtain the County's consent prior to agreeing to such alternative means). All such payments will be made in lawful money of the United States of America.

Book-Entry Only System

The Series 2010D Bonds will be executed and delivered in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2010D Bonds. The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the County and the Trustee take no responsibility for the accuracy thereof. See APPENDIX E—"DTC AND BOOK-ENTRY ONLY SYSTEM" for a further description of DTC and its book-entry system. Capitalized terms used under this caption and not otherwise defined shall have the respective meanings given to such terms in Appendix E. One fully-registered Series 2010D Bond certificate will be issued in a denomination equal to the aggregate principal amount of each of the Series 2010D Bonds and will be deposited with DTC. Individual purchases may be made in book-entry only form. Purchasers will not receive certificates representing their interest in the Series 2010D Bonds purchased. So long as Cede & Co. is the registered owner of the Series 2010D Bonds, as nominee of DTC, references herein to the owners of the Series 2010D Bonds or Series 2010D Bondowners shall mean Cede & Co. and shall not mean the actual purchasers of the Series 2010D Bonds (the "Beneficial Owners"). The principal, interest, and premium, if any, evidenced by each Series 2010D Bond will be payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX E—"DTC AND BOOK-ENTRY ONLY SYSTEM" for a further description of DTC and its book-entry system.

The Book-Entry System may be discontinued by the Trustee and the County, at the direction and expense of the County, and the County and the Trustee will cause the delivery of Series 2010D Bonds certificates to such Beneficial Owners of the Series 2010D Bonds and registered in the names of such Beneficial Owners as will be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

A. The Securities Depository determines to discontinue providing its service with respect to the Series 2010D Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' notice to the County, the Tender Agent and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

B. The County determines not to continue the Book-Entry System through a Securities Depository, upon not less than 45 days' prior written notice to the Trustee, the Tender Agent and the Remarketing Agent.

Redemption of the Series 2010D Bonds

Optional Redemption. The Series 2010D Bonds maturing on and after July 1, 2020 are subject to redemption prior to their respective maturities at the option of the County on and after January 1, 2020 in whole or in part at any time, from such maturities as are selected by the County and if less than all Series 2010D Bonds of a maturity are to be redeemed, the Series 2010D Bonds of such maturity to be redeemed will be selected by lot, at a price equal to the principal amount of each Series 2010D Bond so redeemed, accrued interest thereon to the redemption date.

Selection of Series 2010D Bonds To Be Redeemed

If any Series 2010D Bond is in a denomination larger than a minimum Authorized Denomination, a portion of such Series 2010D Bond (the minimum Authorized Denomination or any integral multiple thereof) may be redeemed, in which case the Registrar will, without charge to the owner of such Series 2010D Bond, authenticate and issue a replacement Series 2010D Bond or Bonds of the same Series for the unredeemed portion thereof. In the case of a partial redemption of Series 2010D Bonds, the Trustee will select the Series 2010D Bonds to be redeemed by lot at such times as directed by the County in writing at least 30 days prior to the redemption date and if such selection is more than 60 days before a redemption date, will appropriately identify the Series 2010D Bonds (including the Series thereof) so called for redemption by stamping them at the time any Series 2010D Bonds so selected for redemption is presented to the Trustee for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Trustee, and any Series 2010D Bond or Bonds issued in exchange for, or to replace, any Series 2010D Bond so called for prior redemption will likewise be stamped or otherwise identified. The Trustee will not select the Series 2010D Bonds for mandatory redemption pursuant to the Series Indentures more than 60 days prior to the redemption date.

Notice of Redemption

Unless waived by any owner of Series 2010D Bonds to be redeemed, official notice of any redemption will be given by the Registrar on behalf of the County by mailing a copy of an official notice of redemption by registered or certified mail at least 15 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2010D Bond or Bonds to be redeemed at the address shown on the records of the Registrar. Failure to give such notice to the registered owner of any Series 2010D Bond, or any defect therein, will not affect the validity of the proceedings for the redemption of any other Series 2010D Bonds. All official notices of redemption will be dated and will state the redemption date, the redemption prices, if less than all Outstanding Series 2010D Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2010D Bonds to be redeemed, that on the redemption date the redemption price will become due and payable upon each such Series 2010D Bond or portion thereof called for redemption, and that interest thereon will cease to accrue from and after said date, and the place where such Series 2010D Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal office of the Paying Agent.

If at the time of giving notice of redemption of Series 2010D Bonds or in connection with a refunding of any Series 2010D Bonds, there shall not have been deposited with the Trustee moneys sufficient to redeem all Series 2010D Bonds, or portions thereof, called for redemption, such notice may state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited. If a notice of the redemption or refunding of any Series 2010D Bonds does not contain such conditional language, then on and after the date such notice is given, the moneys held for the redemption or refunding of such Series 2010D Bonds will be held uninvested by the Trustee for the benefit of the Owners of such Series 2010D Bonds or invested in bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States maturing on the earlier of 30 days from the date of such investment or the date of such redemption or refunding as selected by and pursuant to the written directions of the County.

Official notice of redemption having been given as aforesaid, the Series 2010D Bonds or portions of Series 2010D Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County defaults in the payment of the redemption price) such Series 2010D Bonds or portions of Series 2010D Bonds will cease to bear interest. Upon surrender of such Series 2010D Bonds for redemption in accordance with said notice, such Series 2010D Bonds will be paid by the Paying Agent at the redemption price. Installments of interest due prior to the redemption date and, if the redemption date is an Interest Payment Date, on the redemption date will be payable as provided for payment of interest. Accrued interest due on any Series 2010D Bond which is called for prior redemption on a date which is not an Interest Payment Date will be paid at the time the principal of such Series 2010D Bond is paid. Upon surrender for any partial redemption of any Series 2010D Bond, there will be prepared for the registered owner a new Series 2010D Bond or Bonds of the same Series in the amount of the unpaid principal. All Series 2010D Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

SECURITY FOR THE SERIES 2010D BONDS

Pledge of Airport Revenues

The Master Indenture defines the following terms:

"Net Revenues" means the Gross Revenues remaining after the deduction of the Operation and Maintenance Expenses of the Airport System.

"Gross Revenues" means all income and revenues derived directly or indirectly by the County from the operation and use of and otherwise pertaining to the Airport System, or any part thereof, whether resulting from extensions, enlargements, repairs, betterments, or other improvements to the Airport System, or otherwise, and includes all revenues received by the County from the Airport System, including, without limitation, all rentals, rates, fees, and other charges for the use of the Airport System, or for any service rendered by the County in the operation thereof, revenues from any gaming at the Airport System, interest and other realized gain from any investment of moneys accounted for in various accounts of the Airport System Fund, and to the extent provided in the Master Indenture, the Debt Service Reserve Fund, or other account into which revenues are transferred from the Revenue Fund, but excluding (i) any Bond proceeds and any other money credited to the Construction Fund or any like account for financing the acquisition of capital improvements and pertaining to any Additional Project, other than any surplus Bond proceeds or other unrestricted surplus moneys in the Construction Fund or other such account remaining after the completion of and payment for the project pertaining thereto, (ii) any moneys received as grants, appropriations, or gifts, the use of which is limited by the grantor or donor to the construction of capital improvements for the Airport Facilities, except to the extent any such moneys will be received as payments for the use of the Airport Facilities, (iii) any revenues derived from any Special Facilities other than ground lease rentals pertaining to such Special Facilities and any moneys paid to the County in lieu of such rentals, (iv) insurance proceeds other than loss of use or business interruption insurance proceeds, (v) interest and other gain from any investment of moneys in the Debt Service Reserve Fund so long as the amount of such Fund is less than the Reserve

Requirements for the Senior Bonds and all Parity Securities, (vi) the proceeds of any passenger head tax or other per-passenger charge hereafter fixed and collected by the County in accordance with law, and (vii) any amounts paid to the County pursuant to a Qualified Swap.

Specifically excluded from Gross Revenues are passenger facility charges collected by the County. The County may, in its absolute discretion, use any "PFC Revenues" (as defined in Appendix C hereto) that are legally available for the purpose, if such use would be in conformity with federal law, to pay the principal of, premium, if any, and interest on Senior Securities and Subordinate Securities other than PFC Bonds; provided, however, that such PFC Revenues are not pledged for such purpose, and neither the owners of the Series 2010D Bonds nor the Trustee on their behalf will have any lien on any such PFC Revenues, which are pledged solely for payment of the PFC Bonds and other projects which are authorized to be funded with PFC Revenues.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining, and repairing the Airport System, including, without limitation, overhead expenses relating to the administration, operation, and maintenance of the Airport System; insurance and fidelity bond premiums; payments to pension and other funds and to any self-insurance fund not in excess of premiums which would otherwise be required for such insurance; any general and excise taxes or other governmental charges; the reasonable charges of paying agents and depository banks; costs of contractual and professional services, labor, materials, and supplies for current operations; cost of issuance of securities relating to the Airport System (except to the extent paid from securities proceeds); fiduciary costs; cost of collecting and refunding Gross Revenues; utility costs; cost of reimbursing the provider of a surety bond providing for the payment of fees of a liquidity facility provider in connection with variable rate bonds, for payments made under such surety bond; any lawful refunds of any Gross Revenues; and all other administrative, general, and commercial expenses (which includes amounts required to be rebated to the Federal Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended), but excluding: (a) any allowance for depreciation; (b) costs of improvements; (c) reserves for major capital replacements, Airport System operations, maintenance or repair; (d) any allowance for redemption of, or payment of interest or premium on securities; (e) any liabilities incurred in acquiring or improving properties of the Airport System; (f) expenses of lessees or licensees under Net Rent Leases; (g) operation and maintenance expenses pertaining to Special Facilities; and (h) liabilities based upon the County's negligence or other ground not based on contract.

"Airport Facilities" or "Airport System" means all of the County's airport facilities including, without limitation (a) the presently existing airport system consisting of the McCarran International Airport, North Las Vegas Air Terminal, Overton Airport, Jean Airport and Henderson Executive Airport; (b) all land, buildings, structures, and other facilities of such airports or related thereto of whatsoever character and wherever situated, within the County, and all future enlargements thereof and other improvements thereto, however financed and wherever located, or any substitute facilities; and (c) all properties, real, personal, mixed, or otherwise, now owned or hereafter acquired by the County, through purchase, construction, or otherwise, and used in connection with the Airport Facilities and in any way pertaining thereto; but excluding:

(i) Special Facilities until the end of the respective terms of the Net Rent Leases pertaining to such Special Facilities; and

(ii) Any additional airfields or other independent airport facilities (other than the Airport System or any part thereof) which are excluded from the Airport Facilities at the option and by order of the Governing Body pursuant to the Master Indenture.

Senior Bonds, Including the Series 2010D Bonds

Pursuant to the Master Indenture, the County has irrevocably pledged the Net Revenues of the Airport System to the payment of the Senior Bonds, including the Series 2010D Bonds. The facilities comprising the

Airport System, however, have not been pledged to secure payment of the Senior Bonds. The Senior Bonds are also secured by a pledge of all funds and accounts held under the Master Indenture, subject to the provisions of the Master Indenture permitting disbursements of such amounts at the times and in the manner described therein.

The Senior Bonds are special obligations of the County payable solely from Net Revenues generated by the Airport System. The Senior Bonds do not constitute a debt of the County within the meaning of any Constitutional or statutory provision or limitation, or a pledge of the full faith, credit and taxing power of the County.

Set forth below are the outstanding principal amounts of Senior Bonds and the final maturity of each series of Senior Bonds.

CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
Senior Bonds

Name of Bonds	*Principal Amount Outstanding* [(1)]	*Final Maturity (July 1)*
1993 Bonds	$ 96,700,000	2012
2005A Bonds	69,590,000	2040
2008E Bonds	61,165,000	2017
2009B Bonds	300,000,000	2042

(1) As of January 2, 2010.
Source: Clark County Department of Aviation.

The County has authorized and sold $454,280,000 of the Series 2010C Bonds. The delivery of the Series 2010C Bonds if subject to certain conditions and there can be no assurances that the County will actually issue the Series 2010C Bonds. If issued, the Series 2010C Bonds will be payable from Net Revenues of the Airport System on a parity with payment of the Series 2010D Bonds.

The Master Indenture creates a special fund designated the Revenue Fund, to which the County is required to set aside and credit all Gross Revenues of the Airport System upon receipt thereof by the County. The Master Indenture requires that moneys or deposits in the Revenue Fund will be applied solely in accordance with the order of priorities established by the Master Indenture. The first such priority and charge against the Revenue Fund is the payment of Operation and Maintenance Expenses budgeted and approved pursuant to the Master Indenture.

Second Lien Subordinate Securities

Second Lien Subordinate Securities are payable from the Net Revenues of the Airport System subordinate and junior to the Senior Bonds including the Series 2010D Bonds. Such subordinate lien on the Net Revenues will be on a parity with the lien thereon of the outstanding Second Lien Subordinate Securities which include the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 1998A (the "1998A Notes"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2004A-1 and 2004A-2 (the "2004A Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2006A (the "2006A Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2007A (the "2007A Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2008A (the "2008A Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2008B (the "2008B Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2008C (the "2008C Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2008D (the "2008D Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2009C (the "2009C Bonds"), the Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series 2010B (the "2010B

Bonds”), the Clark County, Nevada, Las Vegas McCarran International Airport Passenger Facility Charge Refunding Revenue Bonds, 1998 Series A (the “1998 PFC Bonds”), the Clark County, Nevada, Las Vegas McCarran International Airport Passenger Facility Charge Refunding Revenue Bonds, 2002 Series A (the “2002 PFC Bonds”), the Clark County, Nevada, Las Vegas McCarran International Airport Passenger Facility Charge Refunding Revenue Bonds, 2005 Series A (the “2005 PFC Bonds”), the Clark County, Nevada, Las Vegas McCarran International Airport Passenger Facility Charge Refunding Revenue Bonds, 2007 Series A (the “2007 PFC Bonds”) and the Clark County, Nevada, Las Vegas McCarran International Airport Passenger Facility Charge Refunding Revenue Bonds, 2008 Series A (the “2008 PFC Bonds”) and the Clark County, Nevada, Las Vegas McCarran International Airport Passenger Facility Charge Revenue Bonds, 2010 Series A (the “2010 PFC Bonds,” and together with the 1998 PFC Bonds, the 2002 PFC Bonds, the 2005 PFC Bonds, the 2007 PFC Bonds and the 2008 PFC Bonds, the “PFC Bonds”). For a discussion of certain interest rate swap agreements of the County, the payments under which are secured by an equal or superior lien to the Second Lien Subordinate Securities, see the caption “FINANCIAL FACTORS—Interest Rate Swap Agreements.”

Set forth below are the current outstanding principal amounts of Second Lien Subordinate Securities and the final maturity of each series of Second Lien Subordinate Securities, including the anticipated principal amount of Second Lien Subordinate Securities which have been authorized but not yet issued.

CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
Second Lien Subordinate Securities

Name of Bonds	***Principal Amount Outstanding*** [(1)]	***Final Maturity (July 1)***
1998A Bonds	$ 16,520,000	2010
2004A Bonds	361,155,000	2036
2006A Bonds	74,255,000	2040
2007A Bonds	206,625,000	2040
2008A Bonds	150,000,000	2022
2008B Bonds	150,000,000	2022
2008C Bonds	266,000,000	2040
2008D Bonds	381,390,000	2040
2009C Bonds	168,495,000	2026
2010A Bonds	150,000,000[†]	2040
2010B Bonds	350,000,000	2042
2011A Bonds	275,000,000[†]	2037
1998 PFC Bonds	87,835,000	2022
2002A PFC Bonds	19,010,000	2013
2005A PFC Bonds	229,900,000	2022
2007A PFC Bonds	218,985,000	2027
2008A PFC Bonds	115,845,000	2018
2010A PFC Bonds	450,000,000	2042

(1) As of January 22, 2009.
† The Series 2010A Bonds Series 2011A Bonds have been authorized and sold by the County and have scheduled delivery dates in 2010 and 2011, respectively. There can be no assurances that the County will actually issue the Series 2010A Bonds and the Series 2011A Bonds. See “INTRODUCTION.”
Source: Clark County Department of Aviation.

So long as any Senior Bonds or Second Lien Subordinate Securities remain Outstanding, the entire Gross Revenues of the Airport System, upon their receipt from time to time by the County, are to be set aside and credited immediately to the Revenue Fund, and each Fiscal Year the Revenue Fund is to be administered, and the moneys on deposit therein are to be applied in the order of priority provided in the Master Indenture.

The Airport has authorized and sold $150,000,000 aggregate principal amount of Series 2010A Bonds and the $275,000,000 aggregate principal amount of Series 2011A Bonds for delivery on July 1, 2010 and July 1, 2011, respectively. While the Series 2010A Bonds were sold by the County on January 3, 2006, and the Series 2011 Bonds were sold by the County on April 17, 2007, the sale thereof is subject to certain conditions and there can be no assurance such conditions will be met. In addition, the County may elect to seek to terminate the sale of such obligations.

In addition to the Series 2010B Bonds, the Series 2010C Bonds, the Series 2010D Bonds and the 2010A PFC Bonds, the County currently expects to issue approximately $150,000,000* aggregate amount of additional obligations in calendar year 2010 to finance the capital improvement program and $400,000,000 to refund the outstanding Series 2009A Notes. The additional obligations may include Senior Bonds, Subordinate Lien Bonds or Third Lien Obligations (including bond anticipation notes). Such obligations may include the Series 2010A Bonds. Upon the issuance of these obligations, financing for the Terminal 3 project and other elements of the Airport System's five-year capital improvement plan will be substantially complete. Currently, the Airport does not have any major capital improvements planned beyond such five-year plan.

Budgetary Procedures

The Master Indenture requires that an annual Airport System budget, including estimates of expenditure requirements and revenues of the Airport System for the next ensuing Fiscal Year (July 1 to June 30) be prepared by the Airport Director and submitted to the Governing Body. The estimates of Gross Revenues and expenditures in such budget are required to be classified in a manner consistent with the definitional and accounting requirements established under the Master Indenture. In addition, the Net Revenues, as shown by such estimates, are to be at least adequate to satisfy the requirements of the Rate Maintenance Covenants (hereinafter described). Copies of the proposed budget are to be furnished to the Airport Management Consultant and the Trustee. After adoption of the annual Airport System budget by the Governing Body, the total expenditures for operating and maintaining the Airport System in any Fiscal Year (other than expenses for the purchase of commodities for resale) are not to exceed the total expenditures as set forth in such budget except upon the approving vote of a majority of the Governing Body.

Rate Maintenance Covenant

Pursuant to the Master Indenture, the County must at all times fix, charge, and collect rentals, rates, fees, and other charges for the use of the Airport System, and from time to time and so often as it shall appear necessary, it must revise such as may be necessary or appropriate, in order that in each Fiscal Year the Gross Revenues, together with any Other Available Funds, will at all times be at least sufficient: (A) to provide for the payment of Operation and Maintenance Expenses for such Fiscal Year, and (B) to provide for the larger of either: (1) the amounts needed for making the required cash deposits in the Fiscal Year to the credit of the several subaccounts in the Bond Fund, and to the credit of the Debt Service Reserve Fund, the Subordinate Securities Fund, the Working Capital and Contingency Reserve Fund and the Capital Fund, or (2) an amount not less than 125% of the Aggregate Debt Service Requirements to be accumulated in the Fiscal Year and expended in the Comparable Bond Year for the Senior Securities then outstanding.

Certain adjustments are permitted under the Master Indenture, and Senior Securities owners have certain rights to enforce the rate maintenance covenant contained in the Master Indenture as described in Appendix C hereto.

Debt Service Reserve Fund

Upon the effective date of the Second Supplement to Master Indenture, dated as of September 24, 2009 (the "Second Supplement") (expected to occur upon the issuance of the Series 2010C Bonds and the

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* *Preliminary, subject to change*

Series 2010D Bonds), the Reserve Requirement for the Series 2010D Bonds will be zero. If the Airport delivers the Series 2010C Bonds and the Series 2010D Bonds as expected, the Second Supplement will become effective.

Application of Revenues

Pursuant to the Master Indenture, the County is required to set aside and credit all Gross Revenues upon receipt in the Revenue Fund. In addition to the Revenue Fund and the Operation and Maintenance Fund (including the Rebate Account of the Operation and Maintenance Fund), which will be held by the County, the Master Indenture or the Series Indenture creates the following additional funds and accounts held by the County or the Trustee, as the case may be:

Fund or Account	***Held By***
Bond Fund	Trustee
Interest Account	
Principal Account	
Sinking Fund Account	
Redemption Account	
Debt Service Reserve Fund	Trustee
Subordinate Securities Fund	County
Working Capital and Contingency Reserve Fund	County
Capital Fund	County
Acquisition Fund	County

After making the payments each month required to be credited to the Operation and Maintenance Fund, moneys in the Revenue Fund are required to be transferred and credited to the following funds and accounts at the following times and in the following order of priority:

(i) Monthly, to the Interest Account of the Bond Fund, an amount, together with other moneys available therefor from whatever source, including moneys in the Capitalized Interest Account set aside for such payment, equal to 1/6 of the next maturing interest installments on the Senior Securities, including the Series 2010D Bonds, then outstanding;

(ii) Monthly, to the Principal Account of the Bond Fund, an amount equal to 1/12 of the next maturing principal on the Serial Senior Securities, including the applicable Series 2010D Bonds, then outstanding;

(iii) Monthly, to the Sinking Fund Account of the Bond Fund, an amount equal to 1/12 of the next Sinking Fund Requirement for the Comparable Bond Year for the Term Senior Securities, including the applicable Series 2010D Bonds, then outstanding;

(iv) Monthly, to the Debt Service Reserve Fund, an amount which, if made as one of 60 equal monthly installments, is sufficient to make the sum of the amount on deposit in the Debt Service Reserve Fund plus the amount of any Qualified Surety Bonds on deposit therein equal the Reserve Requirements for the then outstanding Senior Securities, including the Series 2010D Bonds; provided that if any moneys are withdrawn from the Debt Service Reserve Fund (other than any amounts the withdrawal of which does not reduce the reserve to an amount less than the Reserve Requirements) or if payment is made under any Qualified Surety Bond in the Debt Service Reserve Fund to pay the Securities Requirements of any Parity Securities, the amount so withdrawn, except to the extent any such Qualified Surety Bond is reinstated as may be provided therein or in connection therewith, shall be restored therein from Net Revenues available therefor over a 60 month period. See the caption “SECURITY FOR THE SERIES 2010D BONDS—Debt Service Reserve Fund”;

(v) Monthly, to the Subordinate Securities Fund, which includes an amount which is required to provide for the payment of the principal of and interest due on Subordinate Securities as the same become due, including any reasonable reserves for such securities;

Upon the effective date of the Second Supplement to Master Indenture, the Reserve Requirements for any Senior Securities subsequently issued will be established in the applicable series indenture. Upon the effective date of the Second Supplement, the Reserve Requirement for the Series 2010D Bonds will be zero. If the Airport delivers the Series 2010C Bonds and the Series 2010D Bonds as expected, the Second Supplement will become effective. The County may elect to secure any Senior Securities subsequently issued with the Debt Service Reserve Fund, so long as the Reserve Requirement for such bonds is equal to the maximum aggregate debt service;

(vi) Monthly, to the Working Capital and Contingency Reserve Fund, an amount equal to 1/12 of 8.333 percent of the amount designated in the annual Airport System budget then in effect as the annual Operation and Maintenance Expenses for the current Fiscal Year (the "Minimum Working Capital Reserve") less any money available in such Fund. If the Governing Body, after consultation with the Airport Management Consultant, determines at any time that the aforesaid percentage provides insufficient or excessive revenues for the purpose for which the Working Capital and Contingency Reserve Fund is established, the Assistant Director of the Airport (as defined in the Master Indenture) shall adjust the percentage referred to above as directed by the Governing Body but in no event shall such percentage be reduced below 8.333 percent. No payment need be made into the Working Capital and Contingency Reserve Fund so long as the moneys therein shall then equal not less than the Minimum Working Capital Reserve. The moneys in the Working Capital and Contingency Reserve Fund shall be accumulated or reaccumulated and maintained as a continuing reserve to be used only to prevent deficiencies in the payment of the Operation and Maintenance Expenses resulting from the failure to deposit into the Operation and Maintenance Fund sufficient funds to pay such expenses as the same accrue and become due. If at any time the moneys credited to the Operation and Maintenance Fund are insufficient to pay Operation and Maintenance Expenses, the County acting by and through the Assistant Director may withdraw such moneys from the Working Capital and Contingency Reserve Fund and transfer them to the credit of the Operation and Maintenance Fund. Any moneys in the Working Capital and Contingency Reserve Fund exceeding the Minimum Working Capital Reserve shall be transferred to the Revenue Fund.

(vii) To the Capital Fund, from any remaining moneys in the Revenue Fund, (i) equal monthly installments or such greater amounts as required to provide for the payment of the principal of, premium, if any, and interest on any General Obligation Securities, except to the extent the County appropriates other funds therefor, during such Fiscal Year or Comparable Bond Year (the "General Obligation Requirements") and (ii) not less infrequently than annually by the end of each Fiscal Year an amount, but in any event not more than $100,000, necessary to accumulate or to reaccumulate in the Capital Fund a reserve in an amount of not less than $1,000,000 (the "Minimum Capital Reserve"). No payment need be made into the Capital Fund during any Fiscal Year so long as the moneys therein shall equal not less than the sum of the Minimum Capital Reserve plus the General Obligation Requirements for such Fiscal Year.

Moneys in the Capital Fund may be withdrawn in any priority for any one, all, or any combination of the following purposes, as the Governing Body may from time to time determine:

A. *Payment of General Obligation Securities*. To pay the Securities Requirements of any General Obligation Securities as defined in Appendix C hereto;

B. *Capital Costs*. To pay the costs of constructing or otherwise acquiring any betterments of, enlargements of, extensions of or any other improvements at the Airport System, or any part thereof, authorized by law;

C. *Maintenance Costs*. To pay costs of extraordinary and major repairs, renewals, replacements, or maintenance items pertaining to any properties of the Airport System of a type not recurring annually or at shorter intervals and not defrayed as Operation and Maintenance Expenses; and

D. *Securities Requirements*. To pay any securities payable from the Net Revenues, if such payment is necessary to prevent any default in the payment of such securities, or otherwise.

If any monthly payment required to be made into any fund or account set forth above is deficient, the County is required to include the amount of such deficiency in the next monthly deposit into such fund or account.

At the end of any Fiscal Year or whenever in any Fiscal Year there shall have been credited to the above funds and accounts all amounts required to be deposited in those funds or accounts for all of that Fiscal Year and in satisfaction of any deficiencies in any prior Fiscal Year, any remaining Net Revenues in the Revenue Fund may be used for any lawful purposes pertaining to the Airport System, as the Governing Body may from time to time determine.

In accordance with the Series Indenture, there shall be transferred into the Rebate Fund from the Airport Fund, such amounts as are required to be deposited therein to meet the County's obligations under its covenant in the Series Indenture to comply with Section 148(f) of the Tax Code.

Issuance of Additional Senior Bonds

Additional Senior Bonds. The Master Indenture permits, and in instances where the County has covenanted to complete a project requires, the County to issue additional Senior Bonds payable from the Net Revenues of the Airport System on a parity with the Senior Bonds ("Parity Senior Securities") for the following purposes:

(1) paying the Cost of completing the Project or any Additional Project (hereinafter defined) for which any Series of Parity Senior Securities has been issued (see "Senior Completion Bonds," below);

(2) paying the Cost of any additions, betterments, extensions, other improvements or equipment of or related to the Airport System (an "Additional Project") (see "Senior Additional Bonds," below); and

(3) refunding all outstanding Senior Bonds or Parity Senior Securities of one or more Series, or one or more outstanding Senior Bonds or Parity Senior Securities of one or more Series, or one or more maturities within a Series, or refunding any Subordinate Securities (see "Senior Refunding Bonds," below).

In connection with the issuance of additional Series of Parity Senior Securities, the "Cost" of any Project or Additional Project includes, among other items, the costs of surveys or other plans or specifications, builder's insurance, consultant's fees, construction contingencies, property acquisition costs, the costs of issuance of such Series of Parity Senior Securities, capitalized interest to a date not exceeding one year following the estimated completion date of the Project and the funding of reserves for the payment of the Series of Parity Securities.

(1) *Senior Completion Bonds.* The County may issue one or more Series of Parity Senior Bonds or other Parity Senior Securities ("Senior Completion Bonds") to pay the cost of completing the Project or any Additional Project.

Prior to the issuance of any Series of Completion Bonds the County is required to have delivered to the Trustee, among other documents:

A. A certificate of the Consulting Engineer approved by the Director stating that the Project or Additional Project (as the case may be) has not materially changed (except as permitted in the Master Indenture) from the description of the Project in the Report of the Consulting Engineer or from the description of the Additional Project as described in any Series Indenture relating to the Series of Additional Parity Senior Securities issued to finance the Additional Project, and setting forth the aggregate Cost of the Project which, in the opinion of the signer, has been or will be incurred and cannot be paid from the moneys available at the date of the certificate in the account within the Construction Fund applicable to the Project; and stating that, in the opinion of the signers, issuance of the Senior Completion Bonds is necessary to provide funds for completion of the Project; and

B. A certificate of the Director stating that the previous Series of Parity Senior Securities issued in connection with the Project for which the Senior Completion Bonds are being issued were issued to pay all or the balance of the Costs of such Project.

(2) *Senior Additional Bonds.* The County may issue one or more series of Parity Senior Bonds or other Parity Senior Securities ("Senior Additional Bonds") for the purpose of paying the Cost of any Additional Project if, among other conditions, the County shall have delivered to the Trustee, among other documents:

A. *Earnings Test*. (1) A certification of the Director or Assistant Director that the Net Revenues, together with any Other Available Funds received (i) in the last audited Fiscal Year preceding the delivery of the Series of Additional Bonds or other Additional Securities or (ii) for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the delivery of the Series of Additional Bonds or other Additional Securities were at least sufficient to pay amount equal to the larger of either:

(x) The amount needed for making the required cash deposits in the 12-month period to the credit of the several accounts in the Bond Fund and to the credit of the Debt Service Reserve Fund, the Subordinate Securities Fund, the Working Capital and Contingency Reserve Fund, and the Capital Fund, or

(y) An amount not less than 125% of the Reserve Requirements (calculated for the period beginning on the date of issuance of the proposed Additional Bonds or other Additional Securities and ending on the final maturity date of the then Outstanding Parity Bonds and the proposed Additional Bonds or other Additional Securities) of the Outstanding Parity Bonds and the Additional Bonds or other Additional Securities proposed to be issued; or

(2) A certificate of the Airport Management Consultant setting forth for each of the Fiscal Years commencing with the Fiscal Year following the earlier of either (1) the Fiscal Year in which the Consulting Engineer estimates such Additional Project will be completed, or (2) the last Fiscal Year in which there are no Debt Service Requirements for such Additional Bonds, and ending with the Fiscal Year which is five years after that Fiscal Year following the Fiscal Year in which the Consulting Engineer estimates such Additional Project will be completed, estimates of (i) the Gross Revenues and (ii) the Operation and Maintenance Expenses and other amounts required to be deposited in each of the accounts and subaccounts established under the Master Indenture and each Series Indenture supplemental thereto, and demonstrating that the Net Revenues in each such Fiscal Year shall at least equal the larger of either (a) the amounts needed for making the required deposits to the credit of the several subaccounts (other than the Redemption Account) in the Bond Fund, the Debt Service Reserve Fund, the Subordinate Securities Fund, the Working Capital and Contingency Reserve Fund, and the Capital Fund (such required deposits to the Bond Fund and the Subordinate Securities Fund to be adjusted for any Parity Guaranteed Obligations and any Subordinate

Guaranteed Obligations, respectively, among other adjustments herein required or permitted in the manner provided by the definition herein of "Guaranteed Obligation Requirements") or (b) an amount not less than 125% of the Aggregate Debt Service Requirements for the 1993A Bonds, the 2005A Bonds and any Parity Securities of each other Series then outstanding for the Comparable Bond Year for each such Fiscal Year, in each case after giving effect, among other factors, to the completion of the Additional Project or any completed portion thereof, the increase in rates, fees, rentals or other charges (or any combination thereof) under the Rate Maintenance Covenant as a result of the completion of such Additional Project or any such completed portion thereof, and the Debt Service Requirements of the Series of Additional Bonds then to be issued and the Debt Service Requirements, as estimated by the Financial Consultant, with respect to any future Series of Additional Bonds which the Director and the Assistant Director shall estimate (based on the estimate of the Consulting Engineer of the Cost of such Additional Project) will be required to complete payment of the Cost of such Additional Project; and

B. *Consulting Engineer's Certificate*. If paragraph (A)(2) above is used in connection with the issuance of Additional Bonds, a certificate of the Consulting Engineer setting forth (i) the estimated date of completion for the Additional Project for which such Series of Additional Bonds or other Additional Securities is being issued and for any other uncompleted Project for which the Additional Bonds or other Additional Securities are not being issued, and (ii) an estimate of the Cost of such Additional Project and of any other uncompleted Project; and

C. *Absence of Default*. A certification of the Director and Assistant Director that at the time of the execution and delivery of the supplemental instrument authorizing the Additional Bonds or other Additional Securities, as the case may be, as provided in the Master Indenture, the County shall not have been in default in making any payments required by the Master Indenture.

In any computation described above there shall be excluded from Gross Revenues any surplus Bond or other Security proceeds and any capital gain resulting from any sale or revaluation of investments in Investment Securities or bank deposits, or both such securities and such deposits. If any one or more of the documents required by subparagraphs A, B and C above can not be given with the required results stated therein, the County must not issue the proposed Parity Bonds or any other Parity Securities. Nothing contained in this paragraph obligates the County to take any action in violation of any applicable requirements imposed by law, as to any increase in any rentals, rates, fees, and other charges, or otherwise.

(3) *Senior Refunding Bonds.* Prior to the issuance of any Series of Parity Senior Securities ("Senior Refunding Bonds") to refund one or more Series of Senior Bonds or Parity Senior Securities or one or more Senior Bonds or Parity Senior Securities within a Series, or one or more maturities of a Series of Senior Bonds or any Series of Parity Senior Securities, other than for redeeming at their maturity the Term Bonds or Term Securities of a Series which mature within one year of such refunding, the County shall have delivered to the Trustee, among other documents, either of the following: (i) a certificate of the Treasurer setting forth (1) the Aggregate Debt Service Requirements for the then current and each future Bond Year to and including the Bond Year ending on the date of the latest maturity of any Series of Senior Bonds or Parity Senior Securities of any Series then outstanding (a) with respect to the Series of Senior Bonds and Parity Senior Securities of all Series outstanding immediately prior to the date of delivery of such Senior Refunding Bonds and (b) with respect to the Series of Senior Bonds and Parity Senior Securities to be outstanding immediately thereafter, and (2) that the Aggregate Debt Service Requirements set forth for each Bond Year pursuant to (b) above is no greater than that set forth for such Bond Year pursuant to (a) above; or (ii) the certificates required by clauses A through D under "Senior Additional Bonds" above evidencing that such Series of Senior Refunding Bonds meets the tests provided for all purposes of such certificate and tests applied as if such series of Senior Refunding Bonds was a Series of Senior Additional Bonds. Senior Refunding Bonds of each series issued to refund Subordinate Securities may be delivered in a principal amount sufficient, together with other moneys available therefor (including investment income thereon), to accomplish such refunding provided that the County delivers, among other documents, the certificates required by clauses A through D under "Senior Additional Bonds" above if the Subordinate Securities were originally issued to fund an Additional Project or

the certificates required by clauses A and B under "Senior Completion Bonds" above if such Subordinate Securities were originally issued to fund completion of a Project, such certificates to be prepared as if such Series of Senior Refunding Bonds was a Series of Senior Additional Bonds or Senior Completion Bonds, as the case may be.

Issuance of Special Facilities Bonds and Securities Subordinate to Second Lien Subordinate Securities

The Master Indenture includes provisions under which the County may issue Special Facilities Bonds for the purpose of constructing Special Facilities at the Airport for lease on a net rent basis. Any such Special Facilities Bonds shall be payable solely from rentals payable to the County pursuant to such net rent leases, and shall not be a charge or claim against the Revenue Fund or any other account designated in the Master Indenture. For information regarding obligations payable subordinate to the Second Lien Subordinate Securities currently outstanding, see "FINANCIAL FACTORS—Outstanding Airport Indebtedness."

Limited Liability

THE OBLIGATION OF THE COUNTY TO PAY DEBT SERVICE ON THE SERIES 2010D BONDS DOES NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE SERIES 2010D BONDS DO NOT CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, OR A PLEDGE OF THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY.

The Series 2010D Bonds are special obligations of the County payable solely from Net Revenues of the Airport System as described herein. The Series 2010D Bonds do not constitute an indebtedness or a debt of the County within the meaning of any Constitutional or statutory provision or limitation and the Series 2010D Bonds are not considered or held to be general obligations of the County but constitute the County's special obligations. Neither the full faith and credit nor the taxing power of the County is pledged to the payment thereof.

The Series 2010D Bonds are not secured by, and the Series 2010D Bond Owners have no security interest in or mortgage on, the Airport System or any other real property of the County. Default by the County will not result in loss of the Airport System.

FINANCIAL FACTORS

Financial Statements

A copy of the most recent audited financial statements of the Department of Aviation audited by Kafoury Armstrong and Company (the "Auditor") are included as Appendix B to this Official Statement (the "Financial Statements"). The Auditor's letter concludes that the audited financial statements present fairly, in all material respects, the financial position of the Department of Aviation as of June 30, 2009 and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Historical Operating Results and Projected Future Operating Results

Set forth below is a statement of historical revenues and expenses for the Clark County, Nevada Department of Aviation (the "Department") as well as debt service coverage as calculated in accordance with the provisions of the Master Indenture for July 2010 through September 2010 compared to the same period in Fiscal Year 2009 and for the Fiscal Years ended June 30, 2007 and 2008. Fiscal Year 2007, 2008 and 2009 information presented below has been excerpted from the audited Financial Statements of the Department. In each case certain non-cash items have been excluded and certain other adjustments have been made. Also set forth below are estimates of projected future operating results for Fiscal Year ending June 30, 2010 and 2011 in each case prepared by Airport management. The estimates for Fiscal Years 2010 and 2011 are subject to uncertainties and, inevitably, some assumptions used to develop the estimates will not be realized and unanticipated events and circumstances will occur. Therefore, the actual results achieved during the estimate period will vary, and the variations may be material. The table set forth below has not been audited by the Department's Auditor.

CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
Statement of Historical and Projected Revenues and Expenses[1]
(Dollars in Thousands)

	Projected Results Fiscal Years Ending June 30,		*Historical Results Fiscal Years Ended June 30,*				
	2011	***2010***	***July-Sept. 2009[2]***	***July-Sept. 2008[2]***	***2009[3]***	***2008[3]***	***2007[3]***
Operating Revenues:							
Landing fees	$ 55,292	$ 47,663	$ 16,519	$ 12,255	$ 51,423	$ 35,777	$ 32,098
Other aircraft fees	5,076	5,111	1,190	1,362	5,114	5,929	5,518
Building rentals	93,789	89,594	23,146	22,681	93,156[12]	99,386	89,980
Gate use fees	19,173	18,152	4,930	4,766	21,332	18,769	16,909
Land rentals	16,744	16,859	4,589	4,174	17,708	16,486	17,193
Ground transportation fees	12,233	12,318	3,077	2,736	12,325	10,922	10,145
Rental car fees	27,908	28,100	7,292	7,828	28,117	30,905	28,880
Rental car facility rents	29,476	29,679	6,788	7,890	29,697	30,689	1,657
Gaming	34,977	33,433	6,623	8,285	30,573	38,470	40,884
Terminal concession fees	52,850	53,213	12,685	14,180	53,247	54,490	48,252
Parking fees	29,785	27,472	7,045	7,209	27,490	27,983	28,034
Net revenue from reliever airports	4,105	4,133	1,208	1,105	2,609	3,234	2,913
Miscellaneous	6,376	6,420	846	324	6,424	2,848	955
Total Operating Revenues:	$ 387,784	$ 372,147	$ 95,938	$ 94,795	$ 379,215	$ 375,888	$ 323,418
Operating Expenses:							
Salaries, wages and benefits	$ 122,796	$ 114,825	$ 27,334	$ 27,474	$ 112,281	$ 98,753	$ 82,254
Repairs and maintenance	24,200	24,182	4,407	5,494	26,123	25,834	23,350
Professional services	57,670	56,429	12,632	13,626	64,085	68,868[13]	49,786
Utilities and communications	21,970	20,983	7,095	7,119	22,222	22,526	22,622
Miscellaneous	24,400	24,405	2,881	8,262	28,606[14]	40,438	29,431
Total Operating Expenses:	$ 251,036	$ 240,824	$ 54,349	$ 61,975	$ 253,317	$ 256,419	$ 207,443
Net Operating Revenues	$ 136,748	$ 131,323	$ 41,589	$ 32,820	$ 125,898	$ 119,469	$ 115,975
Allowable interest income	16,808	16,398	3,018	3,807	15,999[15]	26,934	24,799
Net Revenues	$ 153,556	$ 147,721	$ 44,607	$ 36,627	$ 141,897	$ 146,403	$ 140,774
Other available funds for purposes of Senior Securities debt service[4]	17,353	14,367	3,592	2,729	10,915	9,984	10,093
Other available funds for purposes of Second Lien Subordinate Securities debt service[5]	23,849	20,863	8,808	4,460	17,838	15,744	17,740
Total debt service for Senior Securities outstanding[6]	$ 68,821	$ 56,874	$ 14,219	$ 10,767	$ 43,066	$ 40,517	$ 40,371
Coverage Ratio for Senior Securities Based on Net Revenues[7]	2.23	2.60	3.14	3.40	3.29	3.61	3.49
Coverage Ratio for Senior Securities Based on Total Funds Available pursuant to the Rate Maintenance Covenant Under the Master Indenture (Required covenant is 1.25)	2.48	2.85	3.39	3.66	3.55	3.86	3.74
Debt Service on Second Lien Subordinate Securities[8][9]	$ 65,579	$ 68,944	$ 17,236	$ 20,243	$ 80,972	$ 84,704	$ 78,525
Coverage Ratio for Second Lien Subordinate Securities Based on Net Revenues After Payment of Senior Securities[8][9]	1.92	1.83	2.48	1.63	1.58	1.58	1.63
Coverage Ratio for Senior and Second Lien Subordinate Securities Based on Total Funds Available (Required covenant is 1.10)	1.32	1.34	1.81	1.41	1.29	1.29	1.33
PFC Revenues[10]	$ 80,925	$ 79,533	$ 20,264	$ 17,558	$ 75,335	$ 79,475	$ 89,358
PFC Related Interest Income	6,000	6,000	1,902	1,127	5,936	15,604	5,229
Total PFC Revenues Available for Debt Service	$ 86,925	$ 85,533	$ 22,166	$ 18,685	$ 81,271	$ 95,079	$ 94,587
Debt Service on PFC Bonds[11]	79,347	66,288	16,572	14,240	59,960	59,263	46,376
Coverage Ratio for PFC Bonds Based Solely on PFC Revenues[7][10]	1.10	1.29	1.34	1.31	1.43	1.60	2.04

(1) Totals may not add due to independent rounding.
(2) Unaudited.
(3) From the Airport's audited financial statements for fiscal years 2006-2007 through 2008-2009.

(4) Under the Master Indenture "Other Available Funds" is defined to mean for any Fiscal Year the smallest amount of unencumbered funds at any time in the Fiscal Year on deposit in the Capital Fund in excess of the Minimum Capital Reserve; but in no event shall such amount exceed 25% of the Aggregate Debt Service Requirements for the Senior Securities then Outstanding for the Comparable Bond Year.

(5) Under the bond ordinances authorizing the Second Lien Subordinate Securities "Other Available Funds" is defined to mean for any Fiscal Year the smallest amount of unencumbered funds at any time in the Fiscal Year on deposit in the Capital Fund in excess of the Minimum Capital Reserve; but in no event shall such amount exceed the sum of (i) 25% of the Aggregate Debt Service Requirements for the Parity Bonds then Outstanding for the Comparable Bond Year, and (ii) 10% of the Aggregate Debt Service Requirements of the Second Lien Subordinate Securities then Outstanding for the Comparable Bond Year.

(6) See under the caption "FINANCIAL FACTORS—Outstanding Airport Indebtedness" for debt service on Senior Securities. Interest on the Series 2009B Bonds capitalized through Fiscal Year 2012. Interest on the Series 2010C and Series 2010D bonds capitalized through Fiscal Year 2012.

(7) For illustrative purposes only; not required under financing documents.

(8) Interest on the Series 2007A-2 Bonds has been capitalized with Series 2007A-2 Bond proceeds in Fiscal Year 2007 and were capitalized in Fiscal Year 2008. Interest on the Series 2007A-1 Bonds were paid with proceeds from the Clark County, Nevada, Airport System Junior Subordinate Lien Revenue Notes, Series 2006B-1 in Fiscal Year 2008. Excludes Debt Service on the 2005B Bonds which was paid from PFC Revenues in Fiscal Years 2007, 2008 and 2009. Excludes Debt Service on certain 2004A-1 Bonds which is assumed to be paid from moneys which have been set aside by the Airport in a revocable escrow fund. Excludes Debt Service on the remaining 2004A-1 Bonds and the 2004A-2 Bonds which were paid from PFC Revenues in Fiscal Year 2008.

(9) Debt service on the 2004A-1 Bonds and 2004A-2 Bonds is net of capitalized interest. Interest on the 2008D-3 Bonds is 6% based on the fixed rate under the 2001C Replacement Swap Agreement (as such term is defined under the caption "FINANCIAL FACTORS—Outstanding Airport Indebtedness"). Interest on the Series 2008B Bonds and the Series 2008C Bonds are payable under the 2005B Replacement Swap Agreement and the 2005C Replacement Swap Agreements (as such terms are defined under the caption "FINANCIAL FACTORS—Outstanding Airport Indebtedness") based on the fixed rates of 3.60% and 3.56%, respectively. Interest on the 2008D-2 Bonds is 3.13% based on the fixed rate under the 2005D Replacement Swap Agreements (as such term is defined under the caption "FINANCIAL FACTORS—Outstanding Airport Indebtedness"). Interest on the 2008D-1 Bonds is 3.45% based on the fixed rate under the 2005E Replacement Swap Agreements (as such term is defined under the caption "FINANCIAL FACTORS—Outstanding Airport Indebtedness"). Debt Service on Series 2008A Bonds and Series 2008B Bonds net of capitalized interest. Interest on the 2009C Bonds capitalized through Fiscal Year 2012. Interest on the Series 2010B Bonds capitalized through Fiscal Year 2012.

(10) Effective September 1, 2008, the Passenger Facility Charge increased to $4.50 per qualifying enplaned passenger. Revenue derived from $4.50 of the $4.50-per-qualifying-enplaned-passenger Passenger Facility Charge is pledged to the payment on the PFC Bonds.

(11) Debt Service on PFC Bonds paid from PFC Revenues (funds other than Net Revenues); net of capitalized interest; includes interest income. Interest on the 2005 PFC Bonds is 4.47% based on the fixed rate under the 2005A Swap Agreement (as such term is defined under the caption "FINANCIAL FACTORS—Outstanding Airport Indebtedness"). Debt Service on the 2005B and 2005C Bonds was paid from PFC Revenues in Fiscal Year 2006. Assumes that certain 2004A-1 Bonds are paid from moneys which have been set aside by the Airport in a revocable escrow fund rather than from Net Revenues of the Airport System. Assumes portions of the 2004A-1 Bonds, 2004A-2 Bonds, 2008C Bonds and 2008D Bonds will be paid from PFC Revenues rather than from Net Revenues of the Airport System.

(12) Reflects the nature of the Airport's Airline Agreements where rates change as expenses increase or decrease on an annual basis. See "THE AIRPORT SYSTEM—Airline Agreements; Rates and Charges."

(13) Professional Services for Fiscal Year 2008 increased 37.7% over Fiscal Year 2007. Professional services provided to the Airport System from the County increased by 30.0% with the largest increase in legal costs due to the large number of litigation cases (see under the caption "LITIGATION AND OTHER LEGAL MATTERS AFFECTING THE AIRPORT") followed by administrative expenses due primarily to the County SAP financial software system charge backs. The security costs, which represent charge backs from Las Vegas Metropolitan Police Department, totaled $15 million for Fiscal Year 2008 as compared to $14 million in Fiscal Year 2007. Shuttle costs to the Airport increased by $6.1 million as a result of shuttling passengers from the new CCRF to the terminal. Other professional services increased as a result of new project planning studies and environmental work associated with the development of the new proposed Ivanpah airport and the proposed new heliport.

(14) Includes expenses for materials and supplies, insurance and administration which were each reduced approximately 15% as a result of the Airport's cost containment strategy.

(15) Decrease in allowable interest income from Fiscal Year 2008 to Fiscal Year 2009 and projections for Fiscal Year 2010 and 2011 reflect the Airport's use of bond proceeds on the construction of Terminal 3.

Source: Clark County Department of Aviation.

Management Discussion of Operating Results and Projections

In accordance with the Airline Agreements landing fee rates, terminal building rental rates, and airport gate use fees are established each fiscal year based on the approved Airport System operating budget. See under the caption "THE AIRPORT SYSTEM—Airline Agreements; Ratings and Charges." These rates are reviewed and adjusted, if necessary, throughout each fiscal year to ensure that the rate covenants are being met. At the end of each fiscal year, the Airport recalculates the rates based on actual expenses and revenues and if additional rents or credits are due, the airlines receive these credits or pay additional amounts due in the subsequent fiscal year.

For Fiscal Year 2009, the airline rates were as follows: an annual landing fee of $2.26 per 1000 pounds of landed weight, $86.35 per square foot terminal building annual rental rate, and a $266,467 annual gate use fee. For Fiscal Year 2010 the airline rates are budgeted as follows: an annual landing fee of $2.26 per 1000 pounds of landed weight, $82.68 per square foot terminal building annual rental rate, and a $225,035 annual gate use fee.

Airline cost per enplaned passenger was $4.71 for Fiscal Year 2005; $4.62 for Fiscal Year 2006; $5.50 for Fiscal Year 2007; $6.22 for Fiscal Year 2008; and $7.67 for Fiscal Year 2009. The Airport estimates that the cost per enplaned passenger for Fiscal Year 2010, 2011, 2012, 2013 and 2014 will be $7.41, $7.91, $7.95, $12.45 and $12.79, respectively. See the caption "THE AIRPORT—Airline Agreements; Rates and Charges" regarding the status of the Airline Agreements. The Airport calculation of airline cost per enplaned passenger includes substantially all costs of facilities utilized by airlines at the Airport. As a result, comparisons of the Airport's cost per enplaned passenger with those of other airports where the airport pays only a portion of such costs may not be comparable.

As a direct result of the current economic recession, the Airport has experienced record declines in passenger volume. For Fiscal Year 2009, passenger enplanements were down 11.8%. For the second largest carrier, US Airways, enplanements were down 32.4% due not only to the economic downturn but the dehubbing activity at the Airport. However, the hubbing operations historically were not significant contributors to the Airport's revenues since these passengers were mainly connecting passengers. In addition, the increased activity of low cost carriers such as Allegiant and JetBlue have mitigated the decrease in revenues created by US Airway's dehubbing activities. See the table entitled "Airline Market Shares, McCarran International Airport, FY 2009, FY 2008, FY 2007 and FY 2000" under the caption "THE AIRPORT SYSTEM—Airport Operations." In order to mitigate rising airline fees and charges, the Airport management cut budgeted operating and maintenance expenses during 2009 approximately 20.0% and cancelled or deferred capital projects totaling over $485 million. Notwithstanding the decline in enplanements for Fiscal Year 2009, non-airline operating revenues at the Airport were down by 9.4%. Despite the current economic recession, non-airline concession revenues per enplaned passenger have also remained strong and have increased. Airline revenues remained stable in Fiscal Year 2009 given the residual cost recovery nature of the airline cost center rate making methodology used by the Airport.

As a further measure to reduce operating and maintenance expenses at the Airport, the Airport closed certain sections of the Airport to not only reduce operating costs but to also concentrate more passengers in certain concession zones throughout the Airport. In February 2009, the Airport closed seven gates in the A/B concourse which totaled approximately 34,000 square feet. In July 2009, the Airport closed the Northwest wing of the D Concourse which included six gates, a total of 69,000 square feet. It is projected that the closure of these areas will save the Airport close to $1.0 million annually in Fiscal Year 2010.

For Fiscal Year 2010, the Airport forecasted that passenger enplanements would decline by an additional 2.5% over Fiscal Year 2009. As a result, the Airport cut its Fiscal Year 2010 operating budget by approximately 2.2% over Fiscal Year 2009 approved levels. As a result, increases in airline rates and charges for Fiscal Year 2010 have been minimized. Although the decline in passenger enplanements through November 2009 had declined by 4.8%, the Airport expects that passenger enplanements during the remaining portion of Fiscal Year 2010 will improve and result in a 2.5% decline for the entire Fiscal Year 2010.

Outstanding Airport Indebtedness

Set forth below is a discussion of outstanding Airport indebtedness, including Senior Bonds, Second Lien Subordinate Securities, Third Lien Subordinate Securities, PFC Bonds and general obligation bonds relating to the Airport.

Senior Bonds. The County currently has outstanding $527,455,000 principal amount of 1993A Bonds, the 2005A Bonds, 2008E Bonds and 2009B Bonds, which, together with the 1993 Interest Rate Swap Agreement entered into with respect to the 1993A Bonds, are the only Senior Bonds currently outstanding (excluding the Series 2010C Bonds, the Series 2010D Bonds and any other Senior Bonds which may be issued in 2010). See the caption "SECURITY FOR THE SERIES 2010D BONDS—Senior Bonds, Including the Series 2001C Bonds."

Second Lien Subordinate Securities. The County currently has outstanding $2,113,590,000 principal amount of Second Lien Subordinate Securities (excluding the Series 2010A Bonds, Series 2010B Bonds and Series 2011 Bonds, if and when issued and excluding any other Second Lien Subordinate Securities which may be issued in 2010) and excluding the PFC Bonds, which together with certain amounts payable by the County pursuant to certain bank credit and liquidity agreements as well as certain interest rate swap agreements described below, are the only Second Lien Subordinate Securities currently outstanding.

PFC Bonds. The County currently has outstanding $1,110,360,000 principal amount of PFC Bonds (excluding the 2010A PFC Bonds, if and when issued and any other PFC Bonds which may be issued in 2010) on which debt services is payable from the Airport's PFC revenues but are also secured by a lien on Net Revenue of the Airport System on parity with the Second Lien Subordinate Securities.

Third Lien Subordinate Securities. The County currently has outstanding $496,420,000 aggregate principal amount of revenue bonds and notes (excluding any Third Lien Subordinate Securities which may be issued in 2010), which are the only Third Lien Subordinate Securities outstanding, other than certain amounts payable by the County pursuant to certain bank credit and liquidity agreements as well as certain interest rate swap agreements, described below. In June 2009, the County issued the Series 2009A Notes in the aggregate principal amount of $400,000,000. The County anticipates issuing revenue bonds to refinance the Series 2009A Notes on or prior to their maturity date on July 15, 2010

General Obligation Bonds. The County currently has outstanding $37,000,000 aggregate principal amount of Clark County, Nevada General Obligation (Limited Tax) (Additionally Secured by Pledged Airport System Revenues) Airport Bonds, Series 2003B Bonds (the "2003B Bonds") and $43,105,000 aggregate principal amount of Clark County, Nevada General Obligation (Limited Tax) (Additionally Secured by Pledged Airport System Revenues) Airport Bonds, Series 2008A (the "2008A GO Bonds"), which are payable from Net Revenues subordinate to the payment of the Third Lien Subordinate Securities.

Interest Rate Swap Agreements

The Airport has been an active participant in the interest rate swap market. A brief description of the Airport swap agreements currently outstanding is provided below:

CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
Interest Rate Swap Agreements[(1)]

Name of Swap	*Counterparty*	*Outstanding Notional Amount*	*Nature of Swap*
1993 Swap Agreement	AIG Financial Products Corp.	$124,900,000	Variable to fixed
2001C Replacement Swap Agreement	Citigroup Financial Products Inc.	122,865,000	Variable to fixed
2001 Basis Swap Agreement	Citigroup Financial Products Inc.	83,346,505	Variable to variable
2003 Fixed Spread Basis Swap Agreement	Citigroup Financial Products Inc.	156,343,429	Variable to variable
2004 Fixed Spread Basis Swap Agreement	Citigroup Financial Products Inc.	300,000,000	Variable to variable
2005A Swap Agreement	Citigroup Financial Products Inc.	240,450,000	Variable to fixed
2005B Replacement Swap Agreement	Citigroup Financial Products Inc.	50,850,000	Variable to fixed
2005C Replacement Swap Agreements	Citigroup Financial Products Inc., JPMorgan Chase Bank, N.A., UBS AG	215,150,000	Variable to fixed
2005D Replacement Swap Agreements	Citigroup Financial Products Inc., JPMorgan Chase Bank, N.A., UBS AG	199,605,000	Variable to fixed
2005E Replacement Swap Agreements	Citigroup Financial Products Inc., JPMorgan Chase Bank, N.A., UBS AG	58,920,000	Variable to fixed
2008 Swap Agreements	JPMorgan Chase Bank, N.A., UBS AG	300,000,000	Variable to fixed
2009 Swap Agreements	Citigroup Financial Products Inc.	550,000,000	Variable to fixed
2010 Forward Swap Agreement	Citigroup Financial Products Inc.	150,000,000	Variable to fixed
2011 Forward Swap Agreements	Citibank, N.A., UBS AG	275,000,000	Variable to fixed

(1) See Note 8(i) of the Department's audited financial statements in APPENDIX B—"REPORT OF KAFOURY ARMSTRONG AND COMPANY AND FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009" for more information with respect to the Airport swap agreements.

Source: Clark County Department of Aviation

Future Interest Rate Swap Agreements. The Airport has been an active participant in the interest rate swap market. The Airport may, from time-to-time, enter additional interest rate swap agreements with security and payment provisions as permitted under the Master Indenture, the Series Indentures and other applicable agreements and may modify or terminate interest rate swap agreements previously entered into and described above.

Debt Service Requirements. The following table sets forth the annual debt service requirements for the outstanding Senior Securities, the various issues of Subordinate Securities and the various issues of PFC Bonds. The debt service requirements for the Series 2010A Bonds and the Series 2011A Bonds, which have been authorized and sold by County but will not be delivered until scheduled dates in 2010 and 2011, respectively, are not included in the table. The debt service requirements for any Senior Bonds, Subordinate Lien Bonds or Third Lien Obligations which may be issued in 2010 are not included in the table below. The debt service requirements below do not reflect payments with respect to interest rate swaps not associated with specific bonds included in following table.

CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
Debt Service Requirements for Outstanding Senior Securities, Subordinate Securities and PFC Bonds

Period Ending July 1[(1)]	*Requirements on Outstanding Senior Securities*[(2)]	*Total Requirements on Subordinate Securities*[(3)(4)(5)]	*Requirements on PFC Bonds*[(6)]	*Total*
2010	$ 52,168,580	$ 67,224,226	$ 66,287,784	$ 185,680,590
2011	51,820,140	58,371,484	79,346,826	189,538,450
2012	57,099,960	73,233,684	79,351,226	209,684,870
2013	52,945,488	146,193,559	79,845,813	278,984,860
2014	52,401,238	141,959,134	79,843,763	274,204,135
2015	60,868,488	134,052,409	79,825,813	274,746,710
2016	57,596,988	146,182,152	79,834,063	283,613,203
2017	54,364,488	152,544,440	79,826,563	286,735,491
2018	54,141,488	158,636,097	79,829,526	292,607,111
2019	52,817,988	159,961,709	80,367,063	293,146,760
2020	52,784,388	159,996,195	80,378,238	293,158,821
2021	52,918,798	159,859,586	80,351,038	293,129,422
2022	55,537,048	157,241,530	80,356,563	293,135,141
2023	55,583,398	157,153,310	80,360,350	293,097,058
2024	55,527,148	157,060,556	54,540,850	267,128,554
2025	36,817,448	156,962,674	58,019,600	251,799,722
2026	36,817,448	156,861,216	81,995,350	275,674,014
2027	36,817,448	131,473,544	82,001,600	250,292,592
2028	36,817,448	125,450,844	43,028,350	205,296,642
2029	36,817,448	115,451,903	43,027,850	195,297,201
2030	59,822,448	90,452,573	43,031,850	193,306,871
2031	41,318,515	109,872,923	43,027,600	194,219,038
2032	42,881,177	107,670,244	43,033,606	193,585,027
2033	44,157,885	106,530,593	43,032,856	193,721,334
2034	45,907,806	104,928,121	43,032,531	193,868,458
2035	47,451,566	103,542,206	43,029,300	194,023,072
2036	74,224,083	101,983,952	43,029,113	219,237,148
2037	99,259,235	76,646,947	43,030,175	218,936,357
2038	88,830,433	86,253,520	43,028,288	218,112,241
2039	89,294,322	85,791,064	43,034,250	218,119,636
2040	89,941,682	85,142,189	43,028,075	218,111,946
2041	94,247,638	80,836,975	43,030,563	218,115,176
2042	94,240,760	80,840,588	43,026,200	218,107,548
2043	111,152,296	--	--	111,152,296
2044	111,147,734	--	--	111,147,734
2045	111,148,171	--	--	111,148,171
TOTAL	$ 2,247,688,611	$ 3,936,362,147	$ 2,027,812,636	$ 8,211,863,394

(1) Totals may not add due to independent rounding. Amount shown is for the Fiscal Year ending on the prior June 30 in which principal and interest accrues.

(2) Includes interest on the 1993A Bonds calculated at 6.69%, the fixed interest rate payable pursuant to the 1993 Swap Agreement. Includes the Series 2010D Bonds and the Series 2010C Bonds. Debt service on the 2009B Bonds and the Series 2010C Bonds are included as net of Subsidy Payments made by the United States Treasury pursuant to the Recovery Act.

(3) Exclusive of PFC Bonds, General Obligation Bonds and Jet A Fuel Tax Bonds.

(4) Interest rate on certain Subordinate Securities computed at the related swap rate. See footnote 9 to the chart entitled "Statement of Historical and Projected Future Operating Results." Interest on the 2009 Forward Swap Agreements calculated at 6.00% through 2017 and 1.46% thereafter.

(5) Excludes Third Lien Subordinate Securities which are paid from sources other than Net Revenues.

(6) Secured by and payable from a portion of certain passenger facilities charges, and in the event the portion of such passenger facilities charges is insufficient to pay the debt service requirements of the PFC Bonds, then from a second lien on the Net Revenues. Interest on the Series 2005 PFC Bonds is 4.47% based on the fixed rate under the 2005A Swap Agreement. See the caption "INTRODUCTION."

Source: Clark County Department of Aviation.

Future Developments. The Airport is an active participant in the public credit markets. The Airport is continually reviewing strategies to minimize debt service. In light of current financial difficulties of certain municipal bond insurance companies and current financial and operating circumstances relating to the Airport, the airline industry, and the national and world economy, the Airport is actively considering the conversion of certain outstanding Airport debt from one interest rate mode to another mode, the refunding of certain Airport debt or taking other actions with respect to certain existing Airport debt.

Historical PFC Revenues

Set forth below is a summary of historical Passenger Facility Charge collections by the County since Fiscal Year 2004-05. The information set forth below has been excerpted from the Audited Financial Statements of the Department. The table below has not been audited by the Department's Auditor.

CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
Historical Passenger Facility Charge Collections

Fiscal Year Ended June 30	***Passenger Facility Charge Collections***
2005[(1)]	$ 73,389,850
2006	85,969,290
2007[(2)(3)]	89,358,373
2008	79,475,000
2009[(4)]	75,335,795
July 2008– Sept. 2008[(5)]	20,263,857
July 2009– Sept. 2009[(5)]	17,558,197
Estimated	
2010	79,533,000
2011	80,925,000

(1) Passenger Facility Charge increased from $3.00 to $4.50 per qualifying enplaned passenger as of November 1, 2004.
(2) As of September 1, 2006, the Passenger Facility Charge decreased from $4.50 to $3.00 per qualifying enplaned passenger.
(3) As of January 1, 2007, the Passenger Facility Charge increased from $3.00 to $4.00 per qualifying enplaned passenger.
(4) As of September 1, 2008, the Passenger Facility Charge increased from $4.00 to $4.50 per qualifying enplaned passenger.
(5) Unaudited.
Source: Clark County Department of Aviation.

The decline in Passenger Facility Charge collections in Fiscal Year 2008 was due to a decline in enplaned passengers at the Airport of approximately forty-five hundredths of a percent (0.45%). Passenger traffic for Fiscal Year 2009 was down by 11.8% over Fiscal Year 2008 levels; however with the increase in the collection amount from $4.00 to $4.50 on September 1, 2008, the Passenger Facility Charge collections only decreased 5.2% over Fiscal Year 2008 levels. Passenger traffic in the first five months of Fiscal Year 2010 declined by 4.8%, however, the Airport expects that passenger traffic for the remainder of Fiscal Year 2010 will improve from current levels, resulting in an aggregate 2.5% decline for Fiscal Year 2010. The Airport currently projects that passenger traffic will increase by 1.8% in Fiscal Year 2011.

Historical Jet A Fuel Tax Revenues

Set forth below is a summary of historical Jet A Fuel Tax collections by the County for the past five fiscal years and projected amounts for Fiscal Year 2009, 2010 and 2011. The information set forth below has been excerpted from the Audited Financial Statements of the Department. The table below has not been audited by the Department's Auditor.

CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
Historical Jet A Fuel Tax Collections

Fiscal Year Ended June 30	*Jet A Fuel Tax Collections*
2005	$ 9,361,931
2006	9,271,000
2007	9,310,000
2008	9,498,000
2009	8,388,000
July 2008– Sept. 2008[1]	2,083,000
July 2009 – Sept. 2009[1]	2,260,301
Estimated	
2010	$ 8,236,000
2011	8,442,000

[1] Unaudited.
Source: Clark County Department of Aviation.

The decline in Jet A Fuel Tax collection in Fiscal Year 2009 was due to a decrease in demand for fuel as airlines attempted to reduce costs by eliminating flights. While the first quarter of Fiscal Year 2010 shows an increase in Jet A Fuel tax collections over the first quarter of Fiscal Year 2009, demand for fuel is expected to be lower during Fiscal Year 2010 than in Fiscal Year 2009. The Airport currently expects demand for fuel to start to improve as aircraft operations improve in Fiscal Year 2011. Jet A Fuel Tax Collection is influenced by total airline fuel flow at the Airport, which is in turn is influenced by individual airline policies.

County Investment Policy

Nevada Revised Statutes §355.170 sets forth investments in which the County Treasurer may invest taxes and other County monies, which currently include United States Treasury notes, bonds and bills, certain federal agency securities, bankers acceptances, commercial paper, money market mutual funds, certificates of deposit of local banks, corporate securities, collateralized mortgage obligations, and repurchase agreements ("Authorized Investments for Counties"). Under the current investment policy approved by the Board of County Commissioners (the "Investment Policy"), the County Treasurer is required to invest all County monies in accordance with the Investment Policy. Under the Investment Policy, the County Treasurer may invest such moneys in investments described therein, which include certain State Authorized Investments (the "County Authorized Investments"). Certain other restrictions are contained in the Investment Policy, including limitations on maturities of certain County Authorized Investments and ratings qualifications on certain categories of investments.

A large portion of the money held by the County Treasurer for investment is invested through the Treasurer's general pooled investment fund (the "County's Pool"). Unexpected withdrawals could force the sale of some investments prior to maturity and lead to realization of losses. Such unexpected withdrawals are considered highly unlikely by the County Treasurer. The current Investment Policy allocates gains on securities in the County Pool on a pro rata basis and the County Treasurer reports that any losses would be allocated on the same basis.

Factors Affecting Airport Operations and Revenues

Future traffic at the Airport is sensitive to a variety of factors including (1) the growth in the population and economy of the air trade area, (2) national and international economic conditions, (3) airline economics and air fares, (4) the availability and price of aviation fuel, (5) airline service and route networks, (6) the capacity of the air traffic control system, (7) the capacity of the Airport/Airways system, (8) accessibility of and traffic to the Airport, and (9) the development of new or expansion of existing airports. Slow or negative traffic growth in many areas, increased competition among air carriers, consolidation and mergers among airlines, increased fuel, labor, equipment and other costs, and increases in the requirements for and the cost of debt capital have combined from time to time to reduce profits materially or to cause losses for the airlines, sometimes leading to bankruptcy or reorganization. A recurrence of these factors could lead to further bankruptcy filings, liquidations or major restructuring by other airlines as well. Under such circumstances, an airline, or a trustee in bankruptcy, would have the right to reject any airline agreements which are in place.

Most of the major airlines carriers (or their respective parent corporations) are subject to the informational requirements of the Securities and Exchange Act of 1934 and in accordance therewith file reports and other information with the Securities and Exchange Commission (the "SEC"). Certain information, including financial information, as of particular dates concerning several of the airlines carriers (or their respective parent corporations), is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected at the Public Reference Room of the SEC at 450 Fifth Street N.W., Washington, D.C. 20549, and copies of such reports and statements can be obtained from the SEC at prescribed rates. In addition, each scheduled airline is required to file periodic reports containing certain financial and operating statistics with the Department of Transportation. Such reports can be inspected at the following location: Office of Aviation Information Management, Data Requirements and Public Reports Division, Research and Special Programs Administration, Department of Transportation, 400 7th Street S.W., Washington, D.C. 20590, and copies of such reports can be obtained from the Department of Transportation at prescribed rates.

THE AIRPORT SYSTEM

Description of Existing Airport Facilities and Current Construction

The County owns and operates an Airport System that includes McCarran International Airport as well as four general aviation airports: North Las Vegas Air Terminal, Henderson Executive Airport, Jean Airport and Overton Airport.

McCarran International Airport. The Airport, which occupies approximately 2,800 acres of land, serves Las Vegas and the surrounding communities of southern Nevada, as well as segments of California, Utah, and Arizona. It is located six miles south of downtown Las Vegas and one mile from the Las Vegas "Strip," the center of the Las Vegas gambling and entertainment industry.

In 1979, the County adopted a Master Plan for ongoing Airport expansion and development (the "Master Plan"). The County continually reviews and updates the Master Plan. The County has made significant improvement to the Airport pursuant to the Master Plan. A major expansion of the terminal structure, an automated transit system, a satellite terminal building, remodeling of the existing terminal structure, a crash/fire/rescue building, and a major expansion of the roadway system and supporting facilities were completed by 1987. Construction of a new parallel east-west runway and associated air field improvements, land acquisition for future expansion and noise compatibility, and various other terminal and property improvement projects at the Airport, as well as improvements to the North Las Vegas Air Terminal, were completed by 1992. Construction of roadway improvements and certain projects for which the Federal Aviation Administration has granted the County approval to impose and use a Passenger Facility Charge were completed by 1994. Construction of an approximately 6,000-space parking garage adjacent to the previously existing Airport parking garage, roadway modifications, Concourse D, an automated transit system connecting Concourse D to the main terminal, runway improvements, improvements to the international terminal and the west rotunda of the Airport, expansion of baggage handling facilities, and land acquisition were completed by 1998. On April 15, 2005, the County completed the construction of the third wing of the Concourse D which resulted in a net increase of 10 gates. In April 2007, the consolidated rental car facility was opened to the public. Installation of an in-line baggage screening facility to meet new security requirements was completed in fiscal year 2007. During fiscal year 2009, a number of major capital improvements were completed, including the construction of the fourth and final wing of Concourse D, which added 8 gates, the repaving of Runway 7R/25L and Taxiway A, a new security checkpoint to Concourse C, a new pedestrian walkway from Concourse C to Concourses A and B and a complete remodel of the baggage claim areas. The Airport has also started construction of a new $2.4 billion Terminal 3 project which will add additional ticketing, baggage claim and international facilities to the Airport System. The Department has spent $1 billion on Terminal 3 as of September 2009. The project is projected to be completed in July of 2012.

Main Terminal Building at McCarran International Airport. The terminal building contains approximately 2,951,000 square feet of space, consisting of a seven-story structure, including ticketing and baggage claim lobbies, a bridge and rotunda, central concession area (e.g., restaurants, shops, restrooms, and other passenger amenities), two pier concourses (Concourses A and B), two satellite concourses (Concourses C and D), served by an automated transit system, and public and employee parking.

The ground level of the central terminal includes an inbound baggage handling system, selected building service functions, and a special entrance facility for tour group buses. The ground level of the concourses provides space for airline operations and ramp equipment storage.

The esplanade level of the terminal provides space for concession areas and other public facilities. The four building levels above the esplanade level provide covered employee parking spaces for approximately 1,550 automobiles, accessible from an elevated roadway and two helical ramps, as well as office space occupied by the Department of Aviation.

Concourses A and B extend outward from the rotunda to provide aircraft parking positions and accompanying passenger boarding areas. Each concourse branches to provide access to two cluster buildings, which are used for aircraft parking and boarding. There are a total of 33 aircraft gates in Concourses A and B.

Concourse C consists of approximately 265,530 square feet of concession area, holdrooms, and public circulation facilities and provides 19 aircraft gates and related support space.

Concourse D currently consists of approximately 880,062 square feet of concession area, holdrooms and public circulation facilities and provides 44 aircraft gates and related support space.

Terminal 2 at McCarran International Airport. Terminal 2, which is an eight-gate, two-level charter/international facility of approximately 200,000 square feet, opened in December 1991.

Other Facilities at McCarran International Airport. Other landside facilities at the Airport include an air cargo facility, general aviation and small aircraft sightseeing operations, the Airport traffic control tower and flight standards district office, an aircraft rescue and firefighting station, a central heating and cooling plant, Airport maintenance and engineering buildings, and a fuel storage tank area. Ground vehicular areas consist of Airport drives and roadways, public parking lots, taxi staging area, charter bus plaza, and a rental car service and storage area. Ground vehicular areas consist of Airport drives and roadways, public parking lots, taxi staging area, and charter bus plaza.

Runways. There are four runways at the Airport: (1) Runway 7L 25R is 14,505 feet long and 150 feet wide and is the primary air carrier aircraft departure runway; (2) Runway 7R 25L is 10,525 feet long and 150 feet wide and is used primarily for air carrier aircraft arrivals; (3) Runway 1R 19L is 9,770 feet long and 150 feet wide and is used primarily for air carrier arrivals and departures, and (4) Runway 1L 19R is 9,770 feet long and 150 feet wide and is used primarily for air carrier arrivals and departures. Other airside facilities consist of related taxiways and apron parking areas. The four air carrier runways are capable of accommodating the largest widebody aircraft currently in service.

North Las Vegas Air Airport. In October 1987, the County acquired the North Las Vegas Airport. The North Las Vegas Airport is within the corporate limits of the City of North Las Vegas on a 930-acre site about 5 miles northwest of downtown Las Vegas. The airfield has three active runways. An approximately 25,500 square-foot terminal and administration building was dedicated in March 1992. In Fiscal Year 2009, approximately 620 aircraft were based at the North Las Vegas Air Terminal, and 144,847 aircraft operations were performed.

Henderson Executive Airport. In March 1996, the County acquired Henderson Executive Airport. Henderson Executive Airport is within the corporate limits of the City of Henderson on an approximately 570-acre site near the edge of the Henderson city limits. The airfield has two active runways, the longest of which is 6,500 feet and capable of accommodating most corporate aircraft. In Fiscal Year 2009, approximately 290 aircraft were based at the Henderson Executive Airport, and 59,189 aircraft operations were performed. In June 2006, the Airport opened a new 24,000 square foot terminal complex at Henderson, a new stand-alone Air Traffic Control Tower and 95 new private hangers. In addition, a privately-funded office/hangar complex was recently completed and additional third-party projects are currently under construction.

Jean Airport. Jean Airport is a general aviation airport in Jean, Nevada, approximately 30 miles south of Las Vegas between Las Vegas and the California/Nevada state line. Jean Airport serves mostly gliders and single-engine aircraft with glider operations predominant. The airport occupies approximately 280 acres and consists of two parallel paved runways, 2L-20R and 2R-20L. 2L-20R is 4,600 feet long and 75 feet wide and is used primarily for training and powered aircraft operations. Runway 2R 20L is 3,700 feet long and 60 feet wide and is mainly used for gliders and ultralights. Paved aircraft parking facilities for approximately 40 aircrafts are located on the west side of the airport in front of the 6,000 square foot terminal building. There is also a self-service fueling facility providing both Jet-A and 100LL fuel on the south side of the parking apron.

Overton Airport. Overton Airport is a general aviation airport in Overton, Nevada, approximately 70 miles northeast of Las Vegas at the northern end of Lake Mead. The airport serves primarily single-engine general aviation aircraft for personal, recreational, and business uses. The approximately 275-acre airport has one active asphalt surface runway, which is 4,800 feet long by 75 feet wide; tiedown spaces and 15 hangers that can accommodate approximately 50 aircrafts; two shade hangars accommodating one aircraft each; a general services building providing public restrooms, telephone and radio transmission equipment; and fueling facilities.

Airport Management

The Airport is operated as an enterprise fund of the County and is managed by the Department of Aviation of the County under the supervision of the Board of County Commissioners of the County and the County Manager.

Board of County Commissioners

The Board of County Commissioners is the governing body of the County. The seven members are elected from County commission election districts for four-year staggered terms. The Board members also serve as the directors of the Las Vegas Valley Water District, as trustees of the University Medical Center of Southern Nevada, the Clark County Water Reclamation District, the Big Bend Water District, the Kyle Canyon

Water District, the Coyote Springs Water Resources General Improvement District, and as members of the Clark County Redevelopment Agency, the Clark County Liquor and Gaming Licensing Board, and the Mount Charleston Fire Protection District.

The Board is also represented on: the Regional Transportation Commission of Southern Nevada, Clark County Regional Flood Control District, Debt Management Commission, Las Vegas Metropolitan Police Committee on Fiscal Affairs, Nevada Development Authority, Family and Juvenile Justice Services Policy and Fiscal Affairs Board, Nevada Association of Counties Executive Committee, National Association of Counties Board of Directors, Southern Nevada District Board of Health, Criminal Justice Advisory Commission (formerly known as the Regional Jail Commission), Southern Nevada Regional Planning Coalition (formerly known as the Government Efficiency Committee), Las Vegas Convention and Visitors Authority, Clark County School District Oversight Panel, Southern Nevada Workforce Investment Board, Southern Nevada Water Authority, Airport Hazard Areas Board of Adjustments, Air Pollution Control Hearing Board, Boulder City Library District Board of Trustees, Clark County Advisory Board to Manage Wildlife, Clark County Animal Advisory Committee, Clark County Board of Equalization, Clark County Boat Facilities and Safety Committee, Clark County Business Development Advisory Council, Southern Nevada Regional Planning Commission A-95 Clearinghouse Subcommittee (formerly known as the Clark County Clearinghouse Council), Clark County Parks and Recreation Advisory Council, Clark County Planning Commission, Clark County Senior Advisory Council, Clark County Shooting Park, Combined Board of Building Appeals, Community Development Advisory Committee, Family Services Citizens Advisory Committee, Clean Water Coalition, Henderson Library District Board of Trustees, Jaycee Mobile Home Park Committee, Juvenile Justice/Family Services Citizens Advisory Committee, Las Vegas/Clark County Library District Board of Trustees, Local Emergency Planning Committee, Local law Enforcement Advisory Board (Justice Assistance Grant), Moapa Valley TV Maintenance District, Nuclear Waste (Yucca Mountain) Advisory Committee, Southern Nevada Enterprise Committee ("SNEC"), Southern Nevada Area Communications Council, Ryan White Title I Planning Council, Nevada Test Site Development Corporation, Economic Opportunity Board ("EOB"), and Nevada Business Service.

The current members of the Commission and their terms of office are as follows:

Commission Members	***Expiration of Term***
Rory Reid, Chair	2011
Susan Brager, Vice Chair	2011
Larry Brown	2013
Tom Collins	2013
Chris Giunchigliani	2011
Steve Sisolak	2013
Lawrence Weekly	2013

Administration

The County Manager is the County's chief executive officer and serves at the pleasure of the Board:

Virginia Valentine, County Manager. Virginia Valentine was appointed as County Manager for Clark County effective August 11, 2006. Previously, she was Assistant County Manager for Clark County since November 2002. As Assistant County Manager she oversaw numerous County departments including Air Quality & Environment Management, Comprehensive Planning, Development Services, Fire, Public Works, Real Property Management, Redevelopment Agency, Assessor, Recorder and Water Reclamation District. Prior to the County, Ms. Valentine served as City Manager for the City of Las Vegas, Nevada. Her appointment at the City of Las Vegas in 1998 was preceded by her position as Senior Vice President of Post, Buckley, Schuh & Jernigan ("PBSJ"), a national consulting engineering firm. At PBSJ, Ms. Valentine was principal in charge of the Public Works and Environmental projects. Ms. Valentine was the first Chief Engineer and General Manager of the Clark County Regional Flood Control District, which was created in

1986. As general manager of the newly formed agency, she developed all the District's programs including master planning, capital improvement, regulatory, flood warning and Stormwater Quality programs. Ms. Valentine has a Master of Public Administration degree from the University of Nevada, Las Vegas and a Bachelor of Science degree in engineering from the University of Idaho.

Department of Aviation

Randall H. Walker, Director of Aviation. Mr. Walker, a native of Henderson, Nevada, was appointed Director of Aviation in May 1997. Prior to his appointment, Mr. Walker served in various governmental positions, including: Assistant County Manager for Clark County, Director of the Clark County Department of Finance, Deputy Director of the Clark County Department of Aviation, and the Deputy City Manager for Administrative Services with the City of Las Vegas. Mr. Walker started his local government career as a budget analyst with Clark County in 1979 and served as Business Manager for the Las Vegas Metropolitan Police Department prior to working for the City of Las Vegas. Upon graduation from Brigham Young University, Mr. Walker was employed by Exxon, USA in Houston, Texas. Mr. Walker graduated with honors (Magna Cum Laude) from Brigham Young University in 1977 with a Bachelors degree in accounting. He is the past year's Chairman of Airports Council International-North America and a member of the World Board of Airports Council International.

Rosemary A. Vassiliadis, Deputy Director of Aviation. Ms. Vassiliadis joined the Clark County Department of Aviation as Deputy Director in December, 1997. Previously she worked for Clark County as the Director of the Department of Finance and for the City of Las Vegas as the Manager of Finance and Budget. Prior to her government service Ms. Vassiliadis worked for Zenith International Corporation in the Corporate Accounting Department. Ms. Vassiliadis graduated from DePaul University in Chicago with a Bachelor of Science Degree in Accountancy.

Alan W. Stewart, Assistant Director of Aviation/Finance. Mr. Stewart joined the Clark County Department of Aviation in June 2004 as Assistant Director of Aviation/Finance. Previously he spent 14 years with the Allegheny County Department of Aviation beginning as the Chief Accountant, promoted to Director of Finance and then promoted to Deputy Director Finance/Administration. Allegheny County Department of Aviation includes Pittsburgh International Airport and Allegheny County Airport.

Mr. Stewart left the Allegheny County Department of Aviation in November 1991 and began a consulting career that has included employment with PB Aviation, Booz Allen Hamilton and most recently Landrum & Brown. Mr. Stewart's consulting career has involved numerous financial feasibility studies, rates and charges analysis and financial planning and analysis for major airports around the country including Los Angeles, Detroit, Cleveland, Phoenix, San Jose and Glendale Burbank airports.

Mr. Stewart graduated from Robert Morris University with a Bachelor of Science Degree in Business Administration and with a major in accounting.

Employees and Pension Matters

As of July 2009, the Department had approximately 1,436 full time employees and 40 part-time employees. Substantially all of the public employees in Nevada, including those of the Department, are covered under the State's Public Employees Retirement System ("PERS"). The County and other participating public employees are not liable for any unfunded liability or other obligations of PERS. The Department's contribution to PERS for the years ended June 30, 2009, 2008 and 2007 were approximately $14,726,783, $14,100,000 and $10,400,000.

Other Post-Employment Benefits

General. The County also makes available certain post-retirement health insurance and life insurance benefits ("OPEB") to employees, including Airport employees, who retire under PERS and elect to receive and pay for these benefits. The OPEB are only available to retirees who are then receiving a pension from PERS ("Retirees"). The current OPEB program covers County employees and Retirees and the employees and Retirees of five other local governments in Southern Nevada: the Las Vegas Convention and Visitors Authority, University Medical Center of Southern Nevada, Regional Transportation Commission of Southern Nevada, Clark County Regional Flood Control District, and Clark County Water Reclamation District (collectively, the "Other Agencies"). Legislation enacted during 2007 changed County employee eligibility to join the State-administered Public Employees' Benefit Program ("PEBP"), described below. Employees who retired on September 1, 2008 and before were eligible to join the PEBP. All other employees who retire after that date will be able to join the County HMO or PPO programs. The discussion below is applicable to Clark County only (not the Other Agencies).

Health Insurance. Retirees can elect to continue to participate in the health insurance benefits provided to employees. For each Retiree, the premium for this insurance benefit is based on the number of persons covered (i.e., the premium is greater for a Retiree who elects to also have dependants covered). The County offers two types of health insurance, a self-funded preferred provider organization plan ("PPO") and a health maintenance organization ("HMO") plan. Retirees can elect to continue coverage under either of these plans on payment of the required premium for themselves and their dependents. The premium payable by the Retiree for the self-funded plan is based on the number of years of service with any of the public entities within the benefit plan, and whether the Retiree (or dependent) receives Medicare insurance benefits. Premiums for the HMO are not dependent on the years of County employment, but vary based upon whether or not the employee receives Medicare insurance benefits.

In lieu of participating in one of the County health insurance plans, Retirees can elect to obtain health care coverage for themselves and their dependants under the PEBP. If a Retiree elects this option, the County is required by NRS 287.023 to pay a statutorily-defined portion of the Retiree's premium for coverage under PEBP; the balance of the premium must be paid by the Retiree. The County's portion of the premium is based on the number of years the Retiree was employed by the County; for employment of 20 years or more, the County is required to pay 100% of the premium subsidy. In the 2007 Nevada Legislative Session, Senate Bill 544 ("SB 544") was adopted, which eliminated the ability of a retiree to receive coverage for health insurance under the PEBP unless the retiree's last employer was actively participating in the plan. Since the County does not utilize the plan for active employees, the practical effect of SB 544 is that after November 30, 2008, retired County personnel will no longer be eligible to receive health insurance coverage through PEBP. Any members already enrolled in the plan at that date will be grandfathered in and will not be subject to any benefit terminations.

Life Insurance. The life insurance benefit offered to Retirees currently provides a \$20,000 death benefit if the Retiree dies before age 70 and a \$1,000 death benefit if the Retiree dies after that age; Retirees who elect to obtain this benefit must pay a subsidized premium of \$45.60 per year if they are under 70 and a premium of \$2 per year if they are over 70. Spouses of Retirees can also be covered at additional cost to the Retiree; the death benefit paid on the death of the spouse is \$5,000 if the Retiree is under 70 and \$1,000 if the Retiree is 70 or older.

Valuation of the OPEB Program and County Share. The County historically has funded its OPEB on a pay-as-you-go basis, but beginning fiscal year 2007-08, Governmental Accounting Standards Board Statement No. 45 ("GASB 45") required that the County begin recording a liability for its share of the OPEB Program unless it sets aside into an irrevocable trust sufficient monies to fund its "ARC" (as defined below) in each year. The County has discussed the OPEB Program with consulting actuaries who have performed a study to determine the actuarial value of the obligations under the OPEB Program. Results of this study indicated that as of June 30, 2009, the total unfunded actuarial accrued liability ("UAAL") for the County's share of the OPEB Program was approximately $1,085,910,192 and the annual amount required to be paid to amortize this liability over 30 years and to accumulate an appropriate amount for current employees so that UAAL does not increase (the "Annual Required Contribution" or ARC) is approximately $119,329,742. These valuations are based on several assumptions, including future Retiree contribution rates, a 4% per annum discount rate and a 4% per annum investment rate.

Funding of UAAL. The County uses the Other Postemployment Benefits Reserve internal service fund to allocate OPEB costs to each fund, based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit Reserve fund for their portion of the annual OPEB cost. As of June 30, 2009, the Other Postemployment Benefit Reserve Fund has $110,466,542 in cash and investments, and $12,087,792 in due from other funds that the County intends to use for future OPEB obligations of the County, PEBP, and Fire plans. The total net OPEB obligation of the County, PEBP and Fire Plans is $85,830,904 as of June 30, 2009. These assets cannot be included in the plan assets considered in OPEB funding schedule because they are not held in trust. The Department is responsible for approximately 20.8% of the County's UAAL and ARC described under such captions. For Fiscal Year 2009, the Airport recorded an expense of $4.2 million representing its share of the ARC.

Budget Process

The Department's budget is prepared on the basis of full accrual accounting. As a component unit of the County, the Department budget is prepared by the Director of Aviation and the Department staff, and then submitted to the County and incorporated in its budget as one of the County's enterprise funds. Accordingly, the Department budget is subject to the budgeting requirements of the State of Nevada and the related budget hearings and open public meeting requirements of the County's budget process. The budget is ultimately approved by the Board of County Commissioners. The Board approved the Department's operating budget for Fiscal Year 2010 on March 31, 2009.

Department Insurance

The Department maintains comprehensive general liability insurance through a policy purchased from ACE USA with per occurrence limits of $750,000,000 for airport operations, and casualty insurance through policies purchased from The Travelers, Lloyds of London, Hartford and Lexington with a total limit of $1,700,000,000. In addition, the Department maintains construction liability and builder's risk insurance for certain capital projects. The Airport currently has in place a comprehensive wrap-up insurance program for construction liability, builder's risk insurance and workers compensation associated with the construction of the Terminal 3 project.

Future Airport Improvements

The Department continuously updates its long-range plan for development of the passenger terminal facilities and airfield areas to meet anticipated growth in airline passengers and aircraft operations. The current five year capital plan of the Department projects capital expenditures of approximately $2.3 billion, with future bond proceeds estimated to fund $248 million in airfield improvements; $115 million in existing terminal facilities; $122 million in infrastructure improvements; $15 million in reliever airport improvements; $1.6 billion for Terminal 3 and $11 million for the environmental impact study for a proposed supplemental airport in Ivanpah, Nevada. Such costs will be financed through a combination of airport revenue bonds, bonds secured by PFC Revenues, federal grants (if available), Jet A fuel tax revenue and internally generated cash, including airline rates and charges and PFC pay-as-you-go.

The County is currently paying a portion of the cost of the construction of Terminal 3 from proceeds of the following existing Airport revenue bonds: the 2007A Bonds, the 2008A and 2008B Bonds, the 2009A Notes, the 2009B Bonds, the 2009C Bonds, the 2010B Bonds and the 2010 PFC Bonds. In addition to the Series 2010C Bonds and the Series 2010D Bonds, the County currently expects to issue approximately

$150,000,000* aggregate amount of additional obligations in calendar year 2010 to finance the capital improvement program and $400,000,000 to refund the outstanding Series 2009A Notes. The additional obligations may include Senior Bonds, Subordinate Lien Bonds or Third Lien Obligations (including bond anticipation notes). Such obligations may include the Series 2010A Bonds. Upon the issuance of these obligations, financing for the Terminal 3 project and other elements of the Airport System's five-year capital improvement plan will be substantially complete. Currently, the Airport does not have any major capital improvements planned beyond such five-year plan.

Terminal 3 will provide up to 14 aircraft gates and related support space, concession areas, holdrooms, parking structure and public circulation facilities. The current estimate of the construction cost of Terminal 3 is estimated to cost $2.3 billion, of which $1.0 billion has been expended as of September 2009. The County currently projects that Terminal 3 will be completed and occupied in July 2012.

The Airport has acquired 6,500 acres of land in Ivanpah, Nevada for the construction of a supplemental airport facility once capacity is reached at the current facility. Such facility would be in addition to the current Airport and would provide facilities to accommodate approximately 30 million enplanements at ultimate build out. The Airport currently expects that the environmental impact study will be completed in 2013. The County currently projects that the Ivanpah facility could be completed as early as 2021 depending on capacity constraints at the current facility.

Service Area

The Airport serves Las Vegas and the surrounding communities of southern Nevada, as well as portions of California, Utah and Arizona. Between Fiscal Years 1980 and 2009, the annual number of airline passengers enplaned at the Airport increased from 5,406,216 to 20,739,408. The number of airline passengers enplaned at the Airport was 20,739,408 for the twelve months of Fiscal Year 2009, as compared to 23,525,862 for the same period during Fiscal Year 2008, for a decrease of approximately 11.8%. The decline in passengers enplaned at the Airport has slowed significantly in Fiscal Year 2010. See the chart entitled "HISTORICAL AIRLINE TRAFFIC" under "—Airline Operations" below. According to Airports Council International, for calendar year 2009, the latest year for which numbers are available, the Airport was the seventh busiest airport in the nation in terms of passenger volume in the United States and the second largest origin and destination airport market after Los Angeles International.

Airport Operations

***Historical Passenger Traffic and Airport Operations*.**

Set forth below is a table showing certain airline enplaned passenger and aircraft departure information since 1975. Scheduled airlines accounted for 97.8% of total enplanements and charter airlines accounted for approximately 0.25%. The remainder was general aviation.

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* *Preliminary, subject to change.*

HISTORICAL AIRLINE TRAFFIC
McCarran International Airport

Fiscal Year	*Enplaned Passengers*[(1)]	*Average Annual Percent Increase (Decrease)*	*Airline Aircraft Departures*[(2)]	*Average Annual Percent Increase (Decrease)*
1975	3,028,785	--%	52,890	--%
1980	5,406,216	12.3	86,576	10.4
1985	5,291,761	(0.4)	73,250	(3.3)
1990	8,942,787	11.1	114,485	9.3
1995	13,875,096	9.2	168,291	8.0
2000	17,720,384	5.0	187,531	2.2
2005	21,439,652	4.1	213,035	2.3
2006	22,546,814	5.2	227,445	6.3
2007	23,628,484	4.8	257,743	13.3
2008	23,525,862	(0.4)	260,275	1.0
2009	20,739,408	(11.8)	230,925	(11.3)
July 2008 – Dec. 2008	10,587,438	--	120,422	--
July 2009 – Dec. 2009	10,115,066	(4.5)	112,877	(6.3)

(1) Includes all enplaned passengers on scheduled, charter, and commuter and other airlines.
(2) Includes passenger airline and cargo airline aircraft departures. Airline Aircraft Departures from July 2009 through November 2009 was down 7.7% on a year over year basis.

Source: Clark County Department of Aviation.

For the first six months of Fiscal Year 2010, on a year over year basis, passenger traffic was down approximately 4.5%. Excluding US Airways, passenger traffic thru November 2009 was flat, relative to November 2008. See "THE AIRPORT SYSTEM—Airport Operations—*Airlines Serving the Airport*." Although the decline in passenger enplanements year-to-date have exceeded the projected 2.5% decline, the Airport expects that passenger enplanements during the remaining portion of Fiscal Year 2010 will improve and result in a 2.5% decline for the entire Fiscal Year 2010.

Set forth below is a table showing origination and destination passenger traffic and connecting passenger traffic since 1990.

ORIGINATION AND DESTINATION AND CONNECTING PASSENGERS AIRLINE TRAFFIC
McCarran International Airport

Fiscal Year	*Total Passengers*	*Average Annual Percent Increase (Decrease)*	*Connecting Passengers*	*Average Annual Percent Increase (Decrease*	*Origination and Destination Passengers*	*Average Annual Percent Increase (Decrease)*
1990	17,763,320	--%	1,484,432	--%	16,278,888	--%
1995	27,703,803	9.3	2,143,968	7.6	25,559,835	9.4
2000	37,314,455	6.1	2,524,860	3.3	34,789,595	6.4
2005	42,859,885	2.8	5,301,722	16.0	37,558,163	1.5
2006	44,988,031	5.0	5,801,923	9.4	39,186,108	4.3
2007	47,375,064	5.3	6,603,046	13.8	40,772,018	4.0
2008	46,983,189	(0.8)	7,154,949	8.4	39,828,240	(2.3)
2009	41,361,001	(12.0)	6,059,511	(15.3)	35,301,490	(11.4)
July 2008 – Nov. 2008	17,971,247	--	2,770,292	--	15,200,955	--
July 2009 – Nov. 2009	17,147,540	(4.6)	2,338,764	(18.5)	14,808,776	(2.6)

Source: Clark County Department of Aviation.

In Fiscal Year 2009, approximately 85.0% of enplanements at the Airport represented originating passengers, with the remaining 15.0% representing connecting passengers changing planes at the Airport. The origination and destination passenger activity, while lower than Fiscal Years 2005 through 2008, has not fallen as dramatically as overall passenger activities during this time period. As expected and as a result of changes in operations by US Airways, the Airport experienced a reduction in the number of connecting passengers changing planes at the Airport in Fiscal Year 2009 as compared to Fiscal Years 2007 and 2008. Comparing origination and destination passenger activity from July 2008 through November 2008 through the same period in 2009, connecting passengers continued to decline from 15.4% of total passengers respectively to 13.6% of total passengers respectively. The Airport expects a further reduction of hub operations from US Airways in the third and fourth quarter of Fiscal Year 2010. The Airport does not expect such a decrease to materially adversely affect the ability of the County to pay principal of or interest on the Series 2010D Bonds.

Historical Seat Capacity and Average Load Factor

Set forth below is a summary of Historical Seat Capacity and Average Load Factor since Fiscal Year 1995.

HISTORICAL SEAT CAPACITY AND AVERAGE LOAD FACTOR
McCarran International Airport

Fiscal Year	***Total 1 Way Seats***	***Average Annual Percent Increase (Decrease)***	***Average Annual Load Factor***	***Average Annual Percent Increase (Decrease)***
1995	16,364,452	14.38%	71.46%	(3.70)%
1996	17,963,393	9.77	74.07	3.65
1997	19,151,433	6.61	74.65	0.78
1998	19,178,879	0.14	75.16	0.69
1999	19,483,039	1.59	76.32	1.54
2000	22,311,709	14.52	75.04	(1.67)
2001	22,938,661	2.81	76.68	2.18
2002	21,987,218	(4.15)	76.09	(0.77)
2003	21,629,390	(1.49)	79.16	4.04
2004	24,051,961	11.05	79.20	0.04
2005	26,504,607	10.20	80.91	2.17
2006	27,820,141	4.96	82.75	2.27
2007	28,449,259	2.26	82.60	(0.18)
2008	28,740,645	1.02	83.23	0.76
2009	25,888,472	(9.9)	83.09	(0.2)

Source: Clark County Department of Aviation.

While seat capacity grew during Fiscal Year 2003 through Fiscal Year 2008, load factor rates remained high. Seat capacity grew by 16.0% between Fiscal Years 2000 and 2009 annually. The total average load factor grew by 10.7% between Fiscal Years 2000 and 2009 annually. Seat capacity has declined in Fiscal Year 2009; however load capacity has remained at recent levels. The airlines are managing available seats to keep load factors at recent levels.

Historical Airline Landed Weight.

Set forth below is a summary of Historical Airline Landed Weight since Fiscal Year 2000.

HISTORICAL AIRLINE LANDED WEIGHT
McCarran International Airport

Fiscal Year	*Landed Weight*[1]	*Average Annual Percent Increase (Decrease)*
2000	24,073,667	14.8%
2001	24,663,929	2.5
2002	23,587,166	(4.4)
2003	23,074,743	(2.2)
2004	24,878,724	7.8
2005	27,066,272	8.8
2006	27,526,493	1.7
2007	28,626,375	4.0
2008	28,922,880	1.0
2009	25,972,894	(10.3)
July 2008 – Dec. 2008	12,934,828	--
July 2009 – Dec. 2009	12,516,790	(3.2)

(1) Pounds per 000
Source: Clark County Department of Aviation.

Airlines Serving the Airport. As of June 30, 2009, the Airport was served by 28 scheduled airlines, of which 11 are international carriers. In addition, the Airport is served by 1 charter passenger airline that operates at the Airport on a regular basis and several other charter airlines that provide service to the Airport on an occasional basis. The scheduled airlines serving the Airport (excluding charters and air taxis) currently provide approximately 491 scheduled departures per day to 133 nonstop markets.

The following table presents the market shares of enplaned passengers for the scheduled airlines serving the Airport for July 2010 through September 2010 as compared to the same period in Fiscal Year 2009 and for Fiscal Years 2009, 2008, 2007 and 2000. US Airways (which merged with America West in September 2005) and Southwest accounted for approximately 51.6% of total enplaned passengers at the Airport in Fiscal Year 2009, as compared to approximately 42.8% of total enplaned passengers at the Airport in Fiscal Year 2000.

AIRLINE MARKET SHARES
McCarran International Airport
JULY-SEP. FY 2010, JULY-SEP. FY 2009, FY 2009, FY 2008, FY 2007 and FY 2000

	July 2009-Nov. 2009		*July 2008-Nov. 2008*		*FY 2009*		*FY 2008*		*FY 2007*		*FY 2000*	
	Passengers	*Percent*	*Passengers*	*Percent*	*Passengers*	*Percent*	*Passengers*	*Percent*	*Passengers*	*Percent*	*Passengers*	*Percent*
Scheduled Airlines:												
Southwest	3,293,773	38.29%	3,210,729	35.54%	7,685,790	37.08%	8,174,963	34.75%	7,852,251	33.23%	4,934,299	27.85%
America West[1]	--	--	--	--	--	--	--	--	4,723,103	19.99	2,646,809	14.94
United[2]	634,157	7.37	680,040	7.53	1,487,166	7.17	1,614,656	6.86	1,725,420	7.30	1,722,119	9.72
Delta[3]	526,937	6.13	532,443	5.89	1,249,594	9.10	1,360,238	5.78	1,342,409	5.68	1,409,339	7.95
National[4]	--	--	--	--	--	--	--	--	--	--	666,807	3.76
American	477,731	5.55	468,079	5.18	1,094,593	5.28	1,113,778	4.73	1,125,573	4.76	1,106,256	6.24
Continental	434,390	5.05	440,960	4.88	990,985	4.78	1,024,824	4.36	1,028,025	4.35	767,278	4.33
Northwest[5]	344,897	4.01	272,115	3.01	681,974	--	735,093	3.13	764,690	3.24	680,597	3.84
Alaska	206,403	2.40	222,067	2.46	510,331	2.46	586,527	2.49	552,227	2.34	430,549	2.43
US Airways[6]	990,380	11.51	1,458,532	16.14	3,028,620	14.61	4,482,119	19.05	827,299	3.50	203,107	1.15
Virgin America	95,624	1.11	88,777	0.98	220,641	1.06	--	--	--	--	--	--
Jet Blue	165,181	1.92	202,198	2.24	418,437	2.02	447,325	1.90	426,706	1.81	--	0.00
Frontier[7]	112,056	1.30	105,967	1.17	247,830	1.20	290,508	1.24	273,127	1.16	100,223	0.57
Allegiant	379,335	4.41	364,689	4.04	914,604	4.41	892,801	3.80	771,124	3.26	35,880	0.20
Airtran	122,020	1.42	145,361	1.61	299,655	1.45	346,175	1.47	183,401	0.78	--	0.00
Champion[8]	--	--	--	--	--	--	89,952	0.38	166,135	0.70	229,506	1.30
ATA[9]	--	--	--	--	192	0.00	92,376	0.39	71,136	0.30	572,485	3.23
Aloha Airlines[10]	--	--	--	--	--	--	16,826	0.07	17,241	0.07	--	0.00
Midwest	24,304	0.28	43,101	0.48	82,688	0.40	146,290	0.62	129,313	0.55	--	0.00
Spirit Airlines	57,831	0.67	70,763	0.78	115,900	0.56	260,645	1.11	162,248	0.69	--	0.00
Westjet	142,139	1.65	61,414	0.68	342,215	1.65	--	--	--	--	--	--
Terminal 2 Foreign Flag	377,791	4.39	418,541	4.63	845,046	3.11	1,045,466	4.44	824,974	3.49	509,293	2.87
Reno Air[11]	--	--	--	--	--	--	--	--			124,292	0.70
Subtotal	8,384,949	97.48%	8,785,776	97.24%	20,216,261	97.53%	23,002,111	97.79%	23,139,077	97.93%	16,487,809	93.05%
Charter Airlines	26,420	0.31%	45,878	0.51%	101,750	0.49%	108,388	0.46%	172,493	0.73%	911,194	5.14%
General Aviation and Other	190,646	2.22%	203,162	2.25%	411,125	1.98%	411,948	1.75%	316,914	1.34%	321,381	1.81%
Total	8,602,015	100.00%	9,034,816	100.00%	20,729,136	100.00%	23,522,447	100.00%	23,628,484	100.00%	17,720,384	100.00%

(1) Merged with U.S. Airways in September 2005.
(2) Filed for Chapter 11 bankruptcy in December 2002; emerged from Chapter 11 bankruptcy in February 2006.
(3) Filed for Chapter 11 bankruptcy in September 2005; emerged from Chapter 11 bankruptcy in April 2007.
(4) Filed for Chapter 11 bankruptcy in December 2000. National Airlines began servicing the Airport in Fiscal Year 2000 and in November 2002, National Airlines ceased operations.
(5) Filed for Chapter 11 bankruptcy in September 2005; emerged from Chapter 11 bankruptcy in May 2007.
(6) Filed for Chapter 11 bankruptcy in August 2002; refiled for Chapter 11 bankruptcy in September 2004; emerged from Chapter 11 bankruptcy in September 2005, and merged with American West in September 2005.
(7) Filed for Chapter 11 bankruptcy in April 2008.
(8) Ceased operations May 2008.
(9) Filed for Chapter 11 bankruptcy and ceased operations in April 2008.
(10) Filed for Chapter 11 bankruptcy and ceased operations in March 2008.
(11) Reno Air was purchased by American Airlines in 1998 and is no longer operated as a separate entity.
Source: Clark County Department of Aviation.

Airline Agreements; Rates and Charges

Certain of the scheduled airlines serving the Airport have entered into a written Scheduled Airline Operating Agreement and Terminal Building Lease with the County (the "Airline Agreements"). These airlines are Alaska Airlines, American, Continental Airlines, Delta Air Lines, Northwest Airlines, US Airways, United and Southwest Airlines. The Airline Agreements commenced on July 1, 2003 and had stated termination dates of June 30, 2008. Although the Airline Agreements have expired, the Airport and the airlines are currently operating under the terms and conditions of such Airline Agreements on a month to month basis until such time as new agreements are executed. It is currently projected that the County and airlines will have new agreements completed during the later part of Fiscal Year 2010.

The Airline Agreements provided that each airline subject to the Airline Agreements was obligated to pay rentals, fees and charges so that the total amount paid by all subject airlines, after taking into account certain other non-airline revenues such as concessions revenues (see "—Airport Concessions" below), would be at least equal to an amount to provide annual revenues sufficient for the County to meet the Rate Maintenance Covenant. The Airline Agreements provided for payment of terminal building rentals and aircraft gate use fees on a compensatory basis and for payment of landing fees on an Airport System residual basis. Such rentals and fees were established each fiscal year based on the approved Airport System operating budget. These rates were reviewed and adjusted, if necessary, throughout each fiscal year to ensure that the rate covenants were being met. At the end of each fiscal year, the Airport recalculated the rates based on actual expenses and revenues and if additional rents or credits were due, the airlines received these credits or paid additional amounts due in the subsequent fiscal year. The County reserved the right to make certain extraordinary adjustments to rentals and fees to assure that costs and expenses of the Airport will be paid.

It is not contemplated that the new airline agreements currently under negotiation will significantly revise the method upon which rates and charges are calculated. The Airline Agreements provided that all rights of the airlines thereunder were expressly subordinated to the provisions of any pledge made by the County pursuant to the terms of the Master Indenture.

Rates and charges for those airlines at the Airport which were not subject to an Airline Agreement are established by ordinance. For Fiscal Year 2010, such rates and charges are similar to those charged under the Airline Agreements.

Upon entering an Airline Agreement, each airline was required to post a letter of credit to secure certain payments to the Airport. To the extent a letter of credit expires and an airline was unable to post a new letter of credit, such airline was required to operate under a non-conforming permit. Non-conforming permits included a provision that results in a 10% increase in rates and charges for such airlines. No airlines were operating at the Airport under non-conforming permits as of December 31, 2009.

Airport Concessions

The principal concessions at the Airport are gaming, rental car, automobile parking, advertising, news and gift, and food and beverage. The County also derives revenues from specialty shops, telephones, limousines, ground transportation services, building and land rentals, and other concessions. Concessions in general operate under concession agreements providing for payment to the County of a percentage of gross revenue. In Fiscal Year 2009, concession revenues included gaming revenues of approximately \$30.6 million, \$54.2 million in advertising and food/beverage, news/gift and other terminal concession revenues, \$40.4 million in rental car and other transportation revenues and parking revenues of approximately \$27.5 million.

A discussion of the major concession arrangements follows:

Gaming. The gaming concession at the Airport operates under an agreement providing for payment to the County of 86.5% of gross revenues after payment of payroll and tax expenses, which results in the

County receiving approximately 66% of gross gaming revenues, subject to guaranteed minimum payments. The current gaming concession agreement extends to February 28, 2017. For Fiscal Year 2009 gaming revenues were down close to 20.5% as compared to Fiscal Year 2008. This decrease can be attributed to the overall decline in discretionary spending on gaming in general and the discontinuation of smoking rooms at the Airport which included slot machines. The Department is currently working closely with the gaming concessionaire in placing new state-of-the-art gaming devices at the Airport to help generate more sales. The results of this initiative will not be known for several months.

Rental Cars. Eleven rental car companies (Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, Thrifty, Sav-Mor and US Rentals/Advantage) are operating at the Airport under new concession agreements. The concession agreement requires for the payment of 10% of gross revenues, subject to minimum annual guarantees. The rental car companies are also required to collect from their customers and remit to the Airport a customer facility charge ("CFC") of $3.00 per contract day. The CFC commenced in May, 2004. Effective January 1, 2010, the CFC will increase to $3.25 per contract day. The CFC is currently being used by the Airport to pay for certain expenses relating to the consolidated rental car facility. The concession revenues generated by the rental car companies totaled $28.1 million, down approximately 9.0% over Fiscal Year 2008.

Automobile Parking. Parking facilities at the Airport are operated by the County and include two existing parking garages containing approximately 7,500 covered parking spaces and three other lots. There are no significant off airport parking facilities in operation. During Fiscal Year 2009, the Department increased all of the parking rates at the Airport. Such increase in rates partially offset the reduced number of parked cars and resulted in parking revenues for Fiscal Year 2009 decreasing by approximately 2.0% from $28.0 million to $27.5 million.

Advertising. The advertising arrangements in the Main Terminal, Charter/International Terminal, and other areas provide for the payment of advertising commissions to the County of up to 85% of gross revenues, with a total minimum annual guarantee of $5,400,000. Agreements for outdoor billboard advertising locations on Airport property provide for the payment of advertising commissions to the County ranging from 25% to 85% of gross revenues, with a total minimum annual guarantee of $3,600,000. Four additional billboard locations have been awarded at the Airport and the total minimum annual guarantee will increase by $700,000. Terminal advertising for Fiscal Year 2009 totaled $14.6 million, down 7.6% over Fiscal Year 2008. Billboard revenues from roadway advertising totaled $6.8 million in Fiscal Year 2009 down less than one percent over Fiscal Year 2008.

News and Gifts. The Hudson Group operates all of the news and general merchandise (gifts) concession at the Airport under an agreement that extends through July 31, 2020. As of April 1, 2008, the County receives 17.5% of gross revenues on reading materials; 20% on the sale of cigarettes, candies, drugs, sundries and snack foods; and 22% on all other items. The Hudson Group has renovated all of the news and gift stores within the Airport. For Fiscal Year 2009 news and gift revenue at the Airport increased from $12.7 million to $13.1 million, an increase of 3.1%. This increase can partially be attributed to passengers buying more drinks, snacks and reading materials as the airlines have discontinued most of these amenities on their flights.

Nuance Global Traders, USA Inc. operates the news and general merchandise and duty free concession at the Charter/International Terminal under an agreement that extends month-to-month. According to the terms of the agreement for the news and gifts concession, the County receives 10% of the gross revenues on reading material; 12% on the sale of cigarettes, candies, drugs, sundries, and snack foods; and 18% on all other items, for gross revenues of $499,999 or less. For gross revenues between $500,000 and $999,999, the County will receive 10%, 15%, and 27%, respectively, for these items, and for gross revenues in excess of $999,999, the County will receive 10%, 15%, and 34%, respectively. Under the terms of the agreement for the duty free concession, the County receives 16% of all gross revenues up to $999,999; 21% of gross revenues between $1,000,000 and $2,999,999; and 26% of gross revenues thereafter.

Food and Beverage. HMS Host Services Corporation has the exclusive concession privilege to operate food and beverage services in the Terminal Building and at the Charter/International Terminal at the Airport, including terminal restaurants, cafeterias, snack bars, and cocktail bars. Under an agreement that extends to November 30, 2018, HMS Host pays the County 11.0% of gross revenues on food and non-alcoholic beverages and 18.0% of gross revenues on liquor sales. HMS Host is currently in the process of re-branding several of their food locations throughout the Airport. During Fiscal Year 2009 food, beverage and bar sales at the Airport were $14.3 million, a decrease of 7.1% over Fiscal Year 2008.

Other Terminal Building Concessions. The County also derives revenues from specialty shops and other concessions and services within the Terminal Building according to the terms of various agreements.

LITIGATION AND OTHER LEGAL MATTERS AFFECTING THE AIRPORT

General Litigation. There is no controversy of any nature now pending against the County or, to the knowledge of its respective officers, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2010D Bonds or in any way contesting or affecting the validity of the Series 2010D Bonds or any proceedings of the County taken with respect to the issuance of, sale thereof, or the pledge or application of any monies or security provided for the payment of the Series 2010D Bonds or the use of the Bond proceeds.

Inverse Condemnation Litigation. The County is a party to actions concerning Airport System operations in which inverse condemnation damages and other damages are being sought against the County. Although the facts and circumstances of each case differ, the County believes the ultimate outcomes of all cases summarized below, will be affected by 2006 Nevada Supreme Court case, *Steve Sisolak v. McCarran International Airport and Clark County*.

In *Sisolak*, the District Court found for plaintiff's inverse condemnation claim, holding that a "per se taking" had occurred as a result of the County's enactment of airport height zoning ordinances. On appeal, the Nevada Supreme Court on July 13, 2006 affirmed the District Court's ruling that a "per se taking" had occurred as a result of the County's airport height zoning ordinance. The County petitioned the U.S. Supreme Court for a *writ of certiorari* based on federal law but the petition was denied in February 2007. *Sisolak* is currently the controlling law in Nevada. A discussion of the individual cases is below.

Pending Cases

Wykoff Newberg Corporation, International Smelting Company, Inc., and Doe Landowners I-XX v. McCarran International Airport and Clark County, Case No. A537547. Outside counsel is handling this litigation on behalf of the County. The plaintiffs filed an inverse condemnation complaint against the County on February 20, 2007, alleging the imposition of zoning height restrictions over the plaintiff's property constitute a "per se taking." Discovery has not commenced and the amount claimed is uncertain. This case is currently stayed pending the outcome of the ongoing appeal of the statute of limitations issue in another case under appeal. This case has the identical statute of limitations issue as the *David Johnson* case, below. It is impossible to predict the outcome of this case at this juncture given the current stage of the present litigation, the *David Johnson* appeal and the possible effect of the *Sisolak* decision.

David Johnson, Trustee of the Joseph W. Huntsman 1983 Trust v. McCarran International Airport and Clark County, Case No. A572935. Outside counsel is handling this litigation on behalf of the County. This case was filed on October 3, 2008 alleging that the imposition of zoning height restrictions over the plaintiff's property constitutes a "per se taking." On December 18, 2008, the County filed a motion to dismiss the case based upon the statute of limitations. On April 16, 2009, the Court granted Clark County's Motion to Dismiss. The Landowners have filed an appeal. Briefing is underway. The County believes it has a strong legal argument but cannot predict the outcome of the appeal.

70 Limited Partnership, Tertia Dvorchak as special administratrix of the estate of Thomas T. Beam, Deceased v. McCarran International Airport and Clark County, Case No. A572739. Outside counsel is handling this litigation on behalf of the County. This case was filed on October 1, 2008 alleging that the imposition of zoning height restrictions over the plaintiff's property constitutes a "per se taking." On December 18, 2008, Clark County filed a Motion to Dismiss based on the running of the statute of limitations. Two ordinances are involved in this case - Ordinance 1221 and Ordinance 1599. The only ordinance that was affected by the statute of limitations was Ordinance 1221. On February 26, 2009, the Court heard argument on the Motion to Dismiss and granted the Motion to Dismiss in favor of Clark County. At the present time, the only ordinance that is the subject of litigation at the district court level is Ordinance 1599, which only concerns Plaintiff 70 Limited Partnership. Plaintiff's attorney errantly filed a notice of appeal on behalf of both Plaintiffs, but is currently seeking dismissal of the appeal as to Plaintiff 70 Limited Partnership only. Discovery not commenced. Experts have been retained and the County will be contending there is no damage in this case. This case has the identical statute of limitations issue as the *David Johnson* case, above. The County believes it has a strong legal argument, but cannot predict the outcome of the appeal. As to the remaining case concerning Ordinance 1599, discovery has not yet commenced and it is too early to predict the outcome.

LV Stacy, LLC v. McCarran International Airport and Clark County, Case No. A-09-593658. Outside counsel is handling this litigation on behalf of the County. The case was filed June 29, 2009 alleging that the imposition of zoning height restrictions over Plaintiff's property constitutes a "per se" taking. Discovery has not commenced and the amount claimed is uncertain. The County has filed a motion to dismiss the case based upon the statute of limitations. This case has the same statute of limitations issue as that in the *David Johnson* case, above. It is impossible to predict the outcome of this case at this juncture given the current stage of the present litigation, the *David Johnson* appeal and the possible effect of the *Sisolak* decision.

North American Properties, a Business Entity Formerly Known as Woodbridge Apartments v. McCarran International Airport and Clark County, Case No. A-09-594649. Outside counsel is handling this litigation on behalf of the County. The case was filed July 6, 2009 and has been served on the County. A motion to dismiss is being prepared. The Plaintiff alleges the County of using airport expansion and imposition of height restrictions to lower the value of, or take part of property the Plaintiff owns. This case has the same statute of limitations issue as that in the *David Johnson* case, above. It is impossible to predict the outcome of this case at this juncture given the current stage of the present litigation, the *David Johnson* appeal and the possible effect of the *Sisolak* decision.

Other possible inverse condemnation/taking litigation. As a result of the *Sisolak* decision, it is possible that other litigation will be filed based on a similar legal theory by landowners who are affected by the County's airport height zoning ordinance. It is impossible to predict at this time whether any such litigation will be filed or its ultimate outcome.

Other Litigation. The County is a party to numerous other actions and claims in connection with the ownership and operation of the Airport System, including personal injury claims, employment related claims and construction claims, but in the opinion of the District Attorney, the actions and claims described in this paragraph are not expected, in the aggregate, to have a material adverse effect on the financial condition of the Airport System. Two particular cases of note are:

PCL Construction Services, Inc. v. Clark County Department of Aviation, et al., American Arbitration Association Case No. 79 110 92 08 MARS. Outside counsel is handling this arbitration on behalf of the County. PCL was the general contractor for Clark County's $123 million Consolidated Car Rental Facility at McCarran International Airport. PCL, Clark County, and multiple subcontractors on the project have unresolved disputes relating to the construction of the project including claims for extra work, delay, and liquidated damages for the late completion of the project. PCL filed an amended demand for arbitration on or about August 20, 2008 naming the County, Carmel Architectural Services, Heinaman Contract Glazing, West Edna Associates, Ltd., Pahor Mechanical Contractors, Inc., and W&W Steel Company, Inc. as respondents.

PCL's demand states that the claim amounts have not been determined and PCL lists $5,000,001 as "a placeholder for this form." Each of the named subcontractors, plus Mohave Electric, have claims against PCL which were assigned to the County. The County also anticipates claims against PCL for delay and other damages. It is impossible to predict the outcome of this case at this junction given the current very early stage of the arbitration. No arbitration date has been scheduled.

Las Vegas Rock, Inc. v. Clark County Department of Aviation, (Formerly Nevada District Court Case No. A562551) U.S. District Court Case No. 2:08-cv-00752-BES-PAL. Plaintiffs filed a Complaint on March 7, 2008 in state district court seeking declaratory relief/quieting title regarding its alleged mining claims on land which Congress has directed the Bureau of Land Management ("BLM") to convey to the County for use as a heliport. The County removed the case to federal court and the United States was joined as a party since it still owns the land. The matter was stayed pending the BLM's determination of the validity of Plaintiff's mining claims. The BLM has issued a Mineral Report Validity Examination that determined the Plaintiff's mining claims are invalid and the BLM intends to convey the land to the County after the close of a current comment period. Discovery has commenced, but nothing substantial has occurred in the litigation. Due to the BLM's determination, the County believes it has a strong defense to the claims made, but it is difficult to predict the ultimate outcome of this case.

Constitutional Amendment. An initiative petition to amend Nevada's constitution was passed by the voters at the general election in 2006 (November 7, 2006), and in 2008 (November 4, 2008) and has become a part of Nevada's constitution. The petition was entitled the "Property Owners' Bill of Rights" and will change the way eminent domain and condemnation cases are treated in various ways. The County cannot predict the financial effect that the constitutional amendment will have on the County in general or the Airport in particular; however, the County does not believe that the constitutional amendment will have a material, adverse effect on the County's obligations to the holders of the Series 2010D Bonds.

RATINGS

Standard and Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's") have assigned the Series 2010D Bonds the ratings of "AA-" and "Aa2," respectively. No application has been made or is anticipated to be made to any other rating agency for the purpose of obtaining any additional rating on the Series 2010D Bonds.

Any desired explanation of such ratings should be obtained from the rating agency furnishing the same. Generally, rating agencies base their ratings on information and materials furnished to them and on investigations, studies and assumptions by the rating agencies. There is no assurance that any rating once assigned will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such change in or withdrawal of such ratings may have an adverse effect on the market price of the Series 2010D Bonds.

UNDERWRITING

The Series 2010D Bonds are being purchased pursuant to a Purchase Contract (the "2010D Purchase Contract"), dated February 9, 2010, by and between the County and Siebert Brandford Shank & Co., LLC, as representative of the underwriters listed on the cover hereof (collectively, the "Underwriters") at a purchase price of $141,668,783.50 (being the par amount of the Series 2010D Bonds, plus $9,890,185.05 of net original issue premium and less $706,401.55 Underwriters' discount). The 2010D Purchase Contract provides that the Underwriters will purchase all of the Series 2010D Bonds if any are purchased.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the Series 2010D Bonds, has entered into a retail brokerage joint venture with Morgan Stanley. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2010D Bonds.

FINANCIAL ADVISORS

Hobbs, Ong & Associates, Inc., Las Vegas, Nevada and Public Financial Management, Inc., San Francisco, California, have served as financial advisors (the "Financial Advisors") to the County in connection with various matters relating to the planning, structuring and execution and delivery of the Series 2010D Bonds. The Financial Advisors have not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the County and the Board of County Commissioners, with respect to the accuracy and completeness of disclosure of such information. No guaranty, warranty or other representation is made by the Financial Advisors respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement. The fees being paid to the Financial Advisors are contingent upon the execution and delivery of the Series 2010D Bonds.

TRUSTEE

The Bank of New York Mellon Trust Company, N.A., by acceptance of its duties as Trustee under the Series Indenture, has not reviewed this Official Statement and has made no representations as to the information contained herein, including but not limited to, any representations as to the financial feasibility of the Series 2010D Bonds or related activities

TAX MATTERS

In the opinion of Swendseid & Stern, a Member in Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Series 2010D Bonds (other than interest on any Series 2010D Bond for any period during which it is held by a "substantial user" of the facilities financed with the Series 2010D Bonds or a "related person" as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2010D Bonds (the "Tax Code")), is excluded from gross income pursuant to Section 103 of the Code, and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

The Tax Code imposes several requirements which must be met with respect to the Series 2010D Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income to the extent described above. Certain of these requirements must be met on a continuous basis throughout the term of the Series 2010D Bonds. These requirements include: (a) limitations as to the use of proceeds of the Series 2010D Bonds and as to the use of the facilities financed thereby; (b) limitations on the extent to which proceeds of the Series 2010D Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Series 2010D Bonds above the yield on the Series 2010D Bonds to be paid to the United States Treasury. The County will covenant and represent in the Series Indenture that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Series 2010D Bonds from gross income and alternative minimum taxable income. Bond Counsel's opinion as to the exclusion of interest on the Series 2010D Bonds from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the County to comply with these requirements could cause the interest on the Series 2010D Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the County and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

With respect to Series 2010D Bonds that were sold in the initial offering at a discount (the "Series 2010D Discount Bonds"), the difference between the stated redemption price of the Series 2010D Discount Bonds at maturity and the initial offering price of those bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions in the preceding paragraphs. The original issue discount on the Series 2010D Discount Bonds is treated as accruing over the respective terms of such Series 2010D Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions described in the preceding paragraphs and will be added to the owner's basis in the Series 2010D Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Series 2010D Discount Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Series 2010D Discount Bonds.

Owners who purchase Series 2010D Discount Bonds after the initial offering or who purchase Series 2010D Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Series 2010D Discount Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Series 2010D Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Series 2010D Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Series 2010D Bonds. Owners of the Series 2010D Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Series 2010D Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Series 2010D Bonds may be sold at a premium, representing a difference between the original offering price of those Series 2010D Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Series 2010D Discount Bonds, original issue discount) on the Series 2010D Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Series 2010D Bonds. Owners of the Series 2010D Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Series 2010D Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Series 2010D Bonds, the exclusion of interest (and, to the extent described above for the Series 2010D Discount Bonds, original issue discount) on the Series 2010D Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Series 2010D Bonds or any other date, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Series 2010D Bonds. Owners of the Series 2010D Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Series 2010D Bonds. If an audit is commenced, the market value of the Series 2010D Bonds may be adversely affected. Under current procedures the Service will treat the County as the taxpayer and the Series 2010D Bondholders may have no right to participate in such procedure. The County has covenanted in the Series Indenture not to take any action that would cause the interest on the Series 2010D Bonds to lose its exclusion from gross income for federal income tax purposes. None of the County, the Underwriters nor Bond Counsel is responsible to pay or reimburse the costs of any Series 2010D Bondholder with respect to any audit or litigation relating to the Series 2010D Bonds.

State of Nevada Tax Exemption. In the opinion of Bond Counsel, under present laws of the State of Nevada, the Series 2010D Bonds, their transfer, and the income thereon are free and exempt from taxation by the State of Nevada or any subdivision thereof except the State estate tax and the State tax on generation skipping transfers.

LEGAL MATTERS

Certain legal matters incident to the validity and enforceability of the Series 2010D Bonds are subject to the final approving opinion of Swendseid & Stern, a Member in Sherman & Howard L.L.C., Las Vegas and Reno, Nevada, Bond Counsel, in the form attached hereto as Appendix F. Certain legal matters will be passed upon for the County by the County District Attorney, Las Vegas, Nevada, for the Underwriters by their counsel Stradling Yocca Carlson & Rauth, a Professional Corporation, Sacramento, California. The fees of Bond Counsel and Underwriters' Counsel are contingent upon the issuance of the Series 2010D Bonds.

CONTINUING DISCLOSURE

Annual audited financial statements of the Department will be available upon request from the Clark County Department of Aviation.

The County has covenanted for the benefit of the holders and beneficial owners of the Series 2010D Bonds to provide certain financial information and operating data (the "County Annual Report") by April 1 of each year (the "Report Date"), commencing April 1, 2011 for the County Annual Report for Fiscal Year 2010 and to provide notices of the occurrence of certain enumerated events, if material. A form of document specifying the nature of the information to be contained in the County Annual Report or the notices of material events is set forth in Appendix D hereto. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). Except as described below, the County has never failed to materially comply with any undertakings previously entered into pursuant to the Rule.

In early 2007, the County discovered that certain tables required to be updated with respect to two special improvement district financings were not included in its annual continuing disclosure filings for Fiscal Years 2004 and 2005. The County has gathered the historical information for those tables and filed them with the Nationally Recognized Municipal Securities Information Repositories at the end of March 2007.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, forecast or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the purchasers of any of the Series 2010D Bonds and the Airport or the County.

This Official Statement contains forward-looking statements, including (a) statements containing projections of Airport System Revenues, expenditures and other financial items, (b) statements of the plans and objectives of the County for future operations of the Airport System, (c) statements of future economic performance of the Airport System, and (d) statements of the assumptions underlying or relating to statements described in (a), (b) and (c) above (collectively, "Forward-Looking Statements"). All statements other than statements of historical facts included in this Official Statement, including without limitation under "FINANCIAL FACTORS" and "THE AIRPORT SYSTEM" regarding the Airport System's financial position, business strategy, capital resources and plans and objectives of the County for future operations of the Airport System are Forward-Looking Statements. Although such expectations reflected in such Forward-Looking Statements are reasonable, there can be no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from expectations of the County (collectively, the "Cautionary Statements") are disclosed in this Official Statement. All subsequent written and oral Forward-Looking Statements attributable to the County or persons acting on behalf of the County are expressly qualified in their entirety by the Cautionary Statements.

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There are appended to this Official Statement appendices entitled "CERTAIN INFORMATION RELATING TO THE COUNTY," "REPORT OF KAFOURY ARMSTRONG AND COMPANY AND FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009," "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE SERIES INDENTURE," "FORM OF CONTINUING DISCLOSURE CERTIFICATE," "DTC AND BOOK-ENTRY ONLY SYSTEM" and "FORM OF OPINION OF BOND COUNSEL." The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

COUNTY OF CLARK, NEVADA

By: /s/ Rory Reid
Chairman

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APPENDIX A

CERTAIN INFORMATION RELATING TO THE COUNTY

This portion of the Official Statement contains general information concerning the economic and demographic conditions in the County. This information is intended only to provide prospective investors with general information regarding the community. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The information presented was obtained from the sources indicated, and the County makes no representation as to the accuracy or completeness of the data obtained from parties other than the County.

Population and Age Distribution

The table below shows the population growth of the County and the State since 1970. Between 2000 and 2008 the County's population increased a total of 43.0% while the State had a population increase of 37.1% over the same time period.

Population[1]

Year	*State of Nevada*	*Percent Change*	*Clark County*	*Percent Change*
1970	488,738	--	273,288	--
1980	800,493	63.8%	463,087	69.6%
1990	1,201,833	50.1	741,459	60.1
2000	1,998,257	66.3	1,375,765	85.5
2005	2,518,869	--	1,796,380	--
2006	2,623,050	4.1	1,874,837	4.4
2007	2,718,337	3.6	1,954,319	4.2
2008	2,738,733	0.8	1,967,716	0.7

(1) 1970, 1980, 1990 and 2000 census figures which were effective April 1. 2005 through 2008 figures are estimated by the Nevada State Demographer as of July 1, and are subject to periodic revisions.
Source: U.S. Bureau of the Census; State Demographer.

The following table sets forth a comparative age distribution profile for the County, the State and the United States, as of January 1, 2009.

Age Distribution

	Percent of Population		
Age	*Clark County*	*State of Nevada*	*United States*
0-17	26.3%	25.6%	24.3%
18-24	8.3	8.4	9.8
25-34	15.0	14.4	13.3
35-44	15.2	14.7	13.9
45-54	13.5	13.9	14.5
55-64	10.9	11.4	11.3
65-74	6.4	6.8	6.7
75 and Older	4.4	4.8	6.2

Source: © 2009 CLARITAS INC.

Income

The following table sets forth annual per capita personal income levels for the residents of the County, the State and the United States.

Per Capita Personal Income[(1)]

Year	*Clark County*	*Percent Change*	*State of Nevada*	*Percent Change*	*United States*	*Percent Change*
2004	$33,463	8.1%	$35,350	8.07%	$33,899	5.00%
2005	36,869	10.2	38,231	8.15	35,447	4.57
2006	38,309	3.9	39,376	2.99	37,728	6.43
2007	39,188	2.2	41,145	4.49	39,430	4.51
2008	39,269	--	41,182	0.09	40,208	1.97

(1) County figures revised April 2009, excepting 2008 figure (Las Vegas-Paradise) which was released August 2009; state and national figures revised October 2009. All figures are subject to periodic revisions.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Gaming

General. The economy of the County (and the State) is substantially dependent upon the tourist industry, which is based on legalized casino gambling and related forms of entertainment. Prior to 2002, gross taxable gaming revenues in the State and the County had never declined from on a year-to-year basis, notwithstanding the changing economic conditions of the United States, although the rate of growth had fluctuated over time. The following table shows a history of the gross taxable gaming revenue and total gaming taxes collected in the County and the State.

Gross Taxable Gaming Revenue And Total Gaming Taxes[(1)]

Fiscal Year Ended June 30	*Gross Taxable Gaming Revenue[(2)]*		*% Change*	*State Gaming Collection[(3)]*		*% Change*
	State Total	*Clark County*	*Clark County*	*State Total*	*Clark County*	*Clark County*
2005	$10,609,819,932	$8,742,377,274	7.70%	$904,122,239	$754,652,285	6.81%
2006	11,802,532,867	9,835,182,641	12.50	1,002,447,124	848,204,810	12.40
2007	12,220,635,559	10,234,740,450	4.06	1,036,688,550	880,339,709	3.79
2008	11,925,274,493	10,022,684,089	(2.07)	980,052,427	831,333,768	(5.57)
2009	10,244,586,809	8,571,914,664	(14.47)	858,007,713	730,603,021	(12.12)
July-Nov. 08	$ 4,446,375,208	$ 3,671,249,324	--	$ 340,979,209	$ 282,500,067	--
July-Nov. 09	4,058,375,733	3,395,263,097	(7.52)	303,193,190	253,394,897	(10.30)

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.
Source: State of Nevada - Gaming Control Board.

Gaming Competition. Different forms of legalized gaming have been authorized by many states, as well as the tribal casinos, across the United States. Other states may authorize gaming in the future in one form or another. The different forms of gaming range from casino gaming to riverboat gambling to lotteries and internet gaming. As presently operated, lotteries offer a considerably different gaming product than that offered in Nevada. The County cannot predict the impact of internet gaming or the legalization of state lotteries and casino gaming in other states on the economy of the County or the State.

California Gaming Measure. In 2000, California voters approved a constitutional amendment allowing Las Vegas-style slot machines and card games at tribal casinos within California. To date, California has signed and ratified compacts with 67 of the State's 107 Indian tribes. Each compact specifies the number of casinos and slot machines a tribe may operate. There currently are 57 tribal casinos operated by 56 tribes. It is not possible to predict at this time whether tribal casinos will negatively impact County revenues in the future.

No gaming revenues are pledged to pay debt service on the Series 2010D Bonds.

Tourism

Tourism is an important industry in the County. Hoover Dam, Lake Mead, Mt. Charleston and other tourist attractions are in Clark County. Attractions such as the Great Basin, Grand Canyon, Yosemite, Bryce Canyon, Zion and Death Valley National Parks are each within a short flight or day's drive of Southern Nevada.

One reflection of the growth of tourism in Southern Nevada is the increase in the number of hotel and motel rooms available for occupancy as shown in the following table. The area's hotels and motels have historically experienced higher occupancy rates than those on a national level.

Set forth in the table below is the Las Vegas Convention and Visitors Authority Marketing Department's estimate of the number of visitors to the Las Vegas Metropolitan Area since 2004. Las Vegas, as did most of the tourism industry, saw declines in tourism indicators in 2008 and 2009 as the combined economic factors of the housing crisis, frozen credit markets, volatile gas prices and increased unemployment translated to reduced consumer confidence and travel spending in much of the country.

VISITOR VOLUME AND ROOM OCCUPANCY RATE
Las Vegas Metropolitan Area, Nevada

Calendar Year	*Total Visitor Volume*	*Number of Hotel/Motel Rooms Available*	*Hotel/Motel Occupancy Rate*[1]	*National Occupancy Rate*[2]
2004	37,388,181	131,503	88.6%	61.3
2005	38,566,717	133,186	89.2	63.1
2006	38,914,889	132,605	89.7	63.4
2007	39,196,761	132,947	90.4	63.2
2008	37,481,552	140,529	86.0	60.4
Jan – Nov. 2008	34,741,853	137,892	87.1%	N/A
Jan – Nov. 2009	33,570,821	141,989	82.4	N/A

(1) The sample size for this survey represents approximately 75% of the total hotel/motel rooms available.
(2) Source: Smith Travel Research, Lodging Outlook.
Source: Las Vegas Convention and Visitors Authority.

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APPENDIX B

REPORT OF KAFOURY ARMSTRONG AND COMPANY
AND FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED JUNE 30, 2009

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FRONT COVER

Comprehensive Annual Financial Report

Clark County Department of Aviation

An Enterprise Fund of Clark County, Nevada

For the Years Ended June 30, 2009, and 2008

Prepared by the Department of Aviation

McCarran International Airport

Las Vegas, Nevada

CLARK COUNTY DEPARTMENT OF AVIATION
Clark County, Nevada

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2009, AND 2008

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LAS VEGAS
McCARRAN INTERNATIONAL AIRPORT

Department of Aviation

RANDALL H. WALKER
DIRECTOR

ROSEMARY A. VASSILIADIS
DEPUTY DIRECTOR

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LAS VEGAS, NEVADA 89111-1005
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November 20, 2009

To the Board of County Commissioners
And County Manager
Clark County, Nevada

The Comprehensive Annual Financial Report (CAFR) of the Clark County Department of Aviation (the Department) for the fiscal year (FY) ended June 30, 2009, is submitted herewith. The Finance Division of the Department prepared this report. The financial statements were audited, as required by Nevada Revised Statues (NRS) 354.624, by Kafoury, Armstrong & Co., independent certified public accountants whose unqualified audit report is contained herein.

The Department comprises a single enterprise fund of Clark County, Nevada (the County), and operates as a separate self-sufficient enterprise fund of the County. The seven-member Board of County Commissioners (the Board) is responsible for governing the affairs of the Department. The Director of Aviation is appointed by the Board and reports directly to the County Manager.

The County owns and the Department operates and maintains McCarran International Airport (the Airport), the seventh largest airport in the United States in terms of passenger volume, and four general aviation airports. The Airport occupies approximately 2,800 acres and is located six miles from downtown Las Vegas and one mile from the Las Vegas "Strip", the center of the Las Vegas gaming and entertainment industry. The Airport is primarily an origination and destination (O&D) airport and is the second largest O&D airport in the United States behind only Los Angeles in calendar year (CY) 2008. In addition to the Airport, the Department operates North Las Vegas Airport, which caters to general aviation activity and is the second busiest airport in the State of Nevada in terms of aircraft operations; and Henderson Executive Airport, a premier corporate aviation facility that features a state-of-the-art terminal, private hangar facilities and a Federal Aviation Administration (FAA) control tower designed to meet the needs of the business aviation community. In addition, the Department operates Jean Sports Aviation Center and Overton-Perkins Field which are primarily used for recreational purposes. All of the airports operated and maintained by the Department are collectively referred to as the Airport System.

As an enterprise fund of the County, users of the Airport System facilities provide all of the revenues necessary to operate, maintain and acquire necessary services and facilities. The Airport System is not subsidized by any tax revenues of the County. The Airport System has been a self-sustaining entity since 1966.

As a result of the current economic recession, the Las Vegas metropolitan area has experienced sharp declines in several key economic areas. For the first time in decades, Las Vegas metropolitan population declined by 0.5 percent for CY 2008. The average number of new residents moving into the metropolitan area decreased from 6,991 average new residents per month in CY 2007 to an average of 866 less residents per month in CY 2008, according to the U.S. Census Bureau. The visitor volume to Las Vegas decreased from 39.2 million in CY 2007 to 37.5 million in CY 2008, a decline of 4.4 percent. For the first six months of CY 2009, the visitor volume declined by 6.8 percent. Convention attendance for CY 2008 fell from 6.2 million in CY 2007 to 5.9 million. For the first six months of CY 2009, convention attendance has fallen by 27.5 percent. The number of conventions held has decreased by 21.6 percent for the first six months of CY 2009 as compared to a decline of 5.8 percent for CY 2008. Clark County gaming revenues for CY 2008 declined by 9.0 percent from $10.9 billion in CY 2007 to $9.8 billion in CY 2009. For the first six months of CY 2009, gaming revenues are down by 13.4 percent.

Hotel occupancy rates for CY 2008 were down from 90.4 percent in CY 2007 to 86.0 percent for CY 2008. For the first six months of CY 2009, the occupancy rate was down 6.5 percent.

The Airport System, which brings nearly 50.0% of the visitors to the area, also experienced significant declines during FY 2009. Enplanements for FY 2009 were down 11.8 percent over FY 2008 enplanements. Although the majority of this decrease was due directly to the economic downturn, a significant portion was also due to the US Airways discontinuing their hubbing operations at the Airport. Enplanement declines during FY 2009 for US Airways alone totaled 32.4 percent, nearly half of the total decline in enplanements at the Airport.

Since the Department has a residual agreement with the signatory airlines serving the Airport, airline revenues for FY 2009 were up from FY 2008 by 8.7 percent. Non-aeronautical revenues for FY 2009 were down 5.5 percent over FY 2008 levels even though the enplanement volume had decreased by 11.8 percent. Overall, operating revenues at the Airport increased from $375.9 million in FY 2008 to $379.2 million in FY 2009. Operating expenses decreased 1.2 percent over FY 2008 levels from $256.4 million in FY 2008 to $253.3 million in FY 2009.

The Airport System management is responsible for the accuracy of the data presented in the financial statements along with the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, and as indicated in the opinion of our independent auditors, this report fairly presents and fully discloses, in all material respects, the Airport System's financial position, results of operations and cash flows in accordance with accounting principles generally accepted (GAAP) in the United States of America.

In developing and evaluating the Airport System accounting system, consideration is given to the adequacy of internal control. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management. Airport System management believes that the Department's internal control processes adequately safeguard assets and provide reasonable assurance that financial transactions are recorded properly.

This letter of transmittal should be read in conjunction with the management's discussion and analysis contained in the Financial Section.

The extraordinary success of the Clark County Department of Aviation is a direct result of the leadership and support of the Clark County Board of Commissioners and County Manager. Also recognized for making a tremendous effort in promoting the success of the Airport System are the employees of the Department and the airlines and other tenants of the Airport System.

We thank the Clark County Board of Commissioners for its continuing support of the Department of Aviation and its efforts to conduct its financial operations in a responsible and progressive manner, and for making the Airport a global leader in its industry.

The preparation of this report is due to the dedicated service and professionalism of the Department's finance staff. We also thank all members of the Department staff who contributed to the preparation of this CAFR.

Sincerely submitted:

Randall H. Walker
Director of Aviation

Alan W. Stewart
Assistant Director – Finance

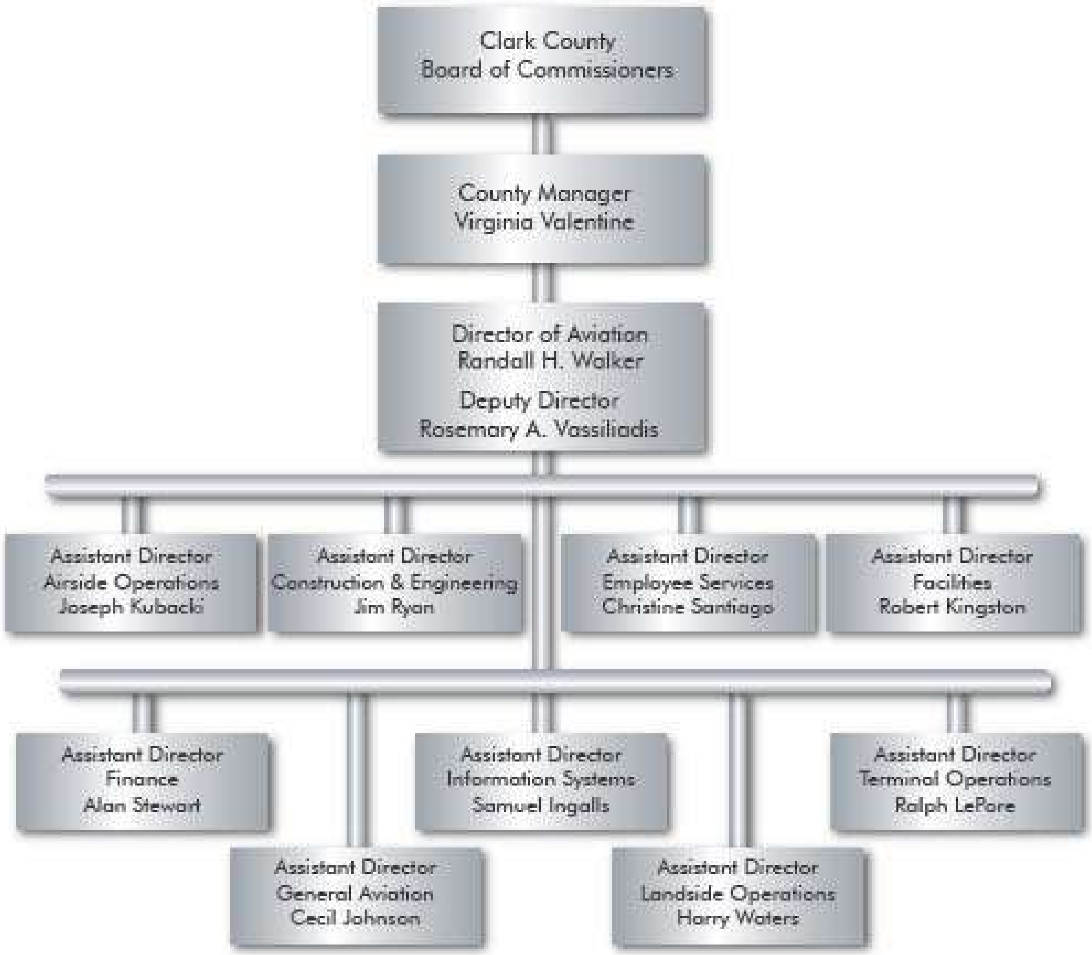
INTRODUCTORY SECTION COVER

CERTIFICATICATE OF ACHIEVEMENT

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA

ORGANIZATION CHART

As of June 30, 2009



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FINANCIAL SECTION COVER

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of County Commissioners
Clark County Department of Aviation
Clark County, Nevada

We have audited the accompanying financial statements of Clark County Department of Aviation, Clark County, Nevada (the "Department"), as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Department as of June 30, 2008, were audited by other auditors whose report dated January 7, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Clark County Department of Aviation, Clark County, Nevada are intended to present the financial position, and the changes in financial position and, cash flows of only that portion of the business-type activities and the major fund of Clark County, Nevada that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of Clark County, Nevada, as of June 30, 2009, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Department as of June 30, 2009, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2009 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and schedule of funding progress on pages 8 through 24 and page 89 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Department's financial statements. The introductory section, supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
November 13, 2009

Management's Discussion and Analysis

The following management's discussion and analysis (MD&A) of the financial performance and activity of the Clark County Department of Aviation (the Department), a department of Clark County, Nevada (the County) which is responsible for the operation of the following County owned aviation facilities; McCarran International Airport (the Airport); North Las Vegas Airport; Henderson Executive Airport; Jean Sports Aviation Center; and Overton-Perkins Field (collectively referred to as the Airport System). The following MD&A provides an introduction to and understanding of financial statements of the Department for the fiscal years ended June 30, 2009, and 2008, with selected comparisons to prior fiscal periods. The information presented should be read in conjunction with the financial statements and accompanying notes in this report.

Introduction

Airport Activity Highlights

For the fiscal year (FY) ended June 30, 2009, passenger enplanements totaled 20,739,408 compared to 23,525,862 in FY 2008 and 23,628,484 in FY 2007. The FY 2009 enplanements represent a decrease of 11.8 percent from FY 2008. By comparison, according to Bureau of Transportation Statistics, domestic U.S. airline passenger traffic for the same 12-month period ended June 30, 2009, decreased 7.5 percent over the prior 12-month period.

Aircraft landed weights in FY 2009 totaled 25,973,079 thousand pounds, compared to 28,941,564 thousand pounds in FY 2008 and 28,831,044 in FY 2007. The FY 2009 landed weights represent a 10.3 percent decrease over FY 2008. The number of departures for domestic and international flights decreased 11.3 percent in FY 2009 over the prior fiscal year from 260,343 operations to 230,925.

The following presents the Airport activities for FY 2009 and the previous nine fiscal periods:

Passenger and Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Aircraft Operations Departures	Percentage of Increase/ Decrease	Landed Weight (Pounds per 000)	Percentage of Increase/ Decrease	Total Enplaned Passengers	Percentage of Increase/ Decrease	Cargo Tons	Percentage of Increase/ Decrease
2000	187,531		24,073,667		17,720,384		103,804	
2001	193,817	3.4%	24,663,929	2.5%	18,639,078	5.2%	103,770	0.0%
2002	179,564	-7.4%	23,587,166	-4.4%	16,945,697	-9.1%	88,289	-14.9%
2003	179,223	-0.2%	23,074,743	-2.2%	17,641,500	4.1%	89,498	1.4%
2004	193,860	8.2%	24,878,724	7.8%	19,449,065	10.2%	92,857	3.8%
2005	213,035	9.9%	27,066,272	8.8%	21,439,652	10.2%	107,252	15.5%
2006	227,445	6.8%	27,526,493	1.7%	22,546,814	5.2%	112,352	4.8%
2007	257,743	13.3%	28,831,044	4.7%	23,628,484	4.8%	104,761	-6.8%
2008	260,343	1.0%	28,941,564	0.4%	23,525,862	-0.4%	100,929	-3.7%
2009	230,925	-11.3%	25,973,079	-10.3%	20,739,408	-11.8%	90,746	-10.1%
Average Annual Increase	2.3%		0.8%		1.8%		-1.5%	

Airline Rates and Charges

Effective July 1, 2003, the Department entered into a Scheduled Airline Operating Agreement and Terminal Building Lease (the Agreement) with the signatory airlines serving the Las Vegas market, which has a term of five years and incorporates the lease and use of the terminal complex, apron areas and airfield at the Airport. The Agreement establishes a "residual" rate-making methodology for the Airport System in the airfield and a "compensatory" rate-making methodology for the terminal building square footage rental and gate use fee.

Rates and charges are calculated on an annual basis pursuant to budgeted revenues, expenses and debt service and reviewed and adjusted, if necessary, throughout each fiscal year to ensure that sufficient Airport System revenues are generated to satisfy all of the requirements of the Master Indenture of Trust dated May 1, 2003, as amended. At the end of each fiscal year, the Department recalculates the rates and charges based on audited financial data and any variance of budgeted *vs.* actual is included in the then current year rates and charges as a credit or additional amount due.

The table below summarizes passenger airline terminal building rentals, landing fees, and gate use fees and the cost per enplaned passenger for FY 2009 and FY 2008. Cost per enplaned passenger is a standard industry measurement, and the goal of the Department is to maintain a competitive cost per enplanement at the Airport. The actual cost per enplanement for FY 2009 was $7.67, compared to the budget estimate of $5.96.

Passenger Airline Costs
For the fiscal years (FY) ended June 30,

Airline Cost Category	FY 2009 Actual (000)	FY 2009 Budget (000)	FY 2008 Actual (000)	FY 2009 Budget vs. Actual (000)	FY 2009/2008 Actuals (000)
Landing Fees	$ 51,422	$ 27,782	$ 36,629	$ 23,640	$ 14,793
Terminal Building Rentals	72,743	86,251	77,666	(13,508)	(4,923)
Gate Use Fees	21,332	17,534	18,814	3,798	2,518
Passenger Fee - Ticketing & CIT	6,967	6,371	6,642	596	325
Baggage Handling System	6,598	-	6,559	6,598	39
Total Airline Fees and Charges	$ 159,062	$ 137,938	$ 146,310	$ 21,124	$ 12,752
Enplaned Passengers	20,739	23,157	23,522	(2,418)	(2,783)
Cost per Enplaned Passenger	$ 7.67	$ 5.96	$ 6.22	$ 1.71	$ 1.45

Overview of Financial Statement

The Airport System's financial statements are prepared using the accrual basis of accounting. Therefore revenue is recognized when earned and expenses are recognized when incurred. Capital assets are capitalized when substantially complete and depreciated over their estimated useful lives. Refer to Note 1 in the accompanying financial statement for a summary of the Department's significant accounting policies. Following this MD&A are the financial statements, notes to the financial statements, required supplementary information (RSI) and supplemental schedules of the Airport System. These statements, notes, RSI, and schedules, along with the MD&A, are designed to provide the readers with an understanding of the Airport System's financial position.

The statement of net assets presents information on all of the Airport System's assets and liabilities as of June 30, 2009 and 2008. The statement of revenue, expenses, and changes in net assets presents financial information showing how the Airport System's net assets changed during the fiscal years ended June 30, 2009 and 2008. The statement of cash flows relates to the cash and cash equivalent in-flows and out-flows as a result of financial transactions during the two fiscal years and also includes a reconciliation of operating income to the net cash provided by operating activities.

Financial Highlights

Net Asset Summary

Net assets serve as an indicator of the Airport System's financial position. As of June 30, 2009, the Airport System's assets exceed liabilities by $1,549.0 million, an increase of $40.1 million over FY 2008. As of FY 2008, the assets exceeded liabilities by $1,508.8 million for an increase of $129.5 million over FY 2007.

A summary of the Airport System's net assets for fiscal years 2009, 2008 and 2007 is shown below:

Statements of Net Assets

June 30, 2009, 2008 and 2007

	FY 2009 (000)	FY 2008 (000)	FY 2007 (000)	Change 2009 to 2008	Change 2008 to 2007
Assets:					
Current Assets	$ 1,160,820	$ 1,698,171	$ 1,418,114	$ (537,351)	$ 280,057
Capital Assets, net	3,745,590	3,117,737	2,510,218	627,853	607,519
Other Noncurrent Assets	184,265	370,156	659,254	(185,891)	(289,098)
Total Assets	$ 5,090,675	$ 5,186,064	$ 4,587,586	$ (95,389)	598,478
Liabilities and Net Assets:					
Current Liabilities	$ 521,049	$ 522,546	$ 744,884	$ (1,497)	$ (222,338)
Noncurrent Liabilities	3,020,655	3,154,695	2,463,386	(134,040)	691,309
Total Liabilities	3,541,704	3,677,241	3,208,270	(135,537)	468,971
Net Assets:					
Invested in Capital Assets, net of related debt	1,097,789	987,234	(309,416)	110,555	1,296,650
Restricted	236,598	319,346	1,528,664	(82,748)	(1,209,318)
Unrestricted	214,584	202,243	160,068	12,341	42,175
Total Net Assets	1,548,971	1,508,823	1,379,316	40,148	129,507
Total Liabilities and Net Assets	$ 5,090,675	$ 5,186,064	$ 4,587,586	$ (95,389)	$ 598,478
Total Revenues	$ 553,729	$ 624,545	$ 511,105	$ (70,816)	$ 113,440
Total Expenses	513,581	495,037	405,797	18,544	89,240
Total Net Change in Net Assets	$ 40,148	$ 129,508	$ 105,308	$ (89,360)	$ 24,200

Current and Restricted Assets

The Airport Systems' unrestricted current assets for FY 2009 decreased by $24.6 million from FY 2008, primarily due to a decrease of $21.0 million in unrestricted cash and cash equivalents as of June 30, 2009. Unrestricted cash and cash equivalents decreased during FY 2009 due to increased funding of airport improvement projects with unrestricted cash. In addition, inventory values and prepaid expenses decreased by $3.5 million.

Restricted assets decreased in FY 2009 by $722.8 million over FY 2008. Restricted cash, cash equivalents and investments decreased $682.9 million in FY 2009 due primarily to the Terminal 3 construction project. The change can also be attributed to a decrease in securities lending assets of $29.1 million and decreases in interest and grants receivable of $10.9 million. Refer to Note 4, Restricted Assets, for more detail relating to the Airport System's restricted assets.

Restricted assets increased in FY 2008 by $12.8 million, or 0.7 percent, over FY 2007. Restricted cash, cash equivalents and investments increased $46.7 million in FY 2008 due to the issuance of additional bonds. This increase was offset by a decrease of $8.6 million in interest receivable and a decrease of $25.4 million in grants receivable from FY 2007.

Capital Assets

For FY 2009, capital assets, net of depreciation, increased by $627.9 million, or 20.1 percent, over FY 2008. This increase was due, in part, to the completion of approximately $550.0 million in certain improvements, including the new security checkpoint to the C concourse, rehabilitation of runway 7/25 right and left, completion of the fourth and final wing of the D concourse and the terminal baggage area remodel to name a few. Another primary reason for the increase is the continuation of construction of Terminal 3. Through June 30, 2009, the Airport has spent almost $800.0 million on this $2.6 billion project that is due to be completed in June 2012. Refer to Note 6, Changes in Capital Assets, for more detail relating to the Airport System's capital assets.

For FY 2008, capital assets, net of depreciation, increased by $607.5 million, or 24.2 percent, over FY 2007. This increase was due, in part, to the completion of certain improvements, including the relocation of Russell Road, the new in-line security baggage system and the tenant improvements at the consolidated rental car facility. However, the primary reason for the increase was the commencement of construction of Terminal 3. Through June 30, 2008, the Airport had spent over $289.0 million on this $2.6 billion project that is due to be completed in June 2012.

Noncurrent assets

The Airport System noncurrent assets consist of deferred charges associated with various bond issuances, the amortization of the consolidated rental car facility lease costs; restricted investments with a maturity greater than one year; and amounts due from the signatory airlines.

With regard to the amounts due from the signatory airlines at the end of FY 2008, the Department recorded a $15.0 million receivable which represented the additional rent due at year-end based on FY 2008 actual revenues and expenses. Due to the continuing financial hardships the airline industry has experienced over the past several years, the Department has deferred collection on this receivable until FY 2011. The additional receivable amount due as a result of FY 2009 actual revenues and expenses of $31.5 million, will be paid to the Department in FY 2010 and FY 2011 in accordance with the Agreement.

Deferred charges consist of bond issuance costs for each issuance of bonds. These costs are being amortized over the bond maturity period. The amortization for FY 2009 decreased $7.4 million over FY 2008 primarily due to the fact that no additional bonds were issued during FY 2009.

Restricted investments represent investments held for capital improvements, debt service, and debt service reserves with Bank of New York Mellon (Trustee). Total non-current restricted investments decreased from $292.2 million in FY 2008 to $82.2 million in FY 2009, a decrease of $209.6 million. This decrease was due to the sale of $103.1 million in investments with Municipal Bond Insurance Association (MBIA) which were redeemed prior to maturity due to a downgrade in the investment rating. In addition, the Department redeemed $106.5 million in investments with Morgan Stanley prior to maturity to help fund capital improvements related to Terminal 3 construction. Refer to Note 2, Cash and Investments, for more detail relating to the Airport System's restricted investments.

Current and Noncurrent Liabilities

At June 30, 2009, current liabilities payable from unrestricted assets decreased $12.4 million from FY 2008. This decrease is attributable to a decrease in accounts payable at year-end of $19.5 million, an increase in certain payroll accruals of $4.8 million, and an increase in deferred income of $2.2 million. Current liabilities payable from restricted assets increased by $10.9 million from FY 2008 due largely to the increase in construction related payables, including retention of $70.2 million, offset by decreases in securities lending liabilities of $25.3 million and a decrease in avigational acquisition liability of $54.7 million.

Noncurrent liabilities for FY 2009 decreased by $134.0 million over FY 2008, due largely to the decrease in avigational acquisition liability of $68.0 million and the reduction of required principal on outstanding bonds of $70.3 million. The other noncurrent liability associated with the Other Postemployment Benefit Cost (OPEB) increased in FY 2009 by $4.2 million, which amount represents the Department's annual increase in net OPEB obligations for FY 2009.

Highlights of Changes in Net Assets

The following is a condensed summary of net assets for FY 2009, 2008, and 2007:

Net Assets

As of June 30, 2009, 2008, and 2007

Net assets	FY 2009 (000)	FY 2008 (000)	FY 2007 (000)
Invested in capital assets, net of related debt	$ 1,097,789	$ 987,234	$ (309,416)
Restricted net assets:			
Capital Projects	115,568	204,872	1,101,867
Debt Service	86,460	86,855	426,797
Other	34,570	27,619	-
Total restricted	236,598	319,346	1,528,664
Unrestricted net assets	214,584	202,243	160,068
Total net assets	$ 1,548,971	$ 1,508,823	$ 1,379,316

Operating Revenue
Fiscal Years 2009, 2008 and 2007

Revenue Category	FY 2009 (000)	FY 2008 (000)	FY 2007 (000)	Percentage Change 2009 - 2008	Percentage Change 2008 - 2007
Terminal building and use fees	$ 93,156	$ 99,386	$ 89,980	-6.3%	10.5%
Landing fees and other aircraft fees	56,537	41,706	37,616	35.6%	10.9%
Terminal concession fees	53,247	54,490	48,252	-2.3%	12.9%
Gaming fees	30,573	38,470	40,884	-20.5%	-5.9%
Rental car facility fees	29,697	30,689	1,657	-3.2%	1752.1%
Rental car concession fees	28,117	30,905	28,880	-9.0%	7.0%
Public and employee parking fees	27,490	27,983	28,034	-1.8%	-0.2%
Gate use fees	21,332	18,769	16,909	13.7%	11.0%
Ground rents and use fees	17,708	16,486	17,193	7.4%	-4.1%
Ground transportation fees	12,325	10,922	10,145	12.8%	7.7%
Other operating income	6,424	2,848	955	125.6%	198.2%
General aviation fuel sales (net of cost)	2,609	3,234	2,913	-19.3%	11.0%
	$ 379,215	$ 375,888	$ 323,418	0.9%	16.2%

Discussion of FY 2009 Operating Revenues

The Agreement with the Signatory Airlines serving the Airport is an airfield residual agreement which simply means that operating expenses and debt service not covered by non-airline revenues, signatory airline terminal rent and signatory airline gate use fees are to be covered by the signatory airline landing fees. Because of the significant decline in airline operations during FY 2009 coupled with the decline in non-airline revenues, the landing fee for FY 2009 increased by 76.6 percent over FY 2008 as a result of the residual agreement. The landing fee for FY 2008 was $1.28 per 1,000 pounds vs. $2.26 per 1,000 pounds in FY 2009. Landed weights for FY 2009 were down 10.3 percent over FY 2008.

Terminal building and use fees for FY 2009 decreased by 6.3 percent over FY 2008 due the decline in passenger traffic and the corresponding decline in use of the Department common-use facilities. In addition, certain areas of the Terminal Complex were temporarily shut down to reduce operating expenses and to also provide better utilization of certain concession zones. The temporary closure of the Concourse B gates (7 gates) reduced rentable square footage by 16,500 square feet. However, with the completion of the fourth and final wing of the D concourse and the completion of the new security checkpoint to the C concourse in FY 2009, Terminal rentable square footage increased by 146,000 square feet. As a result, the Terminal rental rate went from $90.20 per square foot in FY 2008 to $86.35 in FY 2009.

Terminal concession fees for FY 2009 decreased by 2.3 percent over FY 2008. With the decrease in enplanements of 11.8 percent, this much smaller decrease in concession fees was very favorable. With a majority of the airlines continuing to charge for in-flight food and beverage, more passengers have elected to purchase food and beverages at the Airport locations. In addition, the Airport has continued its effort to include more internationally branded food and retail locations at the Airport, and sales at these locations have been better than expected. The average spend per enplaned passengers on food, beverage, news, gifts, specialty retail and duty free for FY 2009 was $13.13, an increase of 2.0 percent over FY 2008 when the average spend was $12.88.

Gaming revenue at the Airport, which is generated from 1,271 slot machines located throughout the Terminal Complex, was significantly down from $38.5 million in FY 2008 to $30.6 in FY 2009, a decrease of 20.5 percent. This significant drop can be attributed, in part, to the economic downturn and also to the fact that when the Airport went non-smoking in December of 2007, the Department saw an immediate $2.0 million drop in gaming revenues, and that revenue has never been recovered.

Rentals from the Consolidated Rental Car Facility (CRCF), which opened in April 2007, were down 3.2 percent in FY 2009 due to the cost containment initiatives put in place by the Director of Aviation during FY 2009. The CRCF management was able to contain operating and maintenance expenses during FY 2009 and thus reduce the rental payments to the users. The largest expense saving were in passenger shuttling expenses where $1.5 million in savings was achieved and in fuel costs where $0.5 million was saved. Customer Facility Charges (CFC), which is a $3.00 per day fee assessed to each rental car customer totaled $21.9 million in FY 2009 as compared to $24.6 million in FY 2008, a 10.9 percent decrease. The CFC is used to pay a portion of the rental payments at the CRCF. The rental car companies are contractually obligated to pay the non-CFC rental payments for the CRCF which totaled $7.8 million in FY 2009.

Concession fees from the on-airport and off-airport rental car companies fell by 9.0 percent in FY 2009 when compared to FY 2008. This decrease is attributable to the overall decline in passengers at the Airport during FY 2009 of 11.8 percent. The average daily price of renting a car in Las Vegas decreased from $37.44 per day in FY 2008 to $36.39 in FY 2009, a 2.8 percent decrease. The average rental contract for FY 2009 was 4.7 days as compared to 4.5 days in FY 2008.

Revenues from public and employee parking fell by 1.8 percent in FY 2009 as compared to FY 2008. The Department increased the daily parking rates in September of 2008, and as a result revenues from the public parking facilities were down only 1.5 percent even though passenger traffic was down 11.8 percent. Long-term parking resulted in an increase of 1.2 percent, short-term meters were down 17.2 percent and valet parking was down 4.7 percent. The majority (72.0 percent) of the Department's parking revenue comes from long-term public parking while 10.9 percent comes from valet, 8.3 percent comes from employee parking, and the remaining 8.8 percent from metered parking, citations, and towing fees. Employee parking revenue fell by 4.7 percent in FY 2009 to $2.3 million as a result of fewer employees due to the passenger declines.

Gate Use Fees increased during FY 2009 by 13.7 percent as compared to FY 2008. Each Signatory Airline is assessed an annual charge per gate for each gate it preferentially leases. In addition, any airline that uses a common-use gate is assessed a per turn charge each time the airline uses a common-use gate. The annual per gate charge and per turn charge is determined each fiscal period based on a compensatory rate-making approach. Pursuant to the Department's cost accounting methodologies, the cost of operating and maintaining the gate areas, which consists of the apron area one hundred feet out from the edge of the terminal building, the jet bridge, and all of the pre-conditioned air systems, potable water, etc., increased from $10.4 million in FY 2008 to $14.7 million in FY 2009. The largest increase was in salaries and benefits for Departmental personnel responsible for maintaining these gate areas.

Ground rental fees for FY 2009 increased by 7.4 percent over FY 2008. Ground rental fees are assessed to various tenants that lease land from the Department to perform their business, including fixed based operators, private tenants that have constructed hangars, cargo facilities, billboards, or other facilities on Airport property.

Ground transportation fees paid to the Department in FY 2009 increased by 12.8 percent from $10.9 million in FY 2008 to $12.3 million in FY 2009. This increase can be attributed to the increase in ground transportation fees in September of 2008. Ground transportation fees are assessed to the limo operators, courtesy van operators, bus operators and taxicabs. The largest increase came from the taxicab operations where the cab fee went from $1.20 per exiting cab to $1.80. This increased the taxicab fees in FY 2009 by 28.4 percent from $3.8 million to $4.9 million.

Other operating revenues for FY 2009 increased $3.6 million from $2.8 million in FY 2008 to $6.4 million in FY 2009. Other operating revenues include, but are not necessarily limited to, utility and expenses recoveries, net revenues from the sale and lease of Co-operative Management Agreement (CMA) land and any miscellaneous operating revenues. In FY 2009, expense recovery, primarily from property damage, increased from $164.1 thousand in FY 2008 to $368.3 thousand. In FY 2009, net revenues from CMA land sales and rentals totaled $905.0 thousand as compared to $401.9 thousand in FY 2008. Also during FY 2009, the Department had an increase of $3.1 million in miscellaneous revenue due to prior-year adjustments associated with credit card sales at the General Aviation Airports and retention payments withheld from contractors.

Aviation fuel sales, net of fuel cost, at the general aviation facilities fell 19.3 percent in FY 2009 due to the economic downturn and the significant reduction in aircraft operations at the general aviation facilities. Aircraft operations as reported by the Federal Aviation Administration were down 21.8 percent in FY 2009 as compared to FY 2008.

Discussion of FY 2008 Operating Revenues

Landing fees are paid by signatory and non-signatory airlines based on the FAA certified weight of the various aircraft that land at the Airport. Signatory airlines represent airlines that have signed the Agreement with the County. Landing fees and other aircraft fees increased $4.1 million or 10.9 percent, from $37.6 million in FY 2007 to $41.7 million in FY 2008 due to the impact of higher landing fees as a result of an increase in Airport operating expenses of 23.6 percent and the minimal increase (less than one percent) in aircraft weights during FY 2008. The landing fee rate for FY 2008 was $1.28 per 1,000 pounds of landed weight versus $1.12 for FY 2007.

Building and land rentals, which consist of Terminal building, ground rents, and gate use fees, increased from $124.1 million in FY 2007 to $134.6 million in FY 2008, an increase of 8.5 percent. Signatory airline terminal building rental rates during FY 2008 decreased from $96.41 per square foot in FY 2007 to $90.20 in FY 2008. This decrease in the rental rate can be attributed to the increase in the amount of terminal square footage associated with the new in-line baggage system which was added during FY 2008. The revenues generated by the additional square footage for the new in-line baggage system was the primary reason for the overall increase in building and land rentals.

Ground transportation revenues for FY 2008 increased 7.7 percent over FY 2007. Ground transportation revenues include fees for taxi cabs, courtesy vans, buses, and limousines. The Airport has an Automated Vehicle Identification System (AVI) to track all ground transportation vehicles entering and leaving the Airport premises. A large portion of this increase in revenues was the result of new contracts awarded to limousine operators. Taxi cab revenue increased 1.5 percent in FY 2008 and remained relatively flat in FY 2007.

Revenues from the rental car companies, that pay the Airport 10.0 percent of their gross revenues, reported revenues of $30.9 million, a 7.0 percent increase over FY 2007. In April 2007, all rental car companies operating at the Airport relocated to the consolidated rental car facility located on Airport property approximately five miles from the Airport terminals. The continued strong growth in the rental car market can be attributed to travelers' ongoing desire to have flexibility to visit other sites within the southern Nevada region and the relatively low cost of renting vehicles in the Las Vegas market.

During FY 2008, revenues from the Airport's gaming concession decreased by 5.9 percent from FY 2007. The Airport had more than 1200 slot machines located throughout the terminal facilities. Airport revenues from gaming totaled $38.5 million in FY 2008 as compared to $40.9 in FY 2007. The decrease in slot play can be attributed in large part to the terminal smoking ban enacted in December 2007. All of the smoking rooms at the Airport contained slot machines that were heavily utilized. All of the Airport's gaming revenue is deposited into the Airport System Capital Fund.

Terminal concession revenues during FY 2008 reached record levels for the fourth year in a row. News and gift concessions contributed to the highest increase, 23.1 percent over FY 2007. This increase can be attributed, in part, to the completion of the remodeling program for all of the news and gift locations at the Airport by the news and gift operator. During FY 2008, the Airport received $54.5 million in fees from food, beverage, news and retail sales compared to $48.3 million in FY 2007, a 12.9 percent increase. The continued growth in terminal concession revenues can be attributed to passengers spending more time on average in the terminal complex together with the introduction of more highly recognized nationally branded food, beverage and retail stores.

Parking revenues from public parking decreased slightly in FY 2008, from $28.0 million in FY 2007 to $27.9 million in FY 2008. Public parking includes short-term garage, long-term garage, valet garage, and economy parking.

FY 2008 was the first full year of operation of the consolidated rental car facility (CRCF). The rental car companies occupying this facility have executed a ten-year agreement that requires each company to pay minimum and maximum facility rents each year based on a formula. In addition, a $3.00 per day transaction fee (the customer facility charge or CFC) is assessed each rental car customer for each day they rent a vehicle. These monies are also used to pay certain costs of the CRCF, including land rents, cost of money (the Airport built the facility with its discretionary funds), and operating and maintenance fees not covered by the formula rents. During FY 2008, the Airport recognized $30.7 million in rents from the CRCF, $6.1 in formula rents and $24.6 in CFC rents. In addition, the facility generated an additional $631 thousand in concession revenues. For FY 2007 the Airport recognized $1.7 million in fees from the date the CRCF opened in April 2007 through June 30, 2007. All of the cash flow from the CRCF is deposited into the Airport System Capital Fund.

Net revenues generated from the general aviation facilities within the Airport System increased during FY 2008 due primarily to increased fuel prices, which were partially offset by a lower utilization of the facilities. Net revenues for FY 2008 grew by 11.0 percent from $2.9 million in FY 2007 to $3.2 million in FY 2008.

Operating Expenses
Fiscal Years 2009, 2008 and 2007

Expense Category	FY 2009 (000)	FY 2008 (000)	FY 2007 (000)	Percentage Change 2009 - 2008	Percentage Change 2008 - 2007
Salaries and benefits	$ 112,281	$ 98,753	$ 82,254	13.7%	20.1%
Professional services	64,085	68,868	49,786	-6.9%	38.3%
Repairs and maintenance	26,123	25,834	23,350	1.1%	10.6%
Utilities and communications	22,222	22,526	22,622	-1.3%	-0.4%
Materials and supplies	13,593	21,170	20,559	-35.8%	3.0%
Net loss from disposition of assets	8,921	8,693	-	2.6%	0.0%
Insurance	4,686	5,762	5,889	-18.7%	-2.2%
Administrative	1,406	4,813	2,983	-70.8%	61.3%
	$ 253,317	$ 256,419	$ 207,443	-1.2%	23.6%

Discussion of FY 2009 Operating Expenses

For FY 2009, total operating expenses at the Airport decreased by 1.2 percent. As a result of cost containment initiatives implemented by the Director of Aviation, all division managers were required to reduce their respective non-salary operating and maintenance budgets by 15.0 percent during the latter part of FY 2009. As a result, non-salary operating and maintenance expenses for FY 2009 decreased by 10.5 percent.

Salaries and benefits are the single largest expenditure at the Department. Salaries and benefits make up over 44.3 percent of the overall Department operating expenses. At June 30, 2009, the Department had 1,433 full-time employees and 12 part-time employees. At June 30, 2008, the Department had 1,504 full-time employees and 24 part-time, a 4.7 percent reduction in full-time employees and a 50.0 percent reduction in part-time. For FY 2009, salaries and benefits increased by 13.7 percent as a result of union contract increases in wages of 3.0 percent for cost of living and individual performance increases of between 3.0 and 5.0 percent. Management staff received no pay increases during FY 2009. Fringe benefit costs for FY 2009 were up $2.5 million or 8.6 percent over FY 2008, mainly due to increases in health insurance costs of $2.1 million or 23.2 percent.

Professional services during FY 2009 decreased by 6.9 percent over FY 2008. As part of the cost containment initiatives for FY 2009, the Department discontinued contracts with firms that were retained in prior years when traffic was growing at double-digits to assist with crowd control at the security checkpoints and tram stations. In addition, with less passengers, the Department was able to eliminate the need for a significant portion of passenger shuttling services to and from remote parking lots and between the A/B and C concourses.

Repairs and maintenance expenses for FY 2009 increased 1.1 percent over FY 2008 due to increased cleaning expenses at the consolidated rental car facility and also due to higher costs of maintaining elevator and escalators due to additional equipment being installed throughout the terminal facility as a result new construction being completed over the past several years.

Utility expenses for FY 2009 were relatively flat over FY 2008 expenses. Overall, utility expenses were down by 1.3 percent. The largest decrease was in natural gas usage where the expense decreased by 13.9 percent due to less passengers. Electrical expenses were down 2.4 percent and water and sewer expenses were up by 30.5 percent due to rate increases. Communication expenses for FY 2009 were down 7.6 percent primarily due to lower local telephone expenses.

Materials and supplies expense for FY 2009 was down 35.8 percent over FY 2008. The majority of this decrease can be attributed to the cost containment initiatives that were implemented during FY 2009. Fuel costs were down 28.2 percent, office supplies were down 20.5 percent, electrical supplies were down 19.9 percent and cleaning supplies were down by 8.0 percent.

In FY 2009 the Department recognized $8.9 million in net losses from the disposition of fixed assets, an increase of 2.6 percent over FY 2008. Two transactions attributed to the majority of this net loss. The first involved the exchange of real property at the southeast corner of Tropicana Avenue and Swenson Street with the University of Nevada, Las Vegas. This exchange of real property resulted in a net gain of $3.2 million. This gain was offset by the write-off of the remaining book value of $9.3 million in assets associated with the tram vehicles that were replaced during the people-mover rehabilitation project that was completed during FY 2009.

Insurance expenses decreased in FY 2009 by 18.7 percent due to the successful negotiations with insurance brokers to keep rates at previous year amounts along with the very competitive insurance market.

Administrative expenses decreased from $4.8 million in FY 2008 to $1.4 in FY 2009. The majority of this decrease can be attributed to the cost containment initiative implemented by the Department in FY 2009. This initiative put a freeze on non-essential travel, training and education. Travel related expenses were down over 50.0 percent during FY 2009 and training and educational expenses were down 72.0 percent.

Discussion of FY 2008 Operating Expenses

Overall, operating expenses of the Airport System increased 23.6 percent over FY 2007. This increase of $49.0 million can be attributed to a 20.1 percent increase in salaries and benefits and a 38.3 percent increase in professional services. Operating expenses associated with repairs and maintenance (*i.e.* Repairs and Maintenance, and Materials and Supplies) increased approximately 7.0 percent when compared to FY 2007, although certain classifications of repairs and maintenance vary significantly for FY 2008. Insurance expenses decreased by 2.2 percent and utilities also decreased by less than one percent. The increase in salaries and wages can be attributed to additional maintenance staff as well as the cost of funding Other Post Employment Benefits as required by GASB Statement No. 45 which totaled $5.9 million for FY 2008. Professional services have increased due to the planning studies associated with the development of the proposed new Ivanpah Valley airport facility as well as the proposed new heliport facility.

At June 30, 2008, the Airport System employed 1,504 full-time and 24 part-time employees, an increase of 11.8 percent over FY 2007. Seventy-one percent of the increase in personnel is the result of the new staff for airside and terminal maintenance, and custodial. Overtime wages for FY 2008 decreased 6.6 percent from FY 2007 due primarily to the hiring of additional staff.

Fringe benefits for FY 2008 increased 60.9 percent in over FY 2007. This increase was due partially to increases in the retirement contribution rate from 19.75 percent to 20.50 percent effective July 14, 2007. Another factor was additional retirement contributions associated with the requirements of GASB 45 and the 19.0 percent increase in salaries and wages during FY 2008. Group insurance rates increased by 9.3 percent during FY 2008, and Workers Compensation expense for FY 2008 were up 47.6 percent.

Repairs and maintenance expenses, and supplies and materials for FY 2008 increased 7.0 percent in total over FY 2007. This increase can be attributed to the Airport's implementation of the new in-line baggage handling system which was in use for the entire FY 2008.

Professional services for FY 2008 increased 38.3 percent over FY 2007. Professional services provided to the Airport System from the County increased by 30.0 percent with the largest increase in legal costs due to the number of litigation cases followed by administrative expenses due primarily to the County SAP financial software system charge backs. The security costs, which represent charge backs from the Las Vegas Metropolitan Police Department, totaled $15.0 million for FY 2008 as compared to $14.0 million in FY 2007. Shuttle costs at the Airport increased by $6.1 million as a result of shuttling passengers from the new CCRF to the terminal. Other professional services increased as a result of new project planning studies and environmental work associated with the development of the new proposed Ivanpah airport and the proposed new heliport.

Utility costs at the Airport decreased by less than one percent in FY 2008 from FY 2007. The decrease can again be attributed, in part, to the Airport's continued efforts to manage expenses.

During FY 2008, the Airport System recognized a loss on the disposition of obsolete fixed assets totaling $8.7 million.

Administrative expenses for FY 2008 increased significantly due to the reclassification of an expense pertaining to unqualified interest rate swap agreements in FY 2007.

Non-Operating Revenues and Expenses
Fiscal Years 2009, 2008, and 2007

Revenue/Expenses Category	FY 2009 (000)	FY 2008 (000)	FY 2007 (000)	Percentage Change 2009 - 2008	Percentage Change 2008 - 2007
Unrestricted interest income	$ 15,999	$ 26,934	$ 24,799	-40.6%	8.6%
Restricted interest income	27,621	43,804	24,295	-36.9%	80.3%
PFC interest income	5,936	15,604	5,229	-62.0%	198.4%
Interest expense	(137,254)	(157,604)	(112,533)	-12.9%	40.1%
Passenger facility charges	75,335	79,475	89,358	-5.2%	-11.1%
Jet A Fuel Tax revenue	8,388	9,498	9,310	-11.7%	2.0%
Customer facility charges	-	50,844	10,470	-100.0%	385.6%
Other	(322)	182	(831)	-276.9%	-121.9%
	$ (4,297)	$ 68,737	$ 50,097	-106.3%	37.2%

Discussion of FY 2009 Non-operating Revenues and Expenses

Interest income decreased during FY 2009 by 42.6 percent from $86.3 million in FY 2008 to $49.6 million in FY 2009. This significant decrease can be attributed, in part, to the Department's capital spending associated with Terminal 3. The major construction portions of the Terminal 3 project were originally scheduled to commence construction in FY 2007 and the Department had monies deposited into the Capital Fund for this purpose. The construction did not actually commence until later in FY 2008 and therefore the funds in the Capital Fund were earning interest. Restricted cash at June 30, 2008 totaled $1,625.5 million and at June 30, 2009 the restricted cash totaled $942.6 million.

Interest expenses on Airport outstanding bonds totaled $137.3 million in FY 2009 compared to $157.6 million in FY 2008, a decrease of $20.4 million. The adjusted difference in interest expense between FY 2009 and FY 2008 should have been a decrease of $3.1 million or 2.2 percent. This adjusted difference is due to the Department using FASB Statement No. 34*, Capitalization of Interest Costs,* as amended versus FASB Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants* in calculating capitalized interest. FASB 62 is to be used only for bond issuances that are issued for specific projects. Since the Department does not issue bonds for any specific projects but states in all offering notifications that the bonds are being issued to finance the costs of certain capital improvements to the Airport System, the Department should have used FASB 34 for computing capitalized interest in FY 2008. The difference in the two methods results in a decrease in interest expense for FY 2008 of $17.2 million. This difference, in combination with other FY 2008 adjustments (see depreciation expense) resulted in a net decrease in non-operating expenses for FY 2009 of $1.2 million.

Passenger Facility Charges (PFC) for FY 2009 decreased by 5.2 percent as a direct result of less enplanements. During FY 2009, the Department saw a 11.8 percent decline in enplanements.

Effective July 1, 1991, the County enacted an ordinance imposing a two-cent-per-gallon tax on Jet A fuel to be allocated to the Airport to help facilitate the expansion of air transportation facilities in the region. This tax has been an important source of funding to address the capacity, security, safety and noise issues of the Airport. During FY 2009 the Airport System was allocated $8.4 million, approximately 11.7 percent less than FY 2008. This decrease can be attributed to less aviation fuel sales during the current economic recession. The Jet A Fuel Tax revenues are currently used to pay the principal and interest on the 2003C Jet Aviation Fuel Tax Revenue Bonds. Any revenues in excess of the requirement of the 2003C bonds are currently used to pay the principal and interest on the 2003B General Obligation (Limited Tax) Airport Bonds. Principal and interest payments on the 2003C Jet Aviation Fuel Tax Revenue Bonds totaled $8.0 million in FY 2009.

During FY 2008, Customer Facility Charges (CFC) were being used to pay for the construction and tenant improvements associated with the Consolidated Rental Car Facility. Now that this facility is completed, all CFC proceeds during FY 2009 are being used to pay certain rents on this facility and all current CFC revenues are therefore shown as operating revenues under Rental Car Facility Fees.

Discussion of FY 2008 Non-operating Revenues and Expenses

During FY 2008 total interest income from fund balances and investments in County-pooled cash and trustee cash and investments increased 58.9 percent over FY 2007 to $86.3 million. This increase can be attributed to the delay in starting the Terminal 3 project and having cash available for investments for a longer period of time. Interest expense for FY 2008 increased 40.1 percent over FY 2007 due to the volatility in the bond market during FY 2008 as a result of the sub-prime housing market issue and a change in the calculation of capitalized interest. As a result of this volatility, the Department refunded or restructured most of its variable rate debt to mitigate the high interest rates associated with the Airport System's auction rate securities and its variable rate demand obligations (see Note 9). Capitalized interest for FY 2008 of $8.7 million was calculated net of the $18.3 million in interest income earned on the Terminal 3 bond funds. Interest expense for FY 2008 totaled $157.6 million as compared to $112.5 million in FY 2007.

During FY 2008, the Passenger Facility Charge (PFC) at the Airport was $4.00 per qualifying enplaned passenger. During FY 2008 the Department collected $79.5 million in PFC revenues as compared to $89.4 million in FY 2007. This decrease can be attributed to the accrual of PFC receivables at June 30, 2007. PFC revenue collected in FY 2008 was used to pay debt service on bonds that were issued for PFC approved projects.

During FY 2008 the Airport System was allocated $9.5 million in Jet Aviation Fuel Tax revenues, approximately 2.0 percent more than FY 2007. The Jet A Fuel Tax revenues are currently used to pay the principal and interest on the 2003C Jet Aviation Fuel Tax Revenue Bonds. Any revenues in excess of the requirement of the 2003C bonds are currently used to pay the principal and interest on the 2003B General Obligation (Limited Tax) Airport Bonds. Principal and interest payments on the 2003C Jet Aviation Fuel Tax Revenue Bonds totaled $7.6 million in FY 2008.

Effective May 1, 2004, the County enacted an ordinance requiring all rental car customers, except Clark County residents, to pay a Customer Facility Charge (CFC) of $3.00 for each day a car is rented from an on-Airport rental car company. The CFC was collected to pay for a portion of the capital cost of the consolidated rental car facility that opened to the public in April 2007. All of the CFC revenue collected prior to the facility opening date was deferred until such time as it was used to pay for construction. During FY 2008, $50.8 million of the CFC proceeds were used to fund construction and tenant improvements. As of June 30, 2008, all deferred CFC revenues collected prior to the opening of the rental car facility have been spent.

Income before Capital Contributions

Fiscal Years 2009, 2008 and 2007

	FY 2009 (000)	FY 2008 (000)	FY 2007 (000)	Change 2009 to 2008	Change 2008 to 2007
Operating Revenue	$ 379,215	$ 375,888	$ 323,418	$ 3,327	$ 52,470
Operating Expenses	253,317	256,419	207,443	(3,102)	48,976
Income before Depreciation	125,898	119,469	115,975	6,429	3,494
Depreciation and amortization	122,688	81,014	85,821	41,674	(4,807)
Income from Operations	3,210	38,455	30,154	(35,245)	8,301
Net Nonoperating Income/(Expense)	(4,297)	68,737	50,097	(73,034)	18,640
Income before Capital Contributions	(1,087)	107,192	80,251	(108,279)	26,941
Capital Contributions	41,235	22,316	25,057	18,919	(2,741)
Increase in Net Assets	40,148	129,508	105,308	(89,360)	24,200
Net assets beginning of year	1,508,823	1,379,315	1,274,007	129,508	105,308
Net assets end of year	$ 1,548,971	$ 1,508,823	$ 1,379,315	$ 40,148	$ 129,508

For FY 2009, the Airport System operating loss before capital contributions from the federal government totaled $1.1 million, a $108.3 million decrease over FY 2008 operating income of $107.2 million. The primary reason for this decrease is the $41.0 million more in depreciation expense for FY 2009 due to the capitalization of over $550.0 million in projects during FY 2009. In addition, the FY 2008 depreciation expense was understated by $16.0 million as a result of the Department's conversion between accounting systems and a difference in the manner in which depreciation was calculated. The actual depreciation expense for FY 2008 would have been $97.0 million, an increase of $16.0 million. This difference, in combination with other FY 2008 adjustments (see capitalized interest) resulted in a net decrease in non-operating expenses for FY 2009 of $1.2 million.

Operating income before depreciation in FY 2009 was up $6.4 million or 5.4 percent over FY 2008 due to strong revenues during the passenger decline combined with the cost containment measures implemented during FY 2009. Net non-operating expenses for FY 2009 of $4.3 versus a net non-operating revenue of $68.7 in FY 2008 also contributed to this loss.

For FY 2008, the Airport System operating income before capital contributions from federal government totaled $107.2 million, a 33.6 percent increase over FY 2007. The primary reason for this increase is the $8.3 million more in income from operations and $62.9 million more in non-operating income, primarily from CFC revenue and interest income which was offset by a $44.2 million increase in non-operating expenses due primarily to the increase in interest expense.

Capital Contributions

During FY 2009, the Airport System received $41.2 million in grants from the Federal Aviation Administration (FAA) for approved capital projects within the Airport System. The $18.9 million increase in FAA grant funds for FY 2009 can be attributed to grant funding for the major runway rehabilitation project.

During FY 2008, the Airport System received $22.3 million in grants from the Federal Aviation Administration for approved capital projects within the Airport System. These grants represent the Airport's portion of entitlement funds allocated to airports in the United States, based on an enplanement formula.

Capital Improvement Program

Each fiscal year, the Department updates the five-year capital plan. For FY 2009, the Airport System's comprehensive five-year capital improvement plan totals $3.2 billion. The following is a summary of the capital program along with proposed funding sources:

Five-Year Capital Plan

	Total Budget (000)	Federal Grants (000)	Capital Improvement Fund (000)	New or Existing Bonds (000)	PFCs or PFC Bonds (000)
Airfield Improvements	$ 240,235	$ 85,900	$ 1,526	$ 152,809	$ -
Terminal 1 and 2 Capacity Enhancement Projects	134,193	-	73,547	60,646	-
Construction New Terminal 3	2,630,979	15,000	1,623	2,046,356	568,000
Reliever Airport Projects	28,250	14,322	6,170	7,758	-
Ivanpah Environmental Impact Study	14,220	12,624	1,596	-	-
McCarran Support Facilities	105,278	-	60,525	44,753	-
Total	$ 3,153,155	$ 127,846	$ 144,987	$ 2,312,322	$ 568,000
	100.0%	4.1%	4.6%	73.3%	18.0%

The signatory airlines serving the Airport have approved all projects listed above. All PFC projects have been approved by the Federal Aviation Administration (FAA). Federal grants include the Department's entitlements and an assumed allocation of $20 million in discretionary monies for each fiscal period. The Capital Improvement Fund consists of the Airport System's gaming revenue and the net cash flow from the consolidated rental car facility. Based on current five-year projections, it is anticipated that future gaming revenues and future cash flow projections from the rental car facility will adequately fund the Capital Improvement Fund requirements. For the period FY 2009 through FY 2013 it is projected that gaming and the consolidated rental car facility net rents will generate $228.3 million. The financing plan for Terminal 3, the single largest project the Department has undertaken to date, is described in detail under the Debt Management section of this report.

Debt Management

At June 30, 2009, the Airport System had $3.1 billion in outstanding debt. This amount is made up of $255.9 million in senior lien debt, $1.6 billion in subordinate lien debt; $682.1 million in PFC-pledged debt; $179.2 million in third lien general obligation debt; and $400.0 million in bond anticipation notes. All of the current outstanding debt is naturally or synthetically fixed interest rate debt, with an average interest rate of approximately 4.0 percent. Refer to Note 8, Long-term Debt, for more detail relating to the Airport System's outstanding long-term debt.

With an aggressive $3.2 billion five-year capital plan, the Department continually reviews strategies to minimize debt service and keep airline costs as reasonable as possible. The ability to adapt to rapidly changing market demands, as has been seen the last two years, will be a critical element to achieving reasonable borrowing costs and maintaining the Airport's healthy credit rating. The provisions under the American Recovery and Reinvestment Act of 2009 (the Recovery Act), have prompted the Department to make some revisions to its funding strategies for the five-year capital plan. The County expects to issue bonds designated as "Build America Bonds" under the provisions of the Recovery Act whereby the bonds will be issued as taxable bonds and the County would receive a 35.0 percent subsidy payment from the federal government on the bonds. The

Department also intends to take advantage of the two-year exemption from the Alternative Minimum Tax (AMT) for private activity bonds under the Recovery Act. As a result of these stimulus initiatives, the Department will likely issue all of the remaining bonds needed to complete Terminal 3, currently estimated at $2.3 billion, over the next two years under the provisions of the Recovery Act.

The Airport System's bonds are rated by two major rating agencies. The most current ratings are as follows:

	S&P	Moody's
General Airport Revenue Bonds – Senior Lien	AA-	Aa2
General Airport Revenue Bonds – Subordinate Lien	A+	Aa3
General Airport Revenue Bonds – Third Lien	A	A1
PFC Revenue Bonds	A+	Aa3

In addition, Standard & Poor's Rating Service has rated the Airport System's interest rate swap portfolio, and based on the "Debt Derivative Profile" (DDP) scores, the Airport System's swap portfolio was rated the highest possible score. The Airport System's score of 1 indicates that the impact from debt derivatives on the Airport System's financial statements is manageable and represents a neutral credit factor.

The Master Indenture of Trust, dated May 1, 2003, which governs the issuance of senior lien debt, requires the Department to have net revenues available for bond debt service coverage equal to 1.25 times the amount of senior lien debt service, and 1.10 times the amount of debt service on any subordinate lien bonds. PFC bonds have no debt service coverage requirement due to the fact that any debt service not payable from PFC proceeds is payable as a subordinate lien to the senior bonds. As of June 30, 2009, the actual coverage on the senior lien bonds was 3.71 and the coverage of the subordinate lien debt service was 1.76. PFC debt service coverage was 0.91, whereby the Department used prior year excess PFC revenues to pay down PFC debt during FY 2009.

The Department continues to meet the challenge of providing users of the Airport System with quality facilities that meet the demands of growth, safety and security, while conscientiously and creatively managing the Airport System's bonding capacity and keeping airline costs as low as possible.

Future Outlook

During FY 2009, the Department experienced the most dramatic decline in passenger traffic in its history. Passenger enplanements declined by 11.8 percent in FY 2009. The majority of this decline can be attributed to the global economic downturn and the gaming and convention slowdown in Las Vegas. In addition, US Airways made a business decision that contributed to the decline in passengers. In mid-2008 US Airways began to slow their late night hubbing operation at the Airport and by late August, their entire late night hubbing operation was discontinued. As a result, US Airways accounted for 52.0 percent of the total decline in enplanements for FY 2009. During FY 2009, US Airways reported 3.0 million enplanements as compared to 4.5 million in FY 2008, a decline of over 32.4 percent. Southwest Airlines enplanements declined by 6.0 percent and all other carriers declined 7.8 percent. Without the US Airways dehubbing decision, the Airport would have had passenger declines for FY 2009 more in line with the national average of 7.5 percent.

The Airport is predicting a slow economic recovery, and has forecasted that during FY 2010 the Airport could see a continued decline in enplanements of approximately 2.8 percent. After FY 2010, the Airport has forecasted slight increases in enplanements of 2.1 percent in FY 2011; 2.8 percent in FY 2012; and 3.2 percent in FY 2013. As a result, the Department will continue with system-wide cost containment measures; create ways to increase non-aeronautical revenues; and the deferral of any capital spending not already committed.

The Department has, however, made a commitment to the community to complete construction of the multi-billion dollar Terminal 3 project as a means of meeting future growth at the Airport once the current economic conditions improve. The Terminal 3 project is projected to be completed by July 1, 2012. All debt service costs associated with this project are being capitalized until the date of beneficial occupancy.

The Department is also moving forward with the Environmental Impact Study (EIS) for the supplemental Ivanpah Airport that could be constructed and operational as early as 2021 depending on demand for additional capacity. The EIS is scheduled for completion in 2012.

Additional Information

Further information on the results of the Airport System financial position is provided in the accompanying audited financial statements and notes thereto for the fiscal years ended June 30, 2009, and 2008. This financial report provides the Airport System customers, investors, and creditors with a general overview of the Airport System's financial condition. The report also presents information about funds it receives and monies it spends for the fiscal periods reported. For questions about this report or additional financial information, please contact the Finance Division, Clark County, Department of Aviation, at P.O. Box 11005, Las Vegas, Nevada 89111-1005. You may also find financial and statistical information for the Airport System at www.mccarran.com

Financial Statements

Clark County Department of Aviation
Clark County, Nevada

Statements of Net Assets
As of June 30, 2009 and 2008

Assets	2009 (000)	2008 (000)
Current Assets:		
Cash and cash equivalents	$ 173,089	$ 194,050
Cash and cash equivalents, restricted	859,968	1,116,908
Investments, restricted	434	216,400
Securities lending collateral, restricted	87,202	116,304
Accounts receivable, net of allowance for doubtful accounts of $385 and $2,471	25,237	26,183
Interest receivable	6,125	10,363
Grants receivable	4,826	10,407
Other receivables	1,414	1,540
Inventories	1,828	3,552
Prepaid expenses	697	2,464
Total current assets	1,160,820	1,698,171
Non-current Assets:		
Capital assets:		
Property and equipment:		
Land and land improvements	1,783,750	1,583,048
Perpetual Avigation Easement	294,284	263,067
Buildings	1,623,339	1,346,163
Furniture and fixtures	17,489	16,149
Machinery and equipment	277,373	201,001
Construction in progress	792,368	663,331
	4,788,603	4,072,759
Less accumulated depreciation	(1,043,013)	(955,022)
Capital assets, net	3,745,590	3,117,737
Other non-current assets:		
Investments, restricted	82,215	292,237
Due from Airlines	46,586	15,044
Deferred charges, net	55,464	62,875
Total other non-current assets	184,265	370,156
Total non-current assets	3,929,855	3,487,893
Total Assets	$ 5,090,675	$ 5,186,064

See accompanying notes to financial statements

Clark County Department of Aviation
Clark County, Nevada

Statements of Net Assets
As of June 30, 2009 and 2008

Liabilities and Net Assets	2009 (000)	2008 (000)
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and other current liabilities	$ 16,504	$ 35,954
Other accrued expenses	15,576	10,780
Deferred income	5,283	3,043
Total payable from unrestricted assets	37,363	49,777
Payable from restricted assets:		
Accounts payable and other current liabilities	148,182	77,992
Accrued interest	76,930	61,857
Securities lending	91,614	116,917
Current portion of long-term debt	71,780	66,150
Avigation acquisition liability	95,180	149,853
Total payable from restricted assets	483,686	472,769
Total current liabilities	521,049	522,546
Non-current liabilities:		
Payable from unrestricted assets:		
Other non-current liabilities	10,103	5,900
Deposits	785	769
Total payable from unrestricted assets	10,888	6,669
Payable from restricted assets:		
Long-term debt, net of current portion	3,009,767	3,080,026
Avigation acquisition liability	-	68,000
Total payable from restricted assets	3,009,767	3,148,026
Total non-current liabilities	3,020,655	3,154,695
Total liabilities	3,541,704	3,677,241
Net assets:		
Invested in capital assets, net of related debt	1,097,789	987,234
Restricted for:		
Capital projects	115,568	204,872
Debt service	86,460	86,855
Other	34,570	27,619
Total restricted	236,598	319,346
Unrestricted	214,584	202,243
Total net assets	1,548,971	1,508,823
Total liabilities and net assets	$ 5,090,675	$ 5,186,064

See accompanying notes to financial statements

Clark County Department of Aviation
Clark County, Nevada

Statements of Revenue, Expenses and Changes in Net Assets
For the Fiscal Years Ended June 30, 2009 and 2008

	2009 (000)	2008 (000)
Operating Revenues:		
Terminal building and use fees	$ 93,156	$ 99,386
Landing fees and other aircraft fees	56,537	41,706
Terminal concession fees	53,247	54,490
Gaming fees	30,573	38,470
Rental car facility fees	29,697	30,689
Rental car concession fees	28,117	30,905
Public and employee parking fees	27,490	27,983
Gate use fees	21,332	18,769
Ground rents and use fees	17,708	16,486
Ground transportation fees	12,325	10,922
Other	6,424	2,848
General aviation fuel sales (net of cost)	2,609	3,234
Total operating revenues	379,215	375,888
Operating Expenses:		
Salaries and benefits	112,281	98,753
Professional services	64,085	68,868
Repairs and maintenance	26,123	25,834
Utilities and communication	22,222	22,526
Materials and supplies	13,593	21,170
Net loss from disposition of capital assets	8,921	8,693
Insurance	4,686	5,762
Administrative	1,406	4,813
Total operating expenses	253,317	256,419
Operating income before depreciation	125,898	119,469
Depreciation and amortization	122,688	81,014
Operating Income	3,210	38,455
Non-Operating income (expense):		
Passenger Facility Charges	75,335	79,475
Customer Facility Charges	-	50,844
Jet A Fuel Taxes	8,388	9,498
Interest income	49,556	86,342
Interest expense	(137,254)	(157,604)
Other	(322)	182
Total non-operating income (expense)	(4,297)	68,737
Income before capital contributions	(1,087)	107,192
Capital contributions	41,235	22,316
Change in net assets	40,148	129,508
Net assets, beginning of year	1,508,823	1,379,315
Net assets, end of year	$ 1,548,971	$ 1,508,823

See accompanying notes to financial statements

Clark County Department of Aviation
Clark County, Nevada

Statements of Cash Flows
For the Fiscal Years Ended June 30, 2009 and 2008

	2009 (000)	2008 (000)
Cash flows from operating activities:		
Cash received from operations	$ 347,665	$ 363,698
Cash paid to employees	(103,282)	(98,529)
Cash paid to outside vendors	(140,981)	(148,878)
Net cash provided by operating activities	103,402	116,291
Cash flows from capital and related financing activities:		
Passenger Facility Charges received	75,117	80,691
Jet A Fuel Taxes received	8,514	9,328
Customer Facility Charges received	-	180
Proceeds from the sale of capital assets	25	-
Acquisition and construction of capital assets	(810,537)	(460,259)
Federal Aviation Administration grants received	43,516	18,232
Transportation Safety Administration grants received	3,300	29,493
Bond proceeds	-	1,614,645
Deposit to refunding escrow	-	(1,184,465)
Bond issuance costs	(686)	(10,335)
Interest swap termination payments	-	(28,690)
Other	(322)	(114)
Debt service payments:		
Principal	(66,150)	(69,485)
Interest	(117,660)	(156,542)
Net cash provided by (used in) capital and related financing activities	(864,883)	(157,321)
Cash flows from investing activities:		
Interest received	57,592	94,193
Proceeds from maturities of investments	425,988	311,687
Purchase of investments	-	(155,907)
Net cash provided by investing activities	483,580	249,973
Increase (decrease) in cash and cash equivalents	(277,901)	208,943
Cash and cash equivalents, beginning of year	1,310,958	1,102,015
Cash and cash equivalents, end of year	$ 1,033,057	$ 1,310,958
Cash and cash equivalent balances:		
Unrestricted cash and cash equivalents	$ 173,089	$ 194,050
Restricted cash and cash equivalents	859,968	1,116,908
Cash and cash equivalents, end of year	$ 1,033,057	$ 1,310,958

See accompanying notes to financial statements

Clark County Department of Aviation
Clark County, Nevada

Statements of Cash Flows
For the Fiscal Years Ended June 30, 2009 and 2008

	2009 (000)	2008 (000)
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 3,210	$ 38,455
Depreciation and amortization	122,688	81,014
Net loss from disposition of operating assets	8,921	8,693
(Increase) decrease in accounts receivable-operations	(2,263)	1,006
(Increase) decrease in airline receivable	(31,542)	(12,218)
(Increase) decrease in inventories	1,724	(1,227)
(Increase) decrease in prepaid expenses	1,768	(623)
Increase (decrease) in accounts payable-operations	(12,358)	202
Increase (decrease) in accrued payroll	8,999	224
Increase (decrease) in deferred income	2,240	(4)
Increase (decrease) in deposits	16	769
Net cash provided by operating activities	$ 103,402	$ 116,291
Non-cash Capital Financing Activities		
Liability for litigation settlements charged to capital assets	$ 27,180	$ 204,000
Accounts receivable exchanged for capital assets	$ 3,427	$ -
Increase in fair market value from exchange of capital assets	$ 3,253	$ -

See accompanying notes to financial statements

1.) SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

(a) Reporting Entity

The Clark County Department of Aviation (the Department) is a department of Clark County (the County); a political subdivision of the State of Nevada (the State). The Department's purpose, under the supervision of the Board of County Commissioners (the Board) and the County Manager, is to operate McCarran International Airport (the Airport) and the four other general aviation facilities owned by the County; North Las Vegas Airport, Henderson Executive Airport, Jean Sports Aviation Center, and Overton-Perkins Field, collectively referred to as the Airport System. The Board is the governing body of the County. The seven members are elected from County commission election districts for four-year staggered terms. The Board appoints the Director of Aviation, who is charged with the day to day operations of the Department.

Only the accounts of the Department are included in the reporting entity. The Airport System is owned and operated as an enterprise fund of the County and is included as part of the County's government wide financial statements and comprehensive annual financial report (CAFR).

(b) Basis of Accounting

The accounting principles used are similar to those applicable to a private business enterprise (accrual basis of accounting), where the costs of providing services to the public are recovered through user fees. The Department is not subsidized by any tax revenues of the County. Pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting,* the Department elected not to be bound by pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989. Accordingly, it selects accounting methods among available alternatives when not otherwise required by GASB or earlier applicable FASB standards. All tabular dollar amounts are presented in thousands.

The financial statements of the Department, an enterprise fund, are presented on the accrual basis of accounting. Revenues are recorded when earned. The Department's operating revenues are derived from fees paid by airlines, concessionaires, tenants and others. The fees are based on usage fees established by the Department and approved by the Board or in accordance with the Scheduled Airline Operating Agreement and Terminal Building Lease (the Lease) dated July 1, 2003, which expired June 30, 2008 (Note 14). Expenses are recognized when incurred. Non-operating expenses are primarily debt service payments on outstanding Department debt, and non-operating income consists of interest income, Passenger Facility Charge (PFC) proceeds and Jet A fuel tax revenues.

(c) Cash, Cash Equivalents, and Investments

(1) Cash and cash equivalents

The Department's pooled funds, and short-term investments, with original maturities of three months or less from the date of acquisition, are considered to be cash equivalents (Note 2).

(2) Investments

Investments, consisting of federal government obligations and repurchase agreements, guaranteed investment certificates, collateralized investment agreements, and money market funds are stated at market value. Investments in the County's pooled Treasurer's cash account are adjusted to market (Note 2).

(d) Accounts Receivable

Receivables are reported at their gross value when earned. The Department's collection terms are generally 20 days. The allowance for uncollectible accounts is based on 10 percent of open aged receivables at June 30 of each fiscal period. As a customer's balance is deemed uncollectible, the receivable is cleared and the amount written off. If the balance is subsequently collected, payments are applied to the allowance account. Accounts receivables are shown net of the allowance for doubtful accounts in the amount of $0.4 million for fiscal year (FY) 2009 and $2.5 million for FY 2008.

(e) Inventories

Inventories held for resale are valued at lower of cost or market and consist primarily of jet fuel at the general aviation facilities to be consumed by customers. Expendable parts and supplies held for consumption within the next fiscal year are valued at cost.

(f) Capital Assets

Capital assets with a useful life of more than one year are capitalized and are stated at historical cost. The capitalization threshold is $5,000 (Note 6). Costs related to the alteration or demolition of existing facilities during major expansion programs are capitalized as additional costs of the program. Depreciation is computed using the straight-line method based on useful lives (in years) currently estimated as follows:

Land Improvements	20-35 years
Buildings	20-30 years
Furniture and Fixtures	15 years

Machinery and Equipment	3-20 years

Repairs and maintenance are charged to operations as incurred unless they have the effect of improving or extending the life of an asset, in which case they are capitalized as part of the cost of the asset.

(g) Capitalized Interest

For FY 2009, the Department used FASB Statement No. 34, *Capitalization of Interest Costs*, as amended, to compute annual capitalized interest expenses at the Airport System. The computed capitalized interest was $31.6 million. In FY 2008, the Department calculated capitalized interest in accordance with FASB Statement No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*. This calculation resulted in capitalized interest for FY 2008 of $8.7 million.

During FY 2009 the Department determined that because its bond offerings are issued as general capital improvement bonds and are not issued for specified qualifying projects, FASB statement No. 34 is the appropriate method for calculating capitalized interest.

As a result, the FY 2008 capitalized interest, when recalculated under the provisions of FASB 34, would have been $25.9 million, an understatement of $17.2 million. The FY 2008 recalculated amount, in combination with other FY 2008 adjustments, is not material, as determined by Department management. (See Note 6)

(h) Due from Airlines

In FY 2008, the Department deferred the airline additional amount due of $15.0 million as a result of rates and charges being calculated at year-end using audited actual revenues and expenses versus budgeted. Due to the airline hardships at the time, the Department agreed to defer this additional amount due until FY 2011. The additional amount due at the end of FY 2009 of $31.5 million is due in FY 2010 and FY 2011 in accordance with the Agreement.

(i) Deferred Charges

Deferred charges (Note 7), consisting primarily of underwriter fees and other costs incurred during the issuance of General Airport Revenue Bonds, are amortized over the life of the related bonds using the interest method. Deferred charges also include the amounts due from the signatory airlines at June 30, 2007 that were forgiven in FY 2008 in exchange for the net revenues (excluding land rent) from the Consolidated Rental Car Facility (CRCF) during its 10-year lease term. The amount due from the signatory airlines was reclassified to deferred charges in FY 2008 and is being amortized over the 10-year lease term of the CRCF.

(j) Federal Grants

Federal Aviation Administration (FAA) grants and Transportation Safety Administration (TSA) grants are restricted for certain capital improvements and reported as capital contributions in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions,* as amended by GASB Statement No. 36.

(k) Passenger Facility Charges

The FAA authorized the County to impose a PFC of $3.00 per qualifying enplaned passenger commencing June 1, 1992. The PFC continued to be $3.00 until November 1, 2004, when the FAA authorized the County to increase the PFC to $4.50. Effective September 1, 2006, the PFC rate decreased from $4.50 per qualifying enplaned passenger to $3.00 pursuant to authorization from the FAA. Effective January 1, 2007, the PFC rate increased from $3.00 per qualifying enplaned passenger to $4.00 through the fiscal year ended June 30, 2008. Effective October 1, 2008, the PFC rate increased to $4.50 per qualifying enplaned passenger.

Net PFC receipts are restricted and can be used only for those capital projects, including debt service, that have been authorized by the FAA. The County has been authorized to collect PFCs in the aggregate amount of $2.7 billion. Collections during the year ended June 20, 2009, are $75.1 million, and aggregate collections from the inception through June 30, 2009, are $870.2 million. The majority of PFC collections are used to pay debt service on PFC bonds issued to fund FAA-approved projects.

(l) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and other resources that are legally restricted to certain uses pursuant to the Master Indenture of Trust dated May 1, 2003. Capital program funds are restricted to pay the cost of certain capital projects as defined in various bond ordinances. PFC program funds are restricted to pay the cost of FAA-approved capital projects and any debt service incurred to finance these projects. Debt service funds are restricted to make payments for principal, interest, sinking fund, and coverage as required by specific bond covenants.

(m) Budgetary Control

As an enterprise fund of the County, the Department is subject to budgetary requirements of the State of Nevada (the State) including budgetary hearings and public meetings as required by the County's overall budget process. Accordingly, the Board approves the Department's annual budget and any subsequent changes thereto. The Department's budget is prepared on the accrual basis of accounting, and actual expenses cannot exceed the total budgeted operating expenses without action pursuant to the State's budgetary requirements. Appropriations for operating expenses lapse at the end of each fiscal year.

(n) Legal Defense Costs

The Department does not accrue funds for estimated future legal and related defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the related services are rendered.

(o) Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires the Department to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates and assumptions.

(p) Reclassifications

Certain FY 2008 amounts have been reclassified to conform to the FY 2009 presentation. These amounts have been deemed by Department management to be immaterial.

(q) Recent Accounting Pronouncements

In FY 2008, the Department implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* GASB Statement No. 45 provides standards for the measurement, recognition, and display of other postemployment benefit expenditures, assets, liabilities, including applicable note disclosure and required supplementary information. The implementation of this standard was not material to the Airport System's financial position or results of operations and is further described in Note 5 of the financial statements.

GASB Statement No. 47, *Accounting for Termination Benefits*, was issued in June 2005. For termination benefits provided through existing defined benefit OPEB plans, the provisions of GASB Statement No. 47 are required to be implemented simultaneously with the requirements of GASB Statement No. 45, which is effective for the Department in FY 2008. Since the Department does not have termination benefits, the adoption of this statement had no effect on the amounts reported in the financial statements. GASB Statement No. 47 establishes accounting standards for voluntary and involuntary termination benefits and addresses recognition, measurement, and disclosure requirements.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*, was issued in September 2006 and is effective for the Department in FY 2008. The statement establishes criteria for government agencies on the reporting of receivables, and provides guidance in recognizing other assets and liabilities for sales of receivables or future revenues. The adoption of this statement had no effect on the amounts reported in the financial statements.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, was issued in November 2006, and is effective for the Department in FY 2009. The statement provides accounting and financial reporting standards for pollution remediation obligations as well as disclosure requirements. The Department does not expect the adoption of GASB Statement No. 49 to have a material impact on its financial statements.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, was issued in June 2007, and is effective for the Department in FY 2010. Intangible assets are required to be classified as capital assets under GASB Statement No. 51. The statement also provides guidance on the useful life and amortization of intangible assets. The Department does not expect the adoption of GASB Statement No. 51 to have a material impact on its financial statements.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, was issued in November 2007, and is effective for the Department in FY 2010. Endowments are required to report their land and other real estate investments at fair value under GASB Statement No. 52. Additionally, governments are required to report the change in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The Department does not expect the adoption of GASB Statement No. 52 to have an impact on its financial statements, because the Department does not currently have land or other real estate held as endowment investments.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was issued June 2008, and is effective for the Department in FY 2010. The statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local government. Derivative instruments are required to be reported at fair value. Since the Department has interest rate swap derivatives with a fair market value of ($152.6) million at June 30, 2009, it is expected that the implementation of this statement will have a material impact on the Departments financial statements. See Note 8 – Long term Debt.

2.) CASH AND INVESTMENTS

The majority of all cash and investments of the Airport System are included in the investment pool of the Clark County Treasurer (Treasurer) and the Department's Trustee, the Bank of New York Mellon (BNYM). As of June 30, 2009, these amounts are distributed as follows:

	FY2009 (000)	FY2008 (000)
Clark County Investment Pool	$ 605,384	$ 607,913
Cash and investments with Fiscal Agent	509,596	1,211,563
Cash on Hand or In Transit	726	119
Total	$1,115,706	$1,819,595

Clark County Investment Pool:

The Treasurer invests monies held by both individual funds and through a pooling of monies. The pooled monies, referred to as the Clark County Investment Pool, are invested as a whole and not as a combination of monies from each fund belonging to the pool. In this manner, the Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned to each participating department or agency on a monthly basis and is based on the average daily cash balance of the fund for the month in which the investments mature.

According to Nevada Revised Statutes, County monies must be deposited with federally insured banks and savings and loan associations within the County. The Treasurer is authorized to use demand accounts, time accounts and certificates of deposit.

Nevada Revised Statutes specifically require collateral for demand and time deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible state investments. Permissible state investments are similar to allowable County investments described below except that some state investments are longer term and include securities issued by municipalities outside the State of Nevada.

Due to the nature of the investment pool, it is not possible to separately identify any specific investment as being that of the Department. Instead, the Department owns a proportionate share of each investment, based on the Department's participation percentage in the investment pool. As of June 30, 2009, the $605.4 million of the Department investments held in the investment pool are categorized as follows:

Investment Type		Fair Value	Investment Maturities (in years) Less than 1	1 to 3	3 to 5	5 to 10
Debt Securities:						
U.S. Treasury Obligations		10.2%	34.6%	56.3%	0.2%	9.0%
U.S. Agency Obligations		57.5%	28.2%	65.3%	6.1%	0.5%
Corporate Obligations		5.9%	49.7%	43.5%	6.7%	0.0%
Money Market Funds		24.2%	100.0%	0.0%	0.0%	0.0%
Negotiable CDs		0.002%	100.0%	0.0%	0.0%	0.0%
State Investment Pool	**	1.6%	100.0%	0.0%	0.0%	0.0%
Collateralized Investment Agreements	*	0.3%	100.0%	0.0%	0.0%	0.0%
Asset Backed Securities		0.3%	0.0%	100.0%	0.0%	0.0%
		100.0%	48.8%	46.1%	3.9%	1.2%

* These are fully collateralized guaranteed investment contracts and forward delivery agreements related to bond proceeds.

** The State Investment Pool is an external pool administered by the State Treasurer with oversight by the State of Nevada Board of Finance. Fair value of the County's position in the pool is the same as the value of the pool shares.

As of June 30, 2008, the $607.9 million of the Department investments held in the investment pool are categorized as follows:

Investment Type		Fair Value	Investment Maturities (in years) Less than 1	1 to 3	3 to 5	5 to 10
Debt Securities:						
U.S. Treasury Obligations		9.2%	15.9%	74.6%	0.2%	9.3%
U.S. Agency Obligations		50.5%	28.0%	56.2%	15.2%	0.6%
Corporate Obligations		8.6%	46.7%	42.3%	10.9%	0.0%
Money Market Funds		14.4%	100.0%	0.0%	0.0%	0.0%
Commercial Paper		3.0%	100.0%	0.0%	0.0%	0.0%
Negotiable CDs		0.9%	100.0%	0.0%	0.0%	0.0%
State Investment Pool	**	1.5%	100.0%	0.0%	0.0%	0.0%
Collateralized Investment Agreements	*	6.5%	100.0%	0.0%	0.0%	0.0%
Repurchase Agreements		4.7%	100.0%	0.0%	0.0%	0.0%
Asset Backed Securities		0.7%	60.2%	39.8%	0.0%	0.0%
		100.0%	51.0%	39.2%	8.6%	1.2%

* These are fully collateralized guaranteed investment contracts and forward delivery agreements related to bond proceeds.

** The State Investment Pool is an external pool administered by the State Treasurer with oversight by the State of Nevada Board of Finance. Fair value of the County's position in the pool is the same as the value of the pool shares.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the average weighted duration of its investment pool to less than 2.5 years. Duration is a measure of the present value of a fixed income's cash flow and is used to estimate the sensitivity of a security's price to interest rate changes.

Interest Rate Sensitivity

At June 30, 2009, the County invested in the following types of securities that have a higher sensitivity to interest rates:

Callable securities are directly affected by the movement of interest rates. Callable securities allow the issuer to redeem or call a security before maturity, one time or generally on coupon dates.

Step up/step down securities have fixed rate coupons for a specific time interval that will step-up or step-down a predetermined number of basis points at scheduled coupon or other reset dates. These securities are callable one time or on their coupon date.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy applies the prudent-person rule: "In investing the County's monies, there shall be exercised the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The County's investments were rated by Standards & Poor's and Moody's Investors Service, respectively, as follows: obligation of the U.S. Treasury, AAA/Aaa; bonds of U.S. Federal agencies, AAA/Aaa; discount notes of U.S. Federal agencies, A-1/P-1; money market funds, AAA/Aaa; negotiable certificates of deposit, A-1/P-1; collateralized investment agreements issued by insurance companies rated AA/Aa2 or its equivalent or higher, or issued by entities rated A/A2 or its equivalent or higher; asset-backed securities, AAA/Aaa; corporate notes issued by corporations organized and operating in the United States which have a rating of A or its equivalent or higher.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to no more than five percent of the County Investment Pool.

At June 30, 2009, the following investments exceeded five percent of the total cash, investments, and loaned securities collateral for all entities combined.

Federal Farm Credit Banks (FFCB)	16.38%
Federal Home Loan Banks (FHLB)	24.37
Federal Home Loan Mortgage Corporation	12.75
Federal national Mortgage Association	11.26
Federated Money Market Funds	8.75
Goldman Sachs Money Market Funds	10.27

As of June 30, 2008, the following investments exceeded five percent of the total cash, investments, and loaned securities collateral for all entities combined.

Federal Farm Credit Banks (FFCB)	8.53%
Federal Home Loan Banks (FHLB)	22.91
Federal Home Loan Mortgage Corporation	11.07
Federal national Mortgage Association	14.63
Federated Money Market Funds	5.67
Morgan Stanley Money Market Funds	10.09

Securities Lending

Nevada Revised Statute (NRS) 355.178 authorizes the County to participate in securities lending transactions, where the County's securities are loaned to broker/dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The County's securities lending agent administers the securities lending program and receives cash or other securities equal to at least 102 percent of the fair value of the loaned securities plus accrued interest as collateral for securities of the type on loan at year end. The collateral for the loans is maintained at 102 percent, and the value of the securities borrowed is determined on a daily basis.

At June 30, 2009, the County had no credit exposure to borrowers because the amount the County held as collateral exceeded the amounts the borrowers owed to the County. The contract with the securities lending agent requires it to indemnify the County for all losses relating to securities lending transactions.

The County does not have the ability to pledge or sell collateral securities without a borrower default. There were no borrower defaults during the period nor were there any prior period losses to recover.

State statutes place no restrictions on the amount of securities that can be loaned. Either the County or the borrower can terminate all open securities loans on demand. Cash collateral is invested in accordance with the investment guidelines stated in NRS 355.170. The County investment policy requires the aggregate reinvestment of the cash collateral may not be mismatched to the aggregate securities loaned by more than three business days. In regard to this calculation, the final maturity or interest rate reset date is utilized. Such amounts are included in loaned securities in investments and liabilities.

The fair value of the securities on loan allocated to the Department in FY 2009 and FY 2008 was $91.6 million and $116.9 million respectively. The Department was allocated cash collateral with a value of $87.2 million in FY 2009 and $116.3 million in FY 2008.

The County adjusts the investments in the Treasurer Investment Pool to market and allocates the adjustment to the various participants. For FY 2009 and FY 2008, the Department's allocated portion of the market adjustment was $9.9 million and $7.0 million respectively.

Fiscal Agent Cash

In accordance with the Master Indenture of Trust dated May 3, 2003, as amended, between the County and the Bank of New York Mellon (Trustee), the Department uses the Trustee to retain all debt service reserve funds and make all annual debt service payments to bondholders. As of June 30, 2009, the Trustee held $509.6 million of the Department's cash and investments restricted for debt service reserves and annual debt service payments. As of June 30, 2008, the Trustee held $1,211.6 million in Department cash and investments.

During FY 2009, of the $509.6 million held by the Trustee, $426.9 million in cash and cash equivalents was invested in Federated Government Funds money market funds, and $82.7 million is invested in short and long-term investments with the following entities:

Investment Type	Fair Value FY 2009 (000)	Investment Maturities (in Years) Less Than 1	1 to 3	3 to 5	5 to 10	Over 10
FSA Collateralized Investment Agreement *	$ 14,868					$ 14,868
Morgan Stanley Collateralized Investment Agreement	6,372		$ 6,372			-
U.S. Treasury Notes	61,409	$ 434	1,644	$ 59,331		-
	$ 82,649	$ 434	$ 8,016	$ 59,331	-	$ 14,868

* Series 2007A Debt Service Reserve Fund invested through the life of the bond issue, July 1, 2040.

Investment Ratings	Moody's	Standard & Poor's	Fitch
FSA Collateralized Investment Agreement	Aa3	AAA	AAA
Morgan Stanley Collateralized Investment Agreement	A2	A	A
U.S. Treasury Notes	Aaa	AAA	AAA

During FY 2008, of the $1,211.6 million held by the Trustee, $703.0 million in cash and cash equivalents was invested as follows; $110.7 million in Blackrock Liquidity Funds; $47.7 million in Federal National Mortgage Discount Notes; $141.3 million in Federated Government Funds; and $402.7 million in Morgan Stanley Government money market funds, $0.6 million in cash, and $508.6 million was invested in short and long-term investments with the following entities:

Investment Type	Fair Value FY 2008 (000)	Investment Maturities (in Years) Less Than 1	1 to 3	3 to 5	5 to 10	Over 10
MBIA Collateralized Investment Agreement	$ 103,081					$ 103,081
FSA Collateralized Investment Agreement *	14,868					14,868
Morgan Stanley Collateralized Investment Agreement	231,023	$ 118,144	$ 104,087	$ 8,792		-
Citigroup Investment Agreement	98,257	98,257	-	-		-
U.S. Treasury Notes	61,409	-	959	1,119	$ 59,331	-
	$ 508,638	$ 216,401	$ 105,046	$ 9,911	$ 59,331	$ 117,949

* Series 2007A Debt Service Reserve Fund invested through the life of the bond issue, July 1, 2040.

Investment Ratings	Moody's	Standard & Poor's	Fitch
MBIA Collateralized Investment Agreement	Baa1	AA	AA
FSA Collateralized Investment Agreement	Aaa	AAA	AAA
Morgan Stanley Collateralized Investment Agreement	Aa3	A	A
Citigroup Investment Agreement	Aa3	A	AA
U.S. Treasury Notes	Aaa	AAA	AAA

3.) GRANTS RECEIVABLE

Grants receivable include FAA grants in the amount of $4.8 million at June 30, 2009. Grants receivable at June 30, 2008 include FAA grants in the amount of $7.1 million and TSA grants in the amount of $3.3 million.

4.) RESTRICTED ASSETS

The Master Indenture of Trust requires segregation of certain assets into restricted accounts. The Department has also included Passenger Facility Charges (PFC) and Jet A fuel tax revenue related assets as restricted assets because these assets have been pledge for capital projects and debt service. Restricted assets reported in the financial statements consist of the following:

	June 30, 2009 (000)	June 30, 2008 (000)
Restricted for capital projects:		
Cash and investments - PFC and other bond proceeds	$ 495,318	$ 1,195,327
Cash and investments - Passenger facility charges	22,059	27,415
Accounts receivable - Passenger facility charges	10,496	10,277
Grant reimbursements receivable	4,074	9,393
Interest receivable	2,803	8,327
	534,750	1,250,739
Restricted for debt service:		
Bond fund:		
Cash and investments - PFC bonds	39,808	39,674
Cash and investments - Other bonds	174,642	147,222
	214,450	186,896
Debt service reserves:		
Cash and investments - PFC bonds	47,404	53,405
Cash and investments - Other bonds	104,187	116,579
	151,591	169,984
Subordinate and other debt coverage reserves:		
Cash and investments	20,215	17,691
Interest receivable	36	52
Other receivable - Jet A fuel taxes	1,414	1,540
	21,665	19,283
	387,706	376,163
Other restricted assets:		
Cash and investments - Working capital and contingency	20,031	18,333
Cash and investments - Capital fund	18,952	9,899
Securities lending collateral	87,202	116,304
	126,185	144,536
	$ 1,048,641	$ 1,771,438

5.) RETIREMENT PLAN

(a) The Department contributes to the Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Nevada Public Employees' Retirement System. PERS provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS was established by legislation in 1947 and is governed by a board that is responsible for administration and management of the fund. The autonomous, seven-member board is appointed by the Governor. PERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for PERS. The report can be obtained by writing to Public Employees' Retirement System of Nevada, 693 W. Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

PERS contribution rates are established by State statute and provide for yearly increases of up to 1percent until such time as the actuarially determined unfunded liability is reduced to zero. The PERS contribution rates in effect for the fiscal years ended June 30, 2009, 2008, and 2007 were 20.50%, 20.50%, and 19.75% of annual covered payroll, respectively. The Department's contribution to PERS for the years ended June 30, 2009, 2008, and 2007, was $15.4 million, $14.1 million and $10.4 million, respectively.

(b) Other Postemployment Benefits

Plan Information

Retirees of the Department may continue insurance coverage through the Clark County Retiree Health Program (County Plan), an agent multiple-employer defined benefit plan, if enrolled as an active employee at the time of retirement. Within the County Plan, retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan), and Health Plan of Nevada (HPN), a fully insured health maintenance organization (HMO) plan.

Some employees are also enrolled in the State program of insurance. This program, the Public Employees' Benefits Program (PEBP), is an agent multiple-employer, defined benefit plan.

Each plan provides medical, dental and vision benefits to eligible active and retired employees and beneficiaries. Except for the PEBP, benefit provisions are established and amended through negotiations between the County and the employee union. PEBP benefit provisions are established by the Nevada State Legislature.

The Self-Funded Plan is not administered as a qualifying trust or equivalent arrangement. The Self-Funded Plan is included in the Clark County Comprehensive Annual Financial Report as an internal service fund (the Self-Funded Group Insurance fund), as required by NRS.

The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The Self-Funded and PEBP reports may be obtained by writing or calling the plans at the following addresses or numbers:

Clark County, Nevada
PO Box 551210
500 S. Grand Central Parkway
Las Vegas, NV 89155-1210

Public Employee Benefit Plan
901 South Stewart Street, Suit1001
Carson City, Nevada 89701
(800) 326-5496

Funding Policy and Annual Other Postemployment Benefit (OPEB) Cost

For the Self-funded and HPN programs, contribution requirements of plan members and the Department are established and may be amended through negotiations between the County Board of Commissioners and the employee union.

The Department pays approximately 90.0 percent of premiums for active employee coverage, an average of $626 per active employee for the year ended June 30, 2009. Retirees in the Self-Funded and HPN plans receive no direct subsidy from the Department. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the Department.

The Department is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who enroll in this plan. In 2009, retirees were eligible for a $103 per month subsidy after five years of service with a Nevada state or local government entity. The maximum subsidy of $564 is earned after 20 years of combined service with any eligible entity. The subsidy is set by the State Legislature.

The annual OPEB cost for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Department's annual OPEB cost for the current year and the related information for each plan are as follows:

	Self-Funded/HPN	PEBP
Contribution rates	Actuarially determined, premium sharing determined by union contracts.	Set by State Legislature.
Department	Implicit subsidy through blending of active and retiree loss experience.	$103.00 per month after 5 years of service up to $564.00 per month after 20 years.
Plan Members Subsidy	From $366.00 per month for individual coverage to $1,079.00 per month for family coverage, depending on plan.	From $0.00 to $1,335.00, depending on level of coverage and subsidy earned.

	Self-Funded/HPN FY 2009	Self-Funded/HPN FY 2008	PEBP FY 2009	PEBP FY 2008
Annual Required Contribution (ARC)	$6,683,689	$5,605,781	$976,702	$523,864
Interest on Net OPEB obligation	138,402	-	20,225	-
Adjustment to ARC	(1,715,041)	-	(384,821)	-
Annual OPEB Cost	5,107,050	5,605,781	612,106	523,864
Contributions made	(856,770)	(229,478)	(659,552)	-
Increase (decrease) in net OPEB obligation	4,250,280	5,376,303	(47,446)	523,864
Net OPEB obligation, beginning of FY	5,376,303	0	523,864	-
Net OPEB obligation, end of FY	$9,626,583	$5,376,303	$476,418	$523,864

The Department's net OPEB obligation is included on the Statement of Net Assets in other non-current liabilities. The Department's annual OPEB cost, the percentage of annual cost contributed to the plan and the net OPEB obligation for 2008 and 2009 were as follows:

	Year-ended	Annual OPEB cost	% of OPEB cost contribution	Net OPEB obligation
Self-funded/HPN	June 30, 2008	$ 5,605,780	4.1%	$ 5,376,303
Self-funded/HPN	June 30, 2009	5,107,050	16.7%	9,626,583
PEBP plan	June 30, 2008	523,864	0.0%	523,864
PEBP plan	June 30, 2009	612,106	107.8%	476,418

Funded status and funding progress

The funded status of the plans as of June 30, 2009, was as follows:

	Self funded/ HPN	PEBP
Actuarial accrued liability (a)	$ 59,063,517	$ 17,006,980
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	$ 59,063,517	$ 17,006,980
Funded ratio	0.0%	0.0%
Covered payroll (c)	$ 83,521,710	$ -
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll [(a) -(b)] / (c)]	70.7%	N/A*

*PEBP no longer has active employees effective 9/1/08.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information will provide multi-year trend information that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Department and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

	Self-funded HPN	PEBP
Actuarial valuation date	7/1/2008	7/1/2008
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar
Remaining amortization period	30 years	30 years
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions:		
Investment rate of return	4.00%	4.00%
Projected salary increase	N/A	N/A
Healthcare inflation rate	8% initial 5% ultimate	8% initial 5% ultimate

6.) CHANGES IN CAPITAL ASSETS

The following schedule details the additions, retirements and transfers of capital assets during FY 2009. The schedule also details changes in accumulated depreciation for FY 2009:

	Balance July 1, 2008 (000)	Additions and Reclassifications (000)	Deletions and Reclassifications (000)	Balance June 30, 2009 (000)
Property and equipment:				
Land and land improvements	$ 1,846,115	$ 261,045	$ (29,126)	$ 2,078,034
Buildings and improvements	1,346,163	296,751	(19,575)	1,623,339
Furniture and fixtures	16,149	1,502	(162)	17,489
Machinery and equipment	201,001	96,446	(20,074)	277,373
Construction in progress	663,331	712,584	(583,547)	792,368
	4,072,759	1,368,328	(652,484)	4,788,603
Less accumulated depreciation:				
Land and land improvements	(400,533)	(67,500)	20,077	(447,956)
Buildings and improvements	(427,641)	(43,709)	17,212	(454,138)
Furniture and fixtures	(9,743)	(1,885)	94	(11,534)
Machinery and equipment	(117,105)	(22,765)	10,485	(129,385)
	(955,022)	(135,859)	47,868	(1,043,013)
Capital assets - net	$ 3,117,737	$ 1,232,469	$ (604,616)	$ 3,745,590

	Balance July 1, 2007 (000)	Additions and Reclassifications (000)	Deletions and Reclassifications (000)	Balance June 30, 2008 (000)
Property and equipment:				
Land and land improvements	$ 1,670,049	$ 206,760	$ (30,694)	$ 1,846,115
Buildings and improvements	1,337,687	38,162	(29,686)	1,346,163
Furniture and fixtures	17,345	3,441	(4,637)	16,149
Machinery and equipment	214,542	12,093	(25,634)	201,001
Construction in progress	211,182	1,095,463	(643,314)	663,331
	3,450,805	1,355,919	(733,965)	4,072,759
Less accumulated depreciation:				
Land and land improvements	(386,169)	(26,820)	12,456	(400,533)
Buildings and improvements	(429,319)	(42,009)	43,687	(427,641)
Furniture and fixtures	(11,613)	(1,374)	3,244	(9,743)
Machinery and equipment	(113,485)	(7,832)	4,212	(117,105)
	(940,586)	(78,035)	63,599	(955,022)
Capital assets - net	$ 2,510,219	$ 1,277,884	$ (670,366)	$ 3,117,737

Included as part of the additions and reclassifications to the FY 2009 changes in capital asset are adjustments to reflect an additional net increase of $1.2 million for FY 2008 reported amounts. These revised amounts reflect an adjustment for the understatement of accumulated depreciation in FY 2008 of $16.0 million as a result of the Department's conversion to a new accounting system. In addition, the Department recalculated capitalized interest for FY 2008 under the provisions of FASB Statement no. 34 which resulted in an understatement of property and equipment capital asset amounts totaling $17.2 million (see note 1(g)).

7.) DEFERRED CHARGES

Deferred charges for fiscal year 2009 and 2008 are as follows:

	June 30, 2009 (000)	June 30, 2008 (000)
Bond Issue or Swap Issuance Costs		
1993A	$ 311	$ 474
1998 Series A	67	196
1998 PFC	716	782
2002 PFC	159	265
2003 General Obligation Series B	435	465
2003 Jet A Fuel Tax Series C	2,357	2,645
2004 Series A-1	1,597	1,763
2004 Series A-2	3,619	3,784
2005 Series A-1	992	1,219
2005 Series A-2	985	1,210
2005 Series A Senior	930	962
2006 Series A	554	625
2007 PFC Series A1	1,242	1,326
2007 PFC Series A2	1,030	1,085
2007 Series A1	1,730	1,882
2007 Series A2	766	793
2008 General Obligation Series A	273	353
2008 PFC Series A	798	954
2008 Series A	1,901	2,136
2008 Series B	1,902	2,136
2008 Series C	1,039	1,105
2008 Series D-1	218	268
2008 Series D-2	755	794
2008 Series D-3	435	543
2008 Series E	366	539
2008 Series F	-	1,497
2009 Forward Swap	5,145	5,112
2010 Forward Swap	1,462	1,462
2011 Forward Swap	1,824	1,824
Total Bond Issue or Swap Issuance Costs	33,608	38,199
Consolidated Rental Car Facility Lease Costs	21,856	24,676
Total Deferred Charges	$ 55,464	$ 62,875

8.) LONG-TERM DEBT

(a) A summary of long-term debt transactions for the fiscal years ended June 30, 2009 and 2008, are as follows:

	Balance June 30, 2008 (000)	Additions (000)	Refunding (000)	Pay downs (000)	Balance June 30, 2009 (000)	
SENIOR LIEN BONDS:						
1993 Series A	$ 151,200	$ -	$ -	$ 26,300	$ 124,900	1
2005 Series A	69,590	-	-	-	69,590	2
2008 Series E	61,430	-	-	-	61,430	2
Sub-Total Senior Lien Bonds	282,220	-	-	26,300	255,920	
SUBORDINATE LIEN BONDS:						
1998 Series A	24,115	-	-	7,595	16,520	2
2004 Series A-1	128,430	-	-	-	128,430	2
2004 Series A-2	232,725	-	-	-	232,725	2
2006 Series A	83,695	-	-	9,440	74,255	2
2007 Series A-1	150,400	-	-	-	150,400	2
2007 Series A-2	56,225	-	-	-	56,225	2
2008 Series A	150,000	-	-	-	150,000	1
2008 Series B	150,000	-	-	-	150,000	1
2008 Series C	266,000	-	-	-	266,000	1
2008 Series D-1	58,920	-	-	-	58,920	1
2008 Series D-2	199,605	-	-	-	199,605	1
2008 Series D-3	122,865	-	-	-	122,865	1
Sub-Total Subordinate Lien Bonds	1,622,980	-	-	17,035	1,605,945	
PFC BONDS:						
1992 Series A	9,420	-	-	9,420	-	2
1998 PFC	89,015	-	-	1,180	87,835	2
2002 PFC	19,010	-	-	-	19,010	2
2005 Series A-1	125,200	-	-	5,000	120,200	1
2005 Series A-2	125,200	-	-	5,000	120,200	1
2007 Series A-1	113,510	-	-	-	113,510	2
2007 Series A-2	105,475	-	-	-	105,475	2
2008 Series A	115,845	-	-	-	115,845	2
Sub-Total PFC Bonds	702,675	-	-	20,600	682,075	
THIRD LIEN BONDS:						
2003 General Obligation Series B	37,000	-	-	-	37,000	2
2003 Jet A Fuel Tax Series C	101,335	-	-	2,215	99,120	2
2008 General Obligation Series A	43,105	-	-	-	43,105	1
Sub-Total Third Lien Bonds	181,440	-	-	2,215	179,225	
BOND ANTICIPATION NOTES:						
2008F	400,000	-	-	-	400,000	3
Sub-Total Bond Anticipation Notes	400,000	-	-	-	400,000	
Total principal outstanding	3,189,315	$ -	$ -	$ 66,150	3,123,165	
Less:						
Current portion	66,150				71,780	
Unamortized premiums	(51,445)				(41,532)	
Unamortized deferred amount on refundings	59,746				51,954	
Unamortized discount	34,838				31,196	
Total long-term debt outstanding	$ 3,080,026				$ 3,009,767	

1 Variable Rate Debt Obligations
2 Fixed Rate Bonds
3 Bond Anticipation Notes

	Balance June 30, 2007 (000)	Additions (000)	Refunding (000)	Pay downs (000)	Balance June 30, 2008 (000)	
SENIOR LIEN BONDS:						
1993 Series A	$ 175,900	$ -	$ -	$ 24,700	151,200	1
2005 Series A	69,590	-	-	-	69,590	2
2008 Series E		61,430	-	-	61,430	2
Sub-Total Senior Lien Bonds	245,490	61,430	-	24,700	282,220	
SUBORDINATE LIEN BONDS:						
1998 Series A	90,775	-	59,465	7,195	24,115	2
2001 Series C	115,560	-	115,560	-	-	
2004 Series A-1	128,430	-	-	-	128,430	2
2004 Series A-2	232,725	-	-	-	232,725	2
2005 Series C	215,150	-	215,150	-	-	
2005 Series D	205,375	-	205,375	-	-	
2005 Series E	58,920	-	58,920	-	-	
2006 Series A	100,000	-	-	16,305	83,695	2
2007 Series A-1	150,400	-	-	-	150,400	2
2007 Series A-2	56,225	-	-	-	56,225	2
2008 Series A	-	150,000	-	-	150,000	1
2008 Series B	-	150,000	-	-	150,000	1
2008 Series C	-	266,000	-	-	266,000	1
2008 Series D-1	-	58,920	-	-	58,920	1
2008 Series D-2	-	199,605	-	-	199,605	1
2008 Series D-3	-	122,865	-	-	122,865	1
Sub-Total Subordinate Lien Bonds	1,353,560	947,390	654,470	23,500	1,622,980	
PFC BONDS:						
1992 Series A	12,580	-	-	3,160	9,420	2
1998 PFC	209,345	-	119,210	1,120	89,015	2
2002 PFC	24,745	-	-	5,735	19,010	2
2005 Series A-1	130,000	-	-	4,800	125,200	1
2005 Series A-2	129,900	-	-	4,700	125,200	1
2005 Series B	50,850	-	50,850	-	-	
2007 Series A-1	113,510	-	-	-	113,510	2
2007 Series A-2	105,475	-	-	-	105,475	2
2008 Series A	-	115,845	-	-	115,845	2
Sub-Total PFC Bonds	776,405	115,845	170,060	19,515	702,675	
THIRD LIEN BONDS:						
2003 General Obligation Series A	42,550	-	42,550	-	-	
2003 General Obligation Series B	37,000	-	-	-	37,000	2
2003 Jet A Fuel Tax Series C	103,105	-	-	1,770	101,335	2
2008 General Obligation Series A	-	43,105	-	-	43,105	1
Sub-Total Third Lien Bonds	182,655	43,105	42,550	1,770	181,440	
BOND ANTICIPATION NOTES:						
2006B1	300,000	-	300,000	-	-	
2008F	-	400,000	-	-	400,000	3
Sub-Total Bond Anticipation Notes	300,000	400,000	300,000	-	400,000	
Total	2,858,110	$ 1,567,770	$ 1,167,080	$ 69,485	3,189,315	
Less Current portion	369,485				66,150	
Unamortized premiums	(36,840)				(51,445)	
Unamortized deferred amount on refundings	52,065				59,746	
Unamortized discount	18,379				34,838	
Total long-term debt outstanding	$ 2,455,021				$ 3,080,026	

1 Variable Rate Debt Obligations
2 Fixed Rate Bonds
3 Bond Anticipation Notes

(b) Senior Lien Bonds

The issuance of senior lien bonds is authorized pursuant to the Nevada Municipal Airports Act, the Nevada Local Governments Securities Law and the Nevada Registration of Public Securities Law. All senior lien bonds are issued in accordance with the Master Indenture of Trust (the Indenture), dated May 1, 2003, between Clark County and The Bank of New York Mellon Trust Company, N.A. Senior lien bonds are secured by and are payable from Net Revenues of the Airport System after the payment of all Airport System operating and maintenance expenses. Pursuant to the Indenture, the Department has covenanted to fix, charge, and collect rentals, fees and charges for the use of the Airport System in order that in any fiscal year the Gross Revenues, together with any other available funds, will at all times be at least sufficient to: 1) provide for the payment of all Airport System operation and maintenance expenses in such fiscal period; and 2) provide an amount not less than 125 percent of the aggregate debt service requirement (the Coverage) for all of the senior lien bonds then outstanding for the fiscal year. The actual senior lien Coverage for FY 2009 and 2008 was 3.71 and 4.06, respectively. During FY 2009, no additional senior lien bonds were issued by the Department. During FY 2008, $61.4 million of non-alternative minimum tax (AMT) uninsured senior lien bonds were issued by the Department.

(c) Subordinate Lien Bonds

The issuance of subordinate lien bonds is authorized pursuant to the Nevada Municipal Airports Act, the Nevada Local Governments Securities Law and the Nevada Registration of Public Securities Law. All subordinate lien bonds are issued in accordance with the Master Indenture of Trust (the Indenture), dated May 1, 2003, between Clark County and The Bank of New York Mellon Trust Company, N.A. Subordinate lien bonds are secured by and are payable from Net Revenues of the Airport System after the payment of all Airport System operating and maintenance expenses and senior lien debt service. Pursuant to the Indenture, the Department has covenanted to fix, charge, and collect rentals, fees and charges for the use of the Airport System in order that in any fiscal year the Gross Revenues, together with any other available funds, will at all times be at least sufficient to: 1) provide for the payment of all Airport System operation and maintenance expenses in such fiscal period; and 2) provide an amount not less than 110 percent of the aggregate debt service requirement (the Coverage) for all of the senior lien and subordinate lien bonds then outstanding for the fiscal year. The actual subordinate lien Coverage for FY 2009 and 2008 was 1.76 and 1.66, respectively. During FY 2009, no additional subordinate lien bonds were issued by the Department. During FY 2008, the Department issued $566.0 million of variable rate AMT subordinate lien bonds and $381.4 million of variable rate Non-AMT subordinate lien bonds. Of these bonds, $300.0 million are insured and the remaining balance is uninsured.

(d) PFC Bonds

The issuance of PFC bonds is authorized pursuant to the Nevada Municipal Airports Act, the Nevada Local Governments Securities Law and the Nevada Registration of Public Securities Law. All PFC bonds are issued in accordance with the Master Indenture of Trust (the Indenture), dated May 1, 2003, between Clark County and The Bank of New York Mellon Trust Company, N.A. PFC bonds are secured by a pledge of and lien upon certain pledged PFC revenues derived from $3.00 of a $4.00 PFC which has been imposed by the County under authorization of the Federal Aviation Act. Any additional collections of PFC s resulting from charges exceeding $3.00 that are not pledged to any PFC Bond may be used by the Department for any lawful purpose permitted for such PFC revenues. In addition, the PFC Bonds are secured by and are payable from Net Revenues of the Airport System subordinate and junior to the lien on outstanding Senior Lien Bonds. PFC Bonds are secured by and are payable from Net Revenues of the Airport System on a parity with outstanding Subordinate Lien Bonds. For FY 2008 the Department collected a PFC of $4.00 per qualifying enplaned passenger. Effective October 1, 2008 the PFC rate increased to $4.50 per qualifying enplaned passenger. The Department collected $75.3 million in PFC revenues during FY 2009 and pledged it all toward debt service payments associated with outstanding PFC Bonds. For FY 2008, the Department collected $79.5 million in PFC revenues and used it all toward PFC Bond debt service. There is no coverage required for the PFC Bonds.

(e) Third Lien Bonds

In May of 2003, the County issued two series of Clark County, Nevada, General Obligation (Limited Tax) Airport Bonds in the amount of $79.6 million for the purpose of refunding some 1993 General Obligation Airport Bonds. The issuance of Third Lien bonds is authorized pursuant to the Nevada Municipal Airports Act, the Nevada Local Governments Securities Law and the Nevada Registration of Public Securities Law. The bonds were issued in accordance with the Master Indenture of Trust (the Indenture), dated May 1, 2003, between Clark County and The Bank of New York Trust Company, N.A. The Third Lien Bonds constitute direct and general obligations of the County. The full faith and credit of the County is pledged for the payment of principal and interest subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes and certain other limitations on the amount of ad valorem taxes the County may levy. The Third Lien Bonds are also secured by and are payable from Net Revenues of the Airport System subordinate and junior to the lien on Senior Lien Bonds and Subordinate Lien Bonds. Pursuant to the Indenture, the Department has covenanted to fix, charge, and collect rentals, fees and charges for the use of the Airport System sufficient to pay debt service on the Senior Lien Bonds, the Subordinate lien Bonds, and the General Obligation (Limited Tax) Airport Bonds. During FY 2009, no additional third lien bonds were issued by the Department. During FY 2008, the Department issued $43.1 million of variable rate AMT General Obligation bonds. The bonds were uninsured.

Also in May 2003, the County issued $105.4 million of Jet Aviation Fuel Tax Revenue Bonds to finance certain improvements to the Airport System. The Jet Fuel Bonds are payable from, and secured by a pledge of and lien upon the proceeds of a two-cent-per-gallon tax on jet aviation fuel sold, distributed or used in Clark County, Nevada. These bonds are also secured by and are payable from Net Revenues of the Airport System subordinate and junior to the lien on Senior Lien Bonds and Subordinate Lien Bonds. The Jet Fuel Bonds are secured by and are payable from Net Revenues of the Airport System on a parity with outstanding Third Lien Bonds. The Jet Fuel Bonds do not constitute a debt of Clark County within the meaning of any constitutional or statutory provision or limitations and neither the full faith and credit nor the taxing power of the County is pledged to the payment of these Jet Fuel Bonds. The jet aviation fuel tax collected during fiscal years 2009 and 2008 totaled $8.4 million and $9.5 million respectively. For fiscal years 2009 and 2008, the debt service on the Jet Fuel Tax Bonds totaled $8.0 million and $7.6 million, respectively. Excess fuel tax collections were used to pay debt service on other Third Lien Bonds. No additional Jet Fuel Bonds were issued during fiscal years 2009 or 2008.

(f) On June 23, 2008, the Department issued $400 million of AMT Airport System Junior Subordinate Lien Revenue Notes, Series 2008F at a 3.0 percent interest rate. The Series 2008F Notes were issued to provide interim funding for capital improvements to the Airport System, including a portion of the costs of designing and constructing Terminal 3 and to settle height restriction law suits. The 2008F Notes are being used to finance improvements to the Airport System in anticipation of proceeds of the Series 2009A and 2009B bonds which have been authorized and will be sold by the County and have an expected delivery date on or about July 1, 2009 (Note 14). The Series 2008F Notes are secured by and are payable from the Net Revenues of the Airport System, subordinate and junior to the lien of the outstanding senior lien bonds and any outstanding second lien securities, and any additional senior or second lien securities that may be issued in the future.

(g) Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to bonds issued by the County. Under this act, an amount may be required to be rebated to the United States Treasury, so that all interest on the bonds qualifies for exclusion from gross income for federal income tax purposes.

During FY 2009, the Department paid $5.9 million in arbitrage payments and is current on all required arbitrage payments. As of June 30, 2009, the Department has estimated its potential arbitrage rebate liability and has accrued $1.7 million to cover such estimated liability. In FY 2008, the Department accrued $10.1 million to cover estimated arbitrage liabilities.

(h) A brief description of each bond series issued follows:

Senior Lien Bonds:

Series 1993A

In September 1991, the County entered into a swap financing agreement. Under the terms of the swap agreement, in May 1993, the County issued $339 million of Non-AMT variable rate twenty-year Airport Revenue Bonds, Series 1993A. Upon issuance of the 1993A bonds, $318 million of the 1983 Airport Revenue Bonds were refunded. Furthermore, the County swapped with the counterparty its variable rate debt for a fixed rate debt service payment based on a fixed rate of 6.69 percent. Interest is due January 1 and July 1, and principal is due annually on July 1. Annual debt service payments range from $25.5 million to $37.2 million through 2013. At the time of the refunding of the 1983 bonds, future cash flow savings amounted to $110 million and had a discounted present value of over $65 million. The then applicable accounting principles required the recognition of an extraordinary loss of $24.7 million on the refunding. The stand-by purchase agreement (SBPA) for the 1993A bonds is with Dexia and JP Morgan and has a term through 2012. The annual fee for the SBPA is 25 basis points. The bonds are insured by Municipal Bond Investors Assurance Corp. (MBIA).

Series 2005A:

In September 2005, the County issued $69.6 million in Non-AMT fixed rate Airport System Senior Lien Revenue Bonds. $25.9 million of the term bonds mature in 2037 and provide for an interest rate of 4.5 percent. The balance of the term bonds matures in 2040 at an average interest rate of 5.0 percent. The 2005A bonds were issued to finance the cost of certain capital improvements to the Airport System, purchase a reserve fund insurance policy and to pay certain costs of issuance. The bonds are insured by Ambac Assurance Corp (Ambac).

Series 2008E:

On May 15, 2008, the County issued $61.4 million in Non-AMT fixed rate Airport System Senior Lien Revenue Bonds. The bonds mature in 2017 and provide for an interest rate of 5.0 percent. The 2008E bonds were issued for the purpose of refunding a portion of the outstanding Clark County, Nevada Airport System Subordinate Lien Revenue Bonds, Series 1998A, to fund a deposit to the reserve fund for the Series 2008E bonds and to pay certain costs of issuance. The bonds are uninsured.

Subordinate Lien Bonds:

Series 1998A:

In April 1998, the County issued $121 million of Non-AMT fixed rate Airport System Subordinate Lien Revenue Bonds, Series 1998A, with a premium of $4 million and interest ranging from 3.75 percent to 5.23 percent. Interest is due January 1 and July 1, and principal is due annually on July 1. The original bond proceeds were used to substantially retire portions of the 1988 bonds.

In May 2008, the County refunded $59.5 million of the Series 1998A bonds leaving an outstanding balance of $24.1 million at June 30, 2008. The 1998A bonds are insured by MBIA.

Series 2001C:

In August 2001, the County issued $115.6 million of Non-AMT variable rate Airport System Subordinate Lien Revenue Bonds, Series 2001C. Initially, interest on the bonds was based on a weekly rate and was payable January 1 and July 1. Principal was due from July 2026 through July 2029 ranging from $16.6 million to $35.0

million. The proceeds of the Series 2001C bonds were used to defease $105.2 million of the series 1999 A bonds. On March 19, 2008, the Series 2001C bonds were refunded with the Series 2008 D3 bond issuance.

Series 2004A:

In July 2004, the County issued $361.2 million of fixed rate Airport System Subordinate Lien Revenue Bonds, Series 2004A. Under this issuance, $128.4 million was AMT and $232.7 million was Non-AMT. Interest rates for Series 2004A-1 range from 5.00 percent to 5.25 percent through maturity at 2024. The Series 2004A-2 has a fixed interest rate of 5.125 percent through 2027 and 5.00 percent to maturity at 2036. Interest is due January 1 and July 1, and principal is due annually on July 1 commencing July 1 2012 for the 2004 A-1 series and July 1, 2024 for the 2004 A-2 series. The Series 2004 bonds were issued to finance the cost of certain capital improvements, refund the $38.8 million in outstanding Series 1999B-2 bonds, fund capitalized interest, and to pay certain issuance costs. The bonds are insured by Financial Guarantee Insurance Company (FGIC).

Series 2005B:

In March 2005, the County issued $60.2 million in variable rate AMT Airport System Subordinate Lien Revenue Bonds. Interest on the bonds is set at a seven-day auction rate. The 2005B bonds were issued for the purpose of refunding the outstanding 1995A bonds. On March 19, 2008, the Series 2005B bonds were refunded with the Series 2008C bond issuance.

Series 2005C, D, and E:

In August 2005, the County issued $215.2 million in auction rate AMT and $264.3 million in variable rate Non-AMT Airport System Subordinate Lien Revenue Bonds. Series 2005C initially were issued as auction rate securities in the aggregate principal amount of $215.2 million. The Series 2005C bonds mature July 2040. The Series 2005D bonds in the amount of $205.4 million were issued at the weekly interest rate, which is determined by the Remarketing Agent every Tuesday of each week. The Series 2005E bonds in the amount of $58.9 million were issued at a weekly interest rate, which is determined by the Remarketing Agent every Tuesday of each week. The purpose of the refunding was to synthetically fix all of the Airport System's variable rate debt with more attractive interest rates.

On March 19, 2008, the 2005 Series C bonds were refunded with the 2008 Series C bond issuance. On the same date, the 2005 Series D and E bonds were refunded with the 2008 Series D-1 and D-2 bond issuance.

Series 2006A:

In August 2006, the County issued $100.0 million in fixed rate Non-AMT Airport System Subordinate Lien Revenue Bonds. The 2006A bonds mature on July 1, 2040 and have fixed interest rates ranging from 4.0 percent to 5.0

percent. Interest is payable on January and July 1 of each year and principal payments are due on July 1. The 2006A bond proceeds were used to finance certain runway and apron improvements at the Airport. The Bonds are insured through Ambac.

Series 2007A:

In May 2007, the County issued $206.7 million in fixed rate Airport System Subordinate Lien Revenue Bonds, $150.4 AMT and $56.3 Non-AMT. The 2007A Bonds mature on July 1, 2040 and have an average fixed interest rate of 5.0 percent. Interest is payable on January and July 1 of each year and principal payments are due on July 1. The 2007A Bond proceeds are being used to finance the early civil package associated with the new Terminal 3 project. The Bonds are insured by Ambac.

Series 2008 A and B:

In June 2008, the County issued $300.0 million in AMT weekly variable rate debt obligations. The Series 2008 A and B bonds mature July 2022. The Series 2008 bonds were issued to refund the outstanding Clark County, Nevada, Airport System Junior Subordinate Lien Revenue Notes, Series 2006B-1, and to pay certain costs of issuance. The Stand-by Purchase Agreement (SBPA) for the 2008 A and B bonds has a term through 2013. The annual fee for the commitment is 29 basis points from one provider (Dexia) and 25 basis points from the other provider, Banco Bilbao Vizcaya Argentaria (BBVA). The bonds are insured by Financial Security Assurance, Inc. (FSA).

Series 2008 C, 2008D-1, and 2008D-2:

In March 2008, the County issued $524.3 million in weekly variable rate debt obligations, $266.0 million in AMT and $258.3 in Non-AMT. The Series 2008C and 2008D-1 and 2008D-2 bonds were issued for the purpose of refunding the outstanding Clark County, Nevada Adjustable Rate Airport System Subordinate Lien Revenue Bonds, Series 2005B, the outstanding Clark County, Nevada Airport System Subordinate Lien Revenue Bonds, Series 2005C-1A, Series 2005C-1B, Series C-2, Series 2005C-3, the outstanding Clark County, Nevada Airport System Subordinate Lien Revenue Bonds, Series 2005D-1, Series 2005D-2, Series 2005D-3, and the outstanding Clark County, Nevada Airport System Subordinate Lien Revenue Bonds, Series 2005E-1, Series 2005E-2, SeriesE-3, and to pay the cost of issuance. Final maturity for the 2008 C-1 bond issue is July 1, 2040; the 2008 C-2 and C-3 is July 1, 2029; the 2008 D-1 is July 1, 2036; and the 2008 D-2 is July 1, 2040. The letters of credit (LOC) for these bonds have a term through 2015. The commitment fees associated with obtaining these letters of credit from two different firms totaled $15,000. The annual fees for the Series 2008C, 2008D-1, and 2008D-2 bonds are 32 basis points from Bayerische Landesbank (BLB), 34 basis points from Landesbank Baden-Wurttemberg(LBBW) and 45 basis points from LBBW, respectively. The Bonds are not insured.

Series 2008D-3:

In April, 2008, the County issued $122.9 million in Non-AMT weekly variable rate debt obligations. The Series 2008D-3 bonds were issued for the purpose of refunding the outstanding Clark County, Nevada, 2001C bonds. The bonds mature in July, 2029. The Letter of Credit (LOC) associated with the 2008 D-3 bonds has a term through 2011. The commitment fee for the LOC totaled $5,500. The annual fees to maintain the LOC is 45 basis points from BLB. The Bonds are not insured.

Passenger Facility Charge Revenue Bonds:

Series 1992A and B:

In September 1992, the County issued $269.0 million of Airport Passenger Facility Charge Revenue Bonds, Series 1992A and B at a discount of $19.8 million. Interest on the bonds ranges from 4.95% to 6.5%. Interest is due January 1 and July 1, and principal is due annually on July 1. Annual debt service payments range from $3.9 million to $10.0 million through 2008. The bond proceeds were used primarily to fund Airport System improvements.

Series 1998:

In April 1998, the County issued $214.3 million of Non-AMT Airport Passenger Facility Charge Refunding Revenue Bonds, Series 1998 at a discount of $5.4 million. Interest rates on the bonds range from 4.1 percent to 5.5 percent. Interest is due January 1 and July 1, and principal is due annually on July 1. Annual debt service payments range from $10.8 million to $22.9 million through 2022. The 1998 bonds refunded $202.5 million of the 1992 PFC bonds. The refunding resulted in a loss of $17.2 million which represents the difference between the refunded bonds adjusted for amortized costs and accrued interest and the face value of the new bonds. This refunding provided a future cash flow savings of $11.6 million, with a present value savings of $10.6 million. The Department has pledged $3.00 of its' $4.00 PFC to pay the debt service on all Airport System PFC Revenue Bonds. The Bonds are insured by MBIA.

In June 2008, the County refunded $119.2 million of the 1998 PFC bonds with the 2008 bonds to realize interest rate savings. The outstanding balance of the Series 1998 bonds at June 30, 2009, is $87.8 million.

Series 2002A:

In November 2002, the County issued $34.5 million of AMT Airport Passenger Facility Charge Refunding Revenue Bonds, Series 2002A at a premium of $1.6 million. Interest on the bonds ranges from 2.32 percent to 4.72 percent. Interest is due January 1 and July 1, and principal is due annually on July 1. Annual debt service payments range from $920 thousand to $7.0 million through 2013. The bonds refunded $33.7 million of 1992

PFC bonds. The refunding resulted in a loss of $2.0 million which represents the difference between the refunded bonds adjusted for amortized costs and accrued interest and the face value of the new bonds. This refunding provided a future cash flow savings of $2.7 million, with a present value savings of $2.1 million. The Department has pledged $3.00 of its $4.00 PFC to pay the debt service on all Airport System PFC Revenue Bonds. The Bonds are insured by MBIA.

Series 2005A:

In March 2005, the County issued $260.0 million of AMT Airport Passenger Facility Charge Refunding Revenue Bonds, Series 2005A. The bonds refunded the outstanding 1995A PFC bonds. The refunding resulted in a loss of $18.8 million which represents the difference between the refunded bonds adjusted for amortized costs and accrued interest and the face value of the new bonds. This refunding provided a future cash flow savings of $23.5 million, with a present value savings of $15.7 million. The letter of credit (LOC) associated with the 2005A bonds has a term through 2011 and the annual fee is 14 basis points. The commitments fee to obtain the LOC totaled $5,500. The bonds were insured by MBIA and that insurance policy was cancelled on September 16, 2008, and the Department executed a full letter of credit with BLB.

Series 2007A:

In April 2007, the County issued $218.9 million of fixed rate Airport Passenger Facility Charge Revenue Bonds, Series A-1 and A-2, $113.5 AMT and $105.5 Non-AMT. The Bond proceeds are being used to reimburse the Airport System for certain capital improvements at the Airport. The Bonds have an interest rate in the 4.0 to 5.0 percent range with maturity at July 1, 2027. Interest payments are due on January and July of each year and principal payments are due every July 1. The Bonds are insured by Ambac.

Series 2008A:

In June 2008, the County issued $115.9 million of fixed rate Non-AMT Airport Passenger Facility Charge Revenue Bonds, Series A. The bonds were issued for the purpose of refunding a portion of the Clark County, Nevada, Las Vegas – McCarran International Airport Passenger Facility Charge Revenue Bonds, Series 1998A and to pay for certain costs of issuance. The bonds have an average interest rate of 5.0 percent and mature July 1, 2018. The Bonds are not insured.

General Obligation Airport Bonds

Series 2003A General Obligation Airport Bonds:

In May 2003, the County issued $42.6 million in Series 2003 AMT General Obligation (Limited Tax) Airport Bonds. The 2003A bonds were issued as variable rate bonds with interest rates being reset by auction every 35 days. The proceeds of the 2003A bonds were used to refund the 1993 General Obligation (Limited Tax) Airport Bonds. In February 2008, the Series 2003A General Obligation Airport Bonds were refunded with the Series 2008A General Obligation Airport Bonds described below.

Series 2003B General Obligation Airport Bonds:

In May 2003, the County issued $37.0 million in Series 2003B Non-AMT General Obligation (Limited Tax) Airport Bonds at a premium of $933 thousand. The 2003B bonds have a fixed interest rate ranging from 4.75 percent to 5.0 percent. Interest is payable January 1 and July 1 of each year and principal is due annually commencing on July 1, 2022. The proceeds of the 2003B bonds were used to refund the 1993 General Obligation (limited tax) Airport Bonds. This transaction resulted in a loss of $2.9 million which represents the total funds required for the retirement of the 1993 bonds less the face value of the retired bonds adjusted for unamortized costs of issuance and related accrued interest.

Series 2003C Jet A Bonds:

In May 2003, the County issued $105.4 million of Series 2003C fixed rate AMT Jet Aviation Fuel Tax Revenue Bonds at a premium of $8.0 million. Interest on the bonds ranges from 5.0 percent to 5.375 percent. Interest is due on January 1 and July 1, and principal is due annually on July 1. Annual debt service ranges from $7.2 million to $13.8 million and the bonds mature July 1, 2022. Proceeds from the bond issue were used to design and construct the in-line baggage system at the Airport. Proceeds from the Jet A Fuel Tax are currently projected to be sufficient to pay all debt service payments relating to the 2003C bonds. The Bonds are insured by Ambac.

Series 2008A General Obligation Bonds:

In February 2008, the County issued $43.1 million in Series 2008A AMT variable rate General Obligation (Limited Tax) bonds. The bonds were issued as weekly variable rate debt obligations with interest payable on January 1st and July 1st of each year. The bonds mature July 2027. The bonds were issued to refund the outstanding principal amount of Clark County, Nevada, General Obligation (Limited Tax) Airport Bonds, Series 2003A and to pay certain costs of issuance. . The Letter of Credit (LOC) associated with the 2008A bonds has a term through 2015. The commitment fee for the LOC totaled $5,500. The annual fees to maintain the LOC is 14 basis points from LBBW. The Bonds are not insured.

(i) Interest Rate Swap Agreements:

As summarized in the analysis below, the Department currently has 15 outstanding swap agreements with initial notional amounts totaling $3.1 billion. The outstanding notional amount as of June 30, 2009, was $2.8 billion, including $1.3 billion in Floating-to-Fixed swaps; $975.0 million of Forward Floating-to-Fixed swaps; and $539.7 million in Basis swaps. The current mark-to-market or fair value of each swap is detailed below and the total valuation of all outstanding swap agreements as of June 30, 2009 is ($152.6) million. Excluding the valuations for the forward starting swaps, the valuation as of June 30, 2009, was ($64.7) million. The mark-to-market or fair value for each swap is estimated using the zero-coupon method. Under this method, future payments are calculated assuming that the current forward rates of the appropriate yield curve, Securities Industry and Financial Markets Association (SIFMA), formerly known as BMA or London Interbank Offered Rate (LIBOR), correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current LIBOR yield curve for hypothetical zero-coupon rate bonds due on the date of each future net settlement on the swaps.

All of the swaps entered into by the Department comply with the County's swap policy. Each swap is written under standard International Swaps and Derivatives Association (ISDA) guidelines and documentation. This includes standard provisions for termination events, such as failure to pay or bankruptcy. The Department retains the right to terminate any swap agreement at the market value prior to maturity. The Department has termination risk under the contract particularly if an Additional Termination Event (ATE) was to occur. An ATE occurs if either the credit rating of the bonds associated with a particular swap agreement and the rating of the swap insurer falls below a pre-defined credit rating threshold, or the credit rating of the swap counterparty falls below a threshold as defined in the swap agreement. The Department has purchased swap insurance in order to mitigate termination risk.

With regard to credit risk, the potential exposure is mitigated through the use of an ISDA Credit Support Annex (CSA). Under the terms of the CSA, each swap counterparty is required to post collateral to a third party when their credit ratings fall below the trigger level as defined in each swap agreement. As long as the Department retains insurance and its credit rating stays above the established threshold, the Department is not required to post any collateral. This protects the Department from credit risks inherent in the swap agreements.

Standard and Poor's Rating Services introduced a Debt Derivative Profile (DDP) scoring system in 2004 to provide public finance markets with a simple measure of the complexities of municipal debt-related derivatives by translating the exposure into an easily understandable measure of risk. The DDP was developed to enhance the transparency of municipal derivative structures and the impact on credit quality. DDP scores range from 1 to 5, with 1 representing the lowest risk and 5 representing the highest risk. Although many factors are considered, the DDP scores principally indicate an issuer's potential financial loss from over-the-counter debt derivatives due to early termination resulting from credit or economic reasons. During FY 2009, Standard and Poor's rated the Department's swap portfolio with a score of 1.

Interest Rate Swap Analysis and Market Values
As of June 30, 2009

Swap Description	Associated Bonds	County Pays	County Receives	Effective Date	Termination Date	Initial Notional Amount (000)	Outstanding Notional Amount (000)	Counterparty	Counterparty Ratings Moody's	S&P	Fitch	Current Market Value (000)
01 Floating-to-Fixed Q	1993A Non-AMT	6.6900%	Bond Rate	6/1/1993	7/1/2012	$259,700	$124,900	AIG Financial Products Corp.	A3	A-	N/A	($11,019)
02 Basis Swap U	2004B AMT	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.41%	8/23/2001	7/1/2036	185,855	83,347	Citigroup Financial Products Inc.	A3	A	A+	(6,186)
03 Floating-to-Fixed Q	2005A-1, A-2 AMT	5.49% to 7/2010, 3.00% to maturity	69% of USD-LIBOR + 0.35%	4/4/2005	7/1/2022	259,900	240,450	Citigroup Financial Products Inc.	A3	A	A+	(15,496)
04 Basis Swap U	2001B,1998A, 2003B Non-AMT	SIFMA Swap Index	68% of USD-LIBOR + 0.435%	7/1/2003	7/1/2025	200,000	156,343	Citigroup Financial Products Inc.	A3	A	A+	(2,441)
05 Floating-to-Fixed Q	2008C AMT	4.97% to 7/2010, 3.00% to maturity	62.6% of USD-LIBOR + 0.33%	3/19/2008	7/1/2025	60,175	50,850	Citigroup Financial Products Inc.	A3	A	A+	(3,145)
06 Basis Swap U	2004A-1 AMT, 2004 A-2 Non-AMT	SIFMA Swap Index	62.2% of USD-LIBOR + (.30% to7/10, 1.052% to maturity)	9/1/2004	7/1/2025	300,000	300,000	Citigroup Financial Products Inc.	A3	A	A+	474
07A Floating-to-Fixed Q	2008A AMT	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD-LIBOR + 0.28%	7/1/2008	7/1/2022	150,000	150,000	JPMorgan Chase Bank, N.A.	Aa1	AA-	AA-	(13,085)
07B Floating-to-Fixed Q	2008B AMT	4.3057% to 7/2017, 0.25% to maturity	64.7% of USD-LIBOR + 0.28%	7/1/2008	7/1/2022	150,000	150,000	UBS AG	Aa2	A+	A+	(13,078)
08A Floating-to-Fixed Q	2008 C AMT	4.00% to 7/2015, 3.00% to maturity	82% of LIBOR - 0.46%, 82% of 10 year CMS - 0.936% thereafter	3/19/2008	7/1/2040	151,200	151,200	Citigroup Financial Products	A3	A	A+	(10,082)
08B Floating-to-Fixed Q	2008 C AMT	4.00% to 7/2015, 3.00% to maturity	82% of LIBOR - 0.46%, 82% of 10 year CMS - 0.936% thereafter	3/19/2008	7/1/2040	31,975	31,975	JP Morgan Chase Bank, N.A.	Aa1	AA-	AA-	(2,132)
08C Floating-to-Fixed Q	2008 C AMT	4.00% to 7/2015, 3.00% to maturity	82% of LIBOR - 0.46% 7/2009, 82% of 10Y CMS -.0936%	3/19/2008	7/1/2040	31,975	31,975	UBS AG	Aa2	A+	A+	(2,132)
09A Floating to Fixed Q	2008 D-1 AMT	5.0% to 7/2015, 1.21% thereafter	82% of LIBOR -0.56% to 7/2009, 82% of 10 year CMS - 1.031% thereafter	3/19/2008	7/1/2036	41,330	41,330	Citigroup Financial Products	A3	A	A+	(371)
09B Floating to Fixed Q	2008 D-1 AMT	5.0% to 7/2015, 1.21% thereafter	82% of LIBOR -0.56% to 7/2009, 82% of 10 year CMS - 1.031% thereafter	3/19/2008	7/1/2036	8,795	8,795	JP Morgan Chase Bank, N.A.	Aa1	AA-	AA-	(90)
09C Floating to Fixed Q	2008 D-1 AMT	5.0% to 7/2015, 1.21% thereafter	82% of LIBOR -0.56% to 7/2009, 82% of 10 year CMS - 1.031% thereafter	3/19/2008	7/1/2036	8,795	8,795	UBS AG	Aa2	A+	A+	(90)
10A Floating to Fixed Q	2008 D-2 AMT	4.003% to 7/2015, 2.27% thereafter	62% of LIBOR + 0.28%	3/19/2008	7/1/2040	139,735	139,735	Citigroup Financial Products	A3	A	A+	(2,950)
10B Floating to Fixed Q	2008 D-2 AMT	4.003% to 7/2015, 2.27% thereafter	62% of LIBOR + 0.28%	3/19/2008	7/1/2040	29,935	29,935	JP Morgan Chase Bank, N.A.	Aa1	AA-	AA-	(632)
10C Floating to Fixed Q	2008 D-2 AMT	4.003% to 7/2015, 2.27% thereafter	62% of LIBOR + 0.28%	3/19/2008	7/1/2040	29,935	29,935	UBS AG	Aa2	A+	A+	(632)
11 Floating to Fixed Q	2008 D-3 Non-AMT	4.742% to 7/2010, 1.212% thereafter	62% of LIBOR + 0.28%	4/4/2008	7/1/2029	122,865	122,865	Citigroup Financial Products	A3	A	A+	18,425
12A Floating-to-Fixed Q	2009A AMT	5.626% to 7/2017, 0.25% to maturity	64.70% of USD-LIBOR + 0.28%	7/1/2009	7/1/2026	200,000	200,000	Citigroup Financial Products, Inc.	A3	A	A+	(16,564)
12B Floating-to-Fixed Q	2009B AMT	6.00% to 7/2017, 1.455% to maturity	64.70% of USD-LIBOR + 0.28%	7/1/2009	7/1/2038	350,000	350,000	Citigroup Financial Products Inc.	A3	A	A+	(34,147)
13 Floating-to-Fixed Q	2010A AMT	6.00% to 7/2017, 1.913% to maturity	61.90% of USD-LIBOR + 0.27%	7/1/2010	7/1/2040	150,000	150,000	Citigroup Financial Products Inc.	A3	A	A+	(11,824)
14A Floating to Fixed Q	2011A	3.8860%	64.4% of UDA-LIBOR + 0.28%	7/1/2011	7/1/2030	73,025	73,025	UBS AG	Aa2	A+	A+	(6,068)
14B Floating to Fixed Q	2011A	3.8810%	64.4% of UDA-LIBOR + 0.28%	7/1/2011	7/1/2037	201,975	201,975	Citigroup Financial Products Inc.	A3	A	A+	(19,338)
						$3,137,170	$2,827,430			TOTAL		($152,603)

Source: The PFM Group

An analysis of each swap agreement is presented below:

1. 1993 $124,900,000 Million Floating-to-Fixed Swap

Objective:

As a means to lower its borrowing costs, maintain flexibility, and hedge against future interest rate risk, the Department executed a floating-to-fixed bond rate swap in connection with its 1993 Series A Variable Rate Bonds. The intention of the swap was to change the Department's variable interest rate on the bonds to a synthetic fixed rate.

Terms:

Under the swap agreement, the Department pays AIG, the counterparty, a fixed rate with a coupon of 6.690 percent. In exchange, the Department receives a variable rate equal to the actual bond rate on the 1993 Series A Variable Rate Bonds. The notional amount of the swap matches the amount of the 1993 Series A Variable Rate Bonds outstanding each fiscal year. The bonds and the related swap agreement were effective June 1, 1993 and mature on July 1, 2012.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($11,019,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$ 8,341
Net payment under swap agreement	15
Total payments	$8,356

Credit Risk:

As of June 30, 2009, the Department was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa2 by Moody's Investor Service and AA by Standard & Poor's. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis or Tax Risk:

The swap does not expose the Department to basis or tax risk as the variable payment received from AIG matches the exact payment due on the 1993 Series A Variable rate Bonds.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an Additional Termination Event (ATE) may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

2. 2004 B $83,347,000 Basis Swap

Objective:

As a means to lower its borrowing costs, the Department executed a floating-to-floating (Basis) swap in connection with its initial Series 1995 A-2, 1998B, 2001A and 2004B Bonds. The intention of the swap was to reduce interest costs.

Terms:

Under the swap agreement, the Department pays Citigroup, the counterparty, a variable rate computed by taking SIFMA less 0.410 percent and receiving a variable rate payment by taking 72.500 percent of one-month LIBOR less 0.410 percent. The swap has a notional amount of $83,347,000 and the associated fixed rate bonds had a similar principal amount outstanding at the time of the swap execution. The swap was effective August 23, 2001, and matures on July 1, 2036.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($6,186,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$0
Net payment under swap agreement	97
Total payments	$97

Credit Risk:

As of June 30, 2009, the Department was not exposed to credit risk because the swap had a negative fair value of $6.2 million. However, should the interest rates change and the fair value of the swap become positive, the Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor

Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to Basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to Termination Risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

3. 2005 $250,450,000 Floating-to-Fixed LIBOR Swap

Objective:

As a means to lower its borrowing costs and allow the Department to efficiently lock in forward fixed rates, the Department executed a floating-to-fixed swap in connection with its 2005 Series A-1 and A-2 Variable Rate Bonds. The intention of the swap was to change the Department's anticipated variable interest rate on the bonds to a synthetic fixed rate. The swap was structured with step-down coupons in order to shift most of the savings from the early years to the later years of the swap.

Terms:

Under the swap agreement, the Department pays Citigroup, the counterparty, a fixed interest rate of 5.490 percent through June 30, 2010. On July 1, 2010, the swap coupon steps down to 3.000 percent until maturity. The 3.000 percent coupon in the final period reflects the above-market fixed rate required to offset the below-market fixed rate of 5.490 percent. In exchange, the Department receives a variable rate equal to the lesser of 1) the actual bond rate on the Series 2005 bonds, or 2) 69.000 percent of the one-month LIBOR plus 0.35 percent. The notional amount of the swap matches the amount of the bonds outstanding. The bonds' variable-rate coupons are assumed to be based on SIFMA. The bonds and related swaps mature on July 1, 2022.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($15,496,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$ 5,245
Net payment under swap agreement	9,739
Total payments	$14,984

Credit Risk:

As of June 30, 2009, the Department was not exposed to credit risk because the swap had a negative fair value of $15,496,000. However, should the interest rates change and the fair value of the swap become positive, the Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

4. 2003B $156,343,000 Basis Swap

Objective:

As a means to lower its borrowing costs, the Department executed a floating-to-floating (Basis) swap in connection with its Series 2001B, 1998A and 2003B Bonds. The intention of the swap was to reduce interest costs.

Terms:

Under the swap agreement, the Department pays Citigroup, the counterparty, SIFMA and receives 68.000 percent of one-month LIBOR plus 0.435 percent. The swap has an outstanding notional amount of $156,343,000 and the associated fixed rate bonds had a similar principal amount outstanding at the time of the swap execution. The swap matures on July 1, 2025.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($2,441,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$0
Net payment under swap agreement	(487)
Total payments	($487)

Credit Risk:

As of June 30, 2009, the Department was not exposed to credit risk because the swap has a negative fair value of $2,441,000. However, should the interest rates change and the fair value of the swap become positive, the Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

5. 2008C $50,850,000 Floating-to-Fixed LIBOR Swap

Objective:

As a means to lower its borrowing costs the Department executed a floating-to-fixed LIBOR swap in connection with its 2005B AMT Bonds, which were refunded with the 2008C AMT bonds in FY 2008.

Terms:

Under the swap agreement, the Department pays Citigroup, the counterparty, a fixed interest rate of 4.970 percent through July 1, 2010 and 3.000 percent through maturity and receives 62.600 percent of one-month LIBOR plus 0.330 percent. The swap has an outstanding notional amount of $50.9 million. The swap matures on July 1, 2025.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($3,145,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$1,036
Net payment under swap agreement	1,160
Total payments	$2,196

Credit Risk:

As of June 30, 2009, the Department was not exposed to credit risk because the swap had a negative fair value of $3,145,000. However, should the interest rates change and the fair value of the swap become positive, the Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

6. 2004 $300,000,000 Fixed Spread Basis Swap

Objective:

As a means to lower its borrowing costs, the Department executed a fixed spread basis swap in connection with its Series 2004 Series A-1 and 2004 Series A-2 Bonds. The intention of the swap was to reduce interest costs.

Terms:

Under the swap agreement, the Department pays Citigroup, the counterparty, SIFMA and receives 62.200 percent of one-month LIBOR plus 0.3000 percent through July 1, 2010, and plus 1.052 thereafter through maturity. The swap has a notional amount of $300,000,000 and the associated fixed rate bonds had a similar principal amount outstanding at the time of the swap execution. The swap has an effective date of September 1, 2004, and matures on July 1, 2025.

Fair Value:

As of June 30, 2009, the swap had a fair market value of $474,000.

Associated Debt:

	2009 (000)
Actual interest payments on debt	$ 18,651
Net payment under swap agreement	299
Total payments	$18,950

Credit Risk:

As of June 30, 2009, the Department is exposed to credit risk because the swap has a fair value of $474,000. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

7. 2008 A&B $300,000,000 Floating to Fixed Swap

Objective:

As a means to lower its borrowing costs, the Department executed a floating-to-fixed LIBOR swap in connection with its 2008 Series A and B AMT Bonds.

Terms:

Under the swap agreements, the Department will pay JP Morgan Chase, and UBS AGI, the counterparties, a fixed interest rate of 4.3057 percent through July 1, 2017, and 0.25 percent through maturity and will receive 64.7 percent of one-month LIBOR plus 0.28 percent. The swap has a notional amount of $300 million. The swap was effective July 1, 2008, and matures on July 1, 2022.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($26,163,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$9,446
Net payment under swap agreement	9,002
Total payments	$18,448

Credit Risk:

As of June 30, 2009, the Department was not exposed to credit risk because the swap had a negative fair value of $26,163,000. However, should the interest rates change and the fair value of the swap become positive, the Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

8. 2008 C $215,150,000 Floating-to-Fixed Swap

Objective:

As a means to lower its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Department executed a floating-to-fixed Market Spread Language (MSL) swap in connection with its Series 2008 C Variable Rate Bonds. The intention of the swap was to change the Department's variable interest rate on the bonds to a synthetic fixed rate that steps down over time. The swap was structured with step-down coupons in order to shift savings from the early years to the later years of the swap. The swap was effective March 19, 2008, and matures on July 1, 2040.

Terms:

Under the swap agreement, the County pays the counterparty 4.000 percent through July1, 2015 and 3.000 percent thereafter to termination. The County receives 82.0 percent of LIBOR minus 0.46 percent to July 1, 2015, and 82.00 percent of 10-year CMS minus 0.936 percent thereafter.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($14,346,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$3,551
Net payment under swap agreement	7,533
Total payments	$11,084

Credit Risk:

As of June 30, 2009, the Department was not exposed to credit risk because the swap had a negative fair value of $14,346,000. . However, should the interest rates change and the fair value of the swap become positive, the Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to Basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to Termination Risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

9. 2008 D-1 $58,920,000 Floating-to-Fixed Swap

Objective:

As a means to lower its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Department executed a floating-to-fixed Market Spread Language (MSL) swap in connection with its Series 2008 D-1 Variable Rate Bonds. The intention of the swap was to change the Department's variable interest rate on the bonds to a synthetic fixed rate that steps down over time. The swap was structured with step-down coupons in order to shift savings from the early years to the later years of the swap. The swap was effective March 19, 2008, and matures on July 1, 2040.

Terms:

Under the swap agreement, the County pays the counterparty 5.000 percent to July 1, 2015, and 1.210 percent thereafter to termination. The County receives 82.0 percent of LIBOR minus 0.56 percent to July 1, 2009, and 82.00 percent of 10-year CMS minus 1.031 percent thereafter.

Fair Value:

As of June 30, 2009, the swap had a fair market value of ($551,000).

Associated Debt:

	2009 (000)
Actual interest payments on debt	$2,778
Net payment under swap agreement	5,496
Total payments	$8,274

Credit Risk:

As of June 30, 2009, the Department is not exposed to credit risk because the swap had a negative fair value of $551,000. The Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to Basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to Termination Risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

10. 2008 D-2 $199,605,000 Floating-to-Fixed LIBOR Swap

Objective:

As a means to lower its borrowing costs, the Department executed a floating-to-fixed LIBOR swap in connection with its 2008 Series D-1, D-2, and D-3 Non-AMT Bonds. The swap agreement was effective March 19, 2008, and terminates on July 1, 2040.

Terms:

Under the swap agreement, the Department pays Citigroup, JP Morgan Chase, and UBS AG, the counterparties, a fixed interest rate of 4.003 percent through July 1, 2015, and 2.27 percent thereafter. The counterparty receives 62.000 percent of one-month LIBOR plus 0.280 percent.

Fair Value:

As June 30, 2009, the swap had a fair market value of ($4,214,000).

Associated Debt:

	2009 (000)
Actual Interest on debt through June 30, 2008	$4,216
Net Payment under swap agreement through June 30, 2008	8,340
Total payments through termination	$12,556

Credit Risk:

As of June 30, 2009, the Department is not exposed to credit risk because the swap a negative fair value of $4,214,000. The Department would be exposed to credit risk in the amount of the swap's fair value. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

11. 2008D-3 $122,865,000 MSL Swap

Objective:

As a means to lower its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Department executed a floating-to-fixed Market Spread Language (MSL) swap in connection with its Series 2008 D-3 Variable Rate Bonds. The intention of the swap was to change the Department's variable interest rate on the bonds to a synthetic fixed rate that steps down over time. The swap was structured with step-down coupons in order to shift savings from the early years to the later years of the swap.

Terms:

Under the swap agreement, the County pays the counterparty 4.742 percent to July 1, 2010, and 1.212 percent thereafter to termination. The County receives 62.0 percent of LIBOR plus 0.28 percent.

Fair Value:

As of June 30, 2009, the swap had a fair market value of $18,425,000.

Associated Debt:

	2009 (000)
Actual interest payments on debt	$2,011
Net payment under swap agreement	4,273
Total payments	$6,284

Credit Risk:

As of June 30, 2009, the Department is exposed to credit risk because the swap has a fair value of $18,425,000. The counterparty was rated Aa1 by Moody's Investor Service, AA- by Standard & Poor's, and AA+ by Fitch Ratings. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Basis Risk:

The swap exposes the Department to Basis risk should the relationship between LIBOR and SIFMA converge. If a change occurs that results in the rates moving to convergence, the expected cost savings of the swap may not be realized.

Tax Risk:

The swap exposes the Department to tax risk if a permanent mismatch (shortfall) occurs between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds due to tax law changes such that the federal or state tax exemption of municipal debt is eliminated or its value reduced.

Termination Risk:

The Department has exposure to termination risk on this particular swap. If either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an ATE may occur. At the time of the termination, if the swap has a negative value, the Department would be liable to the counterparty for a payment equal to the swap's fair value.

12. 2009 $550,000,000 Forward Starting Swap

Objective:

As a means to lower its borrowing costs and provides the Department with a favorable fixed interest rate for financing of the Terminal 3 Project and other related projects.

Terms:

Commencing with the issuance of the Series 2009A and 2009B bonds in July 2009, and in accordance with the swap agreements, the Department will pay Citigroup Financial, the counterparty, a fixed interest rate of 5.626 percent on the 2009A bonds through July 1, 2017, and 0.25 percent through maturity and will receive 64.7 percent of one-month LIBOR plus 0.28 percent. The Department will pay a fixed interest rate of 6.00 percent on the 2009B bonds through July 1, 2017, and 1.455 percent to maturity and will receive 64.7 percent of one-month LIBOR plus 0.28 percent. The swap has a notional amount of $550 million. The 2009A swap matures on July 1, 2026, and the 2009B swap matures July 1, 2038.

Fair Value:

As of June 30, 2009 the swaps had a fair market value of ($50,711,000).

13. 2010 $150,000,000 Forward Starting Swap

Objective:

As a means to lower its borrowing costs and provides the Department with a favorable fixed interest rate for financing of the Terminal 3 Project and other related projects.

Terms:

Commencing with the issuance of the Series 2010 bonds in July 1, 2010, and in accordance with the swap agreements, the Department will pay Citigroup Financial, the counterparty, a fixed interest rate of 6.00 percent through July 1, 2017, and 1.913 percent to maturity and will receive 61.9 percent of one-month LIBOR plus 0.27 percent. The swap has a notional amount of $150 million. The swap matures on July 1, 2040.

Fair Value:

As of June 30, 2009, the swaps had a fair market value of ($11,824,000).

14. 2011 $275,000,000 Forward Starting Swap

Objective:

As a means to lower its borrowing costs and provides the Department with a favorable fixed interest rate for financing of the Terminal 3 Project and other related projects.

Terms:

Commencing with the issuance of the Series 2011 bonds in July 2011, and in accordance with the swap agreements, the Department will pay Citigroup Financial, the counterparty, a fixed interest rate of 3.881 percent to July 1, 2037, maturity on $201,975,000 of the swap and will pay UBS AG a fixed interest rate of 3.886 percent to July 1, 2030, maturity on $73,025,000 of the swap. The swap has a notional amount of $275 million. The swap matures on July 1, 2037.

Fair Value:

As of June 30, 2009, the swaps had a fair market value of ($25,406,000).

(j) The approximate maturities and interest of long-term debt are as follows:

Maturities of Long-Term Debt

	Total		Senior		Subordinate		PFC		Third lien	
Due as of June 30,	Principal (000)	Interest (000)	Principal (000)	Interest (000)	Principal (000)	Interest (000)	Principal (000)	Interest (000)	Principal (000)	Interest (000)
2010	71,780	136,511	28,465	13,822	18,900	73,624	21,715	34,596	2,700	14,469
2011	486,150	126,832	39,295	11,637	20,935	69,955	22,695	30,704	403,225	14,536
2012	92,370	110,614	41,420	9,092	18,455	66,346	28,705	26,815	3,790	8,361
2013	107,385	105,404	49,315	6,261	23,830	65,322	29,835	25,665	4,405	8,156
2014	69,390	101,005	8,285	4,531	25,030	64,088	31,015	24,466	5,060	7,920
2015 - 2019	414,050	414,176	19,550	18,005	182,715	259,345	174,465	102,403	37,320	34,423
2020 - 2024	634,850	278,481	-	16,749	355,955	177,052	215,020	63,569	63,875	21,111
2025 - 2029	551,235	173,372	-	16,749	333,760	131,279	158,625	18,942	58,850	6,402
2030 - 2034	260,715	100,787	-	16,749	260,715	84,038	-	-	-	-
2035 - 2039	305,665	50,288	39,780	14,082	265,885	36,206	-	-	-	-
2040 - 2044	129,575	4,777	29,810	1,509	99,765	3,268	-	-	-	-
Total	$ 3,123,165	$ 1,602,247	$ 255,920	$ 129,186	$ 1,605,945	$ 1,030,523	$ 682,075	$ 327,160	$ 579,225	$ 115,378

9.) PAYMENTS TO CLARK COUNTY

The Department reimburses the County for providing the Airport System with fire services, police services, legal, administrative services and certain maintenance services, based on its actual cost. The total amounts billed for these services were $27.9 million and $31.6 million for the fiscal years ended June 30, 2009 and 2008, respectively.

10.) COMMITMENTS AND CONTINGENCIES

(a) <u>Federal Grants</u>

As of June 30, 2009, the County has remaining commitments from the FAA for grant awards of $14.7 million for land acquisition, and certain other airport improvements. Such funds are generally available for reimbursement upon the acquisition of the specific asset and are generally accrued as receivables at the time the acquisition costs are incurred.

(b) <u>Construction in Progress</u>

As of June 30, 2009, the Department's management estimates that construction in progress will require an additional outlay of approximately $2.1 billion to bring the related projects to completion.

(c) Litigation and Claims

Inverse Condemnation Litigation

The County is a party to actions concerning Airport System operations in which inverse condemnation damages and other damages are being sought against the County. Although the facts and circumstances of each case differ, the County believes the ultimate outcomes will all be affected by the 2006 Nevada Supreme Court case, *Steve Sisolak v. McCarran International Airport and Clark County*.

In *Sisolak*, the District Court found for the plaintiff's inverse condemnation claim, holding that a "per se taking" has occurred as a result of the County's enactment of airport height zoning ordinances. On appeal, the Nevada Supreme Court on July 13, 2006, affirmed the District Court's ruling that a "per se taking" had occurred as a result of the County's height zoning ordinance. The County petitioned the U.S. Supreme Court for a writ of certiorari based on federal law but the petition was denied in February 2007. *Sisolak* is currently the controlling law in Nevada. A discussion of the individual cases is below:

CLOSED CASE INFORMATION

Tien Fu Hsu and Lisa Su Family Trust; S.W. Stephen Huang, Peter B. Liao, Lucky Land Company Enterprise, Westgate, West Park, Inc., v. Clark County, District of Nevada, Clark County - Case No. A434071.

Tien Fu Hsu, et al., v. Clark County, District of Nevada, Clark County – Case Nos. A332441 and A333961A consolidated.

Mickle v. Clark County, District of Nevada, Clark County, Case No. A442655.

STT Land, LLC and Doe Landowners I-XX v. McCarran International Airport and Clark County, District of Nevada, Clark County, Case No. A524064.

MBP Land, LLC and Doe Landowners I-XX v. McCarran International Airport and Clark County, District of Nevada, Clark County Case No. A524065.

All of the above five listed cases have been resolved in a universal settlement. The County paid $26.7 million and all five cases have been dismissed. As of June 30, 2009 the Department has accrued a liability of $26.7 million in connection with this case.

Hotels Nevada, LLC v. Clark County, District of Nevada, Clark County – Case No. A405698. Settled for $50 million. Dismissed August 14, 2008.

Mohler Trust v. Clark County, District of Nevada, Clark County, Case No. A463007. Settled for $21 million. Dismissed February 5, 2009.

Urban Land Nevada v. McCarran International Airport and Clark County, District of Nevada, Clark County Case No. A537547. The County agreed to pay the plaintiff $110 million ($55 million within 60 days after the date of approval and $55 million within one year after the date of the first payment). The Court dismissed the case August 20, 2008. As of June 30, 2009 the Department has an accrued liability of $55 million for the final payment in connection with this case.

McCarran Plaza Suites, Inc. v. McCarran International Airport and Clark County, a political subdivision of the State of Nevada, District of Nevada, Clark County, Case No. A444497. The County paid plaintiffs $10 million. A dismissal of the case occurred February 13, 2009.

Vacation Village, Inc., v. Clark County ex rel Clark County Department of Aviation (Formerly Case No. A328480), (Bankruptcy Court Case No. BK-S-97-27654 RCJ, Chapter 11, ADV-S-982313 RCJ). On June 23, 2009 the County paid the Plaintiff $9,333,440.13. Final order of condemnation and final judgment were filed July 20, 2009.

Boueri v. McCarran International Airport and Clark County District of Nevada, Clark County, Case no A502726. The County paid the plaintiffs $13,480,000. A dismissal of the case occurred September 15, 2009. As of June 30, 2009 the Department has accrued a liability of $13,480,000 in connection with this case.

PENDING CASES

Wyckoff Newberg Corporation; International Smelting Company, Inc., and Doe Landowners I through XX v. McCarran International Airport and Clark County, District of Nevada, Clark County Case No. A537547. Outside counsel is handling this litigation on behalf of the County. The Plaintiffs filed an inverse condemnation Complaint on February 20, 2007, alleging the imposition of zoning height restrictions over the Plaintiff's property constitute a "per *se* taking". Discovery has not commenced and the amount claimed is uncertain. This case is currently stayed pending the outcome of the ongoing appeal of the statute of limitations issue in another case appeal. This case has the identical statute of limitations issue as the *David Johnson* case, below. It is impossible to predict the outcome of this case at this juncture given the current stage of the present litigation, the *David Johnson* appeal and the possible effect of the *Sisolak* decision.

David Johnson, Trustee of the Joseph W. Huntsman 1983 Trust v. McCarran International Airport and Clark County, Case No. A572935. Outside counsel is handling this litigation on behalf of the County. This case was filed on October 3, 2008, alleging that the imposition of zoning height restrictions over the plaintiff's property constitutes a "per se taking." On December 18, 2008, the County filed a motion to dismiss the case based upon the statute of limitations. On April 16, 2009, the Court granted Clark County's motion to dismiss. The Landowners have filed an appeal. Briefing is concluded; the County still believes it has a strong legal argument but cannot predict the outcome of the appeal.

70 Limited Partnership, Teria Dvorchak as special administratrix of the estate of Thomas T. Beam, Deceased v. McCarran International Airport and Clark County, Case No. A572739. Outside counsel is handling this litigation on behalf of the County. This case was filed on October 1, 2008 alleging that the imposition of zoning height restrictions over the plaintiff's property constitutes a "per se taking." On December 18, 2008, Clark County filed a motion to dismiss based on running of the statute of limitations. Two ordinances are involved in this case – Ordinance 1221 and Ordinance 1599. The only ordinance that was affected by the statute of limitations was Ordinance 1221. On February 26, 2009, the Court heard arguments on the motion to dismiss and granted the Motion to Dismiss in favor of the County. At the present time, the only ordinance that is the subject of litigation at the district court level is ordinance 1599, which only concerns Plaintiff, 70 Limited Partnership. Plaintiff's attorney errantly filed a notice of appeal on behalf of both Plaintiffs, but is currently seeking dismissal of the appeal as to Plaintiff, 70 Limited Partnership, only. Discovery has commenced. Experts have been retained and the County will be contending there is no damage in this case. This case has the identical statute of limitations issue as the *David Johnson* case, above. The County believes it has a strong legal argument, but cannot predict the outcome of the appeal. As to the remaining case concerning ordinance 1599, discovery has not yet commenced and it is too early to predict the outcome.

LV Stacy, LLC v. McCarran International Airport and Clark County, Case No. A-09-593658. Outside counsel is handling this case on behalf of the County. The case was filed June 29, 2009 alleging that the imposition of zoning height restrictions over Plaintiff's property constitutes a "per se taking." Discovery has not yet commenced and the amount claimed is uncertain. The County has filed a motion to dismiss the case based upon the statute of limitations. This case has the same statute of limitations issue as that in the *David Johnson* case, above. It is impossible to predict the outcome of this case at this juncture given the current stage of the present litigation, the *David Johnson* appeal and the possible effect of the *Sisolak* decision.

Other possible inverse condemnation/taking litigation. As a result of the *Sisolak* decision, it is possible that other litigation will be filed based on a similar legal theory by landowners who are affected by the County's airport height zoning ordinance. It is impossible to predict at this time whether any such litigation will be filed or its ultimate outcome.

Other Litigation. The County is a party to numerous other actions and claims in connection with the ownership and operation of the Airport System, including personal injury claims, employment related claims and construction claims, but in the opinion of the District Attorney, the actions and claims described in this paragraph are not expected, in the aggregate, to have a material adverse effect on the financial condition of the Airport System. Two particular cases of note are:

PCL Construction Services, Inc v. Clark County Department of Aviation, et al., American Arbitration Association Case No. 78 110 92 08 MARS. Outside counsel is handling this arbitration on behalf of the County. PCL was the general contractor for Clark County's $123 million Consolidated Car Rental Facility at McCarran International Airport. PCL, Clark County, and multiple subcontractors on the project have unresolved disputes relating to the construction of the project including claims for extra work, delay, and liquidated damages for the late completion of the project. PCL filed an amended demand for arbitration on or about August 20, 2008, naming the County, Carmel Architectural Services, Heinaman Contract Glazing, West Edna Associates, Ltd., Pahor Mechanical, Inc., and W&W Steel Company, Inc. as respondents. PCL's demand states that the claim amounts have not been determined and PCL lists $5,000,001 as "a placeholder for this form." Each of the named subcontractors, plus Mohave Electric, has claims against PCL which were assigned to the County. The County also anticipates claims against PCL for delay and other damages. It is impossible to predict the outcome of this case at this juncture given the current very early stage of the arbitration. No arbitration date has been set. As of June 30, 2009, the Department has paid $1.7 million in connection with this case.

Las Vegas Rock, Inc. v. Clark County Department of Aviation, (Formerly Nevada District Court Case No. A562551) U.S. District Court Case No. 2:08-cv-00752-BES-PAL. Plaintiffs filed a Complaint on March 7, 2008 in state district court seeking declaratory relief/quieting title regarding its alleged mining claims on land which Congress has directed the Bureau of Land management ("BLM") to convey to the County for use as a heliport. The County removed the case to federal court and the United States was joined as a party since it still owns the land. The matter was stayed pending the BLM's determination of the validity of Plaintiff's mining claims. The BLM has issued a Mineral Report Validity Examination that determined the Plaintiff's mining claims are invalid and the BLM intends to convey the land to the County after the close of a current comment period. Discovery has commenced, but nothing substantial has occurred in the litigation. Due to the BLM's determination, the County believes it has a strong defense to claims made, but it is difficult to predict the ultimate outcome of this case.

Proposed Constitutional Amendment.

An initiative petition to amend Nevada's constitution was passed by the voters at the general election in 2006 (November 7, 2006), and in 2008 (November 4, 2008) and has become a part of Nevada's constitution. The petition was entitled the "Property Owners' Bill Of Rights" And will change the way eminent domain and condemnation cases are treated in various ways. The County cannot predict the financial effect that the proposed constitutional amendment would have on the County in general or the Airport in particular, however, the County does not believe that the constitutional amendment will have a material, adverse effect on the County's obligations to its bondholders.

11.) RENTALS AND OPERATING LEASES

The Department derives a substantial portion of its revenue from fees and charges to air carriers and concessionaires. Charges to air carriers are generated from terminal building rentals, gate use fees, and landing fees in accordance with the Scheduled Airline Operating Agreement or Terminal Building Lease that expired June 30, 2008, (Note 14), or provisions of the County's annual ordinance. The Department leases land, buildings and terminal space to various tenants and concessionaires under operating agreements that expire at various times through 2048. Under the terms of these agreements, concession fees are based principally on a percentage of the concessionaires' gross sales or a stated minimum annual guarantee, whichever is greater; and land and building rents that are based on square footage rates. The Department received $77.3 million and $108.8 million in the years ended June 30, 2009, and 2008, respectively, for contingent rental payments in excess of the stated annual minimum guarantees.

Following is a schedule of minimum future rental income on non-cancelable operating leases as of June 30, 2009:

Fiscal Year	Minimum Future Rents (000)
2010	$ 98,292
2011	92,387
2012	86,213
2013	85,387
2014	77,995
Thereafter	468,858

12.) RISK MANAGEMENT

The Department is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees and customers, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and County self-insured programs for off-airport auto liability, employee medical benefits and workers' compensation.

The United States is experiencing a widespread decline in residential real estate sales, mortgage lending and related construction activity, accompanied by inflationary trends and emerging weakness in the commercial and investment banking systems, and is engaged in a war, all of which are likely to have far-reaching effects on the economic activity in the country for an indeterminate period. The near- and long-term impact of these factors on the Nevada economy and the Department's operations cannot be predicted at this time but may be substantial.

From time-to-time, the Department carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of recent economic developments discussed in the foregoing paragraph. The extent of a future loss to be sustained as a result of uninsured deposits in the event of a future failure of the financial institution, if any, however, is not subject to estimation at this time.

The County has established a fund for self-insurance related to medical benefits provided to employees and covered dependents. An independent claims administrator handles all claims procedures. The County also provides an option for employees to select an independent health maintenance organization (HMO) for medical benefits.

The County has also established a fund for self-insurance related to workers' compensation claims. The County maintains reinsurance coverage obtained from private insurers for losses in excess of $1,000,000 per claim.

The Department reimburses the County at a per capita rate for employee medical benefits and a percentage of payrolls for workers' compensation coverage. Rates for this coverage are uniform for all County Departments and are adjusted based on the overall performance of the self-insured medical benefits fund and the self-insured workers' compensation fund.

As a participant in the County's self-insured programs, the Department is assessed annual fees based on the allocation of each respective fund. These assessments are charged to the Department's expense each year. There is no separate accounting for the Department's claims.

Accordingly, information regarding claims liability and payments are not presented in this financial report.

Settled claims from these risks have not exceeded commercial insurance coverage during the past three years.

13.) AIRPORT LAND TRANSFERS

The Southern Nevada Public Land Management Act of 1998, Public Law 105-263, was enacted by Congress in October 1998. A provision of this law provides that the Bureau of Land Management (BLM), an agency of the United States Department of the Interior will transfer approximately 5,000 acres of land to the Department, without consideration, subject to the following:

1) Valid existing rights.

2) The land must be managed in accordance with the law and Section 47504 of Title 40, United States Code (relating to airport noise compatibility planning), and regulations promulgated pursuant to that section.

3) If any land is sold, leased, or otherwise conveyed by the Department, such sale, lease, or other conveyance shall contain a limitation that requires uses compatible with the law and such Airport Noise Compatibility Planning provisions.

4) If any land is sold, leased, or otherwise conveyed by the Department, such sale, lease, or other conveyance shall be at fair market value. The Department contributes 85 percent of the gross proceeds from the sale, lease, or other conveyance of such land directly to the BLM for use in purchasing, improving, or developing other land for environmental purposes. The Department contributes 5 percent of the gross proceeds from the sale, lease, or other conveyance of such land directly to the State for use in its general education program. The remainder is available for use by the Department for the benefit of airport development and the Noise Compatibility Program.

Due to the uncertainty of any future benefit to the Department, a value has not been assigned nor was income reported relating to the land not yet sold or leased under the Southern Nevada Public Land Management Act of 1998. Gross proceeds from the sale and lease of Co-operative Management Area (CMA) land for the year ended June 30, 2009, were $6.8 million and from inception to that date are $92.2 million. The Department's share of these proceeds is $678.3 thousand for the year ended June 30, 2009, and $9.2 million from inception to that date. At June 30, 2009, and 2008, the Department had paid the BLM and the State of Nevada all amounts due.

14.) SUBSEQUENT EVENTS

Subsequent to June 30, 2009, the following significant events have occurred:

1. On July 1, 2009, the County issued $400 million of Airport System Junior Subordinate Lien Revenue Notes Series 2009A to refund the outstanding Clark County, Nevada, Airport System Junior Subordinate Lien Revenue Notes Series 2008F. The proceeds of the 2009A Notes will be used to finance portions of the Terminal 3 project and the height restriction settlements. The effective interest rate on the 2009A Notes is 0.85 percent and the Notes are due July 1, 2010. In conjunction with the issuance of this Note, the rating agencies affirmed the ratings on all of the County's outstanding bonds. However, Moody's Investors Service downgraded the Airport System's outlook from "Stable" to "Negative".

2. In 2006, the Department priced a series of forward starting interest rate swaps for the purpose of locking in exceptionally low interest rates for the financing of the Terminal 3 project. At that time, the Department planned to issue at the various effective dates of the swaps variable rate demand obligations (VRDOs) backed by liquidity and credit support facilities. The floating rates of these securities would then be hedged by the forward starting swaps. One of the forward starting swaps was a $550 million swap that was effective July 1, 2009. Due to insufficient liquidity and credit support facilities with reasonable costs and acceptable terms, the Department instead issued the above referenced $400.0 million in 2009A Notes and deferred the remaining $150 million to a later date, leaving it over-hedged by $150 million. With regard to the over-hedged $150.0 million portion of the forward starting swap, the Department has analyzed all of the alternatives and has decided to move forward with an interim solution of a reversal swap with a term of between 5 and 10 years. A more permanent solution will be addressed in July of 2010 when the 2009A notes mature.

3. On July 7, 2009, the Board of County Commissioners formally approved a settlement with Borer v. McCarran International Airport and Clark County, Case No. A502726 in the amount of $13,480,000. On August 28, 2009 the County paid the Plaintiff.

4. On September 16, 2009, the County issued $168,495,000 in Airport System Subordinate Lien Revenue Bonds to pay for the costs of Terminal 3. The Bonds mature in 2022 through 2026 and have an interest rate of 5.0 percent. The Bonds are insured by FSA.

5. On September 16, 2009, the County issued $300,000,000 in Airport System Senior Lien Bonds (Taxable Direct Payment Build America Bonds). The proceeds of this bond issue will be used for height restriction settlements and Terminal 3. The Bonds have a taxable rate of 6.881 percent and the County will receive an annual rebate from the federal government for 35 percent of this rate

for a net interest rate of 4.47 percent. The Bonds mature July 1, 2042 and have a call provision in 10 years.

6. On July 6, 2009 the following case was filed. *North American Properties, a Business Entity Formerly Known as Woodbridge Apartments v. McCarran International Airport and Clark County*, Case No. A-09-594649. Outside counsel is handling this case on behalf of the County. The Plaintiff alleges the County of using airport expansion and imposition of height restrictions to lower the value of, or take part of property the Plaintiff owns. This case has the same statute of limitations issue as that in the *David Johnson* case. It is impossible to predict the outcome of this case at this juncture given the current stage of the present litigation, the *David Johnson* appeal and the possible effect of the *Sisolak* decision.

7. In mid-July, 2009, the Department closed the southeast wing of the D Concourse. This closure involved approximately 69,000 square feet of terminal space and seven gate positions. This closure was done to reduce operating expenses and to also concentrate passengers into certain concession zones to maximize non-aeronautical revenue. These gates will be placed back into service when demand dictates.

8. On June 30, 2008 the Scheduled Airline Operating Agreement and Terminal Building Lease (the Agreement) with the signatory airlines serving the Las Vegas market expired. The County and the signatory airlines are currently negotiating the terms of a new Agreement and at June 30, 2008, mutually agreed to continue operating under the provisions of the Agreement until such time as the new agreement is finalized.

Required Supplementary Information

Clark County Department of Aviation
Clark County, Nevada

Schedule of Other Postemployment Benefits Funding Progress
As of June 30, 2009 and 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
Self-funded/HPN						
6/30/2006	$ -	$ 54,444,642	$ 54,444,642	$ -	$ 74,915,209	72.7%
7/1/2008	-	59,063,517	59,063,517	-	83,521,710	70.7%
PEBP plan						
6/30/2006	-	8,708,296	8,708,296	-	74,915,209	11.6%
7/1/2008	-	17,006,980	17,006,980	-	-	N/A*

*PEBP no longer has active employees effective 9/1/08.

Supplementary Information

Clark County Department of Aviation
Clark County, Nevada

Schedule of Insurance Coverage
As of June 30, 2009

Amount of Coverage	Description	Limits ($)	Insurer	Expiration
$750M	Airport Liability	$100M	Ace	10/01/2009
	Excess Airport Liability	$554.8M	Lloyds of London	10/01/2009
	Excess Airport Liability	$95.2M	Allianz	10/01/2009
$100M	Third Party War Liability		Ace	10/01/2009
$1.7B	Blanket Policy on Property	$1.5B	Lexington	10/01/2009
	Excess Property	$200M	RSUI	10/01/2009
$250M	Terrorism		Lexington	10/01/2009
$300M	Construction Liability 1		Lloyds of London	06/01/2010
$200M+	Builder's Risk 1		Alliance	06/01/2010
$40M	Pollution and Remediation		Indian Harbor	03/27/2013
$5M	EPLI		Zurich	10/01/2009
$1.2B	Builder's Risk (OCIP) 2	$800M	AON	04/24/2012
	Terrorism (OCIP) 2	$100M	AON	04/24/2012
	Construction Liability (OCIP) 2	$300M	AON	04/24/2012

1 For Construction Projects other than Terminal 3
2 For Terminal 3 construction only

Clark County Department of Aviation
Clark County, Nevada

Schedule of Airport Revenue Bond Debt Service Coverage
For the Fiscal Years Ended June 30, 2009 and 2008

	Reference	FY 2009 (000)	FY 2008 (000)
Operating revenue		$ 379,215	$ 375,888
Interest income		15,999	26,934
Operating expenses		(253,317)	(256,419)
Net revenue	1	141,897	146,403
Other available funds:			
Senior lien coverage		10,915	9,984
Subordinate lien coverage		6,923	5,760
Net revenue and other available funds	2	159,735	162,147
PFC revenue		75,335	79,475
PFC fund interest income		5,936	15,604
Total PFC revenue	3	81,271	95,079
Senior lien debt service	4	43,066	39,934
Subordinate lien debt service	5	47,919	57,602
Senior and subordinate lien debt service	6	90,985	97,536
Subordinate PFC debt service	7	$ 89,456	$ 95,204
Coverage achieved:			
Net revenue (informational only)	1/4	3.29	3.67
Senior lien including other available funds (1.25 required)	2/4	3.71	4.06
Senior and subordinate lien including other available funds (1.10 required)	2/6	1.76	1.66
Subordinate lien after payment of senior lien	(2-4)/5	2.43	2.12
Subordinate PFC bonds (informational only)	3/7	0.91	1.00

Clark County Department of Aviation
Clark County, Nevada

Schedule of Cash Receipts and Disbursements - Restricted Accounts
As of June 30, 2009

	Construction (000)	Passenger Facility Charge (000)	Current Debt Service (000)	Debt Service Reserve (000)	Working Capital and Contingency Reserve (000)	Capital Improvement and Replacement Reserve (000)	Total (000)
Cash and investments, beginning of fiscal year	$ 1,195,327	$ 27,415	$ 186,896	$ 187,675	$ 18,333	$ 9,899	$ 1,625,545
Cash Receipts:							
Passenger Facility Charges	-	75,117	-	-	-	-	75,117
Jet Aviation Fuel Tax	-	-	-	8,514	-	-	8,514
Proceeds from sale of assets	3	-	-	-	-	-	3
FAA	40,528	-	-	-	-	-	40,528
TSA	3,300	-	-	-	-	-	3,300
Interest received	27,690	768	4,785	5,265	871	381	39,760
Transfers in	16,966	73	202,848	3,832	827	8,672	233,218
Total Receipts	88,487	75,958	207,633	17,611	1,698	9,053	400,440
Total cash and investments available	1,283,814	103,373	394,529	205,286	20,031	18,952	2,025,985
Cash disbursements:							
Bond issuance costs	-	-	686	-	-	-	686
Project costs	759,869	-	-	-	-	-	759,869
Principal payments	-	-	66,150	-	-	-	66,150
Interest payments	-	-	113,113	-	-	-	113,113
Transfers out	28,627	81,314	129	33,480	-	-	143,550
Total cash disbursements	788,496	81,314	180,078	33,480	-	-	1,083,368
Cash and investments, end of fiscal year	$ 495,318	$ 22,059	$ 214,451	$ 171,806	$ 20,031	$ 18,952	$ 942,617

Clark County Department of Aviation
Clark County, Nevada

Schedule of Operating Revenues and Expenses by Cost Center
Actual and Budget for Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Terminal Building (000)	Airfield Area (000)	Apron Area (000)	Other Buildings and Areas (000)	Heliport (000)	Ivanpah Airport (000)	Terminal Area (000)	Reliever Airports (000)	Consolidated Car Rental Facility (000)	General and Administrative (000)	Year Ended June 30, 2009 Actual Total (000)	Year Ended June 30, 2009 Budgeted Total (000)	Actual Year Ended June 30, 2008 (000)
Operating Revenues:													
Landing Fees		$ 51,422									$ 51,422	$ 27,782	$ 35,778
Other aircraft fees		5,114	$ 21,332					$ 2,641			29,087	30,469	28,681
Building rentals	$ 89,343		-	$ 3,340				1,177	$ 29,697		123,557	109,431	105,512
Land rentals		5,315		10,170				1,213	172		16,870	17,817	15,753
Ground transportation fees							$ 40,381	62	-		40,443	40,984	66,398
Gaming revenue	30,573										30,573	44,440	38,470
Terminal concessions	52,971							123	255		53,349	52,371	54,490
Parking							27,389	24	77		27,490	29,979	27,983
Other	-	4,527						1,897			6,424	1,392	2,822
Total Operating Revenues	172,887	66,379	21,332	13,510			67,769	7,137	30,201	-	379,215	354,665	375,888
Operating Expenses:													
Salaries, wages and benefits	46,035	9,207	10,779	3,368	$ 168	$ 618	15,719	5,951	1,235	19,200	112,281	95,034	98,753
Professional Fees	30,120	5,063	897	6,729	128	2,563	3,781	1,602	5,896	7,306	64,085	15,983	68,554
Utilities & Communication	10,444	1,756	311	2,333	44	889	1,311	556	2,044	2,533	22,222	24,919	22,526
Repairs and maintenance	12,278	2,064	366	2,743	52	1,045	1,541	653	2,403	2,978	26,123	6,259	26,148
Materials and supplies	6,389	1,074	190	1,427	27	544	802	340	1,251	1,550	13,593	13,428	21,224
Insurance	2,202	370	66	492	9	187	276	117	431	534	4,686	6,674	5,762
Loss from operations	4,193	705	125	937	18	357	526	223	821	1,017	8,921	-	8,693
Administrative expenses	661	111	20	148	3	56	83	35	129	160	1,406	2,650	4,759
Total Operating Expenses	112,322	20,349	12,753	18,177	450	6,259	24,040	9,477	14,210	35,278	253,317	233,476	256,419
Allocation percentage of general and administrative costs	55.1%	10.0%	6.3%	8.9%	0.2%	3.1%	11.8%	4.6%	0.0%		100.0%		
Allocation of general and administrative costs	18,657	3,380	2,118	3,019	75	1,040	3,993	1,574	1,421	(35,278)			
Total Operating Expenses After Allocation	130,979	23,729	14,872	21,197	525	7,299	28,034	11,051	15,631	-	253,317	208,676	119,469
Loss or Gain from Operations	$ 41,907	$ 42,650	$ 6,460	$ (7,686)	$ (525)	$ (7,299)	$ 39,735	$ (3,914)	$ 14,570	$ -	$ 125,898	$ 145,989	$ 119,469

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Board of County Commissioners
Clark County Department of Aviation
Clark County, Nevada

We have audited the financial statements of Clark County Department of Aviation, Clark County, Nevada (the "Department"), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Department, in a separate letter dated November 13, 2009.

This report is intended solely for the information and use of management and others within the Department, Honorable Board of County Commissioners and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
November 13, 2009

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA
AUDITOR'S COMMENTS
JUNE 30, 2009

CURRENT YEAR STATUTE COMPLIANCE

The Clark County Department of Aviation conformed to all significant statutory constraints on its financial administration during the year.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Department of Aviation monitored all significant constraints during the year ended June 30, 2009.

PRIOR YEAR RECOMMENDATIONS

The prior auditor noted material weaknesses in internal control over financial reporting for the year ended June 30, 2008, which were identified in their report dated January 7, 2009. These material weaknesses were corrected by the Department of Aviation, and we did not have similar findings in the current year.

CURRENT YEAR RECOMMENDATIONS

We did not note any financial weaknesses of a magnitude to justify inclusion within this report. However, our audit did identify recommendations to improve procedures and accountability that have been included in our management letter dated November 13, 2009.

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Board of County Commissioners
Clark County Department of Aviation
Clark County, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624(5)(a):

- The identified funds are being used expressly for the purposes for which they were created.
- The funds are administered in accordance with accounting principles generally accepted in the United States of America.
- The net assets in the fund were reasonable and necessary to carry out the purposes of the fund at June 30, 2009 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau).
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements.
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2009.
- The balance of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the Clark County Department of Aviation.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
November 13, 2009

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STATISTICAL SECTION COVER

Overview of Information Provided in Statistical Section

The information contained herein has not been audited. It is intended to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the Airport System's economic condition.

Financial trend data has been provided to assist users in understanding and assessing how the Airport System's financial position has changed over time. The financial trend data provided includes summary of trends in operating revenues, expenses and changes in net assets for the last ten years of the Department's operations. This section also includes detailed information on operating income before depreciation and non-operating income and expenses. Also included in this section is detail information on operating expenses by type such as wages, maintenance, professional services, security and fire, utilities, materials and supplies, insurance and other expenses.

Revenue capacity information has been provided to assist users in understanding and assessing the factors affecting the Airport System's ability to generate its own-source revenues. Revenue capacity information provided includes; revenues by type such as rentals, fees and airport concessions as well as summary information on restricted revenues for the same period.

Debt capacity information has been provided to assist users in understanding and assessing the Airport System's debt burden and its ability to service existing debt and issue additional debt. Schedules of bond debt service coverage are included to provide trends in coverage for senior lien, subordinate lien and passenger facility charge revenue bonds issued by the Department.

Demographic and economic information has been provided to assist users in understanding the socioeconomic environment within which the Airport System operates and to provide information that facilitates comparisons of financial statement information over time. Demographic and economic indicators provided include schedules of metropolitan service area (MSA) visitor volume, room occupancy rates, and convention attendance statistics as well as MSA population, labor source, and unemployment rates of the surrounding community.

Operating information has been provided to assist users with contextual information about the Airport System's operations and resources to assist the reader in using financial statement information to understand and assess the Airport System's economic condition. Included in this section is passenger enplanements statistics and cargo tonnage and aircraft landed weights for the last ten years of the Department's operations; airline market share information by airline for the last three years of airport operations; and an analysis of per passenger concession revenues, expenses, bond debt service coverage and airline costs for the last ten years of the Department's operations.

This section is intended to be viewed in conjunction with the financial statements as a whole and to enhance the usefulness of the financial information contained therein.

Clark County Department of Aviation
Clark County, Nevada

Summary of Changes in Net Assets
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Operating Revenue (000)	Percentage of Increase/ Decrease	Operating Expenses (000)	Percentage of Increase/ Decrease	Income Before Depreciation (000)	Percentage of Increase/ Decrease	Depreciation (000)	Percentage of Increase/ Decrease	Operating Income (000)	Percentage of Increase/ Decrease	Net Non-Operating Income (expense) (000)	Percentage of Increase/ Decrease	Income before Capital Conributions (000)	Percentage of Increase/ Decrease	Capital Contributions (000)	Percentage of Increase/ Decrease	Change in Net Assets (000)	Percentage of Increase/ Decrease
2000	$ 204,797		$ 94,612		$ 110,185		$ 63,559		$ 46,626		$ (4,821)		$ 41,805		$ 12,702		$ 54,507	
2001	215,013	5.0%	101,512	7.3%	113,501	3.0%	64,513	1.5%	48,988	5.1%	11,214	-332.6%	60,202	44.0%	18,140	42.8%	78,342	43.7%
2002	217,592	1.2%	111,205	9.5%	106,387	-6.3%	63,809	-1.1%	42,578	-13.1%	14,321	27.7%	56,899	-5.5%	13,294	-26.7%	70,193	-10.4%
2003	225,042	3.4%	124,666	12.1%	100,376	-5.7%	63,102	-1.1%	37,274	-12.5%	10,716	-25.2%	47,990	-15.7%	21,974	65.3%	69,964	-0.3%
2004	243,043	8.0%	122,947	-1.4%	120,096	19.6%	64,850	2.8%	55,246	48.2%	(18,099)	-268.9%	37,147	-22.6%	20,846	-5.1%	57,993	-17.1%
2005	261,566	7.6%	140,347	14.2%	121,219	0.9%	66,048	1.8%	55,171	-0.1%	2,200	-112.2%	57,371	54.4%	62,335	199.0%	119,706	106.4%
2006	290,979	11.2%	156,977	11.8%	134,002	10.5%	70,853	7.3%	63,149	14.5%	35,587	1517.6%	98,736	72.1%	116,187	86.4%	214,923	79.5%
2007	323,418	11.1%	207,443	32.1%	115,975	-13.5%	85,821	21.1%	30,154	-52.2%	50,097	40.8%	80,251	-18.7%	25,057	-78.4%	105,308	-51.0%
2008	375,888	16.2%	256,419	23.6%	119,469	3.0%	81,014	-5.6%	38,455	27.5%	68,737	37.2%	107,192	33.6%	22,316	-10.9%	129,508	23.0%
2009	379,215	0.9%	253,317	-1.2%	125,898	5.4%	122,688	51.4%	3,210	-91.7%	(4,297)	-106.3%	(1,087)	-101.0%	41,235	84.8%	40,148	-69.0%
Average Annual Increase (Decrease)	7.1%		11.6%		1.5%		7.6%		-25.7%		-1.3%		#NUM!		14.0%		-3.3%	

This summary includes information on operating revenues and expenses, operating income before depreciation, non-operating income and changes in net assets. It provides a summary of trends in operating revenues, expenses and changes in net assets for the last ten years of Airport operations.

Clark County Department of Aviation
Clark County, Nevada

Summary of Non-operating Income and Expenses
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Passenger Facility Charges (000)	Percentage of Increase/ Decrease	Customer Facility Charges (000)	Percentage of Increase/ Decrease	Jet - A Fuel Taxes (000)	Percentage of Increase/ Decrease	Interest Income (000)	Percentage of Increase/ Decrease	Interest Expense (000)	Percentage of Increase/ Decrease	Other Income (Expense) (000)	Percentage of Increase/ Decrease	Total Non-operating Inc/(Exp) (000)	Percentage of Increase/ Decrease
2000	$ 45,159		$ -		$ 11,141		$ 25,843		$ 87,243		$ 279		$ (4,821)	
2001	46,189	2.3%	-	0.0%	11,989	7.6%	37,858	46.5%	87,475	0.3%	2,653	850.9%	11,214	-332.6%
2002	44,933	-2.7%	-	0.0%	11,597	-3.3%	45,489	20.2%	89,222	2.0%	1,524	-42.6%	14,321	27.7%
2003	44,945	0.0%	-	0.0%	11,765	1.4%	40,621	-10.7%	87,831	-1.6%	1,216	-20.2%	10,716	-25.2%
2004	50,758	12.9%	-	0.0%	9,530	-19.0%	14,694	-63.8%	89,720	2.2%	(3,361)	-376.4%	(18,099)	-268.9%
2005	73,390	44.6%	-	0.0%	9,362	-1.8%	26,866	82.8%	105,806	17.9%	(1,612)	-52.0%	2,200	-112.2%
2006	85,969	17.1%	11,413	0.0%	9,271	-1.0%	36,129	34.5%	113,460	7.2%	6,265	-488.6%	35,587	1517.6%
2007	89,358	3.9%	10,470	100.0%	9,310	0.4%	54,323	50.4%	112,533	-0.8%	(831)	-113.3%	50,097	40.8%
2008	79,475	-11.1%	50,844	385.6%	9,498	2.0%	86,342	58.9%	157,604	40.1%	182	-121.9%	68,737	37.2%
2009	75,335	-5.2%	-	-100.0%	8,388	-11.7%	49,556	-42.6%	137,254	-12.9%	(322)	-276.9%	(4,297)	-106.3%
Average Annual Increase (Decrease)	5.9%		0.0%		-3.1%		7.5%		5.2%		n/a		n/a	

This summary includes information on non-operating income and expenses by source and/or activity.

Clark County Department of Aviation
Clark County, Nevada

Schedule of Airport Revenue Bond Debt Service Coverage
From Operating Revenues and Interest Income Available for Debt Service
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(1) Total Revenue Available for Debt Service (000)	(2) Less: Operating and Maintenance Expenses (000)	(3) (1) minus (2) Net Revenue Available for Debt Service (000)	(4) Senior Lien Debt Service (000)	(3)/(4) Senior Lien Coverage (1.25 Required *)	(5) Subordinate Lien Debt Service (000)	(3)/(4+5) Senior and Subordinate Lien Coverage (1.10 Required*)
2000	222,362	94,612	127,750	36,086	3.54	27,007	2.02
2001	241,633	101,512	140,121	36,155	3.88	29,275	2.14
2002	243,809	111,205	132,604	36,151	3.67	21,611	2.30
2003	251,508	124,666	126,842	36,274	3.50	20,987	2.22
2004	245,581	122,947	122,634	35,010	3.50	22,469	2.13
2005	280,155	140,347	139,808	34,958	4.00	32,930	2.06
2006	326,726	156,977	169,749	42,807	3.97	40,760	2.03
2007	363,336	207,443	155,893	40,371	3.86	47,505	1.77
2008	418,566	256,419	162,147	39,934	4.06	57,602	1.66
2009	413,052	253,317	159,735	43,066	3.71	47,919	1.76
Average Annual Increase(Decrease)	7.1%	11.6%	2.5%	2.0%	3.77	6.6%	2.01

** Required by Master Indenture of Trust, dated May, 2003, as amended*

Schedule of Passenger Facility Charge (PFC) Revenue Bond Debt Service Coverage
From PFC Revenues and PFC Interest Income Available for Debt Service
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	PFC Revenue (000)	PFC Debt Service (000)	PFC Coverage (none Required)
2000	51,802	45,214	1.15
2001	55,499	50,842	1.09
2002	52,155	51,656	1.01
2003	50,185	50,674	0.99
2004	51,709	54,984	0.94
2005	73,390	43,756	1.68
2006	90,442	50,442	1.79
2007	93,756	79,970	1.17
2008	95,079	95,204	1.00
2009	81,271	89,456	0.91
Average Annual Increase(Decrease)	5.1%	7.9%	1.20

This schedule provides trends in coverage requirements for senior lien and subordinate lien debt service as are defined in the Master Indenture of Trust, dated May 1, 2003.
For illustration purposes, this analysis also provides calcualated coverage for passenger facility charge revenue bonds issued by the Airport.

Clark County Department of Aviation
Clark County, Nevada

Summary of Operating Revenues
Last Ten Fiscal Years
(Unaudited)

											Concessions									
Fiscal Year	Total Operating Revenue (000)	Percentage of Increase/ Decrease	Landing Fees (000)	Percentage of Increase/ Decrease	Other Aircraft Fees (000)	Percentage of Increase/ Decrease	Building Rentals (000)	Percentage of Increase/ Decrease	Land Rentals (000)	Percentage of Increase/ Decrease	Transport (000)	Percentage of Increase/ Decrease	Gaming (000)	Percentage of Increase/ Decrease	Terminal (000)	Percentage of Increase/ Decrease	Parking (000)	Percentage of Increase/ Decrease	Misc (000)	Percentage of Increase/ Decrease
2000	$ 179,170		$ 24,080		$ 2,518		$ 60,130		$ 4,668		$ 22,693		$ 25,058		$ 22,000		$ 13,641		$ 4,384	
2001	204,797	14.3%	29,130	21.0%	3,286	30.5%	64,771	7.7%	7,325	56.9%	25,700	13.3%	27,592	10.1%	27,469	24.9%	15,450	13.3%	4,074	-7.1%
2002	215,013	5.0%	30,018	3.0%	3,664	11.5%	66,262	2.3%	8,279	13.0%	25,691	0.0%	28,859	4.6%	30,654	11.6%	17,277	11.8%	4,309	5.8%
2003	217,592	1.2%	28,348	-5.6%	4,010	9.4%	66,356	0.1%	10,054	21.4%	25,822	0.5%	32,148	11.4%	29,599	-3.4%	17,117	-0.9%	4,138	-4.0%
2004	225,042	3.4%	27,619	-2.6%	4,162	3.8%	66,683	0.5%	13,460	33.9%	26,809	3.8%	32,881	2.3%	30,696	3.7%	17,469	2.1%	5,263	27.2%
2005	243,043	8.0%	29,878	8.2%	4,677	12.4%	68,356	2.5%	13,119	-2.5%	29,871	11.4%	37,560	14.2%	34,349	11.9%	19,077	9.2%	6,156	17.0%
2006	261,566	7.6%	32,496	8.8%	4,617	-1.3%	70,466	3.1%	13,992	6.7%	34,883	16.8%	37,608	0.1%	39,132	13.9%	22,317	17.0%	6,057	-1.6%
2007	290,977	11.2%	23,947	-26.3%	10,164	120.1%	88,037	24.9%	15,132	8.1%	38,375	10.0%	39,624	5.4%	45,111	15.3%	26,261	17.7%	4,326	-28.6%
2008	375,888	29.2%	35,778	49.4%	28,681	182.2%	105,512	19.8%	15,753	4.1%	66,398	73.0%	38,470	-2.9%	54,490	20.8%	27,893	6.2%	2,872	-33.6%
2009	379,215	0.9%	51,422	43.7%	29,087	1.4%	123,557	17.1%	16,870	7.1%	40,443	-39.1%	30,573	-20.5%	53,349	-2.1%	27,490	-1.4%	6,424	123.7%
Average Annual Increase (Decrease)	8.7%		8.8%		31.2%		8.3%		15.3%		6.6%		2.2%		10.3%		8.1%		4.3%	

This trend analysis provides operating income by revenue type: rentals, fees and concessions for the last ten years of Airport operations.

Clark County Department of Aviation
Clark County, Nevada

Summary of Restricted Revenues
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Jet Aviation Fuel Tax (000)	Percentage of Increase/ Decrease	Jet A Fuel Tax Per Enplaned Passenger (000)	Passenger Facility Charge (000)	Percentage of Increase/ Decrease	PFC Per Enplaned Passenger (000)	Customer Facility Charge (000)	Percentage of Increase/ Decrease	CFC Per Enplaned Passenger (000)
2000	$ 11,141		$ 0.60	$ 45,159		$ 2.49			
2001	11,989	7.6%	0.63	46,189	2.3%	2.55			
2002	11,597	-3.3%	0.64	44,933	-2.7%	2.48			
2003	11,765	1.4%	0.68	44,945	0.0%	2.65			
2004	9,530	-19.0%	0.67	50,758	12.9%	2.55			
2005	9,362	-1.8%	0.49	73,390	44.6%	2.61			
2006	9,271	-1.0%	0.44	85,969	17.1%	3.42	$ 11,413		
2007	9,310	0.4%	0.41	89,358	3.9%	3.96	10,470	-8.3%	$ 0.46
2008	9,499	2.0%	0.40	79,475	-11.1%	3.36	50,844	385.6%	2.15
2009	8,388	-11.7%	0.40	75,335	-5.2%	3.63	-		-
Average Annual Increase (Decrease)	-3.1%		-4.3%	5.9%		4.3%	-100.0%		-100.0%

This schedule provides trends in restricted revenues for capital project funding collected from fuel taxes and passenger fees during the last ten years of Airport operations.

Clark County Department of Aviation
Clark County, Nevada

Ratios of Airport Revenue Bond Debt Service to Total Operating Revenues and Expenses
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Senior Lien Debt Service (000)	Subordinate Lien Debt Service (000)	Total Debt Service (000)	Operating Revenues (000)	Ratio of Debt Service to Revenues	Operating Expenses (000)	Ratio of Debt Service to Expenses
2000	$ 36,085	$ 27,007	$ 63,092	$ 204,797	3.25	$ 94,612	1.50
2001	36,155	29,275	65,430	215,013	3.29	101,512	1.55
2002	36,151	21,611	57,762	217,592	3.77	111,205	1.93
2003	36,274	20,987	57,261	225,042	3.93	124,666	2.18
2004	35,010	22,911	57,921	243,043	4.20	122,947	2.12
2005	34,958	32,930	67,888	261,566	3.85	140,347	2.07
2006	42,807	40,760	83,567	290,977	3.48	156,977	1.88
2007	40,371	47,505	87,876	323,418	3.68	207,443	2.36
2008	39,934	57,602	97,536	375,888	3.85	256,419	2.63
2009	43,066	47,919	90,985	379,215	4.17	253,317	2.78
Average Annual Increase(Decrease)	2.0%	6.6%	4.2%	7.1%	3.75	11.6%	2.10

This schedule provides bond debt service ratio trends for operating revenue and operating expense for the last ten years of Airport operations.

Clark County Department of Aviation
Clark County, Nevada

Summary of Operating Expenses
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total (000)	Percentage of Increase/ Decrease	Wages and Benefits (000)	Percentage of Increase/ Decrease	Professional Services (000)	Percentage of Increase/ Decrease	Utilities (000)	Percentage of Increase/ Decrease	Repairs, Supplies and Maintenance (000)	Percentage of Increase/ Decrease	Insurance (000)	Percentage of Increase/ Decrease	Other (000)	Percentage of Increase/ Decrease
2000	94,613		50,867		17,591		8,458		13,808		1,491		2,398	
2001	101,513	7.3%	50,643	-0.4%	18,812	6.9%	10,586	25.2%	16,978	23.0%	1,740	16.7%	2,754	14.8%
2002	111,205	9.5%	53,294	5.2%	24,003	27.6%	12,050	13.8%	15,064	-11.3%	3,601	107.0%	3,193	15.9%
2003	124,666	12.1%	56,075	5.2%	24,707	2.9%	13,305	10.4%	17,219	14.3%	4,902	36.1%	8,458	164.9%
2004	122,947	-1.4%	59,233	5.6%	25,314	2.5%	12,799	-3.8%	16,954	-1.5%	5,624	14.7%	3,023	-64.3%
2005	140,346	14.2%	63,329	6.9%	32,346	27.8%	16,166	26.3%	20,802	22.7%	5,249	-6.7%	2,454	-18.8%
2006	156,977	11.8%	67,128	6.0%	33,535	3.7%	17,732	9.7%	30,943	48.8%	5,879	12.0%	1,760	-28.3%
2007	207,443	32.1%	82,254	22.5%	49,786	48.5%	22,622	27.6%	43,909	41.9%	5,889	0.2%	2,983	69.5%
2008	256,419	23.6%	98,753	20.1%	68,868	38.3%	22,526	-0.4%	47,004	7.0%	5,762	-2.2%	13,506	352.8%
2009	253,317	-1.2%	112,281	13.7%	64,085	-6.9%	22,222	-1.3%	39,716	-15.5%	4,686	-18.7%	10,327	-23.5%
Average Annual Increase (Decrease)	11.6%		9.2%		15.4%		11.3%		12.5%		13.6%		17.6%	

The summary provides trends in operating expenses by type for wages, maintenance, independent services, security and fire, utlities, repairs and maintenance, insurance and other expenses for the last ten years of Airport operations.

Passenger and Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Aircraft Operations Departures	Percentage of Increase/ Decrease	Landed Weight (Pounds per 000)	Percentage of Increase/ Decrease	Total Enplaned Passengers	Percentage of Increase/ Decrease	Cargo Tons	Percentage of Increase/ Decrease
2000	187,531		24,073,667		17,720,384		103,804	
2001	193,817	3.4%	24,663,929	2.5%	18,639,078	5.2%	103,770	0.0%
2002	179,564	-7.4%	23,587,166	-4.4%	16,945,697	-9.1%	88,289	-14.9%
2003	179,223	-0.2%	23,074,743	-2.2%	17,641,500	4.1%	89,498	1.4%
2004	193,860	8.2%	24,878,724	7.8%	19,449,065	10.2%	92,857	3.8%
2005	213,035	9.9%	27,066,272	8.8%	21,439,652	10.2%	107,252	15.5%
2006	227,445	6.8%	27,526,493	1.7%	22,546,814	5.2%	112,352	4.8%
2007	257,743	13.3%	28,831,044	4.7%	23,628,484	4.8%	104,761	-6.8%
2008	260,343	1.0%	28,941,564	0.4%	23,525,862	-0.4%	100,929	-3.7%
2009	230,925	-11.3%	25,973,079	-10.3%	20,739,408	-11.8%	90,746	-10.1%
Average Annual Increase	2.3%		0.8%		1.8%		-1.5%	

Clark County Department of Aviation
Clark County, Nevada

Visitor, Convention and Room Statistics
Last Ten Calendar Years
(Unaudited)

Calendar Year	Total Visitor Volume	Percentage of Increase/ Decrease	Convention Attendance	Percentage of Increase/ Decrease	Total Available Hotel-Motel Rooms	Percentage of Increase/ Decrease	Occupancy Rates	Percentage of Increase/ Decrease	Clark County Population	Percentage of Increase/ Decrease	Labor Source	Percentage of Increase/ Decrease	Unemployment Rates	Percentage of Increase/ Decrease
1999	33,809,134		3,772,726		121,664		88.0%		1,383,335		740,400		4.4%	
2000	35,849,691	6.0%	3,853,363	2.1%	124,945	2.7%	89.1%	1.3%	1,425,723	3.1%	784,900	6.0%	4.2%	-4.5%
2001	35,017,317	-2.3%	4,049,095	5.1%	126,610	1.3%	84.7%	-4.9%	1,485,855	4.2%	834,100	6.3%	5.9%	40.5%
2002	35,071,504	0.2%	5,105,450	26.1%	126,787	0.1%	84.0%	-0.8%	1,560,653	5.0%	887,800	6.4%	5.6%	-5.1%
2003	35,540,126	1.3%	5,657,796	10.8%	130,482	2.9%	85.0%	1.2%	1,641,529	5.2%	846,100	-4.7%	4.4%	-21.4%
2004	37,388,781	5.2%	5,724,864	1.2%	131,503	0.8%	88.6%	4.2%	1,747,025	6.4%	885,500	4.7%	3.5%	-20.5%
2005	38,566,717	3.2%	6,166,194	7.7%	133,186	1.3%	89.2%	0.7%	1,815,700	3.9%	899,334	1.6%	4.0%	14.3%
2006	38,914,889	0.9%	6,307,961	2.3%	132,605	-0.4%	89.7%	0.6%	1,912,654	5.3%	913,000	1.5%	4.7%	17.5%
2007	39,196,761	0.7%	6,209,253	-1.6%	132,947	0.3%	90.4%	0.8%	1,996,542	4.4%	907,720	-0.6%	6.5%	38.3%
2008	37,481,552	-4.4%	5,899,725	-5.0%	140,529	5.7%	86.0%	-4.9%	1,986,146	-0.5%	922,878	1.7%	6.6%	1.5%
Average Annual Increase (Decrease)	1.2%		5.1%		1.6%		-0.3%		4.1%		2.5%		4.6%	

Source: Las Vegas Convention and Visitors Authority
Clark County Department of Comprehensive Planning
Nevada Employment Security Research Division

This analysis provides visitor, room and convention statistics for the Las Vegas metropolitan area for the last ten years of Airport operations. Approximately 50.0% of the visitors arriving in Las Vegas arrive through the Airport. In addition, prior to FY 2008 the Airport had seen a strong correlation between hotel room growth and the growth in total Airport passengers.

Clark County Department of Aviation
Clark County, Nevada

Market Share of Air Carriers
Last Three Fiscal Years
(Unaudited)

	FY 2009		FY 2008		FY 2007	
	Enplaned Passengers		Enplaned Passengers		Enplaned Passengers	
Airline	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Southwest	7,685,790	37.1%	8,174,963	34.7%	7,852,251	33.2%
US Airways	3,028,620	14.6%	4,482,119	19.1%	5,550,402 1	23.5%
United	1,487,166	7.2%	1,614,656	6.9%	1,725,420	7.3%
Delta	1,249,774	6.0%	1,423,120	6.0%	1,342,409	5.7%
American	1,104,593	5.3%	1,113,778	4.7%	1,125,573	4.8%
Continental	990,985	4.8%	1,024,824	4.4%	1,028,025	4.4%
Allegiant	914,604	4.4%	892,801	3.8%	771,124	3.3%
Northwest	681,794	3.3%	735,093	3.1%	764,690	3.2%
Alaska	511,746	2.5%	589,942	2.5%	552,227	2.3%
JetBlue	418,437	2.0%	447,325	1.9%	426,706	1.8%
AirTran	298,704	1.4%	346,175	1.5%	183,401	0.8%
Frontier	247,830	1.2%	290,508	1.2%	273,127	1.2%
Spirit	115,900	0.6%	260,645	1.1%	162,248	0.7%
Midwest Express	82,688	0.4%	146,290	0.6%	129,313	0.5%
Virgin America	220,641	1.1%	107,482	0.5%	-	0.0%
Champion	-	0.0%	89,952	0.4%	166,135	0.7%
ATA	-	0.0%	92,376	0.4%	71,136	0.3%
Aloha	-	0.0%	16,826	0.1%	17,241	0.1%
Hawaiian Air	200,577	1.0%	185,968	0.8%	170,563	0.7%
International Carriers	986,684	4.8%	970,683	4.1%	827,086	3.5%
Charter Airlines	101,750	0.5%	108,388	0.5%	172,493	0.7%
General Aviation & Other	411,125	2.0%	411,948	1.8%	316,914	1.3%
Total Enplanements	20,739,408	100.0%	23,525,862	100.0%	23,628,484	100.0%

1 US Airways and America West merged operations

This analysis provides market share information by Air Carrier for the last three years of Airport operations.

Clark County Department of Aviation
Clark County, Nevada

Per Passenger Calculations
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Concessions				Concession Revenue per Enplanement	Operating Expenses per Enplanement	Airport Revenue Bond Debt Service	Airline Cost per Enplanement
	Ground Trsp	Gaming	Terminal	Parking				
2000	$ 1.45	$ 1.56	$ 1.55	$ 0.87	$ 5.43	$ 5.34	$ 3.56	$ 4.92
2001	1.38	1.55	1.64	0.93	5.50	5.45	3.51	4.81
2002	1.52	1.90	1.75	1.01	6.18	6.56	3.41	5.24
2003	1.52	1.86	1.74	0.99	6.11	7.07	3.25	4.96
2004	1.54	1.93	1.77	0.98	6.22	6.32	2.98	4.76
2005	1.63	1.75	1.83	1.04	6.25	6.55	3.17	4.71
2006	1.70	1.76	2.00	1.16	6.62	6.96	3.71	4.62
2007	2.81	1.73	2.04	1.19	7.77	8.78	3.79	5.50
2008	3.08	1.64	2.32	1.19	8.23	10.90	4.46	6.22
2009	3.38	1.47	2.57	1.33	8.75	12.21	4.39	7.67
Average	$ 2.00	$ 1.72	$ 1.92	$ 1.07	$ 6.71	$ 7.61	$ 3.62	$ 5.34

This is a trend analysis of per enplaned passenger concession revenues, expenses, bond debt service coverage and airline costs for the last ten years of Airport operations.

Clark County Department of Aviation
Clark County, Nevada

Schedule of Net Assets
Last Five Fiscal Years
(Unaudited)

Fiscal Year	Invested in capital assets, net of related debt (000)	Restricted for capital projects (000)	Restricted for debt service (000)	Restricted for other (000)	Unrestricted net assets (000)	Total Net Assets (000)
2005	95,981	329,096	329,192	-	304,817	1,059,086
2006	333,719	385,654	382,100	-	172,535	1,274,008
2007	(309,417)	1,101,867	426,797	-	160,068	1,379,315
2008	987,234	204,872	86,855	27,619	202,243	1,508,823
2009	1,097,789	115,568	86,460	34,570	214,584	1,548,971
Average Annual Increase/(Decrease)	83.9%	-23.0%	-28.4%	25.2%	-8.4%	10.0%

This is a trended analysis of Airport net assets restricted for capital projects, debt service and unrestricted net assets since fiscal year ended June 30, 2005 as required by GASB 34.

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APPENDIX C

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE SERIES INDENTURE

DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF THE MASTER INDENTURE

Following is a summary of certain provisions of the Master Indenture. This summary is not intended to be definitive and is qualified in its entirety by reference to the Master Indenture.

DEFINITIONS

The terms set forth below have the same meanings in the Master Indenture, this Official Statement and this Appendix except as otherwise noted. Unless the context otherwise requires, the terms defined under this caption will, for all purposes of this Official Statement, have the meanings herein specified. All defined terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Master Indenture.

"Additional Project" means (a) any additions, betterments, extensions, other improvements, or equipment of or related to the Airport System, and (b) any airport or airport related facility hereafter constructed, or otherwise acquired, or operated and maintained by the County at any site or sites other than the site of the Airport and any additions, betterments, extensions, or other improvements of any such airport or airport facilities; but excluding any Special Facilities.

"Aggregate Debt Service Requirements" means, for any Bond Year, the sum of the Debt Service Requirements of any Senior Lien Revenue Securities payable from the Net Revenues, which payment is secured by a pledge of and lien on the Net Revenues of the Airport System.

"Airport Facilities" or "Airport System" means all of the County's airport facilities, including, without limitation (a) the presently existing airport system consisting of the McCarran International Airport, Henderson Executive Airport, North Las Vegas Air Terminal, Overton Airfield and Jean Airfield; (b) all land, buildings, structures, and other facilities of such airports or related thereto of whatsoever character and wherever situated, within the County, and all future enlargements thereof and other improvements thereto, however financed and wherever located, or any substitute facilities; and (c) all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and used in connection with the Airport Facilities and in any way pertaining thereto; but excluding (a) Special Facilities until the end of the respective terms of the Net Rent Leases pertaining to such Special Facilities and (b) any additional airfields or other independent airport facilities (other than the Airport System or any part thereof) which are excluded from the Airport Facilities at the option and by order of the Board pursuant to the Master Indenture.

"Airport Management Consultant" means an independent airport management consultant or airport management consulting firm, as from time to time appointed and compensated by the Board on the behalf and in the name of the County, (a) who has a wide and favorable reputation for special skill and knowledge in methods of the development, operation and management of airports and airport facilities and (b) who is selected and retained by the Board, in the name of the County, and is compensated thereby, but who is not in the regular employ or control of the County.

"Assistant Director" means a de jure or de facto assistant director of the Airport System designated as such by the County, or a successor to an assistant director in functions, if any, and means the de jure or de facto chief assistant of an acting assistant director, if any, whenever an assistant director is unable to work in that capacity. If there is more than one Assistant Director, "Assistant Director" shall mean the Assistant Director designated for the purposes of the Master Indenture by the Director.

"Board" means the Board of County Commissioners of Clark County, in the State of Nevada, including any successor of the County.

"Bond Year" means the 12 months commencing on July 2 of any calendar year and ending on July 1 of the next succeeding calendar year.

"Book-Entry System" means the system maintained by the Revenue Securities Depository and described in Appendix D attached hereto.

"Chairman" means the de jure or de facto chairman of the Board, or his successor in functions, if any.

"Clerk" means the de jure or de facto county clerk of the County and designated as such by the County, or his successor in functions, if any.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, which has a capital and surplus of $25,000,000 or more, and which is located within the United States; and such term includes, without limitation, any "Trust Bank."

"Comparable Bond Year" means, in connection with any Fiscal Year, the Bond Year which commences in the Fiscal Year.

"Consulting Engineer" means any registered or licensed professional engineer, any firm of such engineers, any licensed professional architect, or any firm of such architects, as from time to time determined by the County, which Person or Persons (a) have a wide and favorable reputation for skill and experience in the field of designing, preparing plans and specifications for, and supervising construction of, airports and airport facilities, (b) are entitled to practice and are practicing as such under the laws of the State, and (c) are selected, retained and compensated by the Board, in the name and on behalf of the County, and who may be in the regular employ or control of the County.

"Debt Service Requirements" or "Securities Requirements," means, for any Fiscal Year, as applied to any series of Senior Lien Revenue Securities, the sum of (a) the amount required to pay the interest on all Outstanding Senior Lien Revenue Securities of such series which is payable during the Comparable Bond Year, but if the Revenue Bonds or Revenue Securities of any series bear interest at a variable rate of interest, then except as provided in the Master Indenture with respect to Revenue Bonds subject to a Qualified Swap, the interest rate used will be the prevailing interest rate on such Revenue Bonds or Revenue Securities at the time of calculation, but neither greater than any maximum interest rate pertaining to such variable interest rate nor less than any minimum interest rate pertaining to such variable interest rate; (b) the amount required to pay the principal of all Outstanding Serial Senior Lien Revenue Securities and any prior redemption premiums due in connection therewith of such series which is payable in the Comparable Bond Year; (c) the Sinking Fund Requirements of the Outstanding Term Senior Lien Revenue Securities of such series for such Bond Year (other than Term Senior Lien Revenue Securities constituting Senior Guaranteed Obligations); and (d) the amount of any Senior Guaranteed Obligation Requirements for any Senior Guaranteed Obligations due in the Comparable Bond Year. Any computation of the Debt Service Requirements is made for the computation of the Senior Lien Revenue Securities as the Debt Service Requirements fall due (other than by a call of securities for prior redemption at the County's option except as specifically provided in the Master Indenture) during any one succeeding Bond Year, but in any computation of the Debt Service Requirements preliminary to the issuance of an additional series of Senior Lien Revenue Securities, the computation may pertain to the 12-month period (as opposed to Fiscal Year) as provided under clause A under Additional Revenue Bonds. (See "Master Indenture—Issuance of Additional Senior Lien Revenue Securities.")

"Defeasance Securities" means (a) Federal Securities which are not callable for redemption prior to their maturity by any Person other than the owner thereof and (b) other Investment Securities permitted under the Master Indenture (i) which either are not callable for redemption prior to their maturities by any Person other than the owner thereof or for which an option to redeem prior to maturity has previously been irrevocably exercised (or an irrevocable covenant to exercise such option has previously been made by the Person entitled to exercise such option) and the redemption date of such securities has thereby been irrevocably fixed prior to the use of any such securities as Defeasance Securities, and (ii) which at the time of their initial use as Defeasance Securities are rated in the highest generic rating category by Standard & Poor's or Moody's.

"Director" means the de jure or de facto director of aviation of the County and designated as such by the County, and means the de jure or de facto chief assistant of that official or the acting director of aviation, if any, of the County whenever the director of aviation is unable to act in such capacity, or the successor of the director of aviation in functions, if any.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States.

"Fiscal Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; and if the Nevada legislature changes the statutory fiscal year relating to the County, the Fiscal Year will conform to such modified statutory fiscal year from the time of each such modification, if any.

"General Obligation Securities" means general obligation bonds, notes or other securities issued for purposes pertaining to the Airport System payable from general (*ad valorem*) taxes and for the payment of which the County pledges its full faith and credit, which payment may be additionally made from the Net Revenues deposited to the Capital Fund created by the Master Indenture; but if the payment of such General Obligation Securities is additionally secured by a pledge for and lien on the Net Revenues, such Revenue Securities are to be paid from the Subordinate Securities Fund.

"Governing Body" means the Board.

"Gross Revenues" means all income and revenues derived directly or indirectly by the County from the operation and use of and otherwise pertaining to the Airport System, or otherwise, and includes all revenues received by the County from the Airport System, including, without limitation, all rentals, rates, fees and other charges for the use of the Airport System, or for any service rendered by the County in the operation thereof, revenues from any gaming at the Airport System, interest and other realized gain from any investment of moneys accounted for in various accounts of the Airport System Fund, and to the extent provided in the Master Indenture, any account into which revenues are transferred from the Revenue Fund, but excluding (i) any Revenue Bond proceeds and any other money credited to the Construction Fund or any like account for financing the acquisition of capital improvements and pertaining to any Additional Project under the Master Indenture, other than any surplus Revenue Bond proceeds or other unrestricted surplus moneys in the Construction Fund or other such account remaining after the completion of and payment for the project pertaining thereto, (ii) any moneys received as grants, appropriations or gifts, the use of which is limited by the grantor or donor to the construction of capital improvements for the Airport Facilities, except to the extent any such moneys shall be received as payments for the use of the Airport Facilities, (iii) any revenues derived from any Special Facilities (other than ground lease rentals pertaining to such Special Facilities and any moneys paid to the County in lieu of such rentals), (iv) insurance proceeds other than loss of use or business interruption proceeds, (v) interest and other gain from any investment of moneys in the Debt Service Reserve Fund so long as the amount of such Fund is less than the Reserve Requirements for all Senior Lien Revenue Securities, (vi) the proceeds of any passenger head tax or other per-passenger charge fixed and collected by the County in accordance with law; and (viii) any amounts paid to the County pursuant to a Qualified Swap.

"Guaranteed Obligation Requirements" means, with respect to any Guaranteed Obligations pertaining to any series of Senior Lien Revenue Securities or Subordinate Revenue Securities, regardless of whether any calculation of the designated requirements for inclusion in any Debt Service Requirements for any Bond Year and pertaining to any reserve account, any earnings test for the issuance of additional securities, the rate maintenance covenant in the Master Indenture or any other rate maintenance covenant which in turn pertains to any Subordinate Revenue Securities, is made prior to, on or after the maturity date of such Guaranteed Obligations, the sum of the amounts to be accumulated in the Bond Fund or Subordinate Securities Fund, as the case may be, by the County in each Fiscal Year for payment by the County in the Comparable Bond Year to a Qualified Bank, as compensation for the payment from the proceeds of its Letter of Credit of at least wholly or in part the principal amount of the Guaranteed Obligations in accordance with the related Letter of Credit Agreement, but subject to the following provisions:

(a) In the case of any calculation made prior to the fixed maturity date of the Guaranteed Obligations for each Comparable Bond Year, (i) in the calculation for the period from the date of the calculation to and including the fixed maturity date of such obligations, (a) there shall be excluded from the calculation the principal amount of the Guaranteed Obligations, but (b) the interest thereon shall be included in the calculation as a part of the interest as the same becomes due on and before that fixed maturity date, and (ii) for the period after such maturity date there shall be included in the calculation for each Bond Year the maximum amount required to be paid by the County to the Qualified Bank (whether by reason of scheduled payments, payments required to be made at the option or demand of the Qualified Bank or otherwise) pursuant to the Letter of Credit Agreement as if the Letter of Credit had been drawn upon its full amount to pay the Guaranteed Obligations on the fixed maturity date thereof; and

(b) In the case of any calculation made on or after the fixed maturity date of the Guaranteed Obligations, there shall be included in the calculation for each Bond Year the amount required to be paid by the County to the Qualified Bank (whether by reason of scheduled payments, payments required to be made at the option or demand of the Qualified Bank or otherwise) as compensation in accordance with the terms of the Letter of Credit Agreement, if at the time of or prior to the calculation the Letter of Credit shall have been drawn upon wholly or in part to pay the principal of the Guaranteed Obligations, or both the principal thereof and the interest thereon, as the case may be.

"Guaranteed Obligations" means either Senior Guaranteed Obligations or Subordinate Guaranteed Obligations, or both of the foregoing, as the context requires.

"Investment Securities" means:

(a) Bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States;

(b) If the laws of the State permit any of the following investments to be made at the time the investment is made, any of the following investments:

(i) Interest bearing bank time deposits evidenced by certificates of deposit issued by banks incorporated under the laws of any State or the Federal Government, including the State of Nevada, or any national banking association that are members of the Federal Deposit Insurance Corporation, and interest bearing savings and loan association time deposits evidenced by certificates of deposit issued by savings and loan associations which are members of the Federal Deposit Insurance Corporation, if either

(a) the capital and surplus of such bank or savings and loan association is at least equal to $10,000,000 or (b) such time deposits in any bank or savings and loan association are secured by obligations described in subparagraphs (a) and (if then so permitted by law) (b)(ii) of this definition or by tax-exempt unlimited general obligation bonds of a state or municipal government rated "A" or better by one or more nationally recognized rating agencies, in the aggregate having at all times a market value (exclusive of accrued interest) at least equal to such time deposits so secured, including accrued interest (or by any combination of such securities);

(ii) Bonds, debentures, or notes, or other evidences of indebtedness issued or guaranteed by any of the following agencies; Federal Farm Credit Banks; the Export-Import Bank of the United States; Federal Land Banks; the Federal National Mortgage Association; the Tennessee Valley Authority; the Government National Mortgage Association; the Federal Financing Bank; the Farmers Home Administration; the Federal Home Loan Bank; or any agency or instrumentality of the Federal Government which shall be established for the purposes of acquiring the obligations of any of the foregoing or otherwise providing financing therefor;

(iii) Repurchase agreements or reverse repurchase agreements with banks described in subparagraph (b)(i) of this definition or Sections 603A and 608 hereof and government bond dealers reporting to and trading with the Federal Reserve Bank of New York, which such agreements are secured by securities which are obligations described in subparagraph (a) of this definition;

(iv) Repurchase agreements or reverse repurchase agreements with banks described in subparagraph (b)(i) of this definition or Sections 603A and 608 hereof and government bond dealers reporting and trading with the Federal Reserve Bank of New York, which such agreements are secured (if then so permitted by law) by securities which are obligations described in subparagraph (b)(ii) of this definition;

(v) Banker's acceptances endorsed and guaranteed by banks described in subparagraph (b)(i) of this definition or Sections 603A and 608 hereof, subject to capital and surplus limitation in paragraph (22) of this Section 101A;

(vi) New housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the Federal Government; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the Federal Government;

(vii) Any bond or other obligation the interest on which is excluded from gross income under Section 103 of the Tax Code which has a rating in one of the two highest generic rating categories from Moody's or Standard & Poor's;

(viii) Money market funds registered under the Federal Investment Company Act of 1940, as amended, whose shares are registered under the Federal Securities Act of 1933, as amended, and having a rating by Standard & Poor's of AAAm-G, AAAm, or AAm and if rated by Moody's, rated Aaa, Aa1 or Aa2; and

(ix) Any other security or account in which the Treasurer of, or any municipality corporation in, the State is from time to time authorized to invest public funds.

"Letter of Credit" means an irrevocable and unconditional letter of credit issued to the Trustee by a Qualified Bank which is issued to secure payment of Guaranteed Obligations on their maturity date or is used to fund all or a portion of the Debt Service Reserve Fund created by the Master Indenture.

"Letter of Credit Agreement" means the agreement between the County and the Qualified Bank pursuant to which the Qualified Bank agrees to issue a Letter of Credit and which sets forth the repayment obligation of the County to the Qualified Bank on account of any draw under the Letter of Credit, which agreement shall be authorized by the County in the Series Indenture which also authorizes the issuance of the Guaranteed Obligations or the funding of all or a part of the Debt Service Reserve Fund created by the Master Indenture with a Letter of Credit.

"Reserve Requirements" means, as of the date of calculation, the Aggregate Debt Service Requirements as computed for the Bond Year in which the sum is the largest.

"Moody's" means Moody's Investors Service, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than Standard & Poor's) as may be designated in writing by the County and, with respect to any particular series of Revenue Bonds, approved in writing by any bond insurer insuring payment of principal of and interest on such Revenue Bonds.

"Net Rent Lease" means a lease of property or facilities pertaining to the Airport System or Special Facilities entered into by the County pursuant to which the lessee or licensee agrees to pay to the County rentals during the term thereof, and to pay in addition all operations and maintenance expenses pertaining to the leased facilities, including, without limitation, maintenance costs, insurance and all property taxes and assessments now or hereafter lawfully levied, commonly known in the real estate business as a "100% net rental lease."

"Net Revenues" means the Gross Revenues remaining after the deduction of the Operation and Maintenance Expenses of the Airport System.

"NRS" means Nevada Revised Statutes.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining and repairing the Airport System, including, without limitation, overhead expenses relating to the administration, operation and maintenance of the Airport System; insurance and fidelity bond premiums; payments to pension and certain other funds and to any self-insurance fund not in excess of premiums which would otherwise be required for such insurance; any general and excise taxes or other governmental charges; the reasonable charges of paying agents and depository banks; costs of contractual and professional services, labor, materials and supplies for current operations; cost of issuance of securities relating to the Airport System (except to the extent paid from securities proceeds); fiduciary costs; cost of collecting and refunding Gross Revenues; utility costs; any lawful refunds of any Gross Revenues; and all other administrative, general and commercial expenses, but excluding: (a) any allowance for depreciation; (b) costs of improvements; (c) reserves for major capital replacements, Airport System operations, maintenance or repair; (d) any allowance for redemption of or payment of interest or premium on securities; (e) any liabilities incurred in acquiring or improving properties of the Airport System; (f) expenses of lessees or licensees under Net Rent Leases; (g) Operation and Maintenance Expenses pertaining to Special Facilities; and (h) liabilities based upon the County's negligence or other ground not based on contract.

"Other Available Funds" means, with respect to the Master Indenture, for any Fiscal Year, the smallest amount of unencumbered funds at any time in the Fiscal Year on deposit in the Capital Fund in excess of the Minimum Capital Reserve; but in no event shall such amount exceed 25% of the Aggregate Debt Service Requirements for the Senior Lien Revenue Securities then Outstanding for the Comparable Bond Year.

"Outstanding" when used with reference to any Revenue Bonds or any other designated Revenue Securities and as of any particular date means all the Revenue Bonds or any such other Revenue Securities payable from Gross Revenues or otherwise pertaining to the Airport System, as the case may be, in any manner theretofore and thereupon being executed and delivered: except (a) any Revenue Bond or other

Revenue Security canceled by the County, by the Paying Agent or otherwise on the County's behalf, at or before such date; (b) any Revenue Bond or other Revenue Security for the payment or the redemption of which moneys at least equal to its Bond Requirements to the date of its maturity or any Redemption Date, whichever date is earlier, if any, shall have theretofore been deposited with a Trust Bank in escrow or in trust for that purpose, as provided in the Master Indenture; and (c) any Revenue Bond or other Revenue Security in lieu of or in substitution for which another Revenue Bond or other Revenue Security shall have been executed and delivered pursuant to the Master Indenture.

"Paying Agent" means The Bank of New York Mellon Trust Company, N.A., or any successor Commercial Bank which may be appointed from time to time as paying agent for Revenue Securities.

"Person" means a corporation, firm, other body corporate (including, without limitation, the federal government, the State, or any other body corporate and politic other than the County) partnership, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to laws.

"Project" means any Additional Project comprised of the enlargement, other improvement and equipment of the Airport System, including, without limitation, the acquisition of land therefor, or any combination thereof, as the Improvement Project or any other project may be modified pursuant to the Master Indenture, in the absence of the defined term expressly including both an Improvement Project and a Refunding Project as to any series of Revenue Bonds or other Revenue Securities as stated in the proceedings pertaining thereto.

"Qualified Bank" means a Commercial Bank organized and in good standing under the laws of the United States or any state thereof, and, insofar as the Letter of Credit of such bank secures the payment of Senior Guaranteed Obligations, whose most recent debt obligations are rated by Moody's or by Standard & Poor's at least one full rating category above the rating on any Senior Lien Revenue Bonds which are not Guaranteed Obligations and which are then Outstanding, but not less than "A" by either agency.

"Qualified Surety Bond" means any surety bond or other insurance policy, which has liquidity features equivalent to a Letter of Credit, or any Letter of Credit deposited in the Debt Service Reserve Fund in lieu of or in partial substitution for monies on deposit therein, the issuer of which is rated in the highest rating category by each Rating Agency.

"Qualified Swap" means (a) the Interest Rate Swap Agreement dated as of September 1, 1991 between the County and AIG Financial Products Corp., and (b) any other financial arrangement which, in connection with a particular series of Revenue Bonds, has been approved in writing by any bond insurer insuring payment of principal of and interest on such series of Revenue Bonds (i) that is entered into by the County with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides that the County shall pay to such entity an amount based on the interest accruing at a fixed rate on an amount equal to the designated principal amount of Revenue Bonds Outstanding as described therein, and that such entity shall pay to the County an amount based on the interest accruing on such principal amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Revenue Bonds) or that one shall pay to the other any net amount due under such arrangement; and (iii) which has been designated in writing to the Trustee by the County as a Qualified Swap with respect to such Revenue Bonds.

"Qualified Swap Provider" means (a) with respect to the Qualified Swap referred to in clause (a) of the definition of Qualified Swap, AIG Financial Products Corp., and (b) with respect to a Qualified Swap referred to in clause (b) of such definition, a financial institution whose senior long term debt obligations, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose senior long term debt obligations, are rated (at the time the subject Qualified Swap is entered into) at least A3, in the case of Moody's and A-, in the case of Standard & Poor's, or the equivalent thereto in the case of any successor thereto, and which is approved in writing by any bond insurer insuring payment of principal of and interest on the series of Revenue Bonds to which such Qualified Swap relates.

"Registrar" means The Bank of New York Mellon Trust Company, N.A., or any successor Commercial Bank which may be appointed from time to time as registrar.

"Revenue Bonds" (defined as "Bonds" in the Master Indenture) means any bond or bonds issued in accordance with the provisions of the Master Indenture which are payable from the Net Revenues of the Airport System and which payment is secured by a pledge of and lien on the Net Revenues. The term "Revenue Bonds" does not include any special obligation bonds or other special obligation securities designated as Special Facilities Bonds and pertaining to Special Facilities, and such term does not include any Subordinate Revenue Bonds unless the context of the provisions in which the term "Revenue Bonds" is used clearly indicates that term pertains to Subordinate Revenue Bonds. In connection with Revenue Bonds of a series with respect to which a Qualified Swap is in effect or proposed to be in effect, the term "Revenue Bonds" includes, collectively, both such Revenue Bonds and either such Qualified Swap or the obligations of the County under such Qualified Swap, as the context requires, but the Qualified Swap Provider shall not be considered to be an owner of Revenue Bonds for purposes of receiving notices, granting consents or approvals, or directing or controlling any actions, restrictions, rights, remedies or waivers under the Master Indenture, except as expressly provided in the Master Indenture.

"Revenue Securities" (defined as "Securities" in the Master Indenture) means any bond or bonds, note or notes, warrant or warrants, or other similar securities or any book entry obligations, or any certificates whether pertaining to such securities or not or to other securities, authorized by law to be issued by the County in relation to the Airport System and issued in accordance with the Master Indenture which securities are payable from the Net Revenues of the Airport System and which payment is secured by a pledge of and lien on the Net Revenues.

"Senior Lien Revenue Bonds" or "Senior Lien Revenue Securities" (defined as "Parity Bonds" and "Parity Securities" in the Master Indenture) refer to the 1993A Bonds and any other securities or bonds pertaining to the Airport System and payable from Net Revenues on a parity with such Revenue Bonds, including the obligations payable to a Qualified Bank under a Letter of Credit Agreement and in connection with Revenue Bonds or other Revenue Securities with respect to which a Qualified Swap is in effect or proposed to be in effect, the terms "Senior Lien Revenue Bonds" and "Senior Lien Revenue Securities" includes, collectively, both such Revenue Bonds and either such Qualified Swap or the obligations of the County under such Qualified Swap, as the context requires, except as otherwise provided in the Master Indenture.

"Senior Guaranteed Obligations" means one or more Senior Term Securities of any series becoming due on one fixed maturity date, the payment of which Senior Lien Revenue Securities is additionally secured by a Letter of Credit issued by a Qualified Bank pursuant to a Letter of Credit Agreement.

"Serial Senior Lien Revenue Bonds" or "Serial Senior Lien Revenue Securities" means the Revenue Bonds or other Revenue Securities of any series which are stated to mature in consecutive annual installments.

"Series Indenture" means a supplemental instrument providing for the issuance of any particular Series of Bonds or other Securities.

"Sinking Fund Requirements" means, with respect to the Term Bonds or Term Securities for any series other than Guaranteed Obligations and for any Fiscal Year, the amount to be accumulated in the Fiscal Year in the Sinking Fund Account for the payment for the principal amount fixed or computed for the Comparable Bond Year for the retirement of such Term Bonds or Term Securities by purchase, either upon the open market or by calls for tenders for purchase by the County, or by both such types of purchase, or by prior redemption, or by both such purchase and such prior redemption, as follows. The Sinking Fund Requirements for the Term Bonds or Term Securities of each series for each Fiscal Year in which the Sinking Fund Requirements are accumulated in the Sinking Fund Account for payment of Term Bonds or Term Securities are initially the respective principal amounts of the Term Bonds or Term Securities to be redeemed on July 1 of the Comparable Bond Year as fixed in the Series Indenture for such series, or otherwise so retired by purchase not later than 45 days prior to that due date. The aggregate amount of the Sinking Fund Requirements payable for the Term Bonds or Term Securities of each series shall be equal to the aggregate principal amount of the Term Bonds or Term Securities of the series then Outstanding. The Sinking Fund Requirements for the Term Bonds or Term Securities of the same maturity of each series are accumulated by substantially equal monthly deposits in the Sinking Fund Account commencing on the first day of the Fiscal Year which pertains to the Comparable Bond Year on July 1 of which Term Bonds or Term Securities are paid by prior redemption or prior purchase, and ends with the Bond Year which ends one year next preceding the fixed maturity date of each series of such Term Bonds or Term Securities (such final installment being payable on the fixed maturity date). If at the close of any Bond Year the total principal amount of the Term Bonds or Term Securities of any series of the same maturity retired by purchase or prior redemption during the Bond Year shall be greater than the total amount of the Sinking Fund Requirements for such Term Bonds or Term Securities to and including the Bond Year, then the Sinking Fund Requirements for such Term Bonds or Term Securities for all subsequent Bond Years must be reduced by the amount of that excess as determined by the Board. The amount of the reduction in the Sinking Fund Requirements for each subsequent Bond Year shall be as determined by the Board. Once the Board has adjusted the Sinking Fund Requirements for the subsequent Bond Years to reflect the reduction resulting from the excess redemption or purchase in contradistinction to any like excess reduction resulting from an excess redemption or purchase in any of the subsequent Bond Years. If at the close of any Bond Year the total principal amount of the Term Bonds or Term Securities of any series of the same maturity retired by purchase or prior redemption during the Bond Year shall be less than the total amount of the Sinking Fund Requirements for those Term Bonds or Term Securities to and including the Bond Year, then the Sinking Fund Requirement for the Term Bonds or Term Securities expended in the next ensuing Bond Year must be increased by the amount of such deficiency and such event shall be an Event of Default under the Master Indenture. The Board shall, before the first day of each Fiscal Year, recompute, if necessary, the Sinking Fund Requirements for the Comparable Bond Year and all subsequent Bond Years for the Term Bonds or Term Securities of each series then Outstanding. The Sinking Fund Requirements for the Bond Year as recomputed shall continue to be applicable during the Bond Year and no adjustment need be made therein by reason of Term Bonds or Term Securities purchased or called for prior redemption during the Bond Year.

"Special Facilities" means structures, hangars, aircraft overhaul, maintenance or repair shops, heliports, hotels, storage facilities, garages, other facilities, and appurtenances, being a part of or related to the Airport System, the cost of the construction or other acquisition of which Special Facilities is financed with the proceeds of Special Facilities Bonds.

"Standard & Poor's" means Standard & Poor's Corporation or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency (other than Moody's) as may be designated in writing by the County and approved in writing by any bond insurer insuring payment of principal of and interest on such Revenue Bonds.

"Subordinate Revenue Bonds" or "Subordinate Revenue Securities" (defined as "Subordinate Bond" and "Subordinate Securities" in the Master Indenture) means bonds or other securities pertaining to the Airport System and payable from its Net Revenues subordinate and junior to the lien thereon of the Revenue Bonds and include Swap Termination Payments and any other amounts payable by the County under a Qualified Swap entered into in connection with the proposed issuance of a series of Revenue Bonds in the event that no Revenue Bonds of such series are issued by the date provided in such Qualified Swap.

"Subordinate Guaranteed Obligations" means one or more Subordinate Revenue Securities of any series becoming due on one fixed maturity date, the payment of which Subordinate Revenue Securities is additionally secured by a Letter of Credit issued by a Qualified Bank pursuant to a Letter of Credit Agreement.

"Swap Termination Payment" means an amount payable by the County or a Qualified Swap Provider, in accordance with a Qualified Swap, to compensate the other party to the Qualified Swap for any losses and costs that such other party may incur as a result of the early termination of the obligations, in whole or in part, of the parties under such Qualified Swap. Beginning on the date, if any, that a Swap Termination Payment by the County becomes due and payable, the amount of such Swap Termination Payment shall be taken into account in determining the Debt Service Requirements of the series of Revenue Bonds to which such Qualified Swap relates, except as otherwise specifically provided in the Master Indenture.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., or any successor Commercial Bank which may be appointed from time to time as trustee for Revenue Securities.

"Tax Code" means the Internal Revenue Code of 1986, as amended.

"Term Bonds" or "Term Securities" means the Revenue Bonds or Revenue Securities of a series with a fixed maturity date or dates designated as Term Bonds or Term Securities (other than Guaranteed Obligations) in a Series Indenture, but which fixed maturity date or dates do not constitute consecutive annual installments.

"Treasurer" means the de jure or de facto county treasurer of the County, or his successor in functions, if any.

MASTER INDENTURE

Revenue Pledge

Pursuant to the Master Indenture, the County has irrevocably pledged the Net Revenues of the Airport System to the payment of the Senior Lien Revenue Bonds. The facilities comprising the Airport System, however have not been pledged to secure payment of the Senior Lien Revenue Bonds. The Senior Lien Revenue Bonds are also secured by a pledge of all funds and accounts held under the Master Indenture, subject to the provisions of the Master Indenture permitting disbursements of such amounts at the times and in the manner described therein.

The Senior Lien Revenue Bonds and other Revenue Securities are special obligations of the County payable solely from Net Revenues generated by the Airport System. The Senior Lien Revenue Bonds and other Revenue Securities do not constitute a debt of the County within the meaning of any Constitutional or statutory provision or limitation, or a pledge of the full faith, credit and taxing power of the County.

The Master Indenture creates a special fund designated the Revenue Fund, to which the County is required to set aside and credit all Gross Revenues of the Airport System upon receipt thereof by the County. The Master Indenture requires that moneys or deposits in the Revenue Fund be applied solely in accordance with the order of priorities established by the Master Indenture. The first such priority and charge against the Revenue Fund is the payment of Operation and Maintenance Expenses budgeted and approved pursuant to the Master Indenture, including transfers to the Rebate Accounts established with respect to any series of Revenue Bonds.

Rate Maintenance Covenant

Pursuant to the Master Indenture, the County must at all times fix, charge and collect rentals, rates, fees and other charges for the use of the Airport System, and must revise such as may be necessary or appropriate in order that in each Fiscal Year the Gross Revenues, together with any Other Available Funds, will at all times be at least sufficient:

A. To provide for the payment of Operation and Maintenance Expenses for such Fiscal Year, and

B. To provide for the larger of either:

(i) Subject to the qualification set forth in the next paragraph, the amounts needed for making the required cash deposits in such Fiscal Year to the credit of the Bond Fund, the Debt Service Reserve Fund, the Subordinate Securities Fund, the Working Capital and Contingency Reserve Fund and the Capital Fund, or

(ii) An amount not less than 125% of the Aggregate Debt Service Requirements for the Comparable Bond Year for the Senior Lien Revenue Bonds then Outstanding.

In calculating the amount required to be deposited in the Bond Fund and Subordinate Securities Fund in clause B(i) above, (a) in the case of any Senior Term Securities which constitute Senior Guaranteed Obligations, the amount required to be deposited in the Bond Fund in the Fiscal Year immediately preceding the maturity date of the Senior Guaranteed Obligations shall equal the Senior Guaranteed Obligation Requirements for such Senior Guaranteed Obligations for the Comparable Bond Year, and (b) in the case of any Subordinate Term Securities which constitute Subordinate Guaranteed Obligations, the amount required to be deposited in the Subordinate Securities Fund in the Fiscal Year immediately preceding the maturity date of the Subordinate Guaranteed Obligations shall equal the Guaranteed Obligation Requirements for such Subordinate Guaranteed Obligations for the Comparable Bond Year.

If Gross Revenues in any Fiscal Year, together with any Other Available Funds, are less than the amounts specified above, the County, upon receipt of the annual audit for such Fiscal Year, shall revise its rentals, rates, fees and other charges, its Operation and Maintenance Expenses or the method of operation of the Airport System in order to satisfy as quickly as practicable the foregoing requirements.

If the County complies in good faith with the requirement of the preceding paragraph, it will not constitute an Event of Default pertaining to the County's non-performance of its duties under the Master Indenture if the resulting Gross Revenues, together with any Other Available Funds, are not sufficient to satisfy the Rate Maintenance Covenant. If, however, the County shall fail to comply in good faith with such requirements, the Trustee may, and upon the request of the owners of not less than 10% in aggregate principal amount of the Senior Lien Revenue Bonds of any series then Outstanding and upon being indemnified to its satisfaction, is required to institute and prosecute in a court of competent jurisdiction an appropriate action to compel the County to satisfy such requirements. The County has covenanted that it will adopt and charge rentals, rates, fees and charges and revise its Operation and Maintenance Expenses or the method of operation of the Airport System in compliance with any final order, decree or judgment entered in any such proceeding or any modification thereof.

<u>Debt Service Reserve Fund</u>

The Debt Service Reserve Fund is required to be funded in an amount equal to the Maximum Annual Debt Service Requirements of the Senior Lien Revenue Bonds.

Application of Revenues

In addition to the Revenue Fund and the Operation and Maintenance Fund (including the Rebate Accounts of the Operation and Maintenance Fund), which will be held by the County, the Master Indenture creates the following additional funds and accounts held by the County or the Trustee, as the case may be:

Fund or Account	***Held By***
Bond Fund	Trustee
Interest Account	
Principal Account	
Sinking Fund Account	
Redemption Account	
Debt Service Reserve Fund	Trustee
Subordinate Securities Fund	County
Working Capital and Contingency Reserve Fund	County
Capital Fund	County
Construction Fund	County
Capitalized Interest Account	Trustee

After making the payments each month required to be credited to the Operation and Maintenance Fund, moneys in the Revenue Fund are required to be transferred and credited to the following funds and accounts at the following times and in the following order of priority:

(i) Monthly, to the Interest Account of the Bond Fund, an amount, together with other moneys available therefor from whatever source, including moneys in the Capitalized Interest Account set aside for such payment, equal to 1/6 of the next maturing interest installments on the Senior Lien Revenue Bonds then Outstanding, including any amounts due and payable by the County to a Qualified Swap Provider under the related Qualified Swap at such times as are provided in the Qualified Swap;

(ii) Monthly, to the Principal Account of the Bond Fund, an amount equal to 1/12 of the next maturing principal on the Serial Senior Lien Revenue Bonds the Outstanding;

(iii) Monthly, to the Sinking Fund Account of the Bond Fund, an amount equal to 1/12 of the next Sinking Fund Requirement for the Comparable Bond Year for the Term Bonds then Outstanding;

(iv) Monthly, to the Debt Service Reserve Fund, an amount which, if made as one of 60 equal monthly installments, is sufficient to make the sum of the amount on deposit in the Debt Service Reserve Fund plus the available amount of any Qualified Surety Bonds on deposit therein equal to the Maximum Annual Aggregate Debt Service Requirements for the then Outstanding Senior Lien Revenue Bonds; provided that if any moneys are withdrawn from the Debt Service Reserve Fund (other than any amounts the withdrawal of which does not reduce the reserve to an amount less than the Maximum Annual Aggregate Debt Service Requirements) or if payment is made under any Qualified Surety Bond in the Debt Service Reserve Fund to pay the Securities Requirements of any Senior Lien Revenue Securities, the amount so withdrawn, except to the extent any such Qualified Surety Bond is reinstated as may be provided therein or in connection therewith, is to be restored therein from Net Revenues available therefor over a 60 month period;

(v) Monthly, to the Subordinate Securities Fund, an amount which is required to provide for the payment of the principal of and interest due on Subordinate Revenue Securities as the same become due, including any reasonable reserves for such securities;

(vi) Monthly, to the Working Capital and Contingency Reserve Fund, an amount equal to 1/12 of 8.333% of the amount designated in the annual Airport System budget then in effect as the annual Operation and Maintenance Expenses for the current Fiscal Year (the “Minimum Working Capital Reserve”), less any money available in such Fund. If the Board, after consultation with the Airport Management Consultant, determines at any time that the aforesaid percentage provides insufficient or excessive revenues for the purpose for which the Working Capital and Contingency Reserve Fund is established, the Assistant Director of the Airport is to adjust the percentage referred to above as directed by the Board but in no event is such percentage to be reduced below 8.333%. No payment need be made into the Working Capital and Contingency Reserve Fund so long as the moneys therein shall then equal not less than the Minimum Working Capital Reserve. The moneys in the Working Capital and Contingency Reserve Fund are to be accumulated or reaccumulated and maintained as a continuing reserve to be used only to prevent deficiencies in the payment of the Operation and Maintenance Expenses resulting from the failure to deposit into the Operation and Maintenance Fund sufficient funds to pay such expenses as the same accrue and become due. If at any time the moneys credited to the Operation and Maintenance Fund are insufficient to pay Operation and Maintenance Expenses, the County acting by and through the Assistance Director may withdraw such moneys from the Working Capital and Contingency Reserve Fund and transfer them to the credit of the Operation and Maintenance Fund. Any moneys in the Working Capital and Contingency Reserve Fund exceeding the Minimum Working Capital Reserve is to be transferred to the Revenue Fund. In November 1987, by resolution, the Board increased the Minimum Working Capital Reserve to 16.666% of annual Operation and Maintenance Expenses. The Board retains discretion to reduce the Minimum Working Capital Reserve to 8.333% at any time; and

(vii) To the Capital Fund, from any remaining moneys in the Revenue Fund, (i) equal monthly installments or such greater amounts as required to provide for the payment of the principal of, premium, if any, and interest on any General Obligation Securities, except to the extent the County appropriates other funds therefor, during such Fiscal Year or Comparable Bond Year (the "General Obligation Requirements") and (ii) not less infrequently than annually by the end of each Fiscal Year an amount, but in any event not more than $100,000, necessary to accumulate or to reaccumulate in the Capital Fund a reserve in an amount of not less than $1,000,000 (the "Minimum Capital Reserve"). No payment need be made into the Capital Fund during any Fiscal Year so long as the moneys therein shall equal not less than the sum of the Minimum Capital Reserve plus the General Obligation Requirements for such Fiscal Year. In November 1987, by resolution, the Board increased the Minimum Capital Reserve from $1,000,000 to $5,000,000 and made a one-time deposit into the Capital Fund in an amount equal, together with moneys on deposit therein, to $5,000,000. The Board retains discretion to reduce the Minimum Capital Reserve to $1,000,000 at any time.

Moneys in the Capital Fund may be withdrawn in any priority for any one, all, or any combination of the following purposes, as the Board may from time to time determine:

A. Payment of General Obligation Securities. To pay the Securities Requirements of any General Obligation Securities;

B. Capital Costs. To pay the costs of constructing or otherwise acquiring any betterments of, enlargements of, extensions of or any other improvements at the Airport System, or any part thereof, authorized by law;

C. Maintenance Costs. To pay costs of extraordinary and major repairs, renewals, replacements or maintenance items pertaining to any properties of the Airport System of a type not recurring annually or at shorter intervals and not defrayed as Operation and Maintenance Expenses; and

D. Securities Requirements. To pay any securities payable from the Net Revenues, if such payment is necessary to prevent any default in the payment of such Revenue Securities, or otherwise.

If any monthly payment required to be made into any fund or account set forth above is deficient, the County is required to include the amount of such deficiency in the next monthly deposit into such fund or account.

At the end of any Fiscal Year or whenever in any Fiscal Year there shall have been credited to the above funds and accounts all amounts required to be deposited in those funds or accounts for all of that Fiscal Year and in satisfaction of any deficiencies in any prior Fiscal Year, any remaining Net Revenues in the Revenue Fund may be used for any lawful purposes pertaining to the Airport System, as the Board may from time to time determine.

The Master Indenture requires all interest earned or profit or loss realized on investments or deposits of moneys held for all funds and accounts to be credited or charged to the Revenue Fund, except that such earnings, profits or losses derived from any account in the Construction Fund are to be credited or charged to such fund and any earnings or profits derived from the Debt Service Reserve Fund are to be credited thereto until the amount in such fund shall equal the Reserve Requirements for the Senior Lien Revenue Bonds the Outstanding.

Issuance of Additional Senior Lien Revenue Securities

The Master Indenture permits and, in instances where the County has covenanted to complete a Project, requires the County to issue Senior Lien Revenue Securities payable from the Net Revenues of the Airport System on a parity with the Senior Lien Revenue Bonds for the following purposes:

(i) paying the cost of completing the Project or any Additional Project for which any series of Senior Lien Revenue Securities has been issued;

(ii) paying the cost of any Additional Project; and

(iii) refunding all Outstanding Senior Lien Revenue Bonds or Senior Lien Revenue Securities of one or more series, or one or more Outstanding Senior Lien Revenue Bonds or Senior Lien Revenue Securities of one or more series, or one or more maturities within a series, or refunding any Subordinate Revenue Securities.

In connection with the issuance of additional series of Senior Lien Revenue Securities, the "cost" of any Project or Additional Project includes, among other items, the costs of surveys or other plans or specifications, builder's insurance, consultant's fees, construction contingencies, property acquisition costs, the costs of issuance of such series of Senior Lien Revenue Securities, capitalized interest to a date not exceeding one year following the estimated completion date of the Project and the funding of reserves for the payment of the series of Senior Lien Revenue Securities.

Completion Bonds. The County may issue one or more series of Senior Lien Revenue Bonds or other Senior Lien Revenue Securities ("Completion Bonds") to pay the cost of completing the Project or any Additional Project.

Prior to the issuance of any series of Completion Bonds, the County is required to have delivered to the Trustee, among other documents:

A. A certificate of the Consulting Engineer approved by the Director stating that the Project or Additional Project (as the case may be) has not materially changed (except as permitted in the Master Indenture) from the description of the Project in the report of the Consulting Engineer or from the description of the Additional Project as described in any Series Indenture relating to the series of Additional Senior Lien Revenue Securities issued to finance the Additional Project, and setting forth the aggregate cost of the Project which, in the opinion of the signer, has been or will be incurred and cannot be paid from the moneys available at the date of the certificate in the account within the Construction Fund applicable to the Project; and stating that, in the opinion of the signer, issuance of the Completion Bonds is necessary to provide funds for completion of the Project; and

B. A certificate of the Director stating that the previous series of Senior Lien Revenue Securities issued in connection with the Project for which the Completion Bonds are being issued were issued to pay all or the balance of the costs of such Project.

Additional Bonds. One or more Series of Additional Bonds, or other Additional Securities, or both such Bonds and such Securities, maybe authorized and delivered for the purpose of paying the Cost of any Additional Project. The Bonds or other Securities of any such Series shall be authorized as Senior Lien Revenue Bonds or other Senior Lien Revenue Securities and pursuant to a Series Indenture; but prior to the delivery of such Series of Bonds or other Securities, the County shall file with the Trustee documents including, without limitation, the following:

A. Earnings Test.

(1) A certification of the Director or Assistant Director that the Net Revenues, together with any Other Available Funds received (i) in the last audited Fiscal Year preceding the Delivery of the Series of Additional Bonds or other Additional Securities or (ii) for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the delivery of the Series of Additional Bonds or other Additional Securities were at least sufficient to pay amount equal to the larger of either:

(x) The amount needed for making the required cash deposits in the 12-month period to the credit of the several accounts in the Bond Fund and to the credit of the Debt Service Reserve Fund, the Subordinate Securities Fund, the Working Capital and Contingency Reserve Fund, and the Capital Fund, or

(y) An amount not less than 125% of the Reserve Requirements (calculated for the period beginning on the date of issuance of the proposed Additional Bonds or other Additional Securities and ending on the final maturity date of the then Outstanding Senior Lien Revenue Bonds and the proposed Additional Bonds or other Additional Securities) of the Outstanding Senior Lien Revenue Bonds and the Additional Bonds or other Additional Securities proposed to be issued; or

(2) A certification of the Director or Assistant Director that the Net Revenues, together with any Other Available Funds received (i) in the last audited Fiscal Year preceding the Delivery of the Series of Additional Bonds or other Additional Securities or (ii) for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the delivery of the Series of Additional Bonds or other Additional Securities were at least sufficient to pay amount equal to the larger of either:

B. Consulting Engineer's Certificate. If paragraph (A)(2) above is used in connection with the issuance of Additional Bonds, a certificate of the Consulting Engineer setting forth (i) the estimated date of completion for the Additional Project for which such Series of Additional Bonds or other Additional Securities is being issued and for any other uncompleted Project for which the Additional Bonds or other Additional Securities are not being issued, and (ii) an estimate of the Cost of such Additional Project and of any other uncompleted Project; and

C. Absence of Default. A certification of the Director and Assistant Director that at the time of the execution and delivery of the supplemental instrument authorizing the Additional Bonds or other Additional Securities, as the case may be, as provided in the Master Indenture, the County shall not have been in default in making any payments required by the Master Indenture.

In any computation described above there shall be excluded from Gross Revenues any surplus Bond or other Security proceeds and any capital gain resulting from any sale or revaluation of investments in Investment Securities or bank deposits, or both such securities and such deposits, or both such securities and such deposits. If any one or more of the documents required by subparagraphs A, B and C above can not be given with the required results stated therein, the County must not issue the proposed Senior Lien Revenue Bonds or any other Senior Lien Revenue Securities. Nothing contained in this paragraph obligates the County to take any action in violation of any applicable requirements imposed by law, as to any increase in any rentals, rates, fees, and other charges, or otherwise.

Refunding Bonds. Prior to the issuance of any series of Senior Lien Revenue Securities ("Refunding Bonds") to refund one or more series of Senior Lien Revenue Bonds or Senior Lien Revenue Securities or one or more Senior Lien Revenue Bonds or Senior Lien Revenue Securities within a series, or one or more maturities of a series of Senior Lien Revenue Bonds or any series of Senior Lien Revenue Securities, other than for redeeming at their maturity the Term Bonds or Term Securities of a series which mature within one year of such refunding, the County shall have delivered to the Trustee, among other documents, either of the following: (i) a certificate of the Treasurer setting forth (1) the Aggregate Debt Service Requirements for the then current and each future Bond Year to and including the Bond Year ending on the date of the latest maturity of any series of Senior Lien Revenue Bonds or Senior Lien Revenue Securities of any series then Outstanding (a) with respect to the series of Senior Lien Revenue Bonds and Senior Lien Revenue Securities of all series Outstanding immediately prior to the date of delivery of such Refunding Bonds and (b) with respect to the series of Senior Lien Revenue Bonds and Senior Lien Revenue Securities to be Outstanding immediately thereafter, and (2) that the Aggregate Debt Service Requirements set forth for each Bond Year pursuant to (b) above is no greater than that set forth for such Bond Year pursuant to (a) above; or (ii) the certificates required by clauses A through D under "Additional Bonds" above evidencing that such series of Refunding Bonds meets the tests provided for all purposes of such certificate and tests applied as if such series of Refunding Bonds was a series of Additional Bonds. Refunding Bonds of each series issued to refund Subordinate Revenue Securities may be delivered in a principal amount sufficient, together with other moneys available therefor (including investment income thereon), to accomplish such refunding, provided that the County delivers, among other documents, the certificates required by clauses A through D under "Additional Bonds" above if the Subordinate Revenue Securities were originally issued to fund an Additional Project or the certificates required by clauses A and B under "Completion Bonds" above if such Subordinate Revenue Securities were originally issued to fund completion of a Project, such certificates to be prepared as if such series of Refunding Bonds was a series of Additional Bonds or Completion Bonds, as the case may be.

Issuance of Subordinate Revenue Securities and Special Facilities Bonds

The Master Indenture provides that the County may issue junior lien (subordinate) securities. The Master Indenture also includes provisions under which the County may issue Special Facilities Bonds for the purpose of constructing Special Facilities at the Airport for lease on a net rent basis. Any such Special Facilities Bonds shall be payable solely from rentals payable to the County pursuant to such Net Rent Leases, and shall not be a charge or claim against the Revenue Fund or any other account designated in the Master Indenture.

Acquisition of Additional Facilities

The County is not to acquire additional airfields or other independent airport facilities unless, in the written opinion of the Airport Management Consultant, the acquisition, operation and maintenance of such facilities will not materially affect the County's ability to comply with the Rate Maintenance Covenant described above or unless such facilities are excluded from the Airport Facilities at the option of and by order of the Board.

Security for Deposits; Investments

Until such money is invested pursuant to the last paragraph of this section, all money (not including securities) held by the Trustee may be deposited by the Trustee in demand or time deposits in its banking department or with such other Commercial Banks having their principal offices in the State or the State of New York as may be designated by the County and approved by the Trustee. No such money is to be deposited with any Commercial Bank, other than the Trustee, in an amount exceeding 50% of the amount which an officer of such bank shall certify to the Trustee and to the County as the combined capital and surplus of such bank. No such money is to be deposited or remain on deposit with any Commercial Bank, including the Trustee, in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other Federal agency:

A. unless such bank shall have lodged with the trust department of the Trustee or, with the written approval of the Trustee and of the County, pledged to some other Commercial Bank for the benefit of the County and every owner of any Revenue Securities issued under the Master Indenture, as collateral security for the moneys deposited, Federal Securities or such securities as are provided by law for securing a deposit in a Commercial Bank in the State, having a market value (exclusive of accrued interest) at least equal to 110% of the amount of such moneys; or

B. unless, in lieu of such collateral security as to all or any part of such moneys, there shall have been lodged with the trust department of the Trustee for the benefit of the County and every owner of any Revenue Securities issued under the Master Indenture, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or bonds of a surety company or companies qualified as surety for deposits of funds of the United States and qualified to transact business in the state in which such Commercial Bank is located in a sum at least equal to the amount of such moneys or part thereof.

Any money in any account or subaccount designated in the Master Indenture (other than any account for the refunding, payment and/or discharge of the Securities Requirements of any Outstanding Revenue Bonds or other Revenue Securities under the defeasance provisions of the Master Indenture, or otherwise), and not required for immediate disbursement and withdrawal is to be invested or reinvested by the Treasurer or the Trustee at the direction of the Director or Assistant Director by deposit in one or more Commercial Banks or in Investment Securities (and subject to an appropriate statutory amendment, other investment securities) which Investment Securities either shall be subject to redemption at any time at a fixed value by the holder thereof, at the option of the holder, or shall mature from the date of such investment or reinvestment neither later than such times as moneys are needed for payments from the respective accounts and subaccounts, nor (1) in the case of the Debt Service Reserve Fund, (i) later than 10 years from the date of investment (unless redeemable at the holder's option), or (ii) later than the last fixed maturity date of the Senior Lien Revenue Securities, nor (2) in the case of the Construction Fund later than the estimated completion date of the Project, nor (3) in the case of the Working Capital and Contingency Reserve Fund in securities with an average maturity exceeding 2½ years. The Investment Securities so purchased as an investment or reinvestment of moneys in any such account or subaccount shall be deemed at all times to be a part of the account or subaccount held in trust therefor.

Defeasance; Modification of the Master Indenture

When all principal, interest and any prior redemption premiums due in connection with Revenue Securities of any series payable from Pledged Revenues have been duly paid, or provision made therefor in accordance with the Master Indenture, the pledge and lien and all obligations under the Master Indenture shall thereby be discharged and such Revenue Securities shall no longer be deemed to be Outstanding. The County may provide for such payment by placing in escrow or in trust with a Trust Bank an amount sufficient, together with the known minimum yield available therefor from any initial investment in Defeasance Securities, to meet all requirements of principal, interest and any prior redemption premiums due, as the same become due to the final maturity of the Revenue Securities or upon any prior redemption date as of which the County shall have exercised or shall have obligated itself to exercise its prior redemption option by the call of the Revenue Securities for payment.

The Master Indenture may be amended or supplemented by instruments executed and delivered by the Board in accordance with the laws of the State upon the written consent of the holders of 66% in principal amount of all Senior Lien Revenue Bonds then Outstanding (excluding any Senior Lien Revenue Bonds held by the County), but no instrument shall have the effect of permitting: (1) a change in the maturity or the terms of redemption of any installment of principal, or interest of any Outstanding Senior Lien Revenue Bond; (2) a reduction of the principal, interest rate or prior redemption premium of any Senior Lien Revenue Bond without the consent of the owner of such Senior Lien Revenue Bond; (3) the creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by the Master Indenture; or (4) a reduction of the principal amount or percentages or otherwise affecting the description of Senior Lien Revenue Bonds or the consent of the owners of which is required for any such modification of or prejudicial effect upon the rights or privileges of the owners of less than all of the Senior Lien Revenue Bonds then Outstanding.

Remedies of Senior Lien Revenue Bondholders

The Master Indenture defines "events of default" as follows: (1) the failure to pay when due the principal of any Senior Lien Revenue Bond, or any prior redemption premium in connection therewith, or any failure to pay installment of interest within 30 days after it is due; (2) the County is rendered incapable of fulfilling its obligations under the Master Indenture; (3) the County fails to perform (or begin the performance of) all acts required of it under any contract relating to the Pledged Revenues, the Airport System or any Special Facilities, continuing 60 days after notice of such failure; (4) the County discontinues, delays or fails to carry out reconstruction or replacement of any part of the Airport System which is destroyed or damaged; (5) an order or decree is entered appointing a receiver for the Airport System or the Pledged Revenues derived therefrom, or if such decree was entered without the consent of the County, it is not vacated, discharged or stayed on appeal within 60 days after entry; (6) the County defaults in the due and punctual performance of any other of the covenants, agreements and provisions contained in any Revenue Securities or in the Master Indenture on its part to be performed, if such default continues for 60 days after written notice specifying such default and requiring the same to be remedied has been given to the County by the owners of 10% in principal amount of the Revenue Securities of any series then Outstanding or by the Trustee of the Revenue Securities; and (7) the County files a petition pertaining to its Airport System and seeking a composition of indebtedness under the Federal Bankruptcy Code, or under any other applicable law or statute of the United States of America or the State. In the event of any default, the Trustee may proceed, and if the owners of not less than 10% in principal amount of any series of Senior Lien Revenue Securities then Outstanding so request, then the Trustee is to proceed, against the County to protect and enforce the rights of the owners of the Senior Lien Revenue Bonds under the Master Indenture by suit, action or special proceedings in equity or at law either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in, or by an award of execution of any power granted in, the Master Indenture or for the enforcement of any proper legal or equitable remedy as such bondholders may deem most effectual to protect and enforce such rights.

Force Majeure

The Trustee shall not be considered in breach of or default in its obligations with respect to any obligations created under the Master Indenture or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including but not limited to: acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Trustee; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

DEFINITIONS AND SUMMARY OF CERTAIN
PROVISIONS OF THE SERIES INDENTURE

The following statements are summaries of certain provisions of the Series Indenture but are in addition and complementary to the summaries found under the caption "SECURITY FOR THE SERIES 2010D BONDS."

DEFINITIONS

Unless the context otherwise requires, the terms defined under this caption will, for all purposes of this Official Statement, have the meanings herein specified. All defined terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Series Indenture.

"1993A Bonds" means the Senior Bonds designated as the "Clark County, Nevada, Airport System Refunding Revenue Bonds, Series 1993A."

"2005A Bonds" means the Senior Bonds designated as the "Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2005A."

"2008E Bonds" means the Senior Bonds designated as the "Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2008E."

"2009B Bonds" means the Senior Bonds designated as the "Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2009B (Taxable Direct Payment Build America Bonds)."

"2010C Bonds" means the Senior Bonds designated as the "Clark County, Nevada, Airport System Revenue Bonds, Senior Series 2010C (Taxable Direct Payment Build America Bonds)," being issued on the same date as the 2010D Bonds.

"2010D Project" means and includes additions, betterments, extensions, other improvements of or related to the Airport System or other costs incurred for any airport purpose from time to time, including, without limitation, the acquisition of land.

"Business Day" means any day other than a Saturday or Sunday, (ii) a day on which banks located in the city or cities in which the Principal Office of the Trustee are located are authorized or required to remain closed.

"Certificate of the County Chief Financial Officer" means the certificate signed by the Chief Financial Officer of the County relating to the Series 2010D Bonds dated on or before the date of delivery of the Series 2010D Bonds.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation, which has a capital and surplus of $25,000,000 or more and which is located within the United States; and such term includes, without limitation, any "Trust Bank" as herein defined.

"Cost of the 2010D Project" means all or any part designated by the County of the cost of the 2010D Project, or interest in the Improvements being acquired, which cost, at the option of the County, except as limited by law, may include all or any part of the incidental costs relating to the 2010D Project, including, without limitation, the following costs and expenses:

(1) Preliminary expenses advanced by the County from funds available for use therefor or from any other source, or advanced with the approval of the County from funds available therefor or from

any other source by the State, the Federal Government, or by any other Person with the approval of the County (or any combination thereof);

(2) The costs in the making of surveys, audits, preliminary plans, other plans, specifications, estimates of costs, and other preliminaries;

(3) The costs of premiums on builders' risk insurance and performance bonds, or a reasonably allocable share thereof;

(4) The costs of appraising, printing, estimates, advice, services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help, or other agents or employees;

(5) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the 2010D Project, the filing or recordation of instruments, the taking of options, the issuance of the Series 2010D Bonds and any other securities relating to the 2010D Project, and bank fees and expenses;

(6) The costs of contingencies;

(7) The costs of the capitalization with the proceeds of the Series 2010D Bonds or other securities of any interest on the Series 2010D Bonds or other securities for any period not exceeding the period estimated by the County to effect the portion of the 2010D Project financed with the proceeds of the Series 2010D Bonds or such other securities plus one year, of any discount on the Series 2010D Bonds or other securities, and of any reserves for the payment of the principal of and interest on the Series 2010D Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the Series 2010D Bonds or other securities relating to the 2010D Project;

(8) The costs of amending any instrument authorizing the issuance of or otherwise relating to the Outstanding Series 2010D Bonds or other securities relating to the 2010D Project;

(9) The costs of funding any emergency loans, construction loans and other temporary loans of not exceeding five years relating to the 2010D Project and of the incidental expenses incurred in connection with such loans;

(10) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

(11) The costs of demolishing, removing or relocating any buildings, structures or other facilities on land acquired for the 2010D Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated;

(12) such amounts as are required to be paid to the United States to meet the County's obligations under the covenant contained in Section 148(f) of the Tax Code, as directed by the County;

(13) costs of issuance of the Series 2010D Bonds, including the items of expense payable or reimbursable directly or indirectly by the County and other costs incurred by the County, all related to the authorization, sale and issuance of the Series 2010D Bonds, which costs and items of expense shall include, but not be limited to, the Purchasers' compensation, printing costs, costs of developing, reproducing, storing and safekeeping documents and other information processing or storage of materials, equipment and software related to the Series 2010D Bonds, filing and recording fees, travel expenses incurred by the County in relation to such issuance of the Series 2010D Bonds, initial fees, charges and expenses (including counsel's fees and expenses) of the County, the Trustee, the Registrar and the Paying Agent, legal fees and charges (including, without limitation, the fees and expenses of Bond Counsel, counsel to the Purchasers and counsel to the County), professional consultants' fees, accountants' fees, costs of bond ratings, fees and charges for

execution, transportation and safekeeping of the Series 2010D Bonds, accrued interest paid in connection with the purchase of any Investment Securities with the proceeds of the Series 2010D Bonds and any other costs, charges and fees in connection with the foregoing; and

(14) All other expenses necessary or desirable and relating to the 2010D Project, as estimated or otherwise ascertained by the County.

"Interest Payment Date" means each January 1 and July 1, provided, that if the date for making any payment as provided in the Series Indenture shall not be a Business Day, such payment may be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in the Series Indenture, and no interest shall accrue for the period after such nominal date.

"PFC Revenues" means all income and revenue received by or required to be remitted to the County from the $4.50 passenger facility charge per qualifying enplaned passenger imposed by the County pursuant to the PFC Act, the PFC Regulations, County Ordinance No. 1382 adopted on May 5, 1992, Ordinance No. 3483 adopted on January 2, 2007 and Ordinance No. 3505 adopted on April 3, 2007, including any interest earned after such charges have been remitted to the County as provided in such Federal Aviation Regulations.

"Record Date" means, with respect to an Interest Payment Date for the Series 2010D Bonds, the fifteenth day (whether or not a Business Day) immediately preceding such Interest Payment Date.

"Reserve Fund Policy" means any policy of insurance, surety bond, letter of credit or other financial instrument constituting a Qualified Surety Bond, as defined in the Master Indenture, issued by the Reserve Fund Policy Issuer to the County, the proceeds of which shall be used to prevent deficiencies in the payment of the principal of or interest on the Series 2010D Bonds resulting from insufficient amounts being on deposit in the Debt Service Reserve Fund to make the payment of principal of and interest on the Series 2010D Bonds as the same become due. Each such policy shall be written by a bank, insurance company or any financial institution experienced in insuring or guaranteeing municipal bonds whose policies of insurance, surety bond, letter of credit or other financial instrument would not adversely affect the rating of the Series 2010D Bonds by Moody's and/or Standard & Poor's to the extent that the Series 2010D Bonds are or are to be rated and provided that at the time of the issuance of such policy such bank, insurance company or any financial institution shall have received either of the two highest rating categories of Moody's and Standard & Poor's to the extent that each rating agency provides such a rating and is then rating the Series 2010D Bonds.

"Reserve Fund Policy Issuer" means the issuer of any Reserve Fund Policy, or any successor thereto.

"Reserve Requirement" with respect to the Series 2010D Bonds, on and after the effective date of the Second Supplement to Master Indenture, equals zero.

"Second Supplement to Master Indenture" means the Second Supplement to Master Indenture of Trust, dated as of September 24, 2009, between the County and the Trustee.

"Tax Code" means the Internal Revenue Code of 1986, as amended to the date of issuance of the Series 2010D Bonds.

"Trust Bank" means a Commercial Bank which is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

SERIES INDENTURE

Set forth below is a summary of certain provisions of the Series Indenture. All capitalized terms used under this caption and not otherwise defined herein have the respective meanings given to such terms in the Series Indenture.

Obligation of County

Bonds Equally Secured. The covenants and agreements set forth in Series Indenture to be performed on behalf of the County will be for the equal benefit, protection and security of the Owners of any and all of the Outstanding Bonds. All of the Series 2010D Bonds, the 1993A Bonds, the 2005A Bonds, the 2008E Bonds, the 2009B Bonds, the 2010C Bonds and any other Senior Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of such Securities over any other thereof as to the Net Revenues.

No Pledge of Property. The payment of the Series 2010D Bonds is not secured by an encumbrance, mortgage or other pledge of property of the County, except the Net Revenues and any other moneys pledged for the payment of the Series 2010D Bonds. No property of the County, subject to such exceptions, will be liable to be forfeited or taken in payment of the Series 2010D Bonds.

No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Debt Service Requirements of the Series 2010D Bonds or for any claim based thereon or otherwise upon the Series Indenture authorizing their issuance or any other instrument relating thereto, against any individual member of the County or any officer or other agent of the County, past, present or future, either directly or indirectly through the County or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Series 2010D Bonds and as a part of the consideration of their issuance specially waived and released.

Revenue Pledge

The County pledges irrevocably, but not necessarily exclusively, the Net Revenues to the payment of the Debt Service Requirements of the Series 2010D Bonds. The Series 2010D Bonds will constitute Senior Bonds, the payment of which is secured by and is payable from the Net Revenues of the Airport System on a parity with the lien thereon of the 1993A Bonds, the 2005A Bonds, the 2008E Bonds, the 2009B Bonds, the 2010C Bonds and any other Senior Bonds hereafter Outstanding.

The facilities comprising the Airport System have not been pledged to secure payment of the Series 2010D Bonds.

The County may, in its absolute discretion, use any PFC Revenues that are legally available for the purpose, to pay the principal of, premium, if any, and interest on the Series 2010D Bonds; provided, that such PFC Revenues are not and shall not be pledged for such purpose, and neither the owners of the Series 2010D Bonds nor the Trustee on their behalf shall have any lien on any such PFC Revenues.

Registration, Transfer and Exchange of Series 2010D Bonds

Except as otherwise described in APPENDIX D—"DTC AND BOOK-ENTRY ONLY SYSTEM":

Registration and Transfer. Records for the registration and transfer of the Series 2010D Bonds will be kept by the Registrar. Upon the surrender for transfer of any Series 2010D Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered Owner or its attorney duly authorized in writing, the Registrar will authenticate and deliver in the name of the transferee or transferees a new Series 2010D Bond or Bonds of a like aggregate principal amount and maturity bearing a number or numbers not previously assigned to Series 2010D Bonds. Series 2010D Bonds may be exchanged at the office of the Registrar for an equal aggregate principal amount of Series 2010D Bonds of the same maturity of other denominations of $5,000 or any integral multiple thereof. The Registrar shall authenticate and deliver the Series 2010D Bond or Bonds which the registered Owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned to Series 2010D Bonds. The Registrar will require the payment by the Owner of any Series 2010D Bond requesting exchange or transfer, of any tax or other governmental charge required to be paid with respect to such exchange or transfer and of the cost of preparing (excluding printing) and authenticating a new Series 2010D Bond or Bonds.

Limitations upon Registration. The Registrar will not be required to transfer or exchange (1) any Series 2010D Bond during a period beginning at the opening of business 15 days before the day of the mailing by the Registrar of any notice of prior redemption of Series 2010D Bonds and ending at the close of business on the day of mailing or (2) any Series 2010D Bond after the mailing of the official notice of redemption calling such Series 2010D Bond, or any portion thereof, for redemption as provided in the Series Indenture.

Effect of Registration. The Person in whose name any Series 2010D Bond shall be registered in the registration records kept by the Registrar will be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes; and payment of or on account of either principal or interest on any Series 2010D Bond will be made only to or upon the written order of the registered Owner thereof or its legal representative, but such registration may be changed upon transfer of such Series 2010D Bond in the manner and subject to the conditions and limitations provided herein. All such payments will be valid and effectual to discharge the liability upon such Series 2010D Bond to the extent of the sum or sums so paid.

Amendment of the Series Indenture

Privilege of Amendments. The Series Indenture may be amended or supplemented by instruments adopted by the County in accordance with the laws of the State, without receipt by the County of any additional consideration, but with the written consent of (except as provided below under "Amendments Not Requiring Bondholders' Consent") the owners of a majority in aggregate principal amount of the Series 2010D Bonds Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding any Series 2010D Bonds which may then be held or owned for the account of the County, but including such refunding securities as may be issued for the purpose of refunding any of the Series 2010D Bonds if the refunding securities are not owned by the County.

Limitations upon Amendments. No such instrument shall be adopted which adversely affects the owners of any other Senior Bonds then Outstanding. No such instrument shall permit without the written consent of all owners of the Series 2010D Bonds adversely and materially affected thereby:

Changing Payment. A change in the maturity or in the terms of redemption of the principal of any Series 2010D Bond or any installment of interest thereon; or

Reducing Return. A reduction in the principal amount of any Series 2010D Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith, without the consent of the owner of the Series 2010D Bond; or

Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by the Series Indenture, except as provided in the Master Indenture; or

Modifying any Series 2010D Bond. A reduction of the percentages or otherwise affecting the description of Series 2010D Bonds the consent of the owners of which is required for any modification or amendment; or

Priorities between Series 2010D Bonds. The establishment of priorities as between Series 2010D Bonds Outstanding under the provisions of the Series Indenture, except as otherwise permitted thereby; or

Partial Modification. The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Series 2010D Bonds then Outstanding.

Notice of Amendment. Whenever the County proposes to amend or modify the Series Indenture under the provisions thereof, it is to cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to the purchasers of the Series 2010D Bonds, the Trustee, the Paying Agent, the Registrar and the owner of each of the Series 2010D Bonds Outstanding under the Series Indenture. The notice is to briefly set forth the nature of the proposed amendment and state that a copy of the proposed amendatory instrument is on file in the office of the County Clerk for public inspection.

Time for Amendment. Whenever at any time within one year from the date of the mailing of such notice, there shall be filed in the office of the County Clerk an instrument or instruments executed by the owners of a majority in aggregate principal amount of the Series 2010D Bonds then Outstanding under the Series Indenture, which instrument or instruments will refer to the proposed amendatory instrument described in the notice and specifically consents to and approves the adoption of the instrument, thereupon, but not otherwise, the County may adopt the amendatory instrument and instrument will become effective.

Binding Consent to Amendment. If the owners of a majority in aggregate principal amount of the Series 2010D Bonds Outstanding under the Series Indenture, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as provided in the Series Indenture, no owner of any Series 2010D Bond, whether or not the owner shall have consented to or shall have revoked any consent as provided above, will have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the County from taking any action pursuant to the provisions thereof.

Time Consent Binding. Any consent given by the owner of a Series 2010D Bond pursuant to the provisions of the Series Indenture will be irrevocable for a period of 6 months from the date of the mailing of the notice described above, and will be conclusive and binding upon all future owners of the same Series 2010D Bond during that period. The consent may be revoked at any time after 6 months from the date of the mailing of the notice by the owner who gave the consent or by a successor in title by filing notice of the revocation with the County Clerk, but the revocation will not be effective if the owners of a majority in aggregate principal amount of the Series 2010D Bonds Outstanding under the Series Indenture, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

Unanimous Consent. Notwithstanding anything contained in the foregoing provisions, the terms and the provisions of the Series Indenture or of any instrument amendatory thereof or supplemental thereto and the rights and the obligations of the County and of the owners of the Series 2010D Bonds under the Series Indenture may be modified or amended in any respect (other than modifications or amendments that adversely affects the owners of any Senior Bonds then Outstanding) upon the adoption by the County and upon the filing with the County Clerk of an instrument to that effect and with the consent of the owners of all the then Outstanding Series 2010D Bonds the consent to be given as provided in the Series Indenture; and no notice to owners of Series 2010D Bonds will be required as provided in the Series Indenture, nor will the time of consent be limited except as may be provided in the consent.

Notation on Series 2010D Bonds. Series 2010D Bonds authenticated and delivered after the effective date of any action taken as in the Series Indenture provided may bear a notation by endorsement or otherwise in form approved by the County as to the action; and if any Series 2010D Bond so authenticated and delivered shall bear such notation, then upon demand of the owner of any Series 2010D Bond Outstanding at such effective date and upon presentation of its Series 2010D Bond for the purpose at the principal office of the County Clerk, suitable notation will be made on such Series 2010D Bond by the County Clerk as to any such action. If the County so determines, new Series 2010D Bonds so modified as in the opinion of the County to conform to such action will be prepared, authenticated and delivered; and upon demand of the owner of any Series 2010D Bond then Outstanding, will be exchanged without cost to the owner for Series 2010D Bonds then Outstanding upon surrender of the Series 2010D Bonds.

Amendments Not Requiring Bondholders' Consent. The County, acting by and through the Board, and the Trustee, notwithstanding certain other provisions of the Series Indenture, and without the consent of or notice to any owner of any Series 2010D Bond, will consent to any amendment, change or modification of the Series Indenture as may be required (a) by the provisions of the Series Indenture; (b) for the purpose of curing any ambiguity or formal defect or omission in the Series Indenture; (c) in connection with the issuance and delivery of additional or other securities payable from Net Revenues; (d) to modify or supplement the Series Indenture in such manner as may be necessary or appropriate to qualify the Series Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar federal or state statute enacted after the Series Indenture, including provisions whereby the Trustee accepts such powers, duties, conditions and restrictions under the Series Indenture and the County undertakes such covenants, conditions or restrictions additional to those contained in the Series Indenture as would be necessary or appropriate so to qualify the Series Indenture; or (e) in connection with any other change in the Series Indenture which is not to the prejudice of the Trustee and which would not materially adversely affect the Owners of the Series 2010D Bonds or other securities.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Clark County, Nevada (the "Issuer") in connection with the issuance of the Issuer's Clark County, Nevada Airport System Revenue Bonds, Senior Series 2010D (Tax Exempt Bonds) (Non-AMT Private Activity) in the aggregate principal amount of $132,485,000 (the "Bonds"). The Bonds are being issued pursuant to the Master Indenture of Trust, dated as of May 1, 2003, between the Issuer and The Bank of New York Mellon Trust Company (the "Trustee"), amending and restating as an indenture of trust the County's General Bond Ordinance No. 1648 (the "Master Indenture"), and the Senior 2010 Series D Indenture, dated as of February 1, 2010, between the County and the Trustee (the "Series Indenture," and together with the Master Indenture, the "Indenture"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities Exchange Commission.

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"Participating Underwriter" shall mean any Underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system, which can be found at http://emma.msrb.org.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending June 30, 2010, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board ("MSRB") in substantially the form attached as Exhibit "A".

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and (if the Dissemination Agent is other than the Issuer)

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

1. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

2. An update of the information of the type contained in the tables identified by a double asterisk (**) under the heading "TABLES" found on page (iii) of the Official Statement for the Bonds, a copy of which page is attached hereto as Exhibit "B".

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Significant Events. The Issuer shall provide or cause to be provided, in a timely manner, to the MSRB and the State Repository, if any, notice of any of the following events with respect to the Bonds, if such event is material:

1) Principal and interest payment delinquencies;

2) Non-payment related defaults;

3) Unscheduled draws on debt service reserves reflecting financial difficulties;

4) Unscheduled draws on credit enhancements reflecting financial difficulties;

5) Substitution of credit or liquidity providers, or their failure to perform;

6) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

7) Modifications to rights of bondholders;

8) Bond calls;

9) Defeasances;

10) Release, substitution or sale of property securing repayment of the Bonds; or

11) Rating changes.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earlier of (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 7. Dissemination Age. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, without the consent of the holders of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: February 23, 2010.

CLARK COUNTY, NEVADA

____

Director of Aviation

EXHIBIT "A"

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Clark County, Nevada
Name of Bond Issue:	Clark County, Nevada Airport System Revenue Bonds, Senior Series 2010D (Tax Exempt Bonds) (Non-AMT Private Activity)
Date of Issuance:	February 23, 2010.

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Master Indenture of Trust, dated as of May 1, 2003, between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), amending and restating as an indenture of trust the County's General Bond Ordinance No. 1648 (the "Master Indenture"), the Senior 2010 Series D Indenture, dated as of February 1, 2010, between the County and the Trustee, and the Continuing Disclosure Certificate executed on February 23, 2010 by the Issuer. The Issuer anticipates that the Annual Report will be filed by ______________________.

Dated:_____________

CLARK COUNTY, NEVADA

By:____
Its:____

EXHIBIT “B”

TABLES

ESTIMATED SOURCES AND USES OF FUNDS
CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
    Historical PFC Collections**(1)
CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
    Statement of Historical and Projected Revenues and Expenses**(1)
CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION
    PFC Bond Debt Service
HISTORICAL AIRLINE TRAFFIC
    McCarran International Airport Fiscal Year 1975-Fiscal Year 2009**
AIRLINE MARKET SHARES
    McCarran International Airport Fiscal Years 2009, 2008, 2007 and 2000**

** To be updated annually.
(1) Historical information only in these tables is to be updated annually.

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APPENDIX E

DTC AND BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2010D Bonds, payment of principal, premium, if any, accreted value, if any, and interest on the Series 2010D Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2010D Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2010D Bonds. The Series 2010D Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2010D Bond certificate will be issued for the Series 2010D Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2010D Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010D Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2010D Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010D Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2010D Bond, except in the event that use of the book-entry system for the Series 2010D Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010D Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2010D Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010D Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010D Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2010D Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010D Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2010D Bond documents. For example, Beneficial Owners of Series 2010D Bonds may wish to ascertain that the nominee holding the Series 2010D Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Distributions, and dividend payments on the Series 2010D Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Airport or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2010D Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Series 2010D Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2010D Bonds, on DTC's records, to the Trustee.

DTC may discontinue providing its services as depository with respect to the Series 2010D Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2010D Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2010D Bond certificates will be printed and delivered to DTC.

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

On the date of the issuance of the Series 2010D Bonds, Swendseid & Stern, a Member in Sherman & Howard L.L.C., Bond Counsel, proposes to issue its approving opinion relating to the Series 2010D Bonds in substantially the following form:

February 23, 2010

Clark County, Nevada
Clark County Government Center
500 South Grand Central Parkway
Las Vegas, Nevada 89106

Clark County, Nevada
Airport System Revenue Bonds, Senior Series 2010D

Ladies and Gentlemen:

We have acted as bond counsel to Clark County, Nevada (the "County"), in connection with the issuance of its Airport System Revenue Bonds, Senior Series 2010D in the aggregate principal amount of $132,485,000 (the "Bonds"). In such capacity, we have examined the County's certified proceedings and such other documents and such law of the State of Nevada (the "State") and of the United States of America as we have deemed necessary to render this opinion letter. The Bonds are authorized and issued pursuant to the Master Indenture of Trust dated as of May 1, 2003, as amended, and as supplemented by the Senior 2010 Series D Indenture dated as of February 1, 2010 (together, the "Indenture") between the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the County's certified proceedings and other representations and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding special, limited obligations of the County, constitute Parity Securities and are payable solely out of and are secured by a lien on the Net Revenues of the County's Airport System, i.e., the Gross Revenues of the Airport System (which term excludes revenues pertaining to Special Facilities financed with Special Facilities Bonds and certain other revenues as expressly provided in the Indenture) after deduction of Operation and Maintenance Expenses of the Airport System. The lien on the Net Revenues of the Airport System pledged for the security of the Bonds is on a parity with the lien thereon of the other Parity Securities now or hereafter outstanding. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Net Revenues securing the Bonds.

2. The Indenture has been duly authorized by the County, duly executed and delivered by authorized officials of the County and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the County enforceable in accordance with its terms.

3. Interest on the Bonds, except for interest on any Bond for any period during which it is held by a "substantial user" of the facilities financed with the Bonds or a "related person" as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the County's certified proceedings and in certain other documents and certain other certifications furnished to us.

4. Under laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter above are subject to the following:

The obligations of the County pursuant to the Bonds and the Indenture are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including, without limitation, bankruptcy powers.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,


Hot Lips
Air-born May 2001
D10

McCarran

INTERNATIONAL AIRPORT

Clark County Department of Aviation

P.O. Box 11005, Las Vegas, NV 89111-1005

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