

Memorandum



Date: March 3, 2009

Agenda Item No.
12(B)1

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Annual Report on Swap Transactions for Fiscal Year ended September 30, 2008

Pursuant to the County's Swap Policy adopted by the Board under Resolution No. R-311-05, below is the annual report on the status of swaps the County has entered into with various counterparties since 1993 and the swap benefits received for fiscal year ending September 30, 2008. Exhibit A lists the details of each swap transaction.

Background

For the purpose of this report, the following general concepts are helpful:

- An interest rate swap is defined as a contractual agreement between two parties (the issuer and the counterparty) in which one stream of interest rate cash flow is exchanged or "swapped" for another series of interest rate cash flows during a mutually agreed upon period of time. More specifically, a swap is intended to change the interest rate cash flow of an underlying asset or liability without impacting the principal amount. In an interest rate swap, both parties agree to the rates they will pay each other and the notional amount (principal amount outstanding) that will be used as the basis for calculating the amounts due to each party. In an interest rate swap, there are key issues to note:
 - Although the components of each swap can vary, the typical interest rate swap is one in which the first party's payments are calculated using a fixed interest rate, while the second party's payments are calculated using a variable or floating interest rate. Payments are calculated on the notional amount as agreed to in the swap documents.
 - The fixed rate is set for the life of the swap.
 - The variable rate floats in conjunction with an underlying index/interest rate such as Treasury Bills, LIBOR, or SIFMA. LIBOR is the London InterBank Offer Rate which is the most frequently used index for taxable transactions. SIFMA is the Securities Industry and Financial Markets Association (previously known as BMA for the Bond Market Association) Municipal Swap Index which is the typical benchmark index used in the municipal bond market.
- Counterparties are the entities that sign the swap documents. Typically the County or the issuer of a bond series would be one of the counterparties, and the other counterparty would be the swap dealer, such as a commercial bank or a subsidiary of an investment bank. Swap dealers earn a profit for arranging and carrying the swap.
- Termination value is the remaining value of the swap calculated based on current market rates and reflects the cost to one counterparty or the other if the swap were to be terminated on a given date in the future prior to the swap's schedule termination date.
- Termination risk is the risk that a swap will be terminated by the counterparty before maturity and thus could result in the issuer having to make a cash termination payment to the counterparty.

Once bonds are issued, the bond payment obligations do not change, and the County is obligated to make payments to the purchasers/investors of our bonds. Although swaps are used as a debt management tool and associated with a bond transaction, it is a stand alone contractual obligation. The County does not enter into swaps for speculative purposes. Swaps can be entered into at the same time as bonds are issued, or in anticipation or subsequent to a bond issuance.

Over time, the County has entered into swaps that fall into the following categories:

Miami-Dade County issues fixed rate bonds and swaps the fixed interest payments to variable interest rates. This type of swap is typically done to take advantage of the variable rate market, which is usually at a lower interest rate, and does not require credit or bank liquidity support usually required to issue variable rate bonds. Variable rate debt is used in moderation, as the rating agencies view overexposure to variable interest rates negatively.

Miami-Dade County issues variable rate bonds and swaps the variable interest payments to fixed interest rates. This is typically done to take advantage of a lower synthetic fixed interest rate than would have been available on a traditional fixed rate bond. The synthetic rate is the fixed rate on the swap plus the credit support fees and remarketing fees that will be charged on the variable rate bonds.

Miami-Dade County issues fixed rate bonds and enters into a basis swap based on the relationship between the taxable index and the tax exempt index. In some cases, the County makes payments to the Counterparty based on a percentage of the taxable index, such as LIBOR or a more complex formula.

Risks

There are numerous risks that are evaluated prior to entering into swap transactions. Where possible, the risks inherent in swap transactions are mitigated or reduced through the use of reserve funds or contract provisions that are meant to give the County control over defaults which could cause the County to make termination payments. Risks associated with swap transaction are discussed below:

Basis Risk is the risk that the interest rate the County will pay to the Bondholder will not match the interest rate the County receives from the Counterparty on the swap. The County mitigates this exposure by analyzing the transaction and determining that the benefit more than offsets the interest rate exposure.

Counterparty Risk is the risk that the Swap Counterparty will not fulfill its obligations specified in the swap contract. The typical reason that a Counterparty fails to meet its obligations is bankruptcy or insolvency. County policy is to require Counterparties to be rated in the top two rating categories by one of the three rating agencies at the inception of the swap, and incorporates the need for the Counterparty to post collateral upon a downgrade to levels not acceptable to the County. Counterparty risk is further mitigated through diversification, preventing the County from being overly exposed to a single Counterparty.

Interest Rate Risk is the risk that the County's debt service costs associated with variable rate debt increase and negatively impact budgets, coverage ratios and cash flow margins. Interest rate risk is impacted when interest rates rise.

Tax Risk is a type of basis risk, the risk of a mismatch between the floating rate on the tax exempt debt and the interest rate based on the swap index, such as one based on a taxable index like LIBOR. The correlation between the LIBOR based rate and the floating rate, based on a tax exempt index known as SIFMA can be affected by changes in tax law or other market events.

Termination Risk is the risk that a swap may be terminated prior to its scheduled maturity date. There are two types of termination risk: (a) a voluntary termination whereby the swap is terminated by the County; and (b) an involuntary termination whereby the swap is terminated by the Counterparty upon certain events stated in the swap documents. Upon termination, the County may have to make termination payments to the Counterparty or the County may receive termination payments from the Counterparty, depending on market conditions.

The amount of the termination payment is equal to the fair market value of the swap at the time of termination. The fair market value is equal to the present value of the future anticipated payments, and is impacted by the notional amount and the remaining term of the swap. Termination payments may be substantial. The County

mitigates termination risk by tightly restricting the Counterparties' right to terminate the swap prior to maturity and by providing mitigating options upon a rating downgrade to the County.

Rollover Risk is the risk which occurs when the term of the Swap does not match the term of the associated bonds. Normally rollover risk arises when the issuer issues variable rate bond and enters into a swap to synthetically fix the interest rate. If the term of such a swap does not correspond with the term of the bonds, there is rollover risk that the issuer would be exposed to variable rates.

FY 2007-08 Swap Transactions

Pursuant to the Swap Policy the County adopted, and as a result of prudent analysis and risk tolerance management, the County benefited by achieving interest savings of \$14,421,898 in FY 2007-08 and cumulative interest rate savings of \$160,786,631 since 1993. Below is a summary of the benefits achieved in FY 2007-08 by Department or Bond Issue. The detail of each swap is listed in Exhibit A.

<u>Department</u>	<u>Counterparty</u>	<u>Transaction Type</u>	<u>2008 Interest Rate Benefit</u>
Water & Sewer			
Series 1994	AIG	Variable to Fixed	\$ 708,712
Series 2007	Merrill Lynch	Fixed to Variable	\$ 0
Series 1999A	Rice	Basis Swap	\$ 2,691,049
Series 2007	Rice	Basis Swap	\$ 2,321,313
Series 2005	Bank of America	Swaption Variable to Fixed	\$ 0
Total Benefit for Water & Sewer			\$5,721,074
Solid Waste			
Series 1996	Rice	Fixed to Variable	\$ 1,536,983
Series 1996	Rice	Basis Swap	\$ 160,259
Total Benefit for Solid Waste			\$1,697,242
Convention Development Tax			
Series 1996	Rice	Basis Swap	\$ 961,103
Series 1996	Rice	Basis Swap	\$ 167,728
Series 1997	Rice	Basis Swap	\$3,408,398
Series 1997	Rice	Basis Swap	\$1,656,319
Total Benefit for Convention Development			\$6,193,548
Industrial Development Bonds (BAC Funding Corp. Project)			
Series 2000B	Rice	Basis Swap	\$ 218,922
Capital Asset Acquisition			
Series 2004A	J.P. Morgan	Muni-CPI	\$ 591,112
Cumulative Benefit for Fiscal Year 2008			\$14,421,898

FY 2007-08 Terminations

The County terminated two Swaps prior to the end of FY 2007-08. On February 22, 2001, Merrill Lynch purchased the right to terminate the swap on June 15, 2008 associated with Water and Sewer Series 2007 Bonds (originally issued in 1993 and refunded in 2007). When Merrill Lynch purchased the right to terminate the swap, the terms were also changed to give the County a net additional benefit of \$6 million through June 15, 2008. On June 15, 2008, Merrill Lynch exercised their right to terminate the swap.

In July 2008, the County terminated the swap with AIG. As background, the County entered into a variable to fixed rate swap with AIG on the Series 1994 Bonds. If the County were to have issued fixed rate bonds in the prevailing bond market, it was anticipated that the fixed rate would have been 5.78 percent. The swap enabled the County to pay 5.28 percent plus the cost of a line of credit (LOC) and a fee for remarketing services (totaling 5.565 percent). The County anticipated \$35.7 million in savings from entering into this interest rate swap.

In February 2008, Financial Guarantee Insurance Company (FGIC), the insurer on the Water and Sewer System Revenue Bonds, Series 1994, was downgrade below "AAA." This downgrade caused the Series 1994 Bonds to trade at a much higher interest rate and some bondholders began to remarket these bonds because they were not as desirable, causing a draw upon the LOC. Pursuant to the swap documents, a draw on the LOC allowed AIG to switch from paying the variable rate on the bonds to paying SIFMA. There was a draw on the LOC and AIG switched to SIFMA. The switch caused the County to incur basis risk – the difference between the variable rate paid to the bondholders and the variable rate received under the swap. Such difference (basis risk) was costing the County an additional \$383,000 per week in swap interest payments (or approximately \$19.9 million yearly). The County chose to terminate the AIG swap on July 14, 2008 by issuing the fixed rate Series 2008A Bonds in the amount of \$68,300,000 to fund the termination of the swap and \$374,555,000 of fixed rate Series 2008B Bonds to refund the Series 1994 Bonds. The issuance of the Series 2008A and the Series 2008B Bonds resulted in a fixed rate of 4.29 percent, which is very favorable.

When comparing the restructured debt (which includes the one-time termination payment, the prior debt service and interest rate savings for the Series 1994 Bonds under the swap through July 2008, and the remaining debt service through 2022 at a 4.29 percent interest rate) to having issued fixed rate bonds at 5.78 percent since 1994, it is still anticipated that the County will benefit by \$17.2 million over the entire life of the bonds. The revised debt service associated with the termination payment and the refunding of the Series 1994 Bonds does not entirely eliminate the savings anticipated at the time the County entered into the swap. Additionally, the refunding of the Series 1994 Bonds guarantees no further exposure to basis risk and the swap

Swap Exposure

A summary of the County's notional amount, termination value by Counterparty and the Counterparties Credit Ratings from Moody's, S&P and Fitch, respectively, is as follows:

<u>Counterparty</u>	<u>Notional Amount</u>	<u>Termination Value *</u> <u>At September 30, 2008</u>
Bank of America, NA Ratings: Aaa; AA+; AA-	\$295,240,000	(\$53,042,681)
JPMorgan Chase Bank Ratings: Aaa; AA; AA-	\$50,000,000	\$36,504
GBDP – Rice Financial Products GenRe Ratings: Aa1; AAA; AA+	\$54,060,000	\$2,982,248
Rice Financial Products- AMBAC** Ratings: as of 9/30/2008 – Aa3: AA; no rating from Fitch	\$756,860,505	(\$8,766,741)
Rice Financial Products- Bank of New York Ratings: Aaa; AA; AA-	\$205,070,000	(\$3,102,286)

* A positive termination value would represent a payment to the County if the swap had terminated on September 30, 2008.
 A negative termination value would represent a payment made by the County to the counterparty if the swap had terminated on September 30, 2008.

** AMBAC as most recently been downgraded to Baa1; A; no rating from Fitch.

In addition to these past savings from prior years, it is important to consider the significant future savings from these swap transactions. Through the use of carefully calculated swap transactions, the County will realize these future benefits by moving to lower cost debt, when possible, or terminating debt arrangements when necessary.

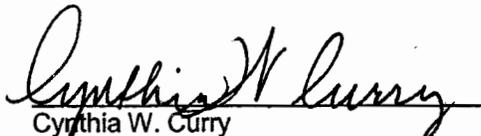

 Cynthia W. Curry
 Senior Advisor to the County Manager

Exhibit A

Miami-Dade County Swaps as of September 30, 2008

(A) Below are the County's swaps, where the County issued fixed rate bonds and swapped the interest payments to a variable interest rate.

<i>Bond Series</i>	<i>Counterparty and Dates</i>	<i>Notional Amounts</i>	<i>Benefit</i>	<i>Termination Value</i>
Water & Sewer System, Series 2007, initially the Water and Sewer System Refunding, Series 1993, was later associated with the Water and Sewer System, Series 1995, and then later with the Water and Sewer Series 1997.	Merrill Lynch Capital Services Term: 12/15/1993-6/15/2020	12/15/1993: \$175,000,000 9/30/2008: \$215,000,000	Savings is the difference between the Fixed Receiver Rate of 4.902% and the Variable Payer Rate of SIFMA. Savings from 1993 - 2005 \$ 22,866,944 2006 9,163,260 2007 0 2008 0 <u>Total \$ 32,030,204</u> Benefit through June 15, 2008 was monetized in FY2006.	Terminated - Option to Terminate exercised 6/15/08
Solid Waste Department (Resource Recovery Facility Refunding, Series 1996)	GBDP - (Guarantor – GenRe) Term: 9/10/1996-10/1/2013	09/10/1996: \$182,695,000 9/30/2008: \$64,845,000	Savings is the difference of a Fixed Receiver Rate of 5.97276% and a Variable Payer Rate of SIFMA plus 0.49776%. Savings from 1997 - 2005 \$ 23,898,325 2006 1,561,289 2007 962,455 2008 1,536,983 <u>Total \$ 27,959,052</u>	\$2,982,248

(B) Below are the County's swaps, where the County issued variable rate bonds and swapped the interest payments to a fixed interest rate.

Exhibit A

Bond Series	Counterparty And Dates	Notional Amounts	Benefit	Termination Value										
Water & Sewer System, Series 1994	AIG Financial Term: 2/4/1994-10/5/2022	02/04/1994: \$418,540,000 9/30/2008: \$416,075,000	<p>Savings is the difference of a Fixed Payer Rate of 5.28% (inclusive of liquidity fees 5.565%) and a 2/4/94 expected Fixed Bond Rate of 5.78%.</p> <p>Savings from 1994 –</p> <table> <tr> <td>2005 \$</td> <td>9,818,382</td> </tr> <tr> <td>2006</td> <td>898,194</td> </tr> <tr> <td>2007</td> <td>898,194</td> </tr> <tr> <td>2008*</td> <td>708,712</td> </tr> <tr> <td>Total \$</td> <td><u>12,323,482</u></td> </tr> </table> <p>*earnings from 10/1/2007 to 7/15/08.</p>	2005 \$	9,818,382	2006	898,194	2007	898,194	2008*	708,712	Total \$	<u>12,323,482</u>	<p>Swap Terminated – 7/14/08 –</p> <p>This swap was terminated and additional bonds in the amount of \$68,300,000 were issued to fund the termination value of the swap. The additional debt service to be paid is \$17,336,859, which would be equal to depositing \$11,776,926 today and earning 4.29% until the Series 2008A&B Bonds are paid off.</p>
2005 \$	9,818,382													
2006	898,194													
2007	898,194													
2008*	708,712													
Total \$	<u>12,323,482</u>													
Water & Sewer System, Series 2005	Bank of America Term: 10/1/2005-10/1/2025	9/30/2008: \$295,240,000	<p>Savings</p> <p>Receipt of upfront payment for Swaption from BofA in 2005</p> <p>Savings</p> <table> <tr> <td>2005 \$</td> <td>27,645,965</td> </tr> <tr> <td>2006</td> <td>0</td> </tr> <tr> <td>2007</td> <td>0</td> </tr> <tr> <td>2008</td> <td>0</td> </tr> <tr> <td>Total \$</td> <td><u>27,645,965</u></td> </tr> </table>	2005 \$	27,645,965	2006	0	2007	0	2008	0	Total \$	<u>27,645,965</u>	<p>(\$53,042,681)</p> <p>This swap was terminated 11/19/08. The Department used cash on hand in the amount of \$67,204,379.45, and an accrued amount of \$1,895,620.55 totaling \$69,100,000.</p>
2005 \$	27,645,965													
2006	0													
2007	0													
2008	0													
Total \$	<u>27,645,965</u>													

Exhibit A

(C) Below are the County's swaps where the County issued fixed rate bonds and entered into a basis swap.

Bond Series	Counterparty And Dates	Notional Amounts	Benefit	Termination Value
Water and Sewer System, Series 2007, initially the Water and Sewer System Refunding, Series 1993 and was later associated with the Water and Sewer System, Series 1997.	Rice Financial Products Corporation – (Guarantor – AMBAC) Term: 8/17/1998- 10/1/2026	08/17/1998: \$200,000,000 9/30/2008: \$200,000,000	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of Libor plus 1.455%. Savings from 1998 - 2005 \$ 9,347,130 2006 1,652,037 2007 1,716,780 2008 <u>2,321,313</u> Total \$ <u>15,037,260</u>	(\$7,776,279)
Water and Sewer System, Series 1999A	Rice Financial Products Corporation – (Guarantor – Bank of New York) Term: 3/6/2006- 10/1/2029	03/06/2006: \$205,070,000 9/30/2008: \$205,070,000	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of 10 Year Libor plus 1.58%. Until March 2008, capped at 3 month Libor plus 1.58% plus 40 bpi and guaranteed a minimum of 3 month Libor plus 1.58% Savings 2006 \$ 1,067,249 2007 1,821,080 2008 <u>2,691,049</u> Total \$ <u>5,579,378</u>	(\$3,102,286)
Solid Waste Department (Resource Recovery Facility Refunding, Series 1996)	Rice Financial Products Corporation – (Guarantor – AMBAC) Term: 10/22/1997 10/1/2013	10/22/1997: \$140,175,000 9/30/2008: \$64,845,000	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of Libor plus 1.6871%. Savings from 1997 - 2005 \$ 6,853,749 2006 (384,445) 2007 (258,208) 2008 <u>160,259</u>	\$594,773

Exhibit A

			Total <u>\$ 6,371,355</u>	
Special Obligation & Refunding, Series 1996B (Convention Development Tax)	Rice Financial Products Corporation – (Guarantor – AMBAC) Term: 5/12/2000 10/1/2022	5/12/2000: \$102,611,557 9/30/2008: \$77,014,300	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of Libor plus 1.65343%. Savings from 2000 - 2005 \$ 3,419,136 2006 785,820 2007 785,920 2008 961,103 <u>Total \$ 5,951,979</u>	(\$228,062)
Special Obligation & Refunding, Series 1996B (Convention Development Tax)	Rice Financial Products Corporation – (Guarantor – AMBAC) Term: 7/21/2004 10/1/2010	7/21/2004: \$19,627,539 9/30/2008: \$11,538,042	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of Libor plus 1.77%. Savings from 2004 - 2005 \$ 158,248 2006 166,746 2007 159,678 2008 167,728 <u>Total \$ 652,400</u>	\$57,925
Subordinate Special Obligation, Series 1997 A, B & C (Convention Development Tax)	Rice Financial Products Corporation – (Guarantor – AMBAC) Term: 5/12/2000- 10/1/2022	5/12/2000: \$291,625,675 9/30/2008: \$275,297,755	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of Libor plus 1.65343%. Savings from 2000 - 2005 \$ 10,597,240 2006 2,557,452 2007 2,648,403 2008 3,408,398 <u>Total \$ 19,211,493</u>	(\$833,019)
Subordinate Special Obligation, Series 1997 A, B & C (Convention Development Tax)	Rice Financial Products Corporation – (Guarantor – AMBAC) Term: 7/21/2004- 10/1/2022	7/21/2004: \$77,853,923 9/30/2008: \$119,970,412	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of Libor plus 1.77%. Savings from 2004 - 2005 \$ 790,360 2006 1,006,543 2007 1,162,026	(\$150,661)

Exhibit A

			2008 1,656,319	
			Total \$ 4,615,248	
Special Obligation Bonds - Capital Asset Acquisition, Series 2004	JPMorgan Chase Bank Term: 4/27/2004-4/1/2014	4/27/2004: \$50,000,000 4/1/2006: \$50,000,000	Savings is the difference of a Variable Payer Rate of SIFMA plus 0.235% and Variable Receiver Rate of CPI plus various spreads. Savings from 2004 - 2005 \$ 764,851 2006 558,962 2007 493,397 2008 591,112 <u>Total \$ 2,408,322</u>	\$36,504
Industrial Development Bonds (BAC Funding Corporation Corporation Project), Series 2000B	Rice Financial Products Corporation – (Guarantor – AMBAC) Term: 8/2/2002-10/1/2030	8/1/2002: \$21,570,000 9/30/2008: \$19,445,000	Savings is the difference of a Variable Payer Rate of SIFMA divided by 0.604 and a Variable Receiver Rate of Libor plus 1.31%. Savings from 2002 - 2005 \$ 456,809 2006 157,945 2007 166,817 2008 218,922 <u>Total \$ 1,000,493</u>	(\$431,418)

Swap Benefit for Fiscal Year 2008
Swap Benefit Inception-to-Date

\$ 14,421,898
\$ 160,786,631

Swap Financial Group

Swap Financial Group, LLC
 76 South Orange Avenue
 South Orange, NJ 07079
 (973) 378-5500, fax (973) 378-5575

November 5, 2008

Miami-Dade County
 111 N.W. First Street, Suite 2550
 Miami, FL 33128

Attn: Frank Hinton
 Finance Department

Interest Rate Swap Transactions
 Re: Market Valuations, September 30, 2008

Swap Financial Group, LLC, performed market-based valuations of the below listed interest rate swaps using market prices in effect as of the close of business on September 30, 2008. These valuations include the current interest period accruals which would be payable on the next interest payment dates, as applicable.

Your Identification	Swap Floating and Fixed Rates, Direction, Current Notional, Termination Date	Option Provision, Owner, Style, Date	Counter-party	Contract Valuation (Midmarket)
Water & Sewer Series 1997 (Confirmation dtd 7/18/02)	SIFMA vs Libor+1.455% You pay (1.6556)(SIFMA) 200,000,000 10/1/2026	None	RFPC	(7,776,279)
Special Obligation and refunding Bonds, Series 1996B (CDT)	SIFMA vs Libor+1.65343% You pay (1.6556)(SIFMA) 77,014,300 10/1/2022	None	RFPC	(228,062)
Special Obligation and refunding Bonds, Series 1996B (CDT) Incremental Swap	SIFMA vs Libor+1.7700% You pay (1.6556)(SIFMA) 11,538,042 10/1/2010	None	RFPC	57,925
Special Obligation and refunding Bonds, Series 1997 A,B,C (CDT)	SIFMA vs Libor+1.65343% You pay (1.6556)(SIFMA) 275,297,755 10/1/2022	None	RFPC	(833,019)

Miami Dade County
Interest Rate Swap Valuations
November 5, 2008
Page 2 of 3

Special Obligation and refunding Bonds, Series 1997 A,B,C (CDT) Incremental Swap	SIFMA vs Libor+1.7700% You pay (1.6556)(SIFMA) 119,970,412 10/1/2022	None	RFPC	(150,661)
Water and Sewer Series 1995	SIFMA vs 5.27% You Pay Fixed 295,240,000 10/1/05 to 10/1/25	Exercised	BOA	(53,042,681)
Special Obligation Bonds, Capital Asset Acquisition Series 2004	CPI plus various spreads vs SIFMA plus 23.5 bp. You pay SIFMA 50,000,000 4/1/2014	None	JPM	
Industrial Develop 1996 Montenay Fixed Rate Swap	SIFMA+49.776 vs Various% You receive fixed 64,845,000 10/1/2013	Exercised	GBDP	2,982,248
Industrial Develop 1996 Montenay Exercised Swap	SIFMA vs Libor+Various% You pay (1.6556)(SIFMA) 64,845,000 10/1/2013	None	RFPC	594,773
Industrial Develop 2000 BAC Funding	SIFMA vs Libor+1.43% You pay (1.6556)(SIFMA) 19,445,000 10/1/2030	None	RFPC	(431,418)
Water & Sewer Series 1997 (Confirmation dtd 3/06/06, amended 7/05/07)	SIFMA vs 90.15% 10yr Libor CMS+1.58% You pay (1.6556)(SIFMA) 205,070,000 10/1/2029	CMS Collar 7/01/07-1/01/09	RFPC CSI	(3,102,286)

Valuation numbers are from the perspective of Miami-Dade County; i.e., a negative number is what Miami-Dade would have owed had the transaction(s) been terminated at midmarket on the valuation date.

Our pricing valuations were based upon Confirmation transactional information, including the Notional Principal amortization schedules as were furnished to us, comparing the rate on each swap with market rates on the valuation date and present-valuing the differential between the swap and market rates back to the valuations shown above using accepted market discount rates for the each respective amortization date involved. As per market convention, our pricings reflect the valuation of the financial elements of each transaction. To the extent that a particular transaction contains restrictive transfer, collateralization, or termination event language, it could be expected that such provisions would impact the ability of an entity to assign or terminate a swap contract at market value.

Miami Dade County
Interest Rate Swap Valuations
November 5, 2008
Page 3 of 3

The valuation shown for any swap contract having multiple pricing components (such as a swap with an embedded option within it for a counterparty to cancel that swap) is the net sum of all the separate pricing components in the contract.

Swap Financial Group LLC is an established advisor and arranger of interest rate swaps and option derivatives and is professionally knowledgeable of the transaction type represented in this valuation.

Swap Financial Group, LLC

By: _____
Lillian Chern
Vice President

Swap Financial Group (the "Company") has used multiple modeling systems to determine the values shown in this report. One of our modeling system vendors requires us to make the following disclosure in connection with valuations provided to third parties: Products and services provided by the Company may include output values, analysis and reports generated using the proprietary system owned by Principia Partners LLC ("Principia") known as the Principia Analytic System. These materials and outputs are provided AS IS, for informational purposes only and do not constitute advice of any kind. Principia does not warrant or guarantee the accuracy or timeliness of any materials or outputs. Principia shall not be responsible or liable for the accuracy, usefulness or availability of any such materials or outputs and shall not be responsible or liable for any financial or investment decisions made based on such information. If you do not agree to the foregoing, you are not authorized to access, view and/or use any such materials or outputs.