

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(E)(1)(A)
10-2-07

**OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA**

RESOLUTION NO. R-1074-07

RESOLUTION AUTHORIZING ISSUANCE OF MULTIPLE SERIES OF 2007 AVIATION REVENUE REFUNDING BONDS PURSUANT TO SECTION 211 OF AMENDED AND RESTATED TRUST AGREEMENT AND OTHER APPLICABLE ORDINANCES IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$600,000,000, TO REFUND CERTAIN OUTSTANDING AVIATION REVENUE BONDS; DELEGATING TO FINANCE DIRECTOR AUTHORITY, WITHIN CERTAIN LIMITATIONS, TO FINALIZE TERMS AND DETAILS OF BONDS, INCLUDING SECURING RELATED ESCROW AGREEMENT AND CREDIT AND RESERVE FACILITIES, IF ANY; PROVIDING CERTAIN COVENANTS AND OTHER REQUIREMENTS; FINDING NECESSITY FOR NEGOTIATED SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF RELATED AGREEMENTS, WITHIN CERTAIN PARAMETERS, INCLUDING DISTRIBUTION AND USE OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING SELECTION OF CERTAIN AGENTS; AUTHORIZING COUNTY OFFICIALS TO TAKE ALL NECESSARY ACTIONS IN CONNECTION WITH ISSUANCE, SALE AND DELIVERY OF BONDS AND OTHER RELATED MATTERS; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY

WHEREAS, on February 21, 1995 the Board of County Commissioners of Miami-Dade County, Florida (the "Board") enacted Ordinance No. 95-38 (the "1995 Ordinance"), authorizing the issuance of up to \$1,200,000,000 in Aviation Revenue Bonds (the "1995 Authorization"), and on February 6, 1996 the Board enacted Ordinance No. 96-31 (the "1996 Ordinance"), authorizing the issuance of up to \$2,600,000,000 in additional Aviation Revenue Bonds (the "1996 Authorization"), and on November 4, 1997 the Board enacted Ordinance No. 97-207 (the "1997 Ordinance" and collectively with the 1995 Ordinance and the 1996 Ordinance, the "Ordinance"), authorizing the issuance of up to \$500,000,000 in additional Aviation Revenue Bonds (the "1997 Authorization"), in one or more series, pursuant to the provisions of Section 210 of the Amended and Restated Trust Agreement dated as of December 15, 2002 (the "Trust Agreement") by and

among Miami-Dade County, Florida (the "County"), The Bank of New York, as successor in interest to JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), and U.S. Bank National Association (as successor in interest to Wachovia Bank, National Association), as co-trustee (the "Co-Trustee"), and prior to the execution and delivery of the Trust Agreement, under the provisions of Section 210 of the Trust Agreement dated as of October 1, 1954, as amended (the "Original Trust Agreement"), by and between the County, the Trustee and the Co-Trustee, which Original Trust Agreement was amended and restated by the Trust Agreement, for the purpose of financing the cost ("cost" as used herein shall have the meaning assigned thereto in the hereinafter described Trust Agreement) of various Port Authority Properties projects for the airport system of the County; and

WHEREAS, pursuant to the Ordinance, the County has issued Bonds (as defined in the Ordinance), exclusive of refunding Bonds, in the aggregate principal amount of \$3,541,515,000 under the provisions of Section 210 of the Trust Agreement; and

WHEREAS, the Board desires to authorize the issuance of additional bonds under the Act (defined below), in multiple Series (as defined in the Trust Agreement), in an aggregate principal amount not exceeding \$600,000,000 (such issue to be collectively known as the "Series 2007 Refunding Bonds"), for the principal purposes of (i) refunding and redeeming, or paying at maturity all or a portion of: the Outstanding Dade County, Florida Aviation Revenue Bonds, Series 1996A (AMT) (the "Series 1996A Bonds"), which Series 1996A Bonds are currently Outstanding in the aggregate principal amount of \$267,415,000, the Outstanding Dade County, Florida Aviation Revenue Bonds, Series 1996B (Non-AMT) (the "Series 1996B Bonds"), which Series 1996B Bonds are currently Outstanding in the principal amount of \$27,585,000, the

Outstanding Dade County, Florida Aviation Revenue Refunding Bonds, Series 1996C (Non-AMT) (the "Series 1996C Bonds"), which Series 1996C Bonds are currently Outstanding in the aggregate principal amount of \$17,090,000, the Outstanding Dade County, Florida Aviation Revenue Refunding Bonds, Series 1997A (AMT) (the "Series 1997A Bonds"), which Series 1997A Bonds are currently Outstanding in the aggregate principal amount of \$29,150,000, the Outstanding Dade County, Florida Aviation Revenue Refunding Bonds, Series 1997B (AMT) (the "Series 1997B Bonds"), which Series 1997B Bonds are currently Outstanding in the aggregate principal amount of \$107,180,000, the Outstanding Dade County, Florida Aviation Revenue Bonds, Series 1997C (Non-AMT) (the "Series 1997C Bonds"), which Series 1997C Bonds are currently Outstanding in the aggregate principal amount of \$63,170,000 and the Outstanding Miami-Dade County, Florida Aviation Revenue Bonds, Series 2000B (Non-AMT) (the "Series 2000B Bonds"), which Series 2000B Bonds are currently Outstanding in the aggregate principal amount of \$61,890,000 (such Series 1996A Bonds, Series 1996B Bonds, Series 1996C Bonds, Series 1997A Bonds, Series 1997B Bonds, Series 1997C Bonds and Series 2000B Bonds to be refunded, all as determined by the Finance Director pursuant to Section 5, being collectively referred to herein as the "Refunded Bonds") in order to achieve substantial interest cost savings as contemplated in Section 5 of this Series 2007 Resolution; and

WHEREAS, pursuant to Section 211 of the Trust Agreement, the County is authorized to issue revenue bonds to refund outstanding bonds issued under the Trust Agreement; and

WHEREAS, First Southwest Company and Frasca & Associates, LLC (collectively, the "Financial Advisor"), financial advisors to the Miami-Dade County Aviation Department (the "Aviation Department"), have recommended to the County that a negotiated sale of the Series

2007 Refunding Bonds is in the best interest of the County for the reasons set forth in Section 3.C of this resolution (the "Series 2007 Resolution"); and

WHEREAS, the Board wishes to delegate to the Finance Director of the County (the "Finance Director") the authority to (i) determine the terms of the Series 2007 Refunding Bonds within the limitations specified in this Series 2007 Resolution, (ii) execute, if necessary, and deliver certain agreements, instruments and certificates in connection with the Series 2007 Refunding Bonds including, without limitation, the Bond Purchase Agreement, Preliminary Official Statement, Official Statement and Escrow Deposit Agreement, (iii) secure a Credit Facility and/or a Reserve Facility, if deemed advisable, and (iv) take all action and to make such further designations necessary or desirable in connection with the issuance and sale of the Series 2007 Refunding Bonds, all subject to the limitations contained in this Series 2007 Resolution; and

WHEREAS, the Board wishes to authorize the execution and delivery of a Bond Purchase Agreement with Morgan Stanley & Co. Incorporated, acting on behalf of itself and the other underwriters named in the Bond Purchase Agreement (collectively, the "Underwriters"), in substantially the form on file at the Clerk's Office as Exhibit "A" to this Series 2007 Resolution (the "Bond Purchase Agreement"); and

WHEREAS, the Board wishes to authorize the distribution, use and delivery by the Finance Director of a Preliminary Official Statement in substantially the form attached as Exhibit "B" to this Series 2007 Resolution, and a final Official Statement, with the approval of the Office of the Miami-Dade County Attorney (the "County Attorney"), Holland & Knight LLP and The Law Offices of Steve E. Bullock, P.A. (collectively, "Bond Counsel"), Hunton & Williams LLP and Law Offices Thomas H. Williams, Jr., P.L. (collectively, "Disclosure Counsel") and after

consultation with the Director and the Financial Advisor as provided in Section 8 of this Series 2007 Resolution, in connection with the Series 2007 Refunding Bonds; and

WHEREAS, the Board wishes to provide for the refunding and redemption or payment at maturity of the Refunded Bonds, and in connection therewith, to authorize the execution and delivery of an Escrow Deposit Agreement between the County and the Trustee in substantially the form on file at the Clerk's Office as Exhibit "C" to this Series 2007 Resolution; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the "County Manager's Memorandum"), a copy of which is incorporated in this Series 2007 Resolution by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. Authority. This Series 2007 Resolution is adopted pursuant to the provisions of the Constitution and laws of the State of Florida (the "State"), including the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, and Chapters 125 and 166, Florida Statutes, as amended, the Ordinance, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law (collectively, the "Act") and pursuant to Section 211 of the Trust Agreement.

Section 2. Definitions. All terms in capitalized form, unless otherwise defined in this Series 2007 Resolution, shall have the same meaning as ascribed to them in the Trust Agreement and the Ordinance. The following terms shall have the meanings set forth below:

A. "AMT Bonds" means bonds the interest on which is excludable from gross income for federal income tax purposes, but is an item of tax preference for purposes of the alternative minimum tax under the Code.

B. "Clerk" means the Clerk of the Board or any Deputy Clerk of the County.

C. "County Manager" means the County Manager of the County.

D. "DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company and clearing corporation and clearing agency under New York law, and its successors and assigns.

E. "Escrow Agent" means the Trustee, in its capacity as Escrow Agent under the Escrow Deposit Agreement.

F. "Escrow Deposit Agreement" means the Escrow Deposit Agreement between the County and the Escrow Agent in substantially the form authorized pursuant to Section 11 of this Series 2007 Resolution.

G. "Mayor" means the Mayor of the County.

H. "Non-AMT Bonds" means bonds the interest on which is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax under the Code.

I. "Omnibus Certificate" means a certificate of the County executed by the Finance Director, the Director and a Deputy Clerk, dated the date of original issuance of the Series 2007 Refunding Bonds, setting forth among other things, the information and designations required by Section 5 of this Series 2007 Resolution.

J. "Rule" means Rule 15c2-12 of the United States Securities and Exchange Commission, as in effect from time to time, and any successor provisions to such rule.

Section 3. Findings. The Board finds, determines and declares as follows:

A. The County is authorized under the Act and the Trust Agreement to issue the Series 2007 Refunding Bonds for the valid public purposes of: (i) refunding or refinancing the Refunded Bonds; (ii) making a deposit to the Reserve Account, including the deposit of a Reserve Facility or Facilities, if any, and (iii) paying certain costs of issuance, including the premiums for any Credit Facility and/or Reserve Facility, if any, relating to the Series 2007 Refunding Bonds, if deemed advisable. The public purposes set forth in clauses (i), (ii) and (iii) of this Section 3A are referred to in this Series 2007 Resolution as the "Public Purposes."

B. It is necessary, desirable and in the best interest of the County that the Refunded Bonds be refunded or redeemed with proceeds of the Series 2007 Refunding Bonds as contemplated in this Series 2007 Resolution to achieve a substantial interest cost savings as contemplated in Section 5 of this Series 2007 Resolution.

C. The Financial Advisor has recommended to the County that a negotiated sale of the Series 2007 Refunding Bonds is in the best interest of the County to allow time for the investment community to comprehend a number of relevant items, including: (i) the financial volatility of the airline industry and the impact of geopolitical events such as September 11; (ii) the size and complexity of the Aviation Department's capital improvement program; and (iii) the Aviation Department's ability to generate sufficient revenues to operate effectively and service its outstanding debt. The Board accepts the recommendation of the County Manager.

D. The Board has determined that it is in the best interest of the County to accept the offer of the Underwriters to purchase the Series 2007 Refunding Bonds at a negotiated sale but only upon the terms and conditions and subject to the limitations of this Series 2007 Resolution, which terms shall be finalized by the Finance Director and set forth in the Bond Purchase Agreement and the Omnibus Certificate in accordance with Section 5 of this Series 2007 Resolution.

E. The delegation of authority with regard to the issuance of the Series 2007 Refunding Bonds as provided in this Series 2007 Resolution is necessary to the proper and efficient implementation of the provisions of this Series 2007 Resolution, and such delegation is in the best interest of the County in order to proceed with an expeditious pricing and sale of the Series 2007 Refunding Bonds whenever market conditions are favorable.

F. The recitals contained in the "WHEREAS" clauses are incorporated in this Series 2007 Resolution as findings and the attached County Manager's Memorandum is approved and incorporated in this Series 2007 Resolution.

Section 4. Authorization of Series 2007 Refunding Bonds; Conditional Notice of Redemption.

A. Subject and pursuant to the provisions of this Series 2007 Resolution, the Ordinance, the Trust Agreement and the County Manager's Memorandum and for the Public Purposes, the Board authorizes the issuance of the Series 2007 Refunding Bonds to be designated as "Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007" (with such additional or other series, subseries or other designations, such as AMT and Non-AMT, as determined by the Finance Director, after consultation with Bond Counsel). Notwithstanding

anything in this Series 2007 Resolution to the contrary, the Series 2007 Refunding Bonds shall not be issued and delivered until the conditions specified in Section 211 of the Trust Agreement, as applicable, have been satisfied.

B. The aggregate principal amount of the Series 2007 Refunding Bonds shall not exceed \$600,000,000, with the exact principal amount of the Series 2007 Refunding Bonds to be determined by the Finance Director after consultation with the Director, the Financial Advisor and Bond Counsel.

C. The principal of, interest on and redemption premium, if any, with respect to the Series 2007 Refunding Bonds and all other payments required pursuant to the terms of the Trust Agreement will be payable solely from and secured by a first lien upon and a pledge of the Net Revenues to the extent and in the manner provided in the Trust Agreement, such Net Revenues to be obtained from sources authorized by law, and such payments will not constitute a general indebtedness of the County, the State or any political subdivision of the State within the meaning of any constitutional, statutory or charter provision or limitation, nor a lien upon any property of the County, the State or any political subdivision of the State, and the registered owner of any Series 2007 Refunding Bond issued under the provisions of the Trust Agreement shall not have the right to require or compel the exercise of the taxing power of the County, the State or any political subdivision of the State for the payment of the Series 2007 Refunding Bonds.

D. If the Series 2007 Refunding Bonds or any portion thereof are to be optionally redeemed pursuant to the terms authorized herein, the County may provide a conditional notice of redemption thereof in accordance with the terms set forth below, and the Finance Director is

hereby authorized, in her discretion, to add to the form of Series 2007 Refunding Bonds a provision reflecting this right:

Conditional Notice of Redemption. In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the County delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondholders. Any Series 2007 Refunding Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such funds available shall constitute an Event of Default. The Trustee shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Series 2007 Refunding Bonds called for redemption and not so paid remain Outstanding.

Section 5. Terms of Series 2007 Refunding Bonds; Authorization of Bond Purchase

Agreement.

A. The Finance Director is authorized, after consultation with the Director, the Financial Advisor and Bond Counsel, to approve the terms of the Series 2007 Refunding Bonds, such approval to be evidenced by the terms and provisions set forth in the Omnibus Certificate, including, without limitation, the portion (by series designation and maturity) of the Refunded Bonds to be refunded, the aggregate principal amount of the Series 2007 Refunding Bonds, which Series of Series 2007 Refunding Bonds shall be issued as AMT Bonds and/or Non-AMT Bonds, the number of Series of Series 2007 Refunding Bonds to be issued and the Series designations, the dated date of the Series 2007 Refunding Bonds, the first interest payment date, the interest rate or rates, the purchase price, the optional and mandatory redemption terms of the Series 2007

Refunding Bonds, whether the Series 2007 Refunding Bonds shall be serial bonds, term bonds, capital appreciation bonds, capital appreciation and income bonds, or any combination of bonds, the maturity dates of the Series 2007 Refunding Bonds, the maturity amounts as to serial bonds and amortization requirements as to term bonds, provided, however, that in no event shall: (i) the aggregate principal amount of the Series 2007 Refunding Bonds exceed \$600,000,000; (ii) the Series 2007 Refunding Bonds be sold to the Underwriters at a purchase price less than 98% of the original aggregate principal amount of the Series 2007 Refunding Bonds (excluding original issue discount and original issue premium) (the "Minimum Purchase Price"); (iii) the true interest cost rate (the "TIC") of the Series 2007 Refunding Bonds exceed 5.60% (the "Maximum TIC"); (iv) the net present value savings achieved by the refunding of the Refunded Bonds be less than 5% of the principal amount of the Refunded Bonds; or (v) the final maturity of the Series 2007 Refunding Bonds exceed 22 years from the dated date of the Series 2007 Refunding Bonds. The Series 2007 Refunding Bonds shall be subject to optional redemption on any date as and to the extent determined by the Finance Director in consultation with the Financial Advisor and provided in the Omnibus Certificate.

The Finance Director is authorized to execute and deliver to the Underwriters the Bond Purchase Agreement, its terms consistent with the terms of the Omnibus Certificate, with the execution and delivery of the Bond Purchase Agreement for and on behalf of the Board by the Finance Director being conclusive evidence of the Board's acceptance of the Underwriters' proposal to purchase the Series 2007 Refunding Bonds. The Bond Purchase Agreement is approved with such changes, insertions and omissions as the Finance Director shall deem necessary and approve in accordance with the terms of this Series 2007 Resolution, upon

consultation with the Director, the Financial Advisor, the County Attorney and Bond Counsel, and the execution and delivery of the Bond Purchase Agreement by the Finance Director shall be conclusive evidence of the Board's approval of any such changes, insertions or omissions.

B. The Series 2007 Refunding Bonds shall be executed in the form and manner provided in the Trust Agreement, and shall be delivered to the Trustee under the Trust Agreement for authentication and delivery to the purchasers of the Series 2007 Refunding Bonds in accordance with the provisions of Section 211 of the Trust Agreement, as applicable. The Series 2007 Refunding Bonds are authorized to be issued initially as fully registered bonds in book-entry form and registered in the name of DTC or its nominee, which will act as securities depository for the Series 2007 Refunding Bonds. The Finance Director is authorized and directed to take all actions and execute all documents as are incidental to such book-entry system. The provisions for selecting Series 2007 Refunding Bonds for redemption may be altered in order to conform to the requirements of DTC. In the event such book-entry system for the Series 2007 Refunding Bonds ceases to be in effect, the Series 2007 Refunding Bonds shall be issued in fully registered form without coupons, registered in the names of the owners of the Series 2007 Refunding Bonds, and shall be in denominations of \$5,000 or any integral multiple of \$5,000.

C. Interest payments with respect to the Series 2007 Refunding Bonds to be made other than on the maturity date or redemption date may be paid by check or draft mailed to the registered owner of Series 2007 Refunding Bonds at its address as it appears on the registration books of the Trustee on the Regular Record Date therefor; however, any Series 2007 Refunding Bondholder owning Series 2007 Refunding Bonds in the principal amount of \$1,000,000 or more may elect by written request to the Trustee delivered prior to the applicable record date with

respect to interest, or the date of presentation with respect to principal or redemption price, to have the interest, principal or redemption price paid by wire transfer to a bank within the continental United States for deposit to an account designated by such Series 2007 Refunding Bondholder, at the expense of such Series 2007 Refunding Bondholder.

Section 6. Application of Proceeds. Proceeds from the sale of the Series 2007 Refunding Bonds shall be applied as follows: (i) to the extent set forth in the Omnibus Certificate, a portion of the proceeds shall be deposited with the Trustee to the credit of the Reserve Account in the Sinking Fund or to purchase a Reserve Facility for such purpose; (ii) the portion of the proceeds of the Series 2007 Refunding Bonds and other legally available funds of the Department necessary to fund the refunding and redemption or payment at maturity of the Refunded Bonds shall be deposited with the Trustee pursuant to the provisions of the Escrow Deposit Agreement; and (iii) the balance of the proceeds of the Series 2007 Refunding Bonds shall be deposited with the Co-Trustee to pay certain costs of issuance of the Series 2007 Refunding Bonds, all as set forth in the Omnibus Certificate. Notwithstanding anything to the contrary, the proceeds of each Series of Series 2007 Refunding Bonds shall be deposited and applied solely for the purposes for which such Series is being issued.

Section 7. Approval of Credit Facility and Reserve Facility. If the Finance Director determines in her discretion, after consultation with the Director and the Financial Advisor, that there is an economic benefit for the County to obtain and pay for a Credit Facility, and/or Reserve Facility, after consultation with the Financial Advisor, the Finance Director is authorized to secure a Credit Facility and/or Reserve Facility with respect to the Series 2007 Refunding Bonds. The Finance Director is authorized and directed to execute and deliver such agreements, instruments or

certificates for and on behalf of the County as may be necessary to secure such Credit Facility and/or Reserve Facility with such terms, covenants, provisions and agreements, including, without limitation, the granting to a bond insurer of the power to exercise certain rights and privileges of the holders of the Series 2007 Refunding Bonds insured by such bond insurer under the Trust Agreement, as may be approved by the Finance Director upon advice of the Financial Advisor, the County Attorney and Bond Counsel. The execution and delivery of such agreements or instruments for and on behalf of the County shall be conclusive evidence of the Board's approval of such agreements or instruments.

Section 8. Approval of the Preliminary Official Statement and Final Official Statement. The Preliminary Official Statement in connection with the issuance of the Series 2007 Refunding Bonds substantially in the form of the Preliminary Official Statement attached as Exhibit "B" to this Series 2007 Resolution, and its distribution by the Finance Director, with such changes, modifications, insertions and omissions as may be determined by the Finance Director, with the approval of the County Attorney, Bond Counsel and Disclosure Counsel and after consultation with the Director and the Financial Advisor, is approved. The Finance Director is authorized to deem the Preliminary Official Statement "final" for the purposes of the Rule. The Finance Director is authorized and directed to deliver the final Official Statement (the "Official Statement") in connection with the offering and sale of the Series 2007 Refunding Bonds in the name and on behalf of the County. The final Official Statement shall be substantially in the form of the Preliminary Official Statement, with such changes, modifications, insertions and omissions as may be determined by the Finance Director, with the approval of the County Attorney, Bond Counsel and Disclosure Counsel and after consultation with the Director and the Financial

Advisor, with the delivery of the Official Statement by the Finance Director, on behalf of the County, being conclusive evidence of the Board's approval of any such changes, modifications, insertions and omissions and authorization of its use and distribution. The Finance Director and the Director, after consultation with Bond Counsel, Disclosure Counsel and the County Attorney, are authorized to make any necessary certifications to the Underwriters regarding a near final or deemed final Official Statement, if and to the extent required by the Rule. The use and distribution by the Underwriters of the Preliminary Official Statement and Official Statement in connection with the offering and sale of the Series 2007 Refunding Bonds is authorized.

Section 9. Covenants Concerning Compliance with Tax Laws. The County covenants for the benefit and security of the holders of the Series 2007 Refunding Bonds not to take any action that will cause any of the Series 2007 Refunding Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code and to comply with the applicable requirements of Sections 103, 141, 142, 147, 149 and 150 of the Code and any other requirements that, in the opinion of Bond Counsel, are necessary for interest on the Series 2007 Refunding Bonds to be and to remain excludable from gross income for federal income tax purposes (other than interest on any Series 2007 Refunding Bonds issued as AMT Bonds and held by a person who is deemed a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) or to prevent the interest on any Series 2007 Refunding Bonds issued as Non-AMT Bonds from becoming an item of tax preference for purposes of the federal alternative minimum tax throughout the term of the Series 2007 Refunding Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the County covenants and agrees:

(1) to pay to the United States of America from legally available funds of the Aviation Department, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Series 2007 Refunding Bonds, plus any income attributable to such excess (the "Rebate Amount"); and

(2) to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code and to maintain and retain all records pertaining to the Rebate Amount and required payments of the Rebate Amount for at least six years after the final payment of the Series 2007 Refunding Bonds or such other period as shall be necessary to comply with the Code.

Notwithstanding anything in this Series 2007 Resolution to the contrary, the requirement of the County set forth in paragraph (1) above shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to the Series 2007 Refunding Bonds or any portion of the Series 2007 Refunding Bonds.

In furtherance of the foregoing covenant, the County agrees that it will comply with the provisions of a tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of the Series 2007 Refunding Bonds. The Finance Director and the Director are authorized to execute and deliver such tax compliance certificate for and on behalf of the County.

Section 10. Continuing Disclosure Commitment.

A. The County agrees, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of the Rule, to provide or cause to be provided for the benefit of the beneficial owners of the Series 2007 Refunding Bonds (the "Beneficial Owners") to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository ("SID"), if any, designated by the State of Florida, the following annual financial information and operating data (the "Annual Information"), commencing with the Fiscal Year ended September 30, 2007:

(1) Revenues and Net Revenues of the Aviation Department and operating information for the prior Fiscal Year of the type and in a form which is generally consistent with the presentation of such information in the Official Statement for the Series 2007 Refunding Bonds, and such additional operating information as may be determined by the Aviation Department; and

(2) The audited general purpose financial statements of the Aviation Department utilizing generally accepted accounting principles applicable to local governments.

The information in paragraphs (1) and (2) above will be available on or before June 1 of each year for the preceding Fiscal Year, commencing June 1, 2008, and will be made available, in addition to each NRMSIR and SID, to the Trustee and to each Beneficial Owner of the Series 2007 Refunding Bonds who requests such information. Any assertion of legal or beneficial ownership must be filed, with full documentary support, as part of the written request described in this Section. The audited financial statements of the Aviation Department referred to in paragraph (2) above are expected to be available separately from the information in paragraph (1) above and will

be provided by the County as soon as practical after acceptance of such statements from the auditors by the Aviation Department; if not available within eight (8) months after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

B. The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and (ii) the SID, notice of the occurrence of any of the following events with respect to the Series 2007 Refunding 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 Series

2007 Refunding Bonds;

- (7) modifications to rights of Beneficial Owners or holders of the Series 2007

Refunding Bonds;

- (8) Bond calls;
- (9) defeasances;

(10) release, substitution or sale of any property securing repayment of the Series 2007 Refunding Bonds (the Series 2007 Refunding Bonds are secured solely by the Net Revenues); and

(11) rating changes.

C. The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) the SID, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

D. The obligations of the County under this Section shall remain in effect only so long as the Series 2007 Refunding Bonds are Outstanding. The County reserves the right to terminate its obligations to provide the Annual Information and notices of material events, as set forth above, if and when the County no longer remains an "obligated person" with respect to the Series 2007 Refunding Bonds within the meaning of the Rule.

E. The County agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the Beneficial Owners of the Series 2007 Refunding Bonds and shall be enforceable by the Trustee on behalf of such Beneficial Owners, in the manner provided in Section 808 of the Trust Agreement, if the County fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner's right to obtain specific performance of the County's obligations under this Section in a federal or state court and any failure by the County to comply with the provisions of this undertaking shall not be a default with respect to the Series 2007 Refunding Bonds under Section 802 of the Trust Agreement.

F. Notwithstanding the foregoing, each NRMSIR to which information shall be provided shall include each NRMSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2007 Refunding Bonds. In the event that the Securities and Exchange Commission approves any additional NRMSIRs after the date of issuance of the Series 2007 Refunding Bonds, the County shall, if the County is notified of such additional NRMSIRs, provide such information to the additional NRMSIRs. Failure to provide information to any new NRMSIR whose status as a NRMSIR is unknown to the County shall not constitute breach of this covenant.

G. The requirements of subsection (A) above do not necessitate the preparation of any separate annual report addressing only the Series 2007 Refunding Bonds. The requirements of subsection (A) may be met by the filing of a general annual information statement or audited general purpose financial statements of the Aviation Department or the County's Comprehensive Annual Financial Report, provided such report includes all of the required annual information and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the County may incorporate any information in any prior filing with each NRMSIR and the SID or included in any official statement of the County, provided such official statement is filed with the MSRB.

H. The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

The County agreements as to secondary disclosure (the "Covenants") may only be amended if:

(1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Aviation Department or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2007 Refunding Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the Beneficial Owners, as determined by Bond Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or

(2) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the adoption of this Series 2007 Resolution, ceases to be in effect for any reason, and the County elects that the Covenants shall be deemed amended accordingly.

The Board further authorizes and directs the Finance Director to cause all other agreements to be made or action to be taken as required in connection with meeting the County's obligations as to the Covenants. The Finance Director shall further be authorized to make such additions, deletions and modifications to the Covenants as she shall deem necessary or desirable in consultation with the County Attorney, Disclosure Counsel and Bond Counsel. The delivery of the final Official Statement containing any such additions, deletions and modifications for and on behalf of the County by the Finance Director shall be conclusive evidence of the Board's approval of any such additions, deletions and modifications.

I. Any change in Obligated Persons (as defined below) shall be reported by the County in connection with its Annual Information. If any person, other than the County, becomes

an Obligated Person relating to the Series 2007 Refunding Bonds, the County shall use its reasonable best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person; provided, however, that the County takes, and shall take, no responsibility for the accuracy or completeness of any financial information or operating data or other materials submitted by any future Obligated Person.

For purposes of this subsection (I), "Obligated Person" means, with respect to the Series 2007 Refunding Bonds, the County and any airline or other entity that (1) would constitute an "obligated person" under the Rule with respect to the Series 2007 Refunding Bonds, and (2) is an obligated person (a) with respect to which, financial information was included in the Official Statement for the Series 2007 Refunding Bonds, or (b) otherwise reasonably determined by the County to be an "obligated person" with respect to the Series 2007 Refunding Bonds. The County has determined that currently it is the sole Obligated Person with respect to the Series 2007 Refunding Bonds.

J. Notwithstanding the foregoing, the County shall be in compliance with the filing requirements of this Series 2007 Resolution if the required information is provided to the "Central Post Office" or any other entity serving a similar purpose which complies with the requirements of the Rule or which from time to time has been approved by the Securities and Exchange Commission ("SEC") to serve the same function as the "Central Post Office," who shall then be responsible for forwarding the filing information to any NRMSIR or SID. The Central Post Office is the internet-based electronic filing system operated by the Texas Municipal Advisory Council under the name of "Disclosure USA" at the following internet address: www.disclosureusa.org. Information provided to the Central Post Office or any alternate internet-based filing system which

has been so approved by the SEC shall not have to also be separately filed with any NRMSIR or SID unless the SEC has withdrawn the interpretative advice in its letter to the Texas Municipal Advisory Council dated September 7, 2004 or other similar letter or authorization provided by the SEC.

Section 11. Refunding and Redemption of Refunded Bonds; Escrow Deposit Agreement; Verification Agent.

A. The Board approves the refunding of the Refunded Bonds and authorizes the Finance Director to determine the date(s) of redemption of the Refunded Bonds to be redeemed in consultation with the Financial Advisor and Bond Counsel. Notwithstanding anything to the contrary contained in this Series 2007 Resolution, the Finance Director, after consultation with the Director, the Financial Advisor, Bond Counsel and the County Attorney, is authorized to determine to refund and redeem, or pay at maturity, only a portion of the Refunded Bonds.

B. The Finance Director is authorized to execute and deliver the Escrow Deposit Agreement in connection with the refunding and redemption or payment at maturity of the Refunded Bonds. The Escrow Deposit Agreement shall be in substantially the form of the Escrow Deposit Agreement on file at the Clerk's Office as Exhibit "C" to this Series 2007 Resolution with such changes, insertions and omissions as the Finance Director, after consultation with the Financial Advisor, the County Attorney and Bond Counsel, shall deem necessary or desirable, and the execution and delivery of the Escrow Deposit Agreement by the Finance Director on behalf of the County shall be conclusive evidence of the Board's approval of any such changes, insertions or omissions. The Trustee is hereby designated as Escrow Agent under the Escrow Deposit Agreement.

C. The Finance Director, after utilizing a competitive process and consultation with the Financial Advisor, is further authorized to appoint a verification agent to render reports on the sufficiency of funds and investments held under the Escrow Deposit Agreement necessary to accomplish the refunding and redemption or payment at maturity of the Refunded Bonds contemplated in this Series 2007 Resolution.

Section 12. Authorizations.

A. The Mayor and the Clerk are authorized and directed, individually or in combination, to execute the Series 2007 Refunding Bonds manually or by their respective facsimile signatures as provided in the Trust Agreement, and such officers are authorized to cause the delivery of the Series 2007 Refunding Bonds in the amounts authorized to be issued, to the Trustee for authentication and delivery to or upon the order of the Underwriters pursuant to the Bond Purchase Agreement, upon compliance by the Underwriters with the terms of the Bond Purchase Agreement and satisfaction of the conditions precedent to the delivery of the Series 2007 Refunding Bonds provided in the Trust Agreement.

B. The Trustee is authorized and directed, upon receipt of instructions from the Finance Director, to execute the Trustee's Certificate of Authentication on each of the Series 2007 Refunding Bonds and to deliver such bonds to or upon the order of the Underwriters named in the Bond Purchase Agreement, upon payment of the purchase price for the Series 2007 Refunding Bonds and upon compliance with the other requirements for delivery of bonds set forth in the Trust Agreement and pertaining to the Series 2007 Refunding Bonds.

C. The Finance Director is authorized to approve the investment of proceeds of the Series 2007 Refunding Bonds held under the provisions of the Trust Agreement and the Escrow

Deposit Agreement and to instruct the Trustee and the Co-Trustee from time to time concerning those investments, all in accordance with the Trust Agreement and the Escrow Deposit Agreement.

Section 13. Further Action. The Mayor, the Clerk, the County Manager, the Finance Director, the County Attorney, the Director and the County's other officials and officers, as well as its attorneys, consultants and engineers, are authorized and directed to do all acts and things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance of the Series 2007 Refunding Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Series 2007 Resolution, the Series 2007 Refunding Bonds and the related documents. In the event that the Mayor, the Clerk, the County Manager, the Finance Director, the County Attorney, the Director or other officer or official of the County is unable to execute and deliver the documents contemplated by this Series 2007 Resolution, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the County.

Section 14. Severability of Invalid Provisions. In case any one or more of the provisions of this Series 2007 Resolution or any approved document shall for any reason be held to be illegal or invalid, then such provision shall be null and void; provided, however, that any such illegality or invalidity shall not affect any other provisions of this Series 2007 Resolution or such document, as the case may be, and such other provisions shall be construed and enforced as if such illegal or invalid provisions had not been contained. All or any part of resolutions or proceedings in conflict with the provisions of this Series 2007 Resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency.

Section 15. Governing Law. The Series 2007 Refunding Bonds are to be issued and this Series 2007 Resolution is adopted with the intent that the laws of the State of Florida shall govern their construction.

Section 16. No Recourse Against County's Officers. No covenant, agreement or obligation contained in this Series 2007 Resolution shall be deemed to be a covenant, agreement or obligation of any present or future official, officer, employee or agent of the County in the individual capacity of such person, and no official, officer or employee of the County executing the Series 2007 Refunding Bonds shall be liable personally on the Series 2007 Refunding Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2007 Refunding Bonds. No official, officer, employee, agent or advisor of the County shall incur any personal liability with respect to any other action taken by such person pursuant to this Series 2007 Resolution, provided the official, officer, employee, agent or advisor acts in good faith, but this Section shall not relieve any official, officer, employee, agent (other than the County) or advisor of the County from the performance of any official duty provided by law or this Series 2007 Resolution.

Section 17. Waivers. The provisions of Resolution R-130-06, as amended from time to time, requiring that any contracts of the County with third parties be executed and finalized prior to their placement on the committee agenda are hereby waived at the request of the County Manager for the reasons set forth in the County Manager's Memorandum.

The foregoing resolution was offered by Commissioner Katy Sorenson, who moved its adoption. The motion was seconded by Commissioner Rebeca Sosa and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	aye		
Barbara J. Jordan, Vice-Chairwoman	absent		
Jose "Pepe" Diaz	absent	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Joe A. Martinez	aye	Dennis C. Moss	aye
Dorrin D. Rolle	aye	Natacha Seijas	absent
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	aye		

The Chairman thereupon declared the resolution duly passed and adopted this 2nd day of October, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan

By: **KAY SULLIVAN**
Deputy Clerk

Prepared by Bond Counsel:
Holland & Knight LLP
Law Offices of Steve E. Bullock, P.A.

EXHIBIT "A"

BOND PURCHASE AGREEMENT

(on file with the Clerk's Office)

Memorandum



Date: October 2, 2007

Agenda Item No. 8(E)(1)(A)

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of the County Manager.

Subject: Resolution Authorizing Issuance of Aviation Revenue Refunding Bonds

Recommendation

It is recommended that the Board adopt the accompanying Resolution (Series 2007 Resolution) which authorizes the issuance of not to exceed \$600,000,000 of Aviation Revenue Refunding Bonds, Series 2007 (Series 2007 Refunding Bonds), in one or more series, pursuant to the Amended and Restated Trust Agreement dated as of December 15, 2002, for the primary purpose of refunding certain outstanding Aviation Revenue Bonds (Refunded Bonds) in order to achieve an economic savings.

Scope

This proposed agenda item will have a countywide impact.

Fiscal Impact/Funding Source

The principal and interest on the Series 2007 Refunding Bonds shall be payable from the Aviation Revenues. Based on current market conditions, the savings resulting from the refunding is estimated to generate approximately net present value savings in excess of \$23.1 million (approximately \$1.7 million annually) or about 6.5% in annual debt service savings. Actual results will depend on market conditions at the time of the negotiated sale.

Background

At the Manager's Finance Committee (MFC) meeting of July 18, 2007, First Southwest Company and Frasca & Associates, L.L.C. as the financial advisors to the Aviation Department, recommended a refunding of all or portion of the Refunded Bonds for interest cost savings. The MFC recommended for the refunding to be pursued and brought to the Board for approval.

The Refunded Bonds were originally issued by the County to fund the cost of capital improvements at MIA. Due to favorable market conditions, a number of outstanding Refunded Bonds are good candidates to be refunded from the proceeds of the Series 2007 Refunding Bonds which will lower the Aviation Department's overall debt service costs. The Aviation Revenue Bonds currently meeting the minimum interest cost saving threshold of 5% are the bonds in the following series:

Aviation Revenue Bonds	Current Balance Outstanding
Series 1996A (AMT)	\$ 267,415,000
Series 1996B (Non-AMT)	27,585,000
Refunding Series 1996C (Non-AMT)	17,090,000
Refunding Series 1997A (AMT)	29,150,000
Refunding Series 1997B (Non-AMT)	107,180,000
Series 1997C (Non-AMT)	63,170,000
Series 2000B (Non-AMT)	61,890,000
Total	\$ 573,480,000
(Note: AMT denotes Alternative Minimum Tax)	

The number of Refunded Bonds selected, which will determine the final issue size of the Series 2007 Refunding Bonds will depend on the market at the time of the negotiated sale of the Series 2007 Refunding Bonds. The actual pricing or sale of the Series 2007 Refunding Bonds will be set when the market appears to be the most advantageous to the County. Because there is a need to be flexible with respect to the sale, it is essential to delegate the authority to the Finance Director to determine when to enter the marketplace after discussions with the County's Financial Advisors, the Aviation Director and Morgan Stanley & Co. Incorporated, as the Senior Manager for the underwriters. The Finance Director will only consider the refunding if market conditions will result in an interest cost savings of 5% or more. As previously stated, present value savings is currently estimated to be 6.5%.

In addition to the refunding of the Refunded Bonds, the Series 2007 Refunding Bonds will be issued for the purposes of: (i) funding a deposit onto the Reserve Account, if necessary; and (ii) paying certain costs of issuance of the Series 2007 Refunding Bonds, including premiums for the insurance and a reserve account credit facility, if advisable.

Pursuant to Section 210 of the Trust Agreement, the County is authorized to issue refunding bonds on parity with all outstanding bonds and secured by a pledge of the Aviation Revenues.

The Series 2007 Resolution approves, authorizes and provides for:

- The negotiated sale of the Series 2007 Refunding Bonds;
- The use of a book-entry only system of registration for the Series 2007 Refunding Bonds;
- Continuing Disclosure Commitment, as required under the provisions of Rule 15c2-12, as amended, of the Securities and Exchange Commission;
- The form of the Bond Purchase Agreement (Bond Purchase Agreement) and the Escrow Deposit Agreement (Escrow Deposit Agreement), in substantially the forms on file with the Clerk's Office as Exhibit "A" and Exhibit "C", respectively;
- The appropriate officials of the County to take all actions necessary in connection with the issuance of the Series 2007 Refunding Bonds and the closing of this transaction; and
- A waiver of Resolution No. R-130-06.

The Series 2007 Resolution further delegates to the Finance Director, within certain limitations, the authority to:

- Issue the Series 2007 Refunding Bonds as tax exempt fixed rate or variable rate serial bonds, or term bonds or a combination of them with maturity dates not to exceed 22 years, in one or more series, and to determine the designation of each series, if applicable;
- Determine amounts, dates, maturities, sinking fund installments, redemption provisions, series amounts and certain other details relating to such Series 2007 Refunding Bonds, after consultation with the County's Financial Advisors;
- Negotiate and obtain bond insurance and a reserve account credit facility, after a competitive process, if either are deemed appropriate and financially advisable, after consultation with the Financial Advisors, County Attorneys' Office and Bond Counsel and execute and deliver any agreements that may be required by the bond insurer providing such bond insurance;
- Award the Series 2007 Refunding Bonds to the Senior Manager acting on behalf of the Underwriters named in the Bond Purchase Agreement, provided that the true interest cost on the Series 2007 Refunding Bonds do not exceed 5.50% and the net present value savings of the Refunded Bonds be no less than 5% of the principal amount of the Refunded Bonds, as determined by the Finance Director after consultation with the Financial Advisors;
- Select and appoint a Verification Agent for the Series 2007 Refunding Bonds after a competitive process;
- Execute and deliver the Bond Purchase Agreement and the Escrow Agreement; and
- Prepare, distribute and permit the use of the Preliminary Official Statement substantially in the form attached as Exhibit "B" to this Series 2007 Resolution and allow the distribution of the final Official Statement.

Resolution R-130-06 provides that any County contract with a third party be finalized and executed prior to its placement on the committee agenda. The sale of the Series 2007 Refunding Bonds, which will set their final terms which are reflected in the Bond Purchase Agreement and the Escrow Agreement, will occur until after the effective date of this Series 2007 Resolution in order to provide the County the maximum flexibility in the market place as described above. Therefore, a waiver of Resolution R-130-06 is necessary.

The Series 2007 Refunding Bonds are expected to be issued in late November 2007.



Assistant County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: October 2, 2007

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(E)(1)(A)

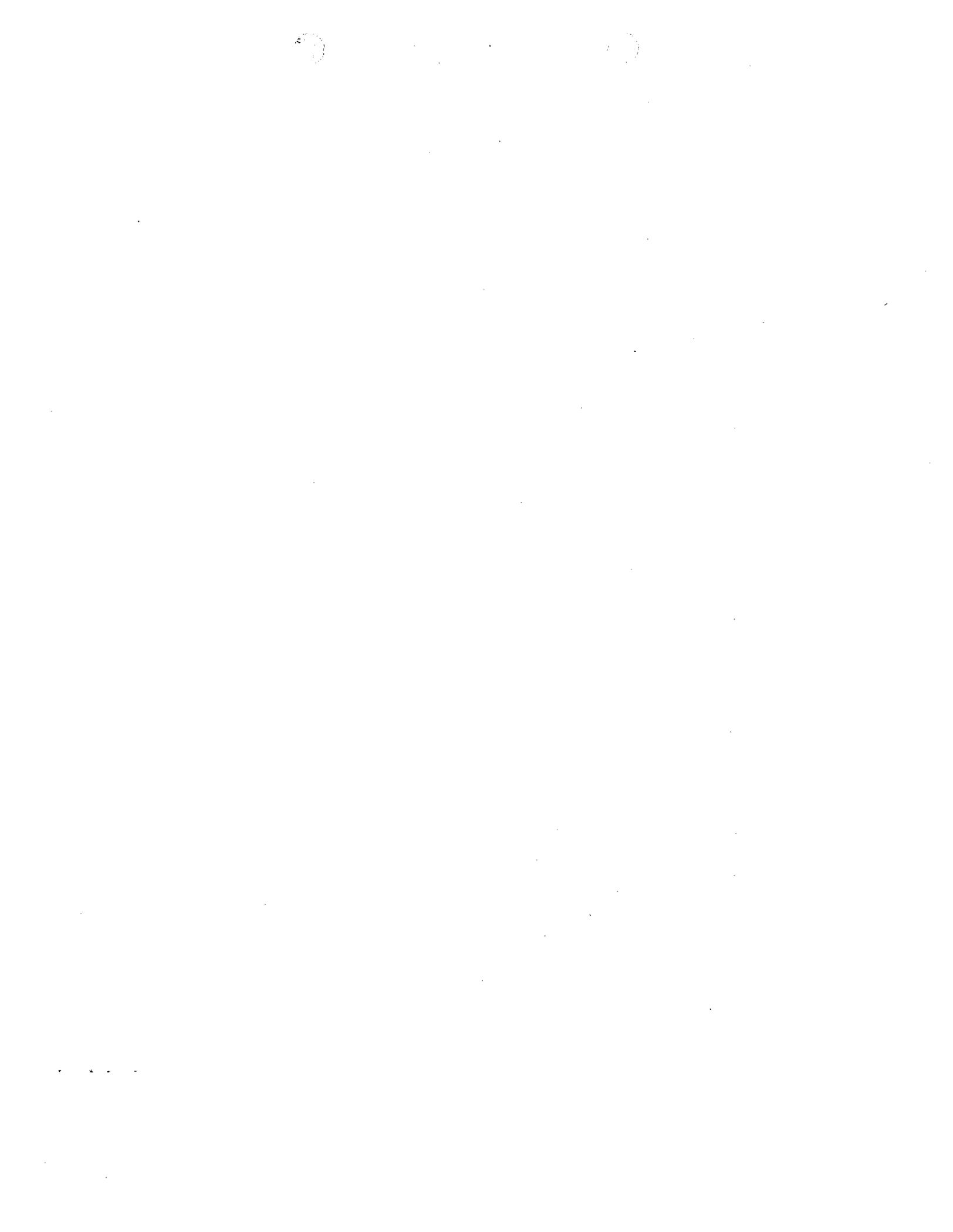
Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

8E1A
10-2-07
R-1074-07

Exhibit "A"

BOND PURCHASE AGREEMENT



MIAMI-DADE COUNTY, FLORIDA

\$ _____ AVIATION REVENUE REFUNDING BONDS, SERIES 2007C (AMT)
\$ _____ AVIATION REVENUE REFUNDING BONDS, SERIES 2007D (NON-AMT)

BOND PURCHASE AGREEMENT

_____, 2007

Board of County Commissioners of
Miami-Dade County, Florida
111 Northwest First Street
Miami, Florida 33128-1995

Ladies and Gentlemen:

Morgan Stanley & Co. Incorporated (the "Senior Manager"), acting on behalf of itself and _____ (the "Co-Senior Managers") and _____ (the "Co-Managers", collectively with the Senior Manager and the Co-Senior Managers, the "Underwriters") offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with Miami-Dade County, Florida (the "County"), which, upon acceptance of this offer by the County, will be binding upon the County and the Underwriters. This offer is made subject to acceptance by the County by execution of this Bond Purchase Agreement and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice by the Senior Manager to the County at any time prior to its acceptance by the County.

The Senior Manager represents that it is authorized on behalf of itself and the other Underwriters to enter into this Bond Purchase Agreement and to take any other actions that may be required on behalf of the other Underwriters.

All capitalized terms not otherwise defined in this Bond Purchase Agreement shall have the same meanings as set forth in the Trust Agreement, the Series 2007 Resolution or the Official Statement, as each are defined in this Bond Purchase Agreement.

1. Purchase and Sale of Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth in this Bond Purchase Agreement, the Underwriters, jointly and severally, agree to purchase from the County, and the County agrees to sell to the Underwriters on the Closing Date (as defined in this Bond Purchase Agreement), all but not less than all of (i) the \$ _____ aggregate principal amount of Miami-Dade County, Florida, Aviation Revenue Refunding Bonds, Series 2007C (AMT) (the "Series 2007C Bonds"), at the purchase price of \$ _____ (representing the principal amount of the Series 2007C Bonds of \$ _____ [plus/less] net original issue [premium/discount] of \$ _____, and less Underwriters' discount of \$ _____); and (ii) the \$ _____ aggregate principal

amount of Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007D (NON-AMT) (the "Series 2007D Bonds" and, collectively with the Series 2007C Bonds, the "Series 2007 Refunding Bonds"), at the purchase price of \$ _____ (representing the principal amount of the Series 2007D Bonds of \$ _____ [plus/less] net original issue [premium/discount] of \$ _____, and less Underwriters' discount of \$ _____). The Series 2007 Refunding Bonds shall be dated the date of delivery, bear interest at the rates, be sold to the public at prices reflecting the yields, mature on the dates and shall be subject to redemption all as set forth on attached Schedule I to this Bond Purchase Agreement. The Series 2007 Refunding Bonds shall be more fully described in the Preliminary Official Statement, dated _____, 2007, relating to the Series 2007 Refunding Bonds (the "Preliminary Official Statement"). Such Preliminary Official Statement as amended to delete preliminary language and reflect the final terms of the Series 2007 Refunding Bonds, and as amended and supplemented prior to the Closing with such changes as shall be approved by the Finance Director and the Underwriters, is herein referred to as the "Official Statement."

The Underwriters agree to make a bona fide public offering of the Series 2007 Refunding Bonds, solely pursuant to the Official Statement, at the initial offering prices set forth in the Official Statement, reserving, however, the right to change such initial offering prices after the initial public offering as the Senior Manager shall deem necessary in connection with the marketing of the Series 2007 Refunding Bonds and to offer and sell the Series 2007 Refunding Bonds to certain dealers (including dealers depositing the Series 2007 Refunding Bonds into investment trusts) at concessions to be determined by the Senior Manager. The Underwriters also reserve the right to over allot or effect transactions that stabilize or maintain the market prices of the Series 2007 Refunding Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time.

(b) The Series 2007 Refunding Bonds shall be issued pursuant to Resolution No. R-____-07 adopted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on [October 2, 2007] (the "Series 2007 Resolution"), and the Trust Agreement (as hereinafter defined). Pursuant to the provisions of Chapter 22963, Laws of Florida, 1945, as amended, which was substantially reenacted and superseded by Chapter 71-249, General Laws of Florida, and pursuant to all General Laws of Florida, the County entered into a Trust Agreement dated as of October 1, 1954 with The Bank of New York, successor in interest to JPMorgan Chase Bank, N.A., New York, New York, as successor Trustee (the "Trustee"), and U.S. Bank National Association (successor in interest to Wachovia Bank, N.A.), Miami, Florida, as successor Co-Trustee (the "Co-Trustee") as previously amended and supplemented (the "Original Trust Agreement") and as amended and restated by that Amended and Restated Trust Agreement dated as of December 15, 2002 by and among the County, the Trustee and Co-Trustee (the Original Trust Agreement, as amended and restated, being called the "Trust Agreement"), securing its aviation revenue bonds issued under the Trust Agreement. The Series 2007 Refunding Bonds shall be substantially in the form described in the Series 2007 Resolution, and in addition to the Trust Agreement, shall be issued in compliance with Article VIII, Section 1 of the Constitution of the State of Florida, and (i) Chapters 125 and 166, Florida Statutes, as amended, (ii) the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended (the "Charter"), (iii) the Code of Miami-Dade County, Florida, as amended (the "County Code") and (iv) other applicable provisions of law (collectively, the "Act"). The Underwriters, through the Senior Manager, have delivered to the County a disclosure letter

containing the information required by Section 218.385, Florida Statutes, which letter is attached as Schedule II.

(c) (i) The Series 2007C Bonds are being issued for the purpose of (1) paying or refunding all or a portion of the County's (a) Aviation Revenue [Refunding] Bonds, Series _____ (AMT), dated as of _____, _____, currently outstanding in the aggregate principal amount of \$ _____ and maturing on October 1 in the years _____ through _____, inclusive (the "Series _____ Bonds"), and (b) Aviation Revenue [Refunding] Bonds, Series _____ (AMT), dated as of _____, _____, currently outstanding in the aggregate principal amount of \$ _____ and maturing on October 1 in the years _____ through _____ (the "Series _____ Bonds"), and (2) paying certain costs of issuance related to the Series 2007C Bonds, including an allocable portion of the premiums for financial guaranty insurance policies [and the Reserve Facilities].

(ii) The Series 2007D Bonds are being issued for the purpose of (1) paying or refunding all or a portion of the County's (a) Aviation Revenue [Refunding] Bonds, Series _____ (NON-AMT), dated as of _____, _____, currently outstanding in the aggregate principal amount of \$ _____ and maturing on October 1 in the years _____ through _____, inclusive (the "Series _____ Bonds"), and (b) Aviation Revenue [Refunding] Bonds, Series _____ (NON-AMT), dated as of _____, _____, currently outstanding in the aggregate principal amount of \$ _____ and maturing on October 1 in the years _____ through _____ (the "Series _____ Bonds" and, together with the Series _____ Bonds, the Series _____ Bonds and the Series _____ Bonds, the "Refunded Bonds"), and (2) paying certain costs of issuance related to the Series 2007D Bonds, including an allocable portion of the premiums for financial guaranty insurance policies [and the Reserve Facilities].

(d) The County authorizes the Underwriters to use and distribute copies of the Official Statement and copies of the Series 2007 Resolution in connection with the public offering and sale of the Series 2007 Refunding Bonds.

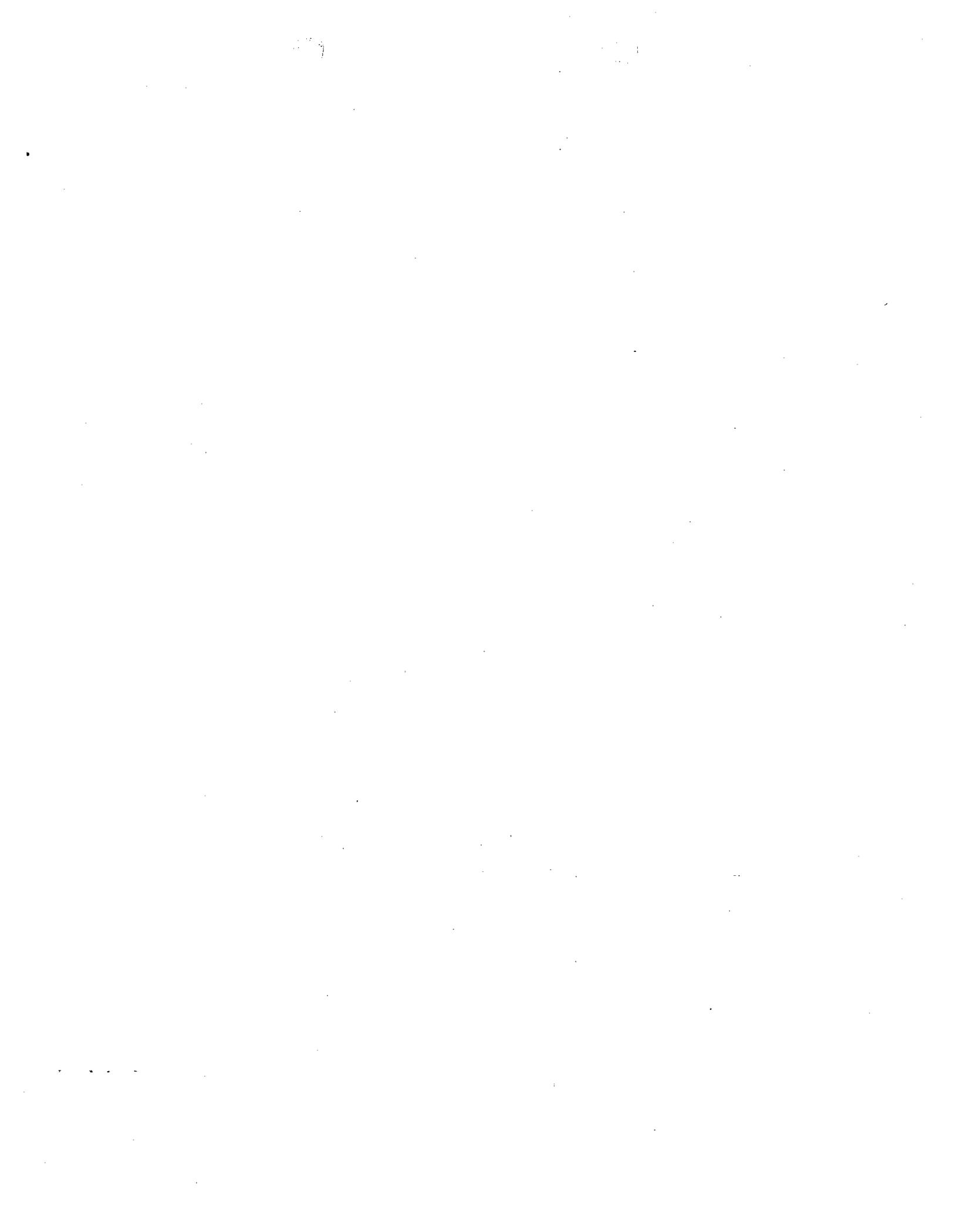
(e) The County consents to and ratifies the use by the Underwriters of the Preliminary Official Statement for the purposes of marketing the Series 2007 Refunding Bonds in connection with the original public offer, sale and distribution of the Series 2007 Refunding Bonds by the Underwriters. As of its date, the Preliminary Official Statement was "deemed final" (except for permitted omissions) by the County for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

(f) The County shall deliver, or cause to be delivered, to the Underwriters copies of the final Official Statement (dated the date of this Bond Purchase Agreement) relating to the Series 2007 Refunding Bonds, and shall cause copies of the Official Statement, in sufficient quantity for the Underwriters to comply with Rule G-32 of the Municipal Securities Rulemaking Board ("Rule G-32") and the Rule to be available to the Underwriters within seven (7) business days of the execution of this Bond Purchase Agreement (but in no event later than the Closing Date) and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriters. Delivery of such copies of the Official Statement as provided above shall constitute the County's representation that such Official Statement is complete as of the date of its delivery. The County agrees to deliver to the Underwriters such

reasonable quantities of the Preliminary Official Statement and Official Statement and such reasonable quantities of the Series 2007 Resolution as the Underwriters may request for use in connection with the offering and sale of the Series 2007 Refunding Bonds. On or before the Closing Date, the Senior Manager shall file, or cause to be filed, the Official Statement with all nationally recognized municipal securities information repositories and the Municipal Securities Rulemaking Board. The County shall have no responsibility for determining whether the number of Official Statements shall be sufficient to satisfy Rule G-32.

2. Events Requiring Disclosure. If, after the date of this Bond Purchase Agreement and during the Disclosure Period (as defined in Section 5(x) below), any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall notify the Underwriters thereof, and, if in the opinion of Disclosure Counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its own expense forthwith prepare and furnish to the Underwriters a sufficient number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriters) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading.

3. Good Faith Deposit. In connection with the execution of this Bond Purchase Agreement, the Senior Manager, on behalf of the Underwriters, has delivered to the County a wire transfer credited to the order of the County in immediately available federal funds in the aggregate amount equal to two percent of the par value of the Series 2007 Refunding Bonds (\$ _____) (the "Good Faith Deposit"), which is being delivered to the County on account of the purchase price of the Series 2007 Refunding Bonds and as security for the performance by the Underwriters of their obligation to accept and to pay for the Series 2007 Refunding Bonds. If the County does not accept this offer, the Good Faith Deposit shall be immediately returned to the Senior Manager by wire transfer credited to the order of the Senior Manager in the amount of the Good Faith Deposit, plus the cost of federal funds to the Senior Manager for the Good Faith Deposit as calculated below. In the event the Closing takes place, the amount of the Good Faith Deposit shall be credited against the purchase price of the Series 2007 Refunding Bonds pursuant to Section 4. In the event of the County's failure to deliver the Series 2007 Refunding Bonds at the Closing, or if the County shall be unable at or prior to the Closing to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement (unless such conditions are waived by the Senior Manager), or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, the County shall immediately wire to the Senior Manager in federal funds the Good Faith Deposit plus an amount equal to the federal funds rate on the Good Faith Deposit from the date of this Bond Purchase Agreement to the date of such wire, and such wire shall constitute a full release and discharge of all claims by the Underwriters against the County arising out of the transactions contemplated by this Bond Purchase Agreement. In the event that the Underwriters fail other than for a reason permitted under this Bond Purchase Agreement to accept and pay for the Series 2007 Refunding Bonds upon their tender by the County at the Closing, the amount of the Good Faith Deposit shall be retained by the County and such retention shall represent full liquidated damages and not



as a penalty, for such failure and for any and all defaults on the part of the Underwriters and the retention of such funds shall constitute a full release and discharge of all claims, rights and damages for such failure and for any and all such defaults. It is understood by both the County and the Underwriters that actual damages in the circumstances as described in the preceding sentence may be difficult or impossible to compute; therefore, the funds represented by the Good Faith Deposit are a reasonable estimate of the liquidated damages in this type of situation.

4. Closing. The Closing will occur before 1:00 p.m., Eastern Time, on _____, 2007 or at such other time or on such earlier or later date as shall have been mutually agreed upon by the County and the Senior Manager. Prior to the Closing, the County shall deliver the Series 2007 Refunding Bonds in definitive form to the Underwriters, through the facilities of The Depository Trust Company ("DTC") utilizing the DTC Fast system of registration, bearing CUSIP numbers and duly executed and authenticated. The County has provided DTC with its blanket issuer letter of representations. The Senior Manager, on behalf of the Underwriters, will accept such delivery and pay the purchase price of the Series 2007 Refunding Bonds less the amount of the Good Faith Deposit and/or, at the written direction of the County, to the Trustee, by delivering to the County a wire transfer credited to the order of the County in immediately available federal funds; provided, however, that the portion of the purchase price representing the premium for the financial guaranty insurance policies [and the Reserve Facilities] will be paid by the Senior Manager, on behalf of the County, directly to _____ ("____") and _____ ("____" and together with _____, the "Bond Insurers") in immediately available funds. Payment for and delivery of the Series 2007 Refunding Bonds shall be made at such place as the County may designate in writing pursuant to the Series 2007 Resolution and the Trust Agreement. Such payment and delivery is called the "Closing" and the date of the Closing is called the "Closing Date."

5. Representations, Warranties, and Covenants of the County. The County, by its acceptance of this Bond Purchase Agreement, represents, warrants and covenants to each of the Underwriters as of the date of this Bond Purchase Agreement that:

(a) The County is, and will be on the Closing Date, a political subdivision of the State of Florida (the "State") duly created and validly existing under the Constitution and laws of the State;

(b) The Board has full legal right, power and authority to: (i) adopt the Series 2007 Resolution; (ii) execute and deliver this Bond Purchase Agreement, the Trust Agreement, the Escrow Deposit Agreement and the AUA and deliver the Official Statement; (iii) issue, sell, execute and deliver the Series 2007 Refunding Bonds to the Underwriters, as provided in this Bond Purchase Agreement; (iv) secure the Series 2007 Refunding Bonds in the manner contemplated by the Trust Agreement and the Series 2007 Resolution; (v) refund and redeem the Refunded Bonds; and (vi) carry out and consummate all other transactions contemplated by the preceding documents and instruments; provided, however, that no representation is made by the County concerning compliance with the federal securities laws or the securities or Blue Sky laws or the legality of the Series 2007 Refunding Bonds for investment under the laws of the various states;

(c) The Board has duly adopted the Series 2007 Resolution and has duly authorized or ratified: (i) the execution, delivery and performance of this Bond Purchase Agreement, the Trust Agreement, the Escrow Deposit Agreement, the AUA, and the issuance, sale, execution and delivery of the Series 2007 Refunding Bonds; (ii) the delivery and distribution of the Preliminary Official Statement and the use, distribution and delivery of the Official Statement; and (iii) the taking of any and all such action as may be required on the part of the County to carry out, give effect to and consummate the transactions contemplated by the preceding documents and instruments; provided, however, that no representation is made by the County concerning compliance with the federal securities laws or securities or Blue Sky laws or the legality of the Series 2007 Refunding Bonds for investment under the laws of the various states;

(d) This Bond Purchase Agreement and the Escrow Deposit Agreement, when executed and delivered by the parties, will, and the Series 2007 Resolution, the Trust Agreement and the AUA do, constitute the legal, valid and binding obligations of the County enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally or subject to the exercise of the State's police power and to judicial discretion in appropriate cases, and the Trust Agreement and the AUA to be delivered (or the form thereof provided) at Closing to the Underwriters will be true and correct copies of the originals, are currently in full force and effect and have not been further amended or supplemented;

(e) The County has complied, or will at Closing be in compliance, in all material respects with the Series 2007 Resolution, the Trust Agreement, the Escrow Deposit Agreement and the AUA;

(f) When paid for by the Underwriters at Closing in accordance with the provisions of this Bond Purchase Agreement, and when authenticated by the Trustee, the Series 2007 Refunding Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding obligations of the County enforceable in accordance with their terms and the terms of the Series 2007 Resolution and the Trust Agreement, except as may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally or subject to the exercise of the State's police power and to judicial discretion in appropriate cases;

(g) The Trust Agreement and the Series 2007 Resolution create a valid pledge of, and lien and charge upon, Net Revenues of Port Authority Properties to the extent set forth in the Trust Agreement and the Series 2007 Resolution;

(h) At Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2007 Refunding Bonds or the execution and delivery of or the performance by the County of its obligations under this Bond Purchase Agreement, the AUA, the Trust Agreement, the Escrow Deposit Agreement, the Series 2007 Refunding Bonds or the Series 2007 Resolution will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and effect; provided, however, that no representation is made by the County concerning compliance with the federal securities laws or the securities or Blue Sky laws

of the various states or the legality of the Series 2007 Refunding Bonds for investment under the laws of the various states;

(i) Except as described in the Official Statement, the County is not in breach of or in default under any applicable law or administrative regulation of the State or the United States of America relating to Port Authority Properties (as defined in the Official Statement), or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or is otherwise subject, the consequence of which or the correction of which would materially and adversely affect the operation of the Port Authority Properties as of such dates; and the execution and delivery of this Bond Purchase Agreement, the Series 2007 Refunding Bonds, the AUA, the Escrow Deposit Agreement and the adoption of the Series 2007 Resolution and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach or violation of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or is otherwise subject;

(j) The adoption by the Board and performance by the County of the Series 2007 Resolution and the authorization, execution, delivery and performance of its obligations under this Bond Purchase Agreement, the AUA, the Escrow Deposit Agreement, the Series 2007 Refunding Bonds, and any other agreement or instrument to which the County is a party, used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement or by the Official Statement, and, to the best of the County's knowledge, compliance with the provisions of each such instrument, do not and will not conflict with, or constitute or result in: (i) a violation of the Constitution of the State, or any existing law, administrative regulation, rule, decree or order, state or federal, or the Charter or the County Code; or (ii) a breach of or default under a material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the County, or its properties or any of the officers of the County as such is subject; or (iii) the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the revenues, credit, property or assets of the County under the terms of the Constitution of the State or any law, instrument or agreement;

(k) The financial statements and other historical financial and statistical information contained in the Official Statement fairly represent the financial position and results of operations of the Aviation Department as of the dates and for the periods set forth in such financial statements and statistical information in accordance with generally accepted accounting principles applied consistently;

(l) Except as otherwise described in the Official Statement, there shall not have been any material adverse change since September 30, 2006 in the results of operations or financial condition of the Aviation Department or in the physical condition of the Port Authority Properties, other than changes in the ordinary course of business or in the normal operation of the Port Authority Properties;

(m) Between the time of the execution of this Bond Purchase Agreement by the County and Closing, the County will not execute or issue any bonds or notes secured by Net

Revenues of Port Authority Properties superior to or on a parity with the Series 2007 Refunding Bonds, without the written consent of the Senior Manager;

(n) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters at the Underwriters' expense as the Underwriters may reasonably request to qualify the Series 2007 Refunding Bonds for offer and sale and to determine the eligibility of the Series 2007 Refunding Bonds for investment under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Senior Manager may designate, provided that the County shall not be required to file a general consent to service of process or qualify to do business in any jurisdiction or become subject to service of process in any jurisdiction in which the County is not now subject to such service. It is understood that the County is not responsible for compliance with or the consequences of failure to comply with applicable Blue Sky or other securities laws and regulations or the legality of the Series 2007 Refunding Bonds for investment under the laws of the various states;

(o) To the best of the County's knowledge and belief, other than as described in the Official Statement, there is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body pending, or, to the best knowledge of the County, threatened against or affecting the County: (i) to restrain or enjoin the issuance or delivery of any of the Series 2007 Refunding Bonds or the collection of Revenues; (ii) in any way contesting or affecting: (1) the authority for the issuance of the Series 2007 Refunding Bonds; (2) the validity or enforceability of the Series 2007 Refunding Bonds, the Series 2007 Resolution, the Trust Agreement, the Escrow Deposit Agreement, this Bond Purchase Agreement and the AUA; (3) the power of the Board to adopt the Series 2007 Resolution or to execute and deliver the Series 2007 Refunding Bonds, the Trust Agreement, the Escrow Deposit Agreement, this Bond Purchase Agreement and the AUA and to consummate the transactions relating to the County contemplated by the Series 2007 Resolution, the Trust Agreement and this Bond Purchase Agreement; or (4) the authority for the redemption of the Refunded Bonds; (iii) in any way contesting the existence or powers of the County or the Board or the title to office of any member of the Board; or (iv) in any way contesting the completeness, accuracy or fairness of the Official Statement;

(p) The County will not take or omit to take any action, which action or omission would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2007 Refunding Bonds under the Internal Revenue Code of 1986, as amended;

(q) To the best of the County's knowledge, since December 31, 1975, the County has not been in default in the payment of principal of, redemption premium, if any, or interest on, any direct County indebtedness or other obligations in the nature of direct County indebtedness which it has issued, assumed or guaranteed as to payment of principal, redemption premium, if any, or interest, and other than the Trust Agreement, the County has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrances on the revenues of the Port Authority Properties or other assets, properties, funds or interests, if any, pledged pursuant to the Trust Agreement or the Series 2007 Resolution, other than as described in the Official Statement;

(r) Any certificate signed by any official of the County and delivered to the Underwriters in connection with the issuance, sale and delivery of the Series 2007 Refunding Bonds shall be deemed to be a representation and warranty by the County to each of the Underwriters as to the statements made in such certificate;

(s) The description of the Series 2007 Refunding Bonds in the Official Statement conforms in all material respects to the Series 2007 Refunding Bonds;

(t) The County will apply the proceeds of the Series 2007 Refunding Bonds in accordance with the Series 2007 Resolution and the Trust Agreement and as contemplated by the Official Statement;

(u) Neither the County nor anyone authorized to act on its behalf, directly or indirectly, has offered the Series 2007 Refunding Bonds for sale to, or solicited any offer to buy the Series 2007 Refunding Bonds from, anyone other than the Underwriters;

(v) The title to the Port Authority Properties is vested in the County and will be vested in the County at Closing;

(w) All proceedings of the Board relating to the adoption of the Series 2007 Resolution, the approval of the Trust Agreement, the Escrow Deposit Agreement, this Bond Purchase Agreement and the Official Statement, and the approval and authorization of the issuance and sale of the Series 2007 Refunding Bonds were, or will be prior to Closing, conducted at duly convened meetings of the Board with respect to which all required notices were duly given to the public at which quorums were at all material times present and no authority or proceeding for the issuance of the Series 2007 Refunding Bonds has been or will be repealed, rescinded, or revoked;

(x) (i) For the purposes of this Bond Purchase Agreement, the term "Disclosure Period" shall mean the earlier of (1) ninety (90) days from the End of the Underwriting Period, or (2) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five (25) days following the End of the Underwriting Period.

(ii) For the purposes of this Bond Purchase Agreement, the term "End of the Underwriting Period" shall mean the later of (1) the Closing, or (2) upon notice as described in subsection (aa) below, the time at which the Underwriters do not retain an unsold balance of the Series 2007 Refunding Bonds for sale to the public.

(iii) The Preliminary Official Statement and the Official Statement and any amendments or supplements to each (including any financial and statistical data included in each) will at all times prior to and including the Closing Date and during the Disclosure Period be true, correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances in which they were made, not misleading.

(y) Prior to the execution of this Bond Purchase Agreement, the County delivered to the Underwriters copies of the Preliminary Official Statement which the County

deemed final for purposes of the Rule as of the date of the Preliminary Official Statement, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, insurers and other terms of the Series 2007 Refunding Bonds depending on such matters;

(z) If the Official Statement is supplemented or amended pursuant to Section 2 of this Bond Purchase Agreement, or otherwise by the County, at the time of each supplement or amendment to the Official Statement and (unless subsequently again supplemented or amended pursuant to Section 2 of this Bond Purchase Agreement) at all times during the Disclosure Period, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

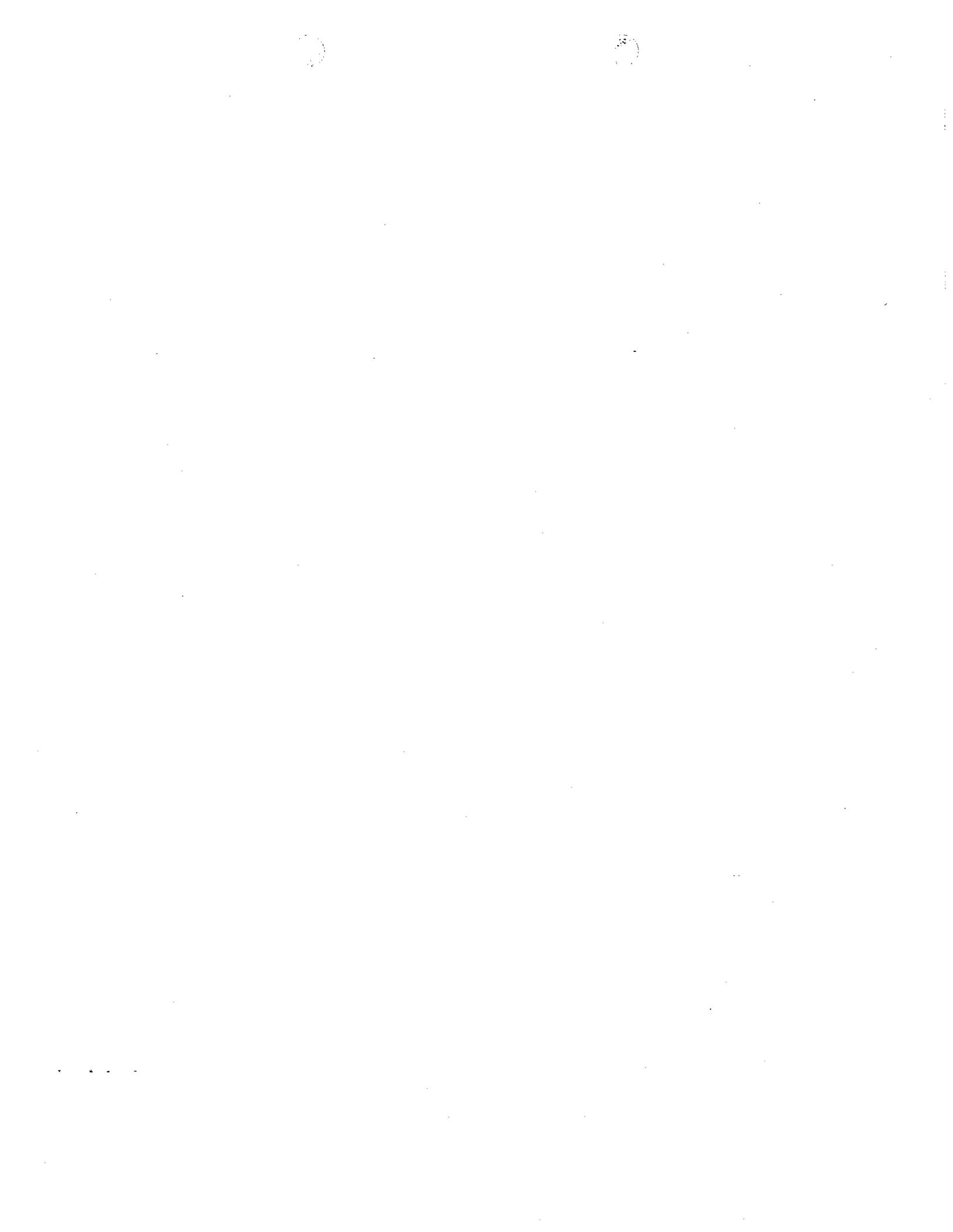
(aa) Unless otherwise notified in writing by the Underwriters on or prior to the Closing Date, the End of the Underwriting Period for the Series 2007 Refunding Bonds for all purposes of the Rule, Section 2 above and Section 5(x)(ii) above, is the Closing Date. In the event such notice is given in writing by the Underwriters, the Underwriters agree to notify the County in writing following the occurrence of the End of the Underwriting Period for the Series 2007 Refunding Bonds, provided that such period shall not extend beyond thirty (30) days following the Closing Date;

(bb) The County has complied and will comply with the continuing disclosure commitment set out in the Series 2007 Resolution including: (i) certain annual financial information and operating data (the "Annual Information") for the period specified in the Series 2007 Resolution, together with the Aviation Department's most recent audited financial statements that are normally available to the general public; (ii) timely notice of the occurrence of certain material events with respect to the Series 2007 Refunding Bonds; and (iii) timely notice of the County's inability to provide the Annual Information with respect to the Aviation Department on or before the date specified in the Series 2007 Resolution; and

(cc) The County has complied, and will comply in the future, with any and all continuing disclosure commitments heretofore made by the County.

6. Conditions of Closing. The Underwriters have entered into this Bond Purchase Agreement in reliance on the representations, warranties and covenants of the County. The obligations of the Underwriters shall be subject to the performance by the County of its obligations to be performed at or prior to Closing, to the accuracy of and compliance with the representations, warranties and covenants of the County, in each such case as of the time of delivery of this Bond Purchase Agreement and as of Closing, and are also subject, in the discretion of the Senior Manager, to the following further conditions:

(a) At Closing: (i) the Series 2007 Resolution and the Trust Agreement shall be in full force and effect and shall not have been repealed or amended in any material way since the date of this Bond Purchase Agreement unless agreed to by the Senior Manager; (ii) this Bond Purchase Agreement and the AUA shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Senior Manager, and the County shall have



executed each of them; (iii) the County shall have taken all action and performed all of its obligations as shall, in the opinions of Holland & Knight LLP, Miami, Florida and Law Offices of Steve E. Bullock, P.A., Miami, Florida (collectively, "Bond Counsel") or Hunton & Williams LLP, Miami, Florida, and Law Offices Thomas H. Williams, Jr., P.L., Miami, Florida, (collectively, "Disclosure Counsel") or Nabors, Giblin & Nickerson, P.A., Tampa, Florida and Liebler, Gonzalez & Portuondo, P.A., Miami, Florida (collectively, "Counsel to the Underwriters"), be necessary in connection with the transaction contemplated by the Trust Agreement, the Series 2007 Resolution, the Series 2007 Refunding Bonds and this Bond Purchase Agreement; (iv) the Series 2007 Refunding Bonds shall have been duly authorized, executed and delivered; and (v) the Official Statement shall not have been amended, modified or supplemented, except as provided in Section 2 of this Bond Purchase Agreement.

(b) At or prior to the Closing Date, the Underwriters shall have received the following:

(i) The opinion of the Office of the Miami-Dade County Attorney, dated the Closing Date, substantially in the form attached as Exhibit "A";

(ii) The final approving opinion of Bond Counsel, dated the Closing Date, in substantially the form attached to the Official Statement as Appendix D;

(iii) The opinion of Disclosure Counsel, dated the Closing Date, in substantially the form attached to the Official Statement as Appendix E, to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, nothing has come to the attention of such counsel which has caused them to believe that the Official Statement (except for the financial, traffic engineering and statistical data included in the Official Statement, including, without limitation, the appendices thereto, and the matters set forth therein under the captions "DESCRIPTION OF THE SERIES 2007 REFUNDING BONDS – Book-Entry-Only System," "MUNICIPAL BOND INSURANCE," as to which no view need be expressed) as of its date contained, or as of the Closing Date contains, any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made in the Official Statement, in light of the circumstances under which they were made, not misleading and the continuing disclosure requirements of the Series 2007 Resolution satisfy the requirements contained in Rule 15c2-12(b)(i);

(iv) The opinion of Counsel to the Underwriters, dated the Closing Date, to the effect that the Series 2007 Refunding Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Series 2007 Resolution and the Trust Agreement are exempt from qualification under the Trust Indenture Act of 1939, as amended;

(v) The supplemental opinion of Bond Counsel, dated the Closing Date, substantially in the form attached as Exhibit "B" to this Bond Purchase Agreement; and

(vi) A letter of Disclosure Counsel, addressed to the Underwriters,

dated the Closing Date, to the effect that their opinion, the form of which is attached to the Official Statement as Appendix E, may be relied upon by the Underwriters to the same extent as if such opinion were addressed to the Underwriters in the first instance.

(c) At Closing, the Underwriters shall receive a certificate, dated the Closing Date, signed by the Finance Director, the Aviation Director and a Deputy Clerk of the County, to the effect that, to the best of their knowledge, information and belief: (i) the representations and warranties of the County contained in the Bond Purchase Agreement are true and correct in all material respects as of the Closing Date as if made on the Closing Date; and (ii) the County has performed all obligations to be performed under the Bond Purchase Agreement as of the Closing Date;

(d) At Closing, the Underwriters shall receive a copy of the Series 2007 Resolution certified by the Ex-Officio Clerk or Deputy Clerk of the Board as a true and correct copy of the original, as currently in full force and effect and as not having been otherwise amended since its adoption, except as provided in this Bond Purchase Agreement;

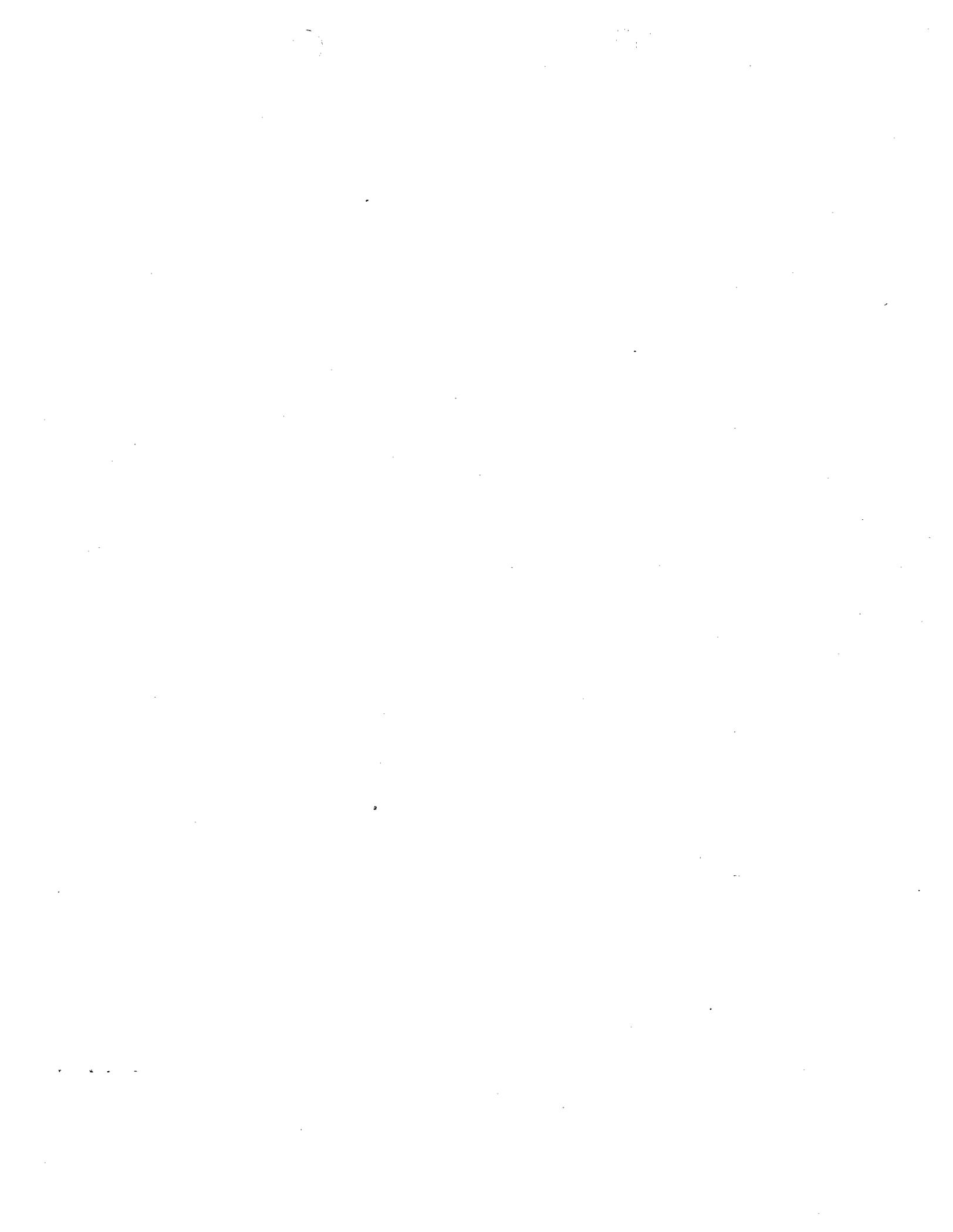
(e) At Closing, the Underwriters shall receive a fully executed copy of the Escrow Deposit Agreement;

(f) At Closing, the Underwriters shall receive a form of the AUA certified by the County;

(g) At Closing, the Underwriters shall receive letters from Moody's Investors Service, Inc. ("Moody's"), Fitch Ratings ("Fitch"), and Standard & Poor's Ratings Services ("S&P") confirming that they have rated the Series 2007 Refunding Bonds "___", "___" and "___", respectively, based on the financial guaranty insurance policies issued by the Bond Insurers, as well as confirming the underlying ratings on the Series 2007 Refunding Bonds of "___" by S&P, "___" by Moody's, and "___" by Fitch and that all such ratings are in effect on the Closing Date;

(h) At Closing, the Underwriters shall receive certifications from the Trustee and Co-Trustee, as the case may be, dated the Closing Date and addressed to the Underwriters, Bond Counsel and the County to the effect that: (i) the Trustee and Co-Trustee are each a banking corporation, duly organized and validly existing under the laws of the United States of America or the state of their incorporation and authorized to do business in the State, as the case may be; (ii) the Trustee and Co-Trustee each have duly accepted their duties under the Trust Agreement and Series 2007 Resolution; and (iii) the Trustee and Co-Trustee have taken all necessary corporate action required to act in their respective roles as Trustee and Co-Trustee under the Trust Agreement and the Series 2007 Resolution and to perform their duties under such documents;

(i) At Closing, the Underwriters shall receive a certified copy of the audited financial statements of the Miami-Dade County Aviation Department as of and for the years ended September 30, 2005 and September 30, 2006 and the Independent Auditors' Report thereon of KPMG LLP;



(j) At Closing, the Underwriters shall receive two (2) copies of the Official Statement;

(k) Within a reasonable period after Closing, the Underwriters shall receive two (2) transcripts of the proceedings relating to the authorization and issuance of the Series 2007 Refunding Bonds that shall include certified or executed copies of the Series 2007 Resolution and this Bond Purchase Agreement;

(l) At Closing, the Underwriters shall receive evidence satisfactory to the Underwriters that the Bond Insurers have issued [(i)] policies of financial guaranty insurance guaranteeing the timely payment of principal of and interest on the Series 2007 Refunding Bonds (the "Bond Policies") [and (ii) Reserve Facilities sufficient to satisfy the increase in the Reserve Account Requirement resulting from the issuance of the Series 2007 Refunding Bonds];

(m) At Closing, the Underwriters shall receive an opinion from each of the Bond Insurers' counsel, addressed to the Underwriters and the County, in form and substance satisfactory to the Underwriters, as to the enforceability of the respective Bond Policies [and Reserve Facilities];

(n) At Closing, the Underwriters shall receive an opinion of general counsel to each of the Bond Insurers or a certificate of an officer of each of the Bond Insurers dated the date of the Closing and addressed to the Underwriters and the County, concerning the information relating to the Bond Insurers contained in the Preliminary Official Statement and the Official Statement, in form and substance satisfactory to the Underwriters;

(o) At Closing, the Underwriters shall receive evidence of compliance with the requirements of the Trust Agreement relating to the issuance of Refunding Bonds in the form of the certifications required by Section 211 of the Trust Agreement;

(p) At Closing, the Underwriters shall receive the Verification Report of _____, independent certified public accountants, verifying the accuracy of the arithmetical computations supporting (A) the adequacy of the maturing principal amounts of and interest accrued on the Government Obligations (as defined in the Escrow Deposit Agreement) together with cash, if any, deposited with the Trustee in the escrow fund established under the Escrow Deposit Agreement to pay, when due, the principal of and interest on the Refunded Bonds, and (B) the yield used by Bond Counsel in support of its opinion that the interest on the Series 2007 Refunding Bonds will be excludable from gross income for federal income tax purposes; and

(q) At Closing, the Underwriters shall receive such additional legal opinions, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the exclusion from gross income, for federal income tax purposes, of the interest on the Series 2007 Refunding Bonds, which certificates shall be satisfactory in form and substance to Bond Counsel) and other evidence as the Senior Manager, Bond Counsel, or Counsel to the Underwriters may reasonably deem necessary, provided such additional legal opinions, certificates and other evidence are requested by the Senior Manager at least one (1) business day before Closing.

The foregoing opinions, certificates and other evidence shall be in form and substance satisfactory to the Senior Manager, including but not limited to, any certifications contained in any omnibus certificate delivered by the County in connection with the Closing.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriters nor the County shall be under any further obligation or liability to the other, except as provided in Section 8 and except that the Good Faith Deposit shall be returned to the Senior Manager by the County as provided in Section 3.

7. Termination of Bond Purchase Agreement. The Senior Manager may terminate this Bond Purchase Agreement, in its absolute discretion, without liability, by written notification to the County, if at any time subsequent to the date of this Bond Purchase Agreement and prior to the Closing:

(a) The marketability of the Series 2007 Refunding Bonds, in the reasonable opinion of the Senior Manager, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation (other than any actions taken by either House of Congress on or prior to the date of this Bond Purchase Agreement): (i) enacted or adopted by the United States of America; (ii) recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States of America, the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, the Treasury Department of the United States of America or the Internal Revenue Service; or (iii) favorably reported out of the appropriate Committee for passage to either House of the Congress by any full Committee of such House to which such legislation has been referred for consideration, or by any decision of any court of the United States of America or by any order, rule or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or any other authority or regulatory body of the United States of America, or by a release or announcement or communication issued or sent by the Treasury Department or the Internal Revenue Service of the United States of America, or any comparable legislative, judicial or administrative development affecting the federal tax status of the County, its property or income, obligations of the general character of the Series 2007 Refunding Bonds, or any tax exemption of the Series 2007 Refunding Bonds; or

(b) Any legislation, rule, or regulation shall be introduced in, or be enacted or adopted by any department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Senior Manager, materially affects the market for the Series 2007 Refunding Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2007 Refunding Bonds to be purchased by them; or

(c) Any amendment or supplement to the Official Statement is proposed by the County or deemed necessary by Bond Counsel, Disclosure Counsel, the Senior Manager or

Underwriters' Counsel which, in the reasonable opinion of the Senior Manager, materially adversely affects the market for the Series 2007 Refunding Bonds or the sale, at the prices stated in this Bond Purchase Agreement, by the Underwriters of the Series 2007 Refunding Bonds; or

(d) Legislation shall be enacted or adopted, or any action shall be taken by, or on behalf of, the United States Securities and Exchange Commission (the "Commission") which, in the reasonable opinion of Counsel to the Underwriters, has the effect of requiring the contemplated distribution of the Series 2007 Refunding Bonds to be registered under the Securities Act of 1933, as amended, or the Series 2007 Resolution or the Trust Agreement to be qualified under the Trust Indenture Act of 1939, as amended, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

(e) Legislation shall be introduced by amendment or otherwise in or be enacted by, the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a Court of the United States of America shall be rendered, or a stop order, ruling, release, regulation, official statement or no-action letter by or on behalf of the Commission or any other governmental agency having jurisdiction of the subject matter of the Series 2007 Refunding Bonds shall have been proposed, issued or made (which is beyond the control of the Senior Manager or the County to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2007 Refunding Bonds, including all the underlying obligations as contemplated by this Bond Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Series 2007 Refunding Bonds is or would be in violation of any of the federal securities laws at Closing, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the Trust Indenture Act of 1939, as amended and then in effect, or with the purpose or effect of otherwise prohibiting the offering and sale of obligations of the general character of the Series 2007 Refunding Bonds, as contemplated by this Bond Purchase Agreement; or

(f) There shall have occurred, after the signing of this Bond Purchase Agreement, either a financial crisis or a default with respect to any debt obligation of the County, or proceedings under the federal or State bankruptcy laws shall have been instituted by the County, in either case the effect of which, in the reasonable judgment of the Senior Manager, is such as to materially and adversely affect (i) the market price or the sale at the offering prices as stated in this Bond Purchase Agreement, by the Underwriters of the Series 2007 Refunding Bonds, or (ii) the ability of the Underwriters to enforce contracts for the sale of the Series 2007 Refunding Bonds; or

(g) A general banking moratorium shall have been declared by the United States of America, New York or State authorities, which in the reasonable opinion of the Senior Manager, materially adversely affects the market for the Series 2007 Refunding Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2007 Refunding Bonds; or

(h) Any national securities exchange, or any governmental authority, shall impose, as to the Series 2007 Refunding Bonds or any obligation of the general character of the Series 2007 Refunding Bonds, any material restrictions not now in force, or increase materially

those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriters, or the establishment of material restrictions upon trading of securities, including limited or minimum prices, by any governmental authority or by any national securities exchange; or

(i) Legal action shall have been filed against the County from which an adverse ruling would materially adversely affect the transactions contemplated by this Bond Purchase Agreement or by the Official Statement or the validity of the Series 2007 Refunding Bonds, the Series 2007 Resolution, this Bond Purchase Agreement, or the Trust Agreement; provided, however, that as to any such litigation, the County may request and the Senior Manager may accept an opinion by Bond Counsel, or of other counsel acceptable to the Senior Manager, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs are without merit; or

(j) Trading in any securities of the County shall have been suspended on any national securities exchange; or any proceeding shall be pending or threatened by the Commission against the County; or a general suspension of trading on the New York Stock Exchange or the American Stock Exchange or other national securities exchange shall have occurred, the effect of which, in the opinion of the Senior Manager, is to affect materially and adversely the market prices of the Series 2007 Refunding Bonds; or

(k) Any information shall have become known or an event shall have occurred which, in the Senior Manager's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement, as that information has been supplemented or amended, or causes the Official Statement, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required or necessary to be stated in the Official Statement in order to make the statements made in the Official Statement, in light of the circumstances under which they were made, not misleading and upon the receipt of notice of same by the County, (i) the County fails to promptly amend or supplement the Official Statement in a manner which is reasonably acceptable in form and content to the Senior Manager, or (ii) the County agrees to the proposed amendment, and such disclosed information or event in the reasonable opinion of the Senior Manager (upon due inquiry by the Senior Manager and the County's Financial Advisor as to the effect such information or event has on the market price of the Series 2007 Refunding Bonds or their sale at the prices stated in this Bond Purchase Agreement), materially adversely affects the market price for the Series 2007 Refunding Bonds or their sale, at the prices stated in this Bond Purchase Agreement, and the County's Financial Advisor concurs in such conclusion; or

(l) There shall have occurred an outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis which, in the sole but reasonable opinion of the Senior Manager, would have a material adverse effect on the market price of the Series 2007 Refunding Bonds or their sale at the prices stated in this Bond Purchase Agreement; or

(m) Limited or minimum prices on securities trading shall have been established on the New York Stock Exchange.

8. Expenses.

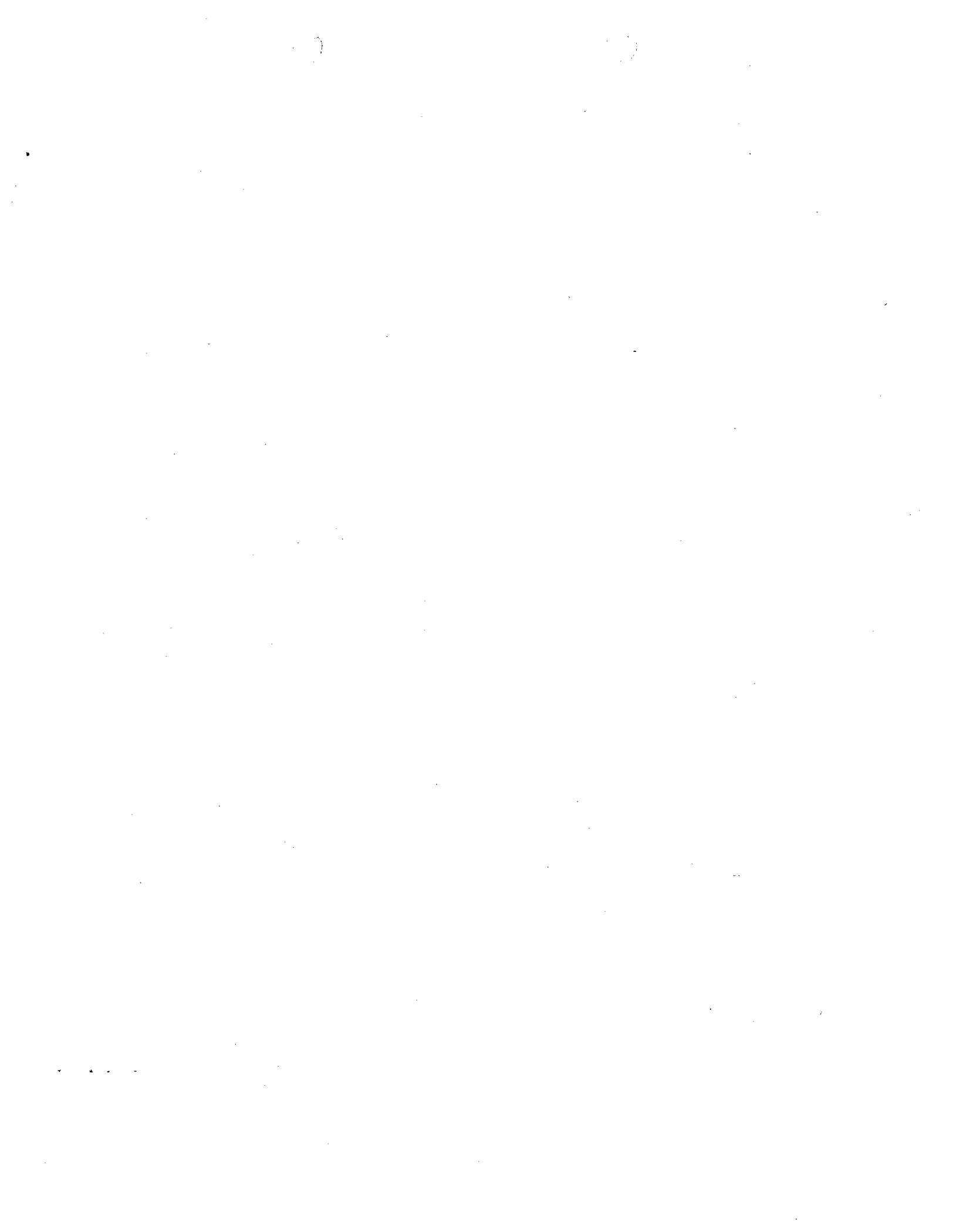
(a) The County agrees to pay all expenses incident to the performance of its obligations under this Bond Purchase Agreement, including, but not limited to: (i) the cost of the preparation, printing or other reproduction (for distribution prior to, on, or after the date of acceptance of this Bond Purchase Agreement) of copies of the Preliminary Official Statement and Official Statement; (ii) charges made by rating agencies for the rating of the Series 2007 Refunding Bonds and the fees and charges of the Trustees; (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Financial Advisor and of any other experts or consultants retained by the County; (iv) the cost of any consent letters, statements or certificates delivered by the County's accountants or consultants; (v) certain costs of issuance of the Series 2007 Refunding Bonds, including the cost of the financial guaranty insurance premiums [and Reserve Facility premiums] for the Series 2007 Refunding Bonds; (vi) the cost of federal funds at the federal fund rate of the Senior Manager in connection with the Good Faith Deposit; and (vii) out-of-pocket expenses of the County.

(b) The Underwriters shall pay all expenses incident to the performance of their obligations under this Bond Purchase Agreement, including, but not limited to: (i) the cost of delivering the Series 2007 Refunding Bonds from New York, New York, to the purchasers; (ii) the fees and disbursements of Counsel to the Underwriters; and (iii) all other expenses incurred by them or any of them in connection with their offering and distribution of the Series 2007 Refunding Bonds, including the preparation, printing and separate distribution, if any, of the Blue Sky memoranda and legal investment surveys, if any.

(c) Except as otherwise specifically set forth in this Bond Purchase Agreement, in the event either the County or the Underwriters shall have paid obligations of the other as set forth in this Section, appropriate reimbursements and adjustments shall be made.

9. Truth in Bonding Statement. The County is proposing to issue Series 2007 Refunding Bonds, the proceeds of which, together with certain other moneys of the Aviation Department, will be used for the purpose of providing funds to: (a) refund the Refunded Bonds; and (b) pay certain costs of issuance associated with the Series 2007 Refunding Bonds, including the premiums for the Bond Policies [and Reserve Facilities].

The debt or obligation created by the Series 2007C Bonds is expected to be repaid over a period of approximately ___ years. At a true interest cost (TIC) of _____%, the total interest paid over the life of the debt or obligation will be \$_____. The source of repayment or security for this proposal to issue the Series 2007C Bonds is exclusively limited to certain airport revenues known as Net Revenues of the Port Authority Properties as defined in the Trust Agreement described in Section 1(b) of this Bond Purchase Agreement. Because (a) such Net Revenues may not be used by the County for any purpose other than airport or airport related purposes, (b) the taxing power of the County is not pledged or involved in the Series 2007C Bonds, (c) the Series 2007C Bonds and the interest on the Series 2007C Bonds do not constitute a debt of the County within the meaning of any constitutional or statutory provision, and (d) the faith and credit of the County are not pledged to the payment of the principal of or the interest on the Series 2007C Bonds, authorizing this debt or obligation will result in no diminution of any



moneys being available to the County to finance other non-airport services of the County each year for the approximately __ year period for the Series 2007C Bonds.

The debt or obligation created by the Series 2007D Bonds is expected to be repaid over a period of approximately __ years. At a true interest cost (TIC) of _____%, the total interest paid over the life of the debt or obligation will be \$_____. The source of repayment or security for this proposal to issue the Series 2007D Bonds is exclusively limited to certain airport revenues known as Net Revenues of the Port Authority Properties as defined in the Trust Agreement described in Section 1(b) of this Bond Purchase Agreement. Because (a) such Net Revenues may not be used by the County for any purpose other than airport or airport related purposes, (b) the taxing power of the County is not pledged or involved in the Series 2007D Bonds, (c) the Series 2007D Bonds and the interest on the Series 2007D Bonds do not constitute a debt of the County within the meaning of any constitutional or statutory provision, and (d) the faith and credit of the County are not pledged to the payment of the principal of or the interest on the Series 2007D Bonds, authorizing this debt or obligation will result in no diminution of any moneys being available to the County to finance other non-airport services of the County each year for the approximately __ year period for the Series 2007D Bonds.

10. Public Entity Crimes. The Underwriters represent that each of them, including its employees, officers, directors, executives, partners, shareholders or agents who are active in the management of the entity, have not been charged with and convicted of a public entities crime pursuant to Section 287.133, Florida Statutes.

11. Miscellaneous.

(a) All notices, demands and formal actions shall be in writing and mailed, faxed, or delivered to:

The Underwriters:

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas
New York, New York 10020
Attention: Faye J. Boatright, Executive Director

The County:

Miami-Dade County
Stephen P. Clark Center
111 N.W. First Street, Suite 2550
Miami, Florida 33128-1995
Attention: Finance Director

Miami-Dade County Aviation Department
Miami International Airport
Terminal Building
Concourse E, 6th Floor
Miami, Florida 33159
Attention: Aviation Director

(or such other addresses as may be designated in writing to the other party).

(b) This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties and their successors and assigns, and will not confer any rights upon any other person. The terms "successors" and "assigns" shall not include any purchaser of any of the Series 2007 Refunding Bonds from the Underwriters merely because of such purchase.

(c) All the representations, warranties, covenants and agreements of the County in this Bond Purchase Agreement shall remain operative and in full force and effect as if made on the date of this Bond Purchase Agreement and the Closing Date, regardless of (i) any investigation made by or on behalf of any of the Underwriters, or (ii) delivery of and any payment for the Series 2007 Refunding Bonds.

(d) The agreements contained in Sections 3 and 8 shall survive any termination of this Bond Purchase Agreement.

(e) Section headings have been inserted in this Bond Purchase Agreement as a matter of convenience of reference only and it is agreed that such section headings are not a part of this Bond Purchase Agreement and will not be used in the interpretation of any provisions of this Bond Purchase Agreement.

(f) If any provision of this Bond Purchase Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, or rule of public policy, or for any other reasons, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

(g) This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(h) This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

[Remainder of Page Intentionally Left Blank]

(i) This Bond Purchase Agreement shall become effective upon the execution by the appropriate County officials of the acceptance of this Bond Purchase Agreement by the County and shall be valid and enforceable at the time of such acceptance.

**SENIOR MANAGER, on behalf of the
Underwriters:**

**MORGAN STANLEY & CO.
INCORPORATED**

By: _____
Faye J. Boatright, Executive Director

Accepted as of the date first above written.

MIAMI-DADE COUNTY, FLORIDA

By: _____
Rachel E. Baum, Finance Director

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

SCHEDULE I

BOND TERMS

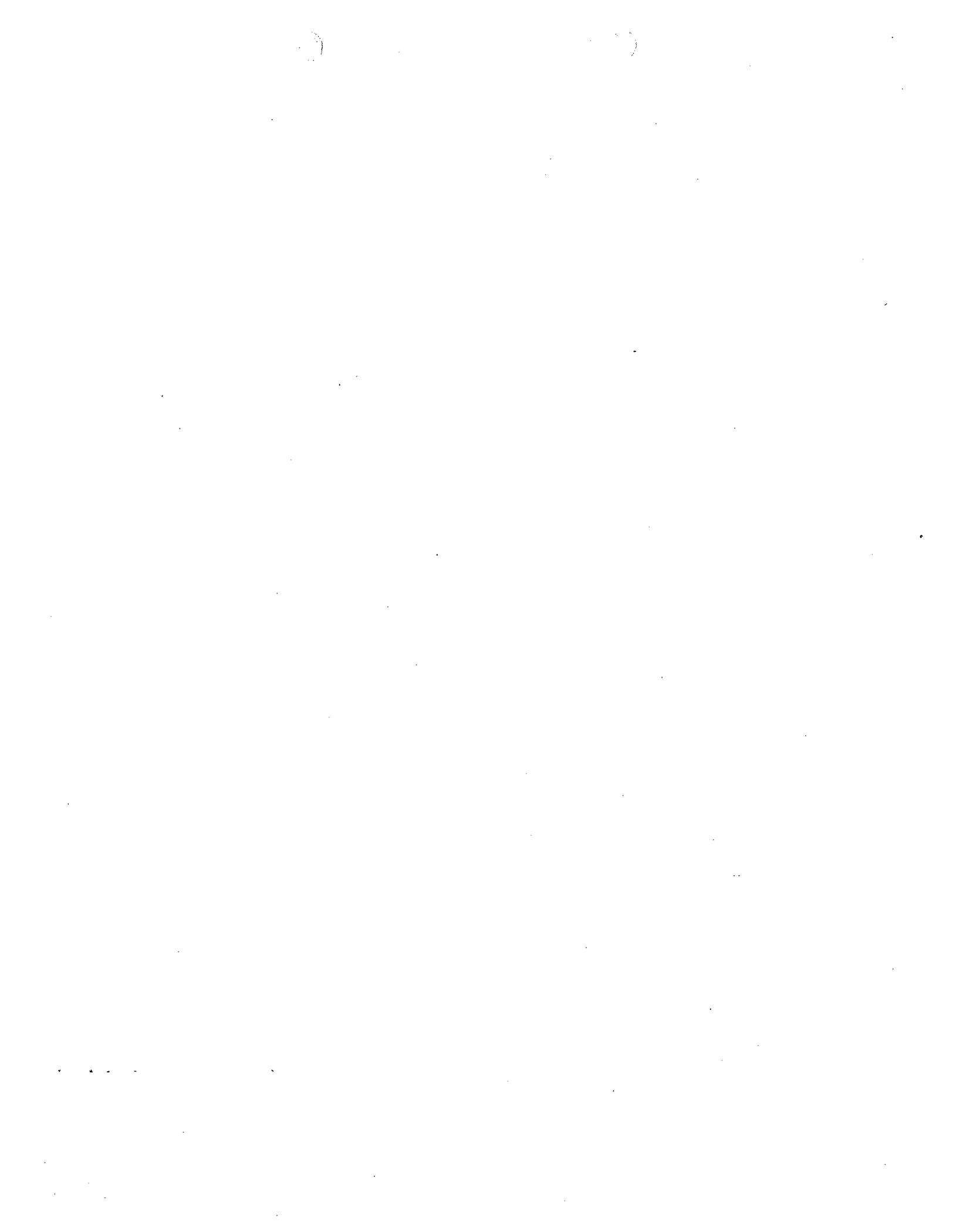
SERIES 2007C (AMT):

Dated: Date of Delivery

Aggregate Principal Amount: \$ _____

<u>Year (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>
-------------------------	-------------------------	----------------------	--------------------

First Interest Payment Date: April 1, 2008.



SERIES 2007D (NON-AMT):

Dated: Date of Delivery

Aggregate Principal Amount: \$ _____

<u>Year (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>
-------------------------	-------------------------	----------------------	--------------------

First Interest Payment Date: April 1, 2008.

NET TO COUNTY AT CLOSING

Series 2007 Refunding
Bonds

Par Amount of Bonds
 Plus: Net Original Issue Premium
 Less: Underwriters' Discount
 Less: Bond Insurance Premium
 Less: Good Faith Deposit
Net to County

REDEMPTION

Redemption

The Series 2007 Refunding Bonds are subject to optional and mandatory redemption prior to their stated maturity, as set forth below.

Optional Redemption

The Series 2007 Refunding Bonds may be redeemed prior to their respective maturities at the option of the County, upon at least 30 days' notice, either in whole or in part, from any moneys that may be available for such purpose, on any date on or after October 1, 20__, at a redemption price equal to 100% of the principal amount of such Series 2007 Refunding Bonds or portion of such Series 2007 Refunding Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Mandatory Redemption

Series 2007C Bonds

The Series 2007C Bonds maturing on October 1, 20__ are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2007C Bonds, plus accrued interest, without premium, in the following principal amounts on October 1 of the years set forth below:

Year	Amount
------	--------

* Final maturity

Series 2007D Bonds

The Series 2007D Bonds maturing on October 1, 20__ are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2007D Bonds, plus accrued interest, without premium, in the following principal amounts on October 1 of the years set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

* Final maturity

SCHEDULE II

DISCLOSURE LETTER

_____, 2007

Board of County Commissioners of
Miami-Dade County, Florida
111 Northwest First Street
Miami, Florida 33128-1995

MIAMI-DADE COUNTY, FLORIDA

\$ _____ AVIATION REVENUE REFUNDING BONDS, SERIES 2007C (AMT)
\$ _____ AVIATION REVENUE REFUNDING BONDS, SERIES 2007D (NON-AMT)

Ladies and Gentlemen:

Pursuant to Section 218.385, Florida Statutes, and in reference to the issuance by Miami-Dade County, Florida (the "County") of the Aviation Revenue Refunding Bonds Series 2007C (AMT) (the "Series 2007C Bonds"), and the Aviation Revenue Refunding Bonds, Series 2007D (NON-AMT) (the "Series 2007D Bonds" and, together with the Series 2007C Bonds, the "Series 2007 Refunding Bonds"), Morgan Stanley & Co. Incorporated (the "Senior Manager"), acting on behalf of itself and _____ (the "Co-Senior Managers") and _____ (the "Co-Managers" and, collectively with the Senior Manager and the Co-Senior Managers, the "Underwriters") offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") dated _____, 2007, by and among the Underwriters and County, makes the following disclosures to the County.

The Underwriters are acting as investment bankers to the County for the public offering of the Series 2007 Refunding Bonds issued in the aggregate principal amount of \$ _____. The underwriters' discount to be paid to the Underwriters for the Series 2007 Refunding Bonds is \$ _____.

1. Expenses estimated to be incurred by the Underwriters in connection with the issuance of the Series 2007 Refunding Bonds:

	<u>Dollar Amount</u>	<u>Per Bond</u>
Underwriter's Counsel		
BMA		
Dalcomp		
DTC		
CUSIP		
Day Loan		
Estimated Interest on Good Faith Deposit		
Travel & Reimbursable Expenses		
TOTAL		

2. Names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker or financial consultant or advisor and who enters into an understanding with either the County or the Underwriters, directly, expressly or impliedly, to act solely as an intermediary between the County and the Underwriters for the purpose of influencing any transaction in the purchase of the Series 2007 Refunding Bonds:

[None]

3. The amount of underwriting spread expected to be realized:

	<u>Dollar Amount</u>	<u>Per Bond</u>
Average Takedown		
Expenses		
Management Fee		
Total		

4. Any other fee, bonus and other compensation estimated to be paid by the Underwriters in connection with the Series 2007 Refunding Bonds to any person not regularly employed or retained by the Underwriters:

[None]

5. The name and address of the Underwriters connected with the Series 2007 Refunding Bonds:

See attached list

Very truly yours,

**MORGAN STANLEY & CO. INCORPORATED,
on behalf of the Underwriters**

By: _____
Faye J. Boatright, Executive Director

NAMES AND ADDRESSES OF THE UNDERWRITERS

Senior Manager:

Morgan Stanley & Co. Incorporated
1221 Avenue of the Americas
New York, New York 10020
Attention: Faye J. Boatright, Executive Director

Co-Senior Managers:

Co-Managers:

EXHIBIT A

FORM OF MIAMI-DADE COUNTY ATTORNEY OPINION

_____, 2007

Board of County Commissioners of
Miami-Dade County, Florida
111 Northwest First Street
Miami, Florida 33128-1995

Morgan Stanley & Co. Incorporated,
as Senior Manager on behalf of
the Underwriters
1221 Avenue of the Americas
New York, New York 10020

Re: \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007C (AMT) and \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007B (NON-AMT) (collectively, the "Series 2007 Refunding Bonds")

Ladies and Gentlemen:

This letter shall serve as the opinion of the Office of the Miami-Dade County Attorney of Miami-Dade County, Florida (the "County") which is being delivered pursuant to Section 6(b)(i) of the Bond Purchase Agreement by and among the County and the Underwriters, dated _____, 2007 (the "Bond Purchase Agreement") and pursuant to Section 211(c) of the Amended and Restated Trust Agreement dated as of December 15, 2002 (the "Trust Agreement") by and among the County, The Bank of New York, as Trustee (the "Trustee") and U.S. Bank National Association, as Co-Trustee ("Co-Trustee") in connection with the issuance by the County of the Series 2007 Refunding Bonds. All terms used but not defined in this opinion shall have the meaning ascribed to them in the Bond Purchase Agreement, the Trust Agreement and the Series 2007 Resolution (described in the next paragraph).

The Series 2007 Refunding Bonds are being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapters 125 and 166, Florida Statutes, as amended, The Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, and other applicable provisions of Florida law (collectively, the "Act"), Resolution No. R-____-07 adopted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on [October 2, 2007] (the "Series 2007 Resolution") and the Trust Agreement.

In our capacity as counsel to the County in connection with the issuance of the Series 2007 Refunding Bonds, we have reviewed: (i) the Act; (ii) the Series 2007 Resolution; (iii) the Trust Agreement; (iv) the Escrow Deposit Agreement; (v) the insurance agreements dated _____, 2007 with respect to bond insurance provided by _____ and _____; (vi) the Omnibus Certificate dated _____, 2007; (vii) the Airline Use Agreement; (viii) the Official

Statement relating to the Series 2007 Refunding Bonds (the "Official Statement"); and (ix) such other documents, agreements, leases, certificates and affidavits relating to the issuance of the Series 2007 Refunding Bonds as we have deemed necessary to render the opinions expressed in this letter. The Bond Purchase Agreement and the documents set forth in (iii)-(ix) above are referred to collectively in this letter as the "County Documents".

Based on the foregoing and upon such further investigation and review as we have deemed necessary, we are of the opinion that:

1. The County is a political subdivision of the State of Florida, duly organized and validly existing under the Constitution and laws of the State of Florida with the full legal right, power and authority to issue the Series 2007 Refunding Bonds, to use the proceeds from such issuance in the manner contemplated by the Series 2007 Resolution and to execute each of the County Documents and to perform its obligations under such documents.

2. The issuance of the Series 2007 Refunding Bonds has been duly authorized and approved by the County and all conditions precedent to the execution, delivery or sale of the Series 2007 Refunding Bonds under the Trust Agreement or otherwise, including, without limitation, any consent, authorization, review or approval required of any of the airlines (under the AUA or otherwise) or of any governmental authority, agency or regulatory body, have been fulfilled.

3. Each of the County Documents has been duly authorized, executed and delivered by the County and assuming valid authorization, execution and delivery by the other parties to such agreements, each constitutes a valid and legally binding obligation of the County. The Series 2007 Refunding Bonds, the Series 2007 Resolution and each of the County Documents are enforceable in accordance with their terms. No representation is made concerning compliance with the federal securities laws or the securities or blue sky laws or legal investment laws of the various states.

4. No litigation or other proceedings are pending or, to the best of our knowledge, threatened in any court or other tribunal, state or federal, against the County (i) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of any of the Series 2007 Refunding Bonds or the collection of revenues pledged under the Trust Agreement, or (ii) in any way questioning or affecting the validity or enforceability of any provision of the Series 2007 Refunding Bonds, the Series 2007 Resolution or any of the County Documents, or (iii) in any way questioning or affecting the validity of any of the proceedings or authority for authorization, sale, execution or delivery of the Series 2007 Refunding Bonds, or of any provision, program, or transaction made or authorized for their payment, or the refunding or the redemption of the Refunded Bonds, or (iv) questioning or affecting the organization of the County or title of its officers to their respective offices, except as described in the Official Statement.

5. The adoption of the Series 2007 Resolution, the performance by the County of its obligations under the Series 2007 Resolution, and the authorization, execution, delivery and performance of the obligations of the County under the County Documents and the Series 2007

Refunding Bonds and any other agreement or instrument to which the County is a party, used or contemplated by the Series 2007 Resolution, or any of the County Documents or by the Official Statement in connection with the issuance of the Series 2007 Refunding Bonds, and the compliance with the provisions of each such instrument do not, and will not, conflict with or violate the Act, the Code of Miami-Dade County, Florida, as amended, or any existing federal or state law, administrative regulation, rule, decree or order, or to the best of our knowledge, constitute or result in a breach of or default under a material provision of any agreement or instrument to which the County or its properties, or any of the officers of the County, are subject or result in the creation or imposition of any prohibited lien, charge, or encumbrance of any nature whatsoever under any of the terms of the Constitution of the State of Florida, any law or, to the best of our knowledge, any instrument or agreement.

6. The statements contained in the Official Statement under the captions "AUTHORIZATION FOR THE SERIES 2007 REFUNDING BONDS," "LITIGATION," "SECURITY FOR THE SERIES 2007 REFUNDING BONDS-Airline Use Agreement", and "APPENDIX C - Summary of Certain Provisions of the Airline Use Agreement," insofar as the statements contained under such headings purport to summarize certain legal matters relating to the County, the Aviation Department or certain provisions of the Trust Agreement, the Series 2007 Refunding Bonds or the AUA, fairly and accurately present the information purported to be summarized in each.

7. The Board has duly approved the use and distribution of the Official Statement at the meeting in which the Series 2007 Resolution was adopted and has duly authorized such changes, insertions and omissions as may be approved by an authorized official of the County.

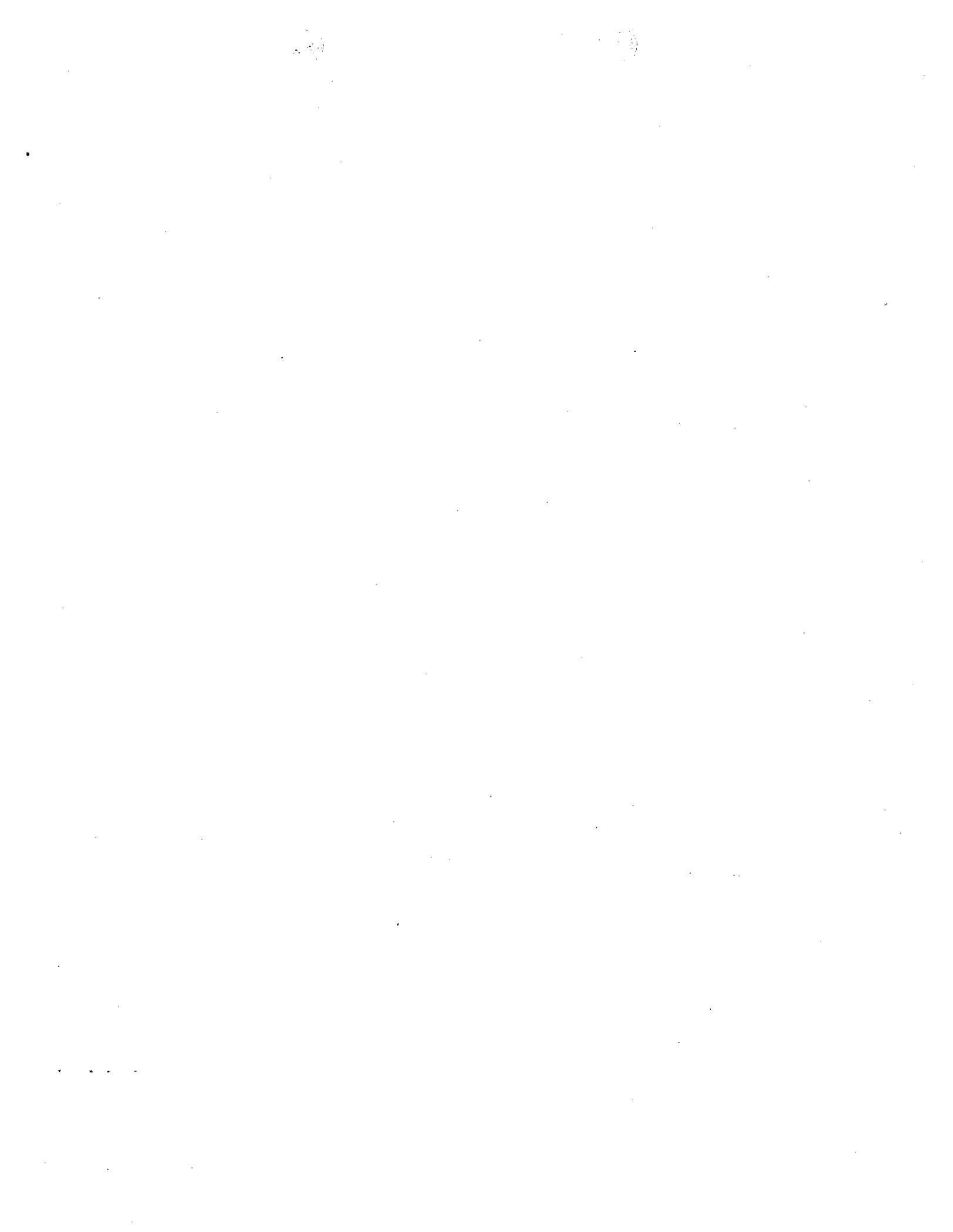
The opinions expressed in this letter are generally qualified as follows:

(a) All opinions relating to the enforceability with respect to the County are subject to and limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, in each case relating to or affecting the enforcement of creditors' rights, generally, and equitable principles that may affect remedies or injunctive or other equitable relief.

(b) All opinions are predicated upon present laws, facts, and circumstances and we assume no affirmative obligation to update the opinions if such laws, facts or circumstances change after the date of this opinion.

(c) Our opinions do not pertain to any law other than the laws of the State of Florida and the laws of the United States. No opinion is expressed as to the requirements of any federal laws which may govern the issuance, offering and sale of the Series 2007 Bonds, except as specifically set forth in this letter, or which may govern the exclusion from income for federal income tax purposes of the interest on the Series 2007 Refunding Bonds.

(d) The opinions expressed in this letter are for the sole benefit of the parties named above and no other individual or entity may rely upon them without our prior approval or acknowledgement.



Respectfully submitted,

OFFICE OF MIAMI-DADE COUNTY
ATTORNEY

By: _____
Gerald T. Heffernan
Assistant County Attorney

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2007

Board of County Commissioners of
Miami-Dade County, Florida
111 Northwest First Street
Miami, Florida 33128-1995

Morgan Stanley & Co. Incorporated,
as Senior Manager on behalf of
the Underwriters
1221 Avenue of the Americas
New York, New York 10020

**Re: \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds,
Series 2007C (AMT) and \$ _____ Miami-Dade County, Florida Aviation Revenue
Refunding Bonds, Series 2007D (Non-AMT)**

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by Miami-Dade County, Florida (the "Issuer") of its \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007C (AMT) (the "Series 2007C Bonds") and \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007D (AMT) (the "Series 2007D Bonds," and together with the Series 2007C Bonds, the "Series 2007 Bonds"). At your request, we render this supplemental opinion to you.

All terms used in this opinion in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to those terms pursuant to Resolution _____ of the Issuer pertaining to the Series 2007 Bonds adopted on _____, 2007 (the "Resolution"), and an Amended and Restated Trust Agreement (the "Trust Agreement") dated as of December 15, 2002, by and among the County, The Bank of New York, successor to JPMorgan Chase Bank, as trustee (the "Trustee"), and U.S. Bank National Association, successor to Wachovia Bank, National Association, as co-trustee (the "Co-Trustee").

The opinions expressed herein are supplemental to and are subject to all qualifications and limitations contained in our bond counsel opinion rendered to the Issuer as of the date hereof pertaining to the Series 2007 Bonds (the "Bond Counsel Opinion").

1. Each of the addressees of this letter are entitled to rely on the Bond Counsel Opinion as if such opinion were addressed to it.

2. The Series 2007 Refunding Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement and Series 2007 Resolution are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. We have reviewed the statements contained in the final Official Statement relating to the Series 2007 Bonds dated _____, 2007, and included in the closing transcript with respect thereto under the sections captioned "THE SERIES 2007 REFUNDING BONDS – General," "- Redemption" and "-Acceleration Upon Default," "SECURITY FOR THE SERIES 2007 REFUNDING BONDS – Pledge of Net Revenues," "- Rate Covenant," "- Reserve Account," "-Issuance of Additional Bonds," "- Issuance of Refunding Bonds" and "Funds and Flow of Funds," in each case other than information pertaining to DTC and the Book-Entry-Only System and information pertaining to any municipal bond insurance policy or Credit Facility or the provider of such policies, and "APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and believe that insofar as such statements purport to summarize certain provisions of the Series 2007 Resolution, the Trust Agreement and the Series 2007 Bonds, such statements present an accurate summary of the provisions of such documents purported to be summarized. We have also reviewed the statements contained in the final Official Statement under the section captioned "TAX MATTERS," and believe that such statements are accurate.

Other than as set forth above, we express no opinion with respect to the accuracy, completeness, fairness or sufficiency of the Official Statement referred to above, the statistical or financial data contained therein, or any appendices, exhibits or attachments thereto.

In connection with the opinion set forth above, we have not verified the accuracy of the representations, assumptions or calculations made by any of the parties to this transaction, nor have we investigated or verified the accuracy of any facts or circumstances applicable to such opinions and have, with your permission, relied exclusively on the statements of such parties described above.

3. Based and in reliance upon the certificate and schedules furnished to us by _____, including those illustrating the sufficiency of the cash flow from investments held in the Escrow Deposit Trust Funds established pursuant to the Escrow Deposit Agreements between the Issuer and _____ (the "Escrow Agent") to pay debt service on the Refunded Bonds (as defined in the Bond Counsel Opinion), the certificate of [_____] verifying the accuracy of the schedules prepared by _____ and _____ attached to the Escrow Deposit Agreement, the certificates rendered pursuant to Section 211 of the Trust Agreement, and the certificates and representations of the Escrow Agent for the Refunded Bonds and the acquisition of the Governmental Obligations described in the schedules to the Escrow Deposit Agreement and the delivery of the notices of redemption of the Refunded Bonds in accordance with the Trust Agreement, we are of the opinion that (i) the Refunded Bonds being refunded with proceeds of the Series 2007 Bonds will not be deemed Outstanding within the meaning of the Trust Agreement and (ii) the lien on the Revenues in favor of the Refunded Bonds under the Trust Agreement, shall cease. In connection with the foregoing opinion, we have not verified the accuracy of the representations, assumptions or calculations made by any of the parties to this transaction, nor have we investigated or verified the accuracy of any facts or circumstances

applicable to such opinion and have, with your permission, relied exclusively on the statements and information described above.

This letter is furnished by us solely for your benefit in connection with the issuance of the Series 2007 Bonds and may not be relied upon by any other person.

Sincerely yours,

HOLLAND & KNIGHT LLP

EXHIBIT "B"

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2007

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein

In the opinion of Bond Counsel, under existing law and assuming compliance with certain arbitrage rebate and other tax requirements referred to in this Official Statement and rendered in reliance upon certain schedules described herein, interest on the Series 2007 Refunding Bonds is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any Series 2007C Bond for any period during which such Series 2007C Bond is held by a person who is a "substantial user" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, of any project refinanced with proceeds of the Series 2007C Bonds or a "related person" to such a "substantial user." It is also the opinion of Bond Counsel that interest on the Series 2007C Bonds will be treated as an item of tax preference in computing the alternative minimum tax. Interest on the Series 2007D Bonds will not be treated as an item of tax preference; however, such interest will be taken into account in computing an adjustment made in determining a corporate Bondholder's alternative minimum tax based on such a Bondholder's adjusted current earnings. For a further description of the consequences to the owners of the Series 2007 Refunding Bonds of other provisions of the Internal Revenue Code of 1986, as amended, see "TAX MATTERS."



\$ _____ *
MIAMI-DADE COUNTY, FLORIDA
Miami International Airport
(Hub of the AmericasSM)

\$ _____ *
Aviation Revenue Refunding Bonds
Series 2007C
(AMT)

\$ _____ *
Aviation Revenue Refunding Bonds,
Series 2007D
(NON-AMT)

Dated: Date of delivery

Due: October 1, as shown on inside cover page

Miami-Dade County, Florida (the "County") is issuing its \$ _____ Aviation Revenue Refunding Bonds, Series 2007C (AMT) (the "Series 2007C Bonds"), and \$ _____ Aviation Revenue Refunding Bonds, Series 2007D (NON-AMT) (the "Series 2007D Bonds"). The Series 2007C Bonds and the Series 2007D Bonds (together, the "Series 2007 Refunding Bonds") are being issued as fully registered bonds, initially registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2007 Refunding Bonds. So long as the Series 2007 Refunding Bonds are in book-entry form, purchases of beneficial interests in the Series 2007 Refunding Bonds will be made in book-entry only form, without certificates, in denominations of \$5,000 or integral multiples of \$5,000.

Interest on the Series 2007 Refunding Bonds will accrue from their initial date of delivery and will be payable on April 1 and October 1 of each year, commencing April 1, 2008.

Principal of and interest on the Series 2007 Refunding Bonds will be payable at the corporate trust offices of The Bank of New York, as successor in interest to JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), in New York, New York. So long as DTC or its nominee is the registered owner of the Series 2007 Refunding Bonds, payments of the principal of and interest on the Series 2007 Refunding Bonds will be paid directly to DTC or its nominee, and disbursements of such payments to beneficial owners will be the responsibility of DTC and its participants. See "THE SERIES 2007 REFUNDING BONDS – Book-Entry Only System." The Series 2007 Refunding Bonds will be subject to optional and mandatory redemption prior to maturity at the prices, in the manner and at such times as set forth in this Official Statement. See "THE SERIES 2007 REFUNDING BONDS – Redemption."

Estimated, subject to change.

The County provides long-term financing for projects comprising portions of the capital improvement program of the Miami-Dade County Aviation Department (the "Aviation Department") by the issuance of aviation revenue bonds. See "CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM" and "FUNDING SOURCES FOR THE CIP." The Series 2007 Refunding Bonds are being issued to refund certain of such aviation revenue bonds that are currently Outstanding. See "REFUNDING PLAN."

THE SERIES 2007 REFUNDING BONDS WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM A PLEDGE OF NET REVENUES (AS DEFINED IN THIS OFFICIAL STATEMENT) DERIVED FROM THE PORT AUTHORITY PROPERTIES, INCLUDING THE OPERATION OF THE MIAMI INTERNATIONAL AIRPORT, AS DESCRIBED IN THIS OFFICIAL STATEMENT AND CERTAIN OTHER MONEYS. THE SERIES 2007 REFUNDING BONDS WILL BE SECURED ON A PARITY BASIS WITH THE COUNTY'S AVIATION REVENUE BONDS OUTSTANDING UNDER THE TRUST AGREEMENT DESCRIBED IN THIS OFFICIAL STATEMENT. NEITHER THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR THE COUNTY NOR THE FAITH AND CREDIT OF ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR THE COUNTY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2007 REFUNDING BONDS. THE ISSUANCE OF THE SERIES 2007 REFUNDING BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF FLORIDA OR THE COUNTY OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR THE COUNTY TO LEVY ANY TAXES FOR THE SERIES 2007 REFUNDING BONDS OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE NET REVENUES AND CERTAIN OTHER MONEYS PLEDGED TO THE PAYMENT OF THE SERIES 2007 REFUNDING BONDS UNDER THE TRUST AGREEMENT.

[Timely payment of the principal of and interest on the Series 2007 Refunding Bonds will be insured in accordance with the terms of financial guaranty insurance policies to be issued by _____ ("_____") and _____ ("_____") simultaneously with the delivery of the Series 2007 Refunding Bonds. See "MUNICIPAL BOND INSURANCE."]

[BOND INSURER LOGOS]

See the inside cover page for maturities, principal amounts, initial CUSIP numbers, interest rates, and prices or yields.

This cover page contains information for quick reference only. It is not a summary of the Series 2007 Refunding Bonds. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2007 Refunding Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the delivery of an opinion as to legality by Holland & Knight LLP, Miami, Florida, and Law Offices of Steve E. Bullock, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain other legal matters relating to disclosure will be passed upon for the County by Hunton & Williams LLP, Miami, Florida, and Law Offices Thomas H. Williams, Jr., P.L., Miami, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, and Liebler, Gonzalez & Portuondo, P.A., Miami, Florida. The Financial Advisors to the Aviation Department are First Southwest Company, Aventura, Florida, and Frasca & Associates, L.L.C., New York, New York. It is expected that the Series 2007 Refunding Bonds will be available for delivery through DTC in New York, New York on or about November __, 2007.

Morgan Stanley

Estrada Hinojosa & Company, Inc.	Jackson Securities	Morgan Keegan & Company, Inc.	RBC Capital Markets	
A.G. Edwards & Sons, Inc.	Bear Stearns & Co. Inc.	Butler Wick & Co., Inc.	Lehman Brothers	Loop Capital Markets, LLC
M. R. Beal & Company	Raymond James & Associates, Inc.	Rice Financial Products Company	Siebert Brandford Shank & Co., LLC	

Dated: November __, 2007

**Maturities, Principal Amounts, Initial CUSIP Numbers, Interest Rates
And Prices Or Yields**

AVIATION REVENUE REFUNDING BONDS, SERIES 2007C (AMT)

\$ _____ Serial Series 2007C Bonds

<u>Maturity</u> <u>(October 1)</u> 20__	<u>Principal</u> <u>Amount</u> \$	<u>Insurer</u>	<u>Initial</u> <u>CUSIP No.</u>	<u>Interest</u> <u>Rate</u> %	<u>Price</u> <u>or</u> <u>Yield</u>
---	---	----------------	------------------------------------	-------------------------------------	---

\$ _____ Term Series 2007C Bonds

\$ _____	% Term Bond	Initial CUSIP No. _____	due October 1, 20__	Price _____	(_____ Insured)*
\$ _____	% Term Bond	Initial CUSIP No. _____	due October 1, 20__	Price _____	(_____ Insured)*

AVIATION REVENUE REFUNDING BONDS, SERIES 2007D (NON-AMT)

\$ _____ Serial Series 2007D Bonds

<u>Maturity</u> <u>(October 1)</u> 20__	<u>Principal</u> <u>Amount</u>	<u>Insurer</u>	<u>Initial</u> <u>CUSIP No.</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or</u> <u>Yield</u>
---	-----------------------------------	----------------	------------------------------------	--------------------------------	---

\$ _____ Term Series 2007D Bonds

\$ _____	% Term Bond	Initial CUSIP No. _____	due October 1, 20__	Yield _____%	(_____ Insured)*
\$ _____	% Term Bond	Initial CUSIP No. _____	due October 1, 20__	Yield _____%	(_____ Insured)*

* Priced to October 1, 20__, the first optional call date.

MIAMI-DADE COUNTY, FLORIDA
Carlos Alvarez, Mayor

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice Chairwoman

Barbara J. Jordan, District 1
Dorin D. Rolle, District 2
Audrey M. Edmonson, District 3
Sally A. Heyman, District 4
Bruno A. Barreiro, District 5
Rebeca Sosa, District 6
Carlos A. Gimenez, District 7

Katy Sorenson, District 8
Dennis C. Moss, District 9
Sen. Javier D. Souto, District 10
Joe A. Martinez, District 11
José "Pepe" Diaz, District 12
Natacha Seijas, District 13

COUNTY CLERK
Harvey Ruvin

COUNTY MANAGER
George M. Burgess

ACTING COUNTY ATTORNEY
Abigail Price-Williams, Esq.

FINANCE DIRECTOR
Rachel E. Baum, C.P.A.

AVIATION DEPARTMENT

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Aviation Director

John W. Cospers, P.E.
Deputy Aviation Director for Capital Improvement Program

Anne Syrcle Lee
Chief Financial Officer

Robin D. Pearsall
Capital Finance Manager

BOND COUNSEL
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Miami, Florida

DISCLOSURE COUNSEL
Hunton & Williams LLP
Miami, Florida

Law Offices of Steve E. Bullock, P.A.
Miami, Florida

Law Offices Thomas H. Williams, Jr., P.L.
Miami, Florida

FINANCIAL ADVISORS

First Southwest Company
Aventura, Florida

Frasca & Associates, L.L.C.
New York, New York

**INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS**

KPMG LLP
Miami, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY, THE AVIATION DEPARTMENT OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS SET FORTH IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY, THE AVIATION DEPARTMENT OR THE UNDERWRITERS. 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 2007 REFUNDING 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 2007 REFUNDING BONDS.

[OTHER THAN WITH RESPECT TO INFORMATION CONCERNING BOND INSURANCE, CONTAINED UNDER THE CAPTION "MUNICIPAL BOND INSURANCE" AND "APPENDIX F-FORMS OF MUNICIPAL BOND INSURANCE POLICIES," NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE BOND INSURERS, NOR DO BOND INSURERS MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; (II) THE VALIDITY OF THE SERIES 2007 REFUNDING BONDS; OR (III) THE TAX-EXEMPT STATUS OF THE INTEREST ON THE SERIES 2007 REFUNDING BONDS.]

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE SERIES 2007 REFUNDING BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE TRUST AGREEMENT, THE SERIES 2007 RESOLUTION OR THE AUTHORIZATIONS DESCRIBED IN THIS OFFICIAL STATEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2007 REFUNDING 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 UNDERWRITERS MAY OFFER AND SELL THE SERIES 2007 REFUNDING BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER OR YIELDS HIGHER, THAN THE PUBLIC OFFERING PRICES OR YIELDS REFLECTED BY THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: www._____. THIS OFFICIAL STATEMENT MAY BE

RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTIONS "ESTIMATED SOURCES AND USES OF FUNDS," "CERTAIN INVESTMENT CONSIDERATIONS" AND "AVIATION DEPARTMENT FINANCIAL INFORMATION - MANAGEMENT'S DISCUSSION OF FINANCIAL INFORMATION," IN THIS OFFICIAL STATEMENT. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. AMONG THE FACTORS THAT MAY CAUSE PROJECTED REVENUES AND EXPENDITURES TO BE MATERIALLY DIFFERENT FROM THOSE ANTICIPATED ARE AN INABILITY TO INCUR DEBT AT ASSUMED RATES, CONSTRUCTION DELAYS, INCREASES IN CONSTRUCTION COSTS, GENERAL ECONOMIC DOWNTURNS, FACTORS AFFECTING THE AIRLINE INDUSTRY IN GENERAL, FEDERAL LEGISLATION AND/OR REGULATIONS, AND REGULATORY AND OTHER RESTRICTIONS, INCLUDING BUT NOT LIMITED TO THOSE THAT MAY AFFECT THE ABILITY TO UNDERTAKE THE TIMING OR THE COSTS OF CERTAIN PROJECTS. ANY FORECAST IS SUBJECT TO SUCH UNCERTAINTIES. THEREFORE, THERE ARE LIKELY TO BE DIFFERENCES BETWEEN FORECASTS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL.

THE PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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OFFICIAL STATEMENT
of
MIAMI-DADE COUNTY, FLORIDA
Miami International Airport
(Hub of the AmericasSM)

\$ _____*
Aviation Revenue Refunding Bonds
Series 2007C
(AMT)

\$ _____*
Aviation Revenue Refunding Bonds,
Series 2007D
(NON-AMT)

INTRODUCTORY STATEMENT

This Official Statement of Miami-Dade County, Florida (the "County"), which includes the cover page, the inside cover page and the Appendices, furnishes information in regard to the Port Authority Properties ("Port Authority Properties") and other assets owned by the County and operated by the Miami-Dade County Aviation Department (the "Aviation Department") and other information in connection with the issuance and sale of the County's \$ _____ Aviation Revenue Refunding Bonds, Series 2007C (AMT) (the "Series 2007C Bonds"), and \$ _____ Aviation Revenue Refunding Bonds, Series 2007D (NON-AMT) (the "Series 2007D Bonds").

The Series 2007C Bonds and the Series 2007D Bonds (together, the "Series 2007 Refunding Bonds") are being issued pursuant to (1) Chapters 125 and 166, Florida Statutes, as amended (collectively, the "Act"), (2) the Amended and Restated Trust Agreement dated as of December 15, 2002 (the "Trust Agreement") by and among the County, The Bank of New York, successor in interest to JPMorgan Chase Bank, N.A., as trustee (the "Trustee"), and U.S. Bank National Association (successor in interest to Wachovia Bank, N.A.), as co-trustee (the "Co-Trustee"), and (3) Resolution No. R-____-07 adopted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on _____, 2007 approving the issuance of the Series 2007 Refunding Bonds (the "Series 2007 Resolution"). In addition, the Series 2007 Refunding Bonds are being issued pursuant to the authority of certain ordinances previously enacted by the Board. See "AUTHORIZATION FOR THE SERIES 2007 REFUNDING BONDS" and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT."

The Series 2007 Refunding Bonds are being issued to refund certain aviation revenue bonds specified in "REFUNDING PLAN" (the "Refunded Bonds") previously issued as part of a continuing program under which the County provides long-term financing for projects comprising the first phase of the Aviation Department's Capital Improvement Program in the approved amount of \$6.2 billion described in this Official Statement (the "CIP"). See "REFUNDING PLAN," "CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM" and "FUNDING SOURCES FOR THE CIP."

The Series 2007 Refunding Bonds are payable from and are secured by a pledge of the Net Revenues (as defined in this Official Statement) of Port Authority Properties. The major components of the Port Authority Properties are (1) the terminals, grounds, runways and taxiways of (a) the Miami International Airport (the "Airport" or "MIA"), (b) three general aviation airports (Opa-Locka Executive Airport, Homestead General Aviation Airport and Kendall-Tamiami Executive Airport), (c) one flight training airport (Dade-Collier Training and Transition Airport) and (d) one decommissioned airport (Opa-Locka West Airport), (2) other projects financed or refinanced under the provisions of the Trust Agreement, and (3) all improvements of, or other projects at, the County's airports designated as Port Authority Properties pursuant to the Trust Agreement. The Port Authority Properties include the 259-room hotel at the Airport (the "Hotel"), the related Top-of-the-Port Restaurant and certain facilities at the Airport and the County's general aviation and flight training airports that were previously operated as separate and distinct financial enterprises and previously known as Aviation Development Fund Facilities (collectively, "ADF

* Preliminary, subject to change.

Facilities”). Since June 1, 2003, all ADF Facilities have constituted part of the Port Authority Properties and all revenues derived therefrom now constitute Revenues of the Port Authority Properties. While the Net Revenues of all Port Authority Properties are pledged, the Airport generates most of the Net Revenues that secure the Bonds (defined below). Port Authority Properties do not include any facilities or improvements at the County’s airports financed by obligations not issued under the Trust Agreement or not otherwise designated as Port Authority Properties under the Trust Agreement. See “AIRPORT SYSTEM FACILITIES.” Under the Trust Agreement, the proceeds of Passenger Facilities Charges (“PFCs”) and Customer Facilities Charges (as defined in this Official Statement) do not constitute Revenues and currently are not pledged to the payment of the Series 2007 Refunding Bonds. The County, however, has utilized certain revenues derived from PFCs to make payments on the Bonds and may, in its discretion, do so in the future. See “SECURITY FOR THE SERIES 2007 REFUNDING BONDS – Pledge of Net Revenues” and “– Airline Use Agreement,” [PFC Section] and “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT.”

The Series 2007 Refunding Bonds are being issued on a parity with the \$ _____¹ aggregate principal amount of aviation revenue bonds currently Outstanding, as defined in the Trust Agreement, as to the pledge of, lien on and source of payment from Net Revenues. Subject to certain conditions, the County may issue Additional Bonds (defined below) under the Trust Agreement on a parity with the Outstanding Bonds and the Series 2007 Refunding Bonds. The Series 2007 Refunding Bonds, the Outstanding Bonds and any Additional Bonds hereafter issued on a parity with such bonds are collectively referred to in this Official Statement as the “Bonds.” See “SECURITY FOR THE SERIES 2007 REFUNDING BONDS – Issuance of Additional Bonds” and “ – Issuance of Refunding Bonds” and “OUTSTANDING AVIATION REVENUE BONDS AND OTHER AIRPORT RELATED DEBT” and “AVIATION DEPARTMENT FINANCIAL INFORMATION.”

This Official Statement contains descriptions of, among other matters, the Series 2007 Refunding Bonds, the Trust Agreement, the Aviation Department, the Airport and its facilities, demographic and statistical information regarding the Airport, the CIP, and the financial guaranty policies (each a “Policy,” and collectively, the “Policies”) to be issued by _____ and _____ (each an “Insurer,” and collectively, the “Insurers”) simultaneously with the delivery of the Series 2007 Refunding Bonds. Such descriptions and information do not purport to be comprehensive or definitive. Certain information in this Official Statement has been provided by The Depository Trust Company (“DTC”) and [the Insurers]. The County has not provided information in this Official Statement with respect to DTC, the [Policies or the Insurers], and the County does not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC or the [Insurers], and is not responsible for the information provided by DTC or the Insurers. All references in this Official Statement to the Trust Agreement and related documents are qualified in their entirety by reference to such documents, and references in this Official Statement to the Series 2007 Refunding Bonds are qualified in their entirety by reference to the form of the Series 2007 Refunding Bonds included in the Trust Agreement.

Audited financial statements of the Aviation Department are included as APPENDIX A. A summary of certain provisions of the Trust Agreement are included as APPENDIX B. A summary of certain provisions of the Airline Use Agreement are included as APPENDIX C. The opinions in substantially final form to be delivered by Holland & Knight LLP and the Law Offices of Steve E. Bullock, P.A., Bond Counsel, are included as APPENDIX D. The opinions in substantially final form to be delivered by Hunton & Williams LLP and Law Offices Thomas H. Williams, Jr., P.L., Disclosure Counsel, are included as APPENDIX E. [Specimen financial guaranty insurance policies are included as APPENDIX F.]

All capitalized terms not otherwise defined in this Official Statement shall have the meanings set forth in the Trust Agreement. See “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT” for definitions of certain of those terms.

AUTHORIZATION FOR THE SERIES 2007 REFUNDING BONDS

Pursuant to the Act, the County is authorized to construct, acquire, establish, improve, extend, enlarge, reconstruct, equip, maintain, repair and operate, within or without the territorial boundaries of the County, projects,

¹ Excludes the Refunded Bonds.

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including, but not limited to, airport facilities of all kinds, including all properties, rights, easements and franchises relating to such airport facilities. The Airport, three general aviation airports, one flight training airport, one decommissioned airport, and airport-related properties and improvements constituting Port Authority Properties of the County are operated by the County through the Aviation Department. The title to the Port Authority Properties is vested in the County.

The Act authorizes the issuance of aviation revenue bonds to mature not later than 40 years from their date of issuance for any of the purposes set forth in the Act. Such revenue bonds do not constitute a debt of the County, or a pledge of the faith and credit of the County, but are payable solely from Net Revenues of the Port Authority Properties. The Series 2007 Refunding Bonds are being issued pursuant to the Act, the Trust Agreement and the Series 2007 Resolution, adopted by the Board on _____ 2007.

REFUNDING PLAN

The Series 2007 Refunding Bonds are being issued pursuant to the Act, the Trust Agreement and the Series 2007 Resolution to refund the Refunded 2007 Bonds, defined below, and pay costs of issuance related to the Series 2007 Refunding Bonds, including the premiums for the Policies [and the Series 2007 Refunding Bonds Reserve Facility (as defined in this Official Statement).] The Refunded Bonds currently are expected to consist of:

- \$ _____ Series ____ maturing on _____

Proceeds of the Series 2007 Refunding Bonds, net of issuance expenses and _____, will be used together with funds available in Reserve Account and in sinking funds for the Refunded Bonds to refund the Refunded Bonds in accordance with their terms. In particular, the County will deposit such amounts into an escrow deposit trust fund (the "Escrow Fund") created pursuant to an Escrow Deposit Agreement dated as of _____, 2007 (the "Escrow Agreement") with The Bank of New York, the Trustee, in its capacity as Escrow Agent, which funds will be applied on the date of delivery of the Series 2007 Refunding Bonds to purchase Government Obligations, as defined in the Trust Agreement, which Government Obligations together with any other funds held under the Escrow Agreement will be used to pay the Refunded Bonds.

Based on schedules prepared by _____ and verified by _____ (the "Verification Agent"), the County has determined that the Government Obligations, together with the interest thereon and cash balances on deposit in the Escrow Fund, will be sufficient to pay all principal of, redemption premium and interest on all Refunded Bonds through the date of their payment or redemption in full. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS."

By deposit of the Government Obligations and the uninvested cash with the Escrow Agent pursuant to the Escrow Agreement and the giving of certain instructions as required by the Trust Agreement, the County will have effected the defeasance of the lien of the Refunded Bonds on the Net Revenues. As a result of such defeasance, it is the opinion of Bond Counsel (based on certain assumptions and rendered in reliance upon various certificates and opinions, and upon schedules provided by the _____ and verified by the Verification Agent, as described under "VERIFICATION OF ARITHMETICAL COMPUTATIONS"), in each case without independent calculation or verification by Bond Counsel, and in reliance on other assumptions set forth in Bond Counsel's opinion, that Refunded Bonds will cease to be entitled to any lien under the Trust Agreement and will no longer be Outstanding for purposes thereof.

The selection of outstanding aviation revenue bonds to be redeemed will be made by the County based on conditions at the time the Series 2007 Refunding Bonds are priced. Investors should review this section of the final Official Statement for a definitive description of the Refunded Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds derived from the sale of the Series 2007 Refunding Bonds are expected to be applied as follows:

	<u>Series 2007C</u> <u>Bonds</u>	<u>Series 2007D</u> <u>Bonds</u>
SOURCES OF FUNDS:		
Aggregate Par Amount	\$	\$
Plus/Less: Aggregate Net Original Issue [Premium] [Discount]		
Other Available Funds ⁽¹⁾		
TOTAL SOURCES	<u>\$</u>	<u>\$</u>
 USES OF FUNDS:		
Deposit to Escrow Fund	\$	\$
Underwriters' Discount		
Costs of Issuance ⁽²⁾		
TOTAL USES	<u>\$</u>	<u>\$</u>

⁽¹⁾ Consists of certain amounts in the Reserve Account and in sinking funds for Refunded Bonds.

⁽²⁾ Includes the premiums for the Policies, the Series 2007 Funded Bonds Reserve Facility and other costs of issuance allocable to the Series 2007 Refunding Bonds.

THE SERIES 2007 REFUNDING BONDS

General

The Series 2007 Refunding Bonds will be dated as of their date of delivery, will bear interest at such rates, will be payable at such times, and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2007 Refunding Bonds, will be payable on April 1 and October 1 of each year, commencing April 1, 2008. The Series 2007 Refunding Bonds will be subject to optional and mandatory redemption as described in this Official Statement. The Series 2007 Refunding Bonds are being issued as fully registered bonds in denominations of \$5,000 or any integral multiple of \$5,000, and when issued will be initially registered in the name of Cede & Co., as nominee of DTC (as defined in this Official Statement). Purchases of beneficial interests in the Series 2007 Refunding Bonds will be made in book-entry only form, without certificates. If the book-entry only system is discontinued, such beneficial interests are exchangeable for one or more fully registered bonds of like principal amount.

So long as any of the Series 2007 Refunding Bonds are in book-entry only form, the registered owner of the Series 2007 Refunding Bonds will be Cede & Co. for all purposes of the Trust Agreement and the principal of and interest on the Series 2007 Refunding Bonds will be payable as described under "THE SERIES 2007 REFUNDING BONDS – Book-Entry Only System" below.

Redemption

The Series 2007 Refunding Bonds are subject to optional and mandatory redemption prior to their stated maturity, as set forth below.

Optional Redemption

[The Series 2007 Refunding Bonds may be redeemed prior to their respective maturities at the option of the County, upon at least 30 days' notice, either in whole or in part, from any moneys that may be available for such purpose, on any date on or after October 1, 20__, at a redemption price equal to 100% of the principal amount of such Series 2007 Refunding Bonds or portion of such Series 2007 Refunding Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.]

Mandatory Redemption

Series 2007C Bonds

The Series 2007C Bonds maturing on October 1, 20__ are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2007C Bonds, plus accrued interest, without premium, in the following principal amounts on October 1 of the years set forth below:

Year

Amount

* Final maturity

The Series 2007C Bonds maturing on October 1, 20__ are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2007C Bonds, plus accrued interest, without premium, in the following principal amounts on October 1 of the years set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

Final maturity

The Series 2007C Bonds maturing on October 1, 20__ are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2007C Bonds, plus accrued interest, without premium, in the following principal amounts on October 1 of the years set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

Final maturity

Series 2007D Bonds

The Series 2007D Bonds maturing on October 1, 20__ are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2007D Bonds, plus accrued interest, without premium, in the following principal amounts on October 1 of the years set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

Final maturity

Notice and Effect of Redemption

In the event of a partial redemption of any Series of the Series 2007 Refunding Bonds, such Series of the Series 2007 Refunding Bonds may be redeemed in any order of maturity determined by the County. If less than all of any Series of the Series 2007 Refunding Bonds of any one maturity shall be called for redemption, the particular Series 2007 Refunding Bonds to be redeemed shall be selected by lot by the Trustee by such method as it shall deem fair and appropriate.

Notice of the proposed redemption of any Series 2007 Refunding Bonds shall be mailed, postage prepaid, to Cede & Co., as nominee of DTC, as registered owner of the Series 2007 Refunding Bonds, or, if DTC is no longer the registered owner of the Series 2007 Refunding Bonds, to the then registered owners of the Series 2007 Refunding Bonds, as applicable, which notice shall be mailed at least 30 days prior to the date fixed for redemption (the "Redemption Date").

No interest shall accrue after the Redemption Date of any Series 2007 Refunding Bonds if notice has been duly given as provided in the Trust Agreement and payment for any Series 2007 Refunding Bonds has been duly

provided, and in such event, any Series 2007 Refunding Bonds (or portion of such Series 2007 Refunding Bonds) called for redemption will no longer be protected by the lien of the Trust Agreement, but shall be secured solely by the moneys held for the redemption payment of such Series 2007 Refunding Bonds. The failure to mail a notice of redemption as required in the Trust Agreement shall not affect the validity of the proceedings for such redemption.

Conditional Notice of Redemption

In the case of an optional redemption of the Series 2007 Refunding Bonds, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the Redemption Date or (2) the County retains the right to rescind such notice on or prior to the scheduled Redemption Date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this paragraph. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the Redemption Date if the County delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected holders of Series 2007 Refunding Bonds. Any Series 2007 Refunding Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the County to make such funds available shall constitute an Event of Default: The Trustee shall give immediate notice to the securities information repositories and the affected holders of Series 2007 Refunding Bonds that the redemption did not occur and that the Series 2007 Refunding Bonds called for redemption and not so paid remain Outstanding.

Acceleration Upon Default

All principal of and accrued interest on the Series 2007 Refunding Bonds may become immediately due and payable, without premium, upon an Event of Default under the Trust Agreement if the Trustee (1) exercises its option to so declare or (2) is directed to so declare by the holders of not less than 20% in aggregate principal amount of all Outstanding Bonds under the Trust Agreement, or after none of the Bonds issued prior to December 15, 2002 are Outstanding, by the holders of not less than a majority, in principal amount of the Outstanding Bonds. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – REMEDIES OF BONDHOLDERS." [Update; relate to insurance]

Book-Entry Only System

The Depository Trust Company, New York, NY, will act as securities depository for the Series 2007 Refunding Bonds. The Series 2007 Refunding 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 2007 Bond certificate will be issued for each maturity of each Series of the Series 2007 Refunding Bonds as set forth in the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 2.2 million issues of U.S. and non-U.S. equity, 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities

Dealers, Inc. 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 Series 2007 Refunding Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007 Refunding Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2007 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 2007 Refunding 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 the Series 2007 Refunding Bonds, except in the event that use of the book-entry system for the Series 2007 Refunding Bonds is discontinued.

To facilitate subsequent transfers, all Series 2007 Refunding Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2007 Refunding 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 2007 Refunding Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2007 Refunding 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 2007 Refunding Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2007 Refunding Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2007 Refunding Bonds may wish to ascertain that the nominee holding the Series 2007 Refunding 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2007 Refunding Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2007 Refunding Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Series 2007 Refunding Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and interest payments on the Series 2007 Refunding 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 County or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and interest, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of

DTC) is the responsibility of the County and/or the 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County and the Underwriters believe to be reliable, but the County and the Underwriters take no responsibility for the accuracy thereof.

NEITHER THE COUNTY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2007 REFUNDING BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2007 REFUNDING BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF SERIES 2007 REFUNDING BONDS UNDER THE TRUST AGREEMENT, THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2007 REFUNDING BONDS, OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2007 REFUNDING BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE HOLDERS OF SERIES 2007 REFUNDING BONDS OR REGISTERED OWNERS OF THE SERIES 2007 REFUNDING BONDS SHALL MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2007 REFUNDING BONDS.

Discontinuance of Book-Entry Only System

In the event the County determines that it is in the best interest of the Beneficial Owners to obtain Series 2007C&D Bond certificates, the County may notify DTC and the Trustee, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2007C&D Bond certificates. In such event, the County shall prepare and execute, and the Trustee shall authenticate, transfer and exchange, Series 2007C&D Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the Series 2007 Resolution. DTC may also determine to discontinue providing its services with respect to the Series 2007 Refunding Bonds at any time by giving written notice to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and the Trustee shall be obligated to deliver Series 2007C&D Bond certificates as described herein. In the event Series 2007C&D Bond certificates are issued, the provisions of the Trust Agreement and the Series 2007 Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Trustee to do so, the County will direct the Trustee to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2007 Refunding Bonds to any DTC Participant having Series 2007 Refunding Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2007 Refunding Bonds.

SECURITY FOR THE SERIES 2007 REFUNDING BONDS

Pledge of Net Revenues

The Bonds and the interest on the Bonds are payable solely from and are secured by a pledge of the Net Revenues of the Port Authority Properties. The Trust Agreement does not convey or mortgage all or any of the Port Authority Properties as a pledge or security for the Bonds.

"Net Revenues" are defined in the Trust Agreement as the amount of the excess of the Revenues of the Port Authority Properties over the total of the Current Expenses of the Port Authority Properties. "Revenues" are defined in the Trust Agreement as all moneys received or earned by the County for the use of, and for the services and facilities furnished by, the Port Authority Properties and all other income derived by the County from the operation or ownership of said Port Authority Properties, including any ground rentals for land on which buildings or

structures may be constructed, whether such buildings or structures shall be financed by Bonds issued under the provisions of the Trust Agreement or otherwise, and Hedge Receipts. "Revenues" do not, however, include any moneys received as a grant or gift from the United States of America or the State of Florida (the "State") or any department or agency of either of them or any moneys received from the sale of property. "Current Expenses" are defined in part as the County's reasonable and necessary current expenses of maintenance, repair and operation of the Port Authority Properties and shall include, without limiting the generality thereof, amounts payable to any bank or other financial institution for the issuance of a Credit Facility, Liquidity Facility or Reserve Facility, but shall not include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, or any Hedge Obligations or Hedge Charges. See "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT."

For purposes of the Trust Agreement, unless otherwise provided by resolution of the Board, the proceeds of Passenger Facility Charges (as defined in the Trust Agreement) or "PFCs" and Customer Facility Charges (as defined in this Official Statement) are excluded from the definition of Revenues and therefore are not included in Net Revenues. The Board has not provided by resolution for the PFCs to be part of Revenues. The County, however, has utilized a portion of the PFCs to pay debt service on the Bonds and may, in its discretion, elect to do so in the future. See "Rate Covenant" below and _____.

In addition, the amounts held under the Trust Agreement in the Construction Fund, the Revenue Fund, the Sinking Fund (including the Bond Service Account, the Reserve Account and the Redemption Account), the Reserve Maintenance Fund, and the Improvement Fund are pledged to secure holders of the Bonds, subject to certain limitations provided in the Trust Agreement.

THE SERIES 2007 REFUNDING BONDS WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM A PLEDGE OF NET REVENUES DERIVED FROM THE PORT AUTHORITY PROPERTIES, INCLUDING THE OPERATION OF THE AIRPORT AND CERTAIN OTHER MONEYS. THE SERIES 2007 REFUNDING BONDS WILL BE SECURED ON A PARITY BASIS WITH THE AVIATION REVENUE BONDS ISSUED OR TO BE ISSUED BY THE COUNTY UNDER THE TRUST AGREEMENT. NEITHER THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR THE COUNTY NOR THE FAITH AND CREDIT OF ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR THE COUNTY ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2007 REFUNDING BONDS. THE ISSUANCE OF THE SERIES 2007 REFUNDING BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF FLORIDA OR THE COUNTY OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR THE COUNTY TO LEVY ANY TAXES FOR THE SERIES 2007 REFUNDING BONDS OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE NET REVENUES AND CERTAIN OTHER MONEYS PLEDGED TO THE PAYMENT OF THE SERIES 2007 REFUNDING BONDS UNDER THE TRUST AGREEMENT.

Rate Covenant

The County has covenanted in the Trust Agreement that it will at all times fix, charge and collect rates and charges for the use of and for the services and facilities furnished by the Port Authority Properties, and that from time to time, and as often as it shall appear necessary, it will revise such rates and charges as may be necessary or proper, in order that the Revenues will at all times be sufficient (the "Rate Covenant" or the "Rate Covenant Requirement"):

- (i) to provide funds for the payment of Current Expenses;
- (ii) to provide for making the deposits to the Reserve Maintenance Fund of the amounts recommended by the Consulting Engineers under the Trust Agreement; and
- (iii) to provide for (a) making deposits to the Sinking Fund (other than the Reserve Account) in each 12-month period ending September 30th (each, a "Fiscal Year") of an amount not less than 120% of the Principal and Interest Requirements for such Fiscal Year on account of the Bonds of each Series then Outstanding and (b) making deposits required to be made during such Fiscal Year into the Reserve Account

and/or payments required to be made during such Fiscal Year to providers of Reserve Facilities in connection with draws under such facilities.

Consistent with the terms of the AUA, as defined below, the County includes Revenues remaining in the Improvement Fund at the end of each Fiscal Year as "Revenues" in the following Fiscal Year for the purposes of satisfying the Rate Covenant Requirement. The County also has the ability to deposit funds from non-Revenue sources (e.g., PFCs) directly into the Bond Service Account and the Redemption Account to reduce the Principal and Interest Requirements and has done so in the past. [expand and/or cross reference]

The Trust Agreement provides that the County may enter into new leases or other agreements or contracts for the use of services or facilities of the Port Authority Properties on such terms and for such periods of time as the County shall determine to be proper, provided that the rents, fees and charges applicable thereto shall not be less than those prevailing for similar services or facilities on the date of execution of the Trust Agreement, unless approved by the Traffic Engineers.

The County has also covenanted in the Trust Agreement that any leases or other agreements entered into after November 1, 1985 for the use of any services or facilities of the Port Authority Properties shall contain a provision (the "rental adjustment provision") to the effect that if a court of competent jurisdiction shall determine that any of the rentals, fees or other charges (the "rental charges") imposed by the County under such leases or agreements, or under leases or other agreements for the use of similar services or facilities of the Port Authority Properties, are unjustly discriminatory, the County shall have the right to increase or otherwise adjust the rental charges imposed by any leases or other agreements containing the rental adjustment provision in such manner as the County shall determine is necessary and fair so that such rental charges shall not thereafter be unjustly discriminatory, nor diminish rental income to such an extent as to prevent the County from meeting its covenants under the Trust Agreement or from adhering to its representations made in any official statement distributed in connection with any Bonds issued under the Trust Agreement after November 1, 1985. Any such rental adjustment provision may also provide that, in the event of a substantial upward adjustment in the rental charges pursuant to said provision, the lessee or other user of such services or facilities shall have the right to terminate such lease or other agreement by 60 days' written notice given to the County within one year of the effective date of such upward adjustment.

See "Funds and Flow of Funds" below for a description of the priority of monthly deposits to the Sinking Fund and the Reserve Maintenance Fund.

Airline Use Agreement

General

The current Airline Use Agreement (the "AUA") became effective in May 2002. As of _____ 31, 2007, [79] airlines have executed the AUA and are referred to in this Official Statement as the "Signatory Airlines," of which [55] operated at MIA during the month of _____ 2007. The balance, i.e., [24] airlines, were air carriers that operate as charter, seasonal, scheduled international and scheduled domestic airlines that did not operate at MIA during the month of _____ 2007, and merged and "out-of-business" airlines.

The AUA sets forth each airline's obligations to the County for its operations at the Airport. The AUA extends to April 30, 2017; however, the Signatory Airlines have agreed to pay landing fees ("Landing Fees") and other charges at the levels required under the AUA, including specifically those required to meet the Rate Covenant Requirement under the Trust Agreement or any successor financing document, after April 30, 2017 for so long as an airline operates at the Airport or any other airport in the Airport System. In addition, each airline consents to the Airport System residual methodology for calculation of Landing Fees, and a cost-based, equalized rate setting methodology for calculating rents and user fees for the use of facilities, equipment and services at the Airport's terminal building (the "Terminal Building"). See "Landing Fees" and "Terminal Rents and User Fees" below.

Under the AUA, the County has agreed to work closely with the airlines to review the approved capital projects for the Airport System through the Miami Airport Affairs Committee (the "MAAC"), which consists of at

least 11, but not more than 21, airlines. American Airlines or ("AA"), Air Canada, Continental Airlines, Delta Air Lines, Northwest Airlines, United Airlines and US Airways are represented on the MAAC.[?] In addition, the MAAC includes at least one European passenger airline, one Caribbean/Latin American passenger airline, one cargo airline and one regional airline. Additional representatives for the MAAC are selected from Signatory Airlines constituting the top 25 airlines by landed weight at the Airport. This selection process is set forth in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT." A majority-in-interest of Signatory Airlines on the MAAC ("MIIs") represent the airlines' interests at the Airport and make decisions required by the AUA on behalf of all Signatory Airlines. The AUA gives varying levels of review and approval or disapproval authority over certain capital improvement projects to the MIIs that increases as the projection of airline costs per enplaned passengers approaches and then exceeds \$35 (expressed in 1998 dollars). This review, approval and disapproval process is set forth in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT."

[Currently pending for review by the MII's is \$277 million in CIP costs, which represents the amount of the approved 2007 budgeted costs for the North Terminal Core Program in excess of 125% of the North Terminal's last MII approved costs. See "CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM."]

The AUA creates the Aviation Capital Account and its two sub-accounts, the Retainage Sub-Account and the Performance Sub-Account. The Retainage Sub-Account is funded annually up to \$5,000,000 from moneys in the Improvement Fund (a fund established under the Trust Agreement) subject to a cumulative balance of \$15,000,000. Both of these amounts are further subject to adjustment annually up or down by the percentage change in the consumer price index for urban areas for the Miami-Fort Lauderdale combined metropolitan service area. The Performance Sub-Account may be funded annually from moneys in the Improvement Fund in an amount equal to 50% of the Revenues that exceed breakeven costs of Cargo and Commercial Aviation Support Facilities (as defined in the AUA). Currently, the Aviation Capital Account and its two sub-accounts are held in the Improvement Fund and are subject to a lien in favor of holders of the Bonds. However, the Aviation Department has the option of depositing these moneys in an account outside of the Improvement Fund, and in such case, the Aviation Capital Account and its two sub-accounts will not be subject to a lien in favor of holders of the Bonds. There is no cap on the cumulative amount deposited annually to the Performance Sub-Account. The Aviation Department may use the moneys in the Retainage Sub-Account and the Performance Sub-Account for any lawful aviation-related purposes. For instance, the moneys in the Retainage Sub-Account provide the source of payment for the Florida Department of Transportation State Infrastructure Bank loan and Sunshine State loan as further described under "OUTSTANDING AVIATION REVENUE BONDS AND DEBT – Other Airport Related Debt."

Landing Fees

The AUA provides that the County will establish a Landing Fee rate (the "Landing Fee Rate") under a residual methodology as described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT." Based upon the proposed annual budget for Port Authority Properties, the Aviation Department calculates the Landing Fee Rate to be effective each October 1 on the basis of estimated total landed weight for the annual period. Prior to the adoption of the budget by the Board, the Aviation Department meets with the MAAC to review the proposed budget and the calculation of the Landing Fee Rate. The Landing Fee Rate may also be adjusted on April 1 of each year or at any other time to meet emergencies. The Landing Fee Rate is calculated so that the Net Revenues to be received by the County in each Fiscal Year, after deducting required deposits to the Reserve Maintenance Fund (a fund established under the Trust Agreement), will not be less than 120% of the Principal and Interest Requirements for such Fiscal Year on account of Bonds Outstanding under the Trust Agreement and adjusted as may be necessary to meet the requirements and obligations on account of all other Airport System indebtedness (including any commercial paper, interest rate swap agreements, and subordinated bonds) payable from Revenues.

As set forth in the AUA, an airline is obligated to pay 100%, 105% or 150% of the Landing Fee Rate and certain aviation use fees (collectively, the "Aviation Activities Fees"), depending on the airline's compliance with the AUA and a separate Aviation User Credit Program ("AUCP"). An airline that both signs the AUA and complies with the AUCP is entitled to pay not more than 100% of the established Aviation Activities Fees. An airline that does not sign the AUA (a "Non-Signatory Airline"), but is nevertheless permitted by the Aviation Department to

participate in the AUCP, is required to pay 105% of such fees. An airline that does not comply with the AUCP, whether as a Signatory or Non-Signatory Airline, is required to pay 150% of Aviation Activities Fees in cash each time it uses the Airport Facilities. Copies of the AUA are available upon request from the Aviation Department, and a summary of certain provisions of the AUA is set forth in "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT."

Terminal Rents and User Fees

The Terminal Building includes space leased exclusively by an airline for uses such as ticket counters, offices, passenger lounges and VIP clubs, but the majority of the space within the Terminal Building constitutes common use space, including concourses and passenger hold rooms. An airline using either exclusive use space or common use space in the Terminal Building must pay rents and user fees calculated in accordance with the methodology established by resolution of the Board. Under the current Board resolution, Terminal Building rents and user fees are assessed based on costs of operations and are applied uniformly.

Airlines requiring exclusive use space in the Terminal Building have entered into separate Terminal Building Lease Agreements ("TBLAs") covering the rights and obligations regarding the use of such space.

Each TBLA sets forth two separate time periods: (1) an over-all time period of five years from the execution date that gives the airline tenant the right to use suitable space somewhere in the Terminal Building, thus assuring the airline that its operating needs will be met with space mutually agreed upon by the parties; and (2) a month-to-month lease period applicable to specific, identified space in the Terminal Building, with either party having the right to cancel the lease for such specific space on 30 days' notice. The month-to-month term confirms for the Airport and the airline tenant the maximum flexibility regarding such specific space, by permitting the airline to increase or decrease its leased space area depending on the airline's operating requirements, and by allowing the Airport to relocate the airline to a different location if the Airport's needs require it.

Reserve Account {To be Revised}

The Trust Agreement provides for the maintenance of a common Reserve Account to secure payment of all Bonds Outstanding under the Trust Agreement and requires the County to make deposits to the Reserve Account until the amounts on deposit therein (including amounts available under any Reserve Facilities) equal one-half of the maximum annual Principal and Interest Requirements for any Fiscal Year thereafter on all Bonds then Outstanding (the "Reserve Account Requirement"). The Trust Agreement further provides that upon the delivery of aviation revenue bonds, the increase [if any] in the Reserve Account Requirement may be funded from proceeds of such aviation revenue bonds or from monthly deposits the Reserve Account which are required to be made in an amount equal to 1/60th of the Reserve Account Requirement, until the Reserve Account Requirement is met. If the required deposit to the Reserve Account is being satisfied by the reinstatement of any amount drawn under a Reserve Facility, the Trust Agreement requires the County to pay to the provider thereof such amount as shall be required to cause the provider to reinstate no less than the required deposit for such month.

Notwithstanding the foregoing, in lieu or in satisfaction of any required deposit into the Reserve Account or in substitution for all or a portion of the amounts on deposit, the County may cause to be deposited into the Reserve Account a Reserve Facility for the benefit of the holders of the Bonds, which Reserve Facility shall be available to be drawn (upon the giving of notice as required thereunder) on any payment date on which a deficiency exists for payment of the Bonds, which deficiency is payable from the Reserve Account and which cannot be cured by moneys in the Reserve Account or any other Fund or Account held pursuant to the Trust Agreement and available for such purpose. If any such Reserve Facility is substituted for moneys on deposit in the Reserve Account, the excess moneys in the Reserve Account shall be applied to satisfy any deficiency in any of the Funds and Accounts, and any remaining balance shall be deposited with the Co-Trustee to the credit of the Improvement Fund. If a disbursement is made from a Reserve Facility, the County shall be obligated, in accordance with the provisions of the Trust Agreement, to either (i) reinstate such Reserve Facility, (ii) deposit moneys in the Reserve Account, or (iii) undertake a combination of such alternatives. See "Funds and Flow of Funds" below.

In the event the Reserve Account is at any time funded with more than one Reserve Facility, any required draw under such Reserve Facilities shall be made on a pro-rata basis; provided, however, that if at the time of such

draw the Reserve Account is only partially funded with one or more Reserve Facilities, prior to drawing on such facilities, there shall first be applied any cash and securities on deposit in the Reserve Account and, if after such application a deficiency exists, the Trustee shall make up the deficiency by drawing on such facilities as provided in this paragraph. Amounts drawn or paid under a Reserve Facility shall be reimbursed to the provider in accordance with the terms and provisions of the reimbursement or other agreement governing such facility entered into between the County and such provider.

The Trust Agreement requires that any Reserve Facility must be with a provider rated on the date of deposit of such facility into the Reserve Account in one of the two highest rating categories (without regard to any gradations in such categories) of a nationally recognized rating agency. If, but only while any Bonds issued prior to December 15, 2002 are Outstanding under the Trust Agreement, the rating of the provider of any Reserve Facility previously provided falls below one of the two highest rating categories of each nationally recognized rating agency then maintaining a rating on such provider, the County shall either (i) replace such Reserve Facility with another Reserve Facility, (ii) deposit moneys in the Reserve Account in accordance with the Trust Agreement, or (iii) undertake a combination of such alternatives. See "Funds and Flow of Funds." Promptly upon obtaining knowledge of such reduction in ratings, the County is required, under the Trust Agreement, to notify the Trustee and the Co-Trustee of the occurrence of such event.

As of the date of this Official Statement (and not taking into account the issuance of the Series 2007 Refunding Bonds), approximately \$ _____ of the Reserve Account Requirement of \$ _____ is provided by _____ Reserve Facilities provided by _____ different providers. All such providers currently maintain the credit rating requirement described above.

Moneys on deposit to the credit of the Reserve Account shall, as nearly as may be practicable, be invested and reinvested by the Trustee, at the direction of the County, in Authorized Investments which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than 15 years after the date of such investment.

For purposes of the Trust Agreement, moneys for deposit in, or held for the credit of, the Reserve Account shall include amounts available under any Reserve Facility on deposit in the Reserve Account.

Upon delivery of the Series 2007 Refunding Bonds [and transfers out of Reserve Account for refunding?], the amount on deposit in the Reserve Account will contain approximately \$ _____ in cash and approximately \$ _____ of Reserve Facilities and will be equal to the Reserve Account Requirement for all Bonds then Outstanding, including the Series 2007 Refunding Bonds. See "Reserve Facility" below.

Reserve Facility

[describe results of refunding]. The [Series 2007 Reserve Facility], together with any other Reserve Facility on deposit in the Reserve Account, will be available to fund deficiencies in the Bond Service Account and the Redemption Account after cash and other investments, if any, have been depleted. See "SECURITY FOR THE SERIES 2007 REFUNDING BONDS – Reserve Account." The Series 2007 Refunding Bonds will only be delivered upon the issuance of the Series 2007 Reserve Facility.

Issuance of Additional Bonds

The County may issue aviation revenue bonds under the Trust Agreement, on a parity with Bonds Outstanding under the Trust Agreement, at any time or times for the purpose of, among other things, paying all or part of the cost of any additional Improvements or Projects or any portions thereof, including the payment of any notes or other obligations of the County or the repayment of any advances made from any source to temporarily finance such cost ("Additional Bonds"). Such Additional Bonds may not be issued unless, among other things:

- (i) the proceeds (excluding accrued interest) of such Additional Bonds to be applied to the cost of the Improvements or Project or portions thereof to be financed in whole or in part by the issuance of such Additional Bonds, at the purchase price to be paid therefor, together with the other funds which have

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been or will be made available for such purpose as set forth in the certificate of the Aviation Director required by the Trust Agreement, shall be not less than the total cost of the Improvements or Project or portions thereof to be financed in whole or in part by the issuance of such Additional Bonds as estimated by the Consulting Engineers in the statement required by the Trust Agreement, and

(ii) either, (a) the percentage derived by dividing (I) the amount of Net Revenues (which may be adjusted as described in the Trust Agreement) for any period of 12 consecutive calendar months selected by the County out of the 18 calendar months immediately preceding the date of the certificate of the Aviation Director required by the Trust Agreement by (II) the largest amount of the Principal and Interest Requirements for any succeeding Fiscal Year on account of all Bonds previously issued under the Trust Agreement and then outstanding and the Additional Bonds then requested to be authenticated and delivered shall not be less than 120%, or (b) the percentage derived by dividing (I) the amount of annual Net Revenues in each of the five Fiscal Years immediately following the date of a statement of the Traffic Engineers estimating the annual Net Revenues for the applicable five Fiscal Years or, if interest on the Additional Bonds then requested to be authenticated and delivered is to be paid from proceeds of such Additional Bonds, in each of the five Fiscal Years immediately following the last date on which interest on such Additional Bonds is to be paid from proceeds of such Additional Bonds, by (II) the amount of Principal and Interest Requirements for each of such Fiscal Years, shall not be less than 120%, and

(iii) the amount to the credit of the Reserve Account in the Sinking Fund (including amounts available under any Reserve Facilities) shall be not less than the amount then required to be on deposit to the credit of the Reserve Account under the Trust Agreement.

The County may issue Additional Bonds under the Trust Agreement for completion of a Project being financed by a Series of Bonds without satisfying the above described financial test if proceeds of the Series of Bonds originally issued for such Project are insufficient to complete such Project. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT– Issuance of Additional Bonds" for a more complete discussion of the issuance of Additional Bonds.

Issuance of Refunding Bonds

The County may issue aviation revenue bonds under the Trust Agreement payable on a parity with Bonds Outstanding under the Trust Agreement to refund all or a portion of the Bonds of any Series Outstanding under the Trust Agreement or certain other obligations (the "Refunding Bonds"). Conditions for the issuance of Refunding Bonds issued to refund aviation revenue bonds previously issued under the Trust Agreement include, among others, a requirement that either (1) the total Principal and Interest Requirements for the Refunding Bonds during their term is less than the total Principal and Interest Requirements for the bonds to be refunded during their term, (2) the percentage derived by dividing (a) the Net Revenues for the relevant Computation Period by (b) the maximum amount of Principal and Interest Requirements for any succeeding Fiscal Year on account of all aviation revenue bonds theretofore issued under the provisions of the Trust Agreement and then Outstanding (other than the refunded bonds) and the proposed Refunding Bonds, as set forth in a certificate of the Director approved by the Traffic Engineers as to (a) above to the extent of any adjustments to Net Revenues and approved by the Trustee as to item (b) above, shall not be less than 120%, or (3) the percentages derived by dividing (a) the estimated amount of annual Net Revenues in each of the five fiscal years immediately following delivery of the Refunding Bonds (such Net Revenues to be determined from the Revenues and Current Expenses as estimated by the Traffic Engineers in a statement signed by the Traffic Engineers) by (b) the amount of the Principal and Interest Requirements for each of such five fiscal years on account of all aviation revenue bonds theretofore issued under the provisions of the Trust Agreement and then Outstanding (other than the refunded bonds) and the proposed refunding bonds, as set forth in a certificate of the Director, shall not, in each such year, be less than 120%. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT– Issuance of Refunding Bonds" for a more complete discussion of the requirements for the issuance of Refunding Bonds. The Series 2007 Refunding Bonds are being issued pursuant to such requirements.

[Bond Insurance]

Holders of insured Series 2007 Refunding Bonds have agreed by acceptance of such Series 2007 Refunding Bonds that, so long as the Bond Insurers are not in default under the Policies, the Bond Insurers will be treated as the holders of the Series 2007 Refunding Bonds insured by them for purposes of granting certain consents to amendments to the Trust Agreement, exercising remedies and exercising other rights on behalf of the holders of such Series 2007 Refunding Bonds. [related to acceleration]

Funds and Flow of Funds

The Trust Agreement provides for the following funds and accounts:

- (i) Construction Fund;
- (ii) Revenue Fund;
- (iii) Sinking Fund, including Bond Service Account, Reserve Account and Redemption Account;
- (iv) Reserve Maintenance Fund; and
- (v) Improvement Fund.

The amounts held in such Funds and Accounts are pledged to secure the holders of the Bonds.

The Trust Agreement provides for all Revenues to be collected by the County and deposited with the Co-Trustee to the credit of the Revenue Fund and to be held, invested and disbursed in accordance with the Trust Agreement.

Moneys in the Revenue Fund are to be applied first to the payment of Current Expenses as the same become due and payable in accordance with the Annual Budget for each Fiscal Year, subject to covenants of the County in the Trust Agreement that such expenditures are incurred in maintaining, repairing and operating Port Authority Properties.

After paying such Current Expenses each month and after reserving in the Revenue Fund an amount not to exceed 20% of the Current Expenses for the current Fiscal Year as shown in the Annual Budget (it being noted that the County complies with the provision by currently budgeting thirteen and one-half percent (13.5%) of its budgeted Current Expenses as an Operating Reserve), the Co-Trustee shall, on the 20th day of each month, cause the balance of moneys in the Revenue Fund to be remitted to the Trustee and/or deposited to the credit of the following Accounts or Funds in the following order:

- (i) to the credit of the Bond Service Account in the Sinking Fund held by the Trustee, an amount equal to 1/6th of the amount of the next interest payment on all Bonds Outstanding and (beginning with the twelfth month preceding the first maturity of any serial bond of a Series) an amount equal to 1/12th of the next maturing installment of principal of such serial bonds;
- (ii) to the credit of the Redemption Account in the Sinking Fund held by the Trustee, an amount equal to 1/12th of the Amortization Requirement, if any, for such Fiscal Year for any term bonds then Outstanding, plus an amount equal to 1/12th of the premium, if any, which would be payable on the redemption date with respect to such Amortization Requirement if such principal amount of bonds should be redeemed on such date from moneys in the Sinking Fund;
- (iii) to the credit of the Reserve Account in the Sinking Fund held by the Trustee, an amount equal to 1/60th of the Reserve Account Requirement until the Reserve Account Requirement (including amounts available under any Reserve Facilities) is met;
- (iv) to the credit of the Reserve Maintenance Fund held by the Co-Trustee, the amount required during such Fiscal Year to equal the recommendation of Consulting Engineers in the report

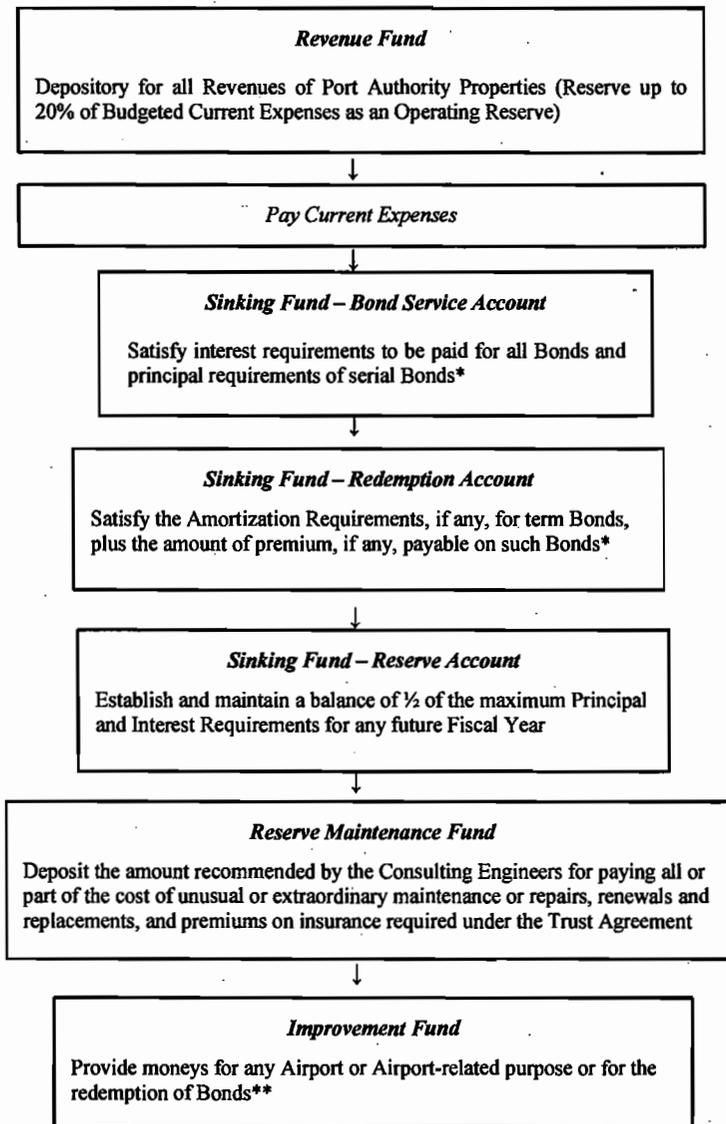
following inspection of the Port Authority Properties or such greater amount as directed by the Aviation Director, or by amendment to the Annual Budget, to pay for all or part of the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment and premiums on insurance required under the Trust Agreement; and

(v) to the credit of the Improvement Fund held by the Co-Trustee, the balance, if any, of moneys in the Revenue Fund after the aforementioned required deposits to the Bond Service Account, the Redemption Account, the Reserve Account and the Reserve Maintenance Fund, unless the County by resolution directs the Trustee to deposit all or part of such balance from the Revenue Fund to the credit of the Redemption Account.

If the amount so deposited in any month to the credit of any Account mentioned in clauses (i), (ii), and (iii) above shall be less than the required amount, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of any such Fund or Account in each month thereafter until such time as such deficiency shall be made up.

See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT."

**MONTHLY APPLICATION OF REVENUES UNDER THE TRUST AGREEMENT
PORT AUTHORITY PROPERTIES**



Note: *Requirements payable from Revenues may be reduced to the extent such requirements are satisfied from other sources outside the Trust Agreement (e.g., PFCs) set aside for such purpose.
 **Certain moneys are transferred annually from the Improvement Fund to the Revenue Fund pursuant to the terms of the AUA. Such transferred deposits to the Revenue Fund are treated as Revenues under the Trust Agreement and can be used to satisfy requirements of the Rate Covenant.

DEVELOPMENTS AFFECTING THE AIR TRANSPORTATION SYSTEM

Significant Events

The September 11, 2001 terrorist attacks, the war in Iraq, hostilities in Afghanistan and elsewhere, the continued threat of terrorist acts and related security cost increases, rising fuel costs, and weaknesses in certain segments of the economy, have significantly adversely impacted the air transportation industry. Many airlines have negotiated significant wage concessions with their employees, imposed lay-offs of employees, and reduced operating expenses in order to mitigate mounting financial losses. Certain airlines have filed for protection under the U.S. Bankruptcy Code. Other airlines have warned that they may have to declare bankruptcy if costs cannot be contained [?]. In addition, many airlines have had their credit ratings downgraded by national credit rating agencies. The County cannot predict how these factors will impact Revenues and the financial condition of the Airport. For further information regarding the financial condition and effect on operations of the airlines, including further information regarding the airlines' reported load and capacity factors, potential investors should refer to the statements and reports filed periodically by the airlines with the Securities and Exchange Commission. See "CERTAIN INVESTMENT CONSIDERATIONS – Additional Information."

Despite the enactment of the Air Transportation Safety and System Stabilization Act and additional federal aid for the airline industry (described below under "Federal Legislation"), several airlines filed for bankruptcy protection due, in part, to the events described in this section. These airlines include Signatory Airlines, such as Delta, Northwest, United, US Airways, Avianca, Air Canada, Arrow Air, Atlas Air and other airlines at the Airport. It is possible that additional passenger or all-cargo air carriers, including more of the Signatory Airlines, will file for protection under federal bankruptcy laws. See "CERTAIN INVESTMENT CONSIDERATIONS – Uncertainties of the Airline Industry."

Federal Legislation

To mitigate the negative impact of events of September 11, 2001, the Air Transportation Safety and System Stabilization Act (the "Stabilization Act") was enacted into law on September 22, 2001. The Stabilization Act provided among other things, for (i) \$5 billion in payments to compensate domestic airlines for losses incurred as a result of the September 11, 2001 terrorist attacks, (ii) \$10 billion in federal loan guarantees to domestic airlines, subject to certain conditions and fees, including the potential requirement that the federal government be issued warrants or other equity instruments in connection with such loan guarantees (approximately \$4.6 billion of such loan guarantees were actually issued to 427 air carriers, and such loan guarantees are no longer available), (iii) limitations on air carrier officer and employee compensation if the air carrier receives federal loan guarantees, (iv) reimbursement to domestic airlines by the federal government of certain increased insurance costs for the operation of aircraft incurred by the airlines, (v) deferral of the payment by domestic airlines of certain taxes, and (vi) limitations of liability for domestic airlines.

In 2003, Congress passed the four-year, \$60 billion Federal Aviation Administration ("FAA") reauthorization legislation, VISION-100 Century of Aviation Reauthorization Act (Public Law 108-176) (the "Vision 100 Act"). The legislation included record funding authorization for the Airport Improvement Program ("AIP") through Fiscal Year 2007, increasing annual funding from \$3.4 billion to \$3.7 billion by Fiscal Year 2007 and maintaining the budget protections that make it difficult for Congress to appropriate less than full funding for the AIP. The AIP provides federal grants to airports for airport development and planning, including planning and construction of runways, taxiways, or other airport facilities, and is a major source of airport capital development funding. Congress will again be deliberating an FAA reauthorization bill in 2007 (described below), as the existing legislation expires at the end of Fiscal Year 2007. [update]

Proposed FAA Legislation [update]

The proposed Next Generation Air Transportation Financing Reform Act of 2007 ("NextGen Act") addresses the simultaneous expirations of the funding authorization for the FAA's current programs and the existing taxes that fund the Airport and Airway Trust Fund at the end of Fiscal Year 2007. The FAA submitted this proposed legislation to Congress on February 14, 2007. Its stated purpose is to improve the federal aviation system's ability to handle growth by incorporating stakeholder recommendations and results of over twenty years of study of the

federal aviation system. In its current form, the NextGen Act would overhaul the regulatory, funding and financing mechanisms of the federal aviation system. The FAA, in its transmittal letter to the Speaker of the House, stated that its proposed changes to funding mechanisms will reflect more accurately the uses and needs of the system and reduce airports' reliance on particular carriers as the financial support for their debt. Specifically, the NextGen Act would make PFCs the main source of debt support for airports. The NextGen Act provides for an increase to the PFC cap currently set at \$4.50 per enplaned passenger to \$6.00. Airports would also be allowed to impose a \$7.00 PFC per enplaned passenger if the airport agrees to maintain its FAA's navigation facilities. Other proposed changes include (i) eliminating most components of the existing aviation excise tax system; (ii) implementing cost recovery measures reflecting the particular needs of various FAA services; (iii) accelerating transportation system improvements through flexible capital financing; (iv) increasing the management authority of the FAA's Joint Planning and Development Office to manage development of new transportation system infrastructure; (v) revising regulations for the purpose of enabling large and medium hub airports to meet their capital improvement needs and (vi) increasing the FAA's ability to direct Airport Improvement Program funds to strategic initiatives, such as runway safety, increased capacity at critical airports and emerging trends in unproved aviation technology. This legislation could have a significant impact on airports, including MIA and merits close monitoring, but there is no assurance that the proposed legislation will become law or what form the legislation will ultimately take.

Airport Security

As a result of the September 11, 2001 terrorist attacks, the Federal Aviation and Transportation Security Act ("ATSA") was enacted on November 19, 2001. This legislation makes airport security the responsibility of the Transportation Security Administration (the "TSA"). The TSA was originally made an administrative agency of the United States Department of Transportation, but was subsequently made an administrative agency within the new United States Department of Homeland Security ("DHS") in the Homeland Security Act of 2002 (Public Law 107-296) (the "HSA"). Provisions of the HSA and subsequent directives issued by DHS called for, among other things, stronger cockpit doors on commercial aircraft, an increased presence of armed federal marshals on commercial flights, establishment of 100% checked bag screening, and replacement of all passenger and baggage screeners with federal employees, who must undergo criminal history background checks and be U.S. citizens. Airports have the option of "opting out" of using federal screeners and contracting with TSA-approved private screening companies, but most large hub airports, including MIA, utilize TSA screeners. Airports may continue to use state or local law enforcement personnel and airport employees to provide security services not related to passenger or baggage screening. Under ATSA, the federal government will pay for the new federal security screening services by charging passengers a security service fee of \$2.50 per departure or connection, not to exceed \$5.00 per one-way trip, which is collected by air carriers and remitted to the federal government. To the extent that such fees are deemed to be insufficient by the TSA, ATSA also authorizes the imposition of an Aviation Security Infrastructure Fee on air carriers for Fiscal Year 2005 and thereafter, in amounts that may be determined based upon market share or other appropriate measure, not to exceed \$344 million annually. [To date]

ATSA also mandates that certain security measures be undertaken at airports, including the Airport. Among other things, the following security measures are required: (i) screening or inspection of all individuals, goods, property, vehicles and equipment before entry into a secured area of the airport, (ii) security awareness programs for airport employees, (iii) screening all checked baggage for explosives with explosives detection systems ("EDS") or other means or technology approved by the Undersecretary of the United States Department of Transportation, (iv) deployment of sufficient EDS for all checked baggage, and (v) operation of a system to screen, inspect or otherwise ensure the security of all cargo to be transported in all-cargo aircraft. EDS equipment purchased by the federal government has been installed at the Airport. In some cases, installation of EDS equipment necessitated structural modifications to the Terminal Building. Substantially all of the costs of those modifications and the installation were borne by the TSA during the initial deployment.

Unlike the initial deployment where the TSA paid for the installation of stand alone systems and limited modifications to passenger screening checkpoints, currently the TSA requires airports to bear the cost of design, construction, and installation of automated in-line baggage screening systems and passenger screening checkpoints to meet the specifications that the TSA screening process requires for operation at full design capacity. The TSA has committed to a policy of partial reimbursement at a rate of 75% on a year-by-year basis, to offset some of the cost of these improvements. At MIA, the TSA has committed \$20 million of the original \$26 million (now \$29 million) allocated for the South Terminal project towards an inline baggage screening system within the South

Terminal project. The Aviation Department is seeking approximately \$59 million more in reimbursements from TSA for terminal modification costs associated with in-line EDS installation within the North Terminal project. This represents 75% of the \$79 million estimated for the North Terminal EDS installation project cost. [update]

The Aviation Department is also evaluating the implementation of a Registered/Trusted Traveler program to expedite members through the passenger screening process as well as through the international Federal Inspection Services ("FIS") process. The average passenger wait time at MIA's passenger screening checkpoints is [3.7] minutes. During peak periods, the average passenger wait time is [15] minutes.

The Fiscal Year 2007 operating budget for security at MIA is \$12.5 million. The proposed budget for Fiscal Year 2008 is \$13.5 million. The \$1 million increase is a result of inflation and new security programs.

International Visitors

On August 2, 2003, DHS suspended the International-to-International ("ITI") and the Transit Without Visa ("TWOV") programs, citing national security concerns. Suspension of the ITI program meant that connecting passengers with the appropriate documentation were required to be admitted into the U.S. and were sent into the general airport population for security screening in order to connect with their ongoing flights.

To mitigate the overcrowding in the FIS facility and the security checkpoints, TSA and United States Customs and Border Protection Agency ("CBP") were authorized to hire additional staffing. CBP hired as many as 104 additional officers, who began servicing the FIS on March 15, 2006, while TSA opened up its recruitments with an innovative package to be offered to part-time employees. Furthermore, the Aviation Department in conjunction with CBP, improved (decreased) the FIS wait time for arriving international passengers by restructuring existing facilities in concourse F for international passenger processing and reopening existing processing facilities in the Satellite facility. This innovation increased the FIS from two processing facilities to four and added processing lanes from 65 to 101. This improved the average wait time from 48 minutes in June 2005 to 36 minutes, an improvement of 25% less wait time. [update]

The Aviation Department expects that wait times will be reduced in third quarter 2007 with the opening of the new South Terminal (concourse J) and its 15 international-capable gates, 40 CBP processing lanes and 3 new security checkpoints with 8 screening lanes and again in 2011 with the completion of 48 international capable gates and 72 CBP processing lanes in North Terminal. [update]

Air Cargo Security

Following the implementation of enhanced security procedures for passengers, the TSA began a comprehensive review of cargo security under the auspices of the Aviation Security Advisory Committee ("ASAC"). The review process involved three Air Cargo Security Working Groups. The first, the Shipper Acceptance Group, addressed strengthening the "Known Shipper" guidelines; the second, the Indirect Air Carriers and Freight Forwarders, examined operating practices and chain of custody issues for customs brokers and freight forwarders; and the third, Securing the All-Cargo Aircraft, focused on airport perimeter security issues. The groups met for the first time on April 29, 2003. Their findings were presented to ASAC on October 1, 2003 (the "ASAC Report").

The recommendations of the first two groups were heavily focused on process and the implementation of administrative controls before goods reach the aircraft. Based on initial industry feedback, the proposed modifications do not represent changes that would have a material impact on domestic or international air cargo volumes, although the processing time for cargo from shipper to aircraft will be extended. The third group's results address perimeter security and protection of the areas where freighter aircraft would be parked.

As a result of the ASAC Report, a final rule on air cargo security was issued by the TSA in May 2006 requiring the consolidation of approximately 4,000 known shipper lists into one central database managed by the TSA, allowing the TSA to have more in-depth vetting of known shippers. The rule also extends secure areas of airports to include ramps and cargo facilities and requires an additional 50,000 airline employees nation wide,

including approximately 500 at MIA, to receive full criminal history background checks, which has limited the flexibility of some cargo operators to hire temporary workers to assist with their peak, seasonal operations. The rule also mandates background checks of approximately 51,000 off-airport employees working for freight forwarders.

The 110th Congress has under consideration legislation authorizing many of the recommendations of The National Commission on Terrorist Attacks Upon the United States (the "9/11 Commission Recommendations"). The House of Representatives passed a version of this legislation, House Resolution 1, on January 9, 2007. The Senate passed its own version of the legislation, Senate Bill 4, on March 13, 2007. The Senate Bill has supplemental provisions to implement certain 9/11 Commission Recommendations not included in House Resolution 1; including further funding for projects. House Resolution 1 includes a mandate that the DHS develop a system to inspect 100% of all cargo transported on commercial passenger aircraft within 3 years of enactment. It also provides for enhanced passenger screening procedures. In addition, House Resolution 1 authorizes funding and directs the DHS to identify methods of funding all aspects of the legislation pertaining to aviation security within 30 days of the bill's enactment into law. There is no assurance that the proposed legislation will become law, or if enacted, that full federal funding will be appropriated. [update]

Low Cost Carriers and Low-Fares for Legacy Carriers

The airline industry currently is going through a transition prompted by the proliferation of low-cost carriers ("LCCs") across the country. Published estimates indicate that LCCs accounted for about 25% of all domestic enplaned passengers flown in the United States during 2006 and, as a result, pose a competitive threat to the legacy airlines (i.e., large network, major carriers such as American, United, Delta, Continental and Northwest Airlines) whose unit costs are significantly higher. Because the LCCs can transport passengers profitably at much lower fares, the legacy carriers must match those prices or cede passengers to the LCCs. Consequently, the legacy airlines are seeking to reduce significantly their cost base, bring their capacity more in line with traveler demand, and find ways to make their operations more efficient. This process has involved some experimentation by the major airlines into the LCC concept (e.g., United Airlines with Ted (?)), as well as significant fare reduction and elimination of fare restrictions, and is resulting in major restructuring of the airline industry that has generally produced lower airfares.

CERTAIN INVESTMENT CONSIDERATIONS

General

The Trust Agreement authorizes the payment of the principal of and interest on the Series 2007 Refunding Bonds from Net Revenues. The ability to pay debt service on the Series 2007 Refunding Bonds will depend upon a number of factors, including the financial condition, results of operations and financial outlook for the Airport and the County, the condition of the air transportation industry generally, and the adequacy of Net Revenues pledged to pay debt service on the Series 2007 Refunding Bonds.

No assurance can be given with respect to the levels of aviation activity that will be achieved at the Airport in future fiscal years. Future traffic at the Airport is sensitive to a variety of factors including (i) economic conditions resulting from the level of national and international economic growth; (ii) international trade; (iii) currency values; (iv) the nature of domestic airline service and the effect of deregulation on competition; (v) the extent to which airline service is affected by the demand generated by specific airport markets and, in certain instances, the level of connecting passenger activity (hubbing); (vi) the level of airline fares, which has a significant impact on passenger traffic; (vii) airport capacity, which has been affected by significant growth in certain air passenger markets; and (viii) disruption caused by airline incidents, acts of war, and terrorism. Other factors that may reduce revenues of airlines serving the Airport include, without limitation, declining demand; service and cost competition; the availability and cost of fuel and other necessary supplies; high fixed costs; high capital requirements; the cost and availability of financing; technological changes; the cost and availability of employees; strikes and other employee disruptions; the maintenance and replacement requirements of aircraft; insurance costs; litigation liability; federal government regulation and deregulation; environmental risks and regulations; noise abatement concerns and regulation; and federal and state bankruptcy and insolvency laws. Some or all of these factors have combined to reduce profits materially and to cause significant losses to all but a few airlines. See "DEVELOPMENTS AFFECTING THE AIR TRANSPORTATION SYSTEM."

Uncertainties of the Airline Industry

General

The ability of the County to derive Revenues from its operation of the Airport depends on many factors, many of which are not subject to the County's control, including the overall condition of the airline industry. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their obligations under the AUA.

As a result of the present condition of the airline industry, bankruptcy filings and liquidations or major restructurings by members of the airline industry, such as Delta, Northwest, United, US Airways, Avianca, Air Canada, Arrow Air, Atlas Air, Falcon Air, and other airlines at the Airport, have occurred and future filings remain possible. See "Airline Bankruptcies" in this section and "DEVELOPMENTS AFFECTING THE AIR TRANSPORTATION SYSTEM – Significant Events." In addition, individual airline decisions regarding level of service, particularly hubbing activity at the Airport, together with the unwillingness of certain potential passengers to fly because of actual and potential terrorist attacks, will affect total enplanements. There is no assurance that the Airport, despite a demonstrated level of airline service and operations, will continue to maintain such levels in the future. Future airline traffic at the Airport will be affected by, among other things, the growth or decline in the population and the economy of the Airport service region and by national and international economic conditions, acts of war and terrorism, federal regulatory actions, airline service, air fare levels and the operation of the air traffic control system. See "AIRPORT TRAFFIC ACTIVITY." [update]

Possible Effects on the Airport of Airline Bankruptcies

Airlines using the Airport may file for protection under the bankruptcy laws, and any such airline (or a trustee on its behalf) would have the right to seek rejection of any executory airport lease or contract within certain specified time periods after the filing, unless extended by the bankruptcy court. During the pendency of a bankruptcy proceeding, a debtor airline using the Airport typically may not, absent a court order, make any payments to the Aviation Department on account of goods and services provided prior to bankruptcy. Thus, the Aviation Department's stream of payments from a debtor airline may be interrupted to the extent of pre-petition goods and services, including any accrued rent, Landing Fees, aviation fees, and PFCs.

Rejection of any executory lease or contract by a debtor in bankruptcy is typically sought to avoid long-term commitments, unusual contract terms, or high fixed fees. However, Terminal Building leases at the Airport have a maximum term of five years and are subject to cancellation upon 30 days' notice, so little is gained by rejecting such an agreement to avoid having to pay Airport fees contained in such agreements. Although there can be no guarantee as to what an airline entity in bankruptcy will or will not do, it is not expected that an airline having filed for bankruptcy but desiring to continue operating at the Airport would seek rejection of the AUA and to date, none of the Signatory Airlines that have filed for bankruptcy protection has done so. Chapter 11 bankruptcy in and of itself does not necessarily dictate air service market decisions for an air carrier; however, it is one of many factors that airline management considers in making its future air service decisions. See "SECURITY FOR THE SERIES 2007 REFUNDING BONDS – Airline Use Agreement."

Airline Bankruptcies [update]

Set forth below is a table reflecting the airlines and air cargo operators that are currently in bankruptcy, the percentage of total enplanements at the Airport or total percentage of cargo at the Airport for each airline, as the case may be, and the amounts owed to the Airport in pre-petition debts. The Aviation Department does not believe that a further reduction of service by any one of the airlines listed below will have a material adverse impact on Revenues.

Airline Bankruptcies* at Miami International Airport

Airlines	Carrier Type	Chapter 11 Filing Date	FY 2006 % of Enplanements at MIA	Pre-petition Debt as of Feb. 5, 2007	Post-Petition Obligations as of Feb. 5, 2007
Comair	Passenger	09/14/2005	0.37%	\$ 56,981	\$ 67,809
Falcon Air	Charter	05/10/2006	N/A	1,261,674	25,199
Gemini	All Cargo	03/01/2006	2.79	-	143,362
Northwest	Passenger	09/14/2005	1.32	278,899	-
United Airlines	Passenger	12/09/2002	1.66	1,069,896	284,623
Varig	International Passenger/Cargo	06/17/2005 ¹	0.33	179,425	265,267

* Other airlines at the Airport that have filed bankruptcy in the past but have emerged from bankruptcy include (1) Air Canada, (2) Amerijet International, (3) Arrow Air, (4) ATA, (5) Atlas Air, (6) Avianca,, (7) Polar Air, (8) Southern Air, (9) US Airways and (10) Delta. Cumulatively, if these were all in bankruptcy for the entire Fiscal Year 2006, these ten airlines would have represented 9.86% of landed weight at the Airport and 6.30% of Revenues.

¹ Varig (Viacao Aerea Rio-Grandense) filed for bankruptcy in Rio de Janeiro and filed an ancillary bankruptcy proceeding in the Southern District of New York. The County holds a cash security deposit of \$414,577.74 that the County intends to apply in full against Varig's debt, assuming the bankruptcy laws of Brazil permit such use of the security deposit.

For more information on the financial conditions of the airlines, potential investors may refer to the most recent filings of the airlines with the Securities and Exchange Commission. See "CERTAIN INVESTMENT CONSIDERATIONS – Additional Information."

Effect of Bankruptcies on PFC Collections

A portion of the funding for the CIP will come from PFC revenues. Although PFCs are not pledged to the payment of the Bonds, the Aviation Department anticipates depositing PFC revenues which have been collected into the Sinking Fund and Redemption Account each year to reduce Principal and Interest Requirements on the Bonds. See "SECURITY FOR THE SERIES 2007 REFUNDING BONDS – Rate Covenant." See "FUNDING SOURCES FOR THE CIP – Passenger Facility Charges" for a discussion of certain factors relating to restrictions on the use and imposition of PFCs and how certain factors may reduce the amount of PFCs collected at the Airport. There can be no assurance that collections of PFCs will not be adversely affected by such matters as decreased air travel or changes in federal regulations.

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508) and the Aviation Investment and Reform Act for the 21st Century (Public Law 106-181) (collectively, the "PFC Enabling Acts"), PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency imposing the PFC, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. The airlines, however, are permitted to commingle PFC collections with other revenues and also are entitled to retain interest earned on PFC collections until such PFC collections are remitted. If an airline is in liquidation or bankruptcy proceedings, however, it is prohibited from commingling PFC collections with other revenues. The airlines are statutorily prohibited from granting a security interest in PFC collections to a third party.

The Vision 100 Act requires an airline that files for bankruptcy protection, or that has an involuntary bankruptcy proceeding commenced against it, to segregate PFC revenue in a separate account for the benefit of the eligible agencies entitled to such revenue. Prior to the amendment of the PFC Enabling Acts that mandated PFCs collected by the airlines to constitute a trust fund and prior to the passage of the Vision 100 Act, at least one bankruptcy court had indicated that PFC revenues held by an airline in bankruptcy would not be treated as a trust fund and would instead be subject to the general claims of such air carrier's unsecured creditors. In connection with another bankruptcy proceeding after the PFC Enabling Acts and prior to the passage of the Vision 100 Act, a different bankruptcy court entered a stipulated order establishing that PFCs be set aside in a trust fund for the benefit of various airports. On February 1, 2006, the FAA issued a Notice of Proposed Rulemaking that would amend 14 C.F.R. Part 158 to incorporate the Vision 100 Act changes into the regulations. The proposed regulations permit commingling of PFC Revenues with an airline's other revenues, but when the airline files for bankruptcy protection, such commingling is prohibited and the airline must segregate PFC Revenues in a designated separate PFC account. At least once every day, the airline must sweep its revenue accounts to transfer PFC Revenues into the PFC account. While the Vision 100 Act and the proposed regulations should provide some protection for creditors in connection with PFC Revenues collected by an airline in bankruptcy, no assurances can be given as to the approach bankruptcy courts will follow in the future.

Airline Economic Considerations

The financial strength and stability of airlines serving the Airport may affect future airline traffic. Accordingly, no assurance can be given as to the levels of aviation activity that will be achieved at the Airport. It is reasonable to assume that any significant financial or operational difficulties incurred by American Airlines, the predominant airline servicing the Airport, could have a material adverse effect on the Airport, although financial or operational difficulties by any of the other Signatory Airlines may also, whether directly or indirectly, adversely affect Revenues or Airport operations.

The airline industry suffered an estimated \$10 billion loss in each of 2004 and 2005, following losses of more than \$23 billion in the previous three years. [update] To mitigate these losses, all legacy airlines have reduced their route networks and flight schedules and negotiated with employees, lessors and vendors to cut costs, either under Chapter 11 bankruptcy protection or the threat of such. Continuing losses could force additional airlines to further retrench, seek bankruptcy protection, discontinue marginal operations, or liquidate. The restructuring or liquidation of one or more of the large network airlines would drastically affect air service at many connection hub airports, present business opportunities for the remaining airlines, and change air travel patterns throughout the U.S. aviation system.

Competition

The Airport has competition for domestic and international passengers. The closest competing airport, and MIA's biggest competitor for domestic Origin and Destination ("O&D") traffic, is Fort Lauderdale-Hollywood International Airport ("FLL"). Over the last ten years, the number of average daily departing seats on jet flights to key markets decreased significantly at MIA, while increasing sharply at FLL. FLL also has substantially more LCC service than MIA. The average domestic one-way fare gap between domestic fares paid at MIA and FLL, however, narrowed from \$46 in Fiscal Year 2001 to \$24 in Fiscal Year 2006. These trends in domestic service and fares largely account for the market share decline in domestic O&D passengers at MIA from 54.8% of the South Florida region in Fiscal Year 1996 to 35.3% in Fiscal Year 2006. In the three most recent fiscal years, FLL averaged 4.3 million more outbound domestic O&D passengers per year than MIA.

In addition, a small but growing share of international air passengers who originate or terminate their air travel in South Florida use FLL. For passengers traveling between other parts of the United States and international destinations, mostly in the Caribbean and Latin America, there are an increasing number of alternative routings, both nonstop flights and connecting services, via other U.S. gateway airports.

American Airlines

American Airlines uses the Airport as a major connecting hub within its route system. Including the operations of its affiliate, American Eagle, American Airlines accounted for approximately 67.6% of the enplaned passengers at the Airport and approximately 37% of Revenues during Fiscal Year 2006.

For the calendar year ended December 31, 2006, AMR Corporation ("AMR"), the parent company of American Airlines, reported a net profit of \$231 million (excluding special items), compared with a net loss of \$857 million for the calendar year ended December 31, 2005. For the fourth quarter of 2006, AMR reported a net profit of \$17 million, compared with a net loss of \$600 million for the fourth quarter of calendar year 2005. Additional financial information regarding AMR and American Airlines may be obtained from reports filed by AMR with certain federal agencies and from other publicly available sources. See "Additional Information" below.

In 2004, American Airlines restructured its hub operations at the Airport, which made it more efficient, increased its on-time dependability, and provided customers with a wider choice of flights. In particular, American spread its operations more evenly at the Airport by increasing the number of daily flight banks to 13 from seven, and in so doing, the airline has operated more flights in and out of the Airport using fewer aircraft, thereby increasing the hub's efficiency and assisting in the airline's overall objective to lower costs. American also has reduced its airfares in recent years in order to more effectively compete with the LCCs. Notwithstanding such restructuring, there is no assurance that American Airlines will not be forced to seek bankruptcy protection at some point in the future.

International Economic Impact

During the 1990s, the Airport experienced increased international passenger and cargo volume, and such international activity has become an increasingly important aspect of the Aviation Department's revenues. However, since 1996, the growth in international passengers has been flat, some of which has been caused by the economic decline in the Central and South American countries. See "AIRPORT TRAFFIC ACTIVITY" and "AVIATION DEPARTMENT FINANCIAL INFORMATION – Historical Financial Results." Recent changes in the global economy may impact the Airport's future traffic patterns. The Airport has also experienced increasing competition for both domestic and international passenger traffic from other regional and international gateway airports in recent years. Federal legislation may also affect the Airport's international passenger volume. See "DEVELOPMENTS AFFECTING THE AIR TRANSPORTATION SYSTEM – International Visitors."

Cost of Aviation Fuel

According to the ATA, fuel is the second largest cost component of airline operations, exceeded only by labor costs, and continues to be an important and uncertain determinative of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. The average price of oil in 2006 was \$66.00 per barrel. [update] As of March 30, 2007, the price of oil was \$65.87 per barrel. In recent years, some U.S. airlines have attempted to pass the higher fuel costs to consumers by increasing the fuel surcharge or increasing the price of airfares. Some of these attempts have been unsuccessful as many airlines, particularly the LCCs, refused to match the increase. Significant and prolonged increases in the cost of aviation fuel would have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of the threat of additional terrorist attacks, may influence the demand for passenger air travel. Travel behavior may be affected by anxieties over the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the selection of surface travel over air travel. See "DEVELOPMENTS AFFECTING THE AIR TRANSPORTATION SYSTEM – Airport Security." To mitigate the inconvenience, the Aviation Department has increased the number of passenger screening lanes and is working with the TSA on a checkpoint reconfiguration plan that will increase screening efficiencies thereby reducing wait times. In addition, the Aviation Department is in

the process of moving baggage screening operations behind the scenes, providing a fully automated screening system that is integrated with the Airport's baggage conveyor system. Construction to improve passenger and baggage screening checkpoints at the Airport is underway.

Because of the impact on airport operations of procedures mandated under "Code Orange" (high) and "Code Red" (severe) national threat levels declared by the DHS under the Homeland Security Advisory System, there is the potential for significantly increased inconvenience and delays at many airports, including the Airport.

Matters Relating to CIP

The estimated costs of and projected schedule for the CIP are subject to a number of uncertainties. See "CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM." The ability of the Aviation Department to complete the CIP may be adversely affected by various factors including, without limitation, (1) estimating errors, (2) design and engineering errors, (3) changes to the scope of the projects, (4) delays in contract awards, (5) material and/or labor shortages, (6) unforeseen site conditions, (7) adverse weather conditions, (8) contractor defaults, (9) labor disputes, (10) unanticipated levels of inflation, (11) environmental issues, and (12) the ability of the County to meet the tests set forth in the Trust Agreement for issuing Additional Bonds and to sell the Additional Bonds needed to finance the CIP.

North Terminal Program Cost Overrun and Schedule Delays [update]

The North Terminal Program has experienced substantial cost overruns and schedule delays. See "CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM – Terminal and Concourse Facilities Program – North Terminal Program."

Environmental Liabilities

For a discussion of the environmental liabilities of the Aviation Department, see "LITIGATION – Aviation Environmental Matters."

Airport Insurance

General Liability

The County maintains third party liability insurance coverage for bodily injury and property damage arising from aviation operations at all of its airports. Coverage is limited to \$500 million per occurrence, with a self-insured retention of \$50,000 per occurrence, for a total annual retention aggregate of \$500,000. War risk liability is included in the program with a limit of \$50 million per occurrence and in the aggregate. The current program expires October 1, 2007. [plans?]

The general liability self-insurance program is administered by the County's General Services Administration Department – Risk Management Division. The program complies with and is subject to the limitations of Florida Statutes, Section 768.28, regarding claims against governmental bodies.

Property Insurance

The property of the Aviation Department is insured under the countywide master program that covers most County properties subject to policy terms and conditions. The program is for real and personal property, including boiler and machinery insurance, flood insurance, and related loss prevention services. The limit is \$350 million countywide with a \$5 million deductible per occurrence for most perils and a \$200 million deductible per occurrence for named windstorm. The sub-limit for flood is \$10 million. Terrorism coverage is included in the program with a limit of \$200 million for certified acts as prescribed by the Terrorism Risk Insurance Act ("TRIA") passed by Congress in November 2002. Coverage is also included for non-certified acts subject to a limit of \$100,000,000. A \$5 million deductible per occurrence applies. Property within the Airport System is currently valued at approximately \$3.2 billion [?]. The current program expires in May 2007. [?]

In advance of the expiration of its insurance policies, the County evaluates coverage and premium costs for renewing these policies or obtaining replacement policies. There is no assurance that the same insurance coverages or policy limits will be available or obtained by the County in the future.

Florida Insurance Market

Florida's property and casualty insurance market had been in a state of disruption, and premiums had increased significantly due to losses from the 2004 and 2005 hurricane seasons. As a result of the mild 2006 season, the market is improving and additional capacity is becoming available.

In an effort to provide rate relief to property owners in Florida, the Florida Legislature earlier this year revised the state's insurance statutes (the "2007 Legislation"). The 2007 Legislation mostly targeted residential property insurance policies. However, some provisions of general application will apply to the Airport, as will some provisions specific to commercial property insurance carriers. In pertinent part, the 2007 Legislation (i) mandates that insurers pay or deny claims within 90 days; (ii) expands the territory for which the state-run Citizens Property Insurance Corporation ("Citizens Insurance") may offer commercial nonresidential policies; (iii) provides expanded reinsurance from the Florida Hurricane Catastrophe Fund ("FHCF") for all admitted insurers writing residential property insurance in the State, including Citizens Insurance, and mandates that insurance premiums be reduced to reflect the expanded FHCF reinsurance; (iv) significantly expands the Citizens Insurance assessment base for deficits occurring in Plan Year 2007 and thereafter; (v) prohibits formation of new Florida domestic subsidiaries of a national company to sell property insurance and (vi) changes the surplus and reporting requirements for property and casualty insurers.

Because the 2007 Legislation was signed into law on January 25, 2007, it is difficult to determine the short-term or the long-term effect on the Florida property and casualty insurance market generally, and the Airport specifically. The intent of the 2007 Legislation and any regulations promulgated pursuant to the 2007 Legislation is to reduce residential property insurance premiums statewide. If the 2007 Legislation has the desired effect, the Airport could realize potential savings on its property insurance as the impact of the legislative changes should be felt throughout the global reinsurance market.

Report of Insurance Consultant [update]

The County has covenanted in the Trust Agreement to maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the Aviation Director determines, with the approval of an independent risk management consultant ("Insurance Consultant"), will afford adequate protection against loss caused by damage to or destruction of all or any part of the Port Authority Properties and also such comprehensive public liability insurance on such properties for bodily injury and property damage and in such amounts as may be approved by the Insurance Consultant. See "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT - Insurance" in APPENDIX B.

In the Insurance Review dated March 26, 2007 [update], the Insurance Consultant concluded that the Aviation Department's current insurance program complies with the requirements of Section 706 of the Trust Agreement based on the assumption that the ongoing construction projects at MIA, including the North Terminal Program and the South Terminal Program are not Port Authority Properties until construction is complete. The Insurance Consultant also concluded that the property insurance currently purchased by the Aviation Department is practical and reasonable for the current Florida property insurance market; however, the amount of property insurance may be inadequate to cover damage arising out of a catastrophic event.

The Insurance Department has also identified certain priority issues regarding the County's insurance program as it relates to the Port Authority Properties under the Trust Agreement and noted that the insurance program needs to be revised in certain respects. The priority issues include continuing concerns over and recommendations relating to the County's Master Property Insurance Program, such as (i) countywide property insurance limits and in particular, the current deductible, (ii) inconsistencies among the terms and conditions of numerous property policies, (iii) decreases in the named windstorm deductible, (iv) the limit of terrorism coverage for non-certified acts, and (v) inadequate general liability insurance coverage for the North Terminal Development Consolidation Project. The Aviation Director has forwarded the Insurance Review to the Trustee and Co-Trustee as

a part of the annual insurance report required by the Trust Agreement. While the County believes, based in part of the report of its Insurance Consultant dated March 26, 2007, that it is currently in compliance with its insurance covenant under the Trust Agreement, it recognizes that it still needs improvements in its insurance program.

Representatives of the County, its General Services Administration, and the Aviation Department continue to explore practical measures to address the concerns and recommendations of the Insurance Consultant. These measures include, among others, reducing the property insurance deductible, establishing a windstorm trust, investigating other means to secure the deductible, and developing a plan for the allocation of property loss recoveries between the Airport System and other County properties. Neither the County nor the Aviation Department can, however, give any assurances that it will be practical to improve the insurance program to meet all the concerns and recommendations of the Insurance Consultant, within reasonable terms, conditions, provisions, and costs.

On an annual basis, the County requests that the Office of Insurance Regulation of the Florida Department of Financial Services review the adequacy of coverage under the County's Master Property Insurance Program. The Office of Insurance Regulation determines either (i) that the County's Master Property Insurance Program is adequate because coverage was "reasonably available," or (ii) that the Master Property Insurance Program is not adequate because coverage was "reasonably available," and in such instance the County may have to acquire additional coverage or provide the Office of Insurance Regulation with a reasonable basis for not obtaining such coverage. For Fiscal Year 2007, the General Services Administration will request this review by the Office of Insurance Regulation.

Additional Information on Airlines

Certain of the Signatory Airlines (see "SECURITY FOR THE SERIES 2007 REFUNDING BONDS - Airline Use Agreement") and other airlines operating at the Airport (or their respective parent corporations) are subject to the information reporting requirements of federal securities laws, and in accordance therewith file reports and other information (collectively, the "SEC Reports") with the Securities and Exchange Commission (the "SEC"). Certain information, including financial information, as of particular dates, concerning each airline (or their respective parent corporations) is included in the SEC Reports. The SEC Reports can be inspected in the Public Reference Room of the SEC at 450 Fifth Street, N.W., Washington, DC 20549, and at the SEC's regional offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and 233 Broadway, New York, New York 10279, New York, New York 10048. Copies of the SEC Reports can be obtained from the SEC's Public Reference Section at the above address at prescribed rates, or at www.sec.gov.

In addition, each Signatory Airline and certain other airlines are required to file periodic reports of financial and operating statistics with the United States Department of Transportation. Such reports can be inspected at the following location: Office of Airline Statistics, Research and Special Programs Administration, Department of Transportation, Room 4201, 400 Seventh Street, S.W., Washington, DC 20590, and copies of such reports can be obtained from the Department of Transportation at prescribed rates. The foreign airlines also provide certain information concerning their operations and financial affairs, which may be obtained from the respective airlines.

Additional information regarding the bankruptcy proceedings of any airline in bankruptcy can be obtained from the bankruptcy court in which the bankruptcy proceeding is filed. Neither the Underwriters, the County, nor the Aviation Department undertakes any responsibility for, and make no representations as to, the accuracy or completeness of the content of information available from the SEC or any bankruptcy court, including, but not limited to, updates of such information or links to other internet sites accessed through the SEC or bankruptcy court web sites.

MUNICIPAL BOND INSURANCE

The _____ Insurance Policy

The following information has been furnished by _____ ("_____") for use in this Official Statement. Reference is made to Appendix G for a specimen of _____ policy (the "_____ Policy").

The above information has been furnished by the respective Bond Insurers. Neither the County nor the Underwriters makes any representation as to the accuracy or adequacy of such information or that there has been no change in the financial condition of the Bond Insurers not reflected in the information set forth or referenced above.

OUTSTANDING AVIATION REVENUE BONDS AND OTHER AIRPORT RELATED DEBT

Outstanding Aviation Revenue Bonds

The total aggregate principal amount of Outstanding Bonds (excluding the Series 2007 Refunding Bonds) as of the date of this preliminary Official Statement is set forth below. This section will be revised in the final Official Statement to reflect the issuance of the Series 2007 Refunding Bonds and the defeasance of the Refunded Bonds:

Outstanding Aviation Revenue Bonds	Dated Date of Issue	Principal Amount Issued	Principal Amount Outstanding
Series 1995E Bonds ⁽¹⁾	August 1, 1995	\$ 29,985,000	\$ 6,370,000
Series 1996A Bonds	March 1, 1996	267,415,000	267,415,000
Series 1996B Bonds	March 1, 1996	27,585,000	27,585,000
Series 1996C Bonds ⁽¹⁾	July 1, 1996	70,490,000	17,090,000
Series 1997A Bonds ⁽¹⁾	June 1, 1997	130,385,000	29,150,000
Series 1997B Bonds	October 1, 1997	136,830,000	107,180,000
Series 1997C Bonds	October 1, 1997	63,170,000	63,170,000
Series 1998A Bonds ⁽¹⁾	July 1, 1998	192,165,000	117,270,000
Series 1998C Bonds	October 1, 1998	150,000,000	150,000,000
Series 2000A Bonds	March 1, 2000	78,110,000	78,110,000
Series 2000B Bonds	March 1, 2000	61,890,000	61,890,000
Series 2002 Bonds	May 30, 2002	299,000,000	299,000,000
Series 2002A Bonds	December 19, 2002	600,000,000	600,000,000
Series 2003A Bonds	May 28, 2003	291,400,000	291,400,000
Series 2003B Bonds ⁽¹⁾	May 28, 2003	61,160,000	33,060,000
Series 2003C Bonds ⁽¹⁾	May 28, 2003	22,095,000	5,920,000
Series 2003D Bonds ⁽¹⁾	May 28, 2003	85,640,000	78,665,000
Series 2003E Bonds ⁽¹⁾	May 28, 2003	139,705,000	139,700,000
Series 2004A Bonds	April 14, 2004	211,850,000	211,850,000
Series 2004B Bonds	April 14, 2004	156,365,000	156,365,000
Series 2004C Bonds ⁽¹⁾	April 14, 2004	31,785,000	14,650,000
Series 2005A Bonds	November 2, 2005	357,900,000	357,900,000
Series 2005B Bonds ⁽¹⁾	November 2, 2005	180,345,000	165,890,000
Series 2005C Bonds ⁽¹⁾	November 2, 2005	61,755,000	50,655,000
Series 2007A Bonds	May 31, 2007	551,080,000	551,080,000
Series 2007B Bonds	May 31, 2007	48,920,000	48,920,000
TOTAL		<u>\$ 4,307,025,000</u>	<u>\$ 3,930,285,000</u>

⁽¹⁾ Denotes refunding bonds issues.

Debt Service Schedule

The following table shows the annual Principal and Interest Requirements on all Outstanding Bonds, the annual Principal and Interest Requirements on the Series 2007 Refunding Bonds, and the aggregate annual Principal and Interest Requirements on all the Outstanding Bonds and the Series 2007 Refunding Bonds, as of the date of delivery of the Series 2007 Refunding Bonds for the Fiscal Years ending September 30, 2008 through the final maturity of the Outstanding Bonds.

**MIAMI-DADE COUNTY AVIATION REVENUE BONDS
PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ended September 30 ⁽¹⁾	Principal and Interest Requirement on Outstanding Aviation Revenue Bonds ⁽²⁾	Series 2007 Refunding Bonds Principal	Series 2007 Refunding Bonds Interest	Total Principal and Interest Requirements for Series 2007 Refunding Bonds	Total Aggregate Principal and Interest Requirements
2008	\$ 261,356,155.06	\$	\$	\$	\$
2009	252,757,290.06				
2010	254,478,513.80				
2011	250,272,058.80				
2012	249,643,567.54				
2013	249,717,951.28				
2014	249,952,437.54				
2015	250,299,402.54				
2016	250,360,133.78				
2017	250,418,198.78				
2018	250,475,376.28				
2019	250,534,440.02				
2020	250,603,991.28				
2021	250,673,230.02				
2022	250,722,990.02				
2023	242,751,385.02				
2024	242,812,342.52				
2025	240,327,957.52				
2026	240,331,886.26				
2027	240,327,301.28				
2028	240,332,126.26				
2029	240,329,407.52				
2030	240,327,126.26				
2031	240,328,976.26				
2032	240,332,526.26				
2033	240,327,338.76				
2034	240,328,801.26				
2035	240,331,188.76				
2036	240,327,357.50				
2037	240,329,750.00				
2038	240,328,750.00				
2039	240,328,500.00				
2040	240,329,250.00				
TOTALS	\$8,103,097,708.24	\$	\$	\$	\$

⁽¹⁾ With respect to each Fiscal Year, excludes payments due on October 1 of such Fiscal Year and includes payments due on October 1 of the following Fiscal Year.

⁽²⁾ With respect to the Series 2003E Bonds, which bear interest at a variable rate, assumes an interest rate of 4.88% per annum.

Commercial Paper Notes

The Board has previously authorized issuance of the CP Notes not to exceed \$400 million in the aggregate principal amount outstanding at any time to provide temporary financing for funding a portion of the CIP. As of _____ 1, 2007, CP Notes in the aggregate principal amount of \$ _____ are outstanding. Payment of CP Notes is secured solely by _____ and by proceeds of Bonds issued to refund or pay CP Notes.

Other Airport-Related Debt

Sunshine State Loan

On August 16, 2005, the County entered into a Loan Agreement with the Sunshine State Governmental Financing Commission whereby the County borrowed \$71,000,000 (the "Sunshine State Loan") to finance certain capital improvements, including improvements to the Aviation Department's Enterprise Resource Planning services in the amount of \$7.9 million (the "MIA Portion"). The County's obligation to repay the Sunshine State Loan is secured by a covenant from the County to budget annually and appropriate from its legally available non-ad valorem revenues sufficient moneys to pay debt service on the Sunshine State Loan. The actual debt service on the MIA Portion is payable from Revenues on a subordinate basis to the Bonds.

FDOT State Infrastructure Bank Loan

On February 6, 2007, the Board approved the construction of the N.W. 25th Street Viaduct Project ("Viaduct Project") by the Florida Department of Transportation ("FDOT") and approved a County loan in the amount of \$50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT will construct the Viaduct Project and closed on the loan on March 21, 2007. The loan is secured by a County covenant to annually budget and appropriate from County legally available non-ad valorem revenues funds sufficient to pay debt service costs. The debt service costs will be reimbursed to the County by the Aviation Department. The Airport intends to earmark \$5 million per year over the eleven year life of the loan from the Aviation Capital Account to reimburse the County. The Viaduct Project consists of an elevated roadway over NW 25th Street, the only major access from the Palmetto Expressway (State Road 826) to MIA's Westside and northside air cargo handling facilities, so that trucks entering and exiting the air cargo area can travel on the Viaduct and avoid the N.W. 25th Street congestion.

TIFIA Loan

FDOT, in cooperation with the County, has borrowed \$ _____ million from the United States Department of Transportation under the Transportation Infrastructure Financing Innovation Act ("TIFIA") loan program. Approximately \$360 million of the loan proceeds will be used to construct the Miami Intermodal Center and approximately \$270 million for a consolidated rental car facility ("RCF") adjacent to the Airport. The portion of the loan relating to the RCF will be repaid through the collection of the Customer Facility Charges ("CFCs") from car rental company customers at the Airport. The remainder of the loan will be repaid by State funds. The repayment of the TIFIA loan is not secured by Revenues or any other revenues of the Aviation Department. See "CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM - Off-airport Access Improvements."

Third-Party Obligations

The County may issue revenue bonds related to the Airport System outside the provisions of the Trust Agreement and not payable from Revenues pledged under the Trust Agreement, subject to the condition, among others, that it will not construct, or consent to the construction of, any project, whether at the Airport or any other site, unless there is filed with the Clerk of the Board a statement signed by the Traffic Engineers and the Consulting Engineers certifying that, in their respective opinions, the operation of such additional project will not affect the County's compliance with the Rate Covenant Requirement or impair the operating efficiency of the Port Authority Properties. The Miami-Dade County Industrial Development Authority has issued revenue bonds in the combined

aggregate principal amount of \$210,365,000 for the benefit of conduit borrowers, the proceeds of which have been used to finance the construction of air cargo and other facilities at the Airport, and as of December 31, 2006, such bonds are outstanding in the aggregate principal amount of \$175,945,000. Neither the Airport nor the County has any obligation with respect to these bonds. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Bonds Secured Otherwise than by the Trust Agreement."

AIRPORT SYSTEM GOVERNANCE AND MANAGEMENT

Governance

The Aviation Department is a department of the County, a political subdivision of the State and a home rule county authorized by the Florida Constitution. Pursuant to Florida Statutes and the Home Rule Amendment and Charter of Miami-Dade County, as amended (the "Home Rule Charter"), the elected 13-member Board is the legislative and governing body of the County. On January 23, 2007, the electors of the County approved an amendment to the Home Rule Charter which established a strong mayor form of government. This amendment expands the Mayor's powers over administrative matters. The County Manager, who previously was chief administrator now reports directly to the Mayor who has the authority to hire, fire and set the salary of the County Manager. Under this new system, the Mayor also appoints all department heads, including the Aviation Director.

Management

Brief descriptions of the executive staff and selected division managers of the Aviation Department and certain County personnel follow.

José Abreu, P.E.

Aviation Department, Aviation Director

José Abreu joined the Aviation Department on July 11, 2005 as Aviation Director. In this capacity, Mr. Abreu is directly responsible for overseeing the day-to-day operation of the Aviation Department's Airport System. His duties and areas of responsibility include management of operations, engineering, facilities development, business development, financial management, and safety and security. Prior to joining the Aviation Department, Mr. Abreu served as Secretary of FDOT, appointed by Governor Jeb Bush on March 5, 2003. Prior to serving as secretary, Mr. Abreu was FDOT's District Six Secretary for Miami-Dade and Monroe counties since 1995. His appointment followed 14 years of service in senior positions within District Six. Mr. Abreu received a Bachelor of Science Degree in Civil Engineering from the University of Miami. He is a licensed professional engineer and a certified engineering contractor active in his profession. Mr. Abreu serves on several University of Miami boards including the Industrial Advisory Board of the College of Engineering and the Alumni Association. He also serves on the Board of the Association of Cuban-American Civil Engineers and is a Fellow of the American Society of Civil Engineers. Mr. Abreu has received numerous awards and proclamations including the 1996 Distinguished Alumnus Award from the University of Miami College of Engineering, the 1996 Outstanding Contributions Award from Florida International University College of Engineering, the 2000 Wilbur S. Smith Award, the National Highway Engineering honor and the 2004 Civil Government Award presented by the American Society of Civil Engineers, the Florida Engineering Society award for outstanding service to the profession-government and the Miami-Dade Community College Hall of Fame. He was also named one of "The 100 Most Influential Hispanics" by Hispanic Business magazine in 2003.

John W. Cospers, P.E.

Aviation Department, Deputy Aviation Director for Capital Improvement Program

John W. Cospers joined the Aviation Department in 2004 as Deputy Aviation Director for Construction. In this capacity, he is responsible for the overall direction of planning, design, and construction of the CIP. Prior to this appointment, Mr. Cospers served as Senior Project Director for Hanscomb Faithful & Gould, where he was responsible for coordination and installation of EDS in 76 airports for the TSA and in which he served on the management team for the major expansion of facilities for DHL's operation in the U.S. Prior to that job, Mr. Cospers was Vice President at HNTB Corporation ("HNTBC") where he was responsible for planning and design of the total

rebuild (while still operating) of Louisville International Airport. Mr. Cosper graduated from Purdue University with a Bachelor of Civil Engineering and is a registered professional engineer in several states, including Florida.

Anne Syrcle Lee

Aviation Department, Chief Financial Officer

Anne Syrcle Lee came to MIA in 1989 to supervise the audit team for Coopers and Lybrand, LLP, the Aviation Department's independent auditor. In 1992, after joining the County's internal audit department, Audit and Management Services, she became the manager in charge of the internal audit team permanently located at MIA. Seven years later she joined the Aviation Department's newly-organized Professional Compliance Division, becoming Associate Aviation Director in 2001. She was named Interim Chief Financial Officer in March 2006 and Chief Financial Officer in January 2007. During her tenure in public accounting, she worked in the governmental, not-for-profit, manufacturing, and high tech sectors and as an internal auditor conducted a number of high-profile forensic investigations in the County's proprietary departments. She is a honors graduate of the University of Miami and became a certified public accountant in Massachusetts in 1987.

Robin D. Pearsall

Aviation Department, Capital Finance Manager

Robin D. Pearsall is the Capital Finance Manager. She joined the Aviation Department in 1997. Ms. Pearsall is responsible for management of the capital budget and administration of debt issuance. Prior to joining the Aviation Department, Ms. Pearsall worked for the Metropolitan Dade County Office of Management and Budget, where she was responsible for preparing the County's proposed capital and operating budgets. Ms. Pearsall received a Bachelor of Arts degree in political science from the University of Miami.

Narinder S. Jolly, A.I.A

Aviation Department, Assistant Aviation Director for Facilities Development

Narinder S. Jolly, Assistant Aviation Director for Facilities Development, joined the Aviation Department in 1991 and, in January 1999, was appointed Assistant Aviation Director overseeing the Facilities Development and Civil/Environmental Engineering Divisions. Mr. Jolly is responsible for managing all capital facilities development, including the design and construction of the CIP. Mr. Jolly is a registered architect with 36 years of experience in the private and public sectors. In the private sector, Mr. Jolly designed a variety of projects including the Airport's Concourse E Satellite Building and Federal Inspection Services Building, schools, libraries, and other institutional buildings. Mr. Jolly served as Director of the County's General Services Administration Facilities Division, during which the County developed the County's administrative headquarters, the cultural center complex, the police headquarters complex and district police stations, the Turner Guilford Knight Detention Center, several libraries, fire stations, and other major projects. Mr. Jolly holds a Bachelor of Architecture degree from School of Planning and Architecture in New Delhi, India, and is a member of the American Institute of Architects.

Max Fajardo, E.I.

Aviation Department, Deputy Aviation Director

Max Fajardo, Deputy Aviation Director, joined the Aviation Department in May 1989. His 34 years of experience in engineering and construction include positions within the Aviation Department as Assistant Aviation Director of Facilities Management, Manager of Facilities Maintenance and Engineering and Deputy Chief of Engineering. As Deputy Aviation Director, Mr. Fajardo's responsibilities include oversight of all County owned airports, Airside, Landside Operations & Terminal Operations, Noise Abatement, Facilities Management, Safety & Security, Communications, Police Department and the Airport's Fire Division.

Mr. Fajardo oversees the Aviation Department's ongoing capital improvement program in facilities coordination, operations and acceptance. In January 2007, Mr. Fajardo was appointed CEO of the Terminal South expansion program, which includes the new 1.5 million square feet Terminal South extension and the new 15 gage Concourse J complex.

Prior to joining the Aviation Department, Mr. Fajardo worked for 16 years in the airport consulting industry, with more than 500 projects performed at MIA and other airports to his credit. Mr. Fajardo is an Engineering Intern in the State of Florida, and has a Master of Science in Construction Management from Florida International University; a Bachelor of Arts Degree in Public Administration from St. Thomas University; and an Associate in Arts Degree in Engineering/General Studies from Miami-Dade Community College. He is an adjunct instructor with the Airports Councils International Fund and has conducted seminars in predictive and preventive maintenance, risk assessment and mitigation, and emergency planning and response.

Miguel A. Southwell

Aviation Department, Assistant Aviation Director for Business Retention and Development

Miguel A. Southwell is the Assistant Aviation Director for Business Retention and Development. He joined the Aviation Department in July 2001. He is responsible for Commercial Operations, Marketing, Parking Revenue and Real Estate Management and Development. Before coming to the Aviation Department, Mr. Southwell spent 11 years at Hartsfield Atlanta International Airport in numerous positions, including Director of Marketing and Public Relations and Interim Assistant Director of Business and Finance. Prior to his airport career, Mr. Southwell worked in the banking and airline industries. Mr. Southwell holds a Bachelor's degree in Management from Portland State University and a Master's degree in International Business from City University of New York.

Rachel E. Baum, C.P.A.

Miami-Dade County Finance Director

Rachel E. Baum was appointed Finance Director in 1996 and has served the County in various progressively responsible positions since 1976, occupying positions of Chief Accountant, Controller and Deputy Finance Director. As Finance Director, she is responsible for the capital financing activities of all County departments and overseeing the structuring and issuance of County debt. Other responsibilities include directing and monitoring investment of public funds, timely collection and distribution of real estate and personal property taxes due to the County and municipalities and other government agencies located within the geographical boundaries of the County. She is also responsible for the coordination and issuance of the County's financial statements in accordance with generally accepted governmental accounting principles. Mrs. Baum is a Certified Public Accountant in good standing in the State of Florida. She is a graduate of Hunter College in New York, New York with a Bachelor of Arts degree in Mathematics.

Employees

The Aviation Department has approximately 1,500 employees. Collective bargaining units represent approximately 1,300 of the 1,500 employees. Florida Statutes prohibit public employees from striking against their employers. Police and fire services are provided by their respective County departments through dedicated Aviation Department forces, with supplemental services provided and paid for as needed.

AIRPORT SYSTEM FACILITIES

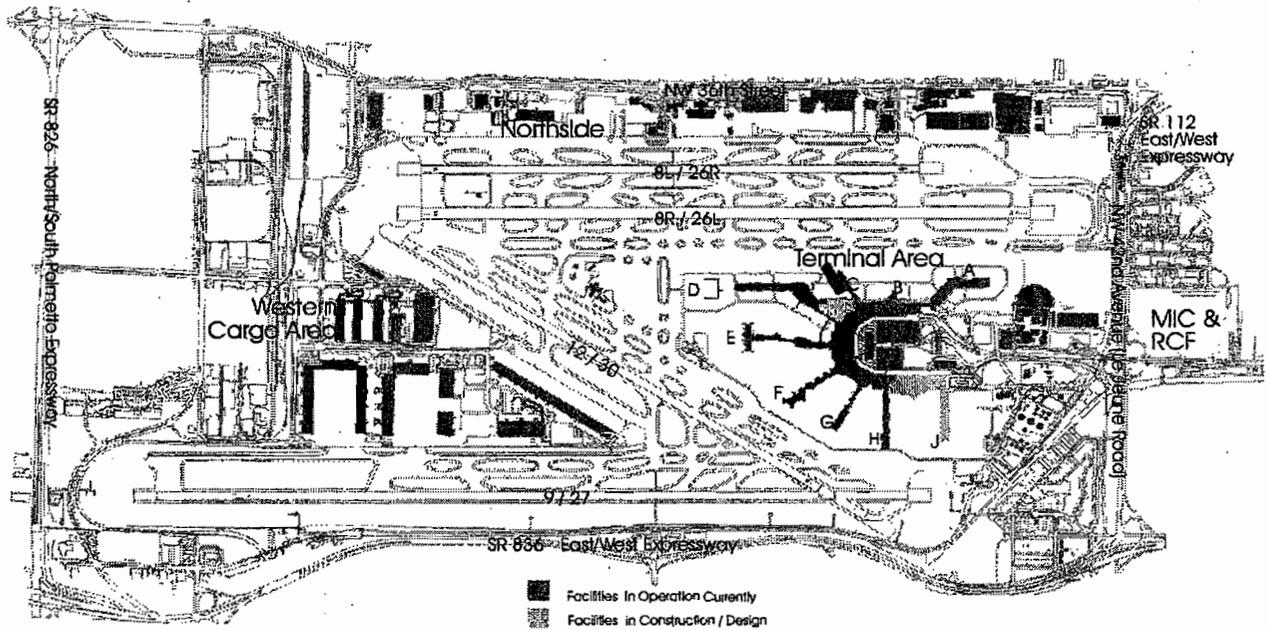
Introduction

The Airport is located in the unincorporated area of the County approximately seven miles west of the downtown area of the City of Miami and nine miles west of the City of Miami Beach. The Airport includes approximately 3,300 acres and approximately 189 buildings, ranging from airfield lighting vaults, chiller plants, cargo warehouses, office buildings, and hangars, to a main terminal building.

Terminal Building

This sub-section describes terminal facilities in operation today. Terminal facilities under construction and any planned relocation of tenants in order to facilitate construction of additional terminal facilities will be discussed in the CIP section of this document

Currently, the Terminal Building is a single horseshoe-shaped building with seven concourses (A, C, D, E/Satellite, F, G and H) with approximately 101 gates as of _____, 2007. See the next page for a map of the Airport. The first level includes the arrivals area with domestic baggage claim and ground transportation, as well as outbound baggage systems. The second level is the departure level with security checkpoints, gate hold rooms and 468 ticket positions as of _____, 2007, the majority of which have common use equipment. The Airport is different from many airports in that the Airport does not have a separate international terminal. Accordingly, the Terminal Building's third level is capable of moving international passengers to one of the two FIS areas located in the Terminal Building area near Concourse E and the demolished Concourse B.



MIAMI INTERNATIONAL AIRPORT
MIAMI-DADE AVIATION DEPARTMENT

AIRPORT LAYOUT PLAN



Aircraft Gates, Parking Positions and Gate Assignment

The Aviation Department controls all Airport gate assignments and use by the airlines. Most passenger gates are equipped with loading bridges, of which 68 have international and domestic passenger capability. The actual number of gate positions available to be assigned varies with ongoing construction and renovation projects at the Airport. Of the 68 international gates, 17 are located on Concourse A, 17 on Concourse D, 18 on Concourse E and the E-Satellite, and 16 on Concourse F.

The Airport also has 25 terminal-area hardstand aircraft parking positions, of which 4 positions are leased to American Airlines and 21 positions are available for common use. In addition, there are 32 regional jet/commuter hardstands. These are assigned on a daily basis. On a typical day, 25 are to American Eagle and seven are assigned to Continental Connection/Gulfstream.

The Aviation Department currently does not lease gate positions to airlines and maintains strict control over the airlines' use of gates. Gate assignments are based on each airline's operating schedules, affiliations (code-sharing) with other airlines, aircraft types, locations of ticket counters and support facilities, and computer check-in capability at the gates. The common-use gate philosophy allows Airport management to shift airlines around the Terminal Building in order to maximize utilization of all terminal gates. The Airport's common use terminal equipment allows flexibility in assigning common use gates and ticket counters. This approach has facilitated the expansion of international service from Europe, South America, Central America and the Caribbean, and large increases in service by airlines establishing hub operations at the Airport. The Aviation Department currently assigns all terminal gates and hardstand parking positions, excluding the four leased hardstands, and displays flight information on all gates, bus stations, parking garages and concourses. The Aviation Department made such assignments and displays for 288,219 passenger aircraft flights in calendar year 2006.

Commercial Operations Facilities at the Airport

As of _____, 2007, the Terminal Building had 162 commercial operations locations occupying approximately 189,600 square feet of space. Those categorized as concessions consist of duty free, food & beverage and retail. Those categorized as services consist of a bank, currency exchanges, lounges, baggage storage, ATM machines, a shoeshine, a barbershop and rental car counters. Approximately 2/3 of the commercial operations are located pre-security and 1/3 are located post-security. In addition, throughout the Terminal are pre-paid phone card machines, baggage wrap machines, and luggage cart machines. The Terminal also includes a hotel.

The Aviation Department currently operates three clubs (known as Club America) that accommodate airlines that do not have their own club facilities and wish to offer their passengers a club environment. The participating airlines pay the Aviation Department a per passenger fee for the use of these facilities. The Aviation Department will be using discretionary funds to build another Club America in Concourse J to serve international airlines in the new South Terminal.

Westfield Concessions Management, Inc., the Central Terminal retail developer, has four locations under construction and one vacant location in the Airport. There are 45 locations under construction in the South Terminal that are in the developing or permitting stage. For North Terminal, temporary concessions are planned to supplement the existing permanent concessions during the build-out period.

A number of the in-terminal commercial operations have operated under a management agreement structure, which results in the Aviation Department paying a company a management fee to operate and run the commercial operation while the Aviation Department receives all revenues and pays all expenses. The Aviation Department, with the expectation of better returns and ease of administration, is in the process of converting most of the management agreements to concession agreements in which the operator pays the airport a percentage of revenues no less than a minimum amount guaranteed in the contract.

There are a total of nine in-terminal counter positions available for car rental agencies. Car rental agencies pay the Aviation Department a percentage of gross revenues for counter space in the Terminal Building. The current rental cars on-airport are Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Royal and Thrifty.

The [Hotel] located near Concourse E is currently managed through a management agreement with HID Development, Inc. The Hotel occupies about 118,500 square feet with 259 rooms. Currently, 190 rooms are available for occupancy. Services at the Hotel include the Top of the Port restaurant, a lobby bar, and a sushi bar located in the Hotel's lobby area. Renovations and refurbishment of the Hotel, including its utilities, began in the North Tower section of the Hotel in December 2004 and rooms are coming back on-line as the renovations are completed. The South Tower of the Hotel will be renovated in 2007 and open in 2008. All renovated rooms will be available in 2008. [status]

Airside Facilities

The Airport has four commercial aircraft runways consisting of three parallel east-west runways and one northwest-southeast runway. For a map of the runways, see "CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM - The CIP." These runways provide operational facilities to cover predominant wind conditions at MIA and are connected by a system of taxiways and aprons. The runways are equipped with high-intensity runway lighting. Category I Instrument Landing Systems are provided for five of the six runway approach directions to permit operations under poor weather conditions. The new, northernmost Runway 8L/26R runs east-west and is 8,600 feet long and 150 feet wide. Runway 8R/26L, also on the north side of the Airport, runs east-west and is 10,500 feet long and 200 feet wide. The parallel east-west Runway 9/27, about a mile to the south, is 13,000 feet long and 150 feet wide. The northwest-southeast Runway 12/30 is 9,355 feet long and 150 feet wide. These runways are capable of handling any size passenger aircraft currently in use. This four-runway layout permits aircraft movements of up to 149 flight operations per hour.

The four runways are constructed with bituminous concrete surfacing, over a compacted lime rock base, and can be strengthened as necessary by additional overlays of bituminous concrete to accommodate sustained operations by heavier aircraft in the future. All runways are grooved, permitting all-weather landing and braking performance.

To minimize take-off delays, all runways are supplemented at each end with large holding aprons, which permit the bypassing of any aircraft facing delay by other departing aircraft. A system of high-speed turnoffs from the runways has been provided, permitting landing aircraft to make smooth exits from the runways to the taxiway system, enhancing airfield capacity. An extensive system of dual parallel taxiways has been constructed to support all four runways and serve the entire area of the Airport terminal complex. These dual-parallel taxiways provide smooth by-pass taxiway capability during high airfield utilization periods such as during peak periods when air traffic control needs to reshuffle departure queues to enable the most delayed departures to take-off prior to other flights. All runway clear zones and approach surfaces meet or exceed the criteria of the FAA. However, the FAA has identified a deficient runway safety area for Runway 12. To address such deficiency, the Aviation Department has utilized the application of Declared Distances, an FAA approved method of compliance, by declaring the distance available for takeoff run, for takeoff, for accelerate stop distance and for landing in order to ensure compliance with FAA safety criteria. [clarify or condense?]

Parking, Roadway and Landside Facilities

Within the Terminal Building horseshoe configuration are the passenger parking garages, terminal roadway access, ground transportation and curbside services. The Airport has over 7,800 parking spaces for passengers in long-term and short-term parking structures. Of these parking spaces, 1,750 were completed under the CIP. The main exit from the parking garages is through a revenue collection plaza completed in late October 2003. This plaza allows for centralized ticketing access to and from the garages and state-of-the-art revenue collection and reporting systems.

The main access from LeJeune Road (N.W. 42nd Avenue) to the Terminal Building and parking is along Central Boulevard. This roadway connects to the Terminal Building on the first level for arrivals and via a ramp to the second level for departures. In 2004, the Aviation Department completed the Southside Drives Extension project, which provides frontage for arriving and departing passengers to support the South Terminal building expansion and improves the circulation and wayfinding for passengers exiting the Airport.

Cargo and Other Facilities at the Airport

The Airport has a number of facilities that are used for cargo operations (mostly warehouse space), testing aircraft engines (aircraft engine test cell facilities), aircraft maintenance (both narrow-body and wide-body aircraft hangars), and aircraft flight crew training (flight simulators). These facilities are primarily located in three areas of the Airport: (i) the northeast area, which covers approximately 146 acres, (ii) the central area, which covers 79 acres, and (iii) the northwest and west areas, which comprise 573 acres.

As of _____, 2007, the Aviation Department managed over 9.4 million square feet of potentially rentable cargo and other facilities space, with approximately 130 leases and approximately \$44.44 million in annual rental revenues (\$32.3 million from buildings and \$12.1 million from land), which constitute approximately 7% of Revenues.

Cargo plays a significant role in the financial health of the Airport. Annual revenues generated from the rental of cargo facilities combined with landing fees of all-cargo airlines operating at MIA, totaled \$60 million or 11.5% of Fiscal Year 2006 revenues.

MIA's global cargo network reached two major milestones in calendar year 2006. First, in August 2006, MIA secured its first direct flight to Asia when Korean Air inaugurated twice weekly freighter service. By February 2007, Korean Air added a third weekly flight and the airline plans to add a fourth in April 2007 in an accelerated move to reach daily flights. Second, in calendar year 2006, MIA broke the two million ton cargo mark, with tonnage growing 4.33 percent to 2.02 million tons. To accommodate the increase in Asian cargo activity and the strong growth of international freight to and from Latin America, the Airport is negotiating with a third-party developer to add 370,000 square feet of cargo warehouse space.

The majority of the MIA airfield development in the last 20 years has been for cargo handling facilities on the west side of the Airport known as the belly cargo buildings and the Western and Eastern "U". The three belly cargo buildings and the four buildings making up the Western "U" were developed by the Aviation Department and are leased to cargo tenants. The Aviation Department is finishing an extensive exterior renovation project on the belly cargo and Western U buildings at an average cost of \$677,000, per building.

All of the buildings in the Eastern "U" were developed and are operated by tenants or third parties under lease development agreements. More specifically, United Airlines built a 118,000 square foot cargo facility (and has transferred its interest in this facility to AMB Codina MIA Cargo Center, LLC); Arrow Air completed a 127,089 square foot facility; and LanChile built an approximately 410,000 square foot cargo and office complex, which stands as the largest single-tenant cargo facility at the Airport and serves as LanChile's headquarters for its U.S. operations. These lease development agreements typically have terms of 20 to 30 years, and provide that each company pays ground rent to the Aviation Department during the period of the lease, and fair market rents on the facilities at the conclusion of the initial term. Each company constructed its facilities at its own cost, using its own source of financing.

Other facilities financed under lease development agreements include a 35,000 square foot courier facility built by UPS in 2001 located in the northwest area of the Airport and adjacent to the 157,000 square foot cargo facility the company acquired with its purchase of Challenge Air Cargo. These facilities serve as UPS's Latin American gateway hub. FedEx also built a new 189,000 square foot facility along the north side of the Airport that was completed in 2004. Currently, the Airport has over 2.6 million square feet of cargo facilities.

In addition to the cargo facilities, the Aviation Department has a number of cargo loading (aircraft apron) positions located throughout the airfield that serve to support the cargo operations at the Airport. As of _____ 2007 the Airport has 54 such positions, 37 of which are for common-use and are assigned by the Department's Airside staff. The remaining 17 are on airline leasehold property. Assignment of the common-use cargo loading positions are based on the location of airline cargo warehouse leaseholds, aircraft types and operating schedules of the cargo airlines.

The Aviation Department is currently preparing a competitive selection process to solicit development and redevelopment proposals from private investors intended to generate business and revenue from currently unused land parcels and facilities. These parcels comprise approximately 77 acres and include 285,000 square feet of office, cafeteria, training, equipment and parts maintenance and simulator buildings which at a minimum require for occupancy code upgrades, modernization and other alterations depending on proposed uses. The Aviation Department estimates that the development solicitation may result in incremental annual revenue of approximately \$7.6 million from ground rents alone.

General Aviation Airports and Training Airports

In addition to MIA, the Aviation Department operates five general aviation ("GA") airports. Three such GA airports are used for traditional GA activities such as fixed base operations and aircraft storage and maintenance facilities. One airport is used primarily for training purposes, while another has been decommissioned for the purpose of mining the limestone deposits located on its premises. The following narrative describes the facilities at each of these airports.

Opa-Locka Executive Airport

The County obtained Opa-Locka Executive Airport ("OPF") from the United States government in 1961. The County has operated the former Naval Air Station Miami (Marine Corps Air Station Miami) for GA activity since then. OPF is a designated reliever airport for MIA and consists of 1,810 acres.

The Airfield consists of four active runways. The two east-west runways are 8,002 feet and 4,306 feet long, respectively, and 150 feet wide, with one runway having two instrument landing systems ("ILS") and Category I capabilities. The southeast-northwest runway is 6,800 feet long and 150 feet wide, and also has ILS and Category I capability. The north-south runway is 4,394 feet long and 150 feet wide. Other facilities include corporate hangars, an Aircraft Rescue and Fire Fighting ("ARFF") building and a U.S. Customs private aircraft clearance building. In addition, third parties operate or are in the process of developing a number of the facilities at OPF including corporate hangars. The U.S. Coast Guard and Miami-Dade County Police and Fire ("Air Rescue") have operations at OPF.

During the last year, the Aviation Department has experienced a surge in requests for ground leases to construct facilities for fixed base operations and aircraft storage hangars. The Aviation Department believes that this surge will continue as small jet manufacturers are beginning to produce planes in the \$1 - \$2 million price range. At OPF where there is currently over 500 acres available for development, the Aviation Department has taken the following measures to release large tracts of land held by three developers since the late 1990s, to accommodate such requests.

JP Aviation Investments ("JPAI"), which leases 41 acres of aviation land, has been actively constructing facilities at OPF. AA Acquisitions, LLC ("AAA") purchased the Development Lease Agreement that was held by Opa-Locka Aviation Group ("OAG"), formerly Stagecoach for development of an approximately 240 acre tract. The lease requires the developer to fast-track construction with construction commencing within three years of the lease commencement date, and to begin rent payment within the first 18 months of the lease commencement date. This new lease has received FAA approval and requires AAA to invest \$162.9 million over the next 15 years. The Aviation Department negotiated with AVE, LLC, an agreement for development of the 174-acre tract that requires AVE, LLC to begin construction within three years of the lease commencement date and invest \$187 million over the next ten years. The Aviation Department was working on the last non-performing development lease with Opa-Locka Community Development Corp. ("CDC"), to release or compel development of its 121-acre parcel. The lease with CDC has terminated, and the County is evaluating other uses for the 121-acre parcel. The most recent development at OPF is a sub-lease agreement with Turnberry Aviation to construct a 74,000-square-foot hangar/office facility scheduled for occupancy in the summer of 2007. [?]

Other development underway at OPF includes:

- Miami Executive Aviation ("MEA"), a fixed base operator with a 20-acre development site. In

addition to leasing the existing structures on the premises, the lease requires MEA to construct a \$2 million aircraft storage hangar.

- Fixed base operator ("FBO") Opa-Locka Flightline, which is in the process of remodeling the interior of Building 121, a terminal for corporate jet operations, has received approval from the Aviation Department to install a Fuel Farm.
- National Aviation, an FBO, which is in the final phases of constructing a permitted fuel farm.

Kendall-Tamiami Executive Airport

Since its opening in 1967, Kendall-Tamiami Executive Airport ("TMB") has become one of the busiest GA airports in Florida. TMB is a designated reliever airport for Miami International Airport. The airport's property contains 1,360 acres.

TMB's airfield consists of three active runways: two east-west runways of 5,001 feet and 4,999 feet in length and 150 feet in width, and a southeast-northwest runway of 4,001 feet in length and 150 feet in width. The primary east-west runway is equipped with high intensity runway lighting and two 50-foot wide parallel taxiways with medium intensity taxiway lighting. The secondary runways have medium intensity runway edge lighting and taxiway lighting.

Other facilities include T-hangar bays, corporate hangars, and office buildings, which have been built by the Aviation Department and private parties. The County and the federal government have considerable facilities at TMB. The County's Police and Fire Department's aircraft are headquartered there, and the FAA operates the air traffic control tower and the International Flight Service Station. Miami-Dade College has a satellite campus located at the airport in which it operates flight training programs.

Four private development projects were recently approved at TMB. The combined developments total 38.62 acres of common storage "corporate" type hangars, offices, fixed base operation and fuel farms. Those developments include:

- FalconTrust, a new FBO at TMB that recently built a \$10 million fixed based operation facility, has leased another 18.04 acres and agreed to invest a minimum of \$6,314,000 for construction of hangars and office space.
- Tamiami Air, also an existing FBO at TMB, has executed a second development lease for 2.57 acres and agreed to invest a minimum of \$1,349,250 for construction of a corporate aircraft hangar.
- LaCross Aviation Group, a new FBO at TMB, has executed a development lease for 12.86 acres. The Group will invest \$3,215,000 to construct a fixed base operation facility.
- Advance Real Estate Holding, a new FBO at TMB, has executed a development lease for 5.15 acres with an investment of \$1,287,500 for construction of aircraft storage hangars and a fuel farm.

Homestead General Aviation Airport

Homestead General Aviation Airport ("HGAA"), which was completed in 1963 and rebuilt in 1997 after suffering significant damage from Hurricane Andrew, has three GA runways. This 960-acre airport serves the public, agricultural users, and sports aviation in the southern portion of the County.

HGAA's airfield consists of an east-west runway that is 3,000 feet long and 75 feet wide, a parallel east-west grass runway that is 1,000 feet long and 50 feet wide, reserved for ultralight activity, and a north-south runway that is 4,000 feet long and 100 feet wide. The main runways each have parallel lighted taxiways and medium intensity edge lighting. The airport has an administration building, with approximately 100 paved auto parking spaces for GA.

In 2006, the Aviation Department executed its first privately funded development lease agreement for HGAA with Homestead Aircraft, Inc. The lease is for 4.87 acres of land to construct aircraft hangar facilities and T-hangars. The total investment [will be] \$1,222,000.

The Dade-Collier Training and Transition Airport

The Dade-Collier Training and Transition Airport, located partially within the County and partially within Collier County, approximately 33 miles west of the Airport, was opened on January 20, 1970, and is used for commercial air carrier and military flight training purposes. This airport consists of a single east-west runway (10,500 feet long and 150 feet wide), which is equipped with high-intensity lights, and pavement geometry configured for efficient operation of wide-body aircraft. The County owns all facilities at this airport, excluding the [ILS]. The 24,960-acre property has approximately 900 acres of developed and operational land; the remaining area is managed and operated by the Florida Game and Freshwater Fish Commission. Environmental concern for the safety of the Everglades resulted in the negotiations of the Everglades Jetport Pact. The Everglades Jetport Pact is a multi-party agreement among the County, the State, and the United States acting through the Secretary of Transportation and the Secretary of the Interior, to restrict the development of the Dade-Collier Training and Transition Airport to a single runway until a mutually agreeable alternate site had been made available to the County and equipped with facilities equal to those at the existing site without cost to the County, which has not occurred as of this date.

The Aviation Department is currently examining options to determine how best to maximize revenue from these extremely environmentally sensitive premises. A recommendation is expected by June 30, 2007[?], that could include development of sites on the 8,000-acre area of the airport proper, and/or the phased disposition of the approximately 17,000 excess acres.

Opa-Locka West Airport

The Opa-Locka West Airport was decommissioned in 2006 and the Aviation Department is currently in negotiations with FDOT to collaborate on mining the limestone deposits located on the premises. The two options being considered are:

- Granting to a mining company through a lease agreement the rights to mine the limestone, with the Aviation Department receiving a royalty which is usually based on the volume of limestone sold.
- The Aviation Department, in collaboration with FDOT, entering into a mining agreement with a mining company to mine and sell the limestone. FDOT has already submitted the required permit applications to mine the limestone, including one to the U.S. Army Corps of Engineers.

Meanwhile, as an interim revenue producing measure, the Aviation Department has granted a permit to an operator to conduct drag racing activities sanctioned by the International Hot Rod Association.

AIRPORT TRAFFIC ACTIVITY

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flight frequencies covering nearly 150 cities on four continents. Based on Official Airline Guide data, from January 1, 2007 through March 31, 2007 [?], the Airport offered more international passenger flight operations, with their inherent cargo-carrying capacity, than any other U.S. airport. The Latin American/Caribbean region, the Airport's stronghold market, was served during this same period by more passenger flights from the Airport than from any other U.S. airport. The Airport is a major transshipment point by air for the Americas. During 2005, the most recent year for which such information is available, the Airport handled 80% of all air imports and 77% of all air exports between the USA and the Latin American/Caribbean region. In calendar year

2005, the Airport was the nation's number one airport in international freight* (excluding mail) and third in international passenger traffic.

The Airport stimulates a host of industries such as tourism, the cruise industry and international banking and commerce. The Airport's activities have resounding effects throughout the State as well. The Airport was the port of entry in 2005 for 79% of all international passenger traffic arriving by air to the State. In terms of trade, Department of Commerce data for 2005 showed that the Airport handled 95% of the dollar value of the State's total air imports and exports, and 30% of the State's total trade volume. The Airport is American Airline's largest international hub operation, both for international passengers and international cargo. American Airlines accounted for approximately 64% of the enplaned passengers at the Airport during Fiscal Year 2006, and together with its affiliate, American Eagle, approximately 68% of all enplaned passengers during such period.

**AIRPORT TRAFFIC ACTIVITY TRENDS
MIAMI INTERNATIONAL AIRPORT
(FOR THE 12 MONTHS ENDED SEPTEMBER 30)
[NUMBERS THROUGH 6/30/07?]**

<u>Fiscal Year</u>	<u>Total Enplaned and Deplaned Passengers</u>	<u>Percentage Change</u>	<u>Landings and Take-Offs</u>	<u>Percentage Change</u>	<u>Total Enplaned and Deplaned Cargo (Tons)</u>	<u>Percentage Change</u>
2006	32,094,712	3.8%	376,007	-0.4%	1,970,928	0.3%
2005	30,912,091	2.2%	377,630	-1.1%	1,965,501	1.2%
2004	30,244,119	2.4	381,670	0.1	1,942,119	9.4
2003	29,532,547	0.6	381,248	-1.9	1,775,087	0.7
2002	29,349,913	-11.2	388,738	-10.0	1,763,292	-4.2
2001	33,048,741	-2.1	431,919	-3.8	1,840,936	2.3
2000	33,743,284	-0.8	448,884	-0.9	1,799,225	-3.2
1999	34,003,492	-0.1	452,975	-6.0	1,859,443	-6.6
1998	34,031,958	-1.0	482,081	3.3	1,991,652	3.0
1997	34,375,177	2.6	466,577	4.9	1,934,133	4.7

The wide range of international air service, along with positive international air route development programs, contribute to the Airport's importance as a worldwide international-to-international connecting hub for many air carriers. As indicated in the following table, the Airport in calendar year 2005 ranked first in the United States in the number of tons of international cargo, excluding mail, and third in the number of international passengers. These statistics, in addition to the Airport's percentage of international passengers and cargo, are summarized below: [2006 available?]

* Airports Council International ("ACI") includes Anchorage International Airport ("ANC") in its rankings. MIA excludes ANC from its rankings because of ANC's particular methodology of accounting for freight. MIA's total freight only reflects enplaned and deplaned freight, while ANC chooses to include a large amount of transit (same aircraft) freight. Source: Miami-Dade County Aviation Department.

**TOP FIVE US AIRPORT INTERNATIONAL ACTIVITY
CALENDAR YEAR 2005⁽¹⁾**

<u>International Enplaned/Deplaned Passengers</u>		<u>International Enplaned/Deplaned Freight (U.S. Tons)⁽²⁾</u>	
1. New York Kennedy	19,122,539	1. Miami International	1,582,371
2. Los Angeles	17,486,263	2. New York Kennedy	1,312,021
3. Miami International	14,241,058	3. Los Angeles	1,098,591
4. Chicago O'Hare	11,382,369	4. Chicago O'Hare	1,028,327
5. Newark	9,580,755	5. Atlanta	379,632

⁽¹⁾ Most recent comparative information available. [2006]

⁽²⁾ Airports Council International ("ACI") rankings include Anchorage Airport ("ANC") in its rankings. The Airport excludes ANC from its rankings because of ANC's particular methodology of accounting for freight. The Airport's total freight reflects only enplaned and deplaned freight, while ANC chooses to include a large amount of transit (same aircraft) freight.
Source: Airports Council International and Miami-Dade County Aviation Department.

**AIRPORT INTERNATIONAL ACTIVITY
PERCENTAGES OF PASSENGERS AND CARGO**

<u>Fiscal Year Ended September 30</u>	<u>Enplaned and Deplaned International Passengers as a Percentage of Total Passengers</u>	<u>Enplaned and Deplaned International Cargo as a Percentage of Total Cargo</u>
2006	45%	84%
2005	46	83
2004	46	82
2003	47	81
2002	48	75
2001	48	78
2000	48	81
1999	46	80
1998	45	81
1997	44	81

Source: Miami-Dade County Aviation Department.

Airlines Serving the Airport

As of _____, 2007, scheduled service was provided at the Airport by 71 airlines; of these, 48 provide domestic or international passenger or passenger-cargo combination service, and 23 provide scheduled all-cargo service. The number of carriers providing scheduled service varies monthly.

48 SCHEDULED PASSENGER/CARGO COMBINATION CARRIERS

16 U.S. Scheduled Passenger/Cargo Combination Carriers, including Commuters

Air Tran*	Freedom Airlines (Delta Connection)
Alaska Airlines*	Gulfstream International (Continental Connection)*
American Airlines*	Lynx Air International
American Eagle (Executive Airlines)*	Northwest Airlines*
Chautauqua Airlines (Delta Connection)*	Republic Airways (Delta Connection)
Comair (Delta Connection)	Sun Country (Seasonal)*
Continental Airlines*	TED/United Airlines*
Delta Air Lines*	US Airways*

32 Foreign Scheduled Passenger/Cargo Combination Carriers

Aerolineas Argentinas (Argentina)*	Iberia (Spain)*
Aeromexico (Mexico)*	LACSA (Costa Rica)*
Aerpostal (Venezuela)*	Lan Argentina (Argentina)
Aerosur (Bolivia)	Lan (Chile)*
Air Canada (Canada)*	Lan Ecuador (Ecuador)
Air France (France)*	Lan Peru (Peru)
Air Jamaica (Jamaica)*	LTU (Germany)*
Alitalia (Italy)*	Lufthansa (Germany)*
Avianca (Colombia)*	Martinair (Netherlands)*
Avior (Venezuela)	Mexicana (Mexico)*
Bahamasair (Bahamas)*	Santa Barbara Airlines (Venezuela)*
British Airways (United Kingdom)*	Swiss International Airlines (Switzerland)*
Caribbean Airlines (Trinidad and Tobago)*	TACA (El Salvador)*
Cayman Airways (Cayman Islands)*	TAM (Brazil)*
COPA (Panama)*	Virgin Atlantic (United Kingdom)*
El Al (Israel)*	
Finnair (Finland (Seasonal))	

Source: Miami-Dade County Aviation Department.

* Represents Signatory Airline

23 SCHEDULED ALL-CARGO CARRIERS

14 U.S. Scheduled All-Cargo Carriers

ABX Air*
Air Tahoma (FedEx Feeder)
Amerijet*
Arrow Cargo
Astar Air Cargo*
Federal Express (FedEx)
Florida West International*
Kitty Hawk Air Cargo
IBC Airways
Merlin Airways (FedEx Feeder)
Mountain Air Cargo (FedEx Feeder)
Polar Air Cargo*
Tradewinds Airlines
United Parcel Service (UPS)*

9 Foreign Scheduled All-Cargo Carriers

ABSA (Brazil)
China Airlines (Taiwan)
Cielos Del Peru (Peru)*
DHL Aeroexpreso (Panama)
Estafeta (Mexico)*
Korean Air (Korea)
Mas Air (Mexico)
Tampa Cargo (Colombia)*
VarigLog (Brazil)

Source: Miami-Dade County Aviation Department.

*Represents Signatory Airline

NON-SCHEDULED SERVICE

As of _____, 2007, non-scheduled service on charter authority was provided by 24 airlines, 8 of which provide domestic or international passenger or passenger-cargo combination service, and 16 of which provide all-cargo service.

5 U.S. Passenger/Cargo Combination Carriers

Air Solutions (Seasonal)
Gulfstream Air Charter*
Miami Air International*
Ryan International
Sky King (Seasonal)

3 Foreign Passenger/Cargo Combination Carriers

Eurofly (Italy (Seasonal)*
Skyservice Airlines (Canada (Seasonal)
Thomas Cook Airlines (U.K. (Seasonal)

13 U.S. All-Cargo Carriers

Air Transport International
Ameristar
Atlas Air*
Capital Cargo International
Centurion Air Cargo
Focus Air
Gemini Air Cargo*
IFL Group
Kalitta Air
Murray Air
Paramount Jet
Sky Way Enterprises
Southern Air

3 Foreign All-Cargo Carriers

Aerounion (Mexico)
Avialeasing (Uzbekistan)
MTA Cargo (BRAZIL)

Source: Miami-Dade County Aviation Department.

*Represents Signatory Airline

Selected Carrier Activity

ENPLANED PASSENGERS

	NINE MONTHS ENDED JUNE 30				FISCAL YEARS ENDED SEPTEMBER 30							
	2007		2006		2006		2005		2004		2003	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
American	5,151,160	63.45	4,951,696	62.65	10,170,787	63.35	9,558,458	61.89	8,739,109	57.81	7,977,294	54.12
American Eagle	364,351	4.49	328,886	4.16	693,498	4.32	586,261	3.80	534,320	3.53	516,574	3.50
Delta	267,839	3.30	262,540	3.32	530,247	3.30	595,265	3.85	651,593	4.31	634,835	4.31
US Airways	234,145	2.88	192,372	2.43	385,313	2.40	344,994	2.23	355,321	2.35	410,169	2.78
Continental	200,016	2.46	199,296	2.52	390,846	2.43	385,581	2.50	456,130	3.02	492,338	3.34
United	134,856	1.66	131,619	1.67	266,012	1.66	242,764	1.57	448,632	2.97	659,547	4.47
Avianca	128,889	1.59	115,911	1.47	247,297	1.54	213,828	1.38	192,406	1.27	100,629	.68
Northwest	113,013	1.39	123,367	1.56	212,168	1.32	250,833	1.62	248,292	1.64	254,403	1.73
British Airways	108,888	1.34	126,629	1.60	239,135	1.49	239,370	1.55	231,030	1.53	231,577	1.57
Taca International	90,897	1.12	86,945	1.10	186,706	1.16	208,782	1.35	188,554	1.25	179,126	1.22
All Others	1,324,070	16.31	1,384,251	17.51	2,733,031	17.03	2,817,122	18.26	3,072,169	20.32	3,283,417	22.28
Total	8,118,124	100.00	7,903,512	100.00	16,055,040	100.00	15,443,258	100.00	15,117,556	100.00	14,739,909	100.00

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Source: Miami-Dade County Aviation Department.
 Note: Percentages may not total 100% due to rounding.

COMMERCIAL AIRCRAFT LANDED WEIGHT (1,000 LBS.)

	NINE MONTHS ENDED JUNE 30						FISCAL YEARS ENDED SEPTEMBER 30					
	2007		2006		2006		2005		2004		2003	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
American	7,290,872	45.85	7,122,551	45.81	14,310,103	46.56	14,286,955	45.87	13,988,011	43.85	13,035,307	41.24
LAN f.k.a. Lan Chile	513,980	3.23	507,710	3.27	957,830	3.12	919,000	2.95	818,480	2.57	690,370	2.18
United Parcel Service	495,227	3.11	461,810	2.97	907,570	2.95	919,361	2.95	809,013	2.54	903,065	2.86
American Eagle	415,009	2.61	386,248	2.48	793,346	2.58	732,383	2.35	656,905	2.06	662,430	2.10
Delta	394,614	2.48	398,307	2.56	777,895	2.53	944,334	3.03	1,016,604	3.19	1,016,341	3.22
Tampa Cargo	311,652	1.96	329,183	2.12	595,459	1.94	646,873	2.08	515,170	1.61	428,778	1.36
Arrow Air	294,629	1.85	254,597	1.64	535,925	1.74	576,643	1.85	444,898	1.39	635,409	2.01
US Airways	277,594	1.75	241,612	1.55	459,903	1.50	413,136	1.34	469,297	1.47	591,714	1.87
Federal Express	260,455	1.64	249,762	1.61	484,716	1.58	372,161	1.19	346,417	1.09	396,695	1.25
Cielos Del Peru	252,880	1.59	327,000	2.10	582,932	1.90	736,840	2.37	605,168	1.90	285,144	0.90
All Others	5,393,687	33.92	5,270,680	33.90	10,329,433	33.60	10,600,826	34.03	12,229,582	38.34	12,964,669	41.01
Total	15,900,599	100.00	15,549,460	100.00	30,735,112	100.00	31,148,512	100.00	31,899,545	100.00	31,609,922	100.00

Source: Miami-Dade County Aviation Department.
 Note: Percentages may not total 100% due to rounding.

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Air Service Incentive Program

The Board adopted the Air Service Incentive Program ("ASIP") developed by the Aviation Department on May 24, 2005, and ASIP became effective on June 7, 2005. ASIP is designed to provide an incentive for air carriers to establish domestic and international passenger flights at the Airport by offering credits on Landing Fees for a period of 12 months. The primary goal of the ASIP is to stimulate domestic and international passenger service at the Airport, and to increase revenues at the Airport. Even with a waiver of landing fees, each new flight generates revenue, including but not limited to, concourse user fees, terminal rental and other fees, and PFCs.

Domestic and international air service qualify under the ASIP. With respect to domestic service, any airline would qualify for the incentive program by establishing scheduled, year-round passenger service to any U.S. or Canadian destination from the Airport. With respect to international service, any airline would qualify for the incentive program by establishing scheduled, year-round, nonstop or direct passenger service to an international destination not currently served from the Airport by any airline. An airline that voluntarily or involuntarily suspends or terminates such service before the end of the 12-month period will be required to pay any discounts received under the ASIP. The qualifying service must result in a net increase in the airline's total number of flights from the Airport to the city-pair, as compared to the same month of the previous year.

To mitigate any adverse effects to landing fees paid by Signatory Airlines and other airlines operating at the Airport, the Aviation Department will fund the ASIP through the Airport's Retainage Sub-account to offset the landing fees waived. Total landing fee waivers will not exceed \$3 million within each Fiscal Year, and will be allocated to the airlines on a first-come, first-served basis.

Two domestic and one international carrier have introduced service that qualifies for the ASIP. Separately, the Aviation Department is in discussions with other international carriers for new international routes and with two low cost domestic carriers which show continued interest in serving the Airport. Should these carriers commit to operating at the Airport, it is anticipated that service start-ups will occur in late 2007 and into 2008. The ASIP duration is two years from the effective date. The Aviation Department is currently reevaluating any future incentive program. [update]

CAPITAL IMPROVEMENT PROGRAM FOR MIAMI-DADE COUNTY'S AIRPORT SYSTEM

Airport Master Plan and General Aviation System Plan

In 1994, the Aviation Department developed a new Airport Master Plan (the "Master Plan") to redevelop the Airport, and to construct support projects for the GA airports. The Master Plan was approved by the Board in 1994 and underwent a Master Plan Verification Analysis in April 1999, during which various consultants concluded that the general assumptions that defined the Airport's general development program remained valid. Based on anticipated traffic projections, the Master Plan sought to maximize and balance the capacity of the Airport within its boundaries. The primary components of the Master Plan were to modernize the Airport facilities, support the changing airline industry, increase Airport capacity, accommodate changes in aircraft, and include numerous betterment projects for all the County-owned airports.

Cost Estimates

The CIP is a consolidation of projects that implements the Master Plan. It is managed by the Aviation Department. Projects financed and managed by third parties, such as certain tenant improvement projects, are not considered part of the CIP.

In 2002, the Board approved a CIP, with estimated expenditures of \$4.8 billion through 2015, when enplanement levels were projected to reach 39 million annual passengers ("MAP"). The Board approved an increase in the cost of the CIP to \$5.237 billion in June 2005 and a further increase to \$6.2 billion in March 2007. The increases are primarily due to schedule delays and increased cost estimates. The Master Plan calls for the Aviation Department to undertake additional capital improvements when traffic exceeds 39 MAP, but funding does not presently exist for those improvements and they are not discussed in this Official Statement.

The Aviation Department uses a target level of future airline cost per enplaned passenger ("CEP") to help guide its financial plans and policies. In establishing a CEP target, the Aviation Department weighs the capital and operating needs of the Airport and the economic needs of the County against the risk of less airline service, higher airfares, and fewer enplaned passengers that might result from a higher CEP. In this process, the Aviation Department takes into consideration the passenger market and yields at the Airport, general economic conditions, the financial condition of the airline industry, particularly AA, fares at competing regional and international gateway airports, and other factors.

In March 2003, the Aviation Department determined that the Airport should hold the CEP in Fiscal Year 2015 at no more than \$30. In March 2007, the Aviation Department increased the Fiscal Year 2015 CEP target to \$35, in recognition of the need to complete the CIP, notwithstanding recent increases in costs. From time to time, the Aviation Department plans to review and adjust, if appropriate, the CEP target level and date.

To reduce increased pressures on the CEP, the Aviation Department has implemented and is considering various measures, including but not limited to, (1) implementation of an expanded scope of the ASIP, (2) closing facilities which will not be needed in the long term, (3) reducing staff levels at the Aviation Department through attrition, and (4) private-public investment.

Summary of Programs

The CIP is categorized into the following programs:

- Airside Program
- Terminal and Concourse Facilities Program
- Landside Program (including MIA Mover)
- Airport Support Programs
- Cargo and Aircraft Maintenance Program
- GA Airports Program

Each program consists of capital projects. The CIP began in 1994 and those projects that are complete represent approximately 30% [?] of the total cost of the CIP. Major capital projects completed include, among others:

Airside Program

- New fourth runway (8L/26R) and associated parallel taxiways
- New mid-field dual taxiway system and high-speed exits
- Runway 9/27 rehabilitation
- New Air-Traffic Control Tower ("ATCT")
- Two new Aircraft Rescue and Fire Fighting ("ARFF") facilities

Terminal and Concourse Facilities

- North Terminal – Extension of Concourse D (added 11 international/domestic swing gates)
- Concourse A expansion (added 9 international/domestic swing gates)
- Renovation projects in Concourses E, F and G
- New baggage handling systems
- EDS for baggage screening
- Upgrades relating to life safety systems, utilities, building code requirements and requirements of the Americans with Disabilities Act

Landside

- New 1540-space parking garage
- Various renovation and expansion projects for parking facilities
- Central revenue collection plaza for long-term parking garages

- Upper and Lower Terminal Vehicular Drives extension
- Perimeter fence for the aircraft operating area

Support Programs

- Central Chiller Plant expansion to accommodate an expanding terminal
- Various security systems improvements throughout the terminal and at GA airports
- Environmental remediation projects including remediation of groundwater and soil contamination and removing asbestos

Cargo and Aircraft Maintenance

- Six new cargo facilities totaling 1.09 million square feet of space
- New GAC ("General Aviation Center") Building

General Aviation Airports

- OPF Runway 12/30 improvements

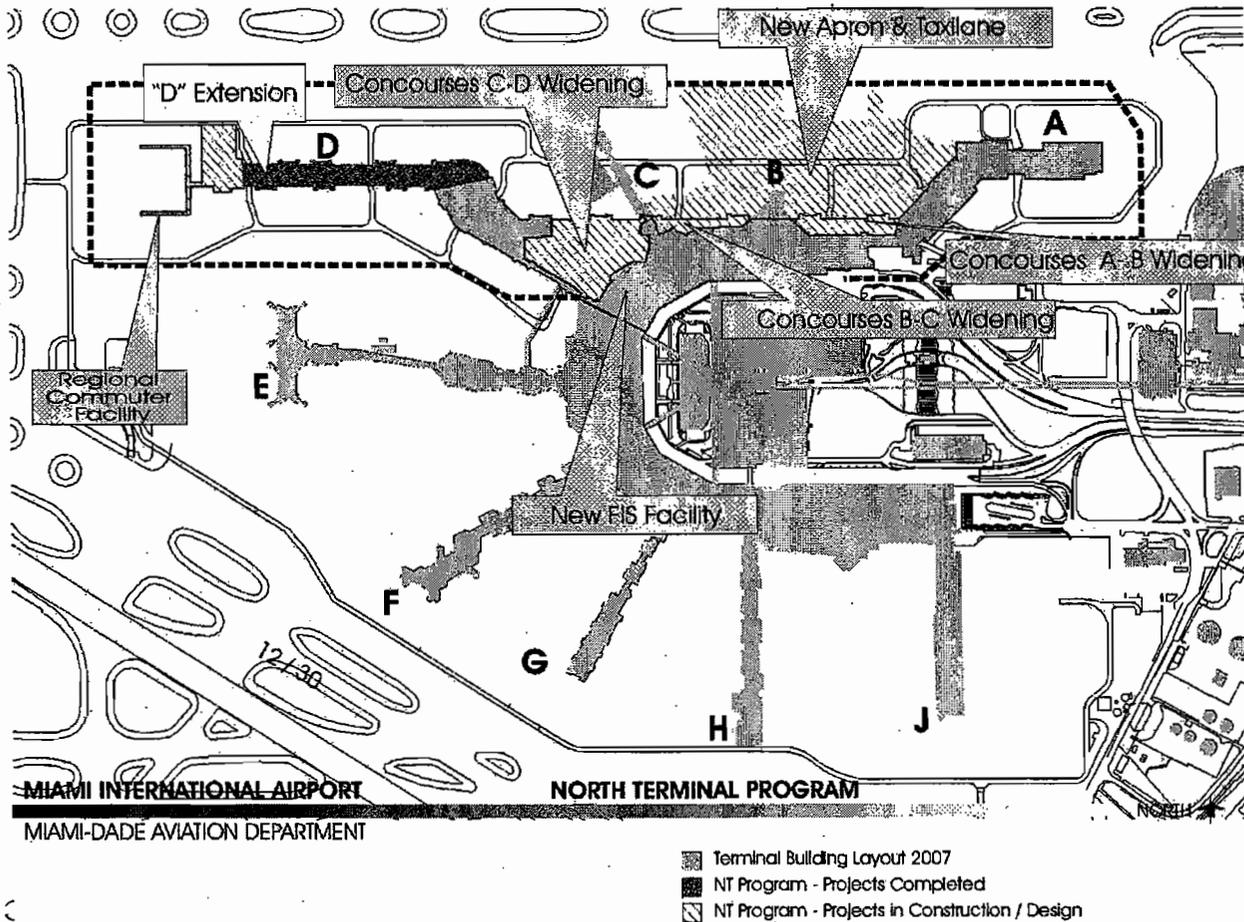
The CIP programs and the major projects that comprise them are described below. The description does not include completed CIP projects, but only those that are in the design or construction phase.

Airside Program

The primary objectives of the Airside Program are to expand airfield capacity, enhance aircraft movement efficiency and safety, reduce delays, and accommodate changes in aircraft fleets. Approximately 88% [?] of the budgeted funds have been expended to date. As of the date of this Official Statement, its cost to complete is within budget, and the Airside Program is on schedule. The only remaining major project is the Runway 8R/26L pavement reconstruction, which will extend the useful life of this valuable asset.

Terminal and Concourse Facilities Program

The Terminal Building is divided into three areas, North, Central and South. Sixty-four percent of the CIP is allocated to reconstructing and expanding the North and South Terminals. The CIP will increase the building's area from 4.8 million to approximately 7.4 million square feet. The programs are described in detail in the following pages.



North Terminal Program

Prior to July 2005, AA managed the North Terminal Development Program (“NTD”) for the Aviation Department, with the Turner Austin Airport Team (“TAAT”) as the construction manager. Effective July 2005, the Board authorized a restructuring which allowed the Aviation Department to exercise direct control over the NTD and approved a contract with Parsons Odebrecht (“POJV”), a joint venture, to finish the construction of the NTD. Because the County and POJV inherited a work-in-progress with many unknowns about the building due to incomplete design and work, the risks are shared between the County and POJV pursuant to the terms of a contract that is a blend of contractor managed and general contractor formats. POJV’s contract is for the procurement and management of all trade work necessary to complete the project. POJV is currently serving as construction manager for the South Terminal Program.

The NTD area previously consisted of Concourses A, B, C and D in a pier configuration. It is being transformed into a linear terminal which will increase gate utilization and connection efficiencies supporting a major hub facility for AA and its One World Alliance partners. It eliminates Concourses B and C and widens the Terminal Building area between Concourses A and D. As part of the program, the Aviation Department is renovating 1.6 million square feet of the existing Terminal Building and adding 1.8 million square feet of new terminal/concourse space. The completed North Terminal will have 48 international/domestic swing gates, two Regional Jet gates, a Federal Inspection Services facility capable of processing 3,600 international passengers per hour, 173 ticketing positions (including 67 self-service units), a new gate delivery baggage system, and support systems capable of handling an international hub operation with at least 250 flights per day. It is expected to contain at least 70% of the passenger volume at the Airport.

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Early bidding raised significant concerns as to the reliability of TAAT's 2005 estimate, which was based upon incomplete (30%) plans: there were very few bidders, and the bids received were much higher than anticipated. The Aviation Department subsequently commissioned a new cost estimate, prepared by a nationally-recognized firm using a team of experienced construction cost estimators. The result was based upon completed designs and compared with bids received. As a result, various alternatives to keep the project within budget were considered, and a new CIP budget was developed.

After a constructability review and construction phasing review performed by MDAD staff, PJOV and consultants in 2006, the NTD was re-phased and bid packages were revised. The time taken for this review caused a delay in the project schedule.

Further, in the time between the origination of the estimates and the Aviation Department's assumption of the project, costs for materials and labor increased dramatically due to a building boom in South Florida. The situation was exacerbated by the very limited field of contractors willing to bid this project due to the number of outstanding claims on the project, contractor apprehension regarding risk escalation for longer-term contracts, and the County's stringent requirements for bonding, insurance, and airside access security screening.

The revised scope of NTD maintains full functionality, significantly reduces the scope of the Terminal Wide Improvements ("TWI") project, and temporarily closes Concourse A in Fall 2007 [?]. Closing Concourse A will reduce both cost and duration and simplify the complex phasing of the NTD. It will shift most of the construction zone from airside to landside, eliminating security screening requirements, increasing available labor and encouraging contractor participation. It will also provide easy access to most of the construction site and simplify maintenance of traffic. The Aviation Department estimates that the foregoing efforts have reduced the projected construction time by two years, resulting in a net savings in project management costs.

The table below compares the Board-approved 2006 budget for the North Terminal (core and support projects) with the approved 2007 budget. The costs are categorized to aid in understanding the variances and do not reflect actual expenditures. The "New Construction" category shows the greatest increase because it is affected by market conditions and escalation as well as the bidding environment. "Ongoing Construction" is partially complete; therefore only work in progress is subject to market conditions and increased overhead during the completion period.

The "Additional Contingency" column reflects the fact that much of the remaining work consists of heavy remodeling, with a higher likelihood of unforeseen conditions and therefore costs. The increase in "Professional Services" primarily reflects the additional schedule duration for designers and program management. [update]

**NORTH TERMINAL DEVELOPMENT PROGRAM
BUDGET INCREASE
(in millions)**

Item #	Title	2006 Budget	Additional Costs	2007 Budget*
NTD CORE PROGRAM				
1	New Construction	\$610.2	\$565.2	\$1,175.4
2	Ongoing Construction	391.9	49.6	441.5
3	Additional Contingency (from 10% to 15%)	-	58.0	58.0
4	Completed Construction	549.7	-	549.7
5	Professional Services	<u>390.3</u>	<u>47.3</u>	<u>437.6</u>
Subtotal NTD Core		\$1,942.1	\$720.1	\$2,662.2
NTD SUPPORT PROGRAM				
1	New Construction	\$119.0	\$51.2	\$170.2
2	Professional Services	<u>19.7</u>	<u>0.9</u>	<u>20.6</u>
Subtotal NTD Support		\$138.7	\$52.1	\$190.8
TOTAL NTD PROGRAM		<u>\$2,080.8</u>	<u>\$772.2</u>	<u>\$2,853.0</u>

* A portion is based on bids received and the remainder based on estimates of U.S. Costs, Inc.

Note: Program titles and apportionment of costs are for budgetary purposes only and do not reflect actual expenditures or work performed.

Approximately ___% of the \$2.853 billion budget has been expended to date and its cost to complete is within budget. The demolition phase of the North Terminal project has been completed. The redesign phase of the North Terminal is on schedule.

The County recently renegotiated POJV's contract to reduce the risk to the County and reallocate responsibility between the County and POJV to take advantage of the contractor's ability to schedule and manage their work. [The renegotiation is subject to Board approval. It is expected that the POJV contract will be presented for approval at the May 22, 2007 Board meeting.] Of the total \$2.853 billion budget for the North Terminal, the POJV contract covers \$1.045 billion in construction costs. The TWI construction package and several smaller construction packages will be bid out separately. The POJV renegotiation accomplished the following: [update]

- Established fixed costs for Concourses A through D and completion work;
- Established that POJV will be responsible for their entire work schedule;
- Established that POJV will assume normal contractor risks;
- Established that the County will assume risks for hurricanes; and
- Established that POJV is required to coordinate work and schedule with other contractors and subcontractors.

The Aviation Department management team is being reorganized and streamlined to accommodate GC contract requirements. Most of the Architectural/Engineering ("AE") contracts have been modified to support the revised contract and revised schedule. The remaining two are in final negotiations.

POJV and the County have agreed upon a February 28, 2011 substantial completion date. Any increase to the POJV contract and modification to the AE support contracts is expected to be within the overall \$2.853 billion budget for the North Terminal Program.

As required by changing conditions, the Aviation Department has revised the budgets for the NTD upward and has extended schedules for the completion of the NTD from time to time. Since the most recent of such budget amendments on [March 20], 2007, the project is substantially on schedule and within budget.

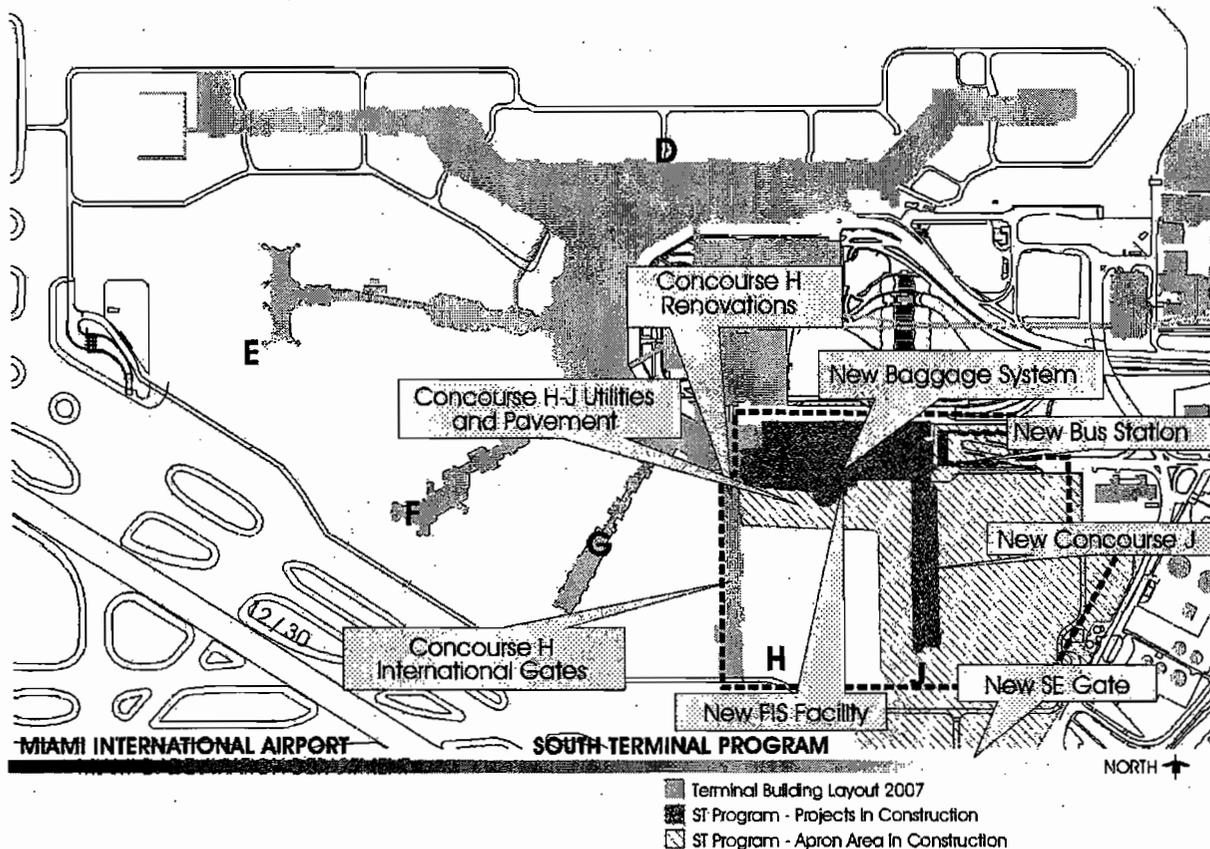
According to the Aviation Department and its Consulting Engineer, the schedule and budget set forth above regarding the North Terminal are reasonable and prudent, assuming that three conditions are met. First, the Aviation Department must resolve County building code compliance issues in a timely manner. Second, there must be effective implementation of design and phasing of projects with subcontractors and coordination of schedules. Finally, the County must reorganize its staff to bolster project management capabilities.

South Terminal Program

The South Terminal Program ("STP") includes the construction of a new Concourse J, internationalization of Concourse H, terminal expansion from Concourse H to Concourse J, apron construction between Concourses H and J and related utilities infrastructure. Approximately 74% of the \$ 1.103 billion budget for the core program and support projects was expended through December 31, 2006 and an additional 3% has been expended through February 28, 2007. [The Department and POJV have set substantial completion date at June 19, 2007, and expect limited flight operations to begin on or about August 15, 2007.]

The completed South Terminal will have a total of 27 gates, of which 21 will be international/domestic and one will be designated for Airbus A-380 operations. It will also have 124 ticketing positions. It is expected to handle 25% of the passenger volume at the Airport, and will serve as a medium-sized hub for the Star Alliance (including United Airlines) and the Sky Team Alliance (including Delta Airlines). Changes in both air service and airline alliances have caused the Aviation Department to adjust the mix of airlines scheduled to occupy the South Terminal, with Sky Team and Star Alliance members remaining the primary occupants.

The STP has experienced scope changes, delays and cost increases. There were many reasons. STP is being constructed under the new federal security guidelines, although it was designed and bid prior to September 11, 2001. Incorporation of these guidelines into the program scope contributed significantly to both delays and cost increases. Similarly, changes in technology and system re-configuration to meet current operating needs had a material impact on the configuration of the premise distribution system, the technological backbone of South Terminal systems. Modifications to the electronic baggage system were required for compliance with the Americans with Disabilities Act. There have also been ongoing disputes between the program manager, POJV, and its principal subcontractor, the general contractor for the project.



As required by changing conditions, the Aviation Department has revised the budgets for the STP upward and has extended schedules for the completion of the STP from time to time. Since the most recent of such budget amendments on [March 20,] 2007, the project has remained substantially on schedule and within budget.

Each week the Aviation Department identifies any critical delay and takes action to mitigate its impact on the overall project schedule. General conditions for the STP contract cost approximately \$4 million per month. If the STP does not meet its schedule, then the Aviation Department estimates the cost increase to the County will be approximately \$4 million per month, the value of general conditions.

Delay in closing Concourse A beyond November will delay planned labor efficiencies, but is not expected by the Aviation Department to delay the substantial completion date of North Terminal.

According to the Aviation Department and its Consulting Engineer, the schedule and budget for the STP are reasonable and prudent.

Other Terminal Projects

This program consists of expanding Concourse A by 9 gates to 20 gates and making improvements to the existing Central Terminal. This collection of projects is valued at \$510.6 million and is approximately 80% complete. The major project remaining to be completed is improvements to existing Central Terminal. Central Terminal includes the terminal and concourse areas between Concourses E, F and G. The airlines that will operate in this area are the domestic and international non-aligned airlines. The Central Terminal is anticipated to handle 8 percent of the passenger volume at the Airport. The improvements yet to be completed include life safety and building code upgrades, major repairs to the Terminal roof, tenant relocations to and from the renovated areas and procurement of new passenger loading bridges. [This program is within budget and on schedule.]

Landside Program

Roadways and Parking

This program is for the purpose of improving ground access to the Airport, primarily by relocating the Airport's perimeter roadway, extending the Terminal's upper and lower drives to accommodate the South Terminal expansion of the Terminal; and increasing parking capacity and centralizing and automating the parking revenue collection process. The program is valued at \$164.1 million and is approximately [84%] complete. Significant projects yet to be completed include elements of the Perimeter Road relocation and an upgrade to the Airport's short-term parking facility. This program improves landside access to the Terminal Building. The major remaining project of this program is the relocation of Perimeter Road. This project will secure the fuel tank farm area and allow for traffic to bypass the aviation fuel storage tanks and allow the tanks to be accessed only through airside. The benefits of this change in access are 1) increased security in an area storing highly flammable material and 2) increased safety by removing fuel tanker trucks from the public roadways. This program is within budget and on schedule.

MIA Mover Program

The Aviation Department is committed to constructing an elevated automated people mover system known as the MIA Mover, connecting the Terminal to remote ground transportation facilities at an inter-modal hub to be built by the FDOT. It is part of a larger FDOT project, the Miami Intermodal Center ("MIC"), a core transportation building and the adjacent consolidated rental car facility ("RCF"). Passengers can reach the RCF, Metrorail, Tri-Rail and Amtrak from the MIC. The project is one means of eliminating congestion on the Terminal curb and access roadways.

The current plan calls for the MIA Mover to have two stations. One will be between the Airport parking garages, connected to the Terminal by moving walkways. The other will be located at the RCF, west of the MIC.

The Aviation Department has issued a Request for Proposals to developers for a Design, Build, Operate and Maintain contract for the MIA Mover. The project is currently in the bid, award and negotiation stage. A contract award recommendation is expected to be ready for Board consideration in [Summer 2007]. If awarded at that time, construction can be expected to begin in [winter 2007]. The County has committed to the State that construction will be completed within two years of completion of the RCF, which is expected to open in 2009. See "CERTAIN INVESTMENT CONSIDERATIONS." This program is currently budgeted at \$221.5 million (net of a \$46 million one-time FDOT grant). In accordance with a County intra-departmental agreement, the maximum amount of financing proceeds for which the Aviation Department shall be responsible shall be limited to \$224.8 million.

Support Program

These programs support the airport system functions, including environmental remediation and utility infrastructure, security and business systems. The program budget is \$750.3 million (including a \$70 million contingency) of which [70%] have been spent to date. The majority of the environmental remediation and utility infrastructure projects are complete; security and business systems are not.

The security program's components include access control (20%), screening passengers with carry-on baggage (5%), screening checked baggage (28%), the technical system that supports these applications as well as the business systems applications described below (44%), and other miscellaneous costs (3%). The value of the security program is approximately \$374 million, including \$161 million for the technical system. Of the \$374 million, approximately \$285 million is included in the North and South Terminal and other program budgets. The \$99 million balance is included in the Support Program budget. Grant funding of \$94 million is available. The Aviation Department is seeking additional funding from the TSA to offset the cost of baggage screening in North Terminal.

The business systems program replaces obsolete information systems and provides similar systems for newly constructed facilities. The applications include:

- Common Use Terminal Equipment (CUTE): allows flexible ticket counter and gate assignments to maximize usage.
- Airport Operation Information System (AOIS): supplies new flight information displays as part of a system that provides computer-based flight and operational data resource management tools (automated planning of gate, ticket counter, baggage systems and baggage claim carousel usage).
- Building Management System (BMS): automates the management of electrical, air conditioning, fire alarm and other building systems.
- Public Address System: a new system which includes fire annunciation and visual paging for the hearing-impaired.

This program is within budget and on schedule.

Cargo and Aircraft Maintenance Program

This program primarily upgrades and expands cargo processing and aircraft maintenance facilities located on the west and north sides of the Airport. Projects include new and upgraded cargo processing buildings, facilities to support the cargo processing function (a new facility for clearing arriving international cargo and private flights), a new facility for clearing international arriving animals, and improved drainage in an area used by aircraft maintenance businesses.

The clearing facility for international arriving animals and the improved drainage projects are in process. The clearing facility will consist of a 64,000 square foot facility which includes an import and export barn area, 102 animal holding quarantine stalls, and an aviary.

The program budget is \$189.1 million of which ___% has been spent to date. It is within budget and on schedule.

General Aviation Airports Program

This program consists of runway and taxiway improvements, security improvements and support facilities at the County's three GA airports (Opa-Locka, Kendall-Tamiami and Homestead). The program's budget is \$53,036,890. [This program is substantially complete and within budget.]

Status of the Capital Improvement Program

The table on the following page is an overview of the status of the CIP, by major programs. As of _____, 2007, \$____5 billion has been expended on all projects in the CIP.

PROGRAM COSTS CATEGORIZED BY CONSTRUCTION PHASE¹
(in millions)

<u>Programs</u>	<u>Dollar Value of Projects in Design Phase²</u>	<u>Dollar Value of Projects in Construction Phase</u>	<u>Dollar Value in Completed Projects</u>	<u>Total Costs</u>
Airside Program	\$ 38.7	\$ 3.2	\$ 312.9	\$ 354.8
<u>Terminal and Concourse Facilities:</u>				
North Terminal ⁽³⁾⁽⁴⁾	123.4	1,648.4	1,081.8	2,853.6
South Terminal ⁽³⁾	32.9	216.2	853.9	1,103.0
Other Terminal Projects ⁽⁵⁾	66.0	18.2	426.4	510.6
<u>Landside Program:</u>				
Roadways & Parking	14.1	5.5	144.5	164.1
MIA Mover ⁽⁶⁾	210.5	0	11.0	221.5
Support Programs	48.9	177.8	523.6	750.3
Cargo and Aircraft Maintenance Program	21.7	7.7	159.7	189.1
General Aviation Airports Program	0	0.7	52.3	53.0
Total:	<u>\$556.2</u>	<u>\$2,077.7</u>	<u>\$3,566.1</u>	<u>\$6,200.0</u>
Percentage of projects:	9.0%	33.5%	57.5%	100.0%

(1) All data as of _____, 2007. Capital projects funded by discretionary pay-as-you-go money from the Improvement Fund are not included in this table.

(2) The design phase includes the planning, design, bid and award stages.

(3) Includes support projects.

(4) The Terminal-wide Improvement project is in design. Concourse D Extension is complete. The balance of the program is in construction.

(5) Includes Concourse A – Phase 2, which is complete.

(6) The MIA Mover budget is net of a one-time \$46 million FDOT grant.

Long-term planning continues to be challenged by the rapidly changing aviation industry. See “DEVELOPMENTS AFFECTING THE AIR TRANSPORTATION SYSTEM – Significant Events.” It is possible that some new projects not now reflected in the CIP could be added to the CIP.

Off-airport Access Improvements

The off-airport access improvements are not part of the CIP but are included here because they enhance the functionality of the Airport.

FDOT and the Miami-Dade County Expressway Authority (“MDX”) are funding several projects to enhance access to the Airport from adjoining roads. These include widening LeJeune Road (Northwest 42nd Avenue), direct connect ramps from the Airport to State Roads 836 and 112, the RCF, the MIC core building, widening the Northwest 25th Street exit from the MIA cargo area, SR826/SR836 Interchange, and SR 826/Northwest 36th Street Interchange.

The MIC is a multi-phased development program intended to relieve area roadway congestion and improve access to the Airport by creating a regional transportation center east of LeJeune Road. Its estimated cost is \$1.3 billion. The primary structures include a separate MIC core building and a consolidated Rental Car Facility, both of which will be constructed by FDOT with loan proceeds from the United States Department of Transportation under the TIFIA loan program. The MIA Mover, which is being funded through the CIP and FDOT grants, will

connect the RCF to the Terminal Building. FDOT plans to construct other transportation-related facilities in the immediate area, all of which will be made commercially compatible with the RCF and MIC core building.

The County's responsibility for the MIC project is primarily limited to:

- designing, constructing and operating the MIA Mover.
- calculating CFCs sufficient to pay off the TIFIA loan secured by FDOT and imposing upon car rental companies the obligation to collect them from their customers and remit them to a trustee.
- operating and maintaining the RCF and paying for the costs thereof from the CFCs. The CFCs will not be Revenues of the Port Authority Properties.

Peer Review Findings

In January 2007, an independent panel of experienced aviation and airport professionals ("Peer Review Group") performed a review and assessment of the CIP ("Peer Review Report") with respect to the Airport's implementation strategy and management proposed for the completion of the NTP, the STP and other programs included in the CIP. The Peer Review Group considered: (1) the projected estimates of costs to complete the work at the NTD and the STP and other programs, (2) projected milestones and schedules, (3) the policies and practices of the Aviation Department and the County for claims management, construction management, and program management and (4) the impact of the CIP on the Airport's financial plan.

The key findings and recommendations of the [draft] Peer Review Report are as follows:

1. The completion of the NTD is critical to the future of the Airport.
2. The Aviation Department should compress the schedule timeframes for construction of NTD and reduce costs of NTD.
3. The Aviation Department should renegotiate POJV contract to convert it to a lump-sum general construction contract form.
4. The Aviation Department should realign and reorganize its management team to fit with the renegotiated POJV construction contract.
5. Concourse A should be temporarily closed and the airlines operating in Concourse A should be relocated to other areas in the terminal complex as soon as possible in order to facilitate construction phasing.
6. The Aviation Department should become more proactive in building bridges with the contracting communities.

The [draft] report also makes recommendations to improve management policies and practices, plan for contingencies for high risk items, find alternative financing resources for the CIP, including third-party financing of projects, bolster financing capacity, expand and strengthen the contractual relationship with American Airlines, endeavor to sustain growth in airport passenger and cargo traffic.

The Aviation Department expects to ask that the Peer Review Group meet periodically over the duration of the NTD, to assist the Aviation Department in assessing progress and conformity with the established goals.

FUNDING SOURCES FOR THE CIP

Funding for the CIP will be provided from bond and note proceeds, anticipated federal and state aviation grants, PFC revenue and interest income. Factors that may alter this proposed funding approach include, but are not limited to: differences in the actual amounts of federal and State grants; the risk of termination of PFCs; and the addition and deletion of projects. It is expected that Additional Bonds for the CIP through the year 2011 will be issued pursuant to the [Authorizations] on a periodic, as-needed, basis. In addition, the Aviation Department intends to continue its use of the aviation commercial paper program to facilitate the construction of the CIP by means of short-term temporary financings pending longer-term refinancing through Airport Revenue Bonds. See "OUTSTANDING AVIATION REVENUE BONDS AND OTHER AIRPORT RELATED DEBT – Commercial Paper Notes."

CIP FUNDING SOURCES ⁽¹⁾
Miami-Dade County Aviation Department
As of _____, 2007
(in thousands)

Program Description	Program Total	Funding Sources					
		AIP Grants	FDOT Grants	Pay-as-you-go PFC Revenue ^(a)	Other Funds ^(b)	Aviation Revenue Bonds Paid with PFC Revenue ^(c)	Aviation Revenue Bonds Paid with Airport Revenue
Airside	\$ 354,798	\$223,113	\$66,309	\$11,025	\$ –	\$ –	\$ 54,351
Terminal & Concourse Facilities:							
• North Terminal ⁽²⁾	2,853,547		7,166		105,000	847,386	1,893,995
• South Terminal ⁽²⁾	1,103,070	25,943	46,291	20,929	20,046	446,256	543,605
• Other Terminal Projects ⁽³⁾	510,596	12,792	8,859	87,181			401,764
Landside:							
• Roadways & Parking	164,134		30,449	44,859			88,826
• MIA Mover ⁽⁴⁾	221,509		67,526				153,983
Support Programs	750,259	36,849	37,072	12,243			664,095
Cargo and Aircraft Maintenance	189,050	3,694	47,428				137,928
General Aviation Airports	53,037	18,692	8,441				25,904
Total	<u>\$6,200,000</u>	<u>\$321,083</u>	<u>\$319,541</u>	<u>\$176,237</u>	<u>\$125,046</u>	<u>\$1,293,642</u>	<u>\$3,964,451</u>

(a) Based on the FAA approved PFC applications (#1, #2, & #3) and the current estimated cost of the projects contained in these PFC applications.

(b) Represents the American Airlines contribution of \$105 million, and \$20,046 million in TSA one time funding in Fiscal Year 2006 for security in South Terminal.

(c) Based on the FAA approved PFC application #4, which also includes financing and issuance costs not shown on this table.

(1) All data as of _____, 2007. This table reflects the Approved CIP Budget of \$6.2 billion. Capital projects funded by discretionary pay-as-you-go money from the Improvement Fund are not included.

(2) Includes "support" projects.

(3) Includes Concourse A – Phase 2, which is complete.

(4) The MIA Mover FDOT grants consists of \$ _____ in Aviation FDOT and \$43,093,998 in Highway FDOT funds.

Source: Miami-Dade County Aviation Department

Federal Grants

The Airport and Airway Improvement Act of 1982, as amended by the Airport and Airway and Safety and Capacity Expansion Act of 1987, created the AIP administered by the FAA and funded by the Airport and Airway Trust Fund financed through federal aviation user fees and taxes. Grants-in-aid funds for airport infrastructure improvements to enhance safety, security, capacity and access are made available to airport sponsors in the form of "entitlements" and "discretionary" allocations for eligible projects. The AIP "entitlement" grant amounts vary annually and are based upon an airport's level of enplaned passengers and air-cargo, the amount of funds, appropriated by Congress and any revisions to the statutory formula for calculating such funding. The AIP "discretionary" funds are selectively disbursed based on the competitiveness of the project within the national priority system established by the FAA and are also affected by Congressional actions.

For Fiscal Years 2004 through 2007, an FAA reauthorization bill signed into law on December 12, 2003, authorizes AIP funding starting at current levels for Fiscal Year 2004 and slightly increasing each year thereafter. Appropriation bills have been signed into law for Fiscal Year 2004 through Fiscal Year 2007, with funding levels similar to past fiscal years. However, there is no assurance that these same funding levels will be maintained with the new proposed reauthorization for Fiscal Year 2008. In fact, after several years of funding increases for AIP, FAA in the NextGen Act is proposing a drastic reduction in AIP passenger entitlement funding of up to 50% through Fiscal Year 2009 and elimination altogether after that. FAA's Fiscal Year 2007 request of \$2.7 billion is \$764 million less than last year's appropriation and nearly \$1 billion less than called for in the Vision 100 Act. FAA's Fiscal Year 2007 budget request results in a 2% reduction in airport grants from last year's appropriation. The bulk of the planned reductions (\$624 million) will occur in "formula" grants and are expected to result in a 44% passenger and 23% cargo entitlement reduction for "Primary Airports" such as MIA. The significant reduction to those grants occurs because of special provisions of FAA's current authorization. Those provisions require that whenever AIP funding is \$3.2 billion or more, as has been the case in recent years, grant funding levels are calculated based on the individual formula and that amount is then doubled. However, since this year's request is less than \$3.2 billion, grant funding levels are calculated based on the formula alone and are not doubled.

Federal aviation grants received by the County for the last five Fiscal Years are as follows:

<u>Fiscal Year</u>	<u>Entitlement</u>		<u>Discretionary</u>	<u>Total</u>
	<u>(Passenger)</u>	<u>(Cargo)</u>		
2006	\$4,386,399	\$5,522,311	\$7,500,000	\$17,408,704
2005	4,262,672	5,293,844	13,722,084	23,278,500
2004	3,721,264	5,524,297	10,520,365	19,765,926
2003	4,879,836	4,227,437	7,142,000	16,249,273
2002	9,759,671	3,788,772	15,794,299	29,342,742

Source: Miami-Dade County Aviation Department

Passenger entitlement grants have decreased over the years. In Fiscal Year 2006, passenger and entitlements increased slightly with the increase in activity with a reduction in discretionary funding primarily due to low competitiveness of the remaining CIP projects at a national level. In Fiscal Year 2005, passenger entitlement grant decreased because there were fewer enplaned passengers at the Airport than over the prior fiscal year. In Fiscal Year 2004, the passenger entitlement grant amount decreased because it excluded \$1.5 million in funds that had been received in the prior fiscal year. In Fiscal Year 2003, the passenger entitlement grant amount decreased by approximately 50% as expected due to the increase in the PFC level of collection from \$3.00 to \$4.50 in Fiscal Year 2002. The decrease in entitlements is automatic in the year subsequent to the PFC collection level change as mandated by the FAA for medium and large hub airports.

The increase in the Fiscal Year 2002 discretionary grant amount was due to the reimbursement of \$2.95 million for security-related operational and capital costs incurred by the Airport as a direct result of the events of September 11, 2001, and an additional \$2.5 million increase was allocated for terminal modifications to accommodate the Congressional mandate through the TSA to deploy EDSs.

In Fiscal Year 2001, a Letter of Intent award ("LOI") of \$101,040,000 for the capacity-enhancing fourth runway project was issued. The LOI was amended to \$104,040,000 on March 11, 2004 to include \$3.0 million for the renumbering of the runways at MIA. In March 2006, effective Fiscal Year 2007, the FAA approved and authorized the Aviation Department to utilize \$2,512,569 remaining in the approved LOI amount and to amend the scope to add the Tract One apron drainage, grading and pavement improvement project with no increase in the maximum obligation of the LOI of \$104,040,000 with the balance of the 75% of the Federal share of the estimated \$15 million Tract One project funded through two separate installment grants totaling 8,720,307 with \$5,522,311 in Fiscal Year 2006 and \$3,197,966 in Fiscal Year 2007. An LOI is a statement of intent by the FAA to provide the funds set forth in the LOI and serves to assure higher discretionary funding levels through 2010 for the project. An LOI, however, is not a legal obligation of the United States and is subject at all times to funds being appropriated by Congress. Because the AIP is periodically re-authorized with appropriations approved annually, there can be no guarantee as to the future level of annual funding, the future of the AIP, the AIP entitlement amounts apportioned to

the Airport, or the amount of AIP discretionary funds awarded to the County for the Airport and other airports within the Airport System. The LOI for \$104,040,000 represents a maximum of 75% of the estimated eligible runway and apron drainage costs (referred to hereafter in this section as the "costs"). Amounts under the LOI scheduled for payment in the years 2000 through 2005, which totaled \$65.8 million, were received by the Aviation Department as expected. The remaining LOI payments are scheduled to be paid out through 2010 as \$30.64 million in discretionary funds.

In the future, the Aviation Department estimates the receipt of another \$15.5 million in AIP passenger and cargo entitlement grants and \$16 million in AIP discretionary grants in addition to the \$30.6 million balance remaining for the LOI for the next nine years to 2015. This amount is used for grant planning purposes and may not yet be reflected in the plan for finance because the actual capital projects have not yet been approved by the FAA. There are several important airfield and landside capacity projects including the widening of Central Boulevard, the Airport's primary access roadway and the Airfield Improvements necessary to accommodate the next generation of "super jumbo" aircraft including the Airbus A380 and the Boeing 747-800 which though potentially AIP grant eligible are unfunded in the CIP for local matching funds.

State Grants

Aviation projects throughout the state are funded by the State through fuel taxes. About 60% of state airport funding comes from the aviation fuel tax, with the remaining 40% generated by highway fuel taxes. State funding of aviation projects is made through FDOT under Chapter 332 of the Florida Statutes. Florida's aviation grant funds are non-competitive grants for non-exclusive use capital projects that are similar to the scope and eligibility criteria of projects eligible for FAA funding. These grants are generally used to supplement federal and local funds by providing 50% of the County's local share of eligible project costs at the Airport and the general aviation airports when federal funds are available or 50% of County's eligible project costs at MIA and 80% at the general aviation airports when federal funds are not available. FDOT personnel are authorized to commit State aviation grant funds through its five-year capital improvement program, known as the five-year work plan to publicly owned, public use airports in the State. FDOT bases its grant allocations on FDOT funding policies that give priority to matching federal funds and projects involving safety, security, preservation and maintenance of facilities and capacity.

In addition, due to the events of September 11, 2001, a special one-time program, the Flexible Airport Funding Program as authorized under Chapter 2001-349 Laws of Florida (revised July 30, 2002), enabled the County to reallocate funds from certain projects in Fiscal Years 2001-2005 to assist in paying for the security-related operational and capital costs incurred from these events. The amount of FDOT Flex Fund grants available to the County are broken out as follows:

Revenue Loss	\$ 9,282,496
GA Airports Capital	5,168,092
MIA Capital	<u>29,372,494</u>
Total	\$ <u>43,823,082</u>

These flexible funds do not require a local match. They are 100% funding eligible for reimbursement for capital and operating costs related to airport operations, planning, design and construction incurred between September 11, 2001 and June 30, 2006.

All FDOT grants received by the County for the last five Fiscal Years are as follows:

<u>Fiscal Year</u>	<u>AIP</u>	<u>Discretionary</u>	<u>Flex Funds</u>	<u>Total Collected</u>
2006	\$6,730,420	\$8,331,000	N/A	\$15,061,420
2005	6,228,000	8,900,000	N/A	15,128,000
2004	9,047,000	5,478,000	N/A	14,525,000
2003	4,368,000	4,000,000	\$43,823,082	52,191,082
2002	7,443,378	3,500,000	N/A	10,943,378

FDOT aviation grants to be received by the County through its five-year work plan (Fiscal Years 2007 through 2011) are estimated to be a total of \$27.5 million. In earlier 5-year work programs, FDOT allocated \$80 million for the MIA Mover Design, Build, Operate and Maintain Project with \$23,432,735 in Aviation FDOT and \$43,093,998 in Highway FDOT funds remaining after FDOT was reimbursed \$13,473,267 pursuant to Board resolution R-1259-02 approving a Joint Participation Agreement for MIC roadway and MIA Mover guideway foundation work at the MIC site. There are several important airfield and landside capacity projects including the widening of Central Boulevard, the Airport's primary access roadway and the Airfield Improvements necessary to accommodate the next generation of "super jumbo" aircraft including the Airbus A380 and the Boeing 747-800 which though fundable under the FDOT's State Intermodal System ("SIS") and Growth Management initiatives, including \$48.5 million programmed in the Fiscal Year 06 TIP for Central Boulevard and \$11.5 million for Large Aircraft Airfield Improvements, they are unfunded in the CIP for local matching funds. The amount of unfunded local match is \$60 million.

Passenger Facility Charges [relate to discussion of use to pay debt service]

Under federal legislation (the "PFC Act"), the FAA may authorize a public agency to impose a PFC of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50 on each passenger of an air carrier enplaned at any commercial service airport controlled by the public agency, subject to certain limitations. PFCs of up to a \$3.00 level are available to airports to finance specific eligible projects that: (i) preserve or enhance capacity, safety or security of the national air transportation system; (ii) reduce noise resulting from an airport; or (iii) furnish opportunities for enhanced competition among air carriers. To obtain approval for a higher \$4.00 or \$4.50 PFC level, the Aviation Department must prove that the project makes a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on airport surroundings.

In 2006, 326 of the larger U.S. airports including MIA collected passenger facility charges to finance capital projects. FAA estimates that airports will collect \$2.5 billion in PFCs during 2007. Currently, PFCs are capped at \$4.50 per segment of flight (a maximum of \$18.00 on a round trip). The current cap on PFCs has significant implications for major airport's capital expenditure plans. For example, one major airport based part of its financing plan for expanding the airport on a PFC increase from the current maximum of \$4.50 to \$6.00 per segment. How airport projects are funded and the level of the PFC charge will be important issues as Congress decides how to best finance FAA projects. Should an increase to \$6.00 per segment be authorized in Fiscal Year 2008, airports increasing their PFCs to that higher level will forgo all AIP entitlements, according to Airports Council International - North America ("ACI-NA") the entity lobbying Congress on behalf of U.S. Airports, which were at the level of \$17.4 million for MIA in Fiscal Year 2006. MIA is currently taking the issue under advisement.

The amount of actual PFC revenues will vary depending on actual levels of passenger enplanements at the Airport and, accordingly, no assurance can be given as to the timing or amount of PFC revenues that will be available. The FAA may terminate the Aviation Department's ability to collect PFCs if the FAA determines that the Aviation Department is in violation of the PFC Act or the regulations promulgated under the PFC Act ("PFC Regulations") or certain provisions of the Airport Noise and Capacity Act of 1990 (the "Noise Act"). Both the PFC Regulations and the Noise Act, however provide procedural safeguards that limit the FAA's ability to terminate summarily the Aviation Department's ability to impose PFCs.

Under the PFC Regulations, PFC revenues can only be used to pay the costs of approved projects or debt service and financing costs associated with bonds issued for such projects. PFC revenues are currently not defined as Revenues under the Trust Agreement and must be applied specifically as required by the PFC Regulations. Accordingly, PFC revenues are not pledged to or held by the Trustee for the benefit of the owners of the Bonds unless and until they are specifically pledged pursuant to a resolution of the Board. However, the County intends to continue its current practice of depositing a portion of the PFCs into the Sinking Fund before or at the beginning of each Fiscal Year, which is credited against the Principal and Interest Requirements on the Bonds for that particular Fiscal Year. The Aviation Department transferred \$65 million in PFC revenues to the Sinking Fund for payment of the Fiscal Year 2006 Principal and Interest Requirement, and plans to transmit \$73.6 million in PFC revenues to the Sinking Fund for payment of the Fiscal Year 2007 Principal and Interest Requirement.

The FAA authorized the Aviation Department to impose a PFC of \$3 per passenger commencing November 1, 1994. On October 21, 2001, the FAA approved a PFC collection level of \$4.50 with an effective date of January 1, 2002. On December 2002 the FAA, approved an application that enables the Aviation Department to use PFC revenues to pay debt service for certain approved projects. The net receipts from PFCs are restricted to FAA "approved capital projects" and their corresponding financing costs. Currently, the only such "approved capital projects" (along with the related financing costs) at the Airport are the North and South Terminal Programs.

The Aviation Department has been authorized to collect PFCs in the estimated aggregate amount of \$2,757,442,341, including interest. The authorization is expected to expire October 1, 2037. The amount of PFC collections from inception through _____, 2007 was \$ _____ million and with interest was \$ _____ million. Of this amount, the Aviation Department had expended \$ _____ million. However, another \$73.6 million was transferred to the Sinking Fund in October 2006, thus increasing the expenditures to \$381.0 million. Under generally accepted accounting principles, PFCs are reported as non-operating revenues. Aviation Department annual PFC collections since inception to date are as follows:

<u>Fiscal Year</u>	<u>PFC Collections</u>
1996	\$38,187,434
1997	35,491,604
1998	36,424,124
1999	39,164,381
2000	35,707,692
2001	37,298,407
2002	42,868,403
2003	50,746,842
2004	53,877,379
2005	53,969,695
2006	51,978,979

Other Revenues

American Airlines has agreed to contribute \$105 million toward the costs of settling claims and completing NTD. Its contribution will be paid over 10 years effective July 1, 2005 as delineated in the Claims Administration Agreement between American Airlines and the County and acknowledged by American Airlines in the First Amendment to its AUA. If American Airlines fails to make any payment according to schedule, the Amendment to the Airline Use Agreement provides that the County shall be entitled to recover the unpaid balance of the \$105 million payment through a surcharge due by American Airlines for its use of facilities at MIA.

In Fiscal Year 2006, TSA issued a one-time \$20 million "other transaction agreement" for in-line EDS for South Terminal. Though this constitutes revenue from a federal agency, it is not considered a traditional FAA type grant, hence the distinction in reporting.

[General Obligation Bonds]

On November 4, 1986, the electorate of the County authorized the issuance of not to exceed \$247,500,000 aviation revenue bonds [further secured by a pledge of unlimited ad valorem taxes of the County] for the purpose of: (i) financing the acquisition and installation of certain future capital improvements at the airports owned and operated by the County; (ii) refunding certain indebtedness issued to finance such capital improvements or issued to finance prior improvements at such airports; and (iii) paying the costs of issuance of such aviation revenue bonds. To date, no such bonds have been issued.

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AVIATION DEPARTMENT FINANCIAL INFORMATION

The tables included in this section present a summary of the historical operating results of the Port Authority Properties for Fiscal Years 2002 through Fiscal Year 2006 as well as Fiscal Year to date results through June 30, 2006 and 2007.

Historical Financial Results

The following table presents a summary of revenues and expenses from Port Authority Properties for the periods shown, and includes debt service coverage ratios for such periods. The method of presentation required under the Trust Agreement and presented in the following table is on a cash basis, which differs from the Aviation Department's financial statements, which are prepared on an accrual basis in accordance with generally accepted accounting principles. The numbers in the summary do not constitute part of the audited financial statements of the Aviation Department, although for the fiscal years ended September 30, 2002 through 2004, such numbers were reviewed by the auditors [?]. It should be noted that, reflecting the merger of the ADF Facilities into the Port Authority Properties, effective June 1, 2003, the information for the Fiscal Year 2002 reflects the Port Authority Properties exclusive of the ADF Facilities, the information for the Fiscal Years 2004 and beyond reflects the Port Authority Properties inclusive of the ADF Facilities, and the information for the Fiscal Year 2003 reflects the inclusion of the ADF Facilities in the Port Authority Properties for the last four months.

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PORT AUTHORITY PROPERTIES
HISTORICAL OPERATING RESULTS
(in thousands)*
(UNAUDITED)

	<u>Eleven Months Ended August 31</u>		<u>Fiscal Year Ended September 30⁽¹⁾</u>				
	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003⁽²⁾</u>	<u>2002</u>
MIA Aviation Fees			\$288,583	\$270,607	\$261,679	\$230,066	\$213,375
Commercial Operations:							
Management Agreements			\$68,212	\$68,649	\$104,142	\$88,678	\$ 87,024
Concessions			<u>77,505</u>	<u>77,283</u>	<u>73,470</u>	<u>72,006</u>	<u>74,123</u>
Total Commercial Operations			<u>\$145,717</u>	<u>\$145,932</u>	<u>\$177,612</u>	<u>\$160,684</u>	<u>\$161,147</u>
Rentals			87,688	85,998	85,303	61,950	53,036
Other Revenues ⁽³⁾			<u>23,467</u>	<u>32,532</u>	<u>20,764</u>	<u>36,395</u>	<u>36,916</u>
Sub-total Revenues			\$545,455	\$535,069	\$545,358	\$489,095	\$464,474
General Aviation Airports			<u>4,432</u>	<u>4,328</u>	<u>4,897</u>	<u>2,650</u>	<u>1,672</u>
Gross Revenues			<u>\$549,887</u>	<u>\$539,397</u>	<u>\$550,255</u>	<u>\$491,745</u>	<u>\$466,146</u>
Expenses:							
Current Expenses			\$240,922	\$269,819	\$229,191	\$212,273	\$196,960
Current Expenses under Mgmt. Agmt.			27,894	27,778	55,243	48,590	45,853
Current Expenses under Oper. Agmt.			<u>30,859</u>	<u>31,433</u>	<u>30,524</u>	<u>29,093</u>	<u>27,385</u>
Total Current Expenses			<u>\$299,675</u>	<u>\$329,030</u>	<u>\$314,958</u>	<u>\$289,956</u>	<u>\$270,198</u>
Net Revenues:			\$250,212	\$210,367	\$235,297	\$201,789	\$195,948
Less: Reserve Maintenance Fund Deposit	n/a	n/a	<u>7,500</u>	15,000	<u>24,500</u>	<u>7,000</u>	<u>4,000</u>
Net Revenues After Deposits	n/a	n/a	<u>\$242,712</u>	<u>\$195,367</u>	<u>\$210,797</u>	<u>\$194,789</u>	<u>\$191,948</u>
Total Debt Service	n/a	n/a	\$220,578	\$176,610	\$160,471	\$134,898	\$133,774
Less: PFC Revenue (used for d/s)	n/a	n/a	<u>(65,000) --</u>	<u>(35,000)</u>	<u>(20,000)</u>	--	--
Debt Service	n/a	n/a	<u>\$155,578</u>	<u>\$141,610</u>	<u>\$140,471</u>	<u>\$134,898</u>	<u>\$133,774</u>
Debt Service Coverage ⁽⁴⁾⁽⁵⁾	n/a	n/a	<u>1.56x</u>	<u>1.38x</u>	<u>1.50x</u>	<u>1.44x</u>	<u>1.43x</u>

(1) While the numbers for Fiscal Year 2002 through Fiscal Year 2004 were reviewed by the auditors as described above, they do not constitute part of the audited financial statements of the Aviation Department for that Fiscal Year.

(2) Represents the first eight months of the Fiscal Year of Port Authority Properties activity and the final four months (June through September) of combined Port Authority Properties and ADF Facilities post-merger activity.

(3) In Fiscal Year 2004, this amount includes a \$9.3 million non recurrent FDOT grant for reimbursement of lost revenues related to the events of September 11, 2001.

(4) During each Fiscal Year, certain moneys from the previous Fiscal Year remaining in the Improvement Fund are deposited in the Revenue Fund. The amount of such deposit is included as Revenues and is required by the Airline Use Agreement to be taken into account in determining the amount of the landing fee rate required for the next succeeding Fiscal Year.

(5) Calculated in accordance with the Trust Agreement by dividing Net Revenues after deposits by the required Debt Service amount.

* Numbers may not total due to rounding.

n/a = not applicable

Source: Miami-Dade County Aviation Department.

Management's Discussion of Financial Information

For Fiscal Year 2006, the significant items affecting the financial results were:

- The airline industry has been in financial turmoil in recent years resulting in a number of bankruptcies. As of September 30, 2006, the Aviation Department was owed approximately \$5.3 million in pre-petition debt from bankruptcy carriers. These revenues are not reflected in the annual financial results because they are presented on a cash basis.
- Aviation fees increased in Fiscal Year 2006 when compared to Fiscal Year 2005 by \$18.0 million or 6.6%. The increase is attributed to a 31.9% increase in the landing fee charged to MIA air carriers in Fiscal Year 2006. The net increase was offset by a decrease of \$13.2 million in the amount of the transfer from the Improvement Fund to the Revenue Fund.
- As part of its agreement to relinquish program management control over the North Terminal, American Airlines agreed to contribute \$105 million over the next ten years to pay claims and construction costs related to the North Terminal Development capital project. American Airlines made its first payment of \$15 million to the Aviation Department in June 2005 and a second payment of \$15 million was received in July 2006.
- The Aviation Department's discretionary cash position increased as noted below primarily due to the significant increase in Net Revenues in Fiscal Year 2006, which accumulated in the Improvement Fund. As of September 30, 2005 and September 30, 2006, the Aviation Department's operating cash position was as follows:

	<u>2006</u>	<u>2005</u>
Revenue Fund ⁽¹⁾	\$59,023,818	\$48,198,331
Reserve Maintenance Fund	34,185,224	27,206,620
Improvement Fund ⁽²⁾	<u>130,728,819</u>	<u>89,125,838</u>
Total	<u>\$223,937,861</u>	<u>\$164,530,789</u>

⁽¹⁾ Includes the operating reserve requirement based on 13.5% of the Current Expense annual budget amount as required by the Trust Agreement.

⁽²⁾ The Fiscal Year 2005 amount includes \$42.9 million that was transferred to the Revenue Fund during Fiscal Year 2006 whereas the Fiscal Year amount includes \$63.6 million that was transferred during Fiscal Year 2007. Both of these transfers are required per the Airline Use Agreement.

In September 2006, the Board approved the Aviation Department's Fiscal Year 2007 budget. This budget reflects the Aviation Department's expectation of a 4.4% growth rate or 16.2 million enplaned passengers; a slight increase in landed weight; a \$14.8 million or 4.2% increase in Current Expenses due to the planned opening of the South Terminal during the Fiscal year; use of \$73.6 million in PFC revenues to pay debt service (compared to \$65 million used in Fiscal Year 2006); and an increase from \$7.5 million to \$17 million in the annual deposit to the Reserve Maintenance Fund.

During Fiscal Year 2006, the Aviation Department, in conjunction with other County departments, implemented Enterprise Resource Planning ("ERP"), a new financial system. ERP is an integrated software platform that runs on a single database and enables the Aviation Department to replace its financial systems with a fully integrated suite of financial applications that will produce more timely and valuable financial data. In addition, ERP gives the Aviation Department more flexibility in producing financial reports and makes data more readily available through the internet to all authorized users. The total estimated budget for the project is approximately \$12 million. Approximately \$8 million of the costs were financed in Fiscal Year 2006 with a loan from the Sunshine State Financing Commission. The repayment of the Sunshine State loan is not secured by Revenues or any other revenues of the Aviation Department and is paid from monies deposited into the Improvement Fund. Two million dollars for ERP has been included in the current Expense budget in Fiscal Year 2007.

[Discussion of Eleven Months ended 8/31/07]

Other Post Employment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") issued Statement No. 45 ("GASB 45"), which addresses how state and local governments should account for and report their costs and obligations related to post-employment health care and other non-pension benefits referred to as other post employment benefits ("OPEB"). GASB 45 generally requires that state and local government employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner they currently do for pensions. Annual OPEB cost for most state and local government employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of GASB 45 establish disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time.

Miami-Dade County provides paid medical and dental plans to active employees of the County. The County has approximately 27,000 active employees. The County also provides retirees the opportunity to participate in the group employee health plans. The County has approximately 1,300 pre-age 65 and approximately 1,400 post-age 65 retired employees participating in the plans. Employees who retire and begin receiving benefits under the Florida Retirement System and who were participants in the existing medical plan at the time of retirement are entitled to participate in the plan. Currently, retired employees pay 100% of the composite annual medical premium determined for the group consisting of active employees and pre-age 65 retirees. The County also provides paid health benefits to elected officials, employees who were offered an early retirement program, retirees who were injured in line of duty and meet requirements defined in bargaining agreements as well as a very small group of executive level employees.

While the GASB 45 reporting requirements will not be effective until the County's Fiscal Year ending September 30, 2008, the County has received a preliminary estimate of (a) the accrued actuarial OPEB liability as of October 1, 2007 (\$159 million) and (b) the annual OPEB expense for Fiscal Year 2008 (\$16.3 million) (assuming a 25-year amortization schedule and equal annual payments). The accrued actuarial OPEB liability estimated for the 977 active employees of the Aviation Department is approximately \$3.3 million. Currently, the County's policy is to fund the benefits on a pay-as-you-go basis and those estimates assume the County will continue that policy. However, if the County were to adopt a funding policy where amounts were contributed in excess of the "pay-as-you-go" costs, then (a) the estimated accrued actuarial OPEB liability could decrease to \$114 million and (b) the Fiscal Year 2008 annual expense could decrease to \$13.4 million (assuming a 25-year amortization schedule and equal annual payments).

The above estimates depend on several variables (e.g., funding levels, cost method, actuarial assumptions and amortization approach). Since the County is still finalizing those variables, those estimates could change. [update]

Commercial Operations Revenues at the Airport

The Aviation Department received \$145.72 million in commercial revenues in Fiscal Year 2006, as compared to \$145.93 million in Fiscal Year 2005. The decrease in revenues reported reflects retail concessions being transitioned from management agreements to concession agreements in Fiscal Year 2006. Duty-free and food and beverage concessions were transitioned to concession agreements in previous years.

Fiscal Year 2006 revenues in the major categories include \$37.5 million in parking revenues and \$26.7 million in rental car revenues. Food and beverage operations generated over \$17.4 million. Retail concessions generated approximately \$5.3 million in total sales under a management agreement type structure which equates to approximately \$.8 million in net revenues. Although, passenger services are considered a passenger convenience, they generated \$10.8 million in revenues.

The two prime food and beverage concessionaires at the Airport are HMS Host, Inc. ("Host") and Global Concessions, Inc ("Global"). Host increased its gross sales by \$3.6 million in Fiscal Year 2006, which represents a 7.2 percent increase over gross sales in Fiscal Year 2005. Global increased its gross sales by \$1.6 million in Fiscal Year 2006, which represents a 8.4% increase over sales in Fiscal Year 2005. The Hotel generated \$4.3 million in

revenues in Fiscal Year 2006 and the Top of the Port Restaurant generated over \$2.9 million in revenues during that same period. These revenues reflect substantial Hotel renovation work that was performed during the Fiscal Year. The major renovation as previously explained under Airport System Facilities began in Fiscal Year 2005.

The Aviation Department has three "Club Americas" that generate revenue and are available for the airlines that do not have their own designated airline club. This concession is operated by the Aviation Department under a management agreement that generates \$2.4 million in sales and over \$0.6 million in net revenue. One additional club is used for dignitaries only and is not revenue-producing under the "Club America" management.

[add discussion of Eleven Months ended 8/31/07]

TAX MATTERS

General

In the opinion of Holland & Knight LLP and Law Offices of Steve E. Bullock P.A., Bond Counsel, under existing law, interest on the Series 2007 Refunding Bonds is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any Series 2007C Bond for any period during which such Series 2007C Bond is held by a "substantial user" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code") of any project refinanced with the proceeds of the Series 2007C Bonds or a "related person" to such a "substantial user."

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2007 Refunding Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Examples include: the requirement that, unless an exception applies, the County rebate certain excess earnings on proceeds and amounts treated as proceeds of the Series 2007 Refunding Bonds to the United States Treasury; restrictions on the investment of such proceeds and other amounts; and certain restrictions on the ownership and use of the facilities refinanced with the proceeds of the Series 2007 Refunding Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied subsequent to the issuance of the Series 2007 Refunding Bonds to maintain the exclusion of interest on the Series 2007 Refunding Bonds from gross income for federal income tax purposes. Failure to comply with such requirements may result in the loss of the exclusion of interest from gross income of the owners of the Series 2007 Refunding Bonds for federal income tax purposes, retroactive to the date of issuance of the Series 2007 Refunding Bonds. The County has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Series 2007 Refunding Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the County comply with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Series 2007 Refunding Bonds.

Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as "APPENDIX D - PROPOSED FORM OF BOND COUNSEL OPINION" for the complete text thereof. See also "CERTAIN LEGAL MATTERS."

Alternative Minimum Tax

An alternative minimum tax is imposed by the Code on corporations at a 20% rate and on taxpayers other than corporations at a graduated rate beginning at 26% and increasing to 28%. Interest on the Series 2007C Bonds will be treated as an item of tax preference for purposes of the alternative minimum tax and included in the alternative minimum taxable income of an owner of the Series 2007C Bonds. Interest on the Series 2007D Bonds will not be treated as an item of tax preference for purposes of the alternative minimum tax. Interest on the Series 2007D Bonds will therefore not be included in the alternative minimum taxable income of taxpayers other than corporations. Interest on the Series 2007D Bonds received by a corporate owner of Series 2007D Bonds will, however, be included in such owner's adjusted current earnings. A corporation's alternative minimum taxable

income will be increased by seventy-five percent (75%) of the corporation's adjusted current earnings not otherwise included in its alternative minimum taxable income.

Original Issue Discount

The Series _____ Bonds maturing on October 1, 20__ through 20__ (the "Discount Bonds") have been sold to the public at an original issue discount. The original issue discount is the excess of the stated redemption price at maturity of such Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compounded basis. The amount of the original issue discount that accrues to an owner of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's basis in such Discount Bond. Proceeds received from the sale, exchange, redemption or payment of a Discount Bond in excess of the owner's adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as tax-exempt interest in such owner's hands), will be treated as gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

Original Issue Premium

The _____ Bonds maturing on October 1, 20__ through 20__, inclusive (collectively, the "Premium Bonds") have been sold to the public at premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

Other Tax Consequences

Prospective purchasers of the Series 2007 Refunding Bonds should be aware that ownership of the Series 2007 Refunding Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with "excess net passive income," foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2007 Refunding Bonds. Prospective purchasers of the Series 2007 Refunding Bonds should also be aware that ownership of the Series 2007 Refunding Bonds may result in adverse

tax consequences under the laws of various states. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 2007 Refunding Bonds.

Further, Bond Counsel has expressed no opinion regarding the state tax consequences that may arise with respect to the Series 2007 Refunding Bonds. Prospective purchasers of the Series 2007 Refunding Bonds should consult their tax advisors as to the collateral federal income tax and state tax consequences to them of owning the Series 2007 Refunding Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds, such as the Series 2007 Refunding Bonds, is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2007 Refunding Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2007 Refunding Bonds, under certain circumstances, to "backup withholding" at (i) the fourth lowest rate of tax applicable under Section 1(c) of the Code (i.e., a rate applicable to unmarried individuals) for taxable years beginning on or before December 31, 2010; and (ii) the rate of 31% for taxable years beginning after December 31, 2010, with respect to payments on the Series 2007 Refunding Bonds and proceeds from the sale of Series 2007 Refunding Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2007 Refunding Bonds. This withholding generally applies if the owner of Series 2007 Refunding Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2007 Refunding Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

_____ has verified the arithmetical accuracy of certain computations relating to (a) computation of forecasted receipts of principal and interest on the cash and investments deposited in the Escrow Fund to redeem or repay [certain of] the Refunded Bonds, through or including maturity or redemptions, and (b) computation of the yields on the Series 2007 Refunding Bonds and such investments. See "REFUNDING PLAN." Such verification will be relied upon by Bond Counsel to support its opinions related to tax matters. Such verification will be based in part on schedules supplied to _____ by _____.

CONTINUING DISCLOSURE

Disclosure Covenants

The County has covenanted in the Series 2007 Resolution, in accordance with the provisions of, and to the degree necessary to comply with the continuing disclosure requirements of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"), that certain continuing disclosure information will be provided or cause to be provided for the benefit of the beneficial owners of the Series 2007 Refunding Bonds (such covenants as described in paragraph (i) through (vii) below being referred to as the "Covenants") as follows:

(i) The County agrees to provide or cause to be provided for the benefit of the beneficial owners of the Series 2007 Refunding Bonds to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository ("SID"), if any, designated by the State, the following annual financial information and operating data (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2007:

(a) Revenues and Net Revenues of the Aviation Department and operating information for the prior Fiscal Year of the type and in a form which is generally consistent with

the presentation of such information in this Official Statement for the Series 2007 Refunding Bonds, and such additional operating information as may be determined by the Aviation Department; and

(b) The general purpose audited financial statements of the Aviation Department utilizing generally accepted accounting principles applicable to local governments.

The information in paragraphs (a) and (b) above is expected available on or before June 1 of each year for the preceding Fiscal Year, commencing June 1, 2008, and will be made available, in addition to each NRMSIR and the SID, to the Trustee and to each beneficial owner of the Series 2007 Refunding Bonds who requests such information. The audited financial statements of the Aviation Department referred to in paragraph (b) above are expected to be available separately from the information in paragraph (a) above and will be provided by the County as soon as practical after acceptance of such statements from the auditors by the Aviation Department, if not available within eight months from the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available.

(ii) The County agrees to provide or cause to be provided, in a timely manner, to (a) each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and (b) the SID, notice of occurrence of any of the following events with respect to the Series 2007 Refunding Bonds, if such event is material: (I) principal and interest payment delinquencies; (II) non-payment related defaults; (III) unscheduled draws on debt service reserves reflecting financial difficulties; (IV) unscheduled draws on credit enhancements reflecting financial difficulties; (V) substitution of credit or liquidity providers, or their failure to perform; (VI) adverse tax opinions or events affecting the tax-exempt status of the Series 2007 Refunding Bonds; (VII) modifications to rights of holders of the Series 2007 Refunding Bonds; (VIII) bond calls; (IX) defeasance; (X) release, substitution or sale of any property securing repayment of the Series 2007 Refunding Bonds (which are solely secured by Net Revenues); and (XI) rating changes.

(iii) The County agrees to provide or cause to be provided, in a timely manner, to (a) each NRMSIR or to the MSRB, and (b) the SID, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

(iv) The Covenants shall remain in effect only so long as the Series 2007 Refunding Bonds are Outstanding. The County reserves the right to terminate its obligations to provide the Annual Information and notices of material events, as set forth above, if and when the County no longer remains an "obligated person" with respect to the Series 2007 Refunding Bonds within the meaning of the Rule.

(v) The Covenants are intended to be for the legal and beneficial owners of the Series 2007 Refunding Bonds and shall be enforceable by the Trustee on behalf of such legal and beneficial owners, in the manner provided in the Trust Agreement, if the County fails to cure a breach within a reasonable time after receipt of written notice from a legal or beneficial owner that a breach exists; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the County's obligations under the Series 2007 Resolution and any failure by the County to comply with the provisions of this undertaking shall not be a default with respect to the Series 2007 Refunding Bonds.

(vi) Notwithstanding the foregoing, each NRMSIR to which information shall be provided shall include each NRMSIR approved by the SEC prior to the issuance of the Series 2007 Refunding Bonds. In the event that the Securities and Exchange Commission approves any additional NRMSIRs after the date of issuance of the Series 2007 Refunding Bonds, the County shall, if the County is notified of such additional NRMSIRs, provide such information to the additional NRMSIRs. Failure to provide information to any new NRMSIR whose status as a NRMSIR is unknown to the County shall not constitute breach of the Covenants.

(vii) Additionally, the requirements of subsection (i) above do not necessitate the preparation of any separate annual report addressing only the Series 2007 Refunding Bonds. The requirements of subsection (i) may be met by the filing of a general annual information statement or audited general

purpose financial statements of the Aviation Department or the County's Comprehensive Annual Financial Report, provided such report includes all of the required annual information and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the County may incorporate any information in any prior filing with each NRMSIR and the SID or included in any Official Statement of the County, provided such Official Statement is filed with the MSRB.

(viii) The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

The Covenants may only be amended if:

- (i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Aviation Department or type of business conducted; the Covenants, as amended, would have complied with the requirements of the Rule at the time of award of the Series 2007 Refunding Bonds, after taking into account any amendments or change in circumstances; and the amendment does not materially impair the interests of the beneficial owners, as determined by Bond Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or
- (ii) all or any part of the Rule, as interpreted by the staff of the SEC at the date of the adoption of this Series 2007 Resolution, ceases to be in effect for any reason, and the County elects that the Covenants shall be deemed amended accordingly.

Obligated Persons

The County has determined that as of the issuance of the Series 2007 Refunding Bonds, the County will be the sole Obligated Person with respect to the Series 2007 Refunding Bonds. Any change in Obligated Persons (as defined below) shall be reported by the County in connection with its Annual Information. If any person other than the County becomes an Obligated Person relating to the Series 2007 Refunding Bonds, the County shall use its reasonable best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person; provided, however, that the County takes, and shall take, no responsibility for the accuracy or completeness of any financial information or operating data or other materials submitted by any future Obligated Person.

For purposes of the Covenants, "Obligated Person" means, with respect to the Series 2007 Refunding Bonds, the County and any airline or other entity that (1) would constitute an "obligated person" under the Rule with respect to the Series 2007 Refunding Bonds and (2) is an "obligated person" (a) with respect to which financing information was included in this Official Statement or (b) otherwise reasonably determined by the County to be an "Obligated Person" with respect to the Series 2007 Refunding Bonds.

Because the County will be the sole "Obligated Person" with respect to the Series 2007 Refunding Bonds at the time of their issuance, the Covenants do not provide for, and no undertaking is being made by the County or the Aviation Department to update, any information contained in this Official Statement with respect to any individual airline. Under the AUA, each signatory airline is contractually obligated to make payments only to the extent of its use of the Airport during any Fiscal Year.

Airline Disclosure

Copies of the SEC filings (including (i) an Annual Report on Form 10-K, and (ii) a Quarterly Report on Form 10-Q, annual, quarterly and special reports, information statements and other information) for any individual airline which is required to file such reports pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended are available over the Internet at the web site of the Securities and Exchange Commission at

<http://www.sec.gov>; or at the SEC's public reference room in Washington D.C. See also "CERTAIN INVESTMENT CONSIDERATIONS – Additional Information" for the location of other financial and operating data which may be available as to individual airlines operating at the Airport.

Continuing Disclosure Compliance; Limited Information

The County has complied in all material respects with all continuing disclosure commitments previously made by the County with respect to issued obligations. The County's obligation under the commitments is to supply limited information at specified times and may not provide all information necessary to determine the value of the Series 2007 Refunding Bonds.

RATINGS

Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("S&P"), Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch", together with S&P and Moody's, the "Rating Agencies") have assigned the rating of "___", "___" and "___", respectively, to the Series 2007 Refunding Bonds, with the understanding that upon delivery of the Series 2007 Refunding Bonds, the Policy insuring the payment when due of the principal of and interest on the related Series 2007 Refunding Bonds will be issued by the respective Insurer.

With respect to underlying ratings for the Series 2007 Refunding Bonds, S&P has assigned a rating of "___", Moody's has assigned a rating of "___" and Fitch has assigned a rating of "___".

The ratings reflect only the view of the Rating Agencies. Any desired explanation of the significance of such ratings should be obtained from the Rating Agency furnishing the same. Generally, the Rating Agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by them. There is no assurance that the ratings will continue for any given period of time or that the same will not be revised downward or withdrawn entirely by the Rating Agency furnishing the same if, in its judgment circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2007 Refunding Bonds. The County has not undertaken any responsibility either to bring to the attention of the owners of the Series 2007 Refunding Bonds any proposed revisions, suspension or withdrawal of any such rating or to oppose any such revision, suspension or withdrawal.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2007 Refunding Bonds upon an event of default under the Trust Agreement are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for under the Trust Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2007 Refunding Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2007 Refunding Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

UNDERWRITING

The Series 2007 Refunding Bonds are being purchased by the Underwriters (as listed on the cover page of this Official Statement), for whom Morgan Stanley & Co. Incorporated is acting as representative. Subject to certain conditions, the Underwriters have agreed to purchase the Series 2007 Refunding Bonds at a purchase price of \$ _____. This price represents the aggregate principal amount of the Series 2007 Refunding Bonds, plus original issue premium of \$ _____, less original issue discount of \$ _____, and less an Underwriters' discount of \$ _____ (or approximately _____% of the aggregate principal amount of the Series 2007 Refunding Bonds). The purchase contract between the Underwriters and the County provides that the Underwriters will purchase all of the Series 2007 Refunding Bonds, if any are purchased. The public offering prices for the Series 2007 Refunding Bonds set forth on the inside cover page may be changed after the initial offering by the Underwriters. The Series

2007 Refunding Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2007 Refunding Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of this Official Statement, and such prices may be changed from time to time by the Underwriters. [separate bond discounts?]

FINANCIAL ADVISOR

First Southwest Company, Aventura, Florida and Frasca & Associates, L.L.C., New York, New York, served as financial advisors (collectively, the "Financial Advisor") to the Aviation Department with respect to the offering of the Series 2007 Refunding Bonds. The Financial Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning of the offering of the Series 2007 Refunding Bonds. The fee payable to the Financial Advisor is contingent upon the issuance and delivery of the Series 2007 Refunding Bonds.

RELATIONSHIP OF PARTIES

A number of the firms serving as Bond Counsel, Disclosure Counsel or Underwriters' Counsel for the Series 2007 Bonds (1) have represented and may continue to represent the Trustee, Co-Trustee and one or more of the Underwriters in connection with other transactions in jurisdictions other than the County and (2) represent the County on certain other matters and represents certain other clients in matters against the County.

FINANCIAL STATEMENTS

The Financial Statements of the Aviation Department as of and for the Fiscal Years ended September 30, 2006 and September 30, 2005 included in Appendix A have been audited by KPMG LLP, independent auditors, as stated in their report appearing in Appendix A. Such financial statements speak only as of September 30, 2006 and September 30, 2005, respectively and have been included as a matter of public record. KPMG (1) has not been engaged to perform and has not performed since the date of its report on such financial statements any procedures with respect to such financial statements and (2) has not performed any procedures relating to this Official Statement. The consent of KPMG LLP for the use of the financial statements herein has not been sought. See "APPENDIX A - FINANCIAL STATEMENTS OF THE AVIATION DEPARTMENT FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005."

CERTAIN LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2007 Refunding Bonds, including their legality and enforceability and the exclusion of interest on the Series 2007 Refunding Bonds from gross income for federal income tax purposes, are subject to the approval of Holland & Knight LLP, Miami, Florida, and Law Offices of Steve E. Bullock P.A., Miami, Florida, Bond Counsel, whose opinions will be delivered with the Series 2007 Refunding Bonds. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain other legal matters relating to disclosure will be passed upon for the County by Hunton & Williams LLP, Miami, Florida, and Law Offices Thomas H. Williams Jr., P.L., Miami, Florida, Disclosure Counsel, whose opinions will be delivered with the Series 2007 Refunding Bonds. _____, are acting as counsel to the Underwriters solely for the purposes of preparing the bond purchase agreement, any agreements among the Underwriters, a blue sky survey and rendering an opinion that the Series 2007 Refunding Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended and the Series 2007C&D Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended; they have not been asked to and are not passing on the accuracy or completeness of this Official Statement. The fees payable to Bond Counsel, Disclosure Counsel and Underwriters' counsel are contingent upon the issuance and delivery of the Series 2007 Refunding Bonds.

The proposed text of the separate legal opinions of Bond Counsel and Disclosure Counsel are set forth as "APPENDIX D - PROPOSED FORM OF BOND COUNSEL OPINION" and "APPENDIX E - PROPOSED FORM OF DISCLOSURE COUNSEL OPINION," respectively. The actual legal opinions to be delivered may vary from the text of APPENDIX D and E, if necessary, to reflect facts and law on the date of delivery of the Series 2007 Refunding Bonds. The opinions will speak only as of their date and subsequent distribution of it by recirculation of

this Official Statement or otherwise shall not create any implication that subsequent to the date of the opinions Bond Counsel has affirmed its opinion or that Disclosure Counsel has reviewed or expressed any opinion concerning any of the matters referenced in this Official Statement.

Bond Counsel has not undertaken independently to verify and therefore expresses no opinion as to the completeness, fairness, or sufficiency of any of the information or statements contained in this Official Statement or any exhibits, schedules or attachments hereto except as to the accuracy of the information purporting to summarize certain provisions of the Trust Agreement, the Series 2007 Resolution and the Series 2007 Refunding Bonds in "THE SERIES 2007 REFUNDING BONDS" and "SECURITY FOR THE SERIES 2007 REFUNDING BONDS" and except as to the accuracy of the information in "TAX MATTERS." Bond Counsel will not express any opinion as to the information under the heading "Book-Entry Only System" and "Financial Guaranty Insurance Policy," "Airline Use Agreement" and "[Bond Insurance]" or as to any engineering, financial and statistical data.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2007 Refunding Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the attorneys providing such opinion do not become insurers or guarantors of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

General

The County is a party, from time to time, to various lawsuits relating to the Airport and the Aviation Department, all of which the County has, and will continue to, vigorously defend and/or prosecute. There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2007 Refunding Bonds or questioning or affecting the validity of the Series 2007 Refunding Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence, nor the title of the present members of the Board or other officers of the County to their respective offices, is being contested. Except as noted below, there is no litigation pending, or to the knowledge of County officials threatened, which, if it were decided against the County or the Aviation Department, would have a material adverse effect upon the financial affairs of the County or the Aviation Department, with regard to Port Authority Properties. There is not now pending, or to the knowledge of County officials threatened, any claim that the Landing Fees or any other rates and charges at the Airport are not in accordance with federal, state or local law.

Aviation Environmental Matters

In August 1993, the Aviation Department and the County's Department of Environmental Resources Management ("DERM") entered into a Consent Agreement (the "DERM Consent Agreement"). Under the DERM Consent Agreement, the Aviation Department became liable to address and correct subsurface contamination resulting from various Airport tenants' operations and failure to comply with their legal obligations at the Airport, including facilities previously occupied by Eastern Airlines and Pan Am Airlines. In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the Aviation Department's damages imposed by the DERM Consent Agreement. This study was used as a basis to record the environmental remediation at the Airport as of September 30, 1993.

In each subsequent year, the Aviation Department received an updated study performed by LAW Engineering and Environmental Services, Inc., which is now known as MACTEC Engineering and Consulting, Inc.

("MACTEC"), an independent engineering firm, to update the estimated damages. MACTEC's annual report is called the "Opinion of Cost" report.

During Fiscal Year 1998, the Florida Department of Environmental Protection (the "FDEP") required the Aviation Department to enter into a Consent Order ("FDEP Consent Order"). The FDEP Consent Order, which encompasses and replaces the DERM Consent Agreement, requires the Aviation Department to address and correct subsurface contamination at all locations at the Airport that are contaminated as well as additional sites where contamination is suspected. Under these and other consent orders/agreements, environmental regulatory agencies are entitled to penalties for violations of these consent orders/agreements by the Aviation Department.

In 1999, the Board of County Commissioners authorized the Aviation Department's Environmental Cost Recovery Program to recover the costs of remediation of environmental contamination at MIA from responsible parties, insurers, and regulatory programs. As part of that program, the County proceeded with demand for payment and litigation against current and former users of the airport, including the U.S. government. It also pursued payments from FDEP under its Inland Protection Trust Fund which allows for the reimbursement or pre-approval for payment of certain qualified petroleum cleanups. A more detailed discussion of some of those efforts follows.

In February 1999, the Aviation Department settled an Inland Protection Trust Fund case with FDEP concerning the cleanup of the sites formerly occupied by Eastern Airlines, that are petroleum contaminated and are eligible for reimbursement. The settlement allocated \$1.7 million per year for a period of five years to clean up those sites that impact the current CIP. That settlement has now expired. Pursuant to the most recent ranking of statewide sites by the State, the cleanup of the former Eastern sites is no longer fully funded by the State. The Aviation Department is assessing the possible success of seeking re-evaluation of the rankings.

The Aviation Department also applied for \$40 million of reimbursable costs from the Inland Protection Trust Fund for eligible petroleum cleanup costs. Initially, \$25 million was approved. The Aviation Department appealed approximately \$10.1 million in denied supplemental payment requests for reimbursement and audited amounts, which was settled for an additional \$3.5 million that brought the total reimbursed to the amount shown above. In addition, certain Airport sites where contamination is suspected are recorded in the FDEP Consent Order under a "Protective Filing." If contamination were documented at these sites, the State would be required to incur the costs of remediation after the first \$200,000 of costs incurred by the Aviation Department. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at these sites is unknown at this time, these sites appear in the Opinion of Cost report with no dollar amounts. To date, the airlines have complied with all actions requested of them by the Aviation Department in order to comply with the FDEP Consent Order.

As noted above, in addition to the state regulatory administrative challenges, the Aviation Department has commenced various lawsuits against responsible parties and insurers to recover damages arising out of the costs associated with environmental contamination addressed by the DERM Consent Agreement and FDEP Consent Order. The County has settled claims against numerous responsible parties and insurers and litigation remains pending or will be brought against others. The County has recovered approximately \$21 million as a result of these settlements, which, along with the IPTF recoveries, brings the total recovered under the Cost Recovery Program to approximately \$49 million. In 2004, the County was denied recovery in its suit in federal district court against the United States for contamination at a former military base at MIA. The district court's decision was affirmed on appeal.

In 2006, the Opinion of Cost report was further updated to reflect changes having occurred during the past year. As a result of the updated study and damages incurred in Fiscal Year 2006, the estimated cost to the Aviation Department to address the contamination as of September 30, 2006 is in a range from \$114 million to \$256 million. The estimated range is due largely to uncertainties at this time as to the nature and extent of groundwater contamination beneath the Airport and the methods, which must be employed, for the remediation. Such amounts are expected to be paid by the Aviation Department over 11 years. Management believes that no specific amount in the range represents a better estimate of the ultimate liability. As a result, the Aviation Department has recorded a liability of \$135,698,337 million in the Port Authority Properties at September 30, 2006. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from the

operations of the Aviation Department, which would include any amounts received as a result of environmental cost recovery efforts, including lawsuits that the County has commenced against responsible parties.

The Aviation Department will also incur remediation costs to meet clean soil requirements as a result of future development. Such amounts are not considered an expense until such time that the Aviation Department commits to the future development. It is currently estimated that these remediation activities will be in excess of \$2.6 million over the next eleven years.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern Airlines and Pan American Airlines. The studies estimate the cost to correct such damage related to all buildings to be approximately \$4.5 million. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters.

North Terminal Claims [update]

Effective July 1, 2005, the County assumed responsibility to complete the construction of the North Terminal Development project which was previously managed by American Airlines. Significant claims for additional compensation due to changed work and delays have been asserted against the construction manager, Turner-Austin Airport Team, American and the County; in the aggregate, these claims exceed \$100 million including several lawsuits. As a result of the Fourth Amendment to the Lease, Construction and Financing Agreement and the Claims Administration Agreement with American, the County is responsible for defending American and to pay up to an aggregate amount of \$205 million (American is contributing \$105 million) to resolve claims. It is anticipated that ultimate resolution will not exceed the \$205 million.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the County to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). The County is not and has not been in default as to principal and interest on bonds or other debt obligations that it has issued as the principal obligor.

There are several special purpose governmental authorities that serve as conduit issuers of private activity bonds for purposes such as housing, industrial development, education and health care. Defaults have occurred in connection with some of those private activity bonds; however, such defaults affect only the defaulted issues and will have no effect on the payment of the Series 2007 Refunding Bonds. The County has no obligation to pay such bonds and the conduit issuers had only a limited obligation to pay such bonds from the payments made by the underlying obligors with respect to such issues. Defaults relating to conduit issuers are not material with regard to the Series 2007 Refunding Bonds.

CERTIFICATE OF FINANCE DIRECTOR AND AVIATION DIRECTOR CONCERNING THIS OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2007 Refunding Bonds, the Finance Director and the Aviation Director will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2007 Refunding Bonds, does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included in this Official Statement for the purpose for which this Official Statement is to be used, or which is necessary to make the statements contained in this Official Statement, in light of the circumstances in which they were made, not misleading.

MISCELLANEOUS

This Official Statement is not to be construed as a contract with the purchasers of the Series 2007 Refunding Bonds. The references, excerpts and summaries of all documents referred to in this Official Statement do not purport to be complete statements of the provisions of such documents, and potential investors should refer to all such documents for full and complete statements of all matters relating to the Series 2007 Refunding Bonds, the security for the payment of the Series 2007 Refunding Bonds and the rights and obligations of the owners of the Series 2007 Refunding Bonds. The information set forth in this Official Statement has been obtained from the County and other sources that are believed to be reliable. The information and expressions of opinion in this Official Statement are not subject to change without notice and neither the delivery of this Official Statement nor any sale made shall under any circumstances create any implication that there has been no change in the matters referred to in this Official Statement since its date.

The delivery of this Official Statement by the County has been duly authorized by the Board

APPENDIX A

**FINANCIAL STATEMENTS OF THE AVIATION DEPARTMENT
FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2006 AND SEPTEMBER 30, 2005**

KPMG LLP has not participated in the preparation of or review of this Official Statement. The attached financial statements have been included as a matter of public record. These financial statements speak only as of September 30, 2006 and September 30, 2005, respectively. The consent of KPMG LLP for the use of the financial statements herein has not been sought.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

The following summaries and statements are brief outlines of certain provisions of the Amended and Restated Trust Agreement dated as of December 15, 2002, by and among the County and The Bank of New York, as successor in interest to JPMorgan Chase Bank, N.A., as Trustee, and U.S. Bank National Association (successor in interest to Wachovia Bank, N.A.), as Co-Trustee (the "Trust Agreement"). Such outlines do not purport to be complete, and reference is made to the Trust Agreement, copies of which are on file and available for examination at the offices of the Aviation Department, the Trustee and the Co-Trustee, for the complete terms thereof. Terms not defined below or in the Official Statement shall have the meanings set forth in the Trust Agreement.

The Trust Agreement authorizes the issuance, from time to time, in one or more Series, of revenue bonds of the County subject to the conditions set forth in the Trust Agreement. The provisions and covenants of the Trust Agreement are for the equal and proportionate benefit and security of the holders of all of the revenue bonds issued thereunder, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any of the revenue bonds over any other thereof, except as otherwise expressly provided in the Trust Agreement.

Defined Terms

The following are certain defined words and terms used by the Trust Agreement:

"Accreted Value" means, as of any date of computation with respect to any capital appreciation bond, an amount equal to the principal amount of such capital appreciation bond at its initial offering plus the interest accrued on such capital appreciation bond from the date of delivery to the original purchasers thereof to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date plus, with respect to matters related to the payment upon redemption or acceleration of the capital appreciation bond, if such date of computation shall not be a Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Compounding Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of thirty days each. Interest shall accrue on any capital appreciation bond and be compounded periodically at such rate and at such times as provided in, or pursuant to, the resolution authorizing the issuance of said capital appreciation bond.

"Amortization Requirement" means for any fiscal year, as applied to the term bonds of any Series, the principal amount fixed for such fiscal year by resolution of the Board prior to the delivery of such bonds for the retirement of such term bonds by purchase or redemption.

"Annual Budget" means the budget adopted or in effect for each fiscal year.

"Appreciated Value" means, with respect to any capital appreciation and income bond: (a) as of any date of computation prior to the Interest Commencement Date, an amount equal to the principal amount thereof on the date of original issuance plus the interest accrued on such capital appreciation and income bond from the date of original issuance of such capital appreciation and income bond to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to compound periodically at the times and at the rate provided in, or pursuant to, the resolution authorizing the issuance of said capital appreciation and income bond, plus, if such date of computation shall not be a Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Compounding Date (or the date of original issuance

if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Compounding Date, calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of thirty days each; and (b) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Authorized Investments” include: (i) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America (“Government Obligations”), (ii) bonds, debentures or notes issued by any of the following Federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association, Federal Land Banks or the Federal National Mortgage Association (including participation certificates issued by such Association), (iii) all other obligations issued or unconditionally guaranteed as to principal and interest by an agency or persons controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress, (iv) repurchase agreements with financial institutions fully secured by Government Obligations, (v) all other obligations which are permitted investments of public funds under Florida law, (vi) time deposits, certificates of deposits or similar arrangements with any bank or trust company which is a member of the Federal Deposit Insurance Corporation and any Federal or State of Florida savings and loan association which is a member of the Savings Association Insurance Fund and which are secured in the manner provided in the Trust Agreement, and (vii) any obligations as directed by Section 218.415, Florida Statutes, unless otherwise authorized by state law or by county ordinance, in which event or events any obligations so authorized by such law or ordinance.

“bond,” “bonds,” “revenue bond” or “revenue bonds” means any bond or bonds or all of the bonds, as the case may be, issued under the provisions of the Trust Agreement. For purposes of the Trust Agreement, bonds issued under the provisions of the Trust Agreement include bonds issued under the provisions of the Prior Agreement.

“capital appreciation bonds” means any bonds as to which interest is compounded periodically on each Compounding Date and which are payable in an amount equal to the then current Accreted Value only at maturity, earlier redemption or other payment date therefor, all as designated by, or pursuant to, the resolution authorizing the issuance of such bonds, and which may be either serial bonds or term bonds.

“capital appreciation and income bonds” means any bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in, or pursuant to, the resolution authorizing the issuance of such bonds and with respect to which, until such Interest Commencement Date, the Appreciated Value is compounded periodically on each Compounding Date, and which may be either serial bonds or term bonds.

“Compounding Date” means, with respect to any capital appreciation bond or capital appreciation and income bond, the dates on which interest shall compound, as specified in the resolutions authorizing the issuance of such bond.

“convertible bonds” means bonds which are convertible, at the option of the County, into a type of bonds permitted by the Trust Agreement other than the type of such bonds at the time they were issued.

“Counterparty” means a financial institution who enters into a Hedge Agreement with the County in connection with any bonds issued under the Trust Agreement and whose senior long-term debt obligations, or whose payment obligations under such Hedge Agreement are guaranteed by an entity whose senior long-term debt obligations, are rated on the date the Hedge Agreement is entered into in one of the three highest rating categories (without regard to any gradations within such categories) of a nationally recognized rating agency.

“Credit Facility” means each and every irrevocable letter of credit, policy of municipal bond insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on bonds when due.

"Current Expenses" means the County's reasonable and necessary current expenses of maintenance, repair and operation of the Port Authority Properties and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, all administrative expenses and any reasonable payments to pension or retirement funds properly chargeable to the Port Authority Properties, insurance premiums, engineering expenses relating to maintenance, repair and operation, fees and expenses of the Trustee, the Co-Trustee and the Paying Agents, legal expenses, fees of consultants, fees, expenses and other amounts payable to any bank or other financial institution for the issuance of a Credit Facility, Liquidity Facility or Reserve Facility, and to any indexing agent, depository, remarketing agent, tender agent or any other person or institution whose services are required with respect to the issuance of bonds of any Series, any taxes which may be lawfully imposed on the Port Authority Properties or the income therefrom and reserves for such taxes, and any other expenses required to be paid by the County under the provisions of the Trust Agreement or by law, but shall not include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, or any Hedge Obligations or Hedge Charges, or any deposits to the credit of the Sinking Fund, the Reserve Maintenance Fund and the Improvement Fund.

"Director" means the person employed by the County to supervise the operation of the Port Authority Properties and to perform the duties imposed on the Director by the Trust Agreement.

"Effective Date" means December 15, 2002.

"fiscal year" means the period commencing on the first day of October and ending on the last day of September of the following year.

"Hedge Agreement" means an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the bonds, entered into between the County and a Counterparty; provided that such arrangement shall be specifically designated in a certificate of the Director and the County's Finance Director as a "Hedge Agreement" for purposes of the Trust Agreement.

"Hedge Charges" means charges payable by the County to a Counterparty upon the execution, renewal or termination of any Hedge Agreement, any periodic fee payable by the County to keep such Hedge Agreement in effect and all other payments required under such Hedge Agreement, including, to the extent permitted by law, indemnification payments, tax-gross up payments and default related payments, but excluding Hedge Obligations.

"Hedge Obligations" means net payments required to be made by the County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment, but not including Hedge Charges.

"Hedge Receipts" means net payments received by the County from a Counterparty under a Hedge Agreement.

"Improvements" means such buildings, structures and equipment and such renewals, replacements, additions, extensions and betterments, other than ordinary maintenance and repairs, as may be deemed necessary by the County to place or to maintain any Project in proper condition for its safe, efficient and economic operation, or to preserve, extend, increase or improve the service rendered by it, including any property acquired therefor.

"Interest Commencement Date" means, with respect to any particular capital appreciation and income bonds, the date specified in, or pursuant to, the resolution authorizing the issuance of such bonds (which date must be prior to the maturity date for such bonds) after which interest accruing on such bonds shall be payable on a periodic basis, with the first such payment date being the applicable interest payment date immediately succeeding such Interest Commencement Date.

"Liquidity Facility" means a letter of credit, policy of insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility agrees to provide funds to

pay the purchase price of, or agrees to purchase, put bonds upon their tender by the holders thereof, and which facility is acceptable to the provider of any Credit Facility issued in connection with such put bonds.

"Net Revenues" for any particular period means the amount of the excess of the Revenues of the Port Authority Properties over the total of the Current Expenses.

"Outstanding" when used with reference to bonds means, as of a particular date and unless otherwise provided in, or pursuant to, a resolution authorizing a particular Series of bonds, all bonds theretofore issued under the Trust Agreement, except:

- (1) bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) bonds for the payment of which money, Government Obligations, or a combination of money and Government Obligations, in an amount sufficient to pay on the date when such bonds are to be paid or redeemed the principal or redemption price of, and the interest accruing to such date on, the bonds to be paid or redeemed, have been deposited with the Trustee in trust for the holders of such bonds; Government Obligations, shall be deemed to be sufficient to pay or redeem bonds on a specified date if the principal of and interest on such Government Obligations, when due, will be sufficient to pay on such date the principal or redemption price of, and the interest accruing on, such bonds to such date;
- (3) bonds to be redeemed and deemed to be not Outstanding in accordance with the Trust Agreement; and
- (4) bonds in exchange for or in lieu of which other bonds have been issued;

provided, that in determining whether the holders of the requisite Outstanding bonds have given any request, demand, authorization, direction, notice, consent or waiver under the Trust Agreement bonds owned by the County or any affiliate of the County shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only bonds that an authorized officer of the Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such bonds and that the pledgee is not the County or any affiliate of the County.

In determining whether bonds are not "Outstanding" under clauses (2) and (3) above:

- (a) in the case of variable rate bonds, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such variable rate bonds; provided, however, that if on any date, as a result of such variable rate bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and/or Government Obligations on deposit for the payment of interest on such variable rate bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such variable rate bonds in order to fully pay the principal or redemption price of, and the interest accruing on, such bonds, and so long as no event of default or other event, which with the passage of time or the giving of notice, or both, would become an event of default with respect to such variable rate bonds has occurred and is continuing, the County may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said variable rate bonds or otherwise existing under the Trust Agreement; and
- (b) in the case of put bonds, either the principal or redemption price of, and the interest accruing on, said bonds shall have been paid as they became due and payable or there shall have been deposited moneys and/or Government Obligations which shall be sufficient at the time of such deposit to pay when due the maximum amount of principal or redemption price of, and interest accruing on, such put bonds which could become payable to the holders of such bonds, including upon the exercise of any tender

options provided to the holders of such bonds; provided, however, that if, at the time a deposit is made, the tender options originally exercisable on the put bonds are no longer exercisable, such bonds shall not be considered put bonds for these purposes.

"Passenger Facilities Charges" means any fees which the United States Secretary of Transportation may grant the County authority to impose upon passengers of air carriers enplaned at airports controlled by the County in order to finance eligible airport-related projects pursuant to 49 U.S.C. § 40117, as amended, including investment earnings thereon, or any similar fee or charge authorized by any amendment thereto or by any successor federal law.

"Port Authority Properties" means Miami International Airport, the airports owned and/or operated by the County known as Homestead General Aviation Airport, Kendall-Tamiami Executive Airport, Opa-Locka Airport, Opa-Locka West Airport and the Training and Transition Airport, and such other Projects as shall be financed or refinanced under the provisions of the Trust Agreement together with all improvements thereof (excluding any buildings, structures or other facilities constructed at Miami International Airport or other airports of the County and financed by obligations not issued under the provisions of the Trust Agreement) and any other airport or airport related properties or facilities (including any facilities financed by obligations not issued under the provisions of the Trust Agreement) that may be added to the Port Authority Properties under the provisions of the Trust Agreement.

"Principal and Interest Requirements" for any fiscal year, as applied to the bonds of any Series, means the sum of:

- (a) the amount required to pay the interest on all bonds of such Series, both serial and term, then Outstanding which is payable from October 2 in such fiscal year through October 1 in the next succeeding fiscal year,
- (b) the amount required to pay the principal of all serial bonds of such Series then Outstanding which is payable from October 2 in such fiscal year through October 1 in the next succeeding fiscal year, and
- (c) the Amortization Requirement for the term bonds of such Series for such fiscal year.

In computing "Principal and Interest Requirements," for any fiscal year, the following rules shall apply:

(i) in the case of variable rate bonds, interest shall be computed at the average rate of interest which was payable on such bonds in the last 12 months during which such bonds were Outstanding or the actual number of months that such bonds were Outstanding if less than 12, except that (i) with respect to any variable rate bonds which are being issued on the date of computation, interest shall be computed at the estimated initial rate of interest of such bonds upon issuance thereof, as set forth in a certificate of the principal underwriters with respect to such bonds delivered to the Trustee and the Co-Trustee, and (ii) with respect to deposits to the Reserve Account, interest on any Outstanding variable rate bonds shall be computed (A) with respect to such bonds which were Outstanding in the preceding fiscal year or portion thereof, at the average rate of interest which was payable on such bonds in the preceding fiscal year or portion thereof and (B) with respect to such bonds which were not Outstanding in the preceding fiscal year or portion thereof, at the initial rate of interest on such bonds upon issuance thereof;

(ii) in the case of put bonds, the date or dates on which the holders of such put bonds may elect or be required to tender such bonds for payment or purchase shall be ignored and the stated dates for Amortization Requirements and principal payments thereof shall be used for purposes of this calculation so long as the source for said payment or purchase is a Liquidity Facility and the provider of such facility maintains a rating in one of the three highest short-term rating categories (without regard to any gradations within such categories) of a nationally recognized rating agency; provided, however, that notwithstanding the foregoing or the provisions of clause (i) above, during any period of time after the provider of a Liquidity Facility has advanced funds under a Liquidity Facility and before such amount is repaid, Principal and Interest Requirements shall include the principal amount so advanced and interest thereon, in

accordance with the principal repayment schedule and interest rate or rates specified in the reimbursement or other similar agreement relating to such Liquidity Facility;

(iii) in the case of capital appreciation bonds, the principal and interest portions of the Accreted Value becoming due at maturity or by virtue of an Amortization Requirement shall be included when due and payable;

(iv) in the case of capital appreciation and income bonds, the principal and interest portions of the Appreciated Value becoming due at maturity or by virtue of an Amortization Requirement shall be included when due and payable;

(v) in the case of convertible bonds, the calculations shall be based on the type of the bonds as of the time of the calculation without regard to any unexercised conversion feature;

(vi) if all or a portion of the principal or Amortization Requirement of or interest on bonds is payable from funds set aside or deposited for such purpose (other than funds on deposit in the Reserve Account), including funds deposited to the credit of the Construction Fund as provided in the Trust Agreement, together with projected earnings thereon, such principal, Amortization Requirement or interest shall not be included in computing Principal and Interest Requirements if such funds, together with the investment earnings thereon, will provide sufficient moneys to pay when due such principal, Amortization Requirement or interest, as applicable; and

(vii) to the extent that the County has entered into a Hedge Agreement with respect to any bonds and notwithstanding the provisions of clauses (i) through (vi) above, while the Hedge Agreement is in effect and so long as the Counterparty has not defaulted thereunder and so long as the senior-long term debt obligations of the Counterparty or of any entity guaranteeing the payment obligations of the Counterparty under the Hedge Agreement are rated in one of the three highest rating categories (without regard to any gradations within such categories) of three nationally recognized rating agencies (or such lesser number of nationally recognized rating agencies as are then in existence), for the purpose of determining the Principal and Interest Requirements the interest rate with respect to the principal amount of such bonds equal to the "notional" amount specified in the Hedge Agreement shall be assumed to be (A) if the County's Hedge Obligations under the Hedge Agreement are computed based upon a fixed rate of interest, the actual rate of interest upon which the County's Hedge Obligations are computed under such Hedge Agreement, and (B) if the County's Hedge Obligations under the Hedge Agreement are computed based upon a variable rate of interest, the average rate of interest for the County's Hedge Obligations under the Hedge Agreement for the prior fiscal year or portion thereof while the Hedge Agreement was in effect or if the Hedge Agreement was not in effect during such prior fiscal year, then the lesser of (X) the initial rate of interest for the County's Hedge Obligations under the Hedge Agreement and (Y) the average rate of interest for the prior fiscal year under a published variable interest rate index selected by the County which is generally consistent with the formula which shall be used to determine the County's Hedge Obligations; "average rate" with respect to the County's Hedge Obligations for the prior fiscal year means the rate determined by dividing the total annualized amount paid by the County under the Hedge Agreement in such fiscal year or portion thereof (without taking into account Hedge Receipts during such prior fiscal year or portion thereof) by the "notional" amount specified in the Hedge Agreement for such fiscal year.

"Project" means any project which shall be financed or refinanced under the provisions of the Trust Agreement, including, without limitation, any project permitted under Chapter 125, Florida Statutes, or Chapter 166, Florida Statutes.

"put bonds" means all bonds which in accordance with, or pursuant to, the resolution authorizing the issuance of a Series of bonds, may be tendered for payment or purchase by or on behalf of the County prior to the stated maturities thereof.

"Reserve Account Requirement" means, as of any date of calculation, one half (1/2) of the maximum amount of Principal and Interest Requirements for any fiscal year thereafter on account of all bonds then Outstanding.

"Reserve Facility" means any insurance policy, surety bond, irrevocable letter of credit or other credit agreement or similar facility maintained by the County in lieu of or in substitution for cash or securities on deposit in the Reserve Account, which is issued by a provider rated on the date of deposit of such facility into the Reserve Account created in the Sinking Fund in one of the two highest rating categories (without regard to any gradations within such categories) of a nationally recognized rating agency, including in every case the nationally recognized rating agency which rated the bonds on account of which such facility is obtained.

"Revenues" means all moneys received or earned by the County for the use of, and for the services and facilities furnished by, the Port Authority Properties and all other income derived by the County from the operation or ownership of said Properties, including any ground rentals paid for land on which buildings or structures may be constructed, whether such buildings or structures shall be financed by bonds issued under the provisions of the Trust Agreement or otherwise, and Hedge Receipts, but shall not include any moneys received as a grant or gift from the United States of America or the State of Florida or any department or agency of either thereof or any moneys received from the sale of property under the provisions of the Trust Agreement or, unless otherwise provided by resolution of the Board, any Passenger Facilities Charges. The County may select whether to use a cash or accrual basis of accounting, but if it chooses a method that is different than the method then being used, it may only make a change to the extent such change is presented retroactively for each year as if it had been in effect for the last five years.

"variable rate bonds" means bonds issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue and which may be convertible to a fixed interest rate.

Application of Bond Proceeds

The Trust Agreement provides for the creation of the Construction Fund held by the Co-Trustee to the credit of which shall be deposited the proceeds of any bonds issued for Projects or Improvements. Separate Series Accounts are required to be created in the Construction Fund with respect to each Series of bonds issued. The moneys in the Construction Fund shall be disbursed to pay the cost of Improvements or Projects upon submission by the County to the Co-Trustee of requisitions therefor or to pay interest on bonds as provided in, or pursuant to, the resolution authorizing such bonds. Moneys in the Construction Fund shall be subject to a lien and charge in favor of the holders of the bonds until paid out or transferred.

Collection and Disposition of Revenues

Revenue Fund, Annual Budget and Payment of Current Expenses

The Trust Agreement provides for all Revenues to be deposited with the Co-Trustee in the Revenue Fund and to be disbursed only in accordance with the terms of the Trust Agreement. Funds in the Revenue Fund are to be applied first to the payment of Current Expenses as the same become due and payable. Moneys on deposit to the credit of the Revenue Fund shall be invested by the Co-Trustee, at the direction of the County, in Authorized Investments having such maturities as specified by the County.

The Trust Agreement requires the preparation and adoption by the County of an Annual Budget of Current Expenses and Capital Expenditures for each fiscal year. The Trust Agreement provides that all expenditures for Current Expenses shall be made only upon the filing with the Co-Trustee of the requisitions required by the Trust Agreement. The County may requisition from the Co-Trustee, at one time or from time to time, a sum or sums aggregating not more than \$100,000 (exclusive of reimbursement) to be used as a revolving fund for the payment of Current Expenses as cannot conveniently otherwise be paid. The County covenants that it will at all times maintain and operate the Port Authority Properties in an efficient and economical manner and keep the same in good repair and sound operating condition and make all necessary repairs, renewals and replacements. The County covenants that the Current Expenses incurred in any fiscal year will not exceed the reasonable and necessary amount thereof.

In addition to the Revenue Fund, the Trust Agreement creates three other funds: the Sinking Fund (and three accounts therein - the Bond Service Account, the Reserve Account and the Redemption Account), the Reserve

Maintenance Fund and the Improvement Fund. After reserving in the Revenue Fund as of the end of each month an amount up to 20% of the Current Expenses for the current fiscal year as shown by the Annual Budget, the Co-Trustee shall remit to the Trustee the balance of the moneys in the Revenue Fund. The Trustee shall deposit the money so received to the credit of the following Accounts or Funds in the order set forth below:

Bond Service Account

There is required to be deposited to the credit of the Bond Service Account in the Sinking Fund an amount equal to 1/6 of the amount of the next interest payment on all bonds Outstanding and (beginning with the twelfth month preceding the first maturity of any serial bonds of a Series) an amount equal to 1/12 of the amount of the next principal payment on account of any such serial bonds.

This requirement shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Account in each month thereafter until such time as such deficiency shall be made up.

The Trustee shall from time to time withdraw sufficient moneys from the Bond Service Account to pay the interest on all Outstanding bonds and the principal of all serial bonds as the same become due.

Redemption Account

From the moneys remaining after making the required deposit to the Bond Service Account, there is required to be deposited to the credit of the Redemption Account in the Sinking Fund an amount equal to 1/12 of the Amortization Requirement, if any, for such fiscal year for any term bonds then Outstanding, plus an amount equal to 1/12 of the premium, if any, which shall be payable on the redemption date with respect to such Amortization Requirement if such principal amount of bonds should be redeemed on such date from moneys in the Sinking Fund.

This requirement shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Account in each month thereafter until such time as such deficiency shall be made up.

Moneys held for the credit of the Redemption Account shall be used to retire bonds issued under the Trust Agreement as follows:

(a) Subject to paragraph (c) below, the Trustee shall endeavor to purchase bonds, whether or not such bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having due regard to interest rate and price, such price not to exceed the principal and premium, if any, which would be payable on the next redemption date with respect to such bonds. (Accrued interest on such bonds shall be paid from the Bond Service Account, with the purchase price payable from the Redemption Account.)

(b) Subject to the provisions of the Trust Agreement relating to the redemption of bonds and to paragraph (c) below, the Trustee shall call for redemption on each interest payment date on which bonds are subject to redemption from moneys in the Sinking Fund such amount of bonds then subject to redemption as, with the redemption premium, if any, will as nearly as possible exhaust the Redemption Account, provided that not less than \$50,000 principal amount of bonds shall be called at any one time.

(c) Moneys in the Redemption Account shall be applied to the purchase or redemption of bonds in the following order:

First, term bonds of each Series, if any, in the order of their issuance, to the extent of the Amortization Requirement, if any, of the then current fiscal year for such term bonds plus the applicable premium, if any, and any deficiency in preceding fiscal years in the purchase or redemption of such term bonds; provided, however, that if none of the term bonds of a Series shall be subject to redemption from moneys in the Sinking Fund and if the Trustee shall at any time be unable to exhaust the moneys applicable to the bonds of any such Series in the purchase of such

bonds under the provisions of paragraph (a) above, such moneys or the balance of such moneys, as the case may be, shall be retained in the Redemption Account and, as soon as it is feasible, applied to the retirement of the term bonds of such Series;

Second, to the purchase of any bonds secured under the provisions of the Trust Agreement and then Outstanding, whether or not such bonds shall be subject to redemption, in accordance with the provisions of paragraph (a) above;

Third, term bonds of each Series in proportion (as nearly as practicable) to the aggregate principal amount of the bonds of each such Series originally issued; and

Fourth, after the retirement of all Outstanding term bonds, serial bonds issued under the provisions of the Trust Agreement in the inverse order of their maturities and, to the extent the serial bonds of different Series mature on the same date, in proportion (as nearly as practicable) to the principal amount of the bonds of each Series maturing on such date.

Reserve Account

From the moneys remaining in the Revenue Fund after making the required monthly deposits to the Bond Service Account and Redemption Account described above, there shall be deposited to the credit of the Reserve Account in the Sinking Fund an amount equal to 1/60 of the Reserve Account Requirement under the Trust Agreement until the amount to the credit of the Reserve Account (including amounts available under any Reserve Facilities) shall be equal to the Reserve Account Requirement; provided, however, that if the required deposit to the Reserve Account is being satisfied by the reinstatement of any amount drawn under a Reserve Facility, there shall be paid to the provider thereof such amount as shall be required to cause the provider to reinstate no less than the required deposit for such month.

This requirement shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Account in each month thereafter until such time as such deficiency shall be made up.

Moneys in the Reserve Account shall be used by the Trustee to pay the interest due on the Outstanding bonds and maturing principal of serial bonds whenever and to the extent that the moneys held for the credit of the Bond Service Account are insufficient for such purpose, and, immediately following the use of such moneys for the payment of such interest and principal for the purpose of making up any prior deficiencies in deposits to the credit of the Redemption Account whenever the moneys in the Revenue Fund are insufficient for such purpose. If at any time the balance in the Reserve Account shall exceed the Reserve Account Requirement, such excess shall be transferred to the credit of the Redemption Account or withdrawn by the Trustee and deposited with the Co-Trustee to the credit of the Improvement Fund as may be specified by the County.

In lieu or in satisfaction of any required deposit into the Reserve Account or in substitution for all or a portion of the amounts on deposit therein, the County may cause to be deposited into the Reserve Account a Reserve Facility for the benefit of the holders of the bonds, which Reserve Facility shall be available to be drawn (upon the giving of notice as required thereunder) on any payment date on which a deficiency exists for payment of the bonds, which deficiency is payable from the Reserve Account and which cannot be cured by moneys in the Reserve Account or any other fund or account held pursuant to the Trust Agreement and available for such purpose. If any such Reserve Facility is substituted for moneys on deposit in the Reserve Account, the excess moneys in the Reserve Account shall be applied to satisfy any deficiency in any of the funds and accounts, and any remaining balance shall be deposited with the Co-Trustee to the credit of the Improvement Fund. If a disbursement is made from a Reserve Facility, the County shall be obligated, in accordance with the provisions of the Trust Agreement, to either (i) reinstate such Reserve Facility, (ii) deposit moneys in the Reserve Account, or (iii) undertake a combination of such alternatives.

In the event the Reserve Account is at any time funded with more than one Reserve Facility, any required draw under such facilities shall be made on a pro-rata basis thereunder; provided, however, that if at the time of such

draw the Reserve Account is only partially funded with one or more Reserve Facilities, prior to drawing on such facilities, there shall first be applied any cash and securities on deposit in the Reserve Account and, if after such application a deficiency exists, the Trustee shall make up the deficiency by drawing on such facilities as provided in this paragraph. Amounts drawn or paid under a Reserve Facility shall be reimbursed to the provider thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such facility entered into between the County and such provider.

Reserve Maintenance Fund

From the moneys remaining in the Revenue Fund after making the required deposits to the Bond Service Account, Redemption Account and Reserve Account described above, there shall be deposited with the Co-Trustee to the credit of the Reserve Maintenance Fund the amount required to make the amount deposited during such fiscal year equal to the amount recommended by the Consulting Engineers in a report prepared after an annual inspection of the Port Authority Properties by the Consulting Engineers or such greater amount as may from time to time be directed by the Director in writing to the Co-Trustee, such amount to be increased or decreased in accordance with any amendments to the Annual Budget of Capital Expenditures.

Moneys held for the credit of the Reserve Maintenance Fund shall be used only for paying all or part of the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, and premiums on insurance required by the Trust Agreement; provided, however, that moneys in said Fund may also be disbursed:

(a) To meet an emergency caused by some extraordinary occurrence, so characterized by a certificate signed by the Consulting Engineers and filed with the Co-Trustee and accompanied by a certificate from the Director stating that funds to the credit of the Revenue Fund are insufficient to meet such emergency,

(b) To pay interest due on the Outstanding bonds and the principal on serial bonds, or the deposits required to be made to the credit of the Redemption Account, in the event the moneys to the credit of the Bond Service Account and the Reserve Account are insufficient for such purpose, and

(c) To pay any additional amount necessary to repair, replace or reconstruct damaged or destroyed property over and above any proceeds of insurance covering such damaged or destroyed property.

Moneys may also be transferred from the Reserve Maintenance Fund to the Revenue Fund if the County shall direct the same by resolution and the Consulting Engineers shall certify that the amount to be transferred is not required for the purposes for which the Reserve Maintenance Fund was created.

Improvement Fund

The balance of any moneys remaining in the Revenue Fund after making the required deposits to the Bond Service Account, the Redemption Account, the Reserve Account and the Reserve Maintenance Fund described above shall be deposited with the Co-Trustee to the credit of the Improvement Fund; provided, however, that the County may by resolution direct the Trustee to deposit all or part of such balance from the Revenue Fund to the credit of the Redemption Account.

Moneys held for the credit of the Improvement Fund may be disbursed by the County from time to time for any airport or airport-related purpose, and for the retirement of any bonds issued under the provisions of the Trust Agreement or may be pledged by the County to the payment of any bonds or other obligations issued or assumed by it. Unencumbered funds in the Improvement Fund shall be used to make up a deficiency in any Series Account in the Construction Fund in the amount required to complete payment of the cost of any Improvements or Project payable from such Series Account.

There may also be deposited to the credit of the Improvement Fund any moneys received by the County from any property or facilities owned or operated by it which do not constitute a part of the Port Authority Properties.

Alternate Provisions for Certain Bonds and Hedge Agreements

A resolution authorizing the issuance of a particular Series of bonds may provide alternative provisions relating to the payment of the principal of and interest on such bonds, in which event deposits to the credit of the Bond Service Account, the Redemption Account and the Reserve Account on account of the bonds of such Series, shall, if and to the extent provided in, or pursuant to, such resolution, be made at such times and in such amounts, and may be set aside and held for the account of and disposition by the County, all as shall be provided in such resolution.

The County may authorize, by resolution, a Hedge Agreement with respect to any Series of bonds, including any Outstanding bonds and any bonds thereafter issued under the Trust Agreement. Such resolution may provide for deposits to the credit of the Bond Service Account under the Trust Agreement for the payment of Hedge Obligations (but not Hedge Charges) to be made at such time and in such amounts, and to be set aside and held for the account of and for the disposition by the County all as shall be provided in such resolution; provided, however, that the Counterparty shall under no circumstances be granted a lien upon or pledge of Net Revenues ranking prior to or on a parity with the lien or pledge created by the Trust Agreement; and provided further, however, that Hedge Charges shall only be payable from the Improvement Fund.

Investment of Funds

Moneys on deposit to the credit of any funds and accounts held under the Trust Agreement, including the Construction Fund, shall as nearly as may be practicable, be invested and reinvested, at the direction of the County, in Authorized Investments. Moneys on deposit to the credit of the Reserve Account shall, as nearly as practicable, be invested and reinvested, at the direction of the County, in Authorized Investments which shall mature or which shall be subject to redemption at the option of the holder not later than fifteen (15) years after the date of such investment.

Moneys on deposit to the credit of the Revenue Fund, the Reserve Maintenance Fund and the Improvement Fund shall be invested by the Co-Trustee, at the direction of the County, in Authorized Investments having such maturities as specified in a certificate of the County.

Temporary Financing

The County may at any time or times issue its notes or other obligations to finance temporarily any of the Improvements or Projects for which it may issue additional bonds under the Trust Agreement, payable not from Revenues, but solely from the proceeds of such bonds or from any unencumbered moneys in the Improvement Fund. If additional bonds are issued under the Trust Agreement to pay such notes or obligations, the Improvements or Project financed with such notes or other obligations shall then constitute a part of the Port Authority Properties.

Issuance of Additional Bonds

The County may issue additional bonds payable on a parity with the bonds under the Trust Agreement (the "Additional Bonds") at any time or times for the purpose of paying all or part of the cost of any additional Improvements or Project or any portions thereof, including the payment of any notes or other obligations of the County or the repayment of any advances made from any source to temporarily finance such cost, and for making a deposit to the Reserve Account in an amount not to exceed the increase in the Reserve Account Requirement related to the issuance of such Series of bonds. Such bonds shall not be authenticated by the Trustee, in accordance with the then-current form of the Trust Agreement, until the following documents, among others, have been received and the following conditions have been met:

- (a) A copy of the resolution authorizing the issuance of the Additional Bonds.

(b) If not provided in the resolution under (a) above, a copy of the resolution awarding such Additional Bonds and directing the authentication and delivery of such Additional Bonds to or upon the order of the principal underwriters upon payment of the purchase price therefor.

(c) A statement, signed by the Consulting Engineers certifying that the construction or acquisition of the Improvements or Project described in the resolution authorizing the issuance of such Additional Bonds is, in their opinion, necessary to place or maintain the Port Authority Properties in proper condition for their safe, efficient and economic operation or to preserve, extend, increase or improve the service rendered by the Port Authority Properties, and giving their estimate of the total cost of the Improvements or Project or portions thereof (including a reserve for contingencies), to be financed in whole or in part by the issuance of such Additional Bonds.

(d) To the extent necessary for purposes of (h)(ii) below, a statement, signed by the Traffic Engineers, giving their estimates (taking into account the information contained in item (iv) of the certificate of the Director mentioned in (e) below) of:

- (i) The amounts of the Current Expenses in each of the five fiscal years immediately following the date of said statement or, if interest on the Additional Bonds is to be paid from proceeds of such Additional Bonds, in each of the five fiscal years immediately following the last date on which interest on such Additional Bonds is to be paid from proceeds of such Additional Bonds, and
- (ii) The amount of annual Net Revenues in each of the five fiscal years immediately following the date of said statement or, if interest on the Additional Bonds is to be paid from proceeds of such Additional Bonds, in each of the five fiscal years immediately following the last date on which interest on such Additional Bonds is to be paid from proceeds of such Additional Bonds.

(e) A certificate, signed by the Director (and approved by the Trustee as to item (i) below and by the Traffic Engineers as to any adjustments described in item (iii) below), setting forth:

- (i) The amount of the Principal and Interest Requirements for each succeeding fiscal year on account of all bonds then Outstanding and the Additional Bonds,
- (ii) The amount, if any, which is then available or will be made available for paying the cost of such Improvements or Project or portions thereof and the source or sources from which such amount has been or will be received,
- (iii) To the extent necessary for purposes of (h)(ii) below, the amount of Net Revenues for any period of twelve consecutive calendar months selected by the County out of the eighteen calendar months immediately preceding the date of said certificate (the "Computation Period"); provided, however, that if the rates and charges for the use of, and for the services and facilities furnished by, the Port Authority Properties shall have been revised prior to the date of such certificate, the Net Revenues for the Computation Period may be adjusted to reflect the amounts which would have been received had such rates and charges been in effect throughout the Computation Period, and
- (iv) If interest on the Additional Bonds is to be paid from proceeds of such Additional Bonds, the last date on which interest on such Additional Bonds is expected to be paid from proceeds of such Additional Bonds.

(f) A certificate of the Director stating that the County is not in default under any provisions of the Trust Agreement.

(g) An opinion of the County Attorney stating that the proposed Additional Bonds have been duly authorized and all conditions to their delivery have been met.

(h) The Trustee has determined that:

- (i) The proceeds (excluding accrued interest) of such Additional Bonds to be applied to the costs of the Improvements or Project or portions thereof to be financed in whole or in part by the Additional Bonds, together with any other funds made available therefor, shall be not less than the estimated total cost of the Improvements or Project or portions thereof to be financed in whole or in part by the Additional Bonds;
- (ii) Either: (a) the percentage derived by dividing the amount of Net Revenues shown in item (iii) of the certificate of the Director mentioned in (e) above by the largest amount of Principal and Interest Requirements shown for any fiscal year in item (i) of said certificate mentioned in (e) above shall not be less than 120%, or (b) the percentages derived by dividing the amount of Net Revenues for each of the fiscal years shown in item (ii) of the statement of the Traffic Engineers mentioned in (d) above by the amount of Principal and Interest Requirements shown for the corresponding fiscal years in item (i) of the certificate of the Director mentioned in (e) above shall not be less than 120%; and
- (iii) The amount to the credit of the Reserve Account in the Sinking Fund (including amounts available under any Reserve Facilities) shall be not less than the amount then required to be on deposit to the credit of the Reserve Account at such time under the terms of the Trust Agreement.

The proceeds of any such Additional Bonds, exclusive of accrued interest, are to be deposited in the Reserve Account to the extent necessary and the balance is to be deposited with the Co-Trustee to the credit of the related Series Account in the Construction Fund.

The Trust Agreement also provides an alternative for the issuance of Additional Bonds for completion of any Improvements or a Project in the event that the bonds initially issued for such Improvements or Project are insufficient to complete that Improvement or Project. Such Additional Bonds may be issued without meeting the requirements set forth in (a) through (h) above in order to provide additional funds for completion of Improvements or Projects, as shown by a resolution of the Board and a statement of the Consulting Engineers. Such Additional Bonds shall constitute a part of the same Series of the bonds as the bonds initially issued for the uncompleted Improvement or Project. Such Additional Bonds shall bear the same date as the bonds initially issued for such Improvements or Projects, but may be made subject to redemption at different times and prices. If the bonds initially issued were serial bonds, then the Additional Bonds shall be serial bonds maturing in annual installments beginning not earlier than one year after their delivery and ending in the year of the latest stated maturity of the bonds initially issued, and the annual installments shall be in such amounts that the Principal and Interest Requirements of such Additional Bonds shall be as nearly equal as the County deems practicable. If the bonds initially issued shall consist of term bonds or both serial bonds and term bonds, then the Additional Bonds shall be term bonds maturing on the same date as the term bonds initially issued, and the resolution authorizing the Additional Bonds shall fix, or provide for the fixing of, the Amortization Requirements for such Additional Bonds, beginning not earlier than one year after the date of delivery of such Additional Bonds and being that percentage, as nearly as practicable, of the Amortization Requirements for the term bonds initially issued which is derived by dividing the principal amount of the Additional Bonds by the principal amount of the term bonds initially issued. If an issue of Additional Bonds meets the requirements set forth in (a) through (h) above, such Additional Bonds do not have to meet the requirements set forth in this paragraph.

Issuance of Refunding Bonds

The County may issue revenue refunding bonds payable on a parity with the bonds under the Trust Agreement (the "Refunding Bonds") to:

(a) Refund at their maturity all or any portion of the Outstanding bonds of any Series which mature within 3 months thereafter. Such Refunding Bonds shall mature in a year not earlier than the year of the latest stated maturity of any bonds then Outstanding under the Trust Agreement.

(b) Redeem prior to or paying at their maturity all or any portion of the Outstanding bonds of any Series issued under the provisions of the Trust Agreement, including the payment of any redemption premium thereon and interest to accrue thereon to the date fixed for their redemption or maturity, as applicable, paying costs of issuance with respect thereto and making a deposit to the Reserve Account in an amount not to exceed the increase, if any, in the Reserve Account Requirement relating to the issuance of such Series Refunding Bonds.

(c) Refund all or any portion of obligations then outstanding which have not been issued under the provisions of the Trust Agreement for the payment of which there are pledged revenues of any airport or airport-related project or projects.

Refunding Bonds may be issued only if there shall be filed with the Trustee (i) a copy of the resolution authorizing such Refunding Bonds, (ii) if not provided in the resolution under (i) above, a copy of the resolution awarding such Refunding Bonds and directing the authentication and delivery of such Refunding Bonds, (iii) an opinion of the County Attorney stating that the issuance of such Refunding Bonds has been duly authorized and all conditions precedent thereto have been fulfilled and (iv) if such Refunding Bonds are to be issued for the purpose of redeeming bonds of any Series prior to their stated maturity, such documents as shall be required by the Trustee to show that provision has been duly made in accordance with the Trust Agreement for the redemption of all bonds to be refunded which are to be redeemed prior to their stated maturity.

Refunding Bonds may only be issued for the purpose described in (b) above if, among other conditions described in the Trust Agreement, either (A) the total Principal and Interest Requirements for the Refunding Bonds during their term is less than the total Principal and Interest Requirements for the bonds to be refunded during their term, (B) the percentage derived by dividing (i) the Net Revenues for the Computation Period by (ii) the maximum amount of Principal and Interest Requirements for any succeeding fiscal year on account of all bonds theretofore issued under the provisions of the Trust Agreement and then Outstanding (other than the refunded bonds) and the proposed Refunding Bonds, as set forth in a certificate of the Director, approved by the Traffic Engineers as to (i) above to the extent of any adjustments to Net Revenues and approved by the Trustee as to item (ii) above, shall not be less than 120%, or (C) the percentages derived by dividing (i) the estimated amount of annual Net Revenues in each of the five fiscal years immediately following delivery of the Refunding Bonds (such Net Revenues to be determined from the Revenues and Current Expenses as estimated by the Traffic Engineers in a statement signed by the Traffic Engineers) by (ii) the amount of the Principal and Interest Requirements for each of such five fiscal years on account of all bonds theretofore issued under the provisions of the Trust Agreement and then Outstanding (other than the refunded bonds) and the proposed Refunding Bonds, as set forth in a certificate of the Director, shall not, in each such year, be less than 120%.

Issuance of Refunding Bonds for the purpose described in (c) above may be undertaken only if, among other conditions described in the Trust Agreement, (A) the percentages derived by dividing the estimated amount of annual Net Revenues of the Port Authority Properties, including the project or projects financed with the obligations to be refunded, in each of the five fiscal years immediately following delivery of such Refunding Bonds, as estimated by the Traffic Engineers in accordance with the terms of the Trust Agreement, by the amount of the Principal and Interest Requirements for the corresponding fiscal years for all bonds then Outstanding and the proposed Refunding Bonds shall not, in each such year, be less than 120%, and (B) the County is not then in default under the Trust Agreement and there is no deficiency in the Reserve Account in the Sinking Fund.

Refunding Bonds issued for any of the above purposes shall mature not later than forty years from their date and may be subject to redemption prior to maturity (including from Amortization Requirements for any term bonds).

Other Types of Bonds, Credit Enhancement and Hedge Agreements

The County may (i) provide that any bonds authorized to be issued under the Trust Agreement may be issued as capital appreciation bonds, capital appreciation and income bonds, convertible bonds, put bonds, variable rate bonds or such other types of bonds as may be marketable from time to time, or any combination thereof, (ii) provide that such bonds shall be additionally secured by a Credit Facility and/or Liquidity Facility, (iii) enter into agreements with any bank, dealer in tax exempt bonds or other institution for the remarketing of bonds which have been tendered for payment, (iv) enter into agreements with any bank or other financial institution providing a Credit Facility or Liquidity Facility for the reimbursement of funds advanced under such Credit Facility or Liquidity Facility, and (v) enter into Hedge Agreements.

For purposes of determining the principal amount of a capital appreciation bond or a capital appreciation and income bond for redemption, acceleration or computation of the amount of bonds held by the holder thereof in giving any notice, consent, request or demand pursuant to the Trust Agreement for any purpose whatsoever, the principal amount of a capital appreciation bond shall be deemed to be its Accreted Value and the principal amount of a capital appreciation and income bond shall be deemed to be its Appreciated Value.

Use of Port Authority Properties

The County covenants that it will establish and enforce reasonable rules and regulations governing the use of the Port Authority Properties and the operation thereof, that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Port Authority Properties will be reasonable, that no more persons will be employed by it than are necessary, and that it will maintain and operate the Port Authority Properties in an efficient and economical manner, that it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements.

Disposal of Port Authority Properties

The County covenants that except as otherwise permitted in the Trust Agreement it will not sell or otherwise dispose of or encumber the Port Authority Properties or any part thereof and will not create or permit to be created any charge or lien on the Revenues thereof ranking equally with or prior to the charge or lien on such Revenues of the bonds issued under and secured by the Trust Agreement; provided, however, that the County may, from time to time, sell or otherwise dispose of property forming part of the Port Authority Properties, if the Director shall determine that such property is no longer needed or is no longer useful in connection with the construction or operation and maintenance of the Port Authority Properties (with any proceeds thereof to be applied to the replacement of the property so sold or disposed of or deposited to the credit of the Redemption Account in the Sinking Fund, the Reserve Maintenance Fund or the Revenue Fund as the Board shall determine by resolution).

Bonds Secured Otherwise Than by the Trust Agreement

Nothing in the Trust Agreement is to be construed as preventing the issuance by the County of obligations secured by other than the revenues pledged as security for the bonds issued under the provisions of the Trust Agreement. The County covenants, however, that: (1) none of the Revenues of the Port Authority Properties will be used for any purpose other than as provided in the Trust Agreement, (2) it will not construct or consent to the construction of any project (including any building or structure at Miami International Airport) other than such projects as shall be financed by Additional Bonds under the Trust Agreement unless there shall be filed with the Clerk of the Board (a) a statement, signed by the Traffic Engineers, certifying that in their opinion, the operation of such project will not affect the County's compliance with the rate covenant set forth in the Trust Agreement and (b) a statement, signed by the Consulting Engineers, certifying that the operation of such project will not impair the operating efficiency of the Port Authority Properties, and (3) no contracts will be entered into or any action taken that would impair or diminish the rights of the Trustee, the Co-Trustee, and the bondholders. An airport or airport-

related project financed by obligations not issued under the Trust Agreement may be added to the Port Authority Properties by resolution of the Board if the amount of the annual Net Revenues of the Port Authority Properties including such project in each of the five fiscal years immediately following the inclusion of such project in the Port Authority Properties, as estimated by the Traffic Engineers in accordance with the terms of the Trust Agreement, after deducting the amount of the average annual deposits estimated by the Consulting Engineers to be required to be made to the credit of the Reserve Maintenance Fund in such five fiscal years, will, in each such fiscal year, be not less than 120% of the Principal and Interest Requirements for such fiscal year on account of all bonds then Outstanding under the Trust Agreement.

Insurance

The County covenants that it will maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the Director determines, with the approval of an independent risk management consultant having a nationwide and favorable repute for skill and experience in such work selected by the County, will afford adequate protection against loss caused by damage to or destruction of the Port Authority Properties or any part thereof and also such comprehensive public liability insurance on the Port Authority Properties for bodily injury and property damage and in such amounts as may be approved by such independent risk management consultant.

All such insurance policies shall be carried in a responsible insurance company or companies authorized and qualified under the laws of the State of Florida to assume the risks thereof.

The proceeds of all such insurance covering damage to or destruction of Port Authority Properties shall be deposited with the Co-Trustee and shall be available for and shall, to the extent necessary and in the opinion of the Consulting Engineers desirable, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner provided in the Trust Agreement for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Reserve Maintenance Fund. If such proceeds shall be insufficient for such purpose, the deficiency shall be supplied out of any moneys in the Reserve Maintenance Fund.

Engineers

The County covenants to employ an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in such work for the purpose of carrying out the duties imposed on the Consulting Engineers as detailed in the Trust Agreement, and to employ an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in such work to perform the duties imposed on the Traffic Engineers by the Trust Agreement.

Audits and Reports

The County covenants to keep accurate records and accounts of the Revenues of the Port Authority Properties, of the application of such Revenues and of all items of costs and expenditures relating to the Port Authority Properties. Such records and accounts shall be open to the inspection of all interested persons.

The County also covenants to file monthly with the Trustee and Co-Trustee and mail to the Consulting Engineers and each bondholder who has filed his name and address with the County for such purpose, any revisions of the rates and charges for the Port Authority Properties made during the preceding calendar month and a report of the preceding calendar month setting forth the Revenues and Current Expenses of the Port Authority Properties, the deposits to, and withdrawals from, each special fund and account created under the Trust Agreement, the details of all bonds issued, paid, purchased or redeemed, a balance sheet as of the end of such month, the balance in each fund and account and the details of investments thereof and the proceeds received from any sales of property.

The County further covenants that it will cause an audit of its books and accounts to be made annually by an independent firm of certified public accountants of recognized ability and standing, and that it will cause an annual report of the operations of the Port Authority Properties covering matters usually contained in annual reports

for similar properties, to be prepared and filed with the County, the Consulting Engineers, the Trustee, the Co-Trustee, each provider of a Credit Facility and each bondholder who shall have filed his name and address with the County for such purposes. Such annual reports shall be open to the inspection of all interested persons.

Defeasance

If, in addition to any requirements set forth in any resolution authorizing the issuance of a particular Series of bonds, when the bonds secured under the Trust Agreement shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the bonds for redemption shall have been given by the County to the Trustee, the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the bonds and coupons then Outstanding shall be paid or sufficient moneys, Government Obligations, or a combination of moneys and Government Obligations, shall be held by the Trustee or the Paying Agents for such purpose, and provision shall also be made for paying all other sums payable under the Trust Agreement by the County, then and in that case the right, title and interest of the Trustee and of the Co-Trustee shall thereupon cease, determine and become void, and the Trustee and the Co-Trustee in such case, on demand of the County, shall release the Trust Agreement and shall execute such documents to evidence such release as may be reasonably required by the County, and shall turn over to the County or to such officer, board or body as may then be entitled by law to receive the same any surplus in any account in the Sinking Fund and all balances remaining in any other funds or accounts other than moneys held for redemption or payment of bonds or coupons; otherwise the Trust Agreement shall be, continue and remain in full force and effect.

For purposes of the above paragraph, Government Obligations shall be deemed sufficient to pay or redeem bonds if the principal of and interest on such Government Obligations, when due, will be sufficient to pay the principal and the interest and the redemption premium, if any, due on the bonds.

Amendments or Modifications

Any of the provisions of the Trust Agreement may be modified or amended from time to time by supplemental agreements entered into by the County and Trustees upon the consent of the holders of not less than two-thirds in an aggregate principal amount of the bonds then Outstanding, provided that any such modification or amendment will not permit (a) extension of the maturity of the principal of or the interest on any bond, (b) a reduction of the principal amount of any bond or the redemption premium or the rate of interest of any bond, (c) the creation of a lien or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by the Trust Agreement, (d) a preference or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental agreements.

The County and the Trustees may, without the consent of the bondholders, enter into supplemental agreements to cure any ambiguity, formal defect or omission in the Trust Agreement or any supplemental agreement or to grant to or confer upon the Trustees or either of them for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustees or either of them.

So long as the provider of a Credit Facility has not defaulted in its obligations thereunder, such provider will be deemed the holder of all bonds secured by such Credit Facility for purposes of any required consents and approvals to such supplemental agreements from the holders of bonds.

The holders of any Series of bonds to be issued under the Trust Agreement shall be deemed to have consented to a supplemental agreement if the principal underwriters of such Series of bonds shall consent in writing to such supplemental agreement and the nature of such supplemental agreement is disclosed in any offering document pursuant to which such Series of bonds is being offered for sale.

Remedies of Bondholders

The Trust Agreement defines events of default as (i) the failure to pay the principal of and any redemption premium on any of the bonds and, if provided in, or pursuant to, the resolution authorizing the issuance of a

particular Series of bonds, payment of the purchase price thereof, when the same shall become due and payable, whether at maturity, pursuant to optional or mandatory tender or upon call for redemption or otherwise, (ii) the failure to pay interest within 10 days after the same shall become due and payable, (iii) the failure to deposit to the credit of the Redemption Account in any fiscal year an amount equal to the Amortization Requirement for such fiscal year for the term bonds of each Series then Outstanding, (iv) the County shall for any reason be rendered incapable of fulfilling its obligations under the Trust Agreement, (v) a final judgment for the payment of money shall be rendered against the County as a result of the ownership, control or operation of the Port Authority Properties and not discharged, appealed or stayed within 60 days from the entry thereof, (vi) a receiver of the Port Authority Properties or the Revenues shall have been appointed and, if such appointment was without the consent or acquiescence of the County, shall not have been vacated, stayed, or discharged within 60 days after the entry of an order or decree appointing said receiver, (vii) any proceeding shall be instituted with the consent and acquiescence of the County, for the purpose of effecting a composition or adjustment of claims between the County and creditors pursuant to any federal or state statute, if such claims are payable out of Revenues, and (viii) the default by the County, after 30 days' notice thereof by the Trustee, in the due and punctual performance of any of the covenants or provisions in the bonds or in the Trust Agreement, provided that if such default shall be of a type which can be remedied but not within 30 days, it shall not constitute an event of default if the County in good faith begins and diligently pursues to remedy such default within such 30-day period.

The Trust Agreement provides that failure to meet the minimum requirements, set forth in subparagraphs (ii) and (iii) under the caption "SECURITY FOR THE SERIES 2007 REFUNDING BONDS – Rate Covenant" in the main body of the Official Statement, in any fiscal year, of the Reserve Maintenance Fund or the Sinking Fund does not in itself constitute an event of default if the County shall comply with all recommendations of the Traffic Engineers as to rates and charges; however, the Trustee or the holders of not less than 15%, or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of bonds Outstanding may, or upon the request of not less than ten percent (10%), or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of bonds Outstanding, and upon being indemnified to its satisfaction, the Trustee shall institute appropriate action to compel the County to revise the rates and changes.

In the event of default, the Trustee may, and upon the request of the holders of not less than 20%, or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of the Outstanding bonds shall, declare the principal of all Outstanding bonds to be due and payable immediately. The Trustee may, and upon the request of the holders of not less than ten percent (10%), or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of the Outstanding bonds shall, proceed to protect and enforce its rights and the rights of the bondholders by such suits, actions or special proceedings in equity or at law as the Trustee being advised by counsel shall deem most effectual to protect and enforce such rights. Anything in the Trust Agreement to the contrary notwithstanding, the holders of a majority in principal amount of bonds then Outstanding shall have the right, subject to the obligation to indemnify the Trustee pursuant to the terms of the Trust Agreement, to direct the method and place of conducting all remedial proceedings, to the extent lawful and in the opinion of the Trustee not unjustly prejudicial to other bondholders not parties to such directions. No remedy is intended to be exclusive of any other remedy or remedies, and each and every remedy is cumulative and is in addition to every other remedy given under the Trust Agreement or existing at law.

No holder of any of the bonds, except as described above, shall have any right to institute any suit, action, mandamus or other proceedings in equity or at law for the enforcement of any right under the Trust Agreement or the laws of Florida, unless such holder previously shall have given to the Trustee written notice of the event of default or breach of trust or duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than ten percent (10%), or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of the Outstanding bonds shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to exercise its granted powers or to institute such action, suit or proceedings, and unless there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

So long as the provider of a Credit Facility has not defaulted in its obligations thereunder, such provider will be deemed the holder of all bonds secured by such Credit Facility for purposes of exercising the rights of the holders of bonds upon the occurrence of any event of default.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT

The following is a summary of certain provisions of the Airline Use Agreement and does not purport to be complete. Reference is made to the Airline Use Agreement, a copy of which is on file and available at the office of the Aviation Department, for a review of its complete terms. Terms not defined in this Summary or in this Official Statement shall have meanings set forth in the Airline Use Agreement.

The Airline Use Agreement ("AUA") sets forth the operating privileges and responsibilities at Miami International Airport ("MIA" or the "Airport") for an airline operating at MIA (a "Signatory Airline"). The AUA does not lease or convey any property interest to the Signatory Airline and is effective as to any successor governing authority of the Airport.

The term of the AUA is for fifteen years from its effective date, which is defined as being May 1, 2002. All AUAs, no matter when actually executed by the airline, bear the date of May 1, 2002. Each Signatory Airline agrees that its obligations to pay landing fees and charges, whether incurred for operations at MIA or any other airport within the County's Airport System, shall continue beyond any expiration of the agreement for so long as the Signatory Airline operates at MIA or such other airport. Conversely, if the Signatory Airline discontinues its operations at a County airport, the Signatory Airline has no further obligation to the airport at which it operated other than for payment of incurred charges.

The Signatory Airline agrees to whatever Landing Fee Rates and charges are established by the County from time to time, and agrees that (1) the Landing Fee Rate may be based on a residual method of calculating landing fees set forth in Exhibit G of the AUA and discussed below, and (2) Terminal Building fees may be based on the cost-based equalized rate setting methodology described in Exhibit H of the AUA. The County may modify such methodologies in order to comply with its requirements under the Trust Agreement or under federal law, or as a result of a Board-approved modification resulting from consultation with the Airlines at MIA and consented to by the Trustee.

Each Signatory Airline agrees that the Passenger Facility Charge revenue belongs to the Airport and not the airline and that it will (1) comply with all rules and regulations of the Airport, (2) indemnify and reimburse the County for any failure to so comply, (3) comply with all applicable noise abatement regulations, (4) obtain appropriate airline operating certificates and liability insurance, (5) comply with all security requirements and directives, (6) not discriminate in violation of applicable law, and (7) control its employees in the use of the Airport. The Signatory Airline acknowledges the primacy of the Trust Agreement.

Each Signatory Airline agrees that the Miami Airport Affairs Committee (the "MAAC") shall represent the interests of all airlines at MIA for voting on matters on which the AUA requires a decision and that any Majority-In-Interest ("MII") decision by the MAAC required by the AUA shall be binding on the Signatory Airline. MIIs consist of those airlines on the MAAC that are not less than 51% of existing MAAC members and that collectively with their non-signatory Affiliated Airlines represent more than 25% of total landed weight for which Landing Fees were paid during the previous Fiscal Year by all MAAC airlines and their non-signatory Affiliated Airlines. An "Affiliated Airline" is defined to be any airline of a designated relationship to the Signatory Airline that is shown on Exhibit F of the AUA as being an airline for which the Signatory Airline agrees to be financially responsible.

The Aviation Department may incur costs without MII approval to design and construct any capital project that (1) is a non-Port Authority Properties facility, (2) has net costs (i.e., project costs less equity sources such as grants or PFC revenue) that do not exceed \$15 million, (3) is financed by special facility revenue bonds not payable from airport funds, (4) is financed by a tenant and not subject to reimbursement, (5) is in connection with the reclassification to Port Authority Properties, (6) is required under the Trust Agreement as certified by the Consulting Engineers, (7) is required to comply with a rule, regulation, order or requirement of any federal, state or

governmental agency, (8) is necessary to comply with judicial orders, (9) is needed as a result of an emergency, (10) is needed to repair or replace casualty damage, (11) is a capital project previously approved by the MIIs, although if the scope materially changes and the revised construction estimate increases by more than 25% of the approved construction cost the MIIs may review the increment in construction costs; and (12) is part of the approved CIP listed in Exhibit A of the AUA, with MIIs, however, having the right to review any increase in estimates of project costs, if such costs at the program level are more than 25% of original estimated program costs.

MII review of all other projects is based on whether projected costs per enplaned passenger ("CEP") are above a stated level, as expressed in all cases in 1998 dollars.

(a) If the projected CEP does not exceed \$30 (in 1998 dollars), then a project is deemed approved by the MIIs unless the Aviation Department receives written responses from the MIIs that they disapprove the project within 45 days of the request for approval. If disapproval occurs, the Aviation Department must defer the project for 180 days and then re-submit the project to the MIIs for the same review process. Each such re-submitted project shall be deemed to be approved unless the Aviation Department receives written responses from the MIIs that they disapprove the project within 45 days of the re-submission. After 180 days following resubmission, the Aviation Department may proceed with any such project that was disapproved by the MIIs on re-submission.

(b) If the projected CEP exceeds \$30 (in 1998 dollars) but does not exceed \$35 (in 1998 dollars), then the project is not deemed approved unless the MIIs signify their approval in writing. If non-approval occurs, the Aviation Department must defer the project for 180 days and then re-submit the project to the MIIs for the same review process within 45 days of the request for approval. No re-submitted project shall be deemed approved by the MIIs unless the MIIs provide written approval thereof within 45 days of resubmission. If construction of such project is not approved by the MIIs, the Aviation Department may still construct the project upon approval thereof by the Board of County Commissioners.

(c) If the CEP exceeds \$35 (in 1998 dollars) in six (6) or more years of the 10-year projection period, a construction moratorium occurs during the next Fiscal Year except for those twelve categories of projects listed above. However, the Aviation Department may present capital projects during such time period, and if it obtains MII approval then the Aviation Department may construct the project.

The AUA permits each Signatory Airline to participate in the Aviation User Credit Program ("AUCP"). The Aviation Department is entitled to collect all fees applicable thereto in cash each time an airline uses the Airport. To avoid the administrative inconvenience to the Aviation Department and the airline of collecting such cash payments at the time of use, the Aviation Department permits the Signatory Airline to participate in the AUCP under which the airline self-reports and self-pays the designated Aviation Activity fees by the 10th day of the month following the month in which the fees were incurred.

The AUA provides that an airline operating at MIA may be obligated to pay 100%, 105% or 150% of the Landing Fee Rate and certain aviation use fees (collectively, the "Aviation Activities" fees). An airline that both signs the AUA and participates in the AUCP pays only 100% of the established Aviation Activities fees. An airline that does not sign the AUA but participates in the AUCP pays 105% of such fees, and an airline that fails to participate in the AUCP must pay 150% of such fees, even if the airline signs the AUA.

The Aviation Department calculates the Landing Fee Rate to be effective as of October 1 of each year based upon the annual budget for the Port Authority Properties and estimates of Total Landed Weight. The Landing Fee Rate may be adjusted semi-annually effective April 1. If the County is required because of emergency conditions to adjust the Landing Fee Rate effective at a time other than October 1 or April 1, the Aviation Department after proper notification of the MIA air carriers, may adjust the Landing Fee Rate. Promptly upon the cessation of the emergency conditions requiring any such adjustment, the Aviation Department will notify the air carriers to the adjustment that can be made because of the cessation of such conditions and the effective date upon which the adjustment will take effect.

For the use of the airfield at the Airport, each airline shall pay the County monthly Landing Fees determined by multiplying its Total Landed Weight during the month by the then-current Landing Fee Rate. Landing fees are calculated by determining the difference between anticipated Revenue Credits from sources other

than landing fees and total Revenue Requirements for the forthcoming year. The Revenue Requirements for the period of the fee calculation is estimated on a cash basis by totaling the following amounts:

- (i) Estimated Principal and Interest Requirements on Bonds issued under the Trust Agreement then outstanding and on Bonds to be issued during the period of the fee calculation;
- (ii) A coverage margin calculated as 20% of the estimated Principal and Interest Requirements;
- (iii) Estimated Current Expenses;
- (iv) Estimated change in the operating reserve for Current Expenses, which reserve is calculated as a percentage (not to exceed 20%) of estimated Current Expenses;
- (v) Estimated deposit, if any, from Revenues to the Bond Reserve Account required to meet the reserve requirement;
- (vi) Deposit to the Reserve Maintenance Fund in the amount recommended by the Consulting Engineers;
- (vii) Estimated debt service payable from Revenues on commercial paper then outstanding and on commercial paper to be issued during the period of the fee calculation, including amounts necessary to make hedge or termination payments;
- (viii) Estimated debt service and revenue covenant requirements payable from Revenues on other indebtedness (including, for example, subordinate debt, Passenger Facility Charge debt, or general obligation bonds) then outstanding and on other indebtedness to be issued during the period of the fee calculation;
- (ix) Estimated deposits to funds and accounts payable from Revenues that may be required in connection with commercial paper or other indebtedness; and
- (x) Costs of Prior Aviation Development Facilities ("Prior ADF"), if any, that may be payable from Revenues pursuant to a merger of the Port Authority Properties and Prior ADF, net of Prior ADF revenues related to such costs.

The total Revenue Credits for the period of the Landing Fee calculation is estimated on a cash basis by totaling the following amounts:

- (i) Revenues to be received during the period of the fee calculation from all sources, including the transfer from the Improvement Fund and Revenues from the Non-Signatory Differential, but exclusive of Revenues from (a) landing fees, (b) interest earnings on moneys in the Reserve Maintenance Fund, and (c) interest earnings on moneys in the Improvement Fund; and
- (ii) Revenues to be received from landing fees for aircraft landings conducted prior to the effective date of the revised Landing Fee Rate (which, for example, includes Revenues received in October for landings conducted in September when computing the October 1 Landing Fee Rate).

The resulting differential between Revenue Requirements and Revenue Credits is then divided by estimated Total Landed Weight for the period to determine the Landing Fee Rate per 1,000 pounds of aircraft weight. (When computing the October 1 Landing Fee Rate, Total Landed Weight covers the 11-month period October through August.)

In the AUA, the Signatory Airline acknowledges that the County (1) may deduct from the moneys remaining in the Improvement Fund at the end of each Fiscal Year the sum of \$5 million to be deposited into the

Retainage Sub-account up to a cumulative maximum balance of \$15 million, to be used by the Airport for any lawful airport purpose, (both of these dollar amounts are subject to an annual percentage adjustment, up or down, as defined in the AUA) and (2) may deposit to the Performance Sub-account 50% of the revenue amounts that exceed the break-even costs of the Cargo and Commercial Aviation Support Facilities. No maximum cumulative amount applies to the amounts in this sub-account.

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

On the date of issuance of the Series 2007 Refunding Bonds in definitive form, Holland & Knight LLP, and Law Offices of Steve E. Bullock, P.A., Bond Counsel, propose to render their opinion in substantially the following form:

November __, 2007

Board of County Commissioners of
Miami-Dade County, Florida
Miami, Florida

Re: \$ _____ Aviation Revenue Refunding Bonds, Series 2007C (AMT)
\$ _____ Aviation Revenue Refunding Bonds Series 2007D (NON-AMT)

Ladies and Gentlemen:

APPENDIX E

PROPOSED FORM OF DISCLOSURE COUNSEL OPINION

On the date of issuance of the Series 2007 Refunding Bonds in definitive form, Hunton & Williams LLP and Law Offices Thomas H. Williams, Jr., PL, Disclosure Counsel, propose to render their approving opinion in substantially the following form:

November __, 2007

Board of County Commissioners
of Miami-Dade County, Florida
Miami, Florida

\$ _____
Aviation Revenue Refunding Bonds, Series 2007C (AMT)

\$ _____
Aviation Revenue Refunding Bonds, Series 2007D (NON-AMT)

Ladies and Gentlemen:

We have served as co-disclosure counsel to Miami-Dade County, Florida (the "County") in connection with the issuance by the County of its \$ _____ (collectively, the "Bonds"). [The Bonds are insured under a financial guaranty insurance policy issued by _____ (the "Insurer").]

In this capacity, we have examined an executed copy of the Official Statement of the County dated _____, 2007 (the "Official Statement"), relating to the Bonds, and conformed copies of the _____ (as defined in the Official Statement). We have reviewed the Official Statement generally and have discussed certain information and statements therein with representatives of the County from the Finance Department and the County Attorney's Office, Public Financial Management, Inc., Financial Advisors to the County, and Holland & Knight LLP and Steve E. Bullock, P.A., Co-Bond Counsel. Consistent with the scope of our engagement, our examination did not include any review of documents or information or any other investigation relating to the [Insurer].

We also have examined certain proceedings of the County, and originals or copies identified to our satisfaction of such agreements, instruments, opinions, certificates and other documents as we have deemed necessary for purposes of the advice contained in this opinion. We have assumed the genuineness of signatures on documents submitted to us as originals, the authenticity thereof and the conformity with the originals of any documents submitted to us as copies or specimens.

On the basis of the foregoing, we advise you as follows:

1. We have not verified and are not passing upon, and we do not assume any responsibility for, the accuracy or completeness of the statements contained in the Official Statement. Nothing, however, has come to our attention during the course of our review and discussion of the Official Statement that would cause us to believe that the Official Statement, on the date thereof or on this date, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2. Our advice in paragraph 1 does not apply to the financial statements and financial or statistical data contained or incorporated by reference in the Official Statement, or to the information relating to the Insurers contained or incorporated by reference in the Official Statement, as to which no advice is given.

3. In our opinion, the continuing disclosure undertaking of the County with respect to the Bonds for the benefit of the holders thereof, complies as to form in all material respects with the requirements for such an agreement in paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12.

Very truly yours,

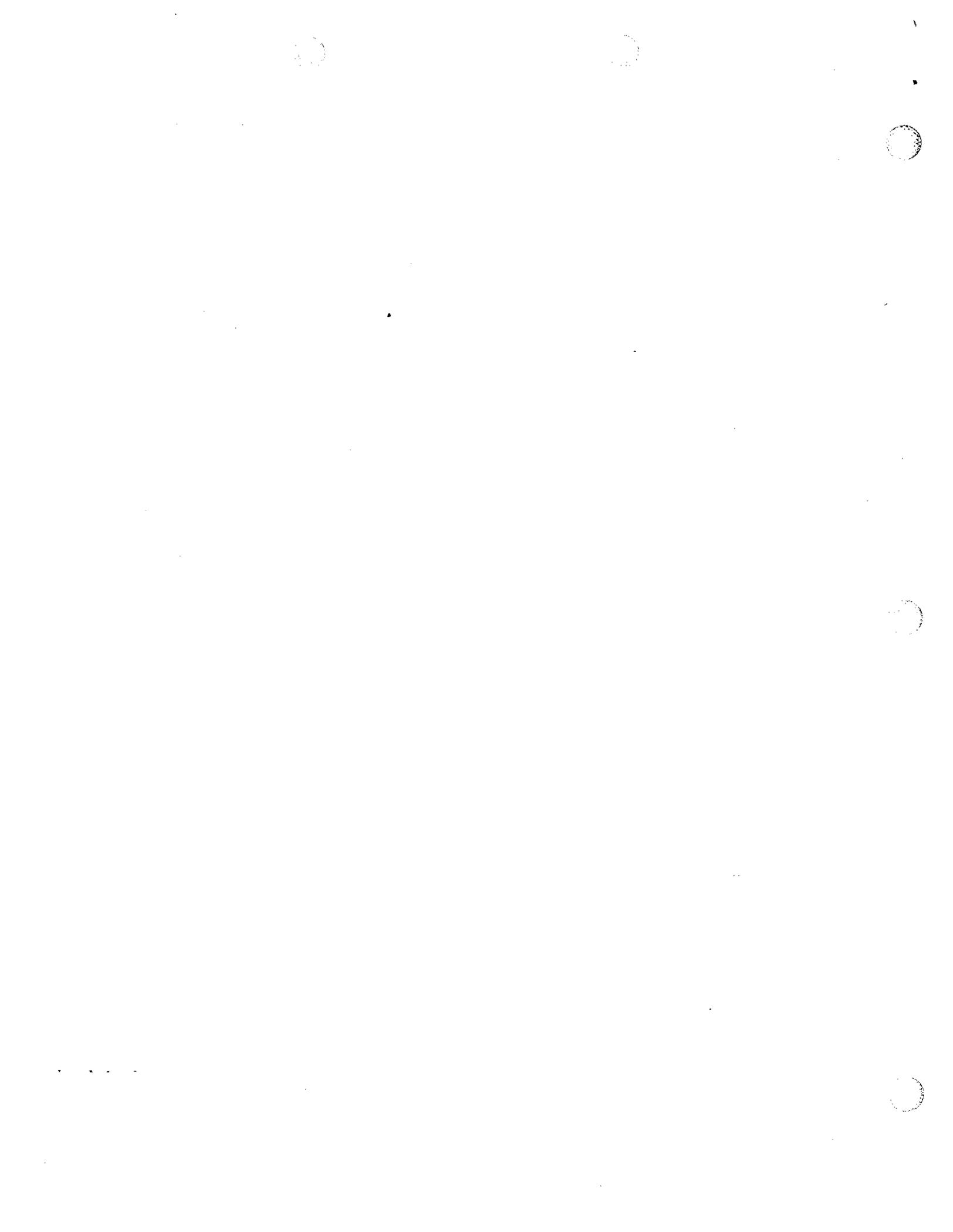
APPENDIX F
FORMS OF MUNICIPAL BOND INSURANCE POLICIES

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EXHIBIT "C"

ESCROW DEPOSIT AGREEMENT

(on file with the Clerk's Office)



8E1A
10-2-07
R-1074-07

Exhibit "C"

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT

This is an Escrow Deposit Agreement dated as of _____, 2007, by and between **MIAMI-DADE COUNTY, FLORIDA, FLORIDA**, a political subdivision of the State of Florida (the "Issuer"), and **THE BANK OF NEW YORK**, successor to JPMorgan Chase Bank, N.A., a New York banking corporation, duly organized and existing under the laws of the State of New York and having its principal office in the City of New York, as trustee and escrow agent (the "Escrow Agent"):

WITNESSETH:

WHEREAS, the Issuer has previously issued its Dade County, Florida Aviation Revenue Bonds, Series 1996A (AMT), which Series 1996A Bonds are currently outstanding in the aggregate principal amount of \$267,415,000, the outstanding Dade County, Florida Aviation Revenue Bonds, Series 1996B (Non-AMT), which Series 1996B Bonds are currently outstanding in the principal amount of \$27,585,000, the outstanding Dade County, Florida Aviation Revenue Refunding Bonds, Series 1996C (Non-AMT), which Series 1996C Bonds are currently outstanding in the aggregate principal amount of \$17,090,000, the outstanding Dade County, Florida Aviation Revenue Refunding Bonds, Series 1997A (AMT), which Series 1997A Bonds are currently outstanding in the aggregate principal amount of \$29,150,000, the outstanding Dade County, Florida Aviation Revenue Refunding Bonds, Series 1997B (AMT), which Series 1997B Bonds are currently outstanding in the aggregate principal amount of \$107,180,000, the outstanding Dade County, Florida Aviation Revenue Bonds, Series 1997C (Non-AMT), which Series 1997C Bonds are currently outstanding in the aggregate principal amount of \$63,170,000 and the outstanding Miami-Dade County, Florida Aviation Revenue Bonds, Series 2000B (Non-AMT), which Series 2000B Bonds are currently outstanding in the aggregate principal amount of \$61,890,000.

WHEREAS, the Issuer wishes to make provisions for the payment of the Refunded Bonds by irrevocably depositing in trust moneys in an amount which, together with interest thereon, will be sufficient to pay the principal of and interest and redemption premiums on the Refunded Bonds as the same become due or are called for redemption as herein provided; and

WHEREAS, in order to deposit such amount of money in trust the Issuer has authorized and issued its \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007C (AMT) and its \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007D (Non-AMT) (such bonds being collectively referred to herein as the "Refunding Bonds"), and has made available certain other moneys hereinafter described; and

WHEREAS, a portion of the proceeds derived from the sale of the Refunding Bonds will be applied, directly or indirectly as herein required, to the purchase of certain direct,

non-callable obligations of the United States of America ("Government Obligations"), the principal of which, together with investment earnings thereon, and an initial cash balance will be sufficient to pay when due the principal of and interest and redemption premiums, if any, on the Refunded Bonds; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in said trust to the payment of the Refunded Bonds, it is necessary to enter into this Escrow Deposit Agreement with the Escrow Agent on behalf of the holders from time to time of the Refunded Bonds;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of, interest on and redemption premium, if any, with respect of the Refunded Bonds according to their tenor and effect, the Issuer does by these presents hereby deliver to and give, grant, mortgage, assign and pledge to the Escrow Agent, and to its successors in the trusts hereby created, and to it and its assigns forever, all and singular the property hereinafter described to wit:

I.

All right, title and interest of the Issuer in and to \$ _____, consisting of \$ _____ derived from the proceeds of the Series 2007C Bonds and \$ _____ derived from each of the Accounts in the Sinking Fund (as hereinafter defined) held for the Refunded AMT Bonds.

II.

All right, title and interest of the Issuer in and to \$ _____, consisting of \$ _____ derived from the proceeds of the Series 2007D Bonds and \$ _____ derived from each of the Accounts in the Sinking Fund (as hereinafter defined) held for the Refunded Non-AMT Bonds.

III.

All right, title and interest of the Issuer in and to the Government Obligations purchased from a portion of the moneys described in Clause I above and more particularly described in Schedule "A-1" and all right, title and interest of the Issuer in and to the Government Obligations purchased from a portion of the moneys described in Clause II above and more particularly described in Schedule "A-2" hereto.

IV.

All right, title and interest of the Issuer in and to all cash balances held from time to time hereunder and all income and earnings derived from or accruing to the Government Obligations described in Clause III above and more particularly described in Schedules "A-1" and "A-2" and attached hereto and made a part hereof, and all proceeds thereof.

V.

All property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property of every kind and nature that may, from time to time hereafter, by delivery or by writing of any kind, be conveyed, pledged, assigned, or transferred as and for additional security hereunder or to be subject to the pledge hereof, by the

Issuer or by anyone in its behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all the same, including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement given, granted, pledged and assigned or agreed or intended so to be, with all privileges and appurtenances hereby to the Escrow Agent, and its successors in said trust and to them and their assigns, forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection, as herein described, of the holders or owners from time to time of the Refunded Bonds in the manner herein provided; but if the Refunded Bonds shall be fully and promptly paid when due or redeemed in accordance with the terms thereof and after excess funds or obligations remaining in the funds and accounts created hereunder have been transferred to the Issuer pursuant to Section 2.6 below, then this Agreement shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I DEFINITIONS

Section 1.1 Definitions. In addition to words and terms elsewhere defined in this Agreement, as used herein, unless some other meaning is plainly intended, the following terms and phrases shall have the following meanings:

“Agreement” means this Escrow Deposit Agreement between the Issuer and the Escrow Agent.

“Bond Insurer” means [_____], so long as it then insures the Refunding Bonds.]

“Co-Trustee” means **U.S. Bank National Association**, or its successor as co-trustee under the Trust Agreement.

“Debt Service Account” means the account so designated and established by Section 506 of the Trust Agreement.

“Escrow Agent” means The Bank of New York, a banking corporation, organized and existing under and by virtue of the laws of the State of New York, being duly qualified to accept and administer the trusts hereby created, and its successors in trust.

“Escrow Deposit Trust Fund” means the fund so designated and established under Section 2.1 of this Agreement.

“Fiscal Year” means that period of time commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law.

“Government Obligations” means the non-callable, direct obligations of the United States of America constituting part of the Trust Estate and described in Schedules “A-1” and “A-2.”

“Issuer” means **MIAMI-DADE COUNTY, FLORIDA.**

“Paying Agent” means The Bank of New York, successor to JPMorgan Chase Bank, N.A., and its successors in trust with respect to the Refunded Bonds pursuant to the Trust Agreement.

“1996A Refunded Bonds” means the \$267,415,000 Dade County, Florida Aviation Revenue Bonds, Series 1996A (AMT) of which \$267,415,000 is outstanding.

“1996B Refunded Bonds” means the \$27,585,000 Dade County, Florida Aviation Revenue Bonds, Series 1996B (Non-AMT) of which \$27,585,000 is outstanding.

“1996C Refunded Bonds” means the \$70,490,000 Dade County, Florida Aviation Revenue Refunding Bonds, Series 1996C (Non-AMT) of which \$17,090,000 is outstanding.

“1997A Refunded Bonds” means the \$130,385,000 Dade County, Florida Aviation Revenue Refunding Bonds, Series 1997A (AMT) of which \$29,150,000 is outstanding.

“1997B Refunded Bonds” means the \$136,830,000 Dade County, Florida Aviation Revenue Refunding Bonds, Series 1997B (AMT) of which \$107,180,000 is outstanding.

“1997C Refunded Bonds” means the \$63,170,000 Dade County, Florida Aviation Revenue Bonds, Series 1997C (Non-AMT) of which \$63,170,000 is outstanding.

“2000B Refunded Bonds” means the \$61,890,000 Miami-Dade County, Florida Aviation Revenue Bonds, Series 2000B (Non-AMT) of which \$61,890,000 is outstanding.

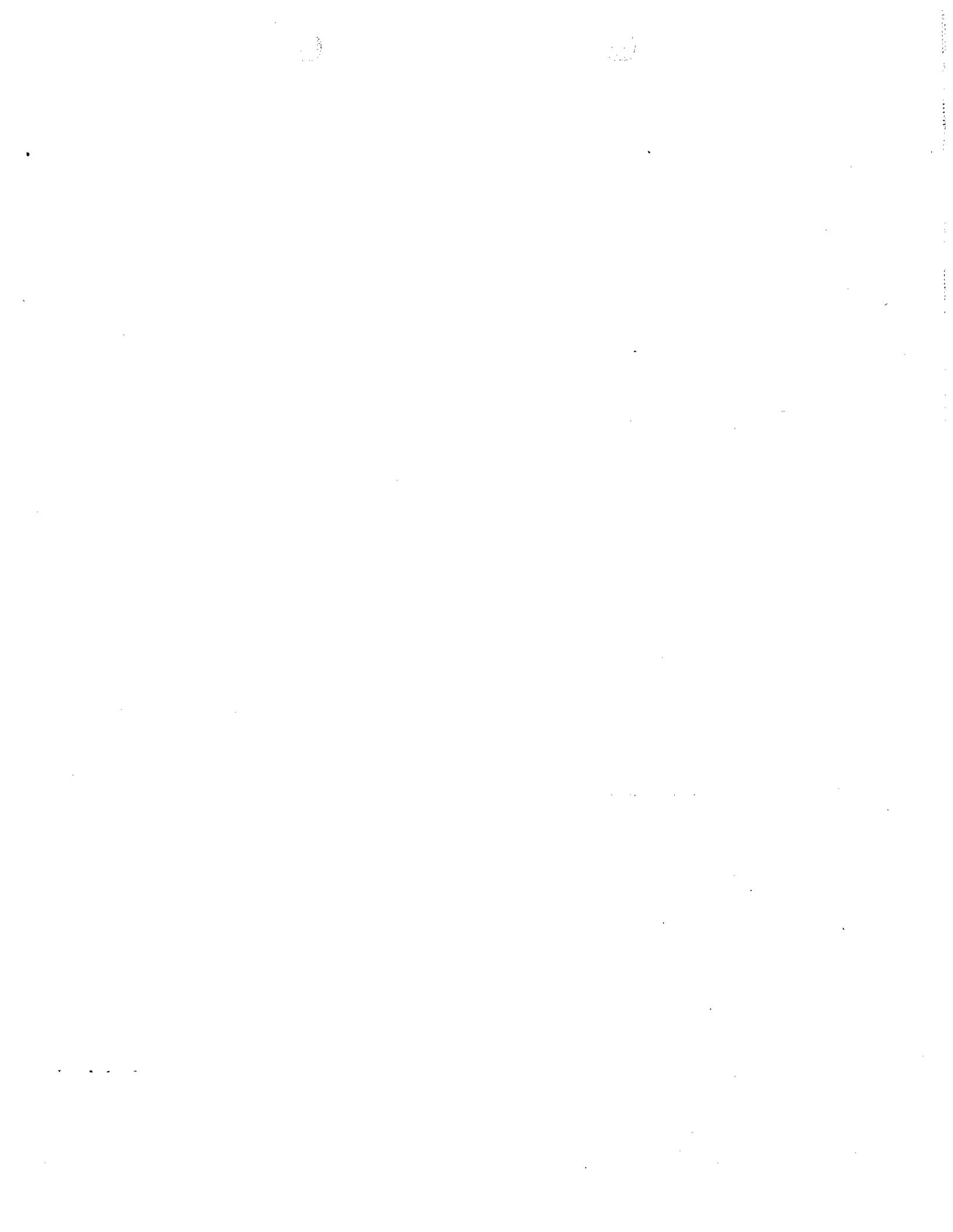
“Refunded AMT Bonds” means the 1996A Refunded Bonds, 1997A Refunded Bonds and the 1997B Refunded Bonds.

“Refunded Non-AMT Bonds” means the 1996B Refunded Bonds, the 1996C Refunded Bonds, the 1997C Refunded Bonds and the 2000B Refunded Bonds.

“Refunded Bonds” means, collectively, the Refunded AMT Bonds and the Refunded Non-AMT Bonds.

“Refunding Bonds” means, collectively, the Series 2007C Bonds and the Series 2007D Bonds.

“Revenue Fund” means the account so designated and established by Section 502 of the Trust Agreement.



“**Series 2007C Bonds**” means \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007C (AMT).

“**Series 2007D Bonds**” means its \$ _____ Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007D (Non-AMT).

“**Sinking Fund**” means the fund so designated in the Trust Agreement for the Refunded Bonds.

“**SLGS**” means the United States Treasury Obligations, State and Local Government Series.

“**Trust Agreement**” means the Amended and Restated Trust Agreement by and among the County, the Trustee and the Co-Trustee, dated as of December 15, 2002, as supplemented and amended.

“**Trustee**” means The Bank of New York, successor to JPMorgan Chase Bank, N.A., or its successor as trustee under the Trust Agreement.

“**Trust Estate**,” “**trust estate**” or “**pledged property**” shall mean the property, rights and interest of the Issuer which are subject to the lien of this Agreement.

“**Written Request**” with respect to the Issuer means a request in writing signed by the Mayor, Finance Director or any other officer or official of the Issuer duly authorized and satisfactory to the Escrow Agent.

Section 1.2 Uses of Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

Section 2.1 Creation of Escrow Deposit Trust Fund.

(a) There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the “Escrow Deposit Trust Fund” and two accounts therein to be known as the “Refunded Non-AMT Bonds Account” and the “Refunded AMT Bonds Account,” respectively, each to be held in the custody of the Escrow Agent separate and apart from other funds of the Issuer or of the Escrow Agent.

(b) Concurrently with the execution of this Agreement, the Issuer has deposited or has caused to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of immediately available moneys, in the amount of \$ _____, from the following sources:

(i) \$ _____ of the funds represent proceeds from the Series 2007C Bonds; and

(ii) \$ _____ of such funds represent funds of the Issuer previously held in each of the Accounts in the Sinking Fund for the Refunded AMT Bonds.

All of such funds have been immediately deposited in the Refunded AMT Bonds Account in the Escrow Deposit Trust Fund and invested in the Government Obligations described in Schedule "A-1" hereto, except for an initial cash balance of \$ _____ of the funds deposited in the Refunded AMT Bonds Account in the Escrow Deposit Trust Fund which shall be held uninvested.

(c) Concurrently with the execution of this Agreement, the Issuer also has deposited or has caused to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of immediately available moneys, in the amount of \$ _____, from the following sources:

(i) \$ _____ of the funds represent proceeds from the Series 2007D Bonds; and

(ii) \$ _____ of such funds represent funds of the Issuer previously held in each of the Accounts in the Sinking Fund for the Refunded Non-AMT Bonds.

All of such funds have been immediately deposited in the Refunded Non-AMT Bonds Account in the Escrow Deposit Trust Fund and invested in the Government Obligations described in Schedule "A-2" hereto, except for an initial cash balance of \$ _____ of the funds deposited in the Refunded Non-AMT Bonds Account in the Escrow Deposit Trust Fund which shall be held uninvested.

(d) The Issuer has received a verification report on the date hereof which establishes that the Government Obligations described in Schedules "A-1" and "A-2," together with earnings to be received thereon, and the initial cash balance consisting of a portion of the proceeds described in subsections (b) and (c) above, as the case may be, will provide sufficient revenues to pay the principal of and interest and redemption premiums on the Refunded Bonds as the same mature or are called for redemption on the dates shown on Schedules "C-1" and "C-2" attached hereto. The total aggregate receipts from such investments is shown on Schedules "B-1" and "B-2," respectively, attached hereto. The debt service on the Refunded Bonds to their respective call dates is shown on Schedules "C-1" and "C-2" attached hereto.

Section 2.2 Irrevocable Trust Created. Except as provided in Section 4.1 hereof with respect to certain amendments, the deposit of moneys and Government Obligations in the Escrow Deposit Trust Fund, shall constitute an irrevocable trust fund deposit of said moneys and Government Obligations for the benefit of the registered owners of the Refunded Bonds and such registered owners shall have an express lien on all moneys and the principal of and interest on all such Government Obligations and all cash balances therein, until used and applied according to this Agreement. Such moneys and investments, and the matured principal of the Government Obligations and the interest thereon shall be held in trust by the Escrow Agent in the Escrow Deposit Trust Fund created hereunder for the benefit of the registered owners of the Refunded

Bonds as herein provided, and shall be kept separate and distinct from all other funds of the Issuer and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

Section 2.3 Purchase of Government Obligations. The Escrow Agent is hereby directed to immediately purchase the Government Obligations listed on Schedules "A-1" and "A-2" hereto. The Escrow Agent shall purchase the Government Obligations solely from the moneys deposited in the Escrow Deposit Trust Fund as herein above described. Except as provided below, cash balances received from the Government Obligations as described in Schedules "A-1" and "A-2" and the initial cash balances of \$_____ and \$_____, as shown on Schedules "B-1" and "B-2," respectively, shall be held uninvested until applied in accordance with the terms hereof.

Section 2.4 Redemption of Bonds; Use of Moneys in the Escrow Deposit Trust Fund.

(a) The Escrow Agent is hereby irrevocably instructed to notify the Paying Agent of its obligation to call the Refunded Non-AMT Bonds and the Refunded AMT Bonds for redemption on _____, 2007 and at the redemption prices shown on Schedules "C-1" and "C-2," respectively, plus accrued interest, in accordance with the terms of the Trust Agreement and the redemption instructions of the Issuer given to the Paying Agent concurrently with the execution hereof. **[If the 2000 Bonds are included in the refunding we will have to separately deal with them.]**

(b) As any principal of and interest on the Government Obligations set forth in Schedules "A-1" and "A-2" shall mature and is received as shown on Schedules "B-1" and "B-2" the Escrow Agent shall, no later than the interest and principal payment dates and the redemption dates with respect to the Refunded Bonds set forth in Schedules "C-1" and "C-2", transfer from the Escrow Deposit Trust Fund, to the Paying Agent for the Refunded Bonds amounts sufficient to pay the principal of and interest and redemption premium on the Refunded Bonds on the respective interest and principal payment dates and redemption payment dates, set forth on Schedules "C-1" and "C-2." Such amounts shall be applied by said Paying Agent to pay the principal of and interest and redemption premium on the Refunded Bonds. Except as otherwise provided herein, all cash balances remaining from time to time in the Escrow Deposit Trust Fund, as described in Schedules "B-1" and "B-2" shall be held uninvested until needed for the purposes hereof.

(c) Any moneys remaining after payment in full of the Refunded Bonds shall be transferred to the Issuer for deposit into the Bond Service Account as contemplated in Section 2.6 below.

Section 2.5 Investment of Moneys remaining in Trust Funds. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder except as expressly provided in this Agreement. The Escrow Agent, at the written direction of the Issuer, shall invest and reinvest any moneys remaining from time to time in the Escrow Deposit Trust Fund, until such time that they are needed, in direct obligations of the United States of America maturing at such time and bearing

interest at such rates as, in the opinion of Holland & Knight LLP and the Law Offices of Steve E. Bullock, P.A. or other nationally recognized bond counsel, will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Refunding Bonds cause the interest on the Refunding Bonds or the Refunded Bonds not to be excludable from gross income for federal income tax purposes. The Escrow Agent will not make any investments or reinvestments not expressly contemplated herein or in the Schedules hereto without such an opinion and written direction from the Issuer as to such investments or reinvestments. Any interest income resulting from reinvestment of moneys pursuant to this Section 2.5 shall be transferred to the Co-Trustee for deposit in the Revenue Fund, and used for the purpose for which such fund was created, unless the opinion referred to above shall dictate otherwise.

Section 2.6 Transfer of Funds after all Payments Required by this Agreement are Made. After all of the transfers by the Escrow Agent to the Paying Agent for payment of the principal of, interest and redemption premium on the Refunded Bonds have been made, all remaining moneys and Government Obligations, together with any income and interest thereon, in the Escrow Deposit Trust Fund shall be transferred to the Issuer by the Escrow Agent upon written direction and deposited in the Bond Service Account under the Trust Agreement and used for the purposes for which such account was created; provided, however, that no such transfer to the Issuer shall be made until all of the principal of, redemption premium, if any, and interest on the Refunded Bonds have been paid.

Section 2.7 Deficiencies. If at any time it shall appear to the Escrow Agent that the available proceeds in the Escrow Deposit Trust Fund will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall notify the Issuer not less than five (5) days prior to such payment date and the Issuer agrees that it will from any funds legally available for such purposes make up the anticipated deficit so that no default in the making of any such payment will occur. If there is a default in the timely payment of any security described in Schedules "A-1" and "A-2" hereto and the Issuer funds the resulting deficiency pursuant to this Section 2.7, the Issuer shall be entitled to reimbursement solely from any subsequent collections with respect to such security or payment to the extent of the Issuer's payment to the Escrow Agent in respect thereof.

ARTICLE III CONCERNING THE ESCROW AGENT

Section 3.1 Appointment of Escrow Agent. The Issuer hereby appoints The Bank of New York, as Escrow Agent under this Agreement.

Section 3.2 Acceptance by Escrow Agent. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent as specifically set forth in this Agreement and the Trust Agreement. The Escrow Agent hereby acknowledges receipt of a copy of the Trust Agreement. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute the trust hereby created. The Escrow Agent hereby waives any lien, right (including right of setoff) or charge it may have, individually, on the funds and securities held by it hereunder, whether at law or otherwise, and agrees to look

solely to the Issuer for the payment of any fees and expenses that may be due it as a result of this Agreement or the performance by the Escrow Agent of its duties hereunder.

Section 3.3 Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or default. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the Escrow Deposit Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Government Obligations and the earnings thereon to pay the Refunded Bonds. So long as the Escrow Agent applies any moneys, the Government Obligations and the interest earnings therefrom to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.

In the event of the Escrow Agent's failure to account for any of the Government Obligations or moneys received by it, said Government Obligations or moneys shall be and remain the property of the Issuer in trust for the holders of the Refunded Bonds, as herein provided, and if for any improper reason such Government Obligations or moneys are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

Section 3.4 Permitted Acts. The Escrow Agent and its affiliates may become the owner of or may deal in any obligations of the Issuer described herein as fully and with the same rights as if it were not the Escrow Agent.

Section 3.5 Resignation of Escrow Agent. The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trusts hereby created by giving not less than sixty (60) days' written notice to the Issuer, specifying the date when such resignation will take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Refunded Bonds or by the Issuer as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent, and the transfer to such successor Escrow Agent of the funds and accounts held by the Escrow Agent hereunder.

Section 3.6 Removal of Escrow Agent.

(a) The Escrow Agent may be removed at any time if the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding file a request for removal in writing with the Issuer, but the Escrow Agent shall remain in office until the appointment and taking office of a successor Escrow Agent in accordance with the provisions of this Agreement and the transfer to such successor Escrow Agent of the funds and accounts held

by the Escrow Agent hereunder. A copy of such request shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time, by a court of competent jurisdiction, for any breach of trust or for any violation of this Agreement upon the application of the Issuer, [the Bond Insurer] or the holders of not less than fifty-one percent (51%) in aggregate principal amount of the Refunded Bonds then outstanding.

(c) The Escrow Agent shall be deemed to have been removed if it is dissolved, becomes incapable of exercising such powers or is taken over or materially restricted in the performance of its duties hereunder by any governmental action.

Section 3.7 Successor Escrow Agent.

(a) When the position of the Escrow Agent becomes or is about to become vacant, the Issuer shall appoint a successor Escrow Agent to fill such vacancy.

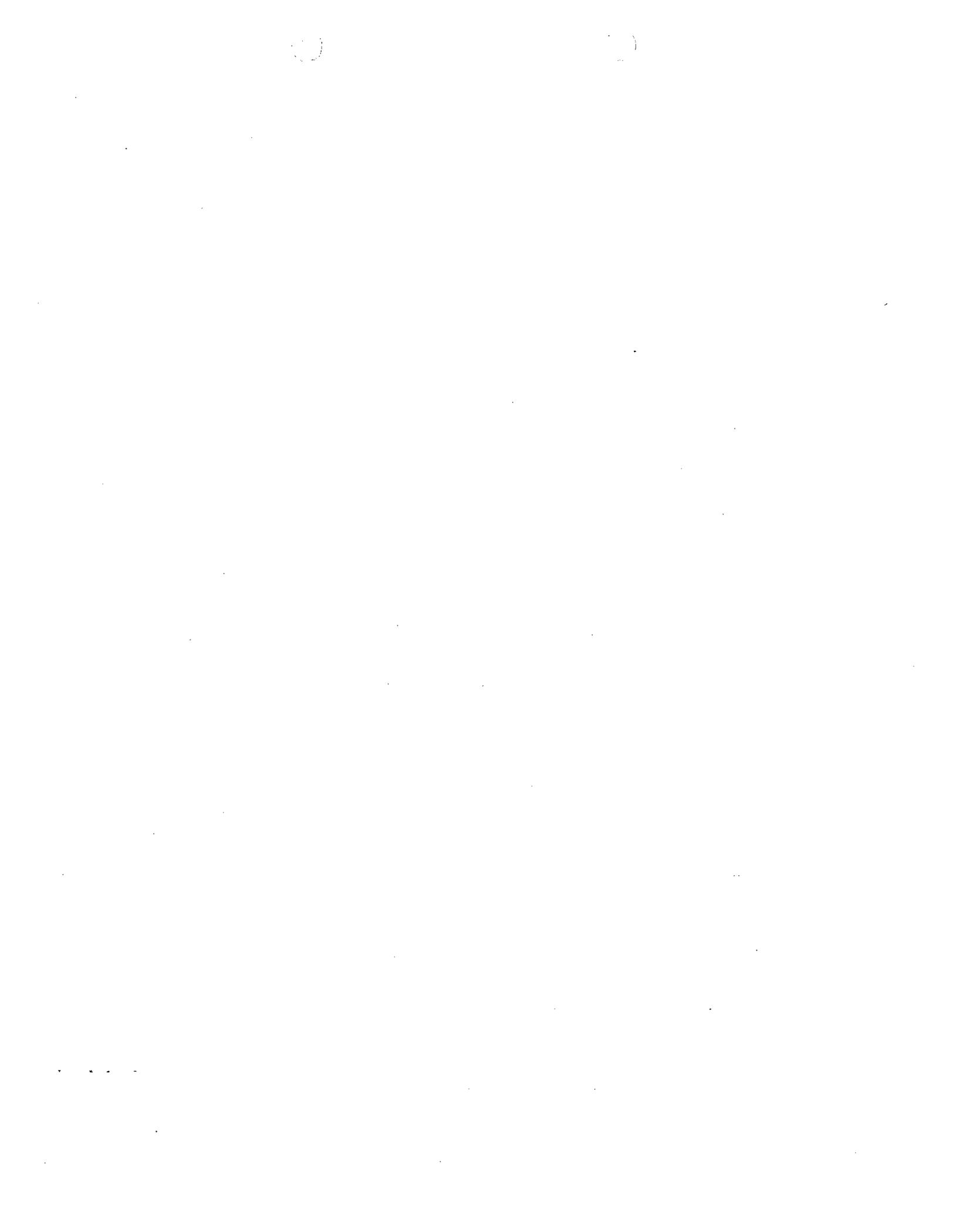
(b) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section, the holder of any Refunded Bond then outstanding may, or any Escrow Agent retiring or being removed from office shall, apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Upon the deposit by the retiring Escrow Agent of all funds and securities held by it under the provisions hereof into the registry of such court, such Escrow Agent shall be relieved of all future duties hereunder.

Section 3.8 Receipt of Proceedings. Receipt of true and correct copies of the Trust Agreement, the resolution authorizing the issuance of the Refunded Bonds and the resolution authorizing the issuance of the Refunding Bonds are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

Section 3.9 Indemnification of Escrow Agent. The Issuer shall, to the extent permitted by law, indemnify and save the Escrow Agent harmless against any liabilities which it may incur in the exercise and performance of its duties and the trusts established hereunder, except and unless such liabilities arise out of or result from the negligence or willful misconduct of the Escrow Agent. In no event, however, shall the Escrow Agent have any lien, security interest or right of set off whatsoever upon the moneys or investments in the Escrow Deposit Trust Fund.

ARTICLE IV MISCELLANEOUS

Section 4.1 Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent, the Issuer and the Bond Insurer, such consent of the Bond Insurer not to be unreasonably withheld; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders and the Bond Insurer, enter into such agreements



supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement, at the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the Government Obligations held hereunder and to substitute therefor non-callable, direct obligations of the United States of America, subject to the condition that such moneys or securities held by the Escrow Agent shall be sufficient to pay the principal of, interest on and redemption premiums, if any, with respect to the Refunded Bonds. The Issuer hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which will cause the Refunding Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the Refunding Bonds. The Escrow Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Government Obligations held hereunder or from other moneys available. The transactions may be effected only if there shall have been obtained: (1) an independent verification by a nationally recognized independent certified public accounting firm acceptable to the Escrow Agent concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other moneys or securities held for such purpose to meet the principal, redemption premium and interest when due of the Refunded Bonds as contemplated by the schedules hereto; and (2) an opinion from Holland & Knight LLP and the Law Offices of Steve E. Bullock, P.A., or other nationally recognized bond counsel to the Issuer to the effect that the disposition and substitution or purchase of such securities will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Refunding Bonds, cause the interest on the Refunded Bonds or the Refunding Bonds not to be excludable from gross income for Federal income tax purposes.

If a Schedule "D" has been attached hereto at the time of execution hereof, the Government Obligations described in Schedules "A-1" and "A-2" hereto (the "Substituted

Securities”) have been provided to the Issuer by the supplier thereof (the “Supplier”) under a contract pursuant to which (i) the Supplier may at any time substitute the Government Obligations listed in Schedule “D” (the “Original Securities”), for the Substituted Securities without cost or expense to either party, provided that the independent verification and bond counsel opinion referred to in the preceding paragraph have first been received by the Escrow Agent and (ii) the Supplier is entitled to amounts received on the Substituted Securities in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest and redemption premiums on the Refunded Bonds at the time and the manner contemplated by the terms of this Escrow Agreement. Under such circumstances, the Escrow Agent shall deliver to the Supplier amounts received on the Substituted Securities in excess of the amounts that would have been received on the Original Securities, to the extent not needed to pay principal of and interest and redemption premiums on the Refunded Bonds at the times and in the manner contemplated hereby. In addition, if the Escrow Agent receives delivery from the Supplier of the Original Securities in substitution for the Substituted Securities, the Escrow Agent shall promptly deliver to the Supplier the Substituted Securities in exchange for the Original Securities without regard to the market value thereof at the time of substitution, provided that no payment of any principal of or interest on the Original Securities or the Substituted Securities has been made. Immediately upon such substitution, Schedule “D” shall be substituted for Schedules “A-1” and “A-2,” as the case may be, for all purposes hereof.

If securities are substituted pursuant to this Section 4.1 other than in the manner contemplated in the preceding paragraph, any surplus moneys resulting from the sale, transfer, other disposition or redemption of the Government Obligations held hereunder and the substitutions therefor of non-callable, direct obligations of the United States of America, shall be released from the Trust Estate and shall be transferred to the Issuer for deposit in the Debt Service Account or if the Issuer is then in default under the Trust Agreement, the Revenue Fund created and established by the Trust Agreement and used for the purpose described therein.

Section 4.2 Severability. If any one or more of the covenants or agreements provided in this Agreement should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed to be separate and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 4.3 Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Issuer or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, and to the benefit of the holders of the Refunded Bonds and the Refunding Bonds, whether so expressed or not.

Section 4.4 Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

Section 4.5 Governing Law, Venue. This Agreement shall be governed by the applicable laws of the State of Florida. Venue for any action or proceeding with respect to this Agreement, brought in law or in equity, shall be in Miami-Dade County, Florida.

Section 4.6 Execution by Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded for all purposes as an original, and all of which, together, shall constitute and be but one and the same instrument.

[Remainder of this Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the Issuer and the Escrow Agent have duly executed this Agreement as of the _____ day of _____, 2007.

MIAMI-DADE COUNTY, FLORIDA

(SEAL)

By _____
Rachel E. Baum, C.P.A.
Finance Director

Attested and countersigned

By _____

Approved as to form and
legal sufficiency:

By _____
Assistant County Attorney

THE BANK OF NEW YORK, successor
to JPMorgan Chase Bank, N.A.

By _____
Authorized Officer

(SEAL)

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