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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Agenda Item No. 14(A)(4)

Date: April 8, 2008

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

From: George M. Burgess
County Manager

Resolution No: R-411-08

Subject: Resolution Authorizing Issuance of $500 Million Water and Sewer System Revenue Refunding Bonds

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RECOMMENDATION

It is recommended that the Board adopt the accompanying Resolution (Series 2008 Resolution) which authorizes the issuance of not to exceed $500,000,000 of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008 (Series 2008 Refunding Bonds), pursuant to Ordinance No. 93-134, to refund the outstanding Dade County, Florida Water and Sewer System Revenue Bonds, Series 1994, (Series 1994 Bonds) and authorizes the restructuring of the related existing swap with AIG Financial Products Corp. (AIG) in response to the downgrade of Financial Guaranty Assurance Company's (FGIC) which caused the net interest cost of the Series 1994 Bonds to increase substantially.

The Series 2008 Resolution also authorizes the Finance Director, as the Mayor's designee, to do all things necessary and appropriate, within certain parameters, to issue the Series 2008 Refunding Bonds in addition to the authority granted by the Board through Resolution R-309-08 on March 18, 2008.

Scope

The impact of this Series 2008 Resolution shall be Countywide.

Fiscal Impact/Funding Source

The principal and interest on the Series 2008 Refunding Bonds shall be payable from the Water and Sewer System Revenues. The refunding of the currently outstanding Series 1994 Bonds is necessary in order to terminate the current bond insurance policy and replace it with another bond insurance policy from an "AAA" rated insurer. The cost of a new "AAA" insurance is estimated to cost between $3 million and $4 million.

In addition, the cost of the Standby Bond Purchase Agreement to provide liquidity is estimated to be $1.3 million annually, and the cost of remarketing fees are estimated to be $107,000 annually.

Background

On January 18, 1994, the Board adopted Resolution R-74-94, which authorized the issuance of the Series 1994 Bonds. Currently, the outstanding principal amount of the Series 1994 Bonds is $415,160,000 and they bear interest at a variable rate that adjusts weekly.

The County entered into a Remarketing Agreement with Citigroup (Smith Barney et. al at the time) for the remarketing of the Series 1994 Bonds that may be tendered weekly. Each week the interest rate is adjusted by the Remarketing Agent after taking into consideration the market conditions at that time. The County also entered into a Standby Bond Purchase Agreement (Standby Bond Purchase Agreement) with Lloyds Bank to provide liquidity for the Series 1994 Bonds (Liquidity Provider or Bank), in the event that some or all of the Series 1994 Bonds could not be remarketed. In the case that some or all of the Bonds cannot be remarketed, the Bank will purchase the portion of the Series 1994 Bonds that could not be remarketed and will hold them as bank bonds (Bank Bonds) at a bank rate (Bank Bond Rate) until they are remarketed by Citigroup.

Additionally, on January 1, 1994, the County, for debt management purposes, entered into an interest rate swap (Swap) with AIG as the Counterparty. Under the Swap, the County pays the Counterparty a fixed rate of 5.28 percent on the amortizing notional amount of the Series 1994 Bonds, and AIG pays the actual variable rate due on the Series 1994 Bonds to the County, as long as the Bonds meet certain rating criteria (Minimum Rating Criteria). This Swap enabled the County to maintain its interest rate exposure at a rate below what the Series 1994 Bonds would have been subject to if they were sold as fixed rate bonds at the time of issuance.

On February 14, 2008, Moody's downgraded FGIC's ratings to "A3" (in late March, Moody's dropped the rating further to Baa3, and S&P downgraded FGIC to junk status at BB),which had two adverse effects on the Series 1994 Bonds:

- First, a large portion of the Series 1994 Bonds were remarketed at a substantially higher rate or tendered to the Remarketing Agent and have not been remarketed because there is very little demand for bonds insured by FGIC. As a result, the Bank purchased the tendered Series 1994 Bonds and those bonds became Bank Bonds at the Bank Bond Rate. Prior to the downgrade of the insurer, the bonds carried an interest rate less than four percent. After the downgrade, the bonds traded between seven to eight percent or the Bank Bond Rate.
- Second, FGIC's downgrade triggered a contractual provision in the Swap Agreements that gave AIG the right to pay an alternative variable rate rather than the actual variable rate on the Series 1994 Bonds. AIG exercised this provision of the swap as of February 21, 2008. The actual rate for the week of February 27, 2008 was seven percent. Rather than paying the actual rate of seven percent, AIG paid the County 3.16 percent, which was the alternate rate based on the SIFMA index for the same period. The County is contractually obligated to pay to AIG the fixed rate of 5.28 percent, in addition to the actual interest rate on the Series 1994 Bonds, which is significantly higher than the interest rate to be paid by AIG. Both the Series 1994 Bonds that are successfully remarketed and those held as Bank Bonds are bearing interest well in excess of six percent. The Bank Bond Rate is currently equal to the higher of the prime rate of interest, (six percent) or the Fed Funds rate (2.25 percent) plus 0.5 percent for the first 60 days, and thereafter two percent plus the higher of the prime rate or the Fed Fund rate plus 0.5 percent.

In February, the Water and Sewer Department's financial advisors, Public Resources Advisory Group (Financial Advisors) and Swap Financial Group, the Swap Advisor, recommended that the County keep the Series 1994 Bonds outstanding by purchasing a new bond insurance policy from a stable, "AAA" rated bond insurer and/or a new liquidity provider. This will stabilize the variable rate market with respect to the Series 1994 Bonds which will enable the remarketing agent to remarket the Series 1994 Bonds with weekly variable rates that are more in line with the interest rate paid before this latest financial crisis. It will also result in the County satisfying its obligation to provide an insurer that is rated higher than the Minimum Rating Criteria thereby AIG will begin paying the County the actual variable rate on the Bonds as required under the Swap.

On March 18, 2008 the Board adopted R-309-08 (Restructuring Resolution) authorizing the Finance Director, as the Mayor's designee and in consultation with the Financing Team (i.e. County Attorney, the Financial Advisors, the Swap Advisor, Bond Counsel, and Disclosure Counsel), to keep the Series 1994 Bonds outstanding as variable rate bonds by following the recommendation of its consultants, which included, among others, options such as releasing FGIC and replacing it with a new bond insurer, replacing the Liquidity Provider, if necessary, and/or terminating or restructuring the Swap.

However, <u>since the adoption of the Restructuring Resolution on March 18, 2008, negotiations with FGIC, AIG, and the Liquidity Provider have been difficult and prolonged with a distinct possibility that an understanding may never be reached</u>. At the same time, the differential in the interest rate that the

County is incurring because of FGIC's downgrade is costing the Water and Sewer Department an additional $383,000 per week. In order to further reduce the County's risk, another option in addition to what was authorized through R-309-08 is to refund the Series 1994 Bonds completely. This would take FGIC, which has been the biggest obstacle out of the transaction. Therefore, the Series 2008 Resolution authorizes a refunding of the Series 1994 Bonds and provides that the County will:

- Refund the Series 1994 Bonds with a new Series 2008 Refunding Bonds as variable rate bonds,
- Acquire new "AAA" insurance and acquire a new Standby Bond Purchase Agreement to provide liquidity. The cost of a new "AAA" insurance is estimated to be from $3 million to $4 million, and the new liquidity is estimated to cost approximately 32 to 40 basis points ($1.3 million) annually. The commitment for the liquidity provider is for three years, therefore after that date the liquidity will need to be procured at a future cost which cannot be determined at this time.
- Amend the Swap with AIG from an actual swap rate to a percentage of Libor rate plus any spreads or discounts that in the opinion of the Swap Advisor is reasonably expected to achieve a close correlation to the rate on the Series 2008 Bonds, and modernize the documents to make the documents more consistent with industry standards.

In addition to the refunding of the Series 1994 Bonds, the Series 2008 Refunding Bonds, if issued, will be issued for the purposes of: (i) funding a deposit to the Reserve Account in an amount necessary to meet the Reserve Requirement; and (ii) paying certain costs of issuance of the Series 2008 Refunding Bonds, including premiums for municipal bond insurance.

The Series 2008 Resolution approves, authorizes and provides for:

- The negotiated sale of the Series 2008 Refunding Bonds;
- The use of a book-entry only system of registration for the Series 2008 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 Series 2008 Refunding Bonds, Bond Purchase Agreement (Bond Purchase Agreement) and the Escrow Deposit Agreement (Escrow Deposit Agreement), in substantially the forms on file with the Clerk as Exhibit "B", "C" and Exhibit "E", respectively to the Series 2008 Resolution;
- The appointment of a Paying Agent, Registrar, Escrow Agent, Verification Agent, Liquidity Provider, Remarketing Agent, Tender Agent, and similar entities, if each or any are required; after a competitive process.
- The appropriate officials of the County to take all actions necessary in connection with the issuance of the Series 2008 Refunding Bonds and the closing of this transaction; and
- A waiver of Resolution No. R-1198-05.

The Series 2008 Resolution further authorizes the Finance Director, within certain limitations described in the Series 2008 Resolution, to:

- Issue the Series 2008 Refunding Bonds as tax exempt variable rate serial bonds, or term bonds or a combination of them with maturity dates not to exceed 15 years, in one or more series
- Determine amounts, dates, maturities, sinking fund installments, redemption provisions, series amounts and certain other details relating to such Series 2008 Refunding Bonds, after consultation with the County's Financial Advisors and in compliance with Exhibit "A";
- Award the Series 2008 Refunding Bonds through a negotiated sale to the underwriter identified in the Bond Purchase Agreement as Senior Manager, and acting on behalf of the Underwriters also named in the Bond Purchase Agreement,
- Execute and deliver the Bond Purchase Agreement and the Escrow Agreement;
- Negotiate and execute all Series 2008 Refunding Bond related agreements;

- Negotiate and execute all Swap related agreements;
- Prepare, distribute and permit the use of the Preliminary Official Statement substantially in the form attached as Exhibit "D" to this Series 2008 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 2008 Refunding Bonds, which will set their final terms which are reflected in the Bond Purchase Agreement and the Escrow Agreement, will occur after the effective date of this Series 2008 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 2008 Refunding Bonds are expected to be issued in May 2008.

Assistant County Manager

MEMORANDUM

(Revised)

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

DATE: April 8, 2008

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

SUBJECT: Agenda Item No. 14(A)(4)

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

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(4)
4-8-08

RESOLUTION NO. R-411-08

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED $500,000,000 MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2008, PURSUANT TO ORDINANCE NO. 93-134, AS AMENDED AND SUPPLEMENTED, FOR PURPOSE OF REFUNDING ALL OR A PORTION OF OUTSTANDING DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 1994 AND PAYING RELATED COSTS; AUTHORIZING MAYOR OR HIS DESIGNEE, WITHIN CERTAIN LIMITATIONS, TO RESTRUCTURE RELATED INTEREST RATE SWAP, TO FINALIZE TERMS AND PROVISIONS OF SUCH REFUNDING BONDS, TO APPOINT AGENTS AND TO APPROVE AND FINALIZE ANY RELATED AGREEMENTS; FINDING NECESSITY AND AUTHORIZING NEGOTIATED SALE; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF BONDS AND CERTAIN DOCUMENTS; APPROVING FORM OF PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING DISTRIBUTION OF PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT; AUTHORIZING COUNTY OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH ISSUANCE SALE, EXECUTION AND DELIVERY OF BONDS; AND PROVIDING FOR SEVERABILITY

WHEREAS, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County"), acting pursuant to the authority recited in Section 1(A) of this Resolution (the "Series 2008 Resolution"), owns and operates water and wastewater treatment plant facilities and a distribution and collection system (the "Water and Sewer Utility" or the "Water and Sewer System") and pursuant to such authority, including Ordinance No. 93-134, enacted by the Board on November 16, 1993, as amended and supplemented from time to time, (the "Master Ordinance"), is authorized to issue revenue bonds from time to time; and

WHEREAS, the County issued its $437,195,000 Dade County, Florida Water and Sewer System Revenue Bonds, Series 1994, currently outstanding in the amount of $415,160,000 (the "Series 1994 Bonds") under the Master Ordinance and Resolution No. R-74-94, including its Appendix B, adopted on January 18, 1994, (the "Series 1994 Resolution"); and

WHEREAS, the Series 1994 Bonds are insured by a municipal bond insurance policy issued by Financial Guaranty Insurance Corporation ("FGIC"); and

WHEREAS, the County, for debt management purposes, pursuant to the Series 1994 Resolution, entered into an Interest Rate Swap Agreement (the "Swap Agreement") dated as of January 1, 1994 between the County and AIG Financial Products Corp. (the "Counterparty"), pursuant to which the County pays to the Counterparty over the life of the Series 1994 Bonds a fixed rate of 5.28% on an amortizing notional amount designed to match the unamortized amount of the Series 1994 Bonds, and the County receives a variable rate on such notional amount from the Counterparty equal to (i) the rate on the Series 1994 Bonds at the Weekly Interest Rate (as defined in the Series 1994 Resolution) (but excluding the rate of interest paid on bank bonds) (the "Bond Rate"), as long as the Series 1994 Bonds meet certain rating criteria (the "Minimum Rating Criteria"), and (ii) at a floating market index rate (the "Alternative Floating Rate") if the Minimum Rating Criteria is not met (the "Swap"); and

WHEREAS, because the credit ratings of FGIC (and thus the Series 1994 Bonds) have been downgraded below the Minimum Rating Criteria, the Counterparty is making its swap payments at the Alternative Floating Rate, exposing the County to significant floating rate basis risk between payments it receives under the Swap at the Alternative Floating Rate and interest payments it is obligated to make on the Series 1994 Bonds; and

WHEREAS, because of interest rate volatility and market uncertainty in the variable rate market, a large portion of the Series 1994 Bonds have been tendered to the liquidity provider and

the remarketing agent has been unable to remarket such Bonds, and thus, the County is paying interest on bank bonds at a rate significantly higher than the Alternative Floating Rate received from the Counterparty; and

WHEREAS, the Board previously authorized certain restructuring options (the "Restructuring Options") pursuant to Resolution No. R-309-08 adopted by the Board on March 18, 2008 (the "Restructuring Resolution") which have been proposed by Public Resources Advisory Group (the "Financial Advisor"), financial advisors to the County, and reviewed by Holland & Knight LLP and The Law Offices of Steve E. Bullock, P.A. (collectively, "Bond Counsel"); and

WHEREAS, if the Restructuring Options are not economically feasible or practicable, the Board deems it appropriate to authorize the Finance Director, as designee of the Mayor (the "Finance Director") pursuant to the limitations set forth in this Series 2008 Resolution, in consultation with the Financial Advisor, Office of the Miami-Dade County Attorney (the "County Attorney") and Bond Counsel, authorization to finalize the refunding of the Series 1994 Bonds pursuant to the terms of this Series 2008 Resolution, including the issuance of the Series 2008 Bonds as variable rate obligations, and to authorize the Finance Director to take various actions related to the Swap (including its restructuring pursuant to the Restructuring Resolution) , all as more particularly described in Section 4; and

WHEREAS, the Board desires to provide for a Book-Entry-Only System with respect to the Series 2008 Bonds; and

WHEREAS, in connection with the issuance of the Series 2008 Bonds, as further described in Sections 3 and 4 of this Series 2008 Resolution, the Board desires to authorize the Finance Director, in consultation with the Director, Financial Advisor, the County Attorney and Bond Counsel, to purchase a Credit Facility after a competitive process, and to negotiate the

purchase of a Liquidity Facility, to enter into an insurance agreement with the provider of the Credit Facility and a reimbursement agreement with the Liquidity Facility Provider, and to take various actions related to the Swap Agreement including, to the extent deemed advisable by the Financial Advisor and Swap Financial Group, LLC ("Swap Advisor"), amending the Swap Agreement; and

WHEREAS, the Master Ordinance provides that before any Series of Additional Bonds or Refunding Bonds shall be issued, the Board shall adopt a Series Resolution authorizing the issuance of such bonds and making such other determinations provided in Section 208 or Section 209 of the Master Ordinance, as applicable, all as may be specified in or provided for by or pursuant to said Series Resolution; and

WHEREAS, based upon the findings set forth in Section 2 of this Series 2008 Resolution, the Board deems it in the best financial interest of the County and the users of the Water and Sewer Utility that, the Series 2008 Bonds be sold at a public offering by negotiated sale to the underwriters named in the Bond Purchase Agreement (as hereafter defined) on the date and at a time to be set out in the Bond Purchase Agreement authorized by this Series 2008 Resolution, and to authorize the distribution and use of a preliminary official statement and final official statement, all relating to the negotiated sale of the Series 2008 Bonds; 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 2008 Resolution by reference,

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

Section 1. Authority, Recitals, Definitions and Construction.

(A) This Series 2008 Resolution is adopted pursuant to the provisions of the Constitution of the State of Florida, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended (the "Charter"), Chapters 125 and 166, Florida Statutes, as amended, the Master Ordinance, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law (collectively, the "Act").

(B) Definitions. All capitalized terms used in this Series 2008 Resolution, which are not defined in this Series 2008 Resolution, shall have the meanings specified in Exhibit "A" to this Series 2008 Resolution ("Exhibit 'A'") or in the Master Ordinance, unless the context clearly requires otherwise. In addition, unless the context requires otherwise, the capitalized words and terms defined in this Section shall have the following meanings:

"Bond Purchase Agreement" means the Bond Purchase Agreement between the County and the Underwriters related to the purchase of the Series 2008 Bonds, as authorized pursuant to Section 4(F).

"Defeasance Obligations" means for purposes of the Series 2008 Bonds, Government Obligations as defined in the Master Ordinance.

"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, its successors and assigns, or such other securities depository as the County may designate in the Omnibus Certificate or, after the issuance of the Series 2008 Bonds, as the County may designate pursuant to Section 8 of this Series 2008 Resolution.

"Escrow Agent" means the bank or trust company designated by the Finance Director pursuant to Section 6 of this Series 2008 Resolution to serve in that capacity under the Escrow Deposit Agreement.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement between the County and the Escrow Agent as authorized pursuant to Section 19 of this Series 2008 Resolution.

"Interest Payment Date" means dates specified in Exhibit "A" as may be designated by the Finance Director in accordance with Section 4.

"Liquidity Facility" for the purpose of this Series 2008 Resolution, shall mean an irrevocable letter of credit and related reimbursement agreement, line of credit, standby bond purchase agreement or similar agreement providing for the purchase of all or a portion of the Series 2008 Bonds, as amended, supplemented or extended from time to time and any alternate Liquidity Facility.

"Liquidity Facility Provider" means the provider of a Liquidity Facility.

"Omnibus Certificate" means the certificate executed by the Finance Director, the Director, and a Deputy Clerk, dated the date of original issuance of the Series 2008 Bonds, setting forth among other things, the information and designations required by Section 4 of this Series 2008 Resolution.

"Outstanding" as defined in the Master Ordinance is hereby modified to exclude, with respect to the Series 2008 Bonds and in addition to the other exclusions contained in the Master Ordinance, Series 2008 Bonds for the payment of which money, Defeasance Obligations, or a combination of money and Defeasance Obligations, in an amount sufficient to pay on the date when such bonds are to be paid or redeemed pursuant to Sections 301 and 302 of the Master Ordinance, the principal or redemption price of, and the interest accruing to such date on, the bonds to be paid or redeemed, have been irrevocably deposited with the Paying Agent or an escrow agent in trust for the holders of such bonds; Defeasance Obligations shall be deemed to be sufficient to pay or redeem bonds on a specified date if the principal of and interest on such

Defeasance 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.

"Refunded Bonds" means all of the outstanding Dade County, Florida Water and Sewer System Revenue Bonds, Series 1994.

"Regular Record Date" means, with respect to the Series 2008 Bonds, unless otherwise provided in Exhibit "A," the 15th day of the calendar month (whether or not a business day) next preceding an Interest Payment Date, irrespective of any transfer of such Series 2008 Bonds subsequent to such Regular Record Date and prior to such Interest Payment Date.

"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.

"Underwriters" means the underwriters identified in and party to the Bond Purchase Agreement.

(C) Rules of Construction. Any reference to any Article, Section or provision of the Constitution or laws of the State of Florida, or of federal laws, or rules or regulations, shall include such provisions as amended, modified, revised, supplemented or superseded from time to time, provided that no such change shall be deemed applicable by reason of this provision if such change by its terms is inapplicable to any particular Series 2008 Bonds or would, in any way, constitute an unlawful impairment of the rights of the County or any Bondholder.

Terms used which are relevant to the provisions of the Code but which are not defined in this Series 2008 Resolution shall have the meanings given to them in the Code, unless the context indicates another meaning.

Section 2. Findings. The Board, in accordance with the Act and Section 218.385, Florida Statutes, as amended, finds, determines and declares as follows:

(A) The recitals contained in the "WHEREAS" clauses of this Series 2008 Resolution are incorporated as findings, and the attached County Manager's Memorandum is approved and incorporated in this Series 2008 Resolution.

(B) Given the current market condition, FGIC's credit ratings, the status of interest payments from the Counterparty under the Swap, the inability of the remarketing agent to remarket tendered Series 1994 Bonds and the significant interest rate penalty the County is currently paying as a result, the County, in consultation with its Financial Advisor, has determined that it is in the best interests of the County to, as expeditiously as possible, (i) restructure the Series 1994 Bonds, the Swap and related documents as contemplated by the Restructuring Resolution or (ii) refund the Refunded Bonds with variable rate Series 2008 Bonds, and restructure the Swap, and thereby reduce interest payments on the Series 1994 Bonds.

(C) The authorizations with regard to determining the viability of issuing the Series 2008 Bonds as variable rate bonds, and establishing their terms and the form and terms of the related documents, all as provided in this Series 2008 Resolution, are necessary to the proper, efficient and timely implementation of the provisions of this Series 2008 Resolution, and such authorizations are in the best interest of the County in order to expeditiously reduce the interest rates and interest rate risk associated with the Series 1994 Bonds.

(D) Given the substantial interest rate penalty being paid by the County on the current Series 1994 Bonds, time is of the essence, and broad authorizations as contemplated by this Series 2008 Resolution are necessary for the timely implementation of the plans described in the Restructuring Resolution and this Series 2008 Resolution.

(E) Based upon the advice of the Financial Advisor, and the recommendation of the County Manager, the negotiated sale of the Series 2008 Bonds is in the best interest of the

County for the following reasons: (i) the complex nature of the refunding and the variables related to the restructuring options under the Restructuring Resolution, which will not be known until shortly before the required issue date of the Series 2008 Bonds; (ii) the alternative structures, strategies and timing of the issuance of the Series 2008 Bonds, the establishment of variable rate modes and the negotiation of liquidity facilities and the remarketing agent and related services, all of which require extensive planning and documentation which will benefit from the input of the Underwriters; and (iii) it is not practical for the County, the Financial Advisor and the Underwriters to engage in such planning and implementation within the time constraints proposed for the expeditious restructuring of the debt associated with the Refunded Bonds.

(F) The sale and issuance of the Series 2008 Bonds and the use of the proceeds of the Series 2008 Bonds, as provided in this Series 2008 Resolution, serve a proper public purpose.

(G) 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 2008 Bonds at a negotiated sale but only upon the terms and conditions set forth in this Series 2008 Resolution or as may be determined by the Finance Director in accordance with the terms of this Series 2008 Resolution and set forth in the Bond Purchase Agreement and the Omnibus Certificate.

(H) The authority with regard to the issuance of the Series 2008 Bonds granted to the officers of the County provided for in this Series 2008 Resolution is necessary to the proper, efficient and timely implementation of the refinancing program contemplated by this Series 2008 Resolution, and such authorization is in the best interests of the County.

Section 3. Authorization of Series 2008 Bonds; Terms and Provisions Applicable to Series 2008 Bonds.

(A) Authorization. To implement the refunding plan, the Board hereby authorizes the issuance, pursuant to the Master Ordinance of not exceeding $500,000,000 Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds").

(B) The Series 2008 Bonds are approved for issuance, in one or more series, pursuant to the Master Ordinance and this Series 2008 Resolution, and the County Manager's Memorandum, subject to the satisfaction of the conditions set forth in Section 208 or Section 209 of the Master Ordinance, as the case may be. The aggregate principal amount of the Series 2008 Bonds, not to exceed $500,000,000, shall be determined by the Finance Director, after consultation with the Director and the Financial Advisor prior to the execution of the Bond Purchase Agreement, pursuant to Section 4(F) of this Series 2008 Resolution. The Series 2008 Bonds shall be issued for the purposes of providing funds, together with any other available funds of the Department, to: (i) refund the Refunded Bonds; (ii) pay the costs of any Credit Facilities and/or Liquidity Facility, if advisable; (iii) provide for the funding of any required deposit to the Reserve Account for the Series 2008 Bonds or to purchase a Reserve Account Credit Facility for such purpose, if advisable; and (iv) pay costs of issuance relating to the Series 2008 Bonds.

Each of the Series 2008 Bonds shall be executed in substantially the form attached as Exhibit "B" to this Series 2008 Resolution, which form of Series 2008 Bonds is approved, with such interest rate provisions (allowing for one of several interest rate modes as contemplated in Exhibit "A"), variations, omissions and insertions as may be deemed necessary and approved by the Finance Director, after consultation with the Director, the Financial Advisor, County Attorney and Bond Counsel, and which are not inconsistent with the provision of the Master Ordinance and this Series 2008 Resolution.

The proceeds of the Series 2008 Bonds and any other available funds of the Department to be applied for the purposes of this Series 2008 Resolution, shall be applied by the Finance Director in the manner provided in Section 4 of this Series 2008 Resolution.

(C) Denominations; Date; Interest Rates; and Maturity Dates. The Series 2008 Bonds shall be issued in denominations as contemplated in Exhibit "A," depending on the interest rate mode selected, all as determined by the Finance Director after consultation with the Director and the Financial Advisor. The Series 2008 Bonds shall be dated the date of their delivery and shall bear interest from their dated date. Interest on the Series 2008 Bonds shall be payable as determined by the Finance Director in accordance with Exhibit "A" and set forth in the Omnibus Certificate.

The Series 2008 Bonds shall be Serial Bonds or Term Bonds or a combination of Serial Bonds and Term Bonds, and shall mature on or before October 1, 2022, shall bear interest pursuant to the interest rate mode, and may be subject to mandatory and optional tender for purchase and redemption and optional redemption, all as determined and established by the Finance Director in accordance with this Series 2008 Resolution and the provisions of Exhibit "A" and as initially set forth or specified in the Bond Purchase Agreement. The Finance Director, in consultation with the Director, Bond Counsel, the County Attorney and the Financial Advisor, is authorized to change the interest rate mode from time to time in accordance with the provisions of Exhibit "A." The Series 2008 Bonds shall be initially numbered consecutively from R-1 and upwards.

Section 4. Authorizations and Limitations. The Finance Director is authorized to make the following determinations and take the following actions:

(A) The Finance Director is authorized to determine, on behalf of the County, in consultation with the Financial Advisor, Bond Counsel and the County Attorney, whether the

County can expeditiously implement any of the Restructuring Options contemplated by the Restructuring Resolution.

(B) If the Finance Director concludes based on such consultation, that the Restructuring Options cannot be expeditiously implemented, the Finance Director is authorized to cause the issuance of the Series 2008 Bonds, to the extent they can be issued under the terms of the Master Ordinance, the Act, this Resolution and then applicable law, as variable rate demand bonds.

(C) The Finance Director, in consultation with the Financial Advisor and the Director, is authorized to select the interest rate mode specified in Exhibit "A" that the Finance Director reasonably expects will most nearly approximate a USD-LIBOR-BBA swap rate (the "LIBOR Swap Rate").

(D) The Finance Director, in consultation with the Swap Advisor, is authorized to restructure the Swap with the Counterparty, using standard ISDA documentation, so that the County pays a fixed rate at or below 5.28% per annum in exchange for payments by the Counterparty at that percentage of the Libor Swap Rate plus any spreads or discounts that in the opinion of the Swap Advisor is reasonably expected to achieve a close correlation to the rate on the Series 2008 Bonds (the "Floating Swap Rate"), as a result of which the County's effective interest rate on the Series 2008 Bonds will be a fixed rate not to exceed 5.28% (ignoring, for the purpose of this calculation, the fees and costs associated with the refunding and the restructure of the Swap).

(E) Subject to the foregoing options, the Finance Director, in consultation with the Director and the Financial Advisor, is authorized to approve the terms of the Series 2008 Bonds, such approval to be evidenced by the terms and provisions set forth in the Omnibus Certificate and the Bond Purchase Agreement, including, without limitation, the aggregate

principal amount of the Series 2008 Bonds, which will be that amount necessary to refund the Refunded Bonds, fund any reserve requirement or pay the cost of a Reserve Credit Facility, and pay their cost of issuance (including payment of premiums for bond and swap insurance and other Credit Facilities and payment of costs associated with any Liquidity Facility), the interest rate mode, the first interest payment date, the purchase price, the optional and mandatory tender and redemption terms of the Series 2008 Bonds, whether the Series 2008 Bonds shall be Serial Bonds, Term Bonds, or any combination of such Bonds, the maturity dates of the Series 2008 Bonds (which, in each case, shall be October 1 of the designated years of maturity), and 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 2008 Bonds exceed $500,000,000; (ii) the purchase price be less than 100% of the original principal amount of the Series 2008 Bonds (the "Minimum Purchase Price"); and (iii) the final maturity of the Series 2008 Bonds occur later than October 1, 2022. The Finance Director, after consultation with the Director and the Financial Advisor, is authorized to award the sale of the Series 2008 Bonds to the Underwriters named in the Bond Purchase Agreement upon terms as described in the preceding sentence, and to execute the Bond Purchase Agreement, 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 2008 Bonds, and to cause the issuance of such Bonds upon compliance with the requirements of Sections 208 or 209, as applicable, of the Master Ordinance.

(F) Approval of Bond Purchase Agreement and Authorization to Award the Sale of the Series 2008 Bonds. The Board approves the Bond Purchase Agreement in substantially the form on file with the Clerk's Office as Exhibit "C" to this Series 2008

Resolution, with such additions, deletions and completions as may be necessary and approved by the Finance Director in accordance with the terms of this Series 2008 Resolution after consultation with the Director, the Financial Advisor, Bond Counsel and the County Attorney. Upon compliance by the Underwriters with the requirements of Section 218.385, Florida Statutes, as amended, the Finance Director is authorized and directed to finalize the terms of, and to execute the Bond Purchase Agreement between the County and the Underwriters and to deliver the Bond Purchase Agreement. The aggregate principal amounts, maturities, interest rates or interest rate modes, prices, optional and mandatory redemption provisions and other terms of the Series 2008 Bonds, as more fully described in the Bond Purchase Agreement, shall be established by the Finance Director within the limitations set forth in this Section 4. 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 additions, deletions and completions. The Board approves the negotiated sale of the Series 2008 Bonds to the Underwriters upon the final terms and conditions in this Series 2008 Resolution and as set forth in the Omnibus Certificate and the Bond Purchase Agreement.

(G) Execution of the Series 2008 Bonds. The Series 2008 Bonds are issuable only in fully registered form, with such appropriate variations, omissions and insertions as may be required (including those changes required to reflect any interest rate mode selected by the Finance Director pursuant to Exhibit "A") and approved by the Finance Director pursuant to the Bond Purchase Agreement. The Series 2008 Bonds, substantially in the form set forth in Exhibit "B" attached to this Series 2008 Resolution, shall be executed for and on behalf of the County by the facsimile or manual signature of the Mayor and attested with a facsimile or manual signature of the Clerk and the imprint or reproduction of the official seal of the Board. The Certificate of Authentication (the "Certificate of Authentication") of the Registrar shall appear on the Series

2008 Bonds and no Series 2008 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Series 2008 Resolution unless such Certificate of Authentication shall have been duly executed on such Series 2008 Bonds. The authorized signature for the Registrar shall at all times be a manual signature. In case any officer whose signature shall appear on any Series 2008 Bonds shall cease to be such officer before the delivery of such Series 2008 Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Series 2008 Bonds may be signed and sealed on behalf of the County by such person who at the actual time of the execution of such Series 2008 Bonds shall hold the proper office with the County, although on the date of adoption of this Series 2008 Resolution such person may not have held such office or may not have been so authorized. The execution and delivery of the Series 2008 Bonds substantially in the manner mentioned above are authorized and such execution and delivery as described above shall be conclusive evidence of the Board's approval.

(H) Special Limited Obligations of County. The Series 2008 Bonds shall be special limited obligations of the County payable solely from and secured solely by Pledged Revenues. The Series 2008 Bonds do not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or power of the County, the State or any political subdivision of the State, within the meaning of any constitutional, statutory or charter provision. Neither the State nor any political subdivision of the State nor the County shall be directly or indirectly or contingently obligated to levy any ad valorem taxes on any property to pay the principal of or the interest on the Series 2008 Bonds or other related costs, or to pay the same from any other funds of the County except from the Pledged Revenues. The acceptance of the Series 2008 Bonds by the registered owners from time to time of the Series 2008 Bonds shall be deemed an agreement between the County and such registered owners that the Series 2008

Bonds and the indebtedness evidenced by the Series 2008 Bonds shall not constitute a lien upon the Water and Sewer Utility, any part of the Water and Sewer Utility, or any other property of the County, but shall constitute a lien only on the Pledged Revenues.

Section 5. Use of Proceeds of the Series 2008 Bonds and Other Funds. Subject to the provisions of the Master Ordinance, the proceeds received from the sale of the Series 2008 Bonds, and other legally available funds as determined by the Finance Director in the Omnibus Certificate, shall be applied as follows:

(A) The portion of the proceeds of the Series 2008 Bonds and other legally available funds necessary to fund the redemption of the Refunded Bonds shall be transferred to the Escrow Agent, which funds shall be held and applied to the acquisition of the Defeasance Obligations described in the Escrow Deposit Agreement pertaining to Refunded Bonds and to the payment and redemption of the Refunded Bonds pursuant to the Escrow Deposit Agreement, all for the purpose of providing for the refunding and defeasing of the Refunded Bonds.

(B) The amount which, together with any funds provided by the Department, shall be necessary to make the funds on deposit in the Reserve Account equal the Reserve Account Requirement, after the issuance of the Series 2008 Bonds, shall be deposited in the Reserve Account; *provided, however*, that if a Reserve Account Credit Facility is provided to satisfy the Reserve Account Requirement, in lieu of making such deposit, proceeds from the sale of the Series 2008 Bonds or any funds provided by the Department shall be used to pay the premium on such Reserve Account Credit Facility

(C) The balance of the proceeds from the sale of the Series 2008 Bonds shall be deposited in a special account created by this Series 2008 Resolution and designated the "Series 2008 Bonds Cost of Issuance Account" and disbursed by the Department upon receipt of appropriate invoices, including the payment of any municipal insurance premium, with any

surplus remaining after all costs of issuance have been paid being transferred to the Series 2008 Bond Service Subaccount.

(D) Funds held for the benefit of the Refunded Bonds in the Debt Service Fund shall be transferred to the Escrow Agent for deposit and application under the Escrow Deposit Agreement to the payment of the Refunded Bonds, or shall be applied for such other purposes as may be designated by the Finance Director in the Omnibus Certificate, after consultation with the Director and the Financial Advisor and Bond Counsel.

(E) Amounts on deposit in the Reserve Account allocable to the Refunded Bonds shall be (i) transferred to the Escrow Agent for use in connection with the redemption of the Refunded Bonds, (ii) retained in the Reserve Account to satisfy the Reserve Account Requirement or (iii) used in such other manner, consistent with the Master Ordinance, as determined by the Finance Director, in consultation with the Director, the Financial Advisor and Bond Counsel, and as shall be set forth in the Omnibus Certificate.

Section 6. Authorization for Appointment of Agents and Liquidity Providers; Approval of Reimbursement and Agency Agreements.

The Finance Director is authorized to appoint, after a competitive process, a Paying Agent, Registrar, Escrow Agent and Verification Agent, and, if one of the variable interest rate modes is selected pursuant to Exhibit "A" that requires such providers or agents, a liquidity provider, a remarketing agent, a tender agent and similar entities, all of whom may be one entity or separate entities as determined by the Finance Director.

The Finance Director, in consultation with the Director, the Financial Advisor, the County Attorney and Bond Counsel, is authorized to negotiate and execute paying agent agreements, reimbursement agreements, tender agent agreements, remarketing agreements and similar documents required in connection with the issuance of the Series 2008 Bonds in the

interest rate mode selected by the Finance Director, the execution and delivery of such agreements being conclusive evidence of the Board's approval of the terms thereof.

Section 7. Authorization, Authentication and Delivery of Series 2008 Bonds. The Registrar is authorized and directed to authenticate and deliver the Series 2008 Bonds to the Underwriters upon payment for the Series 2008 Bonds by such Underwriters in accordance with the Bond Purchase Agreement.

Section 8. System of Certificated and Uncertificated Registration. There is established a system of registration with respect to the Series 2008 Bonds as permitted by Chapter 279, Florida Statutes, as amended, pursuant to which both certificated and uncertificated registered Series 2008 Bonds are issued. The system of registration shall be as described in the Official Statement. The Series 2008 Bonds shall be initially issued as uncertificated, book-entry-only, bonds through the Book-Entry-Only System maintained by DTC which will act as securities depository for the Series 2008 Bonds. The County reserves the right to amend, discontinue or reinstitute the Book-Entry-Only System from time to time, subject to the rights of Bondholders contained in the Master Ordinance and this Series 2008 Resolution.

Neither the County nor the Paying Agent shall be liable for the failure of the securities depository of the Series 2008 Bonds to perform its obligations as described in the Official Statement nor for the failure of any participant in the Book-Entry-Only System maintained by the securities depository to perform any obligation such participant may have to a beneficial owner of any Series 2008 Bonds.

Section 9. Approval of Floating Rate Bond Program. As variable rate bonds, the Series 2008 Bonds shall be subject to the terms, conditions and limitations set forth in Exhibit "A," subject to such changes, modifications, inserts and omissions and such filling of blanks as may be deemed necessary and determined and approved by the Finance Director, in

consultation with the Director, the Financial Advisor, the County Attorney, Bond Counsel and the Underwriter, such approval to be evidenced by the final form of Exhibit "A" attached to the Omnibus Certificate. Interest on such Series 2008 Bonds will be determined from time to time pursuant to one or more interest rate determination methods described in Exhibit "A" as determined by the Finance Director by certificate in accordance with the terms Exhibit "A". The County approves the terms, conditions and interest rate determination methods set forth in Exhibit "A," authorizes the Finance Director to designate the Series 2008 Bonds as bearing interest in accordance with and being subject to the terms of Exhibit "A", subject to the limitations set forth in Section 4, and approves the implementation of such rates in accordance with the Master Ordinance.

Section 10. Approval of the Preliminary Official Statement and Official Statement. The proposed Preliminary Official Statement (the "Preliminary Official Statement") and final Official Statement for use in connection with the issuance of the Series 2008 Bonds (the "Official Statement") is approved in substantially the form of the Preliminary Official Statement attached as Exhibit "D" to this Series 2008 Resolution, subject to such changes, modifications, insertions and omissions and such filling in of blanks as may be deemed necessary and determined and approved by the Finance Director, with the approval of Bond Counsel, the County Attorney and Disclosure Counsel, and after consultation with the Director and the Financial Advisor, with the delivery of the Official Statement, on behalf of the County, being conclusive evidence of the Board's approval of the Preliminary Official Statement and the Official Statement. The use and distribution of the Preliminary Official Statement in connection with the marketing of the Series 2008 Bonds and the delivery of the Official Statement in connection with the sale of the Series 2008 Bonds on behalf of the County are authorized. If so requested by the Underwriters, the Finance Director, after consultation with the Director, the

Financial Advisor, the County Attorney and Disclosure Counsel, is authorized to make any necessary certifications to the Underwriters with respect to the Preliminary Official Statement and the Official Statement, required under the provisions of Rule 15c2-12, as amended, of the Securities and Exchange Commission, to the effect that the Preliminary Official Statement, with such changes as may be approved by the officer executing the certificate is, except for Permitted Omissions, "final" as of its date, and that the information therein is accurate and complete except for the Permitted Omissions. As used herein, ***"Permitted Omissions"*** shall mean the offering price(s), interest rate(s), selling compensation, ratings and other terms of the Series 2008 Bonds and any underlying obligations depending on such matters, all with respect to the Series 2008 Bonds and any underlying obligations.

Section 11. Credit Facilities and Reserve Account Credit Facilities. If the Finance Director determines, after consultation with the Director and the Financial Advisor, that there is an economic benefit to the County to obtain and pay for a Credit Facility and/or Reserve Facility, the Finance Director is authorized to secure a Credit Facility and/or Reserve Facility with respect to the Series 2008 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 2008 Bonds insured by such bond insurer under the Master Ordinance, as may be approved by the Finance Director upon advice of 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. The Finance Director is authorized to provide for the payment of any premiums on or fees for such Credit Facilities

and/or Reserve Account Credit Facilities from the proceeds of the issuance of the Series 2008 Bonds or any such funds provided by the Department.

As provided in the Master Ordinance, any agreements with Credit Facility Providers or Reserve Account Credit Facility Providers shall supplement and be in addition to the provisions of the Master Ordinance and this Series 2008 Resolution.

Section 12. Tender and Redemption Provisions.

(A) General. The Board authorizes the Finance Director to determine in the Bond Purchase Agreement the tender and redemption provisions with respect to the Series 2008 Bonds, including those described in Exhibit "A" if an interest rate mode described therein is selected for the Series 2008 Bonds. The Series 2008 Bonds shall be subject to mandatory redemption from moneys in the Redemption Account and at the option of the County, as provided in the Bond Purchase Agreement and in the Series 2008 Bonds. The amount of Series 2008 Bonds constituting Term Bonds required to be redeemed in each Bond Year as set forth in the Bond Purchase Agreement shall constitute the Amortization Requirements for the Series 2008 Bonds in the preceding Bond Year. The execution and delivery of such Bond Purchase Agreement by the Finance Director shall be conclusive evidence of the approval of such redemption provisions by the Board.

Upon surrender of any Series 2008 Bond for redemption in part only, the County shall issue and the Paying Agent shall deliver to the registered owner of the Series 2008 Bond, the costs of which shall be paid by the registered owner, a new Series 2008 Bond or Series 2008 Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion surrendered.

(B) Effect of Calling for Redemption. On the date so designated for redemption, notice having been mailed as provided in the Master Ordinance, the Series 2008

Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2008 Bonds on such date, and moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2008 Bonds to be redeemed, interest on the Series 2008 Bonds so called for redemption shall cease to accrue, such Series 2008 Bonds shall not be deemed to be Outstanding for purposes of this Series 2008 Resolution and the Master Ordinance, and shall cease to be entitled to any lien, benefit or security under this Series 2008 Resolution or the Master Ordinance, and the registered owners of such Series 2008 Bonds shall have no rights in respect of the Series 2008 Bonds except to receive payment of the redemption price of the Series 2008 Bonds.

Whenever any Series 2008 Bonds shall be delivered to the Paying Agent for cancellation, upon payment of the principal amount of the Series 2008 Bonds, or for replacement, transfer or exchange, such Series 2008 Bonds shall be canceled and destroyed by the Paying Agent, and counterparts of the certificate of destruction evidencing any such destruction shall be furnished to the County.

(C) Conditional Notice of Redemption. If the Series 2008 Bonds or any portion thereof are to be redeemed pursuant to the terms authorized in this Series 2008 Resolution, the County may provide a conditional notice of redemption of such Series 2008 Bonds in accordance with the terms set forth below, and the Finance Director is authorized, in her discretion, to add to the form of Series 2008 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 the Redemption Account or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, 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 Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any 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 County shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Section 13. Creation of Subaccounts. The following two separate subaccounts are created and established for the benefit of the Series 2008 Bonds in the Debt Service Fund created pursuant to Section 502 of the Master Ordinance, "Series 2008 Bond Service Subaccount," and "Series 2008 Redemption Subaccount." The Finance Director is authorized to create or cause to be created such additional subaccounts as shall be necessary or advisable in connection with the issuance of the Series 2008 Bonds. Amounts held in any such subaccounts are to be held solely for the benefit of the Series 2008 Bonds.

Section 14. Payment and Ownership of Series 2008 Bonds. The principal of or any premium on any Series 2008 Bond shall be payable when due to a Bondholder upon presentation and surrender of such Series 2008 Bond at the designated office of the Paying Agent

and interest on each Series 2008 Bond shall be paid on each Interest Payment Date by check or draft, mailed by the Paying Agent on that Interest Payment Date to the registered owner of the Series 2008 Bond as of the close of business on the Regular Record Date applicable to that Interest Payment Date and at the Bondholder's address as it appears on the registration books of the Registrar on that Regular Record Date, *provided, however*, that (i) so long as the ownership of such Series 2008 Bonds are maintained in a Book-Entry-Only System by a securities depository, such payment shall be made by automatic funds transfer ("wire") to such securities depository or its nominee and (ii) if such Series 2008 Bonds are not maintained in a Book-Entry-Only System by a securities depository, upon written request of the registered owner of $1,000,000 or more in principal amount of Series 2008 Bonds delivered 15 days prior to an Interest Payment Date, interest may be paid when due by wire in immediately available funds. If and to the extent, however, the County fails to make payment or provision for payment on any Interest Payment Date of interest on any Series 2008 Bond, interest shall be payable to the person in whose name such bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice mailed by the Registrar to the registered owners of the Series 2008 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose name the Series 2008 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

The registered owner of any Series 2008 Bond shall be deemed and regarded as the absolute owner of the Series 2008 Bonds for all purposes of this Series 2008 Resolution. Payment of or on account of the debt service on any Series 2008 Bond shall be made only to or upon the order of that registered owner or such registered owner's attorney-in-fact duly authorized in writing in the manner permitted by law, and neither the County nor the Paying Agent shall be affected by notice to the contrary. All payments made as described in the Series

2008 Resolution shall be valid and effective to satisfy and discharge the liability upon that Series 2008 Bond, including without limitation, the interest on that Series 2008 Bond, to the extent of the amount or amounts so paid.

Section 15. Modification or Amendment. This Series 2008 Resolution, including Exhibit "A" hereto to the extent Series 2008 Bonds are issued in a variable rate mode, shall constitute a contract between the County and the registered owners from time to time of the Series 2008 Bonds. Except as provided in the Series 2008 Resolution, no material amendment or modification of this Series 2008 Resolution or Exhibit "A" hereto (as the same may be modified and finally attached to the Omnibus Certificate) or of any resolution amendatory of this Series 2008 Resolution or supplemental to this Series 2008 Resolution may be made without the consent of the registered owners of at least a majority in principal amount of the Series 2008 Bonds then Outstanding; *provided, however,* that no amendment or modification not otherwise expressly permitted in Exhibit "A" shall permit an extension of the maturity of such Series 2008 Bonds, a reduction in the redemption premium or rate of interest on the Series 2008 Bonds or in the amount of the principal obligation thereof, the creation of a lien upon or pledge of Pledged Revenues other than a lien or pledge as specified in the Master Ordinance, a preference or priority of any Series 2008 Bond over any other Series 2008 Bond or any other Outstanding Bond, a reduction in the aggregate principal amount of Series 2008 Bonds required for consent to amendment or modification, or a change in any State Revolving Fund Loan which is adverse to the interest of the Bondholders.

Notwithstanding anything in this Series 2008 Resolution to the contrary, (i) this Series 2008 Resolution may be amended without the consent of Bondholders to provide clarification, correct omissions, make technical changes, comply with state laws or to make such additions, deletions or modifications as may be necessary to assure compliance with Section 148

of the Code, as amended or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Series 2008 Bonds, and such other amendments that do not materially adversely affect the interest of registered owners of Bonds then Outstanding; and (ii) if a Credit Facility has been issued with respect to the Series 2008 Bonds, the Credit Facility Provider may give consents, on behalf of the registered owners of the Series 2008 Bonds insured or secured by it, to any of the foregoing amendments in accordance with the provisions of Section 803 of the Master Ordinance.

Section 16. Tax and Arbitrage Covenants. The County covenants for the benefit and security of the holders of the Series 2008 Bonds, not to take any action which will cause any of the Series 2008 Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code and to comply with the requirements contained in Section 103 and Part IV of subchapter B of Chapter 1 of the Code to the extent necessary, and any other requirements which, in the opinion of Bond Counsel, are necessary to preserve the exclusion of interest on the Series 2008 Bonds from gross income for federal income tax purposes throughout the term of such Series 2008 Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the County covenants and agrees:

(A) to pay to the United States of America from legally available funds, 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 2008 Bonds, plus any income attributable to such excess (the "Rebate Amount"); and

(B) 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 2008 Bonds or such other period as shall be necessary to comply with the Code.

Notwithstanding anything in this Series 2008 Resolution to the contrary, the requirement of the County to rebate any amounts due to the United States pursuant to Section 148 of the Code shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to all or any of the Series 2008 Bonds.

Section 17. State Revolving Fund Obligations to Be Subordinate. The County's obligations to the State under the various State Revolving Fund Loan Agreements shall be subordinate to the Outstanding Bonds, the Series 2008 Bonds and any Additional Bonds and Refunding Bonds issued and delivered pursuant to the Master Ordinance. The Finance Director is authorized and directed to deliver a certificate, if necessary, upon the issuance and delivery of the Series 2008 Bonds, to confirm the annual debt service coverage required under the State Revolving Fund Loan Agreement.

Section 18. Authorization of Further Actions; Additional Covenants and Agreements. The County Manager, the Director, the Finance Director, the County Attorney, the Clerk and other officers, employees and agents of the County 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 2008 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this Series 2008 Resolution, the Series 2008 Bonds and the documents described in this Series 2008 Resolution. In the event that the Mayor, the County Manager, the Director, the Finance Director, the Clerk or the County Attorney is unable to execute and deliver the documents contemplated in this Series

2008 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 19. Escrow Deposit Agreement. The Escrow Deposit Agreement in substantially the form on file with the Clerk's office as Exhibit "E" to this Series 2008 Resolution is approved with such changes, insertions and omissions as shall be necessary and approved by the Finance Director, after consultation with the Director, the Financial Advisor, the County Attorney, and Bond Counsel with the execution and delivery of such agreement being conclusive evidence of the Board's approval of any such additions and deletions.

Section 20. Continuing Disclosure Commitment. To the extent required by the Rule:

(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 owners of the Series 2008 Bonds 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 ending September 30, 2008:

(1) Operating Revenues and Pledged Revenues (as defined in the Master Ordinance) in a form which is generally consistent with the presentation of such information in the Official Statement for the Series 2008 Bonds.

(2) The audited general purpose financial statements of the Department utilizing generally accepted accounting principles applicable to municipal utilities as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The information in paragraphs (1) and (2) above will be available on or before June 1 of each year for the preceding Fiscal Year and will be made available, in addition to each NRMSIR and the SID, to each registered owner of the Series 2008 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 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 Department. The audited financial statements are generally available within eight (8) months from the end of the Fiscal Year.

(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 occurrence of any of the following events with respect to the Series 2008 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 2008 Bonds;

7. modifications to rights of holders of the Series 2008 Bonds;

8. bond calls;

9. defeasance;

10. release, substitution or sale of any property securing repayment of the Series 2008 Bonds (the Series 2008 Bonds are solely secured by Pledged 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 2008 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 2008 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 2008 Bonds and shall be enforceable by such beneficial owners if the County fails to cure a breach within a reasonable time of written notice from a beneficial owner that a breach exists, provided that any such beneficial owner's right to enforce the provisions of this undertaking shall be on behalf of all beneficial owners and shall be limited to a right to obtain specific performance of the County's obligations in a federal or State court located within the County and any failure by the County to comply with the provisions of this undertaking shall not be a default with respect to the Series 2008 Bonds.

(F) Additionally, the requirements of Subsection A above do not necessitate the preparation of any separate annual report addressing only the Series 2008 Bonds. The

requirements of Subsection A may be met by the filing of an annual information statement 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 SID, if any, or included in any Official Statement of the County, provided such final Official Statement is filed with the MSRB.

(G) 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.

(H) Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of this Section, the County covenants 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 County 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 2008 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 (the "SEC") at the date of the adoption of

this Series 2008 Resolution, ceases to be in effect for any reason, and the County elects that the Covenants shall be deemed amended accordingly.

Any assertion of beneficial ownership must be filed, with full documentary support, as part of the written request described above.

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 Director, 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) Notwithstanding the foregoing, the County shall be in compliance with the filing requirements of this Series 2008 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 has been approved by the 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 21. Severability; Resolution Controlling. In case any one or more of the provisions of this Series 2008 Resolution or any document approved by this Series 2008 Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series 2008 Resolution or such document, as the case may be, and such other provisions shall be construed and enforced as if such illegal or invalid provision had not been contained in this Series 2008 Resolution or such document. All or any part of any resolutions or proceedings in conflict with the provisions of this Series 2008 Resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency. It is intended, however, that the authorizations under the Restructuring Resolution and the authorizations hereunder can and will be pursued concurrently so that, in the judgment of the Finance Director, the County can achieve the most expeditious and advantageous restructuring or refunding of the Series 1994 Bonds.

Section 22. Governing Law. The Series 2008 Bonds are to be issued and this Series 2008 Resolution is adopted and the Bond Purchase Agreement and such other instruments necessary for the issuance of the Series 2008 Bonds shall be executed and delivered with the intent that, except to the extent specifically provided in such documents, the laws of the State of Florida shall govern their construction.

Section 23. Waiver. The provisions of Resolution No. 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 is 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 **Barbara J. Jordan**, who moved its adoption. The motion was seconded by Commissioner **Audrey M. Edmonson** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman **aye**
Barbara J. Jordan, Vice-Chairwoman **aye**

Jose "Pepe" Diaz **aye**	Audrey M. Edmonson **aye**
Carlos A. Gimenez **aye**	Sally A. Heyman **aye**
Joe A. Martinez **absent**	Dennis C. Moss **aye**
Dorrin D. Rolle **absent**	Natacha Seijas **aye**
Katy Sorenson **aye**	Rebeca Sosa **absent**
Sen. Javier D. Souto **aye**	

The Chairperson thereupon declared the resolution duly passed and adopted this 8th day of April, 2008. 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

By: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as to form and legal sufficiency: GMH

Prepared by Bond Counsel:

Holland & Knight LLP
Law Offices of Steve E. Bullock, P.A.

EXHIBIT LIST

Exhibit A	Floating Rate Terms (On file with Clerk's Office.)
Exhibit B	Form of Series 2008 Bond (On file with Clerk's Office)
Exhibit C	Form of Bond Purchase Agreement (On file with Clerk's Office)
Exhibit D	Form of Preliminary Official Statement
Exhibit E	Form of Escrow Deposit Agreement (On file with Clerk's Office)

PRELIMINARY OFFICIAL STATEMENT DATED , 2008

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein

In the opinion of Bond Counsel, assuming compliance with certain arbitrage rebate and other tax requirements referred to in this Official Statement, under existing law, interest on the Series 2008 Bonds is excludable from gross income for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax. Interest on the Series 2008 Bonds will, however, be taken into account in computing an adjustment made in determining a corporate Bondholder's alternative minimum tax based on such Bondholder's adjusted current earnings and Bondholders could be subject to the consequences of other provisions of the Internal Revenue Code of 1986, as amended, as further described in this Official Statement. See the discussion under the heading "INCOME TAX EFFECTS" in this Official Statement.

$500,000,000*
MIAMI-DADE COUNTY, FLORIDA
Water and Sewer System Revenue Refunding Bonds
Series 2008

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

The Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"), will be issued by Miami-Dade County, Florida (the "County") as fully-registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2008 Bonds. Since purchases of beneficial interests in the Series 2007 Bonds will be made in book-entry only form in denominations of $5,000 or any integral multiple of $5,000, beneficial owners will not receive physical delivery of bond certificates. Interest on the Series 2008 Bonds will be payable semi-annually on April 1 and October 1 of each year, commencing _____ 1, 2008. Principal of the Series 2008 Bonds will be payable at the designated office of The Bank of New York Trust Company, N.A., as Paying Agent and Registrar for the Series 2008 Bonds. As long as DTC or its nominee is the registered owner of the Series 2008 Bonds, payments of the principal of and interest on the Series 2007 Bonds will be made directly to DTC or its nominee. *See* "DESCRIPTION OF THE SERIES 2008 BONDS – Book-Entry Only System" in this Official Statement.

The Series 2008 Bonds are subject to optional redemption prior to maturity under the terms and conditions as more fully described herein.

The proceeds of the Series 2008 Bonds, together with other available funds of the Miami-Dade Water and Sewer Department (the "Department") will be used to: (i) refund the County's Water and Sewer System Revenue Bonds, Series 1994, and (ii) pay the costs of issuance of the Series 2008 Bonds, including the payment of the premium for a municipal bond insurance policy.

THE SERIES 2008 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED BY THE PLEDGED REVENUES. THE SERIES 2008 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION. NEITHER THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION OF THE STATE OF FLORIDA NOR THE COUNTY SHALL BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY ANY AD VALOREM TAXES ON ANY PROPERTY TO PAY PRINCIPAL OF, OR THE INTEREST ON, THE SERIES 2008 BONDS OR OTHER RELATED COSTS, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE PLEDGED REVENUES. THE ACCEPTANCE OF THE SERIES 2008 BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2008 BONDS WILL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2008 BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2008 BONDS SHALL NOT CONSTITUTE A LIEN UPON THE WATER AND SEWER UTILITY, ANY PART OF SUCH WATER AND SEWER UTILITY, OR ANY OTHER PROPERTY OF THE COUNTY, BUT WILL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES.

The scheduled payment of principal of, and interest on, the Series 2008 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the remarketing of the Series 2008 Bonds by [Financial Security Assurance Inc.] as described in this Official Statement. For a description of the Bond Insurer, *see* "DESCRIPTION OF THE BOND INSURER" in this Official Statement.

[INSERT BOND INSURER LOGO]

This cover page contains information for quick reference only. It is *not* a complete summary of the information in this Official Statement. Investors must read this entire Official Statement, including the Appendices, to obtain information essential in making an informed investment decision with respect to the purchase of these securities.

The Series 2008 Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the delivery of legal opinions by Holland & Knight LLP, Miami, Florida and Law Offices of Steve E. Bullock, P.A., Miami, Florida, Bond Counsel, substantially in the form attached to this Official Statement as Appendix D. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Hogan & Hartson L.L.P., Miami, Florida, McGhee & Associates LLC, Miami, Florida, and the Law Offices José A. Villalobos, P.A., Miami, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, _____. Public Resources Advisory Group _____, Florida, has served as Financial Advisor to the County and the Department in connection with the issuance of the Series 2008 Bonds. It is expected that the Series 2008 Bonds will be available for delivery through DTC in New York, New York, on or about_____, 2008.

Dated: [_____ __], 2008

*Subject to change

$_____,000
MIAMI-DADE COUNTY, FLORIDA
WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS
SERIES 2008

MATURITY SCHEDULE, PRINCIPAL AMOUNTS, CUSIP NUMBERS, INTEREST RATES, AND YIELDS

Maturity Date (October 1)	Principal Amount	CUSIP No.[1]	Interest Rate	Yield
2008				
2009				
2010				
2010				
2011				
2011				
2012				
2013				
2013				
2014				
2014				
2015				
2015				
2016				
2016				
2017				
2017				
2018				
2019				
2020				
2021				
2021				
2022				
2022				
2023				

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	Katy Sorenson,	District 8
Dorrin D. Rolle	District 2	Dennis C. Moss	District 9
Audrey M. Edmonson	District 3	Senator Javier D. Souto	District 10
Sally A. Heyman	District 4	Joe A. Martinez	District 11
Bruno A. Barreiro	District 5	José "Pepe" Diaz	District 12
Rebeca Sosa	District 6	Natacha Seijas	District 13
Carlos A. Gimenez	District 7		

COUNTY CLERK
Harvey Ruvin

COUNTY MANAGER
George M. Burgess

COUNTY ATTORNEY
R. A. Cuevas, Jr., Esq.

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

WATER AND SEWER DEPARTMENT
John W. Renfrow, P.E., Director
Joseph A. Ruiz, Jr., Deputy Director – Operations
L. Douglas Yoder, PhD., Deputy Director – Regulatory Compliance and Capital Improvement
Diane A. Camacho, C.P.A., Assistant Director – Finance

BOND COUNSEL

Holland and Knight, LLP
Miami, Florida

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

DISCLOSURE COUNSEL

Hogan & Hartson L.L.P.
Miami, Florida

McGhee & Associates LLC
Miami, Florida

Law Office José A. Villalobos, P.A.
Miami, Florida

FINANCIAL ADVISOR
Public Resources Advisory Group
St. Petersburg, Florida

INDEPENDENT PUBLIC ACCOUNTANTS
Rachlin Cohen & Holtz LLP
Miami, Florida

No dealer, broker, salesman or other person has been authorized by the County, the Department or the Remarketing Agent to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County, the Department or the Remarketing Agent. 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 2008 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2008 Bonds is made only by means of this entire Official Statement.

This Official Statement contains statements, which to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "belief," and similar expressions are intended to identify forward looking statements. Such statements may be subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE WEBSITE www.MuniOS.com. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THE REMARKETING AGENT HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. *THE REMARKETING AGENT HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE REMARKETING AGENT DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.*

IN CONNECTION WITH THIS OFFERING, THE REMARKETING AGENT MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2008 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 REMARKETING AGENT MAY OFFER AND SELL THE SERIES 2008 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES WHICH PRODUCE YIELDS HIGHER THAN THE YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE REMARKETING AGENT.

THE SERIES 2008 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PLEDGED REVENUES AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND INVESTMENT RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR

AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2008 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Preliminary Official Statement is deemed "final" by the County within the meaning of Rule 15c2-12(b) under the Securities Exchange Act of 1934, as amended, except for any information permitted by such Rule to be omitted.

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OFFICIAL STATEMENT

relating to

$500,000,000*
MIAMI-DADE COUNTY, FLORIDA
Water and Sewer System Revenue Refunding Bonds
Series 2008

INTRODUCTION

The purpose of this Official Statement of Miami-Dade County, Florida (the "County"), which includes the inside cover page and Appendices, is to furnish certain information in connection with the issuance and sale by the County of $_____,000 aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"). The Series 2008 Bonds are being issued pursuant to the authority of, and in compliance with, the Constitution and Laws of the State of Florida (the "State"), including without limitation, (i) Chapter 125 and Chapter 166, Florida Statutes, each as amended from time to time; (ii) the Home Rule Amendment and Charter of the County, as amended; (iii) the Code of the County, as amended; and (iv) Ordinance No. 93-134 enacted by the Board of County Commissioners of the County (the "Board") on November 16, 1993 (the "Master Ordinance"), as supplemented by Resolution No. R-____-08 adopted by the Board on _____, 2008 (the "Series 2008 Resolution," and together with the Master Ordinance, the "Bond Ordinance").

The Series 1994 Bonds were originally issued on February 4, 1994 pursuant to the authority of (i) the Constitution and Laws of the State of Florida, including Chapter 125, Chapter 159 and Chapter 166, Part II, Florida Statutes, as amended from time to time, (ii) the Metropolitan Dade County Home Rule Amendment and Charter, as amended, and (iii) Ordinance No. 93-134 enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on November 16, 1993 (the "Ordinance"), as amended and supplemented by Resolution No. R-74-94 adopted by the Board on January 18, 1994 (the Series 1994 Resolution"). The Board authorized issuance of the Series 2008 Bonds pursuant to Resolution No. R-[___]-08 adopted by the Board on [_____ __], 2008 (the "2008 Resolution"). *See* "AUTHORIZATION FOR THE SERIES 1994 BONDS." .

The Series 2008 Bonds are being issued, together with any other available funds of the Department, to: (i) refund the $431,700, 000 original aggregate principal amount of Dade County, Florida Water and Sewer System Revenue Bonds, Series 1994 (the "Refunded Bonds"), and (ii) pay the costs of issuance of the Series 2008 Bonds, including the payment of the premium for a municipal bond insurance policy.

The Series 2008 Bonds are being issued on a parity as to the source and security for payment with (i) the $346,820,000 original aggregate principal amount of Dade County, Florida Water and Sewer System Revenue Bonds, Series 1995, currently outstanding in the principal amount of $22,845,000 (the "Series 1995 Bonds"); (ii) the unrefunded portion of the Series 1997 Bonds, in the principal amount of $27,935,000; (iii) the $150,000,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 1999A, all of which are currently outstanding (the "Series 1999A Bonds"); (iv) the $248,890,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2003, currently outstanding in the principal amount of $194,770,000 (the "Series 2003 Bonds"); (v) the $295,240,000 original aggregate principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2005, all of which are currently outstanding (the "Series 2005 Bonds;") (vi) the $344,690,000 original aggregate principal amount of the Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2007, all of which are currently outstanding (the "Series 2007 Bonds" and collectively with the Series 1994 Bonds, the Series 1995 Bonds, the

unrefunded portion of the Series 1997 Bonds, the Series 1999A Bonds and the Series 2003 Bonds, the "Outstanding Bonds") and with certain Hedge Obligations as hereinafter described and any future Additional Bonds, Completion Bonds and Refunding Bonds. Any bonds issued under the provisions of the Master Ordinance shall hereinafter be referred to as the "Bonds."

This Official Statement contains descriptions of, among other things, the Series 2008 Bonds, the Bond Ordinance, the Miami-Dade Water and Sewer Department (the "Department") and the County. 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, New York, New York ("DTC"). The County and the Department have not provided information in this Official Statement with respect to DTC and do not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and are not responsible for the information provided by DTC. In addition, the County and the Department have not provided information in this Official Statement with respect to the Bond Insurer (as herein defined) and are not responsible for the information provided by the Bond Insurer. All references in this Official Statement to the Bond Ordinance and related documents are qualified by reference to such documents, and references to the Series 2008 Bonds are qualified in their entirety by reference to the form of such bonds included in the Bond Ordinance. *All capitalized terms in this Official Statement shall have the meanings assigned to such terms in the Bond Ordinance unless another meaning is ascribed to any of such terms in this Official Statement.*

This Official Statement includes certain information that was not available for inclusion in the Preliminary Official Statement dated August 16, 2007, including information relating to amounts and maturities, interest rates, yields and other terms of the Series 2008 Bonds. Purchasers of the Series 2008 Bonds should read this Official Statement in its entirety.

PURPOSE OF THE SERIES 2008 BONDS

General

The proceeds of the Series 2008 Bonds, together with other available funds of the Department, will be used to: (i) refund the Refunded Bonds, and (ii) pay the costs of issuance of the Series 2008 Bonds, including the payment of the premium for a municipal bond insurance policy. *See* "ESTIMATED SOURCES AND USES OF FUNDS."

Plan of Refunding

The Series 2008 Bonds are being issued to refund the Refunded Bonds in the aggregate principal amount of $415,160,000. The Refunded Bonds were issued to finance certain capital improvements to the Department's water and sewer utility (the "Utility"), including capitalized interest. The County has determined that it is desirable to provide for the refunding of the Refunded Bonds in order to achieve a substantial interest cost savings.

A portion of the proceeds of the Series 2008 Bonds, together with other available funds of the Department, will be used to refund the Refunded Bonds. To effect the refunding of the Refunded Bonds, the County will enter into an Escrow Deposit Agreement in connection with the delivery of the Series 2008 Bonds (the "Escrow Agreement") with _____, as escrow agent (the "Escrow Agent"). Pursuant to the terms of the Escrow Agreement, the County will deposit a portion of the proceeds of the Series 2008 Bonds, together with other available funds of the Department, in an Escrow Fund for the Refunded Bonds (the "Escrow Fund") held by the Escrow Agent. A portion of the proceeds of the Series 2008 Bonds deposited in the Escrow Fund will be applied on the date of delivery of the Series 2008 Bonds to the purchase of non-callable, direct obligations of the United States of America (the "Government Obligations").

50

By deposit of the Government Obligations and other uninvested cash with the Escrow Agent pursuant to the Escrow Agreement and the giving of certain instructions as required by the Bond Ordinance, the County will have effected the defeasance of the lien of the Refunded Bonds. 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 the report of the Verification Agent, as described under "VERIFICATION OF CERTAIN COMPUTATIONS"), that the right, title and interest of the Holders of the Refunded Bonds in the Master Ordinance will cease, determine and become void.

DESCRIPTION OF THE SERIES 2008 BONDS

General

The Series 2008 Bonds shall bear interest at such rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. _____, will act as Registrar and Paying Agent for the Series 2008 Bonds (the "Paying Agent" or "Registrar").

The Series 2008 Bonds will be issued initially as fully registered bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2008 Bonds. Purchases of the Series 2008 Bonds will be made through a book-entry only system maintained by DTC, in denominations of $5,000 or any integral multiple of $5,000, and purchasers of the Series 2008 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as DTC or its nominee is the registered owner of the Series 2008 Bonds, the principal and interest payments will be made to DTC or its nominee, which will in turn remit such principal and interest payments to DTC's Participants (as defined below under "Book-Entry Only System") for subsequent disbursement to the Beneficial Owners. *See* "Book-Entry Only System" below.

Redemption of Series 2008 Bonds

Optional Redemption. The Series 2008 Bonds maturing on or before October 1, 2017 shall not be subject to optional redemption prior to maturity. The Series 2008 Bonds maturing on or after October 1, 2018 shall be subject to optional redemption prior to maturity, at the option of the County, in whole or in part at any time, on or after October 1, 2017, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds to be redeemed, plus accrued interest to the date of redemption and without premium.

Notice of Redemption. In the event any Series 2008 Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Series 2008 Bonds, which notice shall (i) specify the Series 2008 Bonds, including Series designations, to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Series 2008 Bonds to be redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated principal corporate trust office of the Paying Agent or of its agent) and, if less than all of the Series 2008 Bonds are to be redeemed, the numbers of the Series 2008 Bonds and the portion of Series 2008 Bonds so to be redeemed and (ii) state that on the redemption date, the Series 2008 Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the County by mailing a copy of the redemption notice to Cede & Co., as nominee of DTC, as registered owner of the Series 2008 Bonds, or, if DTC is no longer the registered owner of the Series 2008 Bonds, then to the then registered owners of the Series 2008 Bonds at least thirty (30) days prior to the date fixed for redemption, by first class mail and postage prepaid at their addresses appearing on the bond registration books of the County maintained by the Registrar, and if applicable, to the securities depository.

A second notice of redemption shall be given (within 60 days after the redemption date) in the manner required above, to the registered Holders of redeemed Series 2008 Bonds which have not been presented for payment within 30 days after the redemption date. However, failure to give such notice shall not affect the validity of the redemption of the Series 2008 Bonds.

Failure of the registered owners of any Series 2008 Bonds which are to be redeemed to receive any such notice (or any defect therein) shall not affect the validity of the proceedings for the redemption of Series 2008 Bonds for which proper notice has been given.

Effect of Calling for Redemption. On the date so designated for redemption, notice having been mailed as provided in the Master Ordinance, the Series 2008 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2008 Bonds on such date, and moneys for payment of the redemption price being held in separate accounts by the Paying Agent in trust for the registered owners of the Series 2008 Bonds to be redeemed, interest on the Series 2008 Bonds so called for redemption shall cease to accrue, such Series 2008 Bonds shall not be deemed to be Outstanding for purposes of the Bond Ordinance, and shall cease to be entitled to any lien, benefit or security under the Bond Ordinance, and the registered owners of such Series 2008 Bonds shall have no rights in respect of the Series 2008 Bonds except to receive payment of the redemption price of the Series 2008 Bonds.

Whenever any Series 2008 Bonds shall be delivered to the Paying Agent for cancellation, upon payment of the principal amount of the Series 2008 Bonds, or for replacement, transfer or exchange, such Series 2008 Bonds shall be canceled and destroyed by the Paying Agent, and counterparts of the certificate of destruction evidencing any such destruction shall be furnished to the County.

Conditional Notice of Redemption. In the case of an optional redemption of any Series 2008 Bonds, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys in the Redemption Account or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, 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. 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 Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Series 2008 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 under the Bond Ordinance. The County shall give immediate notice to DTC and the affected Bondholders that the redemption did not occur and that the Series 2008 Bonds called for redemption and not so paid remain outstanding under the Bond Ordinance.

Book-Entry Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2008 Bonds, payment of interest and principal on the Series 2008 Bonds to Participants or Beneficial Owners of the Series 2008 Bonds, confirmation and transfer of beneficial ownership interest in the Series 2008 Bonds and other related transactions by and between DTC, the Participants and the Beneficial Owners of the Series 2008 Bonds is based solely on information furnished by DTC on its website for inclusion in this Official Statement. Accordingly, neither the County, the Department, nor the Underwriters can make any representations concerning these matters.

DTC will act as securities depository for the Series 2008 Bonds. The Series 2008 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 bond

will be issued for each maturity of the Series 2008 Bonds, each in the aggregate principal amount of such maturity, as set forth on the inside cover page of this Official Statement, 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, as amended. 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 Direct and Indirect 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 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008 Bonds on DTC's records. The ownership interest of each 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 2008 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 bond certificates representing their ownership interests in the Series 2008 Bonds, except in the event that use of the book-entry system for the Series 2008 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2008 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 2008 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 2008 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2008 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 2008 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the

Series 2008 Bonds, such as redemptions, defaults, and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of Series 2008 Bonds may wish to ascertain that the nominee holding the Series 2008 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 by the Registrar to DTC. If less than all of the Series 2008 Bonds within a particular maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2008 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 the Series 2008 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2008 Bonds will be made to Cede & Co., or to 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 Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect 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 Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to DTC is the responsibility of the County or the Paying Agent, 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.

DTC may discontinue providing its services as securities depository with respect to the Series 2008 Bonds at any time by giving reasonable notice to the County or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates representing the Series 2008 Bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates representing the Series 2008 Bonds will be printed and delivered.

NEITHER THE COUNTY, THE DEPARTMENT, THE REMARKETING AGENT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2008 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE SERIES 2008 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE BOND ORDINANCE OR ANY CONSENT GIVEN OR ACTION TAKEN BY DTC AS BONDHOLDER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF SUCH BONDS, AS NOMINEE OF DTC, THE BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL CERTIFICATES REPRESENTING THEIR INTERESTS IN THE BONDS, AND REFERENCES HEREIN TO BONDHOLDERS OR REGISTERED HOLDERS

OF SUCH BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH 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 2008 Bond certificates, the County may notify DTC and the Registrar, whereupon DTC will notify the Participants, of the availability through DTC of Series 2008 Bond certificates. In such event, the County shall prepare and execute and the Registrar shall authenticate, transfer and exchange Series 2008 Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in the Bond Ordinance. DTC may determine to discontinue providing its services with respect to the Series 2008 Bonds at any time by giving written notice to the County and the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the County and the Registrar shall be obligated to deliver Series 2008 Bond certificates as described in this Official Statement. In the event Series 2008 Bond certificates are issued, the provisions of the Bond Ordinance 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 Registrar to do so, the County will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2008 Bonds to any DTC Participant having such Series 2008 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2008 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS

Pledged Revenues

The payment of principal of and interest on the Series 2008 Bonds is secured by a pledge of and lien on the Net Operating Revenues of the Utility (the "Pledged Revenues"). For a description of the application and use of the Pledged Revenues, see "Flow of Funds" below. The Series 2008 Bonds are on parity as to source and security for payment with the Outstanding Bonds, any future Bonds and with certain Hedge Obligations as hereinafter described in this Official Statement. *See* "INTEREST RATE SWAP AGREEMENTS."

The term "Net Operating Revenues" is defined in the Master Ordinance as Operating Revenues reduced by Operating Expenses. The term "Operating Revenues" is defined in the Master Ordinance as all operating income or earnings received or accrued by the County from the ownership, operation or use of the Utility, or any part of the Utility, including, but not limited to, user charges for the provision of water service and sewer service, meter installation fees, and the like, delinquent charges and investment earnings, but shall exclude any income from the investment of the Construction Fund, proceeds from insurance (except business interruption insurance), condemnation or the disposition of property not in the ordinary course of business, Capital Facilities Charges, grants and proceeds from the sale of any obligations of the County (exclusive of short-term obligations for Utility working capital) and payments on special assessments for water and sewer improvements.

The term "Operating Expenses" is defined in the Master Ordinance as all current expenses, paid or accrued, and any Operating Expense reserve described in Section 503 of the Master Ordinance, for the operation, maintenance and ordinary current repairs of the Utility and its components, as calculated in accordance with generally accepted accounting principles for municipal utilities ("GAAP"), including, without limitation, insurance premiums (or comparable payments under a self-insurance or risk management program), labor, cost of materials and supplies used for current operation, charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with GAAP and Credit Facility Charges,

administrative expenses and professional fees and expenses, before depreciation, amortization and interest expense determined in accordance with GAAP, provided, however, there will not be taken into account:

(a) any gain or loss resulting from either the extinguishment or refinancing of indebtedness;

(b) loss from the sale, exchange or other disposition of capital assets not made in the ordinary course of business; and

(c) any capital expenditures for renewal, replacement, expansion or acquisition of capital assets of the Utility (including any deposit to reserves therefor).

The term "Capital Facilities Charges" is defined in the Master Ordinance as all payments received by the County or the Department which are related to acquiring, constructing, expanding or equipping capacity and facilities of the Utility, for the purpose of reserving capacity in either the Water System or the Sewer System, connecting to either System, or paying or reimbursing any capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of either System or any expansion thereof, including connection charges and impact fees relative to the Utility, but shall not include (i) amounts received for the acceptance, treatment or disposal of sewage, (ii) amounts received from the sale of water, (iii) meter installation fees and (iv) other revenues constituting Operating Revenues.

The Master Ordinance would permit the County to acquire a water and/or sewer system and specifically designate such system to be a "Separate System" for purposes of the Master Ordinance. Any Separate System so designated would not constitute a part of the Utility, and revenues generated by such Separate System would not constitute Operating Revenues subject to the lien of the Master Ordinance and costs allocable thereto would not be taken into account for purposes of determining Operating Expenses and Net Operating Revenues. There are currently no Separate Systems.

Flow of Funds

Section 502 of the Master Ordinance creates the following funds and accounts (all of which are to be held by the County) for the security of the Outstanding Bonds, the Series 2008 Bonds, and any future Bonds:

(a) the Revenue Fund;

(b) the Debt Service Fund, and therein a Bond Service Account, a Redemption Account and a Reserve Account;

(c) the Renewal and Replacement Fund;

(d) the Plant Expansion Fund;

(e) the Rate Stabilization Fund; and

(f) the General Reserve Fund.

In addition, the Series 2008 Resolution creates the "Series 2008 Bond Service Subaccount" and the "Series 2008 Redemption Subaccount" in the Debt Service Fund and the "Series 2008 Bonds Cost of Issuance Account" for the security of the Series 2008 Bonds.

Section 503 of the Master Ordinance requires that the County deposit all Operating Revenues of the Utility in the Revenue Fund as received, and that all moneys in the Revenue Fund be applied in the order of priority described below:

(1) The County must make withdrawals from the Revenue Fund in amounts necessary to pay Operating Expenses and to establish an Operating Expense reserve in an amount determined by the County (which may not exceed 1/6th of the budgeted Operating Expenses for the then-current Fiscal Year).

(2) Subject only to the payments and set asides described in (1) above, the remaining moneys in the Revenue Fund are required to be applied on or before the 20th day of each month in the following order:

(i) to the credit of the Bond Service Account, an amount equal to one-sixth (1/6th) of the amount of the interest payable on the Bonds of each Series on the interest payment date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Bonds which is available for such interest payment) and an amount equal to one-twelfth (1/12th) of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Bonds then outstanding; provided, however, that:

(a) in each month intervening between the date of delivery of a Series of Bonds, and the next succeeding interest payment date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account required to be made during such respective periods will equal the amounts required (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;

(b) the amount specified in this subparagraph (i) shall be reduced to take into account Hedge Receipts to be received on or before the succeeding interest payment date and shall be increased to provide for the payment of any Hedge Obligations to be paid on or before the succeeding interest payment date; and

(c) with respect to any Bonds (or any Hedge Agreement) bearing interest at a Variable Rate and/or payable other than semiannually, the amount specified in this subparagraph (i) for the payment of interest (or Hedge Obligation) shall be that amount necessary to provide substantially equal monthly payments for the payment of such interest (or Hedge Obligation) on the payment dates therefor;

(ii) to the credit of the Redemption Account, an amount equal to one-twelfth (1/12th) of the principal amount (or Accreted Value, as applicable) of Term Bonds of each Series then Outstanding required to be retired in satisfaction of the Amortization Requirements for such Bond Year, plus the redemption premiums, if any, which would be payable in such Bond Year if such Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit for the Debt Service Fund;

(iii) to the credit of the Reserve Account, the Reserve Account deposit requirement established by the Master Ordinance for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and the Provider of the Reserve Account Credit Facility is required to advance any sums to meet Principal and Interest Requirements or other sums required to be funded from the Reserve Account, the County shall reimburse the Provider within 12 months from the date the County receives written notice of such advance by the Provider;

(iv) to the payment of principal (including amortization installment, if any) of, and premiums and interest on, and other required payments with respect to Subordinate Obligations;

(v) to the credit of the Renewal and Replacement Fund, an amount equal to one-twelfth ($1/12^{th}$) of the amount to be deposited from Revenues, if any, recommended by the Consultant pursuant to the provisions of Section 607 of the Master Ordinance, to be deposited to the credit of said fund during such Fiscal Year;

(vi) in the discretion of the County, to the credit of the Rate Stabilization Fund in such sums as are determined by the County; and

(vii) to the credit of the General Reserve Fund, the balance, if any, remaining thereafter.

If an amount deposited in any month to the credit of any of the Accounts or Funds shall be less than the amount required to be deposited under the provisions of the Master Ordinance, 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 in each month thereafter until such time as all deficiencies have been made up.

Pursuant to subparagraph (i) above, Hedge Obligations are payable on parity as to source and security with Bonds issued and Outstanding under the Bond Ordinance. The term "Hedge Obligations" is defined in the Master Ordinance as 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 in the value of any index of payment and under certain conditions set forth in the Master Ordinance, termination charges with respect to a Hedge Agreement. A "Hedge Agreement" includes, but is not limited to, an interest rate swap agreement meeting the criteria set forth in the Master Ordinance and entered into by the County as a hedging device with respect to its obligation to pay debt service on the Bonds. *See* "INTEREST RATE SWAP AGREEMENTS" for a description of Hedge Agreements currently in effect that have been entered into by the County.

Limited Obligations

THE SERIES 2008 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE PLEDGED REVENUES. THE SERIES 2008 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION, OR A PLEDGE OF THE FAITH, CREDIT OR POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE NOR THE COUNTY SHALL BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO LEVY ANY AD VALOREM TAXES ON ANY PROPERTY TO PAY

PRINCIPAL OF, OR INTEREST ON, THE SERIES 2008 BONDS OR OTHER RELATED COSTS, OR TO PAY THE SAME FROM ANY OTHER FUNDS OF THE COUNTY EXCEPT FROM THE PLEDGED REVENUES. THE ACCEPTANCE OF THE SERIES 2008 BONDS BY THE REGISTERED OWNERS FROM TIME TO TIME OF THE SERIES 2008 BONDS WILL BE DEEMED AN AGREEMENT BETWEEN THE COUNTY AND SUCH REGISTERED OWNERS THAT THE SERIES 2008 BONDS AND THE INDEBTEDNESS EVIDENCED BY THE SERIES 2008 BONDS WILL NOT CONSTITUTE A LIEN UPON THE UTILITY, ANY PART OF THE UTILITY, OR ANY OTHER PROPERTY OF THE COUNTY, BUT WILL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES.

Rate Covenant

The County has covenanted in Section 602 of the Master Ordinance to fix, charge and collect rates and charges for the use of the services and facilities furnished by the Utility and, from time to time and as often as it shall be necessary, to adjust such rates and charges by increasing or decreasing the same or any selected categories of such rates and charges so as to provide Net Operating Revenues in each Fiscal Year equal to (a) one hundred ten percent (110%) of the Principal and Interest Requirements on the Bonds for such Fiscal Year, plus (b) one hundred percent (100%) of the required deposits into the Reserve Account (less any portion of such deposits to be deposited from proceeds of Bonds) together with any Reserve Account Credit Facility costs payable in such Fiscal Year.

The term "Principal and Interest Requirements" is defined in the Master Ordinance as the respective amounts which are required in each Fiscal Year to pay (a) principal and interest on all Bonds then Outstanding and (b) the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year; provided, however, that: (i) the amount of such Principal and Interest Requirements for any Fiscal Year may be reduced by the amount of any capitalized interest to be used to pay interest in such Fiscal Year and by the anticipated earnings on money in the applicable Bond Service Account, and such earnings will be deposited to the credit of the applicable Bond Service Account; and (ii) the Principal and Interest Requirements for any Bonds bearing interest at a Variable Rate shall be determined as provided in the Definition of "Variable Rate" in the Master Ordinance. "Maximum Principal Interest Requirements" is defined in the Master Ordinance, as of any particular date of calculation, as the greatest amount of Principal and Interest Requirements for the then current or any future Fiscal Year.

The Master Ordinance defines "Reserve Account Credit Facility" as a surety bond, a policy of insurance, a letter of credit or other financial product obtained by the County with respect to any Bonds, from an entity meeting the criteria set forth in the Master Ordinance, which provides for payment of Principal and Interest on such Bonds in amounts not greater than the Reserve Account Requirement for such Bonds in the event of an insufficiency of available moneys to pay when due principal of, premium, if any, and interest on such Bonds.

In case the County has made deposits of Net Operating Revenues to or withdrawals from the Rate Stabilization Fund during such Fiscal Year, Net Operating Revenues shall be adjusted by subtracting the amount of any such deposits and by adding the amount of any such withdrawal.

Municipal Bond Insurance

The payment of principal of and interest on the Series 2008 Bonds will be insured by a municipal bond insurance policy (the "Bond Insurance Policy") to be issued simultaneously with the delivery of the Series 2008 Bonds by _____ (the "Bond Insurer") as described in this Official Statement. For a discussion of the Bond Insurer, *see* "DESCRIPTION OF THE BOND INSURER."

The Bond Insurer shall be authorized, among other things, to provide (or withhold), in lieu of the registered owners of the Series 2008 Bonds, any direction or consent required of the registered owners of the Series 2008 Bonds.

Reserve Account

The Master Ordinance provides for the creation of a Reserve Account and provides, except as described below, upon the issuance of each Series of Bonds, the County shall deposit or provide for the deposit to the Reserve Account, an amount, which together with amounts on deposit therein, shall equal the Reserve Account Requirement; provided, however, the County may fund up to fifty percent (50%) of the Reserve Account Requirement applicable to a Series of Bonds over 36 months if it will not cause any rating then assigned the Outstanding Bonds to be withdrawn or reduced. The "Reserve Account Requirement" is defined in the Master Ordinance as the Maximum Principal and Interest Requirements in the then current or any subsequent Fiscal Year on all Outstanding Bonds or such lesser amount which is the greatest allowable under the Internal Revenue Code of 1986, as amended (the "Code").

Upon the issuance of the Series 2008 Bonds, there shall be on deposit in the Reserve Account an amount equal to the Reserve Account Requirement for all Bonds Outstanding, including the Series 2008 Bonds, consisting of $57,708,862 in cash and $55,582,289 in reserve insurance policies constituting Reserve Account Credit Facilities.

Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the available moneys held for such purpose for the credit of the Bond Service Account and the General Reserve Fund shall be insufficient for such purpose, and thereafter for the purpose of making deposits to the credit of the Redemption Account of the Debt Service Fund pursuant to the requirements of the Master Ordinance whenever and to the extent that withdrawals from the Revenue Fund and the amount on deposit in the General Reserve Fund are insufficient for such purposes, and shall next be used to pay Payment Obligations with respect to the applicable Reserve Account Credit Facility, if any. Amounts withdrawn from the Reserve Account for the purpose of payment of debt service on any Bonds shall be replenished by substantially equal monthly deposits into the Reserve Account over a period not to exceed 60 months. If at any time the moneys held for the credit of any subaccount in the Reserve Account shall exceed the Reserve Account Requirement for those Bonds that are secured by such subaccounts, such excess shall be withdrawn by the Finance Director and deposited to the credit of the Revenue Fund.

[In connection with the issuance of the Series 1994 Bonds, the County created a separate subaccount in the Reserve Account for the benefit of the Series 1994 Bonds. The Master Ordinance provides that in the event the County has established a separate subaccount, amounts on deposit in such subaccount shall be available solely for the payment of such Series of Bonds and for no other Series of Bonds. Therefore, amounts on deposit in the special subaccount for the Series 1994 Bonds may only be used for payment of debt service on the Series 1994 Bonds and not for the payment of debt service on other Outstanding Bonds, including the Series 2008 Bonds. The County is not creating a separate subaccount in the Reserve Account for the benefit of the Series 2008 Bonds.]

Of the amounts on deposit in or, in the case of Reserve Account Credit Facilities credited to the Reserve Account (the Reserve Account Requirement on all Outstanding Bonds), $24,317,703 is on deposit in the special subaccount for the Series 1994 Bonds. The remaining amounts are available for the payment of debt service on all Bonds, including the Series 1994 Bonds.

The County may, in the future, create subaccounts in the Reserve Account for any future Series of Bonds. In such event, moneys in such subaccount shall be held specifically for the benefit of the respective Series of Bonds for which such subaccounts were created. In this regard, the remaining

amounts on deposit would be available for payment of debt service of all Bonds, including such Series of Bonds for which a separate subaccount has been created.

Additional Bonds

Upon satisfying certain conditions contained in Section 208 of the Master Ordinance, the County may issue additional bonds (the "Additional Bonds") and other obligations that are payable on a parity with the Series 2008 Bonds and the Outstanding Bonds. Additional Bonds may be issued (a) for the purpose of paying all or any part of the cost of constructing or acquiring any Improvements, (b) to refund any obligations of the County which financed or refinanced any Improvements, or (c) to finance termination payments relating to Hedge Agreements.

Except in the case of Refunding Bonds and Completion Bonds as described in "Refunding Bonds" and "Completion Bonds" below, the County, after satisfaction of all other conditions in the Master Ordinance, may issue Additional Bonds (which, for purposes of meeting these conditions, are deemed to be Additional Bonds) if there has been filed a certificate of the Finance Director (i) setting forth the amount of the Net Operating Revenues for any four consecutive quarters (the "Computation Period") in the six preceding quarters, subject to certain adjustments permitted under the Master Ordinance, (ii) setting forth the respective amounts of the Principal and Interest Requirements for each Fiscal Year thereafter including the Additional Bonds to be issued, (iii) certifying that the Net Operating Revenues, as adjusted in accordance with Section 208(c) of the Master Ordinance, for the Computation Period shall have equaled at least the sum of one hundred ten percent (110%) of the Maximum Principal and Interest Requirements on all Bonds to be Outstanding as of the date of such issuance, plus one hundred percent (100%) of all required deposits to the Reserve Account during the Computation Period and (iv) certifying that the Net Operating Revenues (as adjusted in accordance with Section 208(c) of the Master Ordinance) remaining after deduction of Maximum Principal and Interest Requirements on all Bonds shall be at least equal to one hundred percent (100%) of all debt service and reserve requirements on all Subordinate Obligations.

In addition to the certificate of the Finance Director described above, there shall be filed with the Finance Director a certificate signed by a Consultant meeting the criteria set forth in the Master Ordinance setting forth (x) the estimated date on which the Improvements being financed or refinanced with the Additional Bonds will be placed in operation, (y) the Consultant's estimate of the Net Operating Revenues for each of the three Fiscal Years following the Fiscal Year in which the Improvements will be placed in operation as estimated in item (x) of said certificate, taking into account the rates and charges in effect on the date of delivery of such Additional Bonds and any revised rates and charges that shall become effective prior to or during such Fiscal Year, and (z) that after taking into account (x) and (y) above, the Net Operating Revenues (as adjusted in accordance with Section 208(c) of the Master Ordinance) will satisfy the ratio set forth in (iii) of the preceding paragraph, and that the adjusted Net Operating Revenues remaining after deduction of the Maximum Principal and Interest Requirements on all Bonds shall be at least equal to one hundred percent (100%) of all debt service and reserve requirements on Subordinate Obligations.

Refunding Bonds

The Master Ordinance provides for the issuance of "Refunding Bonds" for the purpose of providing funds for paying principal of, redemption premium and interest on all or any part of the outstanding Bonds at maturity or prior redemption date. Refunding Bonds so issued will be secured and payable from Pledged Revenues on a parity with all Bonds issued and Outstanding under the Master Ordinance. The coverage tests applicable to Additional Bonds (*see* "Additional Bonds" above) do not apply to Refunding Bonds provided that the Finance Director certifies that the Principal and Interest Requirements for each Fiscal Year thereafter (except for years subsequent to the final maturity of all the Outstanding Bonds) on account of all Bonds to be Outstanding after issuance of such Refunding Bonds

and the payment and redemption of the Bonds to be paid and redeemed shall not exceed the Principal and Interest Requirements for each such Fiscal Year on account of all Bonds Outstanding immediately prior to the issuance of such Refunding Bonds. However, Refunding Bonds may also be issued by meeting the historical coverage test for Additional Bonds – *see* "Additional Bonds" herein.

Completion Bonds

The Master Ordinance provides for the issuance of "Completion Bonds" for the purpose of providing funds for paying the cost of completion of any Project for which one or more Series of Bonds have theretofore been issued, in a principal amount not greater than ten percent (10%) of the estimated cost of such Project. Completion Bonds so issued will be secured and payable from Pledged Revenues on parity with all Bonds issued under the Master Ordinance. The coverage tests applicable to Additional Bonds (and described above) are not applicable to Completion Bonds.

See APPENDIX C – "THE BOND ORDINANCE" for a more complete discussion on the issuance of Additional Bonds, Refunding Bonds and Completion Bonds.

Defeasance

The Master Ordinance provides that in the event Bonds are defeased in the manner described in the Master Ordinance, the right, title and interest of the Holders of such Bonds in the Bond Ordinance will cease, determine and become void. *See* APPENDIX C – "THE BOND ORDINANCE."

Additional Covenants of the County

The County has covenanted in the Master Ordinance that it will neither furnish free service nor provide service otherwise than in accordance with the established rate schedule for the Utility. The County has also agreed to certain restrictions on the sale or disposal of assets comprising the Utility. The County has covenanted to cause the Department to adopt an annual operating budget which may be amended from time to time, to operate the Utility in an efficient and economic manner, to maintain the Utility in good repair, and to timely pay all principal and interest payments, when due, on the Bonds, and that it will diligently enforce and collect payment of all fees and charges for the use of the Utility.

The County has further covenanted to maintain a practical insurance program for the Utility, to maintain separate records and accounts for the Utility, to keep accurate accounts of revenues, costs and expenditures, to issue annual audited financial reports of the Utility, to require, to the extent permitted by law, all lands, buildings and structures within the service area of the Utility fronting or abutting on the distribution lines to connect with and/or use the Utility, and to retain qualified Consultants and Accountants as required by the Master Ordinance. *See* APPENDIX C – "THE BOND ORDINANCE."

Other Obligations

The County has incurred certain obligations, which are secured by a subordinate pledge of and lien on the Pledged Revenues. *See* "SUBORDINATE OBLIGATIONS." In addition, the County's obligation to pay a termination payment, if any, upon the termination of the swaps described in "INTEREST RATE SWAP AGREEMENTS," is subordinate to the pledge and lien on the Pledged Revenues which secures the Outstanding Bonds. The County may also issue additional Subordinate Obligations payable subordinate to the Outstanding Bonds pursuant to the Master Ordinance.

Remedies

Upon an Event of Default as described in Section 701 of the Master Ordinance, the Series 2008 Bonds will not be subject to acceleration. Rather, a trustee or Bondholder acting for the Holders of all

Bonds may by suit, action, mandamus or other judicial proceedings, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under and to the extent permitted by the laws of the State of Florida, or granted and contained in the Master Ordinance, and may enforce and compel the performance of all duties required in the Master Ordinance or by any applicable statutes to be performed by the County or by any officer thereof. However, nothing in the Master Ordinance shall be construed to grant to any Bondholder any lien of any property of or within the corporate boundaries of the County, and no Bondholder shall have any right to affect, disturb or prejudice the security of the Master Ordinance. *See* "ENFORCEABILITY OF REMEDIES."

As long as the Bond Insurance Policy remains in full force and effect and the Bond Insurer is not in default under the Bond Insurance Policy or insolvent, the Bond Insurer shall have the power and authority to give any consents and exercise all rights or remedies, which the Bondholders for the Series 2008 Bonds would otherwise have the power and authority to give, make or exercise under the Master Ordinance.

Modifications or Supplements to Master Ordinance

The Master Ordinance can be supplemented as set forth in Section 801 of the Master Ordinance, which relates to supplemental ordinances without consent of the Holders, and Section 802 of the Master Ordinance, which relates to supplemental ordinances with consent of the Holders. *See* APPENDIX C – "THE BOND ORDINANCE."

DESCRIPTION OF THE BOND INSURER

The following information has been supplied by the Bond Insurer for inclusion in this Official Statement. No representation is made by the County or the Remarketing Agent as to the accuracy or completeness of the information.

The Bond Insurer accepts no responsibility for the accuracy or completeness of this Official Statement or any other information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer and its affiliates set forth under this heading. In addition, the Bond Insurer makes no representation regarding the Series 2008 Bonds or the advisability of investing in the Series 2008 Bonds. .

SUBORDINATE OBLIGATIONS

The County has incurred the obligations described below which are secured by a subordinate pledge of and lien on Pledged Revenues ("Subordinate Obligations").

State Revolving Fund Loan Program

Under the State Revolving Fund Loan Program, the Department has received various loan commitments in the aggregate amount of $173,511,649 for the construction of wastewater treatment facilities. Draws against loan commitments totaled $172,090,678 as of March 31, 2007. The Department has also received loan commitments in the aggregate amount of $44,225,610 for drinking water construction projects. Draws against drinking water loan commitments totaled $41,958,021 as of March 31, 2007.

Default in payment of principal and interest on any of the loans described above or any future loans could cause an acceleration of the entire amount of such loans.

INTEREST RATE SWAP AGREEMENTS

The County has entered into interest rate swap agreements with respect to the Series 1994 Bonds, the Series 1997 Bonds, the Series 1999A Bonds, and the Series 2005 Bonds and may enter into additional interest rate swap agreements or other synthetic financial instruments in the future for the purpose of managing the interest cost of its Utility debt. Interest rate swaps and other synthetic financial instruments involve risks that could result in an economic loss to the County. The County's obligations to make net payments as a result of fluctuation in hedged interest rates or fluctuation in the value of any index of payment (i.e., Hedge Obligations) are payable from Pledged Revenues on a parity with the Bonds. Any termination payments or hedge charges that may be payable by the County are payable from Pledged Revenues on a subordinate basis to the Bonds; provided, however, that termination payments may be considered as Hedge Obligations and payable from Pledged Revenues on a parity with the Bonds if on or before the date of entering into the related agreement, the County has obtained written evidence from each Rating Agency that such agreement will not, in and of itself, result in the withdrawal or reduction of the ratings then applicable to the Bonds; and provided further that the County may elect to finance such termination payments through the issuance of Additional Bonds under Section 208 of the Master Ordinance. *See* "SECURITY FOR THE SERIES 2008 BONDS – Flow of Funds" and " – Additional Bonds."

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Associated Series of Bonds	Notional Amount as of Sept. 30, 2006	Counterparty	Counterparty Ratings as of Sept. 30, 2006 (Moody's, S&P, Fitch)	Start Date	Termination Date	Counterparty Payment	County Payment
Series 1994	$416,075,000	AIG Financial Products Corp.	Aa2, AA-, AA	02/2/1994	10/05/2022	Cost of Funds Swap – Variable + LOC – BMA +.25%	Fixed – 5.28%
Series 1997	215,000,000	Merrill Lynch Capital Services, Inc.	Aa3, AA-, AA-	06/15/2008 w/ option to terminate on 06/15/2008	06/15/2020	Fixed – 4.902%	Variable – BMA
Series 1997	200,000,000	RFPC, Ltd. (1) – Guarantor – AMBAC	Guarantor – Aaa, AAA, AAA	07/18/2002	10/01/2026	Variable – 3 Month Libor + 1.455%	Variable – BMA/0.604
Series 1997 and Series 1999A	205,070,000	RFPC, Ltd. (1) – Guarantor – BNY	Guarantor – Aaa, AA-, AA	03/06/2006	10/01/2029	Variable – (90.15% of 10 Year Libor) + 1.58%	Variable – BMA/0.604
Series 2005	295,240,000	Bank of America, N.A.	Aa1, AA, AA-	10/01/2005	10/01/2025	Variable – BMA	Fixed – 5.27%

(1) A subsidiary of Rice Financial Products Co., New York, New York.

The County has used swaps as a debt management tool. As of September 30, 2006, the County has recognized $82.5 million of debt service savings from the above swaps. The County intends to maintain the current swap portfolio through the final maturity of the related Bonds and the termination value of the swap portfolio as of September 30, 2006 was a negative $109.2 million. Upon the refunding of the Refunded Bonds, the $215 million Merrill Lynch Capital Services, Inc. Swap and the $200 million RFPC, Ltd. Swap will be associated with the Series 2008 Bonds and the $205.07 million RFPC, Ltd. Swap will be associated solely with Series 1999A Bonds. The County does not budget for Hedge Receipts but does budget for Hedge Obligations that pertain to fixed rate payments.

For further discussion of outstanding interest rate swap transactions, please see APPENDIX B – "AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2006."

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SERIES 2008 BONDS ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds of the Series 2008 Bonds:

Sources of Funds

Par Amount of the Series 2008 Bonds	$
Plus: Original Issue Premium	
Other Available Funds of the Department[1]	
Total Sources	$

Uses of Funds

Deposit to Escrow Fund	$
Less: Underwriters' Discount	
Other Costs of Issuance[2]	
Total Uses	$

(1) Includes amounts in Debt Service Fund under the Bond Ordinance allocable to the Refunded Bonds.

(2) Includes legal fees, financial advisory fees, printing costs, the premium for the Bond Insurance Policy and other costs associated with the Series 2008 Bonds.

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DEBT SERVICE REQUIREMENTS ON THE SERIES 2008 BONDS, OUTSTANDING BONDS AND SUBORDINATE OBLIGATIONS

The following table sets forth the debt service requirements on the Series 2008 Bonds, all Outstanding Bonds and all Subordinate Obligations.

Fiscal Year Ending Sept. 30	Debt Service on Outstanding Bonds[1]	Debt Service on Subordinate Obligations[2]	Series 2008 Bonds			Total Debt Service[3]
			Principal	Interest	Total	
2008	$	$	$	$	$	$
2009						
2010						
2011						
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
Total						

THE DEPARTMENT

History

On October 3, 1972, the electorate of the County approved the formation of a new County-wide water and sewer agency by expanding the then-existing Department of Water and Sewer of the City of Miami (the "City"). Subsequently, the Board established the Miami-Dade Water and Sewer Authority (the "Authority") which began operating on April 1, 1973. On March 13, 1975, the City, the County and the Authority agreed to the transfer of all water and sewer properties, facilities and funds of the Department of Water and Sewer of the City to the Authority with the condition that certain property donated by the City would be returned to the City in the future if such property was not needed for water or sewer utility purposes.

On October 4, 1983, the Board enacted Ordinance No. 83-92, which abolished the Authority effective November 1, 1983 and established the Miami-Dade Water and Sewer Authority Department as a department within the Miami-Dade County government. On October 19, 1993, the Department changed its name to the Miami-Dade Water and Sewer Department.

Organization and Administration

The Department is responsible for the everyday operation and maintenance of the Utility. The Utility is administered by the Board under the supervision of the County Manager. John W. Renfrow, P.E., has been the Director of the Department (the "Director") since January 2006.

The Department is divided into two major groups, each under the supervision of a Deputy Director, with eight Assistant Directors, each responsible for a number of specific divisions.

Management

The following are brief resumes of the Director, the two Deputy Directors, and the Assistant Director – Finance:

John Renfrow, P.E., Director, was appointed Director of the Department in January 2006. He has responsibility for the overall direction and management of the Department.

Mr. Renfrow is a Professional Engineer and a Certified Hazardous Materials Manager. An active member of many committees and organizations that make important decisions regarding the County's water and environmental health, he received his Bachelor of Science in Civil Engineering from the University of Miami in 1971. He began his career with the County in 1977, as an Engineer with the Department of Environmental Resources Management ("DERM"). Prior to being named Director, Mr. Renfrow had been serving as the Director of DERM since 1988. Under his direction, DERM grew into a nationally respected local environmental regulator and educator.

Joseph A. Ruiz, Jr., Deputy Director – Operations, was appointed to this newly created position in 2006. Prior to his appointment as Deputy Director, Mr. Ruiz served as Assistant County Manager since June 2004.

Mr. Ruiz received his Bachelor's degree in Economics and History from the University of Miami in 1970. He has more than 30 years of management experience in both the public and private sectors. He has served in a variety of progressively responsible positions with the County, including Chief of the Administrative Division of the former Department of Traffic and Transportation, Chief of Motor Vehicle Safety Inspection, Assistant Director of the Public Works Department and Deputy Director of the Department of Solid Waste Management. In the private sector, he most recently served as Region Vice President of Waste management de Puerto Rico and Division Vice President for Waste Management of Florida, Inc.

L. Douglas Yoder, PhD., Deputy Director – Regulatory Compliance and Capital Improvements, was appointed to this newly created position in 2006. He is responsible for regulatory compliance and capital improvements.

Dr. Yoder graduated from Cornell University in 1969 with an undergraduate degree in government. He began his public service career with the County in 1971 working in the County Manager's Office. He earned master's and doctoral degrees in public administration from Nova Southeastern University, returning to full time employment with the County as a program manager with DERM in 1977. He was promoted to Assistant Director in 1981 and held that position until his transfer to the Department in February 2006.

Diane A. Camacho, C.P.A., Assistant Director – Finance, was appointed to this position June 2006. Prior to her appointment, Ms. Camacho served as Assistant Director, Finance and Administration for the Miami-Dade Seaport Department since 1998.

Ms. Camacho received a Bachelors of Business Administration with an emphasis in Accounting from Florida International University in 1979. She became a Florida Certified Public Accountant in June, 1980 and spent two years with Arthur Young and Company as an auditor. She was hired by the County in 1982 and spent two years at the Aviation Department and the following seven years at the Department where she reached the position of Assistant Director, Finance. She also spent five years with the Solid Waste department and later seven years at the Seaport Department (Port of Miami) as Assistant Director, Finance and Administration before returning to the Department in 2006. During her 23 years with the County, Ms. Camacho has managed as many as 500 employees, participated in various financing activities, including derivatives, and guided various systems development projects for financial accounting activities.

WATER AND SEWER SYSTEM

General

The Utility is divided into the Water System and the Sewer System. The Department administers each system on a unified basis for purposes of billing but separates the two for rates, capital improvements and accounting.

Service Area

The Utility currently provides water and wastewater treatment to substantially all of the County either directly to retail customers or indirectly through wholesale contracts between the Department and various municipalities. The County is the largest county in the Southeastern United States with a land area of 2,352 square miles. In 2006 the population of the County was estimated by the County's Planning and Zoning Department at approximately 2,432,000. *See* APPENDIX A – "GENERAL INFORMATION REGARDING MIAMI-DADE COUNTY, FLORIDA."

The Department's long-term objective of expansion to Countywide operation has been achieved by the acquisition of all privately-owned utilities in the County. Since 1973, the Department has acquired twenty-five (25) independent systems.

The Department supplies treated water on a wholesale basis to 15 municipally-owned water utilities in the County and to approximately 412,000 retail water customers. The only municipalities in the County which operate water treatment facilities for customers located primarily within their municipal boundaries are the City of Homestead, Florida City and North Miami. The City of North Miami Beach operates a water treatment facility which serves approximately two-thirds of their customers who do not live in their municipal boundaries. The Department also provides wastewater transmission treatment and disposal service on a wholesale basis to 12 municipally-owned wastewater utilities and Homestead Air Force Base, and to approximately 329,000 retail sewer customers as of September 30, 2006. The City of Homestead is the only municipality in the County which owns and operates its own wastewater treatment plant. *See* "WATER AND SEWER SYSTEM – Sewer System" below.

Water System [TO BE UPDATED]

General. The principal components of the Water System include 14 wellfields, with a total of 90 active permitted wells in the Biscayne Aquifer and five installed aquifer storage and recovery wells in the Floridan Aquifer, three major water treatment plants, five smaller water treatment plants, two lime

recalcining plants, and an extensive transmission and distribution system composed of storage reservoirs, pump stations and an interconnected network of transmission and distribution mains.

Sources. The Department draws its raw water primarily from the surficial Biscayne Aquifer, a non-artesian (or near surface) aquifer which underlies an area of about 3,200 square miles in Miami-Dade, Broward and Palm Beach counties. The Upper Floridan Aquifer, which underlies most of the State and ranges from a subsurface depth of 200 feet to 1,700 feet, is also an artesian water source. However, because water from the Upper Floridan Aquifer has a higher content of salt, its water is much more expensive to process. Therefore, the Upper Floridan Aquifer is a less desirable water source.

In 2004, the Department applied to the South Florida Water Management District (the "District") for a 20-year consumptive use permit. The District evaluated the application and, in January 2006, notified the Department that it could use the surficial Biscayne Aquifer as a source of supply only for current demands but, not for future growth. Thus, water for growth has to come from alternative sources. In May 2006, the County and the District entered into an Interim Consumptive Use Authorization and Agreement for a period of 18 months to authorize an allocation and to allow time for the Department to develop an alternative water supply plan. The Department has developed the plan and submitted it to the District for evaluation. The plan includes the use of the Biscayne Aquifer to meet current demands and also for future growth, but provides that additional amounts will be offset by providing ground water replenishment with highly treated reclaimed water. The Department is also proposing the use of the Floridan Aquifer to blend with water from the Biscayne Aquifer and also as a source of water to be treated with reverse osmosis. The Department will continue to use the existing aquifer storage and recovery wells ("ASR") to store fresh water in the wet season and recover in the dry season to augment the water supply.

Collection and Production. The Department collects its raw water from 14 existing wellfields which use the Biscayne Aquifer as the source water supply. In order to process and prepare raw water for consumption, the Department operates three major water treatment plants, five smaller water treatment plants, two lime recalcining plants and an extensive transmission and distribution system composed of storage reservoirs, pump stations and a network of transmission and distribution water mains. The five smaller treatment plants, which have a combined treatment capacity of 12.0 mgd, serve the extreme southern part of the County.

Water Treatment Plants. **[TO BE UPDATED]**The following chart reflects the allocations, rated capacities and actual flows for the County's water treatment plants.

Component	Hialeah/Preston	Orr	South Dade Water System[1]
District Allocation[2]			
Average	199.2 mgd	203.1 mgd	10.9 mgd
Peak	235.0 mgd	241.7 mgd	13.6 mgd
Plant Rated Capacity	225.0 mgd[3]	248.0 mgd[4]	12.0 mgd
Actual Flows[5]			
Average Daily	163.5 mgd	177.9 mgd	6.5 mgd
Peak Day	178.2 mgd	201.5 mgd	8.0 mgd

(1) Represents five smaller water treatment plants in southern Miami-Dade County.
(2) South Florida Water Management District allocation.
(3) Hialeah Plant rated capacity is 60 mgd and Preston Plant is 165 mgd for a total of 225 mgd.
(4) Treatment facility rated capacity is 248 mgd but water allocation is currently limited to 214.7 mgd, with use of the ASR wells.
(5) For the 12 months ending December 2006.

Source: The Department

The Board has approved a Joint Participation Agreement between the County and the City of Hialeah ("Hialeah") to jointly fund a reverse osmosis water treatment plant (the "Plant") at a cost of approximately $160 million, which will produce a maximum of 17.5 mgd when completed. The County and Hialeah will share equally in the construction, operations and maintenance costs (the "Plant Costs") and will benefit equally from the water produced. The Plant Costs are not anticipated to have a material adverse impact on the rates, revenues and operations of the Department. The Plant is a project included in the multi-year capital improvement plan.

Transmission. **[TO BE UPDATED]** High service pumping facilities located at each of the three major water treatment plants and a low pressure system deliver water directly to the Department's four high service pump stations. From there, the water is distributed through 7,300 miles of water mains, ranging in size from 2 to 72 inches in diameter, to the ultimate users.

Water Conservation. **[TO BE UPDATED]** The service area is subject to wide fluctuations in rainfall, not only in total annual amount, but also month-to-month. An extended dry period usually results in substantial water usage for residential irrigation and corresponding peak demands on the Utility. In response, the Department encourages water conservation through certain water use restrictions, rates and other methods. The conservation program includes:

- Leak detection and repair;
- Recycling the water used to backwash filters at treatment plants;
- Reduction of transmission main pressure during periods of critical water shortage;
- Brochures and public information mailed with bills giving advice on water conservation;
- Using wastewater treatment plant effluent at the wastewater treatment plants for process water, cleanup and landscape irrigation;

- Cooperation with Florida International University ("FIU") to use treated effluent from the North District Plant for landscape irrigation at nearby FIU Bay Vista Campus;
- Enforcement of an ordinance that required "Xeriscape" landscaping which favors use of plants and ground cover that require less irrigation for residential and commercial facilities;
- ASR; and
- Low flow shower head exchange program.

Water Quality. **[TO BE UPDATED]** The Safe Drinking Water Act (the "Water Act") and the related drinking water standards in the Florida Administrative Code have established quality standards designed to reduce the allowable concentration of a variety of substances. The Water Act also requires local water utilities to issue "consumer confidence reports" describing the source and quality of the water they provide. The Department's "Water Quality Report" provides the required information.

Regulations promulgated in December 1998 pursuant to the Water Act established maximum contaminant levels for two groups of water disinfection byproducts ("DBPs"): (i) total trihalomethanes and (ii) haloacetic acids. Utilities were required to comply by January 2004 with the standards established and the Department has adopted these standards. Based on treatment existing in 1998, the John E. Preston Water Treatment Plant was the Department's only plant that could not comply with the proposed standards. Pilot studies conducted by the Department regarding this issue demonstrated that enhanced softening was the most effective method for treating water to meet the new standards under Stage 1 of the DBP rules. The Department modified the treatment in order to comply with the regulations.

The Department is in compliance with regulations of the U.S. Environmental Protection Agency (the "EPA") intended to control the leaching of lead and copper from household plumbing into the water supply. A comprehensive sampling and testing program has been completed. All distribution systems were found to be satisfactory under the new regulations. Tri-annual follow-up sampling and testing for lead and copper is ongoing. To further improve the stability of the water, the Department has developed and is implementing a program which is designed to reduce lead and copper levels at the customer's tap. Bi-weekly monitoring for water quality parameters that validate optimized treatment is ongoing in accordance with regulations.

See "REGULATORY MATTERS" for a detailed description of certain regulatory matters with respect to the Water System.

Sewer System [TO BE UPDATED]

General. The Department's Sewer System consists of collection sewers, manholes, lift stations, force mains, interceptors, pump stations and three regional wastewater treatment plants: the North District Wastewater Treatment Plant at Interama (the "North District Plant"), the Central District Wastewater Treatment Plant at Virginia Key (the "Central District Plant") and the South District Wastewater Treatment Plant at Blackpoint (the "South District Plant").

Collection. There has been steady growth in the wastewater service provided by the Department due to an increase in total population in the County, the acquisition of small utilities and the extension of sewers to areas served by septic tank systems. The amount of wastewater treated annually, however, may vary significantly depending upon the amount of annual rainfall.

Wastewater is brought to the Department's treatment facilities through local collection facilities which include gravity sewers, manholes, lift stations and force mains. The Department has divided the

County into three districts in which wastewater is collected and transmitted to a wastewater treatment plant located in each of the three districts. The districts are interconnected to allow for limited redirection of flows.

The maintenance and improvement of the Utility's 1,006 sewage pump stations is one of the requirements of the terms of the Second and Final Partial Consent Decree (as defined under "REGULATORY MATTERS"). The Department's program to upgrade its sewage pump stations is continuing. A typical station upgrade includes improvements to the electric service, controls and alarm systems, the replacement of motors, the addition of pumps or a complete replacement pump station.

Groundwater, stormwater or other water not requiring treatment introduced into the Sewer System overloads pump stations and treatment plants. The cost of pumping and providing treatment for this excess water is substantial. Consequently, the Department has established an Infiltration/Inflow Reduction Program to conduct Sewer System evaluations and to rehabilitate the system by repairing pipes where feasible, replacing pipes damaged beyond repair, installing leakproof manhole covers and repairing manholes. Many of the program activities will be perpetually required to maintain the Sewer System's integrity and to continually reduce infiltration and inflow amounts. The Department has re-focused the program on service laterals which exhibit "leakage" during storms. The Department is currently conducting a Comprehensive Lateral Pilot Program to determine the feasibility and cost-effectiveness of repairing service laterals for the reduction of wet weather inflow and rain-induced infiltration.

The Department has an on-going program of inspection and correction to address the corrosive effects of hydrogen sulfide (a by-product of raw sewage) on its concrete force mains. The Department periodically inspects mains and implements corrective action with respect to any affected main.

Wastewater Treatment Plants. The Department operates three regional wastewater treatment plants located in various sections of the County as described above. The three plants have a combined installed treatment capacity of 375.5 mgd of wastewater and are currently permitted at 368 mgd. The following table summarizes the treatment permit parameters and the actual flows of each of the County's wastewater treatment plants. **[TO BE UPDATED]**

	North District	Central District	South District	Total
Installed Treatment Capacity	120.0	143.0	112.5	375.5
Permit Parameters				
Average Daily Flow, mgd	112.5	143.0	112.5	368
Effluent $CBOD_5$, mg/L[1]	30/20[3]	30	20	-
Effluent Suspended Solids, mg/L	30/20[3]	30	20	-
Actual Flows 12-Month Average for Fiscal Year 2006				
Average Daily Flow, mgd[2]	93.07	107.9	91.00	291.97
Effluent $CBOD_5$, mg/L[2]	8.8	7.6	5.4	-
Effluent Suspended Solids, mg/L[2]	10.5	8.2	8.7	-

(1) "$CBOD_5$" means Chemical Biological Oxygen Demand; "mg/L" means milligrams per liter.
(2) These levels are below those allowed by permit
(3) 30mg/L in secondary effluent going to the outfall; 20mg/L in effluent going to the wells.

Source: The Department

Disposal of Sludge and Treated Wastewater. The disposal of the by-products of the treatment process (sludge and effluent or treated wastewater) is an important part of the Department's plans to improve and expand its Sewer System. Steps taken by the Department in accordance with this plan are discussed in the following paragraphs.

Sludge is stabilized in anaerobic digesters at the Central District and South District Plants. After stabilization, sludge is dewatered in centrifuges to form a cake, a material that is dry enough to be loaded and hauled in a dump truck. Stabilized sludge cake can be disposed of in Class I Solid Waste Landfills. The stabilized cake can also be used as an agricultural soil supplement because it meets the requirements for Class B material, but only with State approved permits which require a substantial amount of documentation, monitoring and record keeping. After dewatering, the sludge cake can be further dried on paved drying beds and then composted to produce Class AA residuals, which can be sold as a soil supplement with relatively few restrictions. At the South District Plant, sludge cake is further dried on paved beds and a portion is composted to Class AA standards and sold as a soil supplement. The Department has discontinued the use of the sludge drying beds and composting facilities at the Central District Plant in order to reduce odors, which had caused complaints at a neighboring residential community. To this end, the Department has negotiated agreements to dispose of sludge cake; in accordance with these agreements, the sludge cake is disposed of by hauling and placing it in landfills or utilized as Class B agricultural soil supplement. The Department is developing a twenty year biosolids master plan.

Disposal of treated wastewater at the North District Plant, which currently has a permitted treatment capacity of 112.5 mgd, is accomplished by discharge into the Atlantic Ocean. The installed treatment capacity at the North District Plant was expanded to 120 mgd pursuant to the Settlement Agreements with the FDEP and the plant is currently conducting operational testing for two of the four deep injection wells prior to FDEP operational approval for all four wells. The Central District Plant also disposes of effluent by discharge into the Atlantic Ocean. The most recent environmental studies conducted by the EPA and examinations by the State and the Department conducted in 1994 have shown "no irreparable harm" and "no unreasonable degradation" to the environment as a result of the discharge of effluent from the North District Plant and the Central District Plant into the Atlantic Ocean.

The South District Plant disposes of its effluent through deep injection wells to the Lower Floridan Aquifer at a depth below 2,400 feet. The South District Plant has a permitted treatment capacity of 112.5 mgd and actual treatment capacity of 112.5 mgd. During the past 10 years, the Department constructed five additional deep-injection wells as part of its 112 mgd plant expansion project, but only one of these wells had received an operational permit. On April 29, 2004, the Department entered into a Consent Order (the "Order") with the FDEP to address the operation of the injection wells. The Order approved operational testing of the remaining four injection wells, and required the upgrade of the treatment process, *see* "REGULATORY MATTERS" for a more detailed description of the Order. With five additional wells operational, the actual treatment capacity at the South District Plant is sufficient to handle the average day effluent disposal requirements of the South District Plant.

The Department continues to explore different ways to reuse effluent. The practicality of reuse is affected by the cost of the added treatment, the cost of transmission and distribution systems, the possibility of contaminating the drinking water system through inadvertent cross connections, public attitudes about using treated wastewater and the quality of the water available for reuse. The Department has constructed a 5.5 mgd filtering system. The Department has also constructed a transmission main to provide 95,000 gallons per day of treated effluent from the North District Plant to Florida International University's ("FIU") Bay Vista Campus for use in land irrigation (the "FIU Project"). Finally, in order to meet the requirements of the in-kind reuse projects required by the Settlement Agreements and the EPA Second and Final Partial Consent Decree (which requires the expenditure of $5,855,000 in public access reuse), the Department has constructed and is using a public access project to provide irrigation water at two wastewater treatment plants and potable water replacement for processes at the three wastewater

treatment plants. In April 2007, the Department completed an updated Reuse Feasibility Study. *See* "REGULATORY MATTERS – Sewer System Settlement Agreements and Consent Decrees" herein.

Environmental Quality Management

The public's concern for environmental quality is reflected in many of the Department's activities, from meeting the effluent discharge quality limits and the changing water quality standards to providing facilities that are unobtrusive and have minimum adverse impact on the environment. Federal, state and local regulations regarding preservation of wetlands impact nearly all land development activities in South Florida, including those of the Department and private developers. The necessity of protecting wetlands has required revisions to Department construction plans in the past, and will continue to do so with such requirements possibly increasing the cost of future Department projects. If a project is essential for the welfare of the community, and damage to valuable ecologic systems is unavoidable, the permits may be issued with provisions for mitigating the losses by constructing or upgrading wetlands, planting mangroves or some similar program at a different location.

Since few sites remain for future plant locations which are not wetlands or near existing residential neighborhoods, it is anticipated that future water and sewage treatment plant expansions will require special design features such as multistory construction to minimize land requirements, special architectural and acoustical treatments, and odor control systems to make them unobtrusive.

Regulations

Other than the matters described in "REGULATORY MATTERS" the Department is in compliance with all other material federal, state and local rules and regulations.

Everglades Remedial Program

The federal Water Resources Development Act of 2000 approved the Comprehensive Everglades Restoration Plan ("CERP"), which was developed by a multi-agency study team led by the U.S. Army Corps of Engineers. The CERP provides a framework and guide to restore, protect and preserve the water resources of central and southern Florida, including the Everglades. The CERP includes more than 60 projects, will take more than 30 years to construct, and will cost an estimated $10.9 billion. The CERP projects that will be the responsibility of the Department are the South and West Miami-Dade Reuse Projects, which are currently scheduled for Band 4 (2020-2025). The Wastewater Reuse Technology ("WRT"), which is scheduled for Band 3 (2015-2020) has been initiated by the Department as part of the Interim Consumptive Use Authorization and Agreement with the District. The purpose of the WRT is to determine whether advanced wastewater reuse can meet the restoration requirements of the Project in a cost effective manner.

The WRT and the full scale South Miami-Dade Reuse projects are part of the Department's proposed water reclamation projects and they have been included in the capital plan.

Security [TO BE UPDATED]

Security at the Department's facilities has remained high since the September 11, 2001 attacks, and in 2002 the Board enacted an ordinance addressing long-term security at the Department's facilities, including wellfields and treatment plants. The ordinance specifically authorized the Department's Director to take any actions deemed necessary in an emergency, to secure the Department's facilities. The Director has already determined that a need exists to maintain increased security at the Department's facilities. Another important component of the ordinance is the issuance of new identification cards for all Department employees, contractors and visitors.

The Department has implemented a number of proactive measures to enhance the security of its water facilities as well as its response capabilities. Ten staff members have been licensed in the Risk Assessment Methodology Method for Water (RAM-W) for conducting vulnerability assessments. The vulnerability assessment of the water system was completed in March 2003 and submitted to the EPA as mandated. The Department has prepared its Emergency Response Plan (ERP) in accordance with the EPA regulations. This was submitted to the EPA prior to September 30, 2003. In accordance with federal requirements, the Department continues to assess, identify and implement feasible opportunities to minimize the vulnerability of the Department's facilities. This program is anticipated to cost in excess of $4 million when fully implemented. All major water plants are completed.

The EPA has not yet mandated performing vulnerability assessments of wastewater systems. The Department will perform a vulnerability assessment of its sewer system, which will encompass an assessment of its wastewater treatment facilities, the collection system, and the pumping and transmission system. However, the Department is addressing hardening of all facilities security until the assessment is completed.

The Department has hired a manager and supervisor that are dedicated to security at the Department's facilities. A program of security checks for contractors, including background checks through Miami-Dade Police Department, has been implemented. Additionally, staff working in sensitive plant areas are subject to federal background checks.

Insurance [TO BE UPDATED]

The Department is insured against loss to facilities through a blanket property insurance program covering real and personal property, including boiler and machinery. Scheduled properties include various wastewater treatment plants, regional water treatment plants, pump stations, water storage facilities, maintenance facilities, ocean outfalls, headquarters building, and leased properties. The current schedule of values is approximately $1.7 billion.

The current program has a limit of $200 million with a deductible of $100,000 for most perils. The program has a 5% named windstorm deductible with a $100,000 minimum and $20,000,000 maximum. Terrorism coverage is provided for both certified and non-certified acts.

The Department is covered under the County's self insurance program administered by the Risk Management Division of the General Services Department in accordance with Section 768.28, Florida Statutes as amended. F.S. §768.28 provides that tort claims against municipal governments are limited to $100,000 per claim and $200,000 in aggregate for any event or occurrence without a specific act of the Florida Legislature. This limitation applies to most of the liability claims that arise against the County or any local government in Florida, although certain liability claims such as claims under civil rights statutes, are not subject to these limitations.

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WATER AND SEWER CUSTOMERS AND REVENUES [TO BE UPDATED]

Accounts

The Department receives revenues for the sale of its water and sewer services from retail as well as wholesale customers.

The numbers of retail customers for the past five years are as follows:

Active Retail Customers [TO BE UPDATED]

	For Fiscal Year Ended September 30				
	2002	2003	2004	2005	2006
Water	385,441	391,227	398,318	406,059	412,121
Sewer	304,104	309,480	316,257	323,615	329,615
Percent ratio sewer customers to water customers	78.9%	79.1%	79.4%	79.7%	79.9%

Source: The Department

The current wholesale customers of the Utility are:

Water	Sewer
Bal Harbour	Coral Gables
Bay Harbor Islands	Florida City
Hialeah	Hialeah
Hialeah Gardens	Hialeah Gardens
Indian Creek Village	Homestead
Medley	Homestead Air Force Base
Miami Beach	Medley
Miami Springs	Miami Beach
North Miami	Miami Springs
North Miami Beach	North Miami
North Bay Village	North Miami Beach
Opa-Locka	Opa-Locka
Surfside	West Miami
Virginia Gardens	
West Miami	

Source: The Department

The ten largest customers for the Utility for Fiscal Year ended September 30, 2006 were:

Water System

Name	Dollar Amount (in thousands)	Percent of Utility Gross Revenues
City of Miami Beach	$8,918	4.5%
City of Hialeah	8,358	4.2
City of North Miami Beach	4,276	2.2
Miami-Dade County Aviation Department	2,063	1.0
City of North Miami	1,952	1.0
Florida Power & Light Company	1,422	0.7
City of Opa-Locka	1,134	0.6
Hialeah Gardens	788	0.4
City of Miami Springs	683	0.3
Bal Harbour	524	0.3

Source: The Department

Sewer System

Name	Dollar Amount (in thousands)	Percent of Utility Gross Revenues
City of Hialeah	$15,275	6.3%
City of Miami Beach	15,117	6.2
City of North Miami	6,924	2.9
City of Coral Gables	2,339	1.0
City of Miami Springs	2,125	0.9
City of Opa-Locka	2,010	0.8
City of North Miami Beach	1,428	0.6
City of Medley	1,196	0.5
Miami-Dade County Aviation Department	1,049	0.4
Hialeah Gardens	1,030	0.4

Source: The Department

Rates [TO BE UPDATED]

Effective January 1, 2007, the Department's retail rates were increased by 4.5% consistent with the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for "All Urban Consumers Water & Sewage Maintenance – U.S. Cities Average." The Board approved use of a "maintenance index" annually to provide additional revenues to recover increases in the Utility system's requirements. This water and sewer maintenance index cannot exceed U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for "All Urban Consumers Water & Sewage Maintenance – U.S. Cities Average." Wholesale rates remained unchanged, with the minor exception of an increase of $0.0033 (to $0.9733 per thousand gallons) for water for City of Hialeah and City of Miami Springs only.

Retail rates for Fiscal Year 2008 are being projected to increase by 4.8% based on the maintenance index and wholesale customers are expected to receive some rate increases, which are still under review.

MIAMI-DADE WATER AND SEWER DEPARTMENT
SCHEDULE OF RATES *[TO BE UPDATED]*

RETAIL CUSTOMERS

WATER:

	Effective January 1, 2007
Meter Charge:	
Meter Size	**Monthly Charge**
5/8"	$3.20
1"	$8.22
1.5"	$12.82
2"	$27.42
3"	$58.51
4"	$91.39
6"	$146.22
8"	$255.88
10"	$548.31
12"	$1,035.70
14"	$1,949.55
16"	$3,655.41

Monthly	**Monthly Charge**
Flow Rate All Usage:	
Usage per 100 cubic feet (ccf):	
0 to 5 ccf	$0.38
6 to 10 ccf	$1.43
11 to 17 ccf	$1.96
18 ccf and over	$2.87
Usage per 1,000 gallons:	
0 to 3,750 gallons	$0.50
3,751 to 7,500 gallons	$1.91
7,501 to 12,750 gallons	$2.61
12,751 gallons and over	$3.82

NOTE: 100 cubic feet (ccf) equals 748 gallons

Multi-Family Dwellings (MFD) – based on individual units for retail water

Source: The Department

MIAMI-DADE WATER AND SEWER DEPARTMENT
SCHEDULE OF RATES *[TO BE UPDATED]*

RETAIL CUSTOMERS

WATER:

Effective
January 1, 2007

Meter Charge:

Meter Size	**Quarterly Charge**
5/8"	$9.60
1"	$24.66
1.5"	$38.46
2"	$82.26
3"	$175.53
4"	$274.17
6"	$438.66
8"	$767.64
10"	$1,644.93
12"	$3,107.10
14"	$5,848.65
16"	$10,966.23

Quarterly	**Quarterly Charge**
Flow Rate All Usage:	
Usage per 100 cubic feet (ccf):	
0 to 5 ccf	$0.38
6 to 10 ccf	$1.43
11 to 17 ccf	$1.96
18 ccf and over	$2.87
Usage per 1,000 gallons:	
0 to 3,750 gallons	$0.50
3,751 to 7,500 gallons	$1.91
7,501 to 12,750 gallons	$2.61
12,751 gallons and over	$3.82

NOTE: 100 cubic feet (ccf) equals 748 gallons

Multi-Family Dwellings (MFD) – based on individual units for retail water

Source: The Department

MIAMI-DADE WATER AND SEWER DEPARTMENT
SCHEDULE OF RATES *[TO BE UPDATED]*

RETAIL CUSTOMERS

WASTEWATER DISPOSAL:

	Effective January 1, 2007
Monthly	**Monthly Charge**
Base Facility Charge	$3.25
Flow Rate All Usage:	
Usage per 100 cubic feet (ccf):	
0 to 5 ccf	$1.39
6 to 17 ccf	$2.84
18 ccf and over	$3.55
Usage per 1,000 gallons:	
0 to 3,750 gallons	$1.85
3,751 to 12,750 gallons	$3.79
12,751 gallons and over	$4.73

Quarterly	**Quarterly Charge**
Base Facility Charge	$9.75
Flow Rate All Usage:	
Usage per 100 cubic feet (ccf):	
0 to 15 ccf	$1.39
16 to 51 ccf	$2.84
52 ccf and over	$3.55
Usage per 1,000 gallons:	
0 to 11,250 gallons	$1.85
11,251 to 38,250 gallons	$3.79
38,251 gallons and over	$4.73

NOTE: 100 cubic feet (ccf) equals 748 gallons

Multi-Family Dwellings (MFD) – based on individual units for retail wastewater

Source: The Department

MIAMI-DADE WATER AND SEWER DEPARTMENT
SCHEDULE OF RATES *[TO BE UPDATED]*

WHOLESALE CUSTOMERS

	Effective October 1, 2006
WATER CUSTOMERS:	
Hialeah and Miami Springs	
Flow rate per 1,000 gallons	$0.9733
All Other Wholesale Customers	
Flow rate per 1,000 gallons	$1.100
WASTEWATER CUSTOMERS:	
Rates for Wet Season (May 1 to October 31 Annually)	
Flow rate per 1,000 gallons	$1.9500
Rates for Dry Season (November 1 to April 30 Annually)	
Flow rate per 1,000 gallons	$1.5200

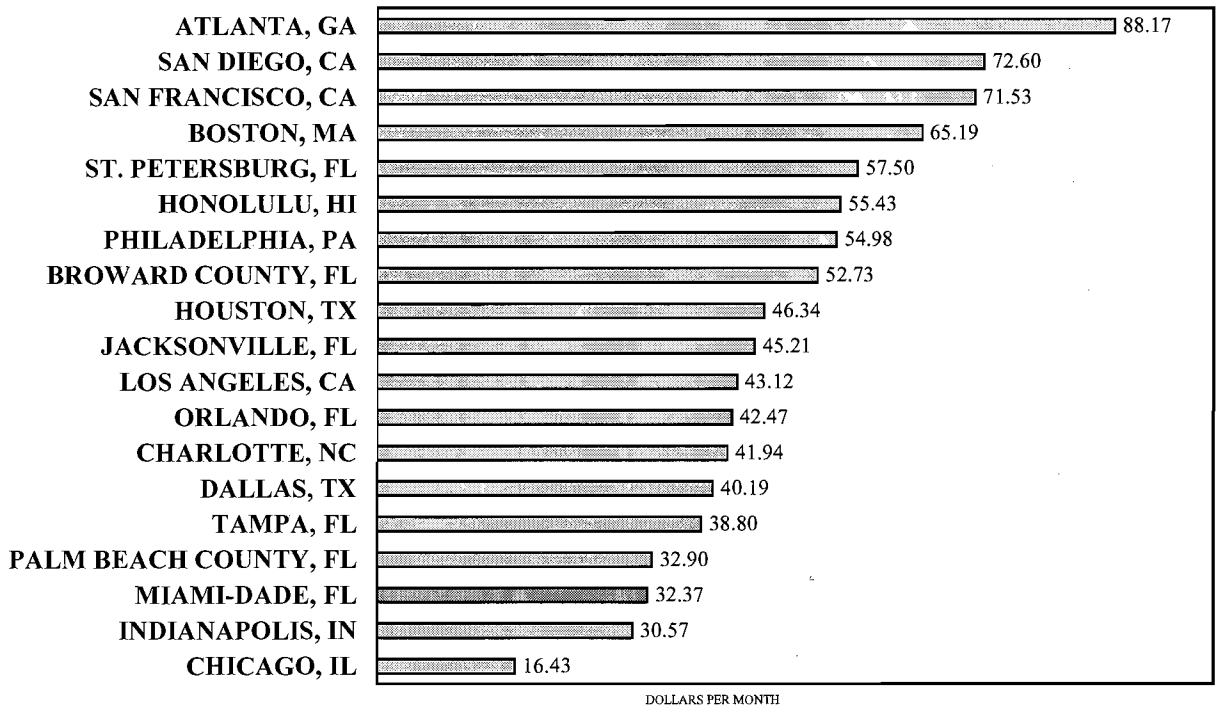
NOTE: 100 cubic feet (ccf) equals 748 gallons

Source: The Department

Rate Comparison *[TO BE UPDATED]*

The combined water and sewer bills of the Department are generally lower than those of comparable water and sewer utilities in other parts of the U.S. as shown in the following table:

COMBINED WATER AND SEWER BILLS
FLORIDA MUNICIPALITIES AND MAJOR U.S. CITIES
FOR THE AVERAGE RESIDENTIAL CUSTOMER*
EFFECTIVE OCTOBER 1, 2006[1]



* Average residential customer using 6,750 gallons per month.
[1] Miami-Dade's rate effective 1/1/2007.

Source: The Department

Billing and Collection *[TO BE UPDATED]*

The Department is responsible for all billing and collections. Of its approximately 412,000 customers, 396,000 are billed quarterly and 15,000 are billed monthly. Whether a customer is billed monthly or quarterly depends upon consumption. Once a customer's average monthly usage, established over a one-year period, exceeds 100,000 gallons, then the customer is billed monthly. All system-produced bills are normally mailed 2 to 3 days after meter readings are obtained. The past due date on all bills is 21 days after the billing date. A 10% late charge is assessed on any portion of the water and/or sewer charge, which remains unpaid after the past due date and a delinquent bill is mailed. Forty-two days after billed, unpaid accounts with a balance greater than $100 are included on a potential disconnect list. Accounts from this list are processed for disconnection of service. If an account remains unpaid 10 days after service has been discontinued, the customer is sent a final bill. A special assessment lien is filed against any owner-occupied real property, which has received services and has charges that are more than 60 days past due and unpaid. The Department may proceed against lessees to collect delinquent water and sewer charges. In the event a variance or discrepancy in a customer's usage is discovered, the Department will investigate to determine the cause. Supplemented bills will be sent to the customer with adjustments and such bills are subject to the same deadlines and penalties as regularly

prepared bills. The Department issues adjusted and corrected bills for various reasons such as leaks, misreadings, coding errors, administrative rulings, backbillings and stopped or inaccurate meters.

Annually, the Department analyzes and records a bad debt reserve for accounts that may be written off. Additionally, the Department performs an annual write-off of retail accounts if the balance due is under $500 and the final bill is more than two years old. The Department writes off accounts where the balance due is $500 or more, is more than two years old, has been referred to a collection agency for at least one year and the Department determines that the amount is uncollectible. The write-off is for accounting purposes only. The Department continues to legally pursue payment from the delinquent customer.

Efficiency Program

In January 1998, the Mayor established the "Efficiency and Competition Commission" in an effort to provide the citizenry with the best in government services at prices competitive with the private sector. Building on this impetus, in March 1998, the Department initiated "POWER," a **P**artnership **O**ptimizing **W**ASD's (the Department) **E**fficiency and **R**eengineering. The POWER program was implemented as a collaborative agreement with AFSCME Local 121 and the Government Supervisors Association of Florida.

Since the inception of the POWER program, the Department has documented efficiency savings of more than $24.3 Million (as of September 30, 2006), and provided gainsharing to employees as incentives for continuous improvements. An additional $2.2 million in savings has been identified for Fiscal Year 2007, but must be reviewed by the POWER Efficiency Committee. The POWER program accomplishments include: efficiency savings; improvements to customer service; and complying with federal and state regulations. The POWER program has been such a success that the National Association of Counties selected the program for an Achievement Award "in recognition of an innovative program which contributes to and enhances county government in the United States." In addition, the Department received the prestigious "Gold Award for Competitiveness Achievement" and the "Platinum Award for Sustained Competitiveness" from the Association of Metropolitan Water Agencies.

FINANCIAL OPERATIONS *[TO BE UPDATED]*

Utility Revenues, Operation and Maintenance Expenses, as well as certain assumptions and opinions pertaining to such financial data are described in the Audited Financial Report of the Miami-Dade Water and Sewer Department for Fiscal Year Ended September 30, 2006. *See* APPENDIX B – AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2006."

Historical Results of Operations and Debt Service Coverage

The following table summarizes audited historical operating results for the Utility for fiscal years ended September 30, 2002 through 2006. The historical results have been prepared based on information provided in the Department's audited financial statements for those years. The table also reflects the historical debt service coverage based on historical Pledged Revenues and debt service requirements.

HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE
($ in thousands)
(Fiscal Year Ended September 30)

	2002	2003	2004	2005	2006
OPERATING REVENUES:					
Retail	$263,966	$273,710	$295,176	$297,374	$341,555
Wholesale	73,145	69,565	71,501	75,013	78,310
Other	16,996	18,827	18,896	19,573	20,450
Total operating revenues	$354,107	$362,102	$385,573	$391,960	$440,315
OPERATING AND MAINTENANCE EXPENSES:					
Source of supply	$ 4,728	$ 5,248	$ 5,110	$ 5,710	$ 5,381
Collection system	12,793	13,193	14,534	15,582	18,111
Pumping	24,631	25,785	26,095	27,800	33,605
Treatment	77,552	86,991	89,511	105,427	118,524
Transmission and distribution	19,357	21,086	21,452	21,900	23,081
Customer accounting and service	22,083	19,915	22,505	22,704	22,974
General and administrative	35,728	46,173	53,706	59,256	71,210
Total operating and maintenance expenses	$196,872	$218,391	$232,913	$258,379	$292,886
Operating income before depreciation	$157,235	$143,711	$152,660	$133,581	$147,429
PRIMARY DEBT SERVICE COVERAGE:					
Net Operating Revenues	$157,235	$143,711	$152,660	$133,581	$147,429
Investment Earnings[1]	19,337	18,923	3,489	13,781	19,324
Net Transfers from (to) Rate Stabilization Fund	22,640	48,941	23,136	11,238	-
Net revenues available for debt service	$199,212	$211,575	$179,285	$158,600	$166,753
Debt service requirements[2]	115,654	115,629	114,196	104,123	110,848
Actual coverage	1.72	1.83	1.57	1.52	1.50
Required coverage	1.10	1.10	1.10	1.10	1.10
SUBORDINATED DEBT SERVICE COVERAGE:					
Net revenues available for debt service	$199,212	$211,575	$179,285	$158,600	$166,753
Less: Maximum principal and interest[3]	115,654	115,629	115,272	115,032	121,933
Adjusted net revenues	$83,558	$95,946	$64,013	$43,568	$44,820
Debt service and reserve requirements[4]	13,129	15,348	14,053	15,205	15,328
Actual coverage	6.36	6.25	4.56	2.87	2.92
Required coverage	1.00	1.00	1.00	1.00	1.00
STATE REVOLVING FUND LOANS DEBT SERVICE COVERAGE:					
Net revenues available for debt service	$199,212	$211,575	$179,285	$158,600	$166,753
Less: revenue required for primary debt service coverage[5]	127,219	127,192	125,615	114,536	121,933
Adjusted net revenues	$71,993	$84,383	$53,670	$44,064	$44,820
Debt service requirements[6]	12,417	14,870	13,966	15,205	15,328
Actual coverage	5.80x	5.67x	3.84x	2.90x	2.92x
Required coverage	1.15x	1.15x	1.15x	1.15x	1.15x

(1) Excludes interest income from Construction Fund.
(2) Represents debt service requirements on outstanding Bonds for such fiscal year.
(3) Maximum principal and interest requirements on the Bonds for such fiscal year.
(4) Represents debt service and reserve requirements on subordinate obligations.
(5) Represents 110% of primary debt service requirements.
(6) Represents debt service requirements on outstanding State Revolving Fund Loans for such fiscal year.

Source: Water and Sewer Department's Comprehensive Annual Financial Report For The Fiscal Year Ended September 30, 2006.

Management's Discussion

During the Fiscal Year 2006 budget process, the Department addressed the issue of revenue sufficiency with the Board, which included the need for reasonable annual rate increase to address the operating and maintenance cost increases that occur as a normal part of business each year. For Fiscal

Year 2006, the Board approved a rate increase of 7.72% for the average 6,750 gallon retail customer and the Board acknowledged the need for some type of annual increase based upon a "maintenance index." For the Fiscal Year 2007, the Board approved a rate increase for the average retail customer, effective January 1, 2007, of 4.5% based on the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for "All Urban Consumers Water and Sewage Maintenance – U.S. Cities Average." The Department has prepared a budget for Fiscal Year 2008 requesting an increase of 4.8% based on the same maintenance index. Revenues over the past five years have increased 25% from $354 million to over $440 million.

Operating Expenses have also increased over the last five years, rising by 49% from $196 million to over $292 million with the largest increases coming in the functional areas of pumping, treatment and general and administrative. The primary drivers of these increases include fuel costs, electricity, personnel costs, insurance and technology. Contributing to the operational side costs are increasingly stringent regulations regarding water treatment processes.

The Department maintains both a General Reserve Fund and a Rate Stabilization Fund to provide for contingencies and to mitigate rate increases. As of the end of Fiscal Year 2006, the Department's General Reserve Fund and Rate Stabilization Fund totaled over $65 million.

MULTI-YEAR CAPITAL IMPROVEMENT PLAN *[TO BE UPDATED]*

The Department has for many years used a formal capital program and budgeting process. Under this process, capital programs are projected forward over a 6-year period and beyond and a detailed budget is adopted for the first year of each multi-year. Both program and budget commitments are reviewed each year and modified as necessary.

Set forth on the following page is a summary of the Department's funding sources for its Multi-Year Capital Improvement Plan ("MYCIP") for Fiscal Years 2007 through 2016. The funding of the MYCIP includes proceeds of the Outstanding Bonds, Additional Bonds and Subordinate Obligations, as well as certain annual revenue sources of the Department. These MYCIP capital expenditures consist of the design, construction and construction management expenses associated with capital improvements related to the expansion of the wastewater treatment and collection facilities, the expansion and improvements to the water treatment plants and facilities including the pumping stations, water main rehabilitation, and other similar projects. The capital improvement projects are necessary to: (i) provide additional capacity to serve additional customers; (ii) meet the requirements of the regulatory actions imposed by the FDEP and the EPA; (iii) provide back up reserve capacity in the water and wastewater transmission systems; (iv) comply with level service requirements contained in the Comprehensive Development Master Plan; and (v) improve operating efficiencies of the Utility.

The Department's MYCIP provides that the Department intends to finance such plan with additional bond issues as needed to minimize the impact on rates in any individual year.

The Department's projects in the MYCIP for Fiscal Years 2007 through 2013 have been found to be consistent with the improvements identified in the Water and Wastewater Facilities Master Plans, the Consent Decrees and the Interim Peak Flow Management Plan.

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Miami-Dade Water and Sewer Department
2007 - 2016 MULTI-YEAR CAPITAL IMPROVEMENT PLAN
($ in Thousands)

	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	Future*	Total
Wastewater									
Existing Bond Proceeds	$ 67,443	$ 32,447	$ 5,889	$ 0	$ 0	$ 0	$ 0	$ 0	$ 105,779
Assumed Additional Bonds	0	0	0	234,011	186,979	196,693	186,796	1,403,424	2,207,903
State Revolving Fund	50	0	34,680	25,000	24,102	16,218	0	0	100,050
Plant Expansion	17,510	19,064	62,720	47,409	53,032	48,159	60,250	47,437	355,581
Renewal and Replacement Fund	34,696	56,549	118,720	61,815	58,342	56,383	59,588	60,610	505,703
Special Construction Fund	522	500	500	726	726	726	634	452	4,786
Bond Construction Contributions	500	500	0	500	1,500	0	0	0	3,000
General Obligation Bond	1,383	2,316	4,685	2,141	3,157	1,762	3,688	75,005	94,137
HLD – Special Construction Fund	9,013	15,652	55,335	0	0	0	0	0	80,000
Wastewater Construction Fund	0	0	906	0	0	0	0	0	906
South Florida Water Mgmt District Grant	3,150	1,850	10,000	5,000	5,000	5,000	0	0	30,000
Wastewater Total	**$ 134,267**	**$ 128,878**	**$ 293,435**	**$ 376,602**	**$ 332,838**	**$ 324,941**	**$ 310,956**	**$ 1,586,928**	**$ 3,488,845**
Water									
Existing Bond Proceeds	$ 42,134	$ 33,713	$ 16,635	$ 0	$ 0	$ 0	$ 0	$ 0	$ 92,482
Assumed Additional Bonds	0	0	0	72,938	53,433	89,713	80,276	167,987	464,347
State Revolving Fund	5,274	0	0	0	0	0	0	0	5,274
Plant Expansion	8,775	15,279	28,364	18,186	20,583	7,860	3,380	1,400	103,827
Renewal and Replacement Fund	30,151	27,727	41,612	50,010	43,304	40,264	40,814	39,240	313,122
Fire Hydrant	3,050	292	300	4,384	4,930	4,930	4,235	10,169	32,290
Special Construction Fund	1,300	414	414	414	414	414	414	1,314	5,098
Bond Construction Contributions	500	0	0	880	0	0	0	0	1,380
General Obligation Bond	7,689	4,992	12,804	12,258	7,917	2,663	4,026	59,785	112,134
Water Construction Fund	2,349	5,369	10,846	12,004	4,220	0	0	0	34,788
Rock Mining Mitigation Fees	3,000	3,000	5,000	5,000	6,000	6,000	0	0	28,000
Water Total	**$ 104,222**	**$ 90,786**	**$ 115,975**	**$ 176,074**	**$ 140,801**	**$ 151,844**	**$ 133,145**	**$ 279,895**	**$ 1,192,742**
Total MYCIP 2007-2016									
Total Expenditures:	**$ 238,489**	**$ 219,644**	**$ 409,410**	**$ 552,676**	**$ 473,639**	**$ 476,785**	**$ 444,101**	**$ 1,866,823**	**$ 4,681,587**

* Future is defined as Fiscal Years 2014 through 2016.
Source: The Department

REGULATORY MATTERS

Water System

Ground Water Under Direct Influence of Surface Water.

On January 5, 2006, the EPA published the Final Long Term Enhanced Surface Water Rule (the "Surface Water Rule"), which does not apply to the Department because the Department does not use surface water and the groundwater used by the Department has not been determined to be under the direct influence of surface water. However, the Northwest Wellfield is located in an area designated by the Florida Legislature as the Miami-Dade County Lake Belt Area. In order to maximize the efficient recovery of limestone in such area, the Florida Legislature has approved a plan that will allow rock mining in the vicinity of the Northwest Wellfield. As excavations get closer to the Northwest Wellfield, there is an increased risk of the wells coming under the influence of surface water, which would result in the Surface Water Rule applying to such wells.

In January 2006, the Florida Legislature recognized the risk to the Northwest Wellfield and imposed a "water treatment plant upgrade fee" equal to $0.15 per ton of limerock and sand sold within the Miami-Dade County Lake Belt Area. The fee became effective January 1, 2007 and will remain in effect until the total proceeds collected reach the actual amount necessary to design and construct the necessary water treatment plant upgrades. Such amount is to be determined in an open, public solicitation. The water treatment plant upgrade will consist of upgrading the filtration and disinfection processes to meet the requirements of the Surface Water Rule. The Department is in the process of hiring a consultant to design the necessary upgrades to the water treatment plant.

Stage 1 and Stage 2 DBP Rules.

The Disinfectants and Disinfection Byproducts Rule (the "DBPR") regulates disinfection byproducts ("DBPs"), which are formed when chlorine reacts with naturally occurring organic constituents in drinking water. The Stage 1 DBPR was promulgated by the EPA in December 1998, and became effective in January 2004.

The Department determined that the John E. Preston Water Treatment Plant is the only plant requiring modifications in order to consistently produce a system-wide water supply that complies with the Stage 1 DBPR. The Department identified the required process upgrades (high pH ferric enhanced softening) and has completed construction of the upgrades.

Construction of the plant modifications to comply with the Stage 1 DBPR began in December 2000 with an original target completion date of December 1, 2002. The Department utilized the available remedies allowed by the contract to ensure that the contractor expedited completion of the work; however, construction was delayed past the expedited completion date.

Recognizing that delays in construction would extend completion of the work beyond the effective date of the Stage 1 DBPR, the Department developed alternate measures to achieve regulatory compliance. The Department successfully implemented an alternate pretreatment approach at the John E. Preston Water Treatment Plant prior to January 2004, the effective date of the Stage 1 DPBR.

On January 4, 2006, the EPA published the final Stage 2 DBPR to provide increased protection from the potential health risks associated with DBPs. The Stage 2 compliance schedule is based on population served. The Stage 2 DBPR builds on the Stage 1 DBPR and includes the following additional requirements:

- Initial distribution system evaluations ("IDSE") to identify compliance monitoring locations with the high disinfection DBPs. The purpose of the IDSE is to determine locations of high total trihalomethanes and haloacetic acids. The results are used on conjunction with the Stage 1 DBPR compliance monitoring to identify and select Stage 2 DBPR compliance monitoring locations.

- Compliance is based on Locational Running Annual Averages, which averages the sample analytical results for water samples taken at a particular monitoring location during the previous calendar quarters.

- Requirements are specified for consecutive systems, which will apply to the Department's wholesale customers.

The Department has submitted a Standard Monitoring Plan ("SMP") for the main system, in accordance with the IDSE requirements. The EPA approved the SMP for the main system on March 14, 2007. The SMP for the South Dade system is due on October 1, 2007.

Aquifer Storage and Recovery Permit Violation

On March 15, 2002, the FDEP issued a Notice of Non-compliance to the Department alleging that at the time of an underground injection control inspection, the ASR system at the Southwest Wellfield was in recharge mode of operation without FDEP approval. In accordance with the construction permit, the Department was required to obtain a written authorization prior to operating the wells. The Department was operating the ASR wells to troubleshoot the injection equipment. Following the inspection, the Department provided data to FDEP demonstrating that the water that was injected into the ASR system met primary drinking water standards as required by the permit operational testing conditions. On June 20, 2006, the Board approved a Consent Order with FDEP imposing civil penalties in the amount of $247,100 and $35,000 for costs and expenses incurred by FDEP. The Board also approved the option of implementing an in-kind project in the amount of $370,650 in lieu of making a full cash payment for the civil penalties. On May 7, 2007, FDEP gave conditional approval for the in-kind project proposed by the Department, pending submittal of a more detailed account the project budget projections. The Department has submitted the additional information and is awaiting final FDEP approval.

Sewer System

South District Wastewater Treatment Plant Consent Orders.

In July 1994, the Department detected the presence of ammonia and total Kjeldahl nitrogen ("TKN") in monitoring wells at the South District Plant. The presence of those chemicals could indicate movement of effluent from the injection zone due to lack of geologic confinement, or it could be the result of injection well or monitoring well failure or other factors. Ammonia and TKN can be attributed to sewage effluent or other causes. Nevertheless, the presence of the chemicals detected by the Department does not create a health or environmental risk.

Subsequent to the Department's detection of ammonia and TKN in monitoring wells at the plant, the EPA and the FDEP threatened to commence enforcement action by alleging that the County was in violation of federal and state law and regulations regarding underground treated sewage injection wells. The EPA also threatened enforcement action because of discharges by the Department to on-site emergency disposal ponds, although the EPA and the FDEP previously approved emergency use of the ponds and the EPA funded their construction. Consequently, it was determined to be in the best interests

of the Department, the EPA and the FDEP to attempt to negotiate consent orders and to avoid litigation. On October 21, 1997, the Board approved the Administrative Order on Consent (the "AOC"), the FDEP draft Consent Order (the "CO") and the thirteen (13) draft operation permits associated with the CO.

The AOC became effective on December 26, 1997. The AOC provided that the EPA will withhold enforcement action provided that the County conducts various studies and tests to attempt to identify what, if any, problems exist in regard to integrity of the injection and monitoring wells and geologic confinement of the injection zone. Discharges to the on-site emergency disposal ponds are restricted. The Department is in compliance with the AOC.

On April 16, 2002, the EPA notified the County that it was terminating the AOC effective August 1, 2002 based on the EPA's unilateral determination that the purpose of the decree was fulfilled. The EPA further directed the County to negotiate a new Consent Order with FDEP to address the continued use of the injection wells.

Following extensive negotiations and mediation, on March 5, 2003, the Department and the FDEP reached an agreement on a new Consent Order, which was approved by the Board on July 22, 2003. The Order became effective on April 29, 2004 and allows an increase in the treatment plant capacity from 97 million gallons per day ("mgd") to 112.5 mgd and the use of the four existing wells.

The Order requires the County to treat sewage effluent to meet the FDEP High Level Disinfection ("HLD") criteria prior to injection. The FDEP-approved HLD treatment process consists of filtration and chlorination. On the effective date of the Order, the County commenced the process of procuring, permitting, designing, funding and constructing a HLD treatment upgrade for 112.5 mgd with a peaking factor of 2. The upgrade is to be completed in approximately five years. However, concurrent with this process, the County conducted two pilot projects to test the High Rate Disinfection ("HRD") and Ultraviolet Disinfection ("UV") processes, which are more cost effective, to demonstrate the equivalency of these processes to HLD. If the tests had revealed that either HRD or UV was equivalent to HLD, the County would have been allowed to implement that process and stop the design of the HLD system. However, following receipt of the results of the two pilot tests, FDEP concluded that HRD and UV were not equivalent to HLD. Therefore, the Department has proceeded with designing the HLD projects with an annual average daily flow capacity of 112.5 mgd and a peak flow capacity of 285 mgd. The current estimated costs for these projects is $600 million.

The Order requires that for the future scheduled 18.75 mgd capacity expansion of the facility, reuse be implemented as the effluent disposal method. In addition, the Order requires that the County be the local sponsor for the South Miami-Dade Wastewater Reuse Project as described in the July 1999 Comprehensive Everglades Restoration Plan ("CERP"). Under this CERP project, 131 mgd of wastewater is currently slated for reuse. These requirements will cover all reuse commitments from this facility. *See* "Everglades Remedial Program" herein.

In addition to the Consent Order requirements, on December 6, 2005, the EPA promulgated revisions to the Federal Underground Injection Control ("UIC") Requirements for Class I Municipal Disposal Wells in Florida. The UIC rule provides a regulatory alternative for the operators of Class I municipal disposal wells in specific areas of Florida that have caused or may cause movement of fluid into underground sources of drinking water. The new UIC rule will allow the South District Wastewater Treatment Plant to continue operation of the wells provided that the facility meets HLD treatment requirements by December 22, 2010.

The Department will not be able to meet the construction completion deadlines required by the Consent Order and the UIC rule. The Department has raised concerns regarding the complexity of the

construction activities and the Department's inability to meet the required construction deadline with both the EPA and FDEP. The Department continues to work with these agencies to address compliance.

South District Wastewater Treatment Plant Administrative Order.

On March 8, 2007, FDEP issued an operating permit for the South District Wastewater Treatment Plant along with an Administrative Order to establish a compliance schedule for submittal of an updated Reuse Feasibility Study; design and construction of the HLD facilities and septage/grease receiving facilities; conduct studies for odor control; and develop a protocol to obtain proportionate composite sampling for the injection wells.

Sewer System Settlement Agreements and Consent Decrees.

Systemwide Settlement Agreement. In 1993, the County and the FDEP entered into a settlement agreement (the "Systemwide Settlement Agreement"), which requires the County to: (1) make improvements to the Central District Plant to reduce odors; (2) make improvements to its wastewater treatment plants so as to increase capacity according to a schedule set forth in the Systemwide Settlement Agreement; (3) improve its collection and transmission system according to a schedule set forth in the Systemwide Settlement Agreement; (4) conduct studies regarding inflow/infiltration/exfiltration rehabilitation and pump station capacity according to a schedule set forth in the Systemwide Settlement Agreement; (5) implement procedures for taking corrective action with respect to spills, and (6) make certain short-term capacity improvements. Pursuant to the Systemwide Settlement Agreement, the County agree to a schedule of stipulated penalties of $10,000 per day per violation for failure to comply with certain specific requirements of the Systemwide Settlement Agreement. The Systemwide Settlement Agreement assesses separate penalties if effluent discharge from the Department's wastewater treatment plants fails to meet certain criteria established by state law. At the present time, the Department remains in compliance with the Systemwide Settlement Agreement.

First Partial Consent Decree. In 1993, the County executed a First Partial Consent Decree (the "First Partial Consent Decree") with the U.S. to resolve an EPA action, which included allegations involving the use of a 72-inch force main (the "Original Cross-Bay Line") that traverses Biscayne Bay from downtown Miami to the Central District Plant on Virginia Key the Original Cross-Bay Line and the unpermitted discharge of untreated wastewater from the Department's Sewer System. The First Partial Consent Decree was approved by the District Court on January 13, 1994. Under the terms of the First Partial Consent Decree, the County was required to (i) construct a new force main (the "New Cross-Bay Line") to replace the Original Cross-Bay Line, (ii) cease the flow of untreated wastewater through the Original Cross-Bay Line no later than thirty (30) days after completion of the New Cross-Bay Line and (iii) construct a new force main from the 9th Street Pump Station to the 4th Street Pump Station. The County completed construction of the two new force mains and stopped using the Original Cross-Bay Line to carry untreated wastewater, all within the deadlines established under the First Partial Consent Decree.

The First Partial Consent Decree, which remains in effect, also requires that prior to any new sewer service connection, the County must certify that adequate transmission and treatment capacity exists at the time the treatment plant receives the new flow. Where capacity does not exist, the County will be required to either provide adequate capacity or restrict connections. At the present time, the County remains in compliance with the First Partial Consent Decree.

Second and Final Partial Consent Decree. In 1995, the County executed a Second and Final Partial Consent Decree (the "Second and Final Consent Decree") with respect to the Sewer System. Under the terms of the Second and Final Partial Consent Decree, the County is required to: (1) implement

an infiltration and inflow inspection and rehabilitation program to reduce infiltration/inflow within the County's Sewer System; (2) minimize unauthorized storm water sewer connections; (3) implement a program to inspect and rehabilitate the County's sewage pump stations; (4) institute a remote monitoring system for the County's pump stations; (5) implement interim and long-term sewage collection system operating plans; (6) modify the County's maintenance program; (7) create an inventory of critical spare parts; (8) install and maintain a computerized collection and transmission system model; (9) develop and implement a treatment plant optimization program; (10) undertake a pump station upgrade and collection system improvement program (Peak Flow Management Plan); and (11) notify the EPA within twenty-four hours of any unauthorized discharge of wastewater into any surface water body. Pursuant to the Second and Final Partial Consent Decree, the Board enacted an ordinance requiring the County's wholesale sewer customers to implement collection and transmission remedial programs similar to those agreed to by the County in the Second and Final Partial Consent Decree. The scope of all improvements required to meet the terms of the Consent Decree is still being developed.

The Second and Final Partial Consent Decree stipulates civil penalties which will be imposed for each day that the County fails to meet the milestone dates set forth therein. The penalties range from $500 per day per violation to $15,000 per day per violation. The County is also required to undertake supplemental environmental projects in the amount of at least $5,000,000 for water conservation and wastewater reuse. A civil penalty must also be paid by the County to the U.S. in the total amount of $2,000,000 for violations as alleged by the U.S. in the complaint filed in this matter.

At the present time, the County has complied with certain terms of the Second and Final Partial Consent Decree and it is anticipated that the County will satisfy all of the Second and Final Consent Decree. The Department is in the process of completing a comprehensive lateral investigation program ("CLIP") to evaluate reducing infiltration and inflow in service laterals. The CLIP was submitted to the EPA in February 2007. The results obtained so far will be used to develop the final Peak Flow Management Plan, which must be submitted by February 8, 2008 in accordance with the Second and Final Partial Consent Decree.

Sewer System Overflow Violations

In 2001, the State of Florida enacted the Environmental Litigation Reform Act ("ELRA"), which allowed FDEP to address environmental cases with penalties of less than $10,000 through administrative proceedings. ELRA also established a mechanism for mediation at no cost to respondents. FDEP began implementation of ELRA in 2003. In July 2003, FDEP issued the first proposed settlement to the Department addressing sewage overflows that occurred in December 2002 for which FDEP had issued warning letters. On July 19, 2006, the Department entered into a settlement with FDEP for a total of twenty-one (21) overflow events occurring between December 2002 and January 2006, assessing civil penalties in the amount of $150,300, plus $15,030 to reimburse FDEP costs, for a total of $165,330 in penalties. On February 9, 2007, the Department entered into two additional settlements with FDEP for a total of seven (7) overflow events occurring between May 2006 and October 2006, assessing civil penalties in the amount of $17,000, plus $1,000 to reimburse FDEP costs, for a total of $18,000 in penalties.

LITIGATION

The County is a defendant from time to time in various lawsuits. No litigation questioning the corporate existence of the County or the right of its officials to their respective offices, or questioning or affecting the validity of the Series 2008 Bonds or the Bond Ordinance is pending. Furthermore, to the knowledge of the Office of the County Attorney, no litigation that would materially or adversely affect

the ability of the County to consummate its obligations under the Bond Ordinance, including its payment obligations thereunder, is threatened.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2008 Bonds upon an Event of Default under the Bond Ordinance are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for under the Bond Ordinance may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2008 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2008 Bonds is subject to various limitations including those imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

TAX MATTERS

General

In the opinion of Bond Counsel, under existing law (i) interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2008 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2008 Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the County to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2008 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations or the continuing compliance with the County's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2008 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the Internal Revenue Service.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the County may cause loss of such status and result in the interest on the Series 2008 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2008 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2008 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2008 Bonds, Bond Counsel will not undertake to determine (or to inform

any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2008 Bonds or the market prices of the Series 2008 Bonds.

A portion of the interest on the Series 2008 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2008 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations.

Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2008 Bonds. Bond Counsel will express no opinion regarding those consequences.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. There can be no assurance that legislation enacted or proposed, or clarification of the Code, after the date of issuance of the Series 2008 Bonds, will not have an adverse effect on the tax status of interest on the Series 2008 Bonds or the market prices of the Series 2008 Bonds.

Prospective purchasers of the Series 2008 Bonds should consult their own tax advisers regarding pending or proposed federal tax legislation, and prospective purchasers of the Series 2008 Bonds at other than their original issuance at the respective yields indicated on the inside cover page of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2008 Bonds ends with the issuance of the Series 2008 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the beneficial owners regarding the tax status of interest on the Series 2008 Bonds in the event of an audit examination by the Internal Revenue Service. The Internal Revenue Service has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the Internal Revenue Service does audit the Series 2008 Bonds, under current Internal Revenue Service procedures, the Internal Revenue Service will treat the County as the taxpayer and the beneficial owners of the Series 2008 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the Internal Revenue Service, including, but not limited to, selection of the Series 2008 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Series 2008 Bonds.

Original Issue Premium

Certain of the Series 2008 Bonds (the "Premium Bonds") as indicated on the inside cover page of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that

results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the yield for that Premium Bond stated on the inside cover page of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of bond premium properly accruable in any period with respect to the Premium Bonds and as to other federal tax consequences and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

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). Florida law further provides, however, that if the County in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The County is not and has not been in default as to principal and interest on bonds or other debt obligations which it has issued as the principal obligor or guarantor.

There are several special purpose governmental authorities of the County that serve as conduit issuers of private activity bonds for purposes such as housing, industrial development and health care. Defaults have occurred in connection with some of those private activity bonds; however, such defaults affect only the defaulted issues and have no effect on the payment of the Series 2008 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. Therefore, the County in good faith believes that defaults relating to conduit issuers are not material with regard to the Series 2008 Bonds and any disclosure concerning any defaults of conduit financings is not necessary.

CONTINUING DISCLOSURE

The County has covenanted in the Series 2008 Resolution, in accordance with the provisions of, and to the degree necessary to comply with, the secondary disclosure requirements of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission ("SEC"), to provide or cause to be provided for the benefit of the Beneficial Owners of the Series 2008 Bonds 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 information set forth in the Series 2008 Resolution (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2008.

The County has reserved 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 has agreed that any modification will be done in a manner consistent with the Rule.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Rating Services ("S&P"), and Fitch Ratings ("Fitch") have assigned long term ratings of "Aaa," "AAA" and "AAA," respectively, to the Series 2008 Bonds, with the understanding that, upon delivery of the Series 2008 Bonds, the Bond Insurance Policy will be issued by the Bond Insurer. The Series 2008 Bonds have been assigned underlying long-term ratings of A1, A+, and A+ by Moody's, S&P and Fitch, respectively, without regard to the Bond Insurance Policy to be issued by the Bond Insurer. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; Standard & Poor's Ratings Group, 25 Broadway, New York, New York 10004; and Fitch Ratings, One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies concerned, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2008 Bonds.

INDEPENDENT ACCOUNTANTS

The financial statements of the Department for the Fiscal Year ended September 30, 2006, attached as APPENDIX B were audited by Rachlin Cohen & Holtz LLP independent certified public accountants.

FINANCIAL ADVISOR

Public Resources Advisory Group, _____Florida, is the Financial Advisor to the County with respect to the issuance and sale of the Series 2008 Bonds. The Financial Advisor has assisted the County in the preparation of this Official Statement and has advised the County as to other matters relating to the planning, structuring and issuance of the Series 2008 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITERS

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2008 Bonds, including their legality and enforceability and the exclusion of interest on the Series 2008 Bonds from gross income for federal income tax purposes, are subject to the approval of Holland & Knight L.L.P., Miami, Florida, and The Law Offices of Steve E. Bullock, Miami, Florida, Bond Counsel, copies of whose legal opinions will be delivered with the Series 2008 Bonds. Certain other legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Hogan & Hartson L.L.P., Miami, Florida, McGhee & Associates LLC, Miami, Florida, and the Law Offices José A. Villalobos, P.A., Miami, Florida, Disclosure Counsel. _____is acting as counsel to the Underwriters.

The proposed text of the legal opinions of Bond Counsel is set forth as APPENDIX D to this Official Statement. The proposed text of the legal opinion to be delivered to the Remarketing Agent by Disclosure Counsel is set forth as APPENDIX E to this Official Statement. The actual legal opinions to be delivered may vary from the text of APPENDIX D or APPENDIX E, as the case may be, if necessary, to reflect facts and law on the date of delivery of the Series 2008 Bonds.

The legal opinions of Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney as of the date thereof. Bond Counsel, Disclosure Counsel and the Office of the Miami-Dade County Attorney assume no duty to update or supplement their respective 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 2008 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor 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.

CERTIFICATE CONCERNING THE OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2008 Bonds, the County will furnish its certificate, executed by the County's Finance Director and the Department's Director 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 2008 Bonds, does not contain any untrue statement of material fact and does not omit any material fact that should be included herein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

This Official Statement is dated as of the date set forth on the cover page and the information contained in this Official Statement is subject to change. This Official Statement, together with other documents described in this Official Statement, will be available upon request prior to the issuance and sale of the Series 2008 Bonds through the Office of the Finance Director, 111 N.W. First Street, Suite 2550, Miami, Florida 33128 at (305) 375-5147. Following the issuance and sale of the Series 2008 Bonds, this Official Statement and the other documents described in this Official Statement may be obtained upon request following payment of reproduction costs and postage through the Office of the Finance Director.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2008 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of facts. 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 reference is directed to all such documents for full and complete statements of all matters relating to the Series 2008 Bonds, the security for the payment of the Series 2008 Bonds and the rights and obligations of the Holders of the Series 2008 Bonds.

The information set forth in this Official Statement has been obtained from the County and other sources, which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by the County, and is not to be construed as a representation of the County or the Remarketing Agent. The information and expressions of opinion in this Official Statement are 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.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The delivery and the distribution of this Official Statement to the Remarketing Agent by the Finance Director is conclusive proof of the approval of this Official Statement by the Board.

APPENDIX A

GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA

GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA

Set forth below is certain general information concerning the County government and certain governmental services provided by the County.

History

The County is the largest county in the southeastern United States in terms of population. The County currently covers 2,209 square miles, located in the southeastern corner of the State, and includes, among other municipalities, the cities of Miami, Miami Beach, Coral Gables and Hialeah. In 2006, the population of the County was estimated to have been 2,431,819.

The County was created on January 18, 1836 under the Territorial Act of the United States. It included the land area now forming Palm Beach County and Broward County, together with the land area of the present County. In 1909, Palm Beach County was established from the northern portion of what was then Dade County. In 1915, Palm Beach County and the County contributed nearly equal portions of land to create what is now Broward County. There have been no significant boundary changes to the County since 1915.

County Government and Services

The State Legislature in 1955 approved and submitted to a general election a constitutional amendment designed to give a new form of government to the County. The amendment was approved in a statewide general election in November 1956. A Dade County Charter Board was constituted and, in April 1957, completed a draft of a charter for the County. The proposed charter (the "Charter") was adopted in a countywide election in May 1957 and became effective on July 20, 1957. The electors of the County were granted power to revise and amend the Charter from time to time by countywide vote. The most recent amendment was in January 2007. The County has home rule powers, subject only to the limitations of the Constitution and general laws of the State. The County, in effect, is both (1) a county government with certain powers effective throughout the entire County, including 35 municipalities, and (2) a municipal government for the unincorporated area of the County. The County has not displaced or replaced the cities, but supplements them. The County can take over particular activities of a city's operations if the services fall below minimum standards set by the Board, or with the consent of the governing body of a particular city.

On January 23, 2007, the electors of the County approved an amendment to the Home Rule Amendment and Charter which established a "strong mayor" form of government. This amendment expands the Mayor's power 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.

The County has assumed responsibility on a countywide basis for an increasing number of functions and services, including the following:

(a) County-wide police services, complementing the municipal police services within the cities and providing full-service police protection for the unincorporated areas of the County, with direct access to the National Crime Information Center in Washington, D.C. and the Florida Crime Information Center.

(b) Uniform system of fire protection, complementing the municipal fire protection services within five municipalities and providing full-service fire protection for the Miami-Dade Fire and Rescue Service District, which includes the unincorporated area of the County

and the 29 municipalities which have consolidated their fire departments within the Miami-Dade Fire and Rescue Department. The Miami-Dade Fire and Rescue Department also provides emergency medical services by responding to and providing on-site treatment to the seriously sick and injured.

(c) Certain expenses of the State's consolidated two-tier court system (pursuant to Section 29.008 of the Florida Statutes) are the responsibility of the County. The two-tier court system consists of the higher Circuit Court and the lower County Court. The Circuit Court handles domestic relations, felonies, probate, civil cases where the amount in dispute is $15,000 or more, juvenile cases, and appeals from the County Court. The County Court handles violations of municipal ordinances, misdemeanors and civil cases where the amount in dispute is less than $15,000.

(d) County-wide water and sewer system operated by the Water and Sewer Department.

(e) Jackson Memorial Hospital ("JMH") is operated, maintained and governed by an independent governing body called the Public Health Trust (the "Trust"). Based on the number of admissions to a single facility, JMH is one of the nation's busiest medical centers. The Board appoints members of the Board of Trustees for the Trust and also approves the budget of the Trust. The County continues to subsidize treatment of indigent patients on a contractual basis with the Trust.

(f) Unified transit system, consisting of various surface public transportation systems. In May, 1985, the 20.5 miles Phase I of the County's rapid rail transit system was completed and placed into operation. An extension was opened in May 2003 expanding the rail service along the north section from Okeechobee to the Palmetto station, making the system 22.4 miles long. In April 1986, the Metromover component of the rapid rail transit system commenced operation, with 1.9 miles of an elevated double loop system. Two extensions were subsequently constructed extending the service 1.4 miles south to the Brickell Avenue area and 1.1 miles north to the area known as Omni, for a total of 4.4 miles of service. These extensions were placed in service on May 1994.

(g) Combined public library system consisting of the Main Library, 40 branches and 2 bookmobiles offering educational, informational and recreational programs and materials. On an annual basis, approximately 6.1 million people visit the libraries, 875,000 registered borrowers check out more than 6.7 million items such as books, videotapes, DVDs, books on tape, CDs and other library materials, while reference librarians answer over 5.8 million questions, and 1.9 million internet sessions are provided free of charge. The Library Home Page offers e-books, downloadable audio books, downloadable videos, and many other information sources.

(h) Property appraisal services are performed by the County's Property Appraiser's office. Tax collection services are performed by the Miami-Dade Tax Collector. All collected taxes are distributed directly to each governmental entity, according to its respective tax levy. The municipalities, the Board of Public Instruction and several State agencies use data furnished to them by the Miami-Dade Tax Collector for the purpose of budget preparation and for their governmental operations.

(i) Minimum standards, enforceable throughout the County, in areas such as environmental resources management, building and zoning, consumer protection, health, housing and welfare.

(j) Garbage and trash collection, and disposal services, consisting of garbage and trash collection services to an average of approximately 315,000 households during Fiscal Year 2006 within the unincorporated area and certain municipalities within the County and disposal services to public and private haulers countywide.

(k) The Dante B. Fascell Port of Miami (the "Port"), owned and operated by the County through the Seaport Department. The Port is the world's largest multi-day cruise port in terms of cruise passengers, handling over approximately 3,731,000 passengers in Fiscal Year 2006. As of September 2006, the Port had the largest container cargo port in the State and is within the top ten in the United States in total number of containers held.

(l) The following airport facilities: (i) the Miami International Airport (the "Airport"), the principal commercial airport serving South Florida; (ii) the Opa-locka Airport, a 1,810 acre facility, (iii) the Opa-locka West Airport, a 420 acre facility, (iv) the Kendall-Tamiami Executive Airport, a 1,380-acre facility, (iv) the Homestead Airport, a 960-acre facility and (vi) the Training and Transition Airport, a facility of approximately 24,300 acres located in Collier and Miami-Dade Counties. All County-owned and operated by the Miami-Dade Aviation Department.

(m) Several miscellaneous services, including mosquito and animal control.

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 become due. The provisions of GASB 45 established 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.

The County provides medical and dental plans to its employees. The County has approximately 27,000 active employees, 1,300 pre-65 retirees and 1,400 post-65 retirees. The County provides retirees with the opportunity to participate in group employee health plans. Employees that retire and receive benefits under the Florida Retirement System are eligible to continue to participate in the health and dental plans. Retirees that elect to participate in the plans pay 100% (employer and employee portion) of the composite annual medical premium determined for the group consisting of active employees and pre-65 retirees. The County also provides paid health benefits to elected officials, employees offered an early retirement program, retirees injured in the line of duty that meet certain requirements defined in bargaining agreements, and a very small group of executive level employees.

While GASB 45 requirements will be effective for the County's Fiscal Year ending September 30, 2008, the County has received a preliminary estimate of the (i) accrued actuarial OPEB liability as of October 1, 2007 to be $159 million and (ii) annual OPEB expense for Fiscal Year 2008 to be $16.3 million, which assumes a 25-year amortization schedule and equal annual payments. Currently, the County's policy is to fund the benefits as claims are reported on a pay-as-you-go basis and the estimates assume the County will continue that policy. However, if the County were to adopt a funding policy where amounts are contributed in excess of the pay-as-you-go costs, then the estimated (i) accrued

actuarial OPEB liability could decrease to $114 million and (ii) Fiscal Year 2008 annual OPEB expense could decrease to $13.4 million, assuming a 25-year amortization schedule and equal annual payments.

The above estimates depend on several variables, including funding levels, cost method, actuarial assumptions and amortization approach. Since the County is still finalizing the variables, these estimates could change.

Economy

The County's economy has transitioned from mixed service and industrial in the 1970s to a service economy. The shift to services is led by expansion of international trade, the tourism industry, and health services. Wholesale and retail trades have become stronger economic forces in the local economy, and are projected to continue. This reflects the County's position as a wholesale center in Southeast Florida, serving a large international market. The tourism industry remains one of the largest sectors in the local economy.

In an effort to further strengthen and diversify the County's economic base, the County commissioned a private consulting firm in 1984 to identify goals and objectives for various public and private entities. The Beacon Council was established as a public-private partnership to promote these goals and objectives.

International Commerce

The Greater Miami Area is the center for international commerce for the southeastern United States. Its proximity to the Caribbean, Mexico, Central America and South America makes it a natural center of trade to and from North America. More than 1,200 multinational corporations are established in South Florida. In addition, the international background of many of its residents is an important labor force characteristic for multinational companies which operate across language and cultural differences.

Trade with Latin America, Europe and Caribbean countries has generated substantial growth in the number of financial institutions conducting business in the County. The large Spanish-speaking labor force and the State's proximity to Latin America have also contributed to the growth of the banking industry in the County. According to the Federal Reserve Bank of Atlanta, as of September 30, 2006, there were 12 Edge Act Banks throughout the United States; five of those institutions were located in the County with over $6.8 billion on deposit. Edge Act Banks are federally chartered organizations offering a wide range of banking services, but limited to international transactions only. These banking institutions are: American Express Bank International, Bancafe International, Banco Santander International, Bank Boston International, and HSBC Private Bank International.

The County had the highest concentration of international bank agencies on the east coast south of New York City, with a total of 32 foreign chartered banks and over $15.5 billion on deposit as of September 30, 2006, according to the Florida Department of Financial Services, Office of Financial Regulations.

Corporate Expansion

The favorable geographic location of the County, a well-trained labor force and the favorable transportation infrastructure have allowed the economic base of the County to expand by attracting many national and international firms doing business in Latin America. Among these corporations are: Carnival Cruise Lines, Elizabeth Arden, Federal Express Corporation, Kraft Foods International, Parfums Christian Dior, Porsche Latin America, Telefonica, AIG, and Caterpillar.

Significant strides have been made in attracting non-manufacturing firms to the County. Some of the national firms with established international operations located in the County are: ASTAR Air Cargo,

Burger King, Ryder Systems, Lennar, Oracle Corporation, The Gap, Starboard Cruise Services and the William Morris Agency.

Industrial Development

The role of the Miami-Dade County Industrial Development Authority (the "IDA") is the development and management of the tax-exempt industrial development revenue bond program, which serves as a financial incentive to support private sector business and industry expansion and location. Programs developed are consistent with the IDA's legal status and compatible with the economic development goals established by the Board and other economic development organizations operating in the County.

Between 1979 and the creation of the Beacon Council in 1986, the IDA provided expansion and location assistance to 195 private sector businesses, accounting for a capital investment of $695 million and the creation of over 11,286 new jobs.

The IDA's principal program, the Tax-Exempt Industrial Development Revenue Bond Program, generated 420 applications through December 2006. As of January 2007, bonds for 207 company projects have been issued for a total volume in excess of $1.3 billion. Approximately 9,334 new jobs have been generated by these projects. The IDA continues to manage approximately 57 outstanding Industrial Development Revenue Bond Issues, approximating $709 million in capital investment.

Other Developmental Activities

In October, 1979, the Miami-Dade County Health Facilities Authority (the "Health Authority") was formed to assist local not-for-profit health care corporations to acquire, construct, improve or refinance health care projects located in the County through the issuance of tax-exempt bonds or notes. Since its inception, the Health Authority has issued 24 series of revenue bonds for 17 projects and 17 refundings. As of December 2006, the total amount of revenue bonds issued by the Health Authority was over $1.4 billion.

In October 1969, the Board created the Miami-Dade County Educational Facilities Authority (the "EFA") to assist institutions of higher learning within the County to have an additional means to finance facilities and structures needed to maintain and expand learning opportunities and intellectual development. As of December 2006, the EFA has issued 38 series of revenue bonds for 26 projects and 23 refundings, totaling over $1.4 billion.

In December 1978, the Housing Finance Authority of Miami-Dade County (Florida) (the "HFA") was formed to issue bonds to provide the HFA with moneys to purchase mortgage loans secured by mortgages on single family residential property owned by low and moderate income persons residing in the County. Since its inception, the HFA has generated $1.2 billion in mortgage funds through the issuance of revenue bonds under the Single Family Mortgage Revenue Bond Program benefiting approximately 12,000 families in the County.

As of December 2006, under the HFA's Multi-Family Mortgage Revenue Bond Program revenue bonds aggregating approximately $917 million have been issued for new construction or rehabilitation of 16,752 units.

The bonds issued by the foregoing authorities and the IDA are not debts or obligations of the County or the State or any political subdivision thereof, but are payable solely from the revenues provided by the respective private activity borrower as security therefor.

Film Industry

The County continues to be a vibrant production center for film, television, commercial advertising and still photo shoots. The sector is particularly strong in the area of Spanish language teleproductions, where Miami based companies such as Univision, Telemundo, Venevision, Fono Video and Plural continue to produce dozens of telenovelas and other television content for the growing U.S. Hispanic and Latin American markets. The growth trend in European based productions filming in Miami also continued in 2006, due in part to the continuing strength of the Euro. Several European companies, including Spain's Plural and Shine from the UK, have made a permanent move to Miami as their entry point into the U.S. marketplace.

Miami as a brand name prominently figured in many high profile films and television shows during 2006, including "Miami Vice," "CSI: Miami," Showtime's "Dexter" and the Discovery Channel's "Miami Ink."

Surface Transportation

The County owns and operates through its Transit Agency (a County department), a unified multi-modal public transportation system. Operating in a fully integrated configuration, the County's Transit Agency provides public transportation services through: (i) Metrorail - a 22.4-mile, 22-station elevated electric rail line connecting South Miami-Dade and the City of Hialeah with the Downtown and Civic Center areas, providing 17.2 million passenger trips annually; (ii) Metromover - a fully automated, driverless 4.4-mile elevated electric double-loop people-mover system interfaced with Metrorail and completing approximately 8.2 million passenger trips annually throughout 22 stations in the central business district and south to the Brickell international banking area and north to the Omni area; and (iii) Metrobus, including both directly operated and contracted conventional urban bus service, operating over 38 million miles per year, interconnecting with all Metrorail stations and key Metromover stations, and providing over 109 million passenger trips annually.

The County also provides para-transit service to qualified elderly and handicapped riders through its Special Transportation Service, which supplies over 1.5 million passenger trips per year in a demand-response environment.

Additionally, the County's Transit Agency is operating the Bus Rapid Transit ("BRT") on the South Miami-Dade Busway, a dedicated-use BRT corridor that runs parallel to US1/South Dixie Highway. Service commenced in 1997 and was extended from North Kendall Drive/SW 88th Street to SW 264th Street. A final segment is currently under construction. Upon completion, the South Miami-Dade Busway will traverse over twenty miles, connecting Florida City (SW 344th Street) with the Metrorail system, with connection to downtown Miami. The final segment is scheduled to be opened for revenue service in August 2007.

Airport

The County owns and operates the Airport, the principal commercial airport serving Southeast Florida. The Airport also has the third highest international passenger traffic in the U.S. It is currently handling approximately 32,094,000 passengers and 1,970,000 tons of air freight annually and is classified by the Federal Aviation Administration as a large hub airport, the highest classification given by that organization. The Airport is also one of the principal maintenance and overhaul bases, as well as a principal training center for the airline industry in the United States, Central and South America and the Caribbean.

A five year summary of the passengers served and cargo handled by the Airport is shown below:

Passengers and Cargo Handled by Miami International Airport 2002-2006

Fiscal Year	Passengers (in thousands)	Cargo (in millions)	Total Landed Weight (million lbs.)
2002	29,350	1.76	31,851
2003	29,532	1.77	31,610
2004	30,244	1.94	31,900
2005	30,912	1.96	31,148
2006	32,094	1.97	30,735

SOURCE: Miami-Dade County Aviation Department

Seaport

The Port is an island port, which covers 640 acres of land, operated by the Seaport Department. It is the world's largest multi-day cruise port. Embarkations and debarkations on cruise ships totaled just over 3.7 million passengers for the Fiscal Year 2006. With the increase in activity from the Far-East markets and South and Central America, cargo tonnage transiting the Port amounted to approximately 8.6 million tons for the Fiscal Year 2006.

The following table sets forth a five-year summary of both cruise passengers served and cargo handled:

Passengers and Cargo Handled by Port 2002-2006

Fiscal Year	Cruise Passengers (in thousands)	Cargo Tonnage (in millions)
2002	3,643	8.68
2003	3,961	9.00
2004	3,500	9.23
2005	3,605	9.47
2006	3,731	8.65

SOURCE: Miami-Dade County Seaport Department

Tourism

The Greater Miami Area is a leading center for tourism in the State. Miami was a primary destination for more domestic air travelers after Orlando according to the Florida Division of Tourism of the Department of Commerce. It is also the principal port of entry in the State for international air travelers. During 2005, approximately 86% of international air travelers (excluding travelers from Canada) entering the State arrived through the Airport. The Airport has the third highest international passenger traffic behind New York's John F. Kennedy International Airport and the Los Angeles International Airport.

The visitors market in the County is shifting away from the traditional tourist market to a "convention group market." This is reflected in the expansion and renovation of lodging facilities as well as in the marketing efforts of South Florida hoteliers. The City of Miami Beach, with the assistance of the County, is expanding and remodeling the Miami Beach Convention Center, the largest existing

convention center in the County, from 250,000 to 500,000 square feet of exhibition space. The convention group market is generally less sensitive to fluctuations in disposable personal income.

The following is a five-year schedule of domestic and international visitors, including a further breakdown of international visitors by region of origin, and the estimated economic impact produced by those visitors:

Tourism Statistics
2002-2006

	Visitors (in thousands)			Estimated Economic Impact (in millions)		
	Domestic	**Int'l**	**Total**	**Domestic**	**Int'l**	**Total**
2002	5,316	4,915	10,231	6,298	5,613	11,911
2003	5,536	4,909	10,445	5,633	4,207	9,840
2004	5,700	5,262	10,962	6,423	6,034	12,457
2005	6,053	5,249	11,302	7,252	6,683	13,935
2006	6,263	5,322	11,585	7,688	9,108	16,796

International Visitors by Region
2002-2006
(in thousands)

	European	**Caribbean**	**Latin American**	**Canada Japan/Other**	**Total**
2002	1,131	650	2,461	673	4,915
2003	1,119	653	2,455	682	4,909
2004	1,253	679	2,641	689	5,262
2005	1,181	709	2,661	698	5,249
2006	1,224	665	2,778	655	5,322

SOURCE: Greater Miami Convention and Visitors Bureau

Employment

The following table demonstrates the economic diversity of the County's employment base. No single industry clearly dominates the County's employment market, and there have not been any significant decreases within the industry classifications displayed for the latest years for which information is available.

Estimated Employment
In Non-Agricultural Establishments
2004-2006

	September 2004	Percent	September 2005	Percent	September 2006	Percent
Goods Producing Sector						
Construction	42,300	4.2	43,400	4.1	48,300	4.6
Manufacturing	50,600	4.9	49,600	4.7	46,900	5.1
Mining & Natural Resources	400	0.0	400	0.0	600	0.1
Total Goods Producing Sector	93,300	9.1	93,400	8.8	95,800	9.1
Service Providing Sector						
Transportation, Warehousing and Utilities	60,600	5.9	61,300	5.9	61,500	5.8
Wholesale Trade	73,000	7.1	75,100	7.2	74,200	7.0
Retail Trade	116,700	11.4	115,800	11.1	120,200	11.4
Information	28,000	2.8	28,400	2.7	23,500	2.2
Financial Activities	68,400	6.7	69,900	6.7	74,900	7.1
Professional and Business	157,000	15.3	163,400	15.6	170,900	16.2
Education and Health Services	135,300	13.2	137,700	13.2	138,000	13.0
Leisure and Hospitality	95,800	9.3	101,700	9.7	101,100	9.6
Other Services	44,200	4.3	45,400	4.3	42,900	4.1
Government	153,200	14.9	154,400	14.8	154,700	14.6
Total Service Providing Sector	932,200	90.9	953,100	91.2	961,900	90.9
Total Non-Agricultural Employment	1,025,500	100%	1,046,500	100%	1,057,700	100%

SOURCES: Florida Agency for Workplace Innovation, Labor Market Statistics, Current Employment Statistics Program (in cooperation with U.S. Department of Labor, Bureau of Labor Statistics).
Miami-Dade County, Department of Planning and Zoning, Research Section, 2006

County Demographics

Estimates of Population by Age
Miami-Dade County
2000 to 2030

Age Group	2000	2005	2010	2015	2020	2025	2030
Under 16	495,375	522,487	534,919	568,328	587,943	624,806	651,014
16-64	1,457,435	1,558,005	1,675,514	1,762,649	1,859,961	1,930,253	2,011,989
65 & Over	300,552	325,613	340,851	372,137	410,285	464,741	524,789
Total	2,253,362	2,402,105	2,551,284	2,703,114	2,858,189	3,019,800	3,187,792

SOURCES: U.S. Census Bureau, Decennial Census Report for 2000. Projections provided by Miami-Dade County, Department of Planning and Zoning, Research Section 2006.

Trends and Forecasts, Population in Incorporated and Unincorporated Areas
1960 – 2015

Year	Population in Incorporated Areas	Population in Unincorporated Areas	Total	Percentage Growth in Population
Trends:				
1960	582,713	352,334	935,047	N/A
1970	730,425	537,367	1,267,792	36.5%
1980	829,881	795,900	1,625,781	28.2
1990	909,371	1,027,723	1,937,094	19.1
1995	973,912	1,110,293	2,084,205	7.6
2000	1,049,074	1,204,288	2,253,362	8.1
2001	1,078,455	1,204,864	2,283,319	1.3
2002	1,080,909	1,222,138	2,303,047	1.3
2003	1,100,442	1,242,297	2,342,739	1.3
2004	1,265,077	1,107,341	2,372,418	1.3
2005	1,331,520	1,070,585	2,402,105	1.3
Forecasts:				
2010	1,410,641	1,140,643	2,551,284	6.1
2015	1,494,626	1,208,488	2,703,114	6.0

SOURCES: U.S. Census Bureau, Decennial Census Reports for 1960-2000. Projections provided by Miami-Dade County, Department of Planning and Zoning, Research Section 2006

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Population By Race and Ethnic Group[1]
Miami-Dade County
1970 - 2020
(in thousands)

Year	Total[2]	Hispanic[1]	Blacks[1]	Non-Hispanic Whites and Others
1970	1,268	299	190	782
1975	1,462	467	237	765
1980	1,626	581	284	773
1985	1,771	768	367	656
1990	1,967	968	409	618
1995	2,084	1,155	446	519
2000	2,253	1,292	457	534
2005	2,402	1,455	461	497
2010[3]	2,551	1,621	526	442
2015[3]	2,703	1,794	554	395
2020[3]	2,858	1,972	583	347
		(In Percentages)		
1970	100%	24%	15%	62%
1975	100	32	16	52
1980	100	36	17	48
1985	100	43	21	37
1990	100	49	21	31
1995	100	55	21	25
2000	100	57	20	24
2005	100	61	21	20
2010[3]	100	64	21	17
2015[3]	100	66	21	15
2020[3]	100	69	20	12

SOURCES: U.S. Census Bureau, Census of Population Reports for 1970-2000. Projections provided by Miami-Dade County, Department of Planning and Zoning, Research Section 2006.

(1) Persons of Hispanic origin may be of any race. Hispanic Blacks are counted as both Hispanic and as Black. Other Non-Hispanics are grouped with Non-Hispanic White category. Sum of components exceeds total.
(2) Numbers may not add due to rounding.
(3) Projections.

The following tables set forth the leading public and private County employers:

Fifteen Largest Public Employers

Employers' Name	Number of Employees
Miami-Dade County Public Schools	50,000
Miami-Dade County	32,000
U.S. Federal Government	20,400
Florida State Government	17,000
Jackson Health System	10,500
Miami-Dade Community College	6,500
City of Miami	4,034
Florida International University	3,132
VA Medical Center	2,300
City of Miami Beach	1,979
City of Hialeah	1,800
U.S. Coast Guard	1,220
U.S. Southern Command	1,200
City of Coral Gables	895
City of North Miami Beach	738

SOURCE: The Beacon Council/Miami-Dade County, Florida, *Miami Business Profile & Relocation Guide 2006*

Fifteen Largest Private Employers

Employers' Name	Number of Employees
Baptist Health Systems of South Florida	10,826
University of Miami	9,874
American Airlines	9,000
Precision Response Corporation	6,000
BellSouth Corporation Florida	5,500
Winn Dixie Stores	4,833
Publix Super Markets	4,000
Florida Power & Light Company	3,900
Carnival Cruise Lines	3,500
Macy's Department Store	3,368
Mount Sinai Medical Center	3,264
Miami Children's Hospital	2,600
Mercy Hospital	2,412
Wachovia, N.A.	2,229
Cordis	2,100

SOURCE: The Beacon Council/Miami-Dade County, Florida, *Miami Business Profile & Relocation Guide 2006*

The following table sets forth the unemployment rates within the County and comparative rates for the United States and the State:

Unemployment Rates
2002-2006

Area	2002	2003	2004	2005	2006*
USA	5.8%	6.0%	5.6%	5.1%	4.7%
Florida	5.5	5.1	4.7	4.1	3.2
Miami-Dade County	7.8	7.2	6.5	4.7	3.8

*Annual Avg. through September, 2006

SOURCES: Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics and Miami-Dade County, Department of Planning and Zoning, Research Section 2006.

The following table sets forth the per capita personal income within the County and comparative per capita personal income for the Unites States, the Southeastern region and the State:

Per Capita Personal Income
2000 - 2004

Year	USA	Southeastern	Florida	Miami-Dade
2000	$29,847	$26,485	$28,511	$25,627
2001	30,527	27,325	29,247	26,172
2002	30,906	27,837	29,758	26,780
2003	31,472	28,470	30,098	27,953
2004	33,050	29,756	31,469	29,076

SOURCES: U.S. Department of Commerce, Economic and Statistic Administration Bureau of Economic. Analysis/Regional Economic Information System.
Miami-Dade County Department of Planning and Zoning, Research Section 2006.

APPENDIX B

AUDITED FINANCIAL REPORT OF THE MIAMI-DADE WATER AND SEWER DEPARTMENT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2007

APPENDIX C

THE BOND ORDINANCE

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

_____ __, 2007

Board of County Commissioners of
Miami-Dade County, Florida
Miami, Florida

Re: $ Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008

We have examined the transcript of proceedings (the "Transcript") relating to the issuance by Miami-Dade County, Florida (the "County") of its $ principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"). All terms used in capitalized form and not defined herein have the meanings ascribed to such terms in the herein below described Bond Ordinance.

The Series 2008 Bonds are issued pursuant to Ordinance No. 93-134, enacted by the Board of County Commissioners of the County (the "Board") on November 16, 1993, and Resolution No. R-911-07, adopted by the Board on July 24, 2007 (collectively, the "Bond Ordinance"). The Series 2008 Bonds are being issued for the purpose of providing funds, together with any other available funds, to (i) refund the outstanding Dade County, Florida Water and Sewer System Revenue Bonds, Series 1997, maturing on and after October 1, 2010, and (ii) pay costs of issuance of the Series 2008 Bonds.

The documents in the Transcript examined include a certified copy of the Bond Ordinance. We have also examined a specimen of the Series 2008 Bonds.

Based on this examination, we are of the opinion that, under existing law:

1. The County is a validly existing political subdivision of the State of Florida under the Constitution and laws of the State of Florida, with the power to issue the Series 2008 Bonds.

2. The Series 2008 Bonds and the Bond Ordinance are valid and legally binding special, limited obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion. The Series 2008 Bonds are payable as to principal and interest solely from and secured by a pledge of the Pledged Revenues in the manner and to the extent provided in the Bond Ordinance. Neither the faith and credit nor the ad valorem taxing power of the County, the State of Florida or any political subdivision thereof are pledged to the payment of the principal of, or interest on, the Series 2008 Bonds.

3. The interest on the Series 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

A portion of the interest on the Series 2008 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2008 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations.

In giving the foregoing opinion with respect to the treatment of interest on the Series 2008 Bonds and the status of the Series 2008 Bonds under the federal tax laws, we have relied upon, and assumed continuing compliance with, the County's covenants and the accuracy, which we have not independently verified, of the representations and certifications of the County contained in the Transcript. The County's continuing compliance with those covenants, and the accuracy of those representations and certifications, may be necessary for the interest on the Series 2008 Bonds to be and to remain excluded from gross income for federal income tax purposes. Failure to comply with certain requirements subsequent to issuance of the Series 2008 Bonds may cause the interest on the Series 2008 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2008 Bonds.

4. The Series 2008 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

In rendering the foregoing opinions we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We express no opinion as to the statement of insurance appearing on the Series 2008 Bonds referring to the municipal bond insurance policy issued by XL Capital Assurance Inc. or as to that insurance referenced in the statement of insurance.

Respectfully submitted,

APPENDIX E

PROPOSED FORM OF OPINION OF DISCLOSURE COUNSEL

Board of County Commissioners
of Miami-Dade County, Florida
Miami, Florida

$
MIAMI-DADE COUNTY, FLORIDA
Water and Sewer System Revenue Refunding Bonds
Series 2008

Ladies and Gentlemen:

We have acted in the limited role of disclosure counsel to Miami-Dade County, Florida (the "Issuer"), in connection with the issuance by the Issuer of $ principal amount of its Water and Sewer System Revenue Refunding Bonds, Series 2008 (the "Bonds"), pursuant to Ordinance No. 93-134 (the "Master Ordinance") enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board') on November 16, 1993, as supplemented by Resolution No. R-911-07 adopted by the Board on July 24, 2007 (the "Series 2008 Resolution," and together with the Master Ordinance, the "Bond Documents"). This letter is furnished to you pursuant to the Bond Documents. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Bond Documents.

For purposes of the opinions expressed in this opinion letter, which are set forth in paragraphs (a) and (b) below (the "Opinions"), we have examined the following:

1. A certified copy of the Master Ordinance.

2. A certified copy of the Series 2008 Resolution.

3. A copy of the final Official Statement, dated September 12, 2007, relating to the Bonds (the "Official Statement").

4. Certificates, dated the date hereof, of certain officers of the Issuer delivered in connection with the issuance of the Bonds.

The scope of our engagement has been limited as described in this letter and has not included any independent review or investigation of factual or other matters, including the organization, existence, good standing, assets, business or affairs of the Issuer. In fact, we have relied on representations contained in the certificates of certain officers of the Issuer as to these and other matters within the knowledge of the Issuer and have assumed the accuracy, completeness and authenticity of such certificates, which we have not independently verified. Similarly, to the extent that we have examined records, documents, agreements and certifications related to the Bonds or the transactions contemplated by the Official Statement, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). We have also reviewed and are relying upon the delivery of opinion letters dated of even date herewith of (i) Holland & Knight L.L.P. and Law Offices of Steve Bullock, P.A., Bond Counsel to the Issuer, and (ii) the Office of the Miami-Dade County Attorney. The Opinions expressed herein are based as to matters of law solely on the federal securities laws, and we express no opinion as to any other laws, statutes, ordinances, rules or regulations (including, without limitation, any federal or state tax laws or regulations or state securities or "blue sky" laws or regulations). This opinion letter is given, and all statements herein are made, in the context of the foregoing.

Based upon, subject to and limited by the foregoing, it is our opinion, as of the date hereof and under existing law, that:

(a) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended.

(b) The Bond Documents are exempt from qualification under the Trust Indenture Act of 1939, as amended.

* * * * *

We have advised the Issuer in connection with the preparation of the Official Statement that, as an "issuer" of the Bonds, as defined by Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Issuer has primary responsibility for the disclosures contained in the Official Statement and in particular for making determinations concerning the materiality of various matters. We have given the Issuer our advice on applicable legal standards in making those determinations concerning materiality. During the course of the preparation of the Official Statement, we participated in conferences with the Issuer's representatives and its counsel, and with Bond Counsel. Our procedures followed in assisting in the preparation of the Official Statement and our review of it did not constitute an independent investigation of information furnished to us by the Issuer or by others in connection with the preparation of the Official Statement or an independent evaluation of the materiality to the Issuer, the Issuer's business, or the offering of any information whether or not described in the Official Statement. While we have not undertaken to determine independently, and we do not assume any responsibility for, the accuracy, completeness, or fairness of the statements in the Official Statement, we state on the basis of these conferences and our review of the documents furnished to us that no facts have come to the attention of the attorneys in our firm working on this matter that causes us to believe that the Official Statement (other than the information listed below as to which we express no view) contains an untrue statement of material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. We express no view as to the information set forth in the Official Statement under the captions "DESCRIPTION OF THE SERIES 2008 BONDS – Book-Entry Only System," "DESCRIPTION OF THE BOND INSURER," and "TAX MATTERS," and in the tax header on the cover page of the Official Statement, and in Appendices A, B, C, D and F or as to any other financial and statistical information or data included or incorporated by reference in the Official Statement or omitted therefrom, and any other information concerning the Bond Insurer, the Bond Insurance Policy or DTC included or incorporated by reference in the Official Statement or omitted therefrom.

* * * * *

We call your attention to the fact that, as limited disclosure counsel to the Issuer, our responsibility to and representation of the Issuer is limited to those specific matters as to which our attention was required for the purpose of providing the advice described above. We express no view as to the validity or exemption of the interest on the Bonds from federal or state income taxation, the qualification of the Bonds for sale in any jurisdictions or any matters other than those specifically addressed herein.

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter. This letter has been prepared solely for your use in the initial sale of the Bonds under the Bond Documents, and may not be relied upon by you or any other person or entity in connection with the future resale or transfer of the Bonds, or quoted in whole or in part or otherwise

referred to, nor be filed with or furnished to or relied upon by any governmental agency or other person or entity, without the prior written consent of this firm.

Very truly yours,

APPENDIX F

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

XL CAPITAL ASSURANCE

1221Avenue of the Americas
New York, New York 10020
Telephone: (212) 478-3400

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [ ] **Policy No:** [ ]

BONDS: [ ] **Effective Date:** [ ]

XL Capital Assurance Inc. (XLCA), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy (which includes each endorsement attached hereto), hereby agrees unconditionally and irrevocably to pay to the trustee (the "Trustee") or the paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the benefit of the Owners of the Bonds or, at the election of XLCA, to each Owner, that portion of the principal and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment.

XLCA will pay such amounts to or for the benefit of the Owners on the later of the day on which such principal and interest becomes Due for Payment or one (1) Business Day following the Business Day on which XLCA shall have received Notice of Nonpayment (provided that Notice will be deemed received on a given Business Day if it is received prior to 10:00 a.m. New York time on such Business Day; otherwise it will be deemed received on the next Business Day), but only upon receipt by XLCA, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in XLCA. Upon such disbursement, XLCA shall become the owner of the Bond, any appurtenant coupon to the Bond or the right to receipt of payment of principal and interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by XLCA hereunder. Payment by XLCA to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of XLCA under this Policy.

In the event the Trustee or Paying Agent has notice that any payment of principal or interest on a Bond which has become Due for Payment and which is made to an Owner by or on behalf of the Issuer of the Bonds has been recovered from the Owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, such Owner will be entitled to payment from XLCA to the extent of such recovery if sufficient funds are not otherwise available.

The following terms shall have the meanings specified for all purposes of this Policy, except to the extent such terms are expressly modified by an endorsement to this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment", when referring to the principal of Bonds, is when the stated maturity date or a mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity, unless XLCA shall elect, in its sole discretion, to pay such principal due upon such acceleration; and, when referring to interest on the Bonds, is when the stated date for payment of interest has been reached. "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the Trustee or Paying Agent for payment in full of all principal and interest on the Bonds which are Due for Payment. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to XLCA which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

XLCA may, by giving written notice to the Trustee and the Paying Agent, appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy. From and after the date of receipt by the Trustee and the Paying Agent of such notice, which shall specify the name and notice address of the Insurer's Fiscal Agent, (a) copies of all notices required to be delivered to XLCA pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to XCLA and shall not be deemed received until received by both and (b) all payments required to be made by XLCA under this Policy may be made directly by XLCA or by the Insurer's Fiscal Agent on behalf of XLCA. The Insurer's Fiscal Agent is the agent of XLCA only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of XLCA to deposit or cause to be deposited sufficient funds to make payments due hereunder.

Except to the extent expressly modified by an endorsement hereto, (a) this Policy is non-cancelable by XLCA, and (b) the Premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Bond, other than at the sole option of XLCA, nor against any risk other than Nonpayment. This Policy sets forth the full undertaking of XLCA and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto.

THIS POLICY IS NOT COVERED BY THE FLORIDA INSURANCE GUARANTY ASSOCIATION ACT SPECIFIED IN PART II OF CHAPTER 631 OF THE FLORIDA INSURANCE LAW OR THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, XLCA has caused this Policy to be executed on its behalf by its duly authorized officers.

SPECIMEN

SPECIMEN
Name:
Title:

SPECIMEN
Name:
Title:

XLCAP-005 (FL)
Form of Municipal Policy [Specimen]

Memorandum

MIAMI-DADE COUNTY

Date: April 7, 2008

To: Kay O. Sullivan, Director
County Clerk's Division

From: Frank P. Hinton, Bond Analyst
Division of Bond Administration

Subject: Filing of Certain Documents Relating to BCC Agenda Item 14A4
Scheduled for April 8, 2008

We are attaching Exhibit "A", "B", "C" and "E" related to the April 8, 2008 meeting of the Board of County Commissioners which we request that you file for record. The attached package includes the exhibits outlined on both the cover memorandum to the Resolution and the Resolution for items incorporated therein by reference. These exhibits are:

Item 14A4:

Exhibit "A"	Floating Rate Terms
Exhibit "B"	Form of the Series 2008 Bonds
Exhibit "C"	Bond Purchase Agreement
Exhibit "D"	Escrow Deposit Agreement

Kindly make provisions to file. Please call me at extension 5147 should you have any questions.

CLERK OF THE BOARD
2008 APR -7 PM 4:42
CLERK, CIRCUIT & COUNTY COURTS
MIAMI-DADE COUNTY, FLA.

R-
4/8/08

Exhibit A

Floating Rate Terms (On file with Clerk's Office.)

EXHIBIT A
TO
SERIES 2008 RESOLUTION CONTAINING
TERMS AND PROVISIONS APPLICABLE TO
WATER AND SEWER SYSTEM REVENUE REFUNDING VARIABLE RATE DEMAND BONDS, SERIES 2008 BONDS

ARTICLE I
DEFINITIONS

SECTION 1.01 Incorporation in Series 2008 Resolution. This Exhibit A is incorporated and for all purposes shall be deemed part of the Series 2008 Resolution to which it is appended.

SECTION 1.02 Definitions. Except as otherwise provided by this Exhibit A, all terms which are defined in the Master Ordinance or the Series 2008 Resolution shall have the same meanings, respectively, in this Exhibit A as such terms are given in the Master Ordinance or the Series 2008 Resolution, as the case may be.

In the Series 2008 Resolution and solely with respect to the Series 2008 Bonds:

"*Agent Member*" means a member, or participant in, DTC.

"*All Hold Rate*" means, as of any Auction Date, 65% of the Index in effect on such Auction Date or such other rate as may be determined by the Auction Agent with the consent of the County confirmed in writing.

"*Auction*" means each periodic implementation of the Dutch Auction Procedures.

"*Auction Agent Agreement*" means any Auction Agent Agreement between the County and the Auction Agent, as amended or supplemented from time to time, or such other substantially similar auction agent agreement as may be entered into by the County and any other Auction Agent from time to time.

"*Auction Agent*" means initially the auction agent designated by the Finance Director in the Omnibus Certificate or any other auction agent appointed by the County in accordance with Section 5.06.

"*Auction Date*" means for the initial Auction Period the date or dates established by the Finance Director in the Omnibus Certificate for each Series of the Series 2008 Bonds that the Finance Director shall determine in the Omnibus Certificate shall be subject to the terms and provisions of this Exhibit A. With respect to each Auction Period thereafter, *Auction Date* means the Business Day next preceding the first day of each Auction Period, other than:

(i) each Auction Period commencing after the ownership of such Auction Rate Bonds are no longer maintained in book-entry form by a Securities Depository;

(ii) each Auction Period commencing after the occurrence and during the continuance of an Event of Default under Section 12.01(A) of the Master Ordinance; or

(iii) any Auction Period commencing less than two Business Days after the cure or waiver of an Event of Default under Section 12.01(A) of the Master Ordinance.

The Auction Date determined as provided in this definition may be adjusted as provided in Section 2.22(b) of this Exhibit A.

"*Auction Period*" means (i) with respect to Auction Rate Bonds in a seven-day mode, any of (A) a period, generally of seven days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of seven days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (C) a period, generally of seven days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (D) a period, generally of seven days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day) or (E) a period, generally of seven days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), and (ii) with respect to Auction Rate Bonds in a 35-day mode, any of (A) a period, generally of 35 days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the fifth Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of 35 days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the fifth Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (C) a period, generally of 35 days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the fifth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (D) a period, generally of 35 days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the fifth Wednesday thereafter (unless such

Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day) or (E) a period, generally of 35 days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the fifth Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day); provided, however, that in the event of a Conversion of the Series 2008 Bonds from another Interest Mode to the Dutch Auction Mode the initial Auction Period following such Conversion shall begin on and include the Conversion Date.

"*Auction Rate Bonds*" means Series 2008 Bonds which bear interest at a Dutch Auction Rate, as designated by the Finance Director in the Omnibus Certificate or as thereafter designated by the County in accordance with the terms of this Exhibit A.

"*Authorized Denominations*" means (i) for Series 2008 Bonds bearing interest at a Daily Rate, a Weekly Rate, a Flexible Rate, or the Bank Rate, $100,000 or any integral multiple of $5,000 in excess thereof, (ii) for Series 2008 Bonds bearing interest at a Dutch Auction Rate, $50,000 or any integral multiple thereof, and (iii) for Series 2008 Bonds bearing interest at a Fixed Rate, $5,000 or any integral multiple thereof.

"*Authorized Newspaper*" means shall mean a financial newspaper of general circulation published in Miami-Dade County, Florida (including *The Miami Herald*) , and a financial journal published in the Borough of Manhattan, City and State of New York (including, at such times as they are published, *The New York Times, The Bond Buyer* or *The Wall Street Journal*), which, in each case, is customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language.

"*Available Auction Bonds*" has the meaning set forth in Section 2.22(e).

"*Bank Cap*" means the maximum rate of interest of Liquidity Series 2008 Bonds specified as the "*Maximum Rate*" in the Series 2008 Liquidity Facility.

"*Bank Rate*" means the rate of interest, subject to Section 2.03.3, specified as the "*Bank Rate*" in the Series 2008 Liquidity Facility; provided, however, that such Bank Rate shall not exceed the maximum rate of interest permitted or enforceable under applicable law.

"*Bank Rate Period*" means each period during which any Series 2008 Bonds bear interest at a Bank Rate.

"*Base Rate*" means the rate of interest for 30-day taxable commercial paper (prime commercial paper placed through dealers) announced for each day by the Federal Reserve Bank of New York or such other rate as is specified in a Bond Series Certificate.

"*Bid*" has meaning set forth in Section 2.22(c).

"*Bidder*" has the meaning set forth in Section 2.22(c).

"*Bond Series Certificate*" means a certificate of the Finance Director fixing certain terms, conditions or other details of any Series 2008 Bonds being changed from one Interest Mode to another Interest Mode.

"*Book-Entry Only System Conversion Date*" means the date for conversion of the ownership of the Series 2008 Bonds to or from the book-entry only system specified in accordance with Section 2.14.

"*Broker-Dealer*" means any entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Dutch Auction Procedures (i) that is an Agent Member (or an affiliate of an Agent Member), (ii) that has been selected by the County, and (iii) that has entered into a Broker-Dealer Agreement with the Auction Agent that remains effective.

"*Broker-Dealer Agreement*" means each agreement between a Broker-Dealer and the Auction Agent, substantially in the form attached to the Auction Agent Agreement as Exhibit A, pursuant to which a Broker-Dealer, among other things, agrees to participate in Auctions as set forth in the Dutch Auction Procedures as from time to time amended and supplemented.

"*Business Day*" for any Series 2008 Bond means any day that the Principal Office of the Series 2008 Credit Provider, the Series 2008 Liquidity Facility Provider, the Broker-Dealer, the Remarketing Agent, the Auction Agent and the Tender Agent, if any, and the Registrar and Paying Agent are open and the New York Stock Exchange is not closed or such other day as is defined in the applicable Bond Series Certificate.

"*Cede*" means Cede & Co., as nominee of DTC.

"*Conversion*" means, with respect to a Series 2008 Bond, any conversion or adjustment of such Bond from time to time in accordance with the terms of this Exhibit A, from one Interest Mode to another Interest Mode.

"*Conversion Date*" means the date on which any Conversion becomes effective.

"*Daily Mode*" means an Interest Mode in which the interest rate for the Series 2008 Bonds in such Interest Mode is determined as provided in Section 2.04.1.

"*Daily Rate*" means the interest rate borne by the Series 2008 Bonds in a Daily Mode established and determined as provided in Section 2.04.1.

"*Daily Rate Period*" means each period during which any Series 2008 Bonds bear interest at a Daily Rate.

"*DTC*" means The Depository Trust Company, New York, New York or any substitute securities depository appointed pursuant to Section 2.14.4(c).

"*Dutch Auction Mode*" means an Interest Mode in which the interest rate for the Series 2008 Bonds in such Interest Mode is determined as provided in Section 2.22.

"*Dutch Auction Procedures*" means the procedures set forth in Sections 2.22(c), (d), (e) and (f).

"*Dutch Auction Rate*" means the interest rate to be determined for the Series 2008 Bonds in the Dutch Auction Mode, determined in accordance with Section 2.22.

"*Dutch Auction Rate Period*" means each period during which any Series 2008 Bonds bear interest at a Dutch Auction Rate.

"*Existing Owner*" means (a) with respect to and for the purpose of dealing with the Auction Agent in connection with an Auction, a person who is a Broker-Dealer listed in the Existing Owner registry at the close of business on the Business Day immediately preceding the Auction Date for such Auction, and (b) with respect to and for purposes of dealing with a Broker-Dealer in connection with an Auction, a beneficial Holder of the Series 2008 Bonds.

"*Fixed Mode*" means an Interest Mode designated as such in the Mode Conversion Notice and extending from the Conversion Date to the final maturity date of the Series 2008 Bonds in which the interest rate for Series 2008 Bonds in such Interest Mode is determined as provided in Section 2.04.4.

"*Fixed Rate*" means the interest rate on the Series 2008 Bonds in a Fixed Mode determined pursuant to Section 2.04.4.

"*Fixed Rate Conversion*" means the conversion or adjustment of the interest rate on any Series 2008 Bonds to a Fixed Rate from any other Interest Mode.

"*Fixed Rate Conversion Date*" means a date on which the interest rate on any Series 2008 Bonds converts to a Fixed Rate.

"*Flexible Mode*" means an Interest Mode in which the interest rates and periods during which such interest rates are in effect for the Series 2008 Bonds in such Interest Mode are determined as provided in Section 2.04.3.

"*Flexible Period*" means, with respect to a particular Series 2008 Bond, each consecutive period (1 to 269 days or, if so directed in writing by the County to the Remarketing Agent, up to 365 days) established pursuant to Section 2.04.3 during which such Series 2008 Bond shall bear interest at the Flexible Rate; provided, however, that the first day immediately following the last day of each Flexible Period shall in all events be a Business Day.

"*Flexible Rate*" means, with respect to each Series 2008 Bond in a Flexible Mode for a Flexible Period, a nonvariable interest rate on such Series 2008 Bond for such Flexible Period determined as provided in Section 2.04.3.

"*Flexible Rate Parameters*" means the following:

(a) no Flexible Period shall extend beyond a date five (5) Business Days prior to the Series 2008 Liquidity Facility Expiration Date;

(b) in the event the County has given a directive to the Registrar to redeem Series 2008 Bonds pursuant to Section 2.17.3, no Flexible Period determined for a Series 2008 Bond to be redeemed following receipt of such directive shall extend beyond the redemption date provided in that directive;

(c) in the event the County has determined that the interest rate on any Series 2008 Bonds in a Flexible Mode shall convert to a Fixed Rate pursuant to Section 2.05, no Flexible Period determined for any such Series 2008 Bond for which the interest rate therein is to convert to a Fixed Rate shall extend beyond the Fixed Rate Conversion Date; and

(d) in the event the County is providing a Substitute Series 2008 Liquidity Facility, no Flexible Period shall extend beyond the date scheduled for the substitution of the Series 2008 Liquidity Facility in respect of Series 2008 Bonds in a Flexible Mode.

"*Flexible Rate Period*" means each period during which any Series 2008 Bonds bear interest at a Flexible Rate.

"*Hold Order*" shall have the meaning set forth in Section 2.22(c).

"*Index*" means, on any Auction Date with respect to the Series 2008 Bonds in any Auction Period, the One Month LIBOR Rate on such date. If such rate is unavailable, the Index for the Series 2008 Bonds means an index or rate agreed to by the County, all Broker-Dealers and the Series 2008 Credit Provider. If for any reason on any Auction Date the Index shall not be determined as provided above, the Index shall mean the Index for the Auction Period ending on such Auction Date.

"*Interest Index*" means in respect of any Series 2008 Bonds the interest rate or rates determined by the Remarketing Agent to be equal to 85% of the rate of interest currently borne by obligations of the United States Treasury currently issued of a term similar to the Rate Period or Periods then in effect for such Series 2008 Bonds as published in the Daily Eastern Edition of The Wall Street Journal. If, for any reason, an interest rate or rates as described above cannot be determined or become effective, the Interest Index shall be 60% of the Base Rate.

"*Interest Mode*" means a period of time relating to the frequency with which the interest rate on the Series 2008 Bonds is determined pursuant to Section 2.04 or, in the case of Series 2008 Bonds bearing interest at a Dutch Auction Rate, Section 2.22. An Interest Mode may be a Daily Mode, a Weekly Mode, a Flexible Mode, a Dutch Auction Mode or a Fixed Mode.

"*Interest Payment Date*" means (a) except in the case of any Series 2008 Bonds in a Dutch Auction Mode, each Conversion Date for any Series 2008 Bond; (b) except as to any Series 2008 Bonds then bearing interest at the Bank Rate, (i) as to any Series 2008 Bonds in a Daily Mode, the first Business Day of each calendar month; (ii) as to any Series 2008 Bonds in a Weekly Mode, the first Business Day of each calendar month; (iii) as to any Series 2008 Bonds in a Flexible Mode with respect to each Flexible Period, the Business Day next succeeding the last day thereof; (iv) as to any Series 2008 Bonds in a Fixed Mode, each April 1 and October 1 commencing on the April 1 or October 1 specified by the County in the Mode Conversion Notice for the adjustment to such Interest Mode; (c) as to any Series 2008 Bonds bearing interest at the Bank Rate, the date of remarketing of such Bonds pursuant to Section 2.19.1 and such other date or dates specified in or determined pursuant to the applicable Series 2008 Liquidity Facility; (d) as to any Series 2008 Bonds in a Dutch Auction Mode, the Business Day immediately succeeding the last day of such Auction Period, and (e) any additional dates specified in the applicable Bond Series Certificate.

"*Interest Period*" means for any Series 2008 Bonds the period from, and including, each Interest Payment Date for such Series 2008 Bonds to, and including, the day next preceding the next Interest Payment Date for such Series 2008 Bonds, provided, however, that the first Interest Period for any Series 2008 Bonds shall begin on (and include) the dated date of the Series 2008 Bonds and the final Interest Period shall end the day next preceding the maturity date of the Series 2008 Bonds.

"*Investment Company*" means an open-end diversified management investment company registered under the Investment Company Act of 1940, as amended from time to time.

"*Liquidity Series 2008 Bonds*" means both Section 2.21 Series 2008 Bonds and Unremarketed Series 2008 Bonds.

"*Mandatory Tender Notice*" has the meaning specified in Section 2.06.9.

"*Maximum Dutch Auction Rate*" means on any date of determination the lesser of 12% per annum or the maximum interest rate permitted under applicable law.

"*Maximum Rate*" means: (i) with respect to the Series 2008 Bonds other than any of such Bonds in the Dutch Auction Mode, the maximum interest rate of the Series 2008 Bonds described in Section 2.03.3; and (ii) with respect to the Series 2008 Bonds in the Dutch Auction Mode, the Maximum Dutch Auction Rate.

"*Mode Conversion Notice*" has the meaning specified in Section 2.05.1.

"*Notice of Purchase*" means the notice required to be given by the Registrar to the Bank pursuant to Section 2.2 of the Series 2008 Liquidity Facility (or any equivalent section of a Substitute Series 2008 Liquidity Facility) in connection with the purchase of Tendered Bonds.

"*Notice Parties*" means the County, the Paying Agent, the Remarketing Agent, the Tender Agent, each Series 2008 Liquidity Facility Provider, the Auction Agent, each Broker-Dealer, each Series 2008 Credit Provider and the Registrar.

"One Month LIBOR Rate" means, on any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

"*Opinion of Bond Counsel*" means a written opinion of counsel experienced in matters relating to the validity of, and the tax exemption of interest on, obligations of states and their political subdivisions, selected by the County from time to time.

"*Opinion of Counsel*" means a written opinion of counsel who may be in the Office of the County Attorney.

"*Order*" shall have the meaning set forth in Section 2.22(c).

"*Potential Owner*" means any person, including any Existing Owner, who may be interested in acquiring the beneficial ownership of Series 2008 Bonds during a Dutch Auction Rate Period or, in the case of an Existing Owner thereof, the beneficial ownership of an additional principal amount of Series 2008 Bonds during a Dutch Auction Rate Period.

"*Principal Office,*" when used with respect to the Registrar, the Paying Agent, the Remarketing Agent, the Tender Agent, any Series 2008 Liquidity Facility Provider and the Auction Agent shall mean the respective offices thereof designated in writing to the County and (except in the case of the Registrar) to the Registrar unless, in the case of the Paying Agent, the Registrar is performing such functions, in which case it shall mean the Principal Office of the Registrar.

"*Purchase Date*" means a Business Day on which Series 2008 Bonds are to be purchased upon voluntary or mandatory tender or deemed tender thereof pursuant to the terms of this Exhibit A.

"*Purchase Price*" means an amount equal to 100% of the principal amount of any Series 2008 Bonds tendered or deemed tendered pursuant to the Series 2008 Resolution plus accrued and unpaid interest, if any, unless the Purchase Date is also an Interest Payment Date, in which case the accrued and unpaid interest payable on such Interest Payment Date to the Holder from whom such Series 2008 Bond is being purchased on such Purchase Date shall not be paid as part of the Purchase Price.

"*Rate Adjustment Date*" means, other than with respect to Series 2008 Bonds in a Dutch Auction Mode, (a) each Conversion Date and (b) each date, other than a Conversion Date, as of which the interest rate determined for an Interest Mode shall be effective which (i) with respect to a Daily Mode, shall be each Business Day, (ii) with respect to a Weekly Mode, shall be Wednesday of each week, and (iii) with respect to a Flexible Mode, shall be the first day of each Flexible Period for a particular Series 2008 Bond.

"*Rate Period*" means (i), other than with respect to Series 2008 Bonds in a Dutch Auction Mode, the period commencing at the beginning of a Rate Adjustment Date and ending at the end of the day preceding the next succeeding Rate Adjustment Date and (ii), with respect to Series 2008 Bonds in a Dutch Auction Mode, the Auction Period.

"*Rating Agency*" means Fitch, Moody's, S&P, or any other nationally recognized securities rating agency which, in each case, has awarded a rating to and then is maintaining a rating on the Series 2008 Bonds at the request of the County.

"*Rating Category,*" in respect to the Series 2008 Bonds, means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating.

"*Record Date*" means (i) with respect to an Interest Payment Date for Series 2008 Bonds in the Fixed Mode, the fifteenth day of the month, whether or not a Business Day, immediately preceding such Interest Payment Date; (ii) with respect to an Interest Payment Date for Series 2008 Bonds in a Daily Mode, the day, whether or not a Business Day, immediately preceding such Interest Payment Date; (iii) with respect to an Interest Payment Date for Series 2008 Bonds in a Flexible Mode, the Business Day immediately preceding such Interest Payment Date; (iv) with respect to an Interest Payment Date for the Series 2008 Bonds in a Weekly Mode, the day

preceding such Interest Payment Date; and (v), with respect to an Interest Payment Date for Series 2008 Bonds in the Dutch Auction Mode, the Business Day preceding such Interest Payment Date.

"*Redemption Price*" means, with respect to the Series 2008 Bonds, the principal amount of Series 2008 Bonds to be redeemed plus the applicable premium, if any, payable upon redemption thereof pursuant to the Series 2008 Resolution.

"*Registrar*" means the Registrar and Paying Agent for the Series 2008 Bonds as designated from time to time by the County pursuant to the Master Ordinance.

"*Remarketing Agent*" means such entity as may be appointed from time to time having the qualifications set forth in Section 5.02.

"*Remarketing Agreement*" means an agreement appointing a Remarketing Agent as may be appointed from time to time having the qualifications set forth in Section 5.02.

"*Scheduled Tender Date*" means the fifth (5th) Business Day immediately preceding the applicable Series 2008 Liquidity Facility Expiration Date.

"*Section 2.21 Series 2008 Bonds*" means any Series 2008 Bonds held by or for the account of the applicable Series 2008 Liquidity Facility Provider as a result of a purchase of such Series 2008 Bonds pursuant to Section 2.21.

"Securities Depository" means DTC or such other securities depositories as the Issuer may designate in a certificate of the Issuer delivered to the Registrar, with copies to the Notice Parties.

"*Sell Order*" has the meaning set forth in Section 2.22(c).

"*Series 2008 Credit Facility*" means the financial guaranty insurance policy or policies issued by the Series 2008 Credit Provider that guaranty payment of principal of and interest on the Series 2008 Bonds.

"*Series 2008 Credit Provider*" means Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto.

"*Series 2008 Liquidity Facility*" means, with respect to any Series 2008 Bonds, any applicable standby bond purchase agreement, line of credit, revolving credit agreement or similar instrument (i) which is obtained by the County and is issued by a financial, insurance, or other institution, (ii) which provides liquidity in respect of such Series 2008 Bonds, and (iii) which shall provide liquidity in the form of immediately available funds on not more than two hours prior notice given by the Registrar by 12:45 P.M., New York City time, in accordance with the terms and provisions of Section 2.09.3 of this Exhibit A. The "*Series 2008 Liquidity Facility*" shall also include any Substitute Series 2008 Liquidity Facility.

"*Series 2008 Liquidity Facility Expiration Date*" means the date upon which the applicable Series 2008 Liquidity Facility (including any Substitute Series 2008 Liquidity Facility) shall expire pursuant to its terms (including any renewal or extension thereof in

accordance with the terms governing extensions). Any prior expiration date of a Series 2008 Liquidity Facility that has been extended by the Series 2008 Credit Provider providing such Series 2008 Liquidity Facility shall cease to be an expiration date on the effective date of such extension. However, any extension effectuated though a Substitute Series 2008 Liquidity Facility shall not be deemed to change the Series 2008 Liquidity Facility Expiration Date of the Series 2008 Liquidity Facility being replaced.

"*Series 2008 Liquidity Facility Proceeds Fund*" means the Series 2008 Liquidity Facility Proceeds Fund authorized to be created and established in Section 4.01 to be held by the Registrar separate and apart from the funds, accounts and subaccounts under the Master Ordinance and which shall not constitute a fund, or account for purposes of the Master Ordinance.

"*Series 2008 Liquidity Facility Provider*" means (i) any provider or providers of a Series 2008 Liquidity Facility specified in the applicable Bond Series Certificate or (ii) any provider or providers of a Substitute Series 2008 Liquidity Facility then in effect, as the case may be.

"*Series 2008 Liquidity Facility Requirement*" means, at any time, the amounts which must be available for drawing under a Series 2008 Liquidity Facility, which amounts are the sum of (a) the principal amount of Outstanding Series 2008 Bonds, other than Series 2008 Bonds then in a Fixed Mode or a Dutch Auction Mode or bearing interest at the Bank Rate or payable from another Series 2008 Liquidity Facility and (b) an amount equal to such number of days' interest as is specified in the applicable Bond Series Certificate, computed at an annual rate equal to the Maximum Rate, on the principal amount of Outstanding Series 2008 Bonds, other than Series 2008 Bonds then in a Fixed Mode or a Dutch Auction Mode or bearing interest at the Bank Rate or payable from another Series 2008 Liquidity Facility.

"*Series 2008 Remarketing Proceeds Fund*" means the Series 2008 Remarketing Proceeds Fund authorized to be established in Section 4.01 to be held by the applicable Tender Agent separate and apart from any Funds or Accounts under the Master Ordinance and which shall not constitute a Fund or Account for purposes of the Master Ordinance.

"*SIFMA Index*" means on any date, a rate determined on the basis of The Securities Industry and Financial Markets Assocation™ Municipal Swap Index as disseminated by Municipal Market Data, a Thompson Financial Services Company, or its successor or as otherwise designated by the Securities Industry and Financial Markets Association or any successor thereto or if such index is not available, another reasonably comparable index selected by the County and acceptable to the Remarketing Agent and effective from such date.

"*Special Mandatory Purchase Date*" means the date on which all of the Series 2008 Bonds not subject to a Dutch Auction Mode or a Fixed Mode are required to be tendered pursuant to Section 2.21.

"*Submission Deadline*" means 1:00 p.m., New York City time, on any Auction Date or such other time on any Auction Date by which Brokers-Dealers are required to submit Orders to the Auction Agent as specified by the Auction Agent from time to time.

"*Submitted Bid*" shall have the meaning set forth in Section 2.22(e).

"*Submitted Hold Order*" shall have the meaning set forth in Section 2.22(e).

"*Submitted Order*" shall have the meaning set forth in Section 2.22(e).

"*Submitted Sell Order*" shall have the meaning set forth in Section 2.22(e).

"*Substitute Series 2008 Credit Facility*" means any insurance policy issued by the Series 2008 Credit Provider having terms and provisions which the Registrar determines are substantially similar to the Series 2008 Credit Facility as then in effect for the applicable Series 2008 Bonds.

"*Substitute Series 2008 Liquidity Facility*" means a Series 2008 Liquidity Facility which meets the criteria set forth in Section 2.13 and in the Master Ordinance, in each case with administrative provisions reasonably satisfactory to the Registrar.

"*Substitution Date*" means, with respect to any Series 2008 Bonds then entitled to the benefits of a Series 2008 Liquidity Facility, the date on which the County substitutes such Series 2008 Liquidity Facility with a Substitute Series 2008 Liquidity Facility with respect to such Series 2008 Bonds; any date specified as a Substitution Date in a Mandatory Tender Notice mailed to Holders of Series 2008 Bonds then entitled to the benefits of an applicable Series 2008 Liquidity Facility shall be treated as a Substitution Date for purposes of this Exhibit A even if the substitution of the Substitute Series 2008 Liquidity Facility fails to occur.

"*Sufficient Clearing Bids*" shall have the meaning set forth in Section 2.22(e).

"*Tender Agent*" means such tender agent or agents appointed pursuant to the provisions of this Exhibit A having the qualifications set forth in Section 5.01.

"*Tender Notice*" means a written notice from a Holder of Series 2008 Bonds, substantially in the form of Annex A hereto or such other form as shall be agreed to by the Tender Agent and the County, delivered to the Tender Agent and the Remarketing Agent, as applicable, or in the case of Series 2008 Bonds in the Daily Mode, irrevocable telephonic notice (promptly confirmed in writing) from a Holder of Series 2008 Bonds to the Tender Agent and the Remarketing Agent, as applicable, evidencing such Holder's election to tender Series 2008 Bonds as provided by Section 2.06. Each Tender Notice must state the principal amount of Series 2008 Bonds being tendered, the Interest Mode applicable to such Series 2008 Bonds, the Series 2008 Bond and CUSIP numbers and the Purchase Date and, if the Tender Notice is being delivered by an Investment Company, the office where it intends to deliver such Series 2008 Bond for purchase.

"*Termination Event*" shall be those instances in the Series 2008 Liquidity Facility where the Series 2008 Liquidity Provider can terminate the Series 2008 Liquidity Facility with notice pursuant to the terms of the Series 2008 Liquidity Facility, and shall not include in any event any instance where the Series 2008 Liquidity Provider can suspend or terminate the Series 2008 Liquidity Facility without notice.

"*Termination Notice*" has the meaning given such term in the applicable Series 2008 Liquidity Facility.

"*Undelivered Series 2008 Bonds*" means Series 2008 Bonds which have not been tendered on a Purchase Date for such Series 2008 Bonds at or prior to the time specified herein pursuant to the provisions of this Exhibit A.

"*Unremarketed Series 2008 Bonds*" means Series 2008 Bonds which (a) have not been (i) sold by the Remarketing Agent or (ii) purchased by the Remarketing Agent for its own account as of the applicable time on the applicable Purchase Date and (b) have been purchased with funds provided to the Registrar or the applicable Tender Agent by the applicable Series 2008 Liquidity Facility Provider pursuant to the terms of the applicable Series 2008 Liquidity Facility.

"*Variable Interest Rate*" means the rate of interest per annum borne by the Series 2008 Bonds while they are in a Daily Mode, a Weekly Mode, a Flexible Mode or a Dutch Auction Mode

"*Variable Interest Rate Bonds*" means Series 2008 Bonds which bear interest at a Variable Interest Rate, including any Series 2008 Bonds that bear interest at a Dutch Auction Rate, but does not include any Series 2008 Bond which, during the remainder of the term thereof to maturity, bears interest at a Fixed Rate.

"*Weekly Mode*" means an Interest Mode in which the interest rate on the Series 2008 Bonds in such Interest Mode is determined as provided in Section 2.04.2.

"*Weekly Rate*" means, with respect to each Series 2008 Bond in a Weekly Mode, a rate of interest on the Series 2008 Bonds determined each week during a Weekly Mode, as provided in Section 2.04.2.

"*Weekly Rate Period*" means each period during which any Series 2008 Bonds bear interest at a Weekly Rate, as described in Section 2.04.2.

"*Winning Bid Rate*" has the meaning set forth in Section 2.22.

SECTION 1.03 Construction of this Exhibit A. Unless the context explicitly requires otherwise, references in this Exhibit A to Articles or Sections shall be to Articles or Sections in this Exhibit A. UNLESS OTHERWISE NOTED IN THIS EXHIBIT A, THE TERMS AND PROVISIONS OF THIS EXHIBIT A SHALL BE DEEMED TO REFER AND APPLY SEPARATELY TO EACH ONE OR MORE SEPARATE SERIES OF THE SERIES 2008 BONDS DESIGNATED BY THE FINANCE DIRECTOR IN THE OMNIBUS CERTIFICATE AS SUBJECT TO THE TERMS AND PROVISIONS OF THIS EXHIBIT A.

ARTICLE II
TERMS AND PROVISIONS OF SERIES 2008 BONDS

SECTION 2.01 Designation of Series 2008 Bonds. The Series 2008 Bonds shall initially bear interest at a Weekly Rate determined in accordance with Section 2.04.2. From and after the date on which the Series 2008 Bonds are adjusted to bear interest at Variable Interest Rate, other than a Weekly Rate, or a Fixed Rate, the form of Series 2008 Bond may be revised, changed, or modified as the Finance Director deems necessary or appropriate to reflect the fact that the Series 2008 Bonds, from and after such Conversion Date, shall bear interest at a Variable Interest Rate, other than a Weekly Rate, or a Fixed Rate.

SECTION 2.02 Date and Maturity.

1. The Series 2008 Bonds shall initially be dated the date of their initial issuance and delivery and shall bear interest from such date. Thereafter, if Series 2008 Bonds are reissued pursuant to the Master Resolution, upon transfer, exchange or partial redemption, such Series 2008 Bonds shall be dated as of the applicable Interest Payment Date next preceding the date of authentication thereof by the Registrar, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such date of authentication or, unless such date of authentication shall be prior to the first Interest Payment Date, in which case they shall be dated as of the date of initial issuance and delivery thereof; provided, however, that if, as shown by the records of the Registrar, interest on the Series 2008 Bonds shall be in default, the Series 2008 Bonds issued in lieu of Series 2008 Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Series 2008 Bonds surrendered.

2. Subject to the provisions of Section 2.05.5, the Series 2008 Bonds shall mature on October 1 in the years designated in the Omnibus Certificate.

SECTION 2.03 Interest Modes, Interest Rates and Payment.

1. The initial Interest Mode for the Series 2008 Bonds shall be the Weekly Rate. The initial Weekly Rate shall be determined by the Remarketing Agent on the Business Day preceding the initial issue date, to be effective through the following Wednesday and thereafter shall be determined in accordance with Section 2.04.2.

The Series 2008 Bonds shall bear interest from their date and interest on the Series 2008 Bonds shall be payable on each Interest Payment Date applicable to such Series 2008 Bonds.

If the Series 2008 Bonds, other than Liquidity Series 2008 Bonds, shall be converted to a different Interest Mode designated as provided in Section 2.05, such Series 2008 Bonds shall bear interest at the applicable interest rate for such new Interest Mode determined, except for the Dutch Auction Rate which shall be determined in accordance with Section 2.22, as provided in Section 2.04, and Liquidity Series 2008 Bonds shall bear interest at the Bank Rate as provided in the applicable Series 2008 Liquidity Facility; provided, however, that in no event shall any interest rate for any such Series 2008 Bonds exceed the Maximum Rate; and provided further that the Maximum Rate for any Series 2008 Bonds in a Fixed Mode or for any Liquidity Series 2008 Bonds shall be the rate described in clause (ii) of paragraph 3 of this Section 2.03. In the event that the interest rate for any Series 2008 Bond calculated as provided in this Section 2.03 for any time would otherwise exceed the Maximum Rate as described in the preceding sentence such Series 2008 Bond shall bear interest at such Maximum Rate. In no event shall an interest rate for any Series 2008 Bond in a Dutch Auction Mode exceed the Maximum Dutch Auction Rate.

2. Interest on the Series 2008 Bonds shall be paid in arrears on each Interest Payment Date. Interest on the Series 2008 Bonds subject to the Daily Mode, the Weekly Mode and the Flexible Mode or which are bearing interest at the Bank Rate shall be computed upon the basis of a 365-day year (or 366 days in a leap year) for the number of days actually elapsed for the period to which such interest relates. Interest on Series 2008 Bonds subject to the Dutch Auction Mode shall be computed on the basis of a 360-day year for the actual number of days

elapsed for the period to which such interest relates. Interest on Series 2008 Bonds subject to the Fixed Mode shall be computed on the basis of a 360-day year, consisting of twelve (12) thirty (30) day months. During each Interest Mode, the Series 2008 Bonds not bearing interest at the Bank Rate will bear interest at the applicable interest rate or rates described in Section 2.04 (or Section 2.22 in the case of Bonds bearing interest at a Dutch Auction Rate), subject to the limitation imposed in Section 2.03.1.

3. The Maximum Rate on the Series 2008 Bonds (other than Series 2008 Bonds bearing interest at the Dutch Auction Rate or in a Fixed Mode or Liquidity Series 2008 Bonds) at any time, whether before or after the maturity thereof, shall be the lesser of (i) (I) twelve percent (12%) per annum or (II) such other rate as shall be approved by the County and consented to by the applicable Series 2008 Liquidity Facility Provider and the applicable Series 2008 Credit Provider if (a) an Opinion of Bond Counsel shall have been delivered to the County, the Registrar, the Series 2008 Credit Provider and the Tender Agent, if any, to the effect that any such change in the Maximum Rate (A) is authorized or permitted by the Master Ordinance and applicable law, and (B) will not, in and of itself, cause the interest on the Series 2008 Bonds to become includable in gross income for Federal income tax purposes, and (b) such Series 2008 Liquidity Facility is modified by having its stated amount increased to give effect to the increased Maximum Rate, or (ii) the lesser of twenty-five percent (25%) or the maximum rate permitted by or enforceable under applicable law. The Maximum Rate for any Series 2008 Bonds in a Fixed Mode or for any Liquidity Series 2008 Bonds shall be the rate described in clause (ii) above or in the case of Liquidity Series 2008 Bonds, such lesser rate, if any, as is specified in the applicable Series 2008 Liquidity Facility. Anything in the Series 2008 Bonds or in this Exhibit A to the contrary notwithstanding, the obligations of the County in respect of the Series 2008 Bonds shall be subject to the limitation that payments of interest or other amounts on the Series 2008 Bonds shall not be required to the extent that receipt of any such payment by a Holder of a Series 2008 Bond would be contrary to the provisions of law applicable to such Holder that would limit the maximum rate of interest that may be charged or collected by such Holder of a Series 2008 Bond. The Maximum Rate for any Series 2008 Bonds in a Dutch Auction Mode shall be the Maximum Dutch Action Rate. Subject to such limitations, the interest rate on the Series 2008 Bonds shall be determined as provided in Section 2.04 (or Section 2.22 in the case of any such Bonds bearing interest at a Dutch Auction Rate.)

SECTION 2.04 Determination of Interest Rate on the Series 2008 Bonds During Various Interest Modes, Other than the Dutch Auction Mode.

1. ***Daily Mode.*** The Daily Rate for the Series 2008 Bonds in a Daily Mode shall be determined by the Remarketing Agent on or before 10:00 A.M., New York City time, on each Business Day for such Business Day. Such interest rate shall be that interest rate which, in the sole and exclusive judgment of the Remarketing Agent, would equal (but not exceed) the interest rate necessary to enable the Remarketing Agent to sell such Series 2008 Bonds (exclusive of accrued interest, if any) on the relevant Rate Adjustment Date and for such Rate Period at a price equal to 100% of the principal amount thereof. With respect to any day that is not a Business Day, the interest rate shall be the same rate as the interest rate established for the immediately preceding day.

2. ***Weekly Mode.*** The Weekly Rate for the Series 2008 Bonds in a Weekly Mode shall be determined by the Remarketing Agent at or before 4:00 P.M., New York City time, (i)

on the Business Day preceding the date of issuance thereof for the initial Interest Period, to be effective through the following Wednesday, (ii) on the Business Day preceding the Conversion Date for any Series 2008 Bond being adjusted to a Weekly Mode, and (iii) each Wednesday, or if any Wednesday is not a Business Day, the next Business Day thereafter; such interest rate shall be that interest rate which, in the sole and exclusive judgment of the Remarketing Agent, would equal (but not exceed) the interest rate necessary to enable the Remarketing Agent to sell such Series 2008 Bonds (exclusive of accrued interest, if any) on the relevant Rate Adjustment Date and for such Rate Period at a price equal to 100% of the principal amount thereof. The interest rate so determined on the date specified in clause (ii) of the preceding sentence shall be effective on the Conversion Date and the interest rate determined on the date specified in clause (iii) of the preceding sentence shall be effective on the next succeeding Thursday or if such date of determination shall be a Thursday on such Thursday and shall in any case continue in effect through the next succeeding Wednesday, provided that if any Series 2008 Bonds subject to a Weekly Mode shall be converted to another Interest Mode prior to such Wednesday, such Weekly Rate for such Series 2008 Bond shall continue in effect only until the day preceding the applicable Conversion Date.

3. ***Flexible Mode.*** The Flexible Rate on each Series 2008 Bond in a Flexible Mode shall be determined by the Remarketing Agent on or before 12:00 P.M., New York City time, on the first day of each Flexible Period in the following manner: the Flexible Period or Periods for the Series 2008 Bonds in a Flexible Mode (subject to the Flexible Rate Parameters) to take effect on such day shall be determined by the County, in consultation with the Remarketing Agent, and the Remarketing Agent shall determine the Interest Rate for each such Flexible Period. Each Series 2008 Bond in a Flexible Mode shall bear interest at the interest rate which, in the sole and exclusive judgment of the Remarketing Agent, when borne by a Series 2008 Bond having such Flexible Period would equal (but not exceed) the interest rate necessary to enable the Remarketing Agent to sell such Series 2008 Bond (exclusive of accrued interest, if any) on such date at a price equal to 100% of the principal amount thereof. Each Series 2008 Bond in a Flexible Mode shall bear interest during a particular Flexible Period at a rate per annum equal to the interest rate determined above corresponding to the Flexible Period.

4. ***Fixed Mode.*** The Fixed Rate of each Series 2008 Bond in a Fixed Mode shall be determined by the Remarketing Agent on the date selected by the Remarketing Agent occurring not earlier than ten (10) Business Days and not later than the last Business Day immediately preceding the Fixed Rate Conversion Date for such Series 2008 Bond. Such interest rate shall be the interest rate which in the sole and exclusive judgment of the Remarketing Agent would equal (but not exceed) the interest rate necessary to enable the Remarketing Agent to sell such Series 2008 Bond (exclusive of accrued interest, if any) on the Fixed Rate Conversion Date at a price equal to 100% of the principal amount thereof.

5. ***Manner of Determining Interest Rate.*** In determining such interest rates described above, the Remarketing Agent shall have due regard for general financial conditions and such other conditions as, in the judgment of the Remarketing Agent, have a bearing on the interest rate on such Series 2008 Bonds, including the tender provisions applicable to such Series 2008 Bonds during the forthcoming Rate Period.

6. ***Failed Rate Determination.*** If, in the case of any Series 2008 Bonds other than any such Bonds as are in a Dutch Auction Mode, for any reason, the Remarketing Agent fails to

determine the interest rate in accordance with this Series 2008 Resolution, or the interest rate for any Series 2008 Bonds during any Rate Period cannot be established as provided in the preceding paragraphs of this Section, or is held invalid or unenforceable by a court of law, the interest rate for such Series 2008 Bonds bearing interest at a Flexible Rate, Weekly Rate or Daily Rate for such Rate Period shall be a rate per annum determined by the Remarketing Agent which shall equal one hundred ten percent (110%) of the SIFMA Index on the date such rate would otherwise have been determined pursuant to the preceding paragraphs of this Section. If for any reason the interest rate for any Series 2008 Bonds during any Rate Period other than a Dutch Auction Rate Period, cannot be established as provided in the preceding sentence, or such method is held invalid or unenforceable by a court of law, the interest rate on such Series 2008 Bonds for such Rate Period, shall equal the Interest Index. The foregoing provisions shall not apply to any Series 2008 Bonds bearing interest at the applicable Bank Rate so long as such Series 2008 Bonds continue to bear interest at such Bank Rate.

7. ***Notices.*** Not later than the day after the date on which the Remarketing Agent determines the interest rate on any Series 2008 Bond, the Remarketing Agent shall give the applicable Tender Agent, the Registrar and the County telephonic notice of the interest rate determined by the Remarketing Agent on such date and the length of any Flexible Period commencing on such date, and such information shall be promptly confirmed in writing by facsimile transmission to the Registrar, the Tender Agent and the County. Anyone entitled to receive telephonic notice under this paragraph may waive or modify its right to such notice.

8. ***Binding Effect.*** Each determination of the interest rate for the Series 2008 Bonds, other than any such Bonds which are in a Dutch Auction Mode, as provided herein, shall be conclusive and binding upon the Holders of Series 2008 Bonds, the County, the Remarketing Agent, the Tender Agent, the Series 2008 Liquidity Facility Provider, the Series 2008 Credit Provider and the Registrar. Failure of the Remarketing Agent to give any of the notices described in Section 2.05, or any defect therein, shall not affect the interest rate to be borne by any of the Series 2008 Bonds nor the applicable Interest Mode nor in any way change the rights of the Holders of the Series 2008 Bonds to tender their Series 2008 Bonds for purchase in accordance with the Series 2008 Resolution.

SECTION 2.05 Conversion of Interest Modes.

1. All Series 2008 Bonds shall bear interest in the same Interest Mode.

2. In order to designate a new Interest Mode for the Series 2008 Bonds, the County shall, at least ten (10) days prior to the date the Registrar is required to mail to Holders of Series 2008 Bonds a Mandatory Tender Notice relating to such mode conversion or adjustment, provide written notice substantially in the form of Annex B hereto (a "Mode Conversion Notice") to the Registrar, and to the Remarketing Agent, the Broker-Dealer, the Tender Agent, and the Series 2008 Liquidity Facility Provider, if any, for the Series 2008 Bonds, stating: (i) the Interest Mode to which the Series 2008 Bonds are then subject, (ii) the date of the Conversion Date (which if the adjustment is from a Dutch Auction Rate Period must be the last Interest Payment Date in respect of the Dutch Auction Rate Period), which (a) date shall be at least fifteen (15) days after the date on which the Mode Conversion Notice is given to Holders of Series 2008 Bonds and (b) shall, in the case of Series 2008 Bonds to be adjusted to a new Interest Mode which are then subject to a Flexible Mode, also be a Rate Adjustment Date for the Series 2008 Bonds, and (iii)

the type of Interest Mode that will be effective for the Series 2008 Bonds on such Conversion Date. If the County desires to effect a Fixed Rate Conversion of the Series 2008 Bonds on a Conversion Date or to convert the Series 2008 Bonds to a Dutch Auction Mode, the Mode Conversion Notice shall state that the Series 2008 Bonds shall no longer be entitled to the benefits of the Series 2008 Liquidity Facility, if any, at the close of business on such Fixed Rate Conversion Date or the date of such conversion to a Dutch Auction Mode. Each Conversion to a Fixed Mode or to or from the Dutch Auction Mode shall be accompanied by an Opinion of Bond Counsel addressed to the Notice Parties and stating that the change in Interest Mode is authorized or permitted by the Act and the Master Ordinance and will not, in and of itself, cause the interest on the Series 2008 Bonds to become includable in gross income for Federal income tax purposes.

3. For all Interest Mode changes described in paragraph 2 above requiring an Opinion of Bond Counsel, such change shall not be effective unless on the Conversion Date a statement from Bond Counsel delivering the Opinion described in paragraph 2 above to the effect that such opinion is still in full force and effect shall be received by the Registrar.

4. If (a)(i) the Series 2008 Bonds bear interest at the Bank Rate for 45 days or more in any Bond Year or (ii) the Series 2008 Bonds bear interest at a rate in excess of the lesser of (x) the SIFMA Index plus 2.5% or (y) the Maximum Rate for any consecutive fourteen (14) day period and (b) such events continue during a sixty (60) day period following notice from the Series 2008 Credit Facility Provider, during which the Issuer has not converted the Series 2008 Bonds to an Auction Rate or has not substituted the Series 2008 Liquidity Provider or the Remarketing Agent in order to cure the conditions giving rise to such conditions, then at the direction of the Series 2008 Credit Facility Provider, the Series 2008 Bonds shall be converted to the Fixed Mode on the Scheduled Tender Date in the manner provided in this Section 2.05 whether or not any other requirements of this Section 2.05 have been met.

5. In the event that (a) the requirements of this Section 2.05 have not been met on a scheduled Conversion Date in respect of any Series 2008 Bonds or (b) on the Business Day preceding a scheduled Conversion Date in respect of any Series 2008 Bonds, the Remarketing Agent notifies the Registrar and the County that any of such Series 2008 Bonds cannot be remarketed, or (c) on or prior to the Business Day preceding a scheduled Conversion Date, the County notifies the Remarketing Agent and the Registrar that it does not want the Series 2008 Bonds to be converted to such new Interest Mode, the succeeding Interest Mode for such Series 2008 Bonds proposed to be subject to such Conversion (i) if such Series 2008 Bonds were proposed to be converted from a Daily Mode, a Weekly Mode, or a Flexible Mode, shall be the Weekly Mode; or (ii) if such Series 2008 Bonds were proposed to be converted from the Dutch Auction Mode, shall remain in the Dutch Auction Mode but shall bear interest at the Maximum Dutch Auction Rate for a seven-day Auction Period commencing on the date that was to be the Conversion Date. The Registrar shall give prompt notice to the Notice Parties (i) of any event described in the first two sentences of this paragraph 3 and (ii) of the succeeding Interest Mode. In no event shall the failure of Series 2008 Bonds to be converted in accordance with the Mode Conversion Notice for any reason be deemed to be a default under the Master Ordinance.

6. In connection with any Fixed Rate Conversion of the Series 2008 Bonds, the County may specify that all such Series 2008 Bonds shall no longer mature on the date specified in the Series 2008 Resolution but that such Series 2008 Bonds shall mature in such other years,

but in no event later than the date specified or described in the Series 2008 Resolution and in such amounts as are specified by the County in a written notice to the Registrar, the Paying Agent and the Series 2008 Credit Provider; provided, however, that no such specification shall be effective unless the County shall have received (i) the consent of the 2008 Credit Provider, which will not be unreasonably withheld, conditioned or delayed, and (ii) an Opinion of Bond Counsel that such specification will not, in and of itself, cause interest on Series 2008 Bonds to be includable in gross income for Federal income tax purposes; and provided further that in the event that any such specification becomes effective the aggregate principal amount of Amortization Requirements for Series 2008 Bonds due in any year, other than the date specified in the Series 2008 Resolution, shall be reduced by the principal amount of Series 2008 Bonds so specified by the County as maturing in such year.

7. None of the provisions of paragraph 1 of this Section 2.05 regarding required notices to Notice Parties or restrictions on dates on which Series 2008 Bonds may be adjusted to a new Interest Mode shall apply to any Series 2008 Bonds which are Unremarketed Series 2008 Bonds.

8. Prior to the Conversion of any Series 2008 Bonds to an Interest Mode other than a Dutch Auction Mode or a Fixed Mode, and at all times that any Series 2008 Bonds are in such an Interest Mode (excluding Liquidity Series 2008 Bonds) , a Series 2008 Liquidity Facility shall be in place. Such Series 2008 Liquidity Facility shall meet the requirements of paragraph 3 of Section 2.13 as if such Series 2008 Liquidity Facility were a Substitute Series 2008 Liquidity Facility. In connection with any change into an Interest Mode for which there is a Series 2008 Liquidity Facility Requirement, it shall be an additional condition that there be liquidity coverage sufficient for the new Interest Mode as required pursuant to Section 3.01.

9. If, immediately prior to the Conversion of the Series 2008 Bonds to another Interest Mode, there is no Series 2008 Liquidity Facility in place, the Conversion shall only occur if the remarketing proceeds of the Series 2008 Bonds subject to mandatory tender for purchase in connection with such Conversion are at least equal to the aggregate principal amount of the Series 2008 Bonds so subject to mandatory tender for purchase.

SECTION 2.06 Tender, Presentation and Purchase Provisions of the Series 2008 Bonds.

1. ***Mandatory Tender for Purchase of Series 2008 Bonds on a Substitution Date, the Special Mandatory Purchase Date, Scheduled Tender Date or a Book-Entry Only System Conversion Date.*** If the Series 2008 Bonds are in an Interest Mode other than a Fixed Mode or in the Dutch Auction Mode, the Series 2008 Bonds shall be subject to mandatory tender and purchase on a Substitution Date, the Special Mandatory Purchase Date, the Scheduled Tender Date and a Book-Entry Only System Conversion Date.

2. ***Mandatory Tender for Purchase of Series 2008 Bonds on Conversion Dates.*** Series 2008 Bonds are subject to mandatory tender and purchase on each Conversion Date applicable to such Series 2008 Bonds.

3. ***Mandatory Tender for Purchase of Series 2008 Bonds Subject to a Flexible Mode on Rate Adjustment Dates.*** Series 2008 Bonds subject to a Flexible Mode shall be subject

to mandatory tender and purchase on each Rate Adjustment Date applicable to such Series 2008 Bonds (which is not a Conversion Date on which such Series 2008 Bonds are subject to mandatory tender for purchase pursuant to paragraph 2 of this Section 2.06).

4. ***Purchase of Series 2008 Bonds In Daily Mode.*** Any Series 2008 Bonds in the Daily Mode are subject to purchase, on the demand of the Holder thereof, on any Business Day, upon the irrevocable telephonic notice to the Tender Agent and the Remarketing Agent (promptly confirmed in writing by such Holder in a properly completed Tender Notice delivered to the Tender Agent by 11:00 A.M., New York City time, at its office) which states (i) with respect to each such Series 2008 Bond the principal amount being tendered, (ii) the Series 2008 Bond numbers and CUSIP numbers, and (iii) the Purchase Date. By 11:15 A.M., New York City time, on the date of receipt of any such irrevocable notice from the Holder of a Series 2008 Bond, the Tender Agent shall give telephonic notice to the Remarketing Agent specifying the contents of each such Tender Notice, and such Tender Notice, once transmitted to the Tender Agent, shall be irrevocable with respect to the tender for which such Tender Notice was delivered. The Tender Agent shall also, as soon as is practical, notify the Registrar and the Series 2008 Liquidity Facility Provider of the principal amount of Series 2008 Bonds being tendered. The determination by the Tender Agent of the contents of any such irrevocable telephonic Tender Notice shall be conclusive and binding on all parties.

5. ***Purchase of Series 2008 Bonds In Weekly Mode.*** Series 2008 Bonds in the Weekly Mode are subject to purchase on any Business Day on the demand of the Holder thereof set forth in a properly completed Tender Notice delivered to the Tender Agent and the Remarketing Agent at its principal corporate trust office not less than seven (7) calendar days prior to such Business Day. The Tender Agent shall promptly (but in no event later than the Business Day following receipt of the Tender Notice) give telephonic notice, confirmed in writing not later than the Business Day following, to the Remarketing Agent specifying the contents of each such Tender Notice. The Tender Agent shall also, as soon as practicable, notify the Series 2008 Liquidity Facility Provider of the principal amount of Series 2008 Bonds being tendered. Such Tender Notice, once transmitted to the Tender Agent, shall be irrevocable with respect to the tender for which such Tender Notice was delivered and such tender shall occur on the Business Day specified in such Tender Notice.

6. ***Manner and Timing of Payment for Tendered Series 2008 Bonds.*** Each Holder of any Series 2008 Bonds which are to be tendered pursuant to paragraph 1, 2, 3, 4 or 5 of this Section 2.06 shall be entitled to receive the proceeds of such tender by delivering such Series 2008 Bonds (with an appropriate transfer of registration form executed in blank) to the principal corporate trust office of, or other office designated in writing by, the Tender Agent; provided that in order to receive payment on the Purchase Date, such delivery must be made at any time at or prior to 11:30 A.M., New York City time on the Purchase Date with respect to such Series 2008 Bonds. Holders of Series 2008 Bonds that are delivered to such principal corporate trust office of the Tender Agent after the time stated above shall not be entitled to receive payment from the Tender Agent of the Purchase Price until the later of the next Business Day following (x) the Purchase Date or (y) the date of delivery of such Series 2008 Bond. The Purchase Price of any such tendered Series 2008 Bonds shall be paid in immediately available funds. The Purchase Price of such tendered Series 2008 Bonds (or portions thereof in Authorized Denominations) shall be payable on the Purchase Date applicable thereto by the Tender Agent in immediately available funds by wire transfer (a) to the Series 2008 Liquidity Facility Provider in respect of

any Liquidity Series 2008 Bonds at the wire transfer address specified in the Series 2008 Liquidity Facility and (b) to any Holder of at least one million dollars ($1,000,000) aggregate principal amount of Series 2008 Bonds upon written notice from such Holder containing the wire transfer address (which shall be in the continental United States) to which such Holder wishes to have such wire directed, if such written notice is received with the applicable Tender Notice when such Tender Notice is delivered to the Tender Agent. On any date when Unremarketed Series 2008 Bonds are released to the Tender Agent pursuant to Section 2.11, the Purchase Price of such Series 2008 Bonds released to the Tender Agent shall be paid by wire transfer to the Series 2008 Liquidity Facility Provider at the wire transfer address specified in the Series 2008 Liquidity Facility.

Notwithstanding and in lieu of the foregoing, while Series 2008 Bonds are held by a Securities Depository, payment of principal, interest and redemption premium, if any, shall be made by the Registrar to the Holder by wire transfer without the necessity of presentation and surrender of such Series 2008 Bonds and the notation of payment on the records by the Registrar and the Securities Depository pursuant to Section 2.18 shall be conclusive and binding on the Holder.

7. ***Purchase With Respect to Auction Rate, Flexible or Fixed Modes and Liquidity Series 2008 Bonds.*** There is no right of purchase on demand of a Holder with respect to Series 2008 Bonds in a Dutch Auction Mode, Flexible Mode or Fixed Mode or which are Liquidity Series 2008 Bonds.

8. ***Agreement to Tender Series 2008 Bonds.*** Any Holder of Series 2008 Bonds, by its acceptance of the Series 2008 Bonds, agrees to tender its Series 2008 Bonds to the Tender Agent for purchase (i) on dates on which such Series 2008 Bonds are subject to mandatory tender in accordance with paragraph 1, 2 or 3 of this Section 2.06 and (ii) on dates on which such Series 2008 Bonds are subject to tender and purchase pursuant to a Tender Notice given in accordance with paragraph 4 or 5 of this Section 2.06 at the Purchase Price and, upon such tender, to surrender such Series 2008 Bonds properly endorsed for transfer in blank.

9. ***Notice of Mandatory Tender for Purchase.*** Notice of any mandatory tender of Series 2008 Bonds in substantially the form of Annex C hereto or, in the case of a Substitution Date, Annex D hereto (a "Mandatory Tender Notice") identifying the Series 2008 Bonds to be purchased pursuant to paragraph 1 or 2 of this Section 2.06 shall be provided by the Registrar or caused to be provided by the Registrar by mailing a copy of the notice of mandatory tender by first-class mail at least fifteen (15) days, or forty-five (45) days pursuant to Section 2.13.4, if applicable, prior to the Purchase Date to any Holder of Series 2008 Bonds subject to such purchase at the address shown on the registration books and to the Remarketing Agent. Such notice of mandatory tender shall identify such Series 2008 Bonds to be tendered, the reason for the mandatory tender for purchase, and specify the Purchase Date, the Purchase Price, the place and manner of payment, and that no further interest will accrue from and after the Purchase Date to such Holder.

In the event a mandatory tender of Series 2008 Bonds pursuant to paragraph 1, 2 or 3 of this Section 2.06 shall occur at or prior to the same date on which a purchase pursuant to paragraph 4 or 5 of this Section 2.06 is scheduled to occur, the terms and conditions of the applicable mandatory tender shall control.

The Registrar shall give a copy of any Mandatory Tender Notice given by it to the County, the Tender Agent, the Remarketing Agent and the Series 2008 Liquidity Facility Provider at the same time such Notice is given to Holders of Series 2008 Bonds.

Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder of Series 2008 Bond receives the notice, and the failure of such Holder to receive any such notice shall not affect the validity of the action described in such notice.

10. In the event a Holder of a Series 2008 Bond files with the Tender Agent a Tender Notice with respect to a portion of such Series 2008 Bond in an Authorized Denomination, such Holder shall be required to deliver such Series 2008 Bond to the Tender Agent along with the Tender Notice. The Tender Agent shall pay the Purchase Price for such portion as provided in the Series 2008 Resolution and the Registrar shall issue in the name of such Holder a new Series 2008 Bond in the amount not so purchased, which Series 2008 Bond the Tender Agent shall forward to such Holder. Notwithstanding anything to the contrary contained in the Series 2008 Resolution, no Holder of a Series 2008 Bond shall be entitled to tender a portion of such Series 2008 Bond to be purchased unless such portion and the portion of such Series 2008 Bond not to be so purchased shall each be in an Authorized Denomination.

11. The Tender Agent shall hold all Series 2008 Bonds (or portions thereof in Authorized Denominations) delivered to it for purchase pursuant to this Section 2.06 in trust for the benefit of the respective Holders thereof until moneys representing the Purchase Price or Redemption Price of and interest on, such Series 2008 Bonds (or portions thereof in Authorized Denominations), as the case may be, shall have been delivered to or for the account of or to the order of the Holders thereof.

SECTION 2.07 Non-delivery of Series 2008 Bonds.

1. In the event that any Series 2008 Bonds with respect to which a Tender Notice has been sent to the Tender Agent pursuant to Section 2.06.4 or 2.06.5 or any Series 2008 Bonds which are subject to mandatory tender for purchase pursuant to Section 2.06.1, 2.06.2 or 2.06.3 are not delivered to the Tender Agent at the time, in the manner and at the place required by Section 2.06.6, the Undelivered Series 2008 Bonds will be deemed to have been tendered and purchased by the Tender Agent, and interest accruing on such Series 2008 Bonds on and after the applicable Purchase Date shall no longer be payable to the prior registered Holders thereof. Such prior Holders shall have recourse solely to the funds held by the Tender Agent or the Registrar for the purchase of the Undelivered Series 2008 Bonds, and the Registrar shall not recognize any further transfer of such Undelivered Series 2008 Bonds by such prior Holders. The Registrar or Tender Agent, as the case may be, shall register the transfer of such Series 2008 Bonds to the purchaser thereof and shall issue a new Series 2008 Bond or Bonds and deliver the same pursuant to Section 2.10, notwithstanding such non-delivery.

2. The Tender Agent shall at the end of the fifth Business Day after each date upon which Series 2008 Bonds are deemed tendered deposit with the Registrar all funds then held in the Series 2008 Bonds Remarketing Proceeds Fund or in the Series 2008 Liquidity Facility Proceeds Fund held by the Tender Agent by virtue of the fact that Series 2008 Bonds deemed tendered on such date were not presented for purchase to the Tender Agent in accordance with

the provisions of this Exhibit A. The Registrar shall set aside such amount on its books and hold the same in trust for the payment to the Holders of such Series 2008 Bonds of the Purchase Price thereof as required by the provisions of Section 2.06.6. The Registrar shall pay such Purchase Price from such amount by check or draft of the Registrar made payable to the party entitled to such payment. Any such moneys so held in trust by the Registrar may be invested only in direct obligations of or obligations unconditionally guaranteed by the United States of America having a maturity of 30 days or less. Any such moneys which remain unclaimed for five years after the date such moneys were so deposited with the Registrar (or such shorter or longer period as may be specified in Section 717.112, Florida Statutes, as amended from time to time), shall at the written request of the County be paid by the Registrar to the County as its absolute property, and the Registrar shall thereupon be released and discharged with respect thereto and the Holders of such deemed tendered Series 2008 Bonds shall look only to the County for the payment of the Purchase Price of such Series 2008 Bonds.

SECTION 2.08 Remarketing of Tendered Series 2008 Bonds.

1. The Remarketing Agent shall offer for sale an aggregate principal amount of Series 2008 Bonds equal to the amount of Series 2008 Bonds with respect to which a Tender Notice has been received pursuant to Section 2.06.4 or 2.06.5 or which are required to be tendered for purchase pursuant to Section 2.06.1, 2.06.2 or 2.06.3; provided that the Remarketing Agent shall not be required to offer Series 2008 Bonds in a principal amount which will not be in Authorized Denominations.

2. The Remarketing Agent shall offer for sale for the account of the Holder and use its best efforts to sell the Series 2008 Bonds referred to in paragraph 1 above, at a price equal to the Purchase Price thereof, on the Purchase Date of such Series 2008 Bonds or as soon thereafter as possible. The Remarketing Agent may not, however, when remarketing Series 2008 Bonds pursuant to the preceding sentence, sell any such Series 2008 Bonds at a discount or a premium. If the Remarketing Agent is able to sell all or any portion of such Series 2008 Bonds at such price, the Remarketing Agent shall deliver or cause to be delivered the Series 2008 Bonds so resold in accordance with clause (a) of Section 2.10 and shall cause the Tender Agent to deposit the proceeds of the sale of such Series 2008 Bonds in immediately available funds in the Series 2008 Remarketing Proceeds Fund by 2:30 P.M., New York City time (or such later time as the Registrar and the Tender Agent shall permit, but in no event later than such time as shall be necessary to enable the Registrar to comply with the provisions of Section 2.09.3), on such Purchase Date. In the case of Series 2008 Bonds remarketed on a Purchase Date occurring during a Daily Mode or a Flexible Mode for such Series 2008 Bonds, the Remarketing Agent shall notify the Tender Agent and the Registrar on each Purchase Date of the amount of Series 2008 Bonds to be sold pursuant to this paragraph 2 by 11:15 A.M., New York City time (or such later time as the Registrar and Tender Agent shall permit), and the denominations thereof, and the names, addresses and taxpayer identification numbers of the purchasers of such Series 2008 Bonds by 1:30 P.M., New York City time (or such later time as the Registrar and Tender Agent shall permit). In the case of Series 2008 Bonds remarketed on a Purchase Date occurring during a Weekly Mode for such Series 2008 Bonds, the Remarketing Agent shall notify the Registrar and the Tender Agent by 1:30 P.M., New York City time, on the Business Day preceding the Purchase Date, to the extent such information is then available, of the principal amount of Series 2008 Bonds to be sold pursuant to this paragraph 2, the denominations thereof, and the names, addresses and taxpayer identification numbers of the purchasers of such Series 2008 Bonds.

3. The Remarketing Agent may sell Series 2008 Bonds to the County upon appropriate market disclosure approved by Bond Counsel.

SECTION 2.09 Procedure for Purchase of Series 2008 Bonds.

1. On the date any Series 2008 Bonds are to be purchased pursuant to Section 2.06, the Tender Agent shall purchase, but only from the funds and in the order of priority listed below, such Series 2008 Bonds at the Purchase Price:

(a) amounts on deposit in the Series 2008 Remarketing Proceeds Fund derived from the remarketing of Series 2008 Bonds; and

(b) amounts on deposit in the Series 2008 Liquidity Facility Proceeds Fund derived from a demand for purchase under the applicable Series 2008 Liquidity Facility, if any.

2. If the Purchase Price of all such Series 2008 Bonds tendered or deemed tendered on any Purchase Date cannot be paid from the sources listed above, unless all such Series 2008 Bonds tendered or deemed tendered on such Purchase Date which cannot be purchased from the sources listed above shall be redeemed (which redemption shall be in the sole discretion of the County) on such Purchase Date, no such Series 2008 Bonds tendered or deemed tendered shall be purchased and all Series 2008 Bonds then Outstanding and entitled to the benefit of a Series 2008 Liquidity Facility shall bear interest from such Purchase Date at a rate per annum equal to the SIFMA Index plus twenty-five one hundredths percent (0.25%) until such purchase is effective, and the Tender Agent shall immediately (i) return all tendered Series 2008 Bonds to the Holders thereof, (ii) return all money received for the purchase of such Series 2008 Bonds to the persons who provided such moneys, and (iii) provide written notice of such event to all Holders of Series 2008 Bonds and the Notice Parties.

3. The Registrar shall promptly take all action in accordance with the Series 2008 Liquidity Facility and the Master Ordinance necessary to demand under the Series 2008 Liquidity Facility in accordance with Article III that the Series 2008 Liquidity Facility Provider provide an amount sufficient to pay the Purchase Price of the Series 2008 Bonds pursuant to clause (b) of paragraph 1 of this Section 2.09 on the Purchase Date. At a minimum, therefore, the Registrar shall demand a payment under the Series 2008 Liquidity Facility by 12:45 P.M., New York City time, on each Purchase Date of an amount equal to the Purchase Price of all Series 2008 Bonds to be purchased on such Purchase Date less amounts described in clause (a) of paragraph 1 of this Section 2.09; provided, however, if the Registrar has not received notice of the amount of such Purchase Price to be paid from amounts described in clause (a) of paragraph 1 of this Section 2.09 by 12:45 P.M., New York City time, on any Purchase Date, the Registrar shall demand a payment under the Series 2008 Liquidity Facility equal to the full amount of the Purchase Price to be paid on such Purchase Date. The Series 2008 Liquidity Facility Provider shall honor any timely demand for payment made by the Registrar pursuant to this paragraph in immediately available funds by not later than 2:45 P.M., New York City time. In addition, if the demand for purchase is being made on a Purchase Date which is a Substitution Date, the demand for purchase shall be made under the Series 2008 Liquidity Facility which is being replaced.

4. Neither the County nor the Series 2008 Credit Provider shall be obligated to pay the Purchase Price of Series 2008 Bonds.

SECTION 2.10 Disposition of Purchased Series 2008 Bonds. Series 2008 Bonds tendered to the Registrar or the Tender Agent, as the case may be, for purchase pursuant to Section 2.06 or deemed tendered for purchase pursuant to Section 2.07 shall be made available by the Registrar or the Tender Agent, as the case may be, for transfer, as follows:

(a) Series 2008 Bonds remarketed by the Remarketing Agent shall be made available for transfer by the purchasers thereof; and

(b) Series 2008 Bonds purchased by the Tender Agent with moneys described in clause (b) of Section 2.09.1 shall be made available for transfer pursuant to Section 2.11.

Notwithstanding the foregoing, any Series 2008 Bonds remarketed by the Remarketing Agent or purchased by the Tender Agent while the Book-Entry Only System is in effect shall be delivered in conformity with the Book-Entry Only System.

SECTION 2.11 Unremarketed Series 2008 Bonds Purchased; Redemption of Liquidity Series 2008 Bonds.

1. Any Unremarketed Series 2008 Bonds purchased by the Tender Agent from funds advanced under the Series 2008 Liquidity Facility and deposited in the Series 2008 Liquidity Facility Proceeds Fund shall be registered in the name of the Series 2008 Liquidity Facility Provider. In accordance with the applicable Series 2008 Liquidity Facility, the County hereby authorizes the Tender Agent to agree to hold such Unremarketed Series 2008 Bonds in trust for the account of the applicable Series 2008 Liquidity Facility Provider. With respect to such Unremarketed Series 2008 Bonds, the applicable Remarketing Agent shall be required, subject to the provisions of the applicable Remarketing Agreement, to offer for sale, and use its best efforts to sell, such Unremarketed Series 2008 Bonds, at the principal amount thereof. Such Remarketing Agent may not, however, whenever remarketing such Unremarketed Series 2008 Bonds pursuant to the preceding sentence, sell any such Unremarketed Series 2008 Bonds at a discount or a premium. When remarketing Unremarketed Series 2008 Bonds pursuant to this Section 2.11, the Remarketing Agent shall remarket such Unremarketed Series 2008 Bonds as if such Unremarketed Series 2008 Bonds were in the Interest Mode borne by such Series 2008 Bonds on the date they became Unremarketed Series 2008 Bonds. The applicable Tender Agent on any Business Day shall make available such Unremarketed Series 2008 Bonds to the Remarketing Agent for delivery to the purchaser thereof on notice received on or prior to 12:00 P.M., New York City time, on such Business Day. Upon receipt of notice from the Remarketing Agent that it has resold all or any portion of the Unremarketed Series 2008 Bonds, the Tender Agent shall make available for transfer such Unremarketed Series 2008 Bonds as provided in clause (a) of Section 2.10 upon receipt of the payments required by Section 2.19; provided, however, that no Unremarketed Series 2008 Bond purchased with amounts provided under the Series 2008 Liquidity Facility and held by the Tender Agent or its nominee shall be sold by the Series 2008 Liquidity Facility Provider unless the amount available for purchase of Series 2008 Bonds under the Series 2008 Liquidity Facility is immediately reinstated upon such sale to an amount equal to the stated amount of the Series 2008 Liquidity Facility without reduction for the

amounts provided thereunder to purchase such Unremarketed Series 2008 Bonds, and the Series 2008 Liquidity Facility Provider has notified the Registrar and Tender Agent of such reinstatement. The proceeds received from the purchaser of any Unremarketed Series 2008 Bonds so remarketed and resold pursuant to the foregoing sentence shall be paid to the Series 2008 Liquidity Facility Provider.

2. In the event of a redemption of any Liquidity Series 2008 Bonds, the Registrar shall remit to the applicable Series 2008 Liquidity Facility Provider the Redemption Price of such Liquidity Series 2008 Bonds.

SECTION 2.12 Authorized Denominations. Notwithstanding anything in the Master Ordinance to the contrary, a Series 2008 Bond may be tendered in whole or in part pursuant to the provisions of this Exhibit A provided that (i) any such tendered Series 2008 Bond or portion thereof must be in an Authorized Denomination or, if the Purchase Date relating to such tender is a Conversion Date, will be in an Authorized Denomination for the Interest Mode commencing on such Conversion Date, and (ii) no portion of any Series 2008 Bond may be tendered if the principal amount of the Series 2008 Bond to be retained by the Holder of the Series 2008 Bond thereafter is not in an Authorized Denomination.

SECTION 2.13 Renewal or Extension of Series 2008 Liquidity Facility; Substitute Series 2008 Liquidity Facility.

1. If, at any time before forty-five (45) days prior to the Series 2008 Liquidity Facility Expiration Date, the County obtains a renewal or extension of the Series 2008 Liquidity Facility (or a written commitment which evidences such renewal or extension) on substantially the same terms, the County shall promptly give notice to the other Notice Parties of such renewal or extension. Any such renewal or extension shall not require notice to the Holders of Series 2008 Bonds

2. If, at any time, the County provides for a Substitute Series 2008 Liquidity Facility by (a) delivering to the Registrar a Substitute Series 2008 Liquidity Facility (to become effective on the Substitution Date), and (b) complying with the requirements set forth in paragraph 3 or 4 below, then the Registrar shall give prompt notice to the Tender Agent, the Remarketing Agent, each Rating Agency, the County, the Series 2008 Credit Provider and the Holders of Series 2008 Bonds (such notice to Holders to be substantially in the form of Annex D hereto at least fifteen (15) days prior to the effective date of such Substitute Series 2008 Liquidity Facility) then entitled to the benefits of the Series 2008 Liquidity Facility that the County has obtained a Substitute Series 2008 Liquidity Facility and that the then-current Series 2008 Liquidity Facility for which a substitute has been obtained will be cancelled on the Substitution Date, following the 2008 Liquidity Provider's honoring of its purchase obligation with respect to the mandatory tender arising from such substitution pursuant to Section 2.06.1. The County shall forward to the Registrar upon receipt any rating letters from any Rating Agency with respect to the Series 2008 Bonds and the Substitute Series 2008 Liquidity Facility. The notice to Holders of Series 2008 Bonds referred to in this Section 2.13.2 shall be given as provided in Section 2.06.9.

3. Any Substitute Series 2008 Liquidity Facility shall meet the following criteria:

(a) Any Substitute Series 2008 Liquidity Facility shall provide that funds may be made available for the purposes, in the amounts and at the times provided in Articles II and III and shall contain administrative provisions satisfactory to the Registrar and the Tender Agent.

(b) Any Substitute Series 2008 Liquidity Facility shall have a term of not less than the lesser of 364 days or the remaining term of the Series 2008 Bonds to be supported thereby.

(c) Any Substitute Series 2008 Liquidity Facility shall be in form and substance reasonably acceptable to the Series 2008 Credit Provider, the provider of the Substitute Series 2008 Liquidity Facility must be rated at least "A-1+" by S&P, "F-1+" by Fitch, or "P-1" by Moody's and the Registrar shall have received written evidence of the approval of the Substitute Series 2008 Liquidity Facility and the provider thereof by the Series 2008 Credit Provider.

(d) At least five (5) Business Days prior to the delivery to the Registrar of the Substitute Series 2008 Liquidity Facility, the Registrar shall have received an irrevocable commitment to issue or enter into such Substitute Series 2008 Liquidity Facility and on the date such substitution occurs the Registrar shall have received:

(i) an Opinion of Counsel for the issuer or issuers of the Substitute Series 2008 Liquidity Facility that the Substitute Series 2008 Liquidity Facility and any documents related to it constitute a legal, valid and binding obligation of the provider of the Substitute Series 2008 Liquidity Facility enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium or insolvency or by equitable principles; and

(ii) an Opinion of Bond Counsel that delivery of the Substitute Series 2008 Liquidity Facility will not, in and of itself, cause the interest on the Series 2008 Bonds to become includable in gross income for Federal income tax purposes.

4. If at any time forty-five (45) days remain until the Series 2008 Liquidity Facility Expiration Date and the Series 2008 Liquidity Facility has not been renewed, extended or replaced or the County has not obtained a written commitment for such renewal, extension or replacement, the Registrar shall promptly give to the Holders of the Series 2008 Bonds and the Tender Agent notice that (i) the Series 2008 Liquidity Facility is scheduled to expire and stating the date of such expiration; (ii) the County has not obtained a renewal, extension or substitution of said Series 2008 Liquidity Facility; and (iii) the Series 2008 Bonds shall be subject to mandatory tender pursuant to Section 2.06.1 and explaining the terms of such mandatory tender.

5. Other than in connection with a Substitute Series 2008 Liquidity Facility, neither the Registrar nor the County shall terminate or surrender the Series 2008 Liquidity Facility prior to the payment in full of all Series 2008 Bonds or to the Conversion of all Series 2008 Bonds to a Fixed Mode or a Dutch Auction Mode. In the event that Series 2008 Bonds have been retired in part and the stated amount of the Series 2008 Liquidity Facility is to be reduced accordingly, the Registrar shall take such action as is necessary under the Series 2008 Liquidity Facility to reduce

the amount available to be drawn thereunder and, if permitted by the terms of the Series 2008 Liquidity Facility, may exchange the Series 2008 Liquidity Facility for a revised form of Series 2008 Liquidity Facility.

SECTION 2.14 Book-Entry Only System Conversion; Operation of Book-Entry Only System

1. Except in the case of any Series 2008 Bonds in a Dutch Auction Mode, effective on any Rate Adjustment Date with respect to any Series 2008 Bonds, the County may elect to convert from or to a book-entry only system of ownership for all or any portion of such Series 2008 Bonds. In such event the County shall indicate this conversion in the same manner as is specified in Sections 2.04 and 2.05 for the designation of a new Interest Mode. This conversion shall be effected pursuant to arrangements, reasonably satisfactory to the Registrar, for, as appropriate the surrender of Series 2008 Bonds by the Securities Depository and the issuance of Series 2008 Bonds to or at the direction of DTC Participants or the surrender of Series 2008 Bonds to the Securities Depository for each maturity of the Series 2008 Bonds, which arrangements shall be communicated by the Registrar to the Holders of Series 2008 Bonds in the same manner specified in Section 2.05 and shall become effective hereunder and binding upon the County, the Registrar and all Holders of Series 2008 Bonds on the specified Rate Adjustment Date.

2. Except as provided in subsections 3 and 4 of this Section 2.14, the registered Holder of all Series 2008 Bonds shall be, and the Series 2008 Bonds shall be registered in the name of, Cede, as nominee of DTC. Payment of interest for any Series 2008 Bond, as applicable, shall be made in accordance with the provisions of this Exhibit A to the account of Cede on the Interest Payment Date for the Series 2008 Bonds at the address indicated for Cede in the registration books of the County kept by the Registrar.

3. The Series 2008 Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Series 2008 Bonds. Upon initial issuance, the ownership of each such Series 2008 Bond shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. With respect to Series 2008 Bonds so registered in the name of Cede, the County, the Registrar and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of any of such Series 2008 Bonds. Without limiting the immediately preceding sentence, the County, the Registrar and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series 2008 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2008 Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, any of the Series 2008 Bonds. The County, the Registrar and any Paying Agent may treat DTC as, and deem DTC to be, the absolute Holder of each Series 2008 Bond for all purposes whatsoever, including (but not limited to) (a) payment of the principal or Redemption Price of, and interest on, each such Series 2008 Bond, (b) giving notices of redemption and other matters with respect to such Series 2008 Bonds and (c) registering transfers with respect to such Series 2008 Bonds. The Paying Agent shall pay the principal or Redemption Price of, and interest on, all Series 2008 Bonds only to or upon the

order of DTC, and all such payment shall be valid and effective to satisfy fully and discharge the County's obligations with respect to such principal or Redemption Price and interest, to the extent of the sums so paid. Except as provided in subsection 4 of this Section 2.14, no person other than DTC shall receive a Series 2008 Bond evidencing the obligation of the County to make payments of principal or Redemption Price of, and interest on, any such Series 2008 Bond pursuant to the Master Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Master Ordinance, the word "Cede" in the Series 2008 Resolution shall refer to such new nominee of DTC.

Except as provided in subsection 4(c) of this Section 2.14, and notwithstanding any other provisions of the Master Ordinance to the contrary, the Series 2008 Bonds may be registered, in whole but not in part, only in the name of the DTC or a nominee of DTC or to any successor securities depository appointed pursuant to this Section 2.14 or any nominee thereof.

4. (a) DTC may determine to discontinue providing its services with respect to the Series 2008 Bonds at any time by giving written notice to the County, the Registrar and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Series 2008 Bonds under applicable law.

(b) The County, in its sole discretion and without the consent of any other person, may request termination of the services of DTC with respect to the Series 2008 Bonds if the County determines that: (I) DTC is unable to discharge its responsibilities with respect to the Series 2008 Bonds; or (II) a continuation of the requirement that all of the Outstanding Series 2008 Bonds be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owner of the Series 2008 Bonds. Current DTC rules provide that upon receipt of such a request, DTC will take the following actions: (I) DTC will issue an "Important Notice" notifying its participants of the receipt of a withdrawal request from the County reminding participants that they may utilize DTC's withdrawal procedures if they wish to withdraw their securities from DTC; and (II) DTC will process withdrawal requests submitted by participants in the ordinary course of business, but will not effectuate withdrawals based upon a request from the County. The County shall, by written notice to the Registrar, terminate the services of DTC with respect to the Series 2008 Bonds upon receipt by the County, the Registrar and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the Outstanding Series 2008 Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2008 Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 2008 Bonds be registered in the registration books kept by Registrar, in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owner of the Series 2008 Bonds.

(c) Upon the termination of the services of DTC with respect to the Series 2008 Bonds pursuant to subsection 4(b)(ii), or upon the discontinuance or termination of the services of DTC with respect to the Series 2008 Bonds pursuant to subsection 4(a) or subsection 4(b)(i), the County may within 90 days thereafter appoint a substitute

Securities Depository which, in the opinion of the County, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Series 2008 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar, in the name of Cede, as nominee of DTC. In such event the County shall execute and the Registrar shall authenticate Series 2008 Bond certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations and the Registrar shall deliver such certificates at its corporate trust office to the beneficial owners identified in writing by the Securities Depository in replacement of such beneficial owners' beneficial interests in the Series 2008 Bonds.

(d) Notwithstanding any other provision of the Master Ordinance to the contrary, so long as any Series 2008 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Series 2008 Bond and all notices with respect to such Series 2008 Bond shall be made and given, respectively, to DTC as the registered Holder of such Bonds.

(e) In connection with any notice or other communication to be provided to Holders of Series 2008 Bonds registered in the name of Cede pursuant to the Master Ordinance by the County or the Registrar with respect to any consent or other action to be taken by such Holders, the County shall establish a record date for such consent or other action by such Holders and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

SECTION 2.15 Denominations, Numbers and Letters.

1. The Series 2008 Bonds shall be issued only in fully registered form without coupons in Authorized Denominations. Unless the County shall otherwise direct, the Series 2008 Bonds shall be numbered from one (1) consecutively upwards and may bear such additional letters, numbers, legends or designations as the Registrar determines are necessary or desirable, including, without limitation, any such additional items deemed necessary or desirable to identify the Interest Mode to which any particular Series 2008 Bond is subject.

2. "CUSIP" identification numbers will be imprinted on the Series 2008 Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series 2008 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series 2008 Bonds. In addition, failure on the part of the County or the Registrar to use such CUSIP numbers in any notice to Holders of the Series 2008 Bonds shall not constitute an event of default or any similar violation of the County's contract with such Holders.

SECTION 2.16 Place and Medium of Payment.

1. Principal and Redemption Price of the Series 2008 Bonds shall be payable at the principal corporate trust office of, or other office designated in writing by, the Paying Agent. Interest on the Series 2008 Bonds shall be paid by check or draft of the Registrar mailed on each Interest Payment Date to the Holder thereof as of the Record Date at the address of such Holder as it appears on the registration books of the County or, at the option of any Holder of at least

one million dollars ($1,000,000) in principal amount of such Series 2008 Bonds by wire transfer on each Interest Payment Date to such Holder thereof upon written notice from such Holder containing the wire transfer address (which shall be in the continental United States) to which such Holder wishes to have such wire directed and any other necessary instructions, if such written notice is received not less than five days prior to the related Record Date, it being understood that such notice may refer to multiple interest payments. Interest on any Liquidity Series 2008 Bonds shall be paid by wire transfer to the Series 2008 Liquidity Facility Provider at the wire transfer address specified in the Series 2008 Liquidity Facility and in such other manner as is provided in the Series 2008 Liquidity Facility.

2. Notwithstanding anything in the Series 2008 Resolution to the contrary, interest on any Liquidity Series 2008 Bonds shall be paid on each Interest Payment Date for such Series 2008 Bonds in the manner provided in the Series 2008 Liquidity Facility.

SECTION 2.17 Redemption Prices and Terms. In addition to the optional and mandatory sinking fund redemptions contemplated in the Master Ordinance, the Series 2008 Resolution and the Omnibus Certificate, subject to the provisions of Section 2.05.6, the Series 2008 Bonds are also subject to redemption in whole or in part prior to maturity upon such notice, at such times, and upon such additional terms and conditions as described in this Section 2.17. The County shall furnish to each Rating Agency the notice provided in Section 7.01, but the failure to provide such notice shall not affect the validity of any such redemption.

1. **General Optional Redemption of Series 2008 Bonds During Any Interest Mode Other Than The Fixed Mode.** At the option of the County, any Series 2008 Bonds are subject to redemption prior to maturity during any Interest Mode other than the Fixed Mode, in whole or in part (but if in part in the Authorized Denomination applicable to such Interest Mode) on any date (except that any Series 2008 Bond in a Flexible Mode shall not be redeemed pursuant to this paragraph on any date other than a Rate Adjustment Date and any Series 2008 Bonds in a Dutch Auction Mode shall only be redeemed on an Interest Payment Date) at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2008 Bonds to be redeemed plus accrued and unpaid interest not otherwise payable on such date. Before selecting any Series 2008 Bonds for such optional redemption, the Registrar shall first apply any amounts to be applied to such optional redemption to redeem any Series 2008 Bonds then bearing interest at the Bank Rate.

2. The County shall not optionally redeem any Series 2008 Bonds pursuant to the provisions of Section 2.17.1, other than Series 2008 Bonds then subject to a Dutch Auction Mode, unless (i) the Redemption Price plus accrued interest will be paid from a special drawing under the Series 2008 Liquidity Facility, or (ii) the County shall have received an Opinion of Counsel of recognized expertise in matters relating to Federal bankruptcy laws to the effect that the payment of the principal of and interest on the Series 2008 Bonds to be optionally redeemed will not constitute an avoidable preference under the Federal bankruptcy laws as then in effect in a case commenced by or against the County in which the County is the debtor.

3. **General Optional Redemption of Series 2008 Bonds In the Fixed Mode.** Any Series 2008 Bonds in a Fixed Mode are subject to redemption, in whole or in part (but if in part in integral multiples of $5,000) on any Interest Payment Date occurring on or after the fifth anniversary of the Fixed Rate Conversion Date for such Series 2008 Bonds, at the option of the

County, at one hundred percent (100%) of the unpaid principal amount thereof, plus accrued interest thereon to the Redemption Date (or such other Redemption Prices as shall be determined by the County on or prior to the Fixed Rate Conversion Date for such Series 2008 Bonds and accompanied by an Opinion of Bond Counsel, to be delivered to the Registrar and the Series 2008 Credit Provider, to the effect that such other Redemption Prices (i) are authorized or permitted by the Master Ordinance, and (ii) will not, in and of themselves, cause the interest on the Series 2008 Bonds to become includable in gross income for Federal income tax purposes).

4. **Mandatory Redemption from Amortization Installments.** The Series 2008 Bonds shall be subject to mandatory sinking fund redemption from Amortization Installments, in part by lot, at the redemption price equal to the principal amount of Series 2008 Bonds or portions thereof (in Authorized Denominations) to be redeemed, plus accrued interest to the redemption date, on October 1 of the following years and in the following amounts:

Date (October 1)	Principal Amount	Date (October 1)	Principal Amount

The Registrar shall give notice of each mandatory sinking fund redemption contemplated above at the times and in the manner contemplated in Section 2.17.8 and, to the extent not inconsistent with that Section, in accordance with Section 302 of the Master Ordinance. Liquidity Series 2008 Bonds are further subject to mandatory redemption in accordance with the terms of the Series 2008 Liquidity Facility.

5. Notwithstanding any other provision of this Section 2.17, so long as the Series 2008 Credit Facility is in effect and the Series 2008 Credit Provider is not in default thereunder, the Registrar shall not deliver any notice of redemption in respect of any Series 2008 Bonds other than a redemption from mandatory Amortization Requirements, unless (a) the County shall have paid or caused to be paid to the Registrar an amount which, in addition to other amounts available therefor and held by the Registrar, is sufficient to redeem, on the redemption date at a Redemption Price equal to 100% of the principal amount thereof, plus and interest on, and premium, if applicable, all of the Series 2008 Bonds to be redeemed; such amounts shall either be held uninvested by the Registrar or be invested only in direct obligations of or obligations unconditionally guaranteed by the United States of America having a maturity date on or prior to the redemption date; or (b) such notice shall state that the redemption is conditioned on the receipt of moneys for such redemption by the Registrar on or prior to the redemption date. In the event that a conditional notice of redemption is given and such moneys are not timely received, the redemption for which such notice was given shall not be undertaken. In the event the County elects to redeem less than all of the Outstanding Series 2008 Bonds pursuant to paragraph 1 of this Section 2.17, the County shall instruct the Registrar in writing by facsimile transmission to,

and upon such instruction the Registrar shall, redeem Liquidity Series 2008 Bonds prior to selecting any other Series 2008 Bonds for redemption pursuant to paragraph 5 of this Section 2.17.

6. In the event of redemption of less than all of the Outstanding Series 2008 Bonds (except as otherwise provided in Section 2.17.5), the Registrar shall assign to each such Outstanding Series 2008 Bond to be redeemed a distinctive number for each unit of the principal amount of such Series 2008 Bond equal to the minimum Authorized Denomination and shall select the particular Series 2008 Bonds or portions thereof to be redeemed using such method of selection as it shall, in its discretion, deem fair and appropriate; provided, however, the portion of such Series 2008 Bonds to be redeemed and the portion of such Series 2008 Bonds to be retained by the Holder thereof shall be in the principal amount of an Authorized Denomination for the Interest Rate Mode to which such Bonds are then subject. New Series 2008 Bonds representing the unredeemed balance of the principal amount of any such Series 2008 Bond shall be issued to the registered Holder thereof, without charge therefor. Any new Series 2008 Bond or Bonds issued pursuant to this paragraph shall be executed by the County and authenticated by the Registrar and shall be in any Authorized Denominations in an aggregate unpaid principal amount equal to the unredeemed portion of the Series 2008 Bond surrendered.

7. In the case of any redemption of Series 2008 Bonds pursuant to paragraphs 1 or 3 of this Section 2.17, the County shall give written notice to the Registrar of its election or direction so to redeem, of the redemption dates and of the principal amounts of the Series 2008 Bonds to be redeemed. Such notice shall be given to the Registrar (i) in the case of any redemption of Series 2008 Bonds pursuant to paragraph 3 of this Section 2.17, at least forty (40) days prior to the date on which such Series 2008 Bonds are to be redeemed, (ii) in the case of any redemption of Series 2008 Bonds pursuant to paragraph 1 of this Section 2.17, at least twenty-five (25) days prior to the date on which such Series 2008 Bonds are to be redeemed, or (iii) in any case, such lesser number of days prior to such redemption date as shall be acceptable to the Registrar. In the case of any redemption of Series 2008 Bonds pursuant to paragraph 1 of this Section 2.17, such notice shall also be given by the County to the other Notice Parties.

8. For mandatory sinking fund redemptions required pursuant to section 2.17.4, and when the Registrar shall receive notice from the County pursuant to Section 2.17.7, the Registrar shall give notice, in the name of the County, of the redemption of such Series 2008 Bonds, which notice shall specify the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2008 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2008 Bonds so to be redeemed, and, in the case of Series 2008 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such redemption date there shall become due and payable upon each Series 2008 Bond to be redeemed, the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Series 2008 Bonds to be redeemed in part only and that from and after such date interest on each Series 2008 Bond to be redeemed shall cease to accrue and be payable. The Registrar shall mail a copy of such notice, postage prepaid, not less than 25 days before the redemption date if such Series 2008 Bonds are in a Fixed Mode and not less than 15 days before the redemption date if such Series 2008 Bonds are in any Interest Mode other than the Fixed Mode, to the registered Holders of any Series 2008 Bonds or portions of Series 2008 Bonds which are to be redeemed, at their last addresses, if any,

appearing upon the registry books of the County, but receipt of such notice shall not be a condition precedent to such redemption and failure to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2008 Bonds as to which proper mailing was made. No notice of redemption need be given if the Holders of all Series 2008 Bonds to be called for redemption waive notice thereof in writing, and such waiver shall be filed with the Registrar not later than twenty-five (25) days prior to the redemption date. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered Holder actually receives the notice.

9. In the event any Series 2008 Bond (other than a Series 2008 Bond then bearing interest at a Dutch Auction Rate or a Fixed Rate) previously called for redemption shall be tendered for purchase or delivered for registration of transfer or exchange thereof prior to the redemption date, notation by endorsement or otherwise shall be made upon such Series 2008 Bond (or any Series 2008 Bond authenticated in substitution therefor) of such call for redemption. Each successive Series 2008 Bond authenticated in substitution for a Series 2008 Bond which has been called for redemption shall be deemed to be the Series 2008 Bond called for redemption.

10. Notice having been given in the manner provided in paragraph 8 of this Section 2.17, the Series 2008 Bonds, or principal portion thereof, called for redemption shall become due and payable on the redemption date specified in said notice at the Redemption Price, plus interest accrued and unpaid to the redemption date and, upon presentation and surrender of the Series 2008 Bonds so to be redeemed at the office specified in such notice, such Series 2008 Bonds, or principal portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date; provided, however, that if the redemption date for any Series 2008 Bonds is on or after the Record Date for any Interest Payment Date and on or prior to such Interest Payment Date, interest on such Series 2008 Bonds shall be paid to the Holder on such Record Date in the normal course. If, on the redemption date, moneys for the redemption of all Bonds or principal portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given or waived as aforesaid, then, from and after the redemption date, interest on such Series 2008 Bonds or principal portions thereof so called for redemption shall cease to accrue and become payable. All moneys held by or on behalf of the Registrar for the redemption of particular Series 2008 Bonds or principal portions thereof shall be held in trust for the account of the Holders of such Series 2008 Bonds or principal portions thereof so to be redeemed. If said moneys shall not be so available on the redemption date, such Series 2008 Bonds or principal portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

11. Liquidity Series 2008 Bonds shall be redeemed prior to any other Series 2008 Bonds pursuant to any mandatory or optional redemption.

SECTION 2.18 Procedures for Tender and Purchase of Book-Entry Bonds. Notwithstanding any provisions here to the contrary, at any time while the Series 2008 Bonds are book-entry Bonds, the provisions of this Article II are modified as follows:

(a) Any notice pursuant to Section 2.06.4 or 2.06.5 may be given by any direct participant in the Securities Depository acting on behalf of either any Holder of a

beneficial interest in the Series 2008 Bonds or any indirect participant in the Securities Depository acting on behalf of such a Holder, provided that any such notice shall not be required to contain the bond number of Series 2008 Bonds to be tendered for purchase and the Registrar may conclusively rely on any written certification or representation by a person, firm, corporation or other entity that it is acting as a direct participant in the Securities Depository for the Series 2008 Bonds for the purposes of giving any such notice.

(b) Delivery of Series 2008 Bonds to the Registrar, as provided in Section 2.06.6, shall be effected by book-entry credit to the account of the Registrar on the records of the Securities Depository, at or prior to 1:00 p.m., New York time, on the date Series 2008 Bonds or portions thereof are required to be tendered to the Registrar for purchase, of a beneficial interest in the Series 2008 Bonds to be purchased on such date.

SECTION 2.19 Provisions Relating to Unremarketed Series 2008 Bonds.

1. The Series 2008 Liquidity Facility Provider agrees to approve the release of any previously Unremarketed Series 2008 Bond held for its account for delivery by the Tender Agent to the purchasers thereof upon notice from the Tender Agent that such Series 2008 Bond has been remarketed but only, however, against receipt by the Series 2008 Liquidity Facility Provider or the Tender Agent for its account of (i) from the Remarketing Agent pursuant to clause (a) of Section 2.09.1 of the Purchase Price therefor which Purchase Price, for purposes of this Section 2.19, shall be equal to the principal amount thereof, and (ii) a notice from the Registrar, stating that accrued interest to the date of such remarketing, computed at the Bank Rate, for the period the Series 2008 Liquidity Facility Provider was a Holder of such Unremarketed Series 2008 Bonds and, if the Series 2008 Liquidity Facility Provider became the Holder of such Unremarketed Series 2008 Bond subsequent to the most recent Interest Payment Date for such Unremarketed Series 2008 Bond, computed at the appropriate interest rate from such most recent Interest Payment Date until the date of acquisition by the Series 2008 Liquidity Facility Provider, has been paid by the County to the Series 2008 Liquidity Facility Provider.

2. Subject to the satisfaction of the conditions described in paragraph 1, any Unremarketed Series 2008 Bonds shall be deemed tendered in the same circumstances in which any other Series 2008 Bonds would be deemed tendered pursuant to Section 2.07.

3. Notwithstanding anything in the Series 2008 Resolution to the contrary, by becoming a Holder of an Unremarketed Series 2008 Bond, the Series 2008 Liquidity Facility Provider agrees that the Series 2008 Liquidity Facility Provider shall not have any right to deliver to the Tender Agent pursuant to Section 2.06.4 or 2.06.5 a Tender Notice with respect to such Unremarketed Series 2008 Bond, or to have any Liquidity Series 2008 Bonds paid from any amounts available under the Series 2008 Liquidity Facility.

4. Immediately upon receipt from the Remarketing Agent, pursuant to Section 2.09, of the Purchase Price of any Unremarketed Series 2008 Bond which has been remarketed by the Remarketing Agent, the Tender Agent shall notify the Registrar and the Series 2008 Liquidity Facility Provider of such fact. Upon receipt of such notice from the Tender Agent, the Registrar shall immediately pay to the Series 2008 Liquidity Facility Provider the amounts described in

paragraph 1 and the Registrar shall immediately notify the Tender Agent of such fact after payment of such amounts.

SECTION 2.20 Notices. Any notice required to be delivered in writing to any Notice Party by any other Notice Party pursuant to this Article II shall be deemed delivered in writing if sent by facsimile transmission.

SECTION 2.21 Special Mandatory Tender and Purchase of Series 2008 Bonds.

1. Prior to all of the Outstanding Series 2008 Bonds having been converted to a Fixed Mode, if on any Business Day the Registrar receives a Termination Notice from the Series 2008 Liquidity Facility Provider as a result of the occurrence of a Termination Event, then the Registrar shall, after consultation with the County, immediately select a date on which all Outstanding Series 2008 Bonds of the applicable Series will be required to be tendered for purchase which is not less than five (5) Business Days prior to the date on which the Series 2008 Liquidity Facility Provider's commitment to purchase Series 2008 Bonds shall expire as specified in the Termination Notice (the "Special Mandatory Purchase Date"). The Registrar shall mail a Mandatory Tender Notice to the Remarketing Agent and Holders of Series 2008 Bonds subject to such purchase in accordance with Section 2.06.9 not less that fifteen (15) days prior to the Special Mandatory Purchase Date. On the Business Day immediately preceding such Special Mandatory Purchase Date the Registrar shall deliver a Notice of Purchase in order to receive by 2:45 P.M., New York City time, on the Special Mandatory Purchase Date in immediately available funds an amount sufficient to pay in full the Purchase Price of all Series 2008 Bonds required to be purchased on the Special Mandatory Purchase Date. If all such Outstanding Series 2008 Bonds are converted to a Fixed Mode at any time prior to the Special Mandatory Purchase Date, such Special Mandatory Purchase Date shall be cancelled.

2. If Series 2008 Bonds are required to be tendered pursuant to this Section 2.21, then the County shall immediately request an Opinion of Bond Counsel to the effect that the conversion of all Series 2008 Bonds to the Fixed Mode or Dutch Auction Mode and the remarketing thereof will not, in and of itself, adversely affect the exclusion from gross income of interest on the Series 2008 Bonds for Federal income tax purposes; if the County receives such Opinion of Bond Counsel, all Series 2008 Bonds shall be converted to the Fixed Mode or Dutch Auction Mode on a Business Day selected by the County which is no less than five (5) Business Days prior to the Special Mandatory Purchase Date and the County, as soon as reasonably practicable, shall direct the Remarketing Agent to remarket all such Series 2008 Bonds in the Fixed Mode or Dutch Auction Mode in accordance with the provisions of the Remarketing Agreement on such Business Day. The County shall immediately advise the Registrar and the Series 2008 Liquidity Facility Provider if it is unable to obtain such Opinion of Bond Counsel.

3. All Series 2008 Bonds required to be tendered on the Special Mandatory Purchase Date pursuant to paragraph 1 of this Section 2.21 will be purchased by the Tender Agent on the Special Mandatory Purchase Date only from any funds provided to the Tender Agent by or on behalf of the Series 2008 Liquidity Facility Provider pursuant to the Series 2008 Liquidity Facility. If the funds provided by the Series 2008 Liquidity Facility Provider are insufficient to purchase all Series 2008 Bonds required to be tendered on such Special Mandatory Purchase Date, then the provisions of Section 2.09.2 shall govern.

SECTION 2.22 Dutch Auction Rate Periods; Dutch Auction Rate: Auction Period.

(a) General.

(i) During any Dutch Auction Rate Period, the Series 2008 Bonds shall bear interest at the Dutch Auction Rate determined as set forth in this subsection (a) and in subsections (b), (c), (d), (e), (f) and (h) of this Section 2.22. The Dutch Auction Rate for any initial Auction Period selected by the County or its designee immediately after any Conversion to a Dutch Auction Rate Period shall be the rate of interest per annum determined and certified to the Registrar (with a copy to the Paying Agent and the County) by the Broker-Dealer on a date not later than the effective date of such Conversion as the minimum rate of interest which, in the opinion of the Broker-Dealer, would be necessary as of the date of such Conversion, to market Series 2008 Bonds in a secondary market transaction at a price equal to the principal amount thereof; provided that such interest rate shall not exceed the Maximum Dutch Auction Rate. Except as otherwise provided in Section 2.03 with respect to the initial Auction Period and in this Section 2.22 for any other Auction Period, the Dutch Auction Rate shall be the rate of interest per annum that results from implementation of the Dutch Auction Procedures; provided that such interest rate shall not exceed the Maximum Dutch Auction Rate. Determination of the Dutch Auction Rate pursuant to the Dutch Auction Procedures shall be suspended upon the occurrence of an Event of Default described in Section 701(a) or (b) of the Master Ordinance, which is not cured by the Series 2008 Credit Provider. Upon the occurrence and during the continuance of an Event of Default described in Section 701(a) or (b) of the Master Ordinance on or as of any Auction Date, which is not cured by the Series 2008 Credit Provider, no Auction will be held, all Submitted Bids and Submitted Sell Orders shall be rejected, the existence of Sufficient Clearing Bids shall be of no effect and the Dutch Auction Rate shall be equal to the Maximum Dutch Auction Rate as determined on and as of the immediately preceding Auction Date for each Auction Period, commencing after the occurrence of such Event of Default to and ending on the last day of the Auction Period, if any, during which or commencing less than two Business Days after the earlier of (A) the date such Event of Default has been cured or waived and (B) the first date on which all of the following conditions shall have been satisfied:

(A) no default shall have occurred and be continuing under the Series 2008 Credit Facility (the satisfaction of such condition to be conclusively evidenced, absent manifest error, to each of the Registrar and the Auction Agent by a certificate of a duly authorized officer of the Series 2008 Credit Provider to such effect delivered to such entity);

(B) there shall have been delivered to the Auction Agent (x) such instruments and agreements as shall be satisfactory in form and substance to the Auction Agent, making provision for the payment of all fees of the Broker-Dealers, as provided in the Broker-Dealer Agreement, and of the Auction Agent, but at no time will the Series 2008 Credit

Provider pay any fees, including Auction Agent or Broker-Dealer fees, and (y) such other agreements and representations as the Auction Agent shall reasonably require; and

(C) the Auction Agent shall have advised the Registrar that the Auction Agent has been directed by the Series 2008 Credit Provider either not to suspend or to resume the implementation of the Dutch Auction Procedures.

The Dutch Auction Rate for any Auction Period commencing after certificates representing the Series 2008 Bonds have been distributed pursuant to Section 2.22(g) shall be equal to the Maximum Dutch Auction Rate on each Auction Date.

Notwithstanding anything in this Exhibit A to the contrary, in the event there shall be no duly appointed and acting Auction Agent or Broker-Dealer on any Auction Date, there shall be no Auction on such Auction Date, and, instead Auction Rate Bonds shall bear interest at the Maximum Dutch Auction Rate for the succeeding Auction Period.

Except as set forth above, in the event the Auction Agent shall fail to calculate or, for any reason, fails to provide the Auction Rate for any Auction Period, the new Auction Period shall be the same as the preceding Auction Period and the Dutch Auction Rate for the new Auction Period shall be the same as the Dutch Auction Rate for the preceding Auction Period.

In the event of a failed Conversion from the Dutch Auction Mode to another Interest Mode, the Dutch Auction Rate for the next succeeding Auction Period shall equal the Maximum Dutch Auction Rate as determined as of the Auction Date for the then current Auction Period.

(ii) Auction Periods may be changed pursuant to Section 2.22(b) at any time unless an Event of Default described in Section 701(a) or (b) of the Master Ordinance has occurred and has not been cured or waived. Each Auction Period shall be a seven (7) day mode unless a different Auction Period is established pursuant to Section 2.22(b).

(iii) Notwithstanding any other provision of this Exhibit A relating to Auction Rate Bonds, including without limitation the mandatory tender provisions and the definitions of terms used in this Exhibit A (including without limitation the definitions of All Hold Rate and Maximum Dutch Auction Rate), the Auction Rate Bonds provisions may be amended by the County (i) upon a determination of the Finance Director that such amendments will not, in and of themselves, materially adversely affect the rights of the beneficial Holders of Auction Rate Bonds or (ii) by obtaining the consent of a majority of the Holders of the Auction Rate Bonds with respect to which such amendment shall apply and, in each case, delivering to the County and the Registrar evidence of the written consent of the Series 2008 Credit Provider and an Opinion of Bond Counsel to the effect that

such amendment will not, in and of itself, adversely affect the validity of such Auction Rate Bonds or the exclusion of interest on any of such Auction Rate Bonds from gross income for federal income tax purposes. In the case of clause (ii) above, the Registrar shall mail notice of such amendment to the Holders of the Auction Rate Bonds to which such amendment shall apply, and if, on the first Auction Date occurring at least 20 days after the date on which the Registrar mailed such notice, Sufficient Clearing Bids have been received or all of such Auction Rate Bonds are subject to Submitted Hold Orders and if the Series 2008 Credit Provider has provided written consent by such Auction Date, the proposed amendment shall be deemed to have been consented to by the Holders of such Auction Rate Bonds. Written notice of each such amendment shall be delivered by the County to the Registrar, the Auction Agent and each Broker-Dealer.

(b) Dutch Auction Rate Period: Change of Auction Period by the County.

(i) During a Dutch Auction Rate Period, the County may change the length of an Auction Period by means of a written notice delivered at least 20 days but not more than 60 days prior to the Auction Date for such Auction Period to the Registrar, the Broker-Dealer, the Series 2008 Credit Provider, the Auction Agent and DTC. Any Auction Period established pursuant to this Section 2.22(b) may not exceed 35 days in duration. Unless the Series 2008 Bonds shall be at the time in the Auction Period that commenced upon the dated date of the Series 2008 Bonds, the length of an Auction Period may not be changed pursuant to this Section 2.22(b) unless Sufficient Clearing Bids existed at both the Auction immediately preceding the date the notice of such change was given and the Auction immediately preceding such changed Auction Period.

(ii) The change in length of an Auction Period shall take effect only if (A) the Registrar and the Auction Agent receive, by 11:00 a.m. (New York City time) on the Business Day immediately preceding the Auction Date for such Auction Period, a certificate from the County, by telecopy or similar means, authorizing the change in the Auction Period, which shall be specified in such certificate, and (B) Sufficient Clearing Bids exist at the Auction on the Auction Date for such Auction Period. If the condition referred to in (A) above is not met, the Dutch Auction Rate for the next succeeding Auction Period shall be determined pursuant to the Dutch Auction Procedures and the next succeeding Auction Period shall be the then current Auction Period. If the condition referred to in (B) above is not met, the Dutch Auction Rate for the next succeeding Auction Period shall equal the Maximum Dutch Auction Rate as determined as of the Auction Date for the then current Auction Period.

(c) Dutch Auction Rate Period: Orders by Existing Owners and Potential Owners.

(i) Subject to the provisions of Section 2.22(a), Auctions shall be conducted on each Auction Date in the manner described in this Section 2.22(c) and in Sections 2.22(d), (e) and (f) prior to the Submission Deadline on each Auction Date during a Dutch Auction Rate Period:

(A) each Existing Owner may submit to the Broker-Dealer information as to:

(x) the principal amount of Series 2008 Bonds, if any, held by such Existing Owner which such Existing Owner desires to continue to hold without regard to the Dutch Auction Rate for the next succeeding Auction Period;

(y) the principal amount of Series 2008 Bonds, if any, held by such Existing Owner which such Existing Owner offers to sell if the Dutch Auction Rate for the next succeeding Auction Period shall be less than the rate per annum specified by such Existing Owner; and

(z) the principal amount of Series 2008 Bonds, if any, held by such Existing Owner which such Existing Owner offers to sell without regard to the Dutch Auction Rate for the next succeeding Auction Period; and

(B) one or more Broker-Dealers may contact Potential Owners to determine the principal amount of Series 2008 Bonds which each such Potential Owner offers to purchase if the Dutch Auction Rate for the next succeeding Auction Period shall not be less than the interest rate per annum specified by such Potential Owner.

For the purposes of this Exhibit A the communication to a Broker-Dealer of information referred to in clause (A)(x), (A)(y) or (A)(z) or clause (B) above is hereinafter referred to as an "Order" and each Existing Owner and Potential Owner placing an Order is hereinafter referred to as a "Bidder"; an Order containing the information referred to in clause (A)(x) above is hereinafter referred to as a "Hold Order"; an Order containing the information referred to in clause (A)(y) or clause (B) above is hereinafter referred to as a "Bid"; and an Order containing the information referred to in clause (A)(z) above is hereinafter referred to as a "Sell Order".

(ii) (A) Subject to the provisions of Section 2.22(d), a Bid by an Existing Owner shall constitute an irrevocable offer to sell:

(x) the principal amount of Series 2008 Bonds specified in such Bid if the Dutch Auction Rate determined pursuant to the Dutch Auction Procedures on such Auction Date shall be less than the interest rate per annum specified therein; or

(y) such principal amount or a lesser principal amount of Series 2008 Bonds to be determined as set forth in subsection (i)(D) of Section 2.22(f) if the Dutch Auction Rate determined pursuant to the Dutch Auction Procedures on such Auction Date shall be equal to the interest rate per annum specified therein; or

(z) such principal amount if the interest rate per annum specified therein shall be higher than the Maximum Dutch Auction

Rate, if Sufficient Clearing Bids do exist, or such principal amount or a lesser principal amount of Series 2008 Bonds to be determined as set forth in subsection (ii)(C) of Section 2.22(f) if such specified rate shall be higher than the Maximum Dutch Auction Rate and Sufficient Clearing Bids do not exist.

(B) Subject to the provisions of Section 2.22(d), a Sell Order by an Existing Owner shall constitute an irrevocable offer to sell:

(y) the principal amount of Series 2008 Bonds specified in such Sell Order; or

(z) such principal amount or a lesser principal amount of Series 2008 Bonds as set forth in subsection (ii)(C) of Section 2.22(f) if Sufficient Clearing Bids do not exist.

(C) Subject to the provisions of Section 2.22(d), a Bid by a Potential Owner shall constitute an irrevocable offer to purchase:

(y) the principal amount of Series 2008 Bonds specified in such Bid if the Dutch Auction Rate determined on such Auction Date shall be higher than the rate specified therein; or

(z) such principal amount or a lesser principal amount of Series 2008 Bonds as set forth in subsection (i)(E) of Section 2.22(f) if the Dutch Auction Rate determined on such Auction Date shall be equal to such specified rate.

(d) Dutch Auction Rate Period: Submission of Orders by Broker-Dealers to Auction Agent.

(i) During a Dutch Auction Rate Period each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date during the Dutch Auction Rate Period, all Orders obtained by such Broker-Dealer and shall specify with respect to each such Order if requested by the Auction Agent:

(A) the name of the Bidder placing such Order;

(B) the aggregate principal amount of Series 2008 Bonds that are subject to such Order:

(C) to the extent that such Bidder is an Existing Owner:

(x) the principal amount of Series 2008 Bonds, if any, subject to any Hold Order placed by such Existing Owner;

(y) the principal amount of Series 2008 Bonds, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(z) the principal amount of Series 2008 Bonds, if any, subject to any Sell Order placed by such Existing Owner; and

(D) to the extent such Bidder is a Potential Owner, the rate specified in such Potential Owner's Bid.

(ii) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth (.001) of 1%.

(iii) If an Order or Orders covering all Bonds held by an Existing Owner is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of Series 2008 Bonds held by such Existing Owner and not subject to Orders submitted to the Auction Agent, except in the case of a conversion to a new Dutch Auction Rate Period in which case the Auction Agent shall deem a Sell Order to have been submitted. Neither the County, the Registrar nor the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

(iv) If any Existing Owner submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the principal amount of Series 2008 Bonds held by such Existing Owner, such Orders shall be considered valid as follows and in the following order of priority:

(A) all Hold Orders shall be considered valid, but only up to and including the principal amount of Series 2008 Bonds held by such Existing Owner, and, if the aggregate principal amount of Series 2008 Bonds subject to such Hold Orders exceeds the aggregate principal amount of Series 2008 Bonds held by such Existing Owner, the aggregate principal amount of Series 2008 Bonds subject to each such Hold Order shall be reduced pro rata to cover the aggregate principal amount of Series 2008 Bonds held by such Existing Owner;

(B) (w) any Bid shall be considered valid up to and including the excess of the principal amount of Series 2008 Bonds held by such Existing Owner over the aggregate principal amount of Series 2008 Bonds subject to any Hold Orders referred to in paragraph (A) above;

(x) subject to clause (w) above, if more than one Bid with the same rate is submitted on behalf of such Existing Owner and the aggregate principal amount of Series 2008 Bonds subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including the amount of such excess,

and the principal amount of Series 2008 Bonds subject to each Bid with the same rate shall be reduced pro rata to cover the principal amount of Series 2008 Bonds equal to such excess;

(y) subject to clauses (w) and (x) above, if more than one Bid with different rates is submitted on behalf of such Existing Owner, such Bids shall be considered valid in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and

(z) in any such event, the aggregate principal amount of Series 2008 Bonds, if any, subject to Bids not valid under this paragraph (B) shall be treated as the subject of a Bid by a Potential Owner at the rate therein specified; and

(C) all Sell Orders shall be considered valid up to and including the excess of the principal amount of Series 2008 Bonds held by such Existing Owner over the aggregate principal amount of Series 2008 Bonds subject to valid Hold Orders referred to in paragraph (A) and valid Bids referred to in paragraph (B) above.

(v) If more than one Bid for Series 2008 Bonds is submitted on behalf of any Potential Owner, each Bid submitted shall be a separate Bid for Series 2008 Bonds with the rate and principal amount therein specified.

(vi) Any Bid or Sell Order submitted by an Existing Owner covering an aggregate principal amount of Series 2008 Bonds not equal to $25,000 or an integral multiple thereof shall be rounded down to the nearest integral multiple of $25,000. Any Bid submitted by a Potential Owner covering an aggregate principal amount of Series 2008 Bonds not equal to $25,000 or an integral multiple thereof shall be rounded down to the nearest integral multiple of $25,000.

(e) Dutch Auction Rate Period: Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate.

(i) Not earlier than the Submission Deadline on each Auction Date during the Dutch Auction Rate Period, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to as a "Submitted Hold Order," a "Submitted Bid" or a "Submitted Sell Order," as the case may be, or as a "Submitted Order") and shall determine:

(A) the excess of the total principal amount of Series 2008 Bonds over the aggregate principal amount of Series 2008 Bonds subject to Submitted Hold Orders (such excess being hereinafter referred to as the "Available Auction Bonds"); and

(B) from the Submitted Orders whether the aggregate principal amount of Series 2008 Bonds subject to Submitted Bids by Potential Owners specifying one or more rates equal to or lower than the Maximum Dutch Auction Rate exceeds or is equal to the sum of:

(y) the aggregate principal amount of Series 2008 Bonds subject to Submitted Bids by Existing Owners specifying one or more rates higher than the Maximum Dutch Auction Rate; and

(z) the aggregate principal amount of Series 2008 Bonds subject to Submitted Sell Orders, (in the event such excess or such equality exists (other than because all of the outstanding Series 2008 Bonds are subject to Submitted Hold Orders), (such Submitted Bids meeting the test described in this clause (B) are hereinafter referred to collectively as "Sufficient Clearing Bids"); and

(C) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids (the "Winning Bid Rate") which if

(y) (I) each Submitted Bid from Existing Owners specifying such lowest rate and (II) all other Submitted Bids from Existing Owners specifying lower rates were rejected, thus requiring such Existing Owners to continue to hold the principal amount of Bonds subject to such Submitted Bids; and

(z) (I) each Submitted Bid from Potential Owners specifying such lowest rate and (II) all other Submitted Bids from Potential Owners specifying lower rates were accepted,

would result in such Existing Owners described in clause (y) above continuing to hold an aggregate principal amount of Series 2008 Bonds which, when added to the aggregate principal amount of Series 2008 Bonds to be purchased by such Potential Owners described in clause (z) above, would be not less than the Available Auction Bonds.

(ii) Promptly after the Auction Agent has made the determinations pursuant to subsection (i) of this Section 2.22(e), the Auction Agent by telecopy, confirmed in writing, shall advise the County and the Registrar of the Maximum Dutch Auction Rate and the All Hold Rate and the components thereof on the Auction Date and, based on such determinations, the Dutch Auction Rate for the next succeeding Auction Period as follows:

(A) if Sufficient Clearing Bids exist, that the Dutch Auction Rate for the next succeeding Auction Period therefor shall be equal to the Winning Bid Rate so determined;

(B) if Sufficient Clearing Bids do not exist (other than because all of the Bonds are the subject of Submitted Hold Orders), that the Dutch

Auction Rate for the next succeeding Auction Period therefor shall be equal to the Maximum Dutch Auction Rate; and

(C) if all of the Series 2008 Bonds are subject to Submitted Hold Orders, that the Dutch Auction Rate for the next succeeding Auction Period therefor shall be equal to the All Hold Rate.

(f) Dutch Auction Rate Period: Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Auction Bonds. During a Dutch Auction Rate Period, Existing Owners shall continue to hold the principal amounts of Series 2008 Bonds that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to subsection (i) of Section 2.22(e), the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other actions as are set forth below:

(i) If Sufficient Clearing Bids have been made, all Submitted Sell Orders shall be accepted and, subject to the provisions of paragraphs (iv) and (v) of this Section 2.22(f), Submitted Bids shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Owners' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to sell the aggregate principal amount of Series 2008 Bonds subject to such Submitted Bids;

(B) Existing Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus requiring each such Existing Owner to continue to hold the aggregate principal amount of Series 2008 Bonds subject to such Submitted Bids;

(C) Potential Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the aggregate principal amount of Series 2008 Bonds subject to such Submitted Bids;

(D) each Existing Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus requiring such Existing Owner to continue to hold the aggregate principal amount of Series 2008 Bonds subject to such Submitted Bid, unless the aggregate principal amount of Series 2008 Bonds subject to all such Submitted Bids shall be greater than the principal amount of Series 2008 Bonds (the "remaining principal amount") equal to the excess of the Available Auction Bonds over the aggregate principal amount of the Series 2008 Bonds subject to Submitted Bids described in paragraphs (B) and (C) of this subsection (i), in which event such Submitted Bid of such Existing Owner shall be rejected in part, and such Existing Owner shall be required to continue to hold the principal amount of Series 2008 Bonds subject to such Submitted Bid, but only in an amount equal to the principal amount

of Series 2008 Bonds obtained by multiplying the remaining principal amount by a fraction, the numerator of which shall be the principal amount of Series 2008 Bonds held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the sum of the principal amounts of Series 2008 Bonds subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate: and

(E) each Potential Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the principal amount of Series 2008 Bonds obtained by multiplying the excess of the Available Auction Bonds over the aggregate principal amount of Series 2008 Bonds subject to Submitted Bids described in paragraphs (B), (C) and (D) of this subsection (i) by a fraction the numerator of which shall be the aggregate principal amount of Series 2008 Bonds subject to such Submitted Bid of such Potential Owner and the denominator of which shall be the sum of the principal amount of Series 2008 Bonds subject to Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate.

(ii) If Sufficient Clearing Bids have not been made (other than because all of the Series 2008 Bonds are subject to Submitted Hold Orders), subject to the provisions of subsection (iv) of this Section 2.22(f), Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Owners, Submitted Bids specifying any rate that is equal to or lower than the Maximum Dutch Auction Rate shall be rejected, thus requiring each such Existing Owner to continue to hold the aggregate principal amount of Series 2008 Bonds subject to such Submitted Bids;

(B) Potential Owners' Submitted Bids specifying any rate that is equal to or lower than the Maximum Dutch Auction Rate shall be accepted, thus requiring each such Potential Owner to purchase the aggregate principal amount of Series 2008 Bonds subject to such Submitted Bids; and

(C) Each Existing Owner's Submitted Bid specifying any rate that is higher than the Maximum Dutch Auction Rate and the Submitted Sell Orders of each Existing Owner shall be accepted, thus requiring each Existing Owner that submitted any such Submitted Bid or Submitted Sell Order to sell the Series 2008 Bonds subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate principal amount of Series 2008 Bonds obtained by multiplying the aggregate principal amount of Series 2008 Bonds subject to Submitted Bids described in paragraph (B) of this subsection (ii) by a fraction, the numerator of which shall be the aggregate principal amount of Series 2008 Bonds held by such Existing Owner subject to such Submitted Bid or

Submitted Sell Order and the denominator of which shall be the aggregate principal amount of Outstanding Auction Bonds subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If all Series 2008 Bonds are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(iv) If, as a result of the procedures described in subsection (i) or (ii) of this Section 2.22(f), any Existing Owner would be required to sell, or any Potential Owner would be required to purchase, a principal amount of Series 2008 Bonds that is not equal to $25,000 or an integral multiple thereof, the Auction Agent shall, in such manner as, in its sole discretion it shall determine, round down the principal amount of such Series 2008 Bonds to be purchased or sold by any Existing Owner or Potential Owner so that the principal amount purchased or sold by each Existing Owner or Potential Owner shall be equal to $25,000 or an integral multiple thereof.

(v) If, as a result of the procedures described in subsection (i) of this Section 2.22(f), any Potential Owner would be required to purchase less than $25,000 in aggregate principal amount of Series 2008 Bonds, the Auction Agent shall, in such manner as, in its sole discretion, it shall determine, allocate Series 2008 Bonds for purchase among Potential Owners so that only Series 2008 Bonds in principal amounts of $25,000 or an integral multiple thereof are purchased by any Potential Owner, even if such allocation results in one or more of such Potential Owners not purchasing any Series 2008 Bonds.

(vi) Based on the results of each Auction, the Auction Agent shall determine the aggregate principal amounts of Bonds to be purchased and the aggregate principal amounts of Series 2008 Bonds to be sold by Potential Owners and Existing Owners on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker Dealer, to the extent that such amounts differ, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers of Bonds such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers of Auction Bonds such Broker-Dealer shall receive, as the case may be, Series 2008 Bonds.

(vii) the County may not submit an Order in any Auction.

(g) <u>DTC Required During Dutch Auction Rate Mode; Limitations on Transfer</u>.

(i) Except as otherwise provided in this Section 2.22(g), the Series 2008 Bonds bearing interest at the Dutch Auction Rate shall be registered in the name of DTC or its nominee and ownership thereof shall be maintained in book-entry-only form by DTC for the account of the Agent Members thereof.

(ii) If at any time DTC or its nominee notifies the County that it is unwilling or unable to continue as Holder of Series 2008 Bonds or if at any time DTC shall no longer be registered or in good standing under the Securities

Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor to DTC is not appointed by the County, at the written direction of the Registrar, the Auction Agent and the Broker-Dealer, within 90 days after the County receives notice of such condition, the County shall execute and the Registrar shall authenticate and deliver certificates representing the Series 2008 Bonds. Series 2008 Bonds issued pursuant to this Section 2.22(g)(ii) shall be registered in such names and authorized denominations as DTC shall instruct the County and the Registrar. The Registrar shall deliver the Series 2008 Bonds to the persons in whose names such Series 2008 Bonds are so registered on the Business Day immediately preceding the first day of an Auction Period. In the event that DTC or its nominee shall cease to be the Holder of Series 2008 Bonds or that DTC shall cease to be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor to DTC has not been duly appointed and qualified by the County at the direction of the Registrar, Auction Rate Bonds shall immediately commence to bear interest at the Maximum Dutch Auction Rate and shall continue to do so unless and until such a successor has been duly appointed and qualified.

So long as the ownership of the Series 2008 Bonds is maintained in book-entry-only form by DTC, an Existing Owner may sell, transfer or otherwise dispose of Series 2008 Bonds only pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer, provided that (i) sale, transfer or other disposition of Series 2008 Bonds in a Dutch Auction Rate Mode from a customer of a Broker-Dealer who is listed on the records of that Broker-Dealer as the Holder of such Series 2008 Bonds to that Broker-Dealer or another customer of that Broker-Dealer shall not be deemed to be a sale, transfer or other disposition for purposes of this Section 2.22(g) if such Broker-Dealer remains the Existing Owner of Series 2008 Bonds so sold, transferred or disposed of immediately, after such sale, transfer, or disposition and (ii) in the case of all transfers other than pursuant to Auctions such Broker-Dealer to whom such transfer is made shall advise the Auction Agent of such transfer.

(h) Calculation of Maximum Dutch Auction Rate and All Hold Rate. The Auction Agent shall calculate the Maximum Dutch Auction Rate and the All Hold Rate on each Auction Date. If the ownership of the Series 2008 Bonds is no longer maintained in book-entry-only form by DTC, the Auction Agent shall calculate the Maximum Dutch Auction Rate on the Business Day immediately preceding the first day of each Auction Period commencing after the delivery of certificates representing the Series 2008 Bonds pursuant to Section 2.22(g). If an Event of Default described in Section 9.02 (a), (b) or (c) of the Master Ordinance which is not cured by the Series 2008 Credit Provider shall have occurred, the Auction Agent, upon notice thereof, shall calculate the Maximum Dutch Auction Rate on the first day of each Auction Period commencing after the occurrence of such Event of Default to and including the Auction Period, if any, commencing less than two Business Days after all such Events of Default are cured.

ARTICLE III
SERIES 2008 LIQUIDITY FACILITY; DEMANDS FOR PURCHASE THEREUNDER

SECTION 3.01 Maintenance of Liquidity Facility. The County covenants that so long as the Series 2008 Bonds are in an Interest Mode other than a Fixed Rate or a Dutch Auction Rate, it will at all times maintain and cause to be in effect a Series 2008 Liquidity Facility for the benefit of the holders of the Series 2008 Bonds to secure the payment of the principal of and interest on the Series 2008 Bonds issued hereunder, in an amount not less than the principal amount of the Series 2008 Bonds authorized to be issued hereunder, plus an amount equal to interest that would accrue on such principal amount at the rate of twelve (12%) percent per annum, calculated on the basis of the actual number of days elapsed in a year of 365 days, for a period equal to one full interest payment period plus five (5) days (the "Liquidity Coverage Requirement"). If the County reduces the amount of Series 2008 Bonds Outstanding and as a result thereof, the stated amount of the Series 2008 Liquidity Facility exceed the Liquidity Coverage Requirement, the County may give the Registrar written instructions to provide a notice of reduction in accordance with the terms of the Series 2008 Liquidity Facility; provided that the stated amount of the Series 2008 Liquidity Facility shall never be less than the Liquidity Coverage Requirement.

SECTION 3.02 Demands for Purchase under Series 2008 Liquidity Facility for Purchase of Series 2008 Bonds. If any Series 2008 Bonds are to be tendered for purchase pursuant to Section 2.06.1, 2.06.2, 2.06.3, 2.06.4 or 2.06.5 and the Remarketing Agent shall not then have provided the Tender Agent with sufficient funds to make such purchase by depositing in the Series 2008 Remarketing Proceeds Fund immediately available funds by no later than the time provided in the applicable Series 2008 Liquidity Facility for presentation of drafts in order to receive payment in immediately available funds by 2:45 P.M. (New York City time) on the date such Series 2008 Bonds are required to be purchased, then the Registrar shall, subject to the provisions of Section 3.05, deliver a Notice of Purchase under the Series 2008 Liquidity Facility by no later than the time provided in the Series 2008 Liquidity Facility for presentation of Notices of Purchase in order to receive payment in immediately available funds by 2:45 P.M. (New York City time) on such day, of an amount sufficient to pay the Purchase Price of such Series 2008 Bonds. No presentation of the Notice of Payment under any Series 2008 Liquidity Facility pursuant to this Section 3.02 shall be made if a Substitute Series 2008 Liquidity Facility shall be effective and available to make demands for purchase of such Series 2008 Bonds thereunder on the date of such presentation in respect of such purchase. All demands for purchase on the Series 2008 Liquidity Facility pursuant to this Section 3.02 shall be made by the Registrar irrespective of whether the Registrar shall have received any fee, compensation or indemnification it may be entitled to receive under its respective Registrar and Paying Agent Agreement.

SECTION 3.03 Amendments to Series 2008 Liquidity Facility; Notice of Termination or Suspension of Series 2008 Liquidity Facility.

1. Except with the consent of the Series 2008 Credit Provider and all the Holders of the Series 2008 Bonds entitled to the benefits of the Series 2008 Liquidity Facility given as provided in the Master Ordinance, neither the Registrar nor the County shall amend, supplement, modify or waive any provision of the Series 2008 Liquidity Facility that would have a material

adverse effect on the Holders of the Series 2008 Bonds; provided, however, no such amendment, other than an extension of the stated expiration or termination date of the Series 2008 Liquidity Facility then in effect, shall become effective unless the County shall deliver to the Registrar an Opinion of Bond Counsel stating that such change in the stated expiration or termination date will not, in and of itself, adversely affect the exclusion from gross income of interest on the Series 2008 Bonds for Federal income tax purposes. Such Opinion of Bond Counsel shall also be delivered to the Remarketing Agent, but the failure to deliver such Opinion to the Remarketing Agent shall not affect the validity of any such amendment. Upon the amendment of the Series 2008 Liquidity Facility pursuant to this Section 3.03.1, the County shall furnish to each Rating Agency the notice provided in Section 7.01, but the failure to provide such notice shall not affect the validity of any such amendment.

2. If at any time the Series 2008 Liquidity Facility is suspended or terminated by the Series 2008 Liquidity Facility Provider pursuant to the terms of the Series 2008 Liquidity Facility or otherwise, the Registrar shall send notice thereof to the Series 2008 Credit Provider, the Holders of Series 2008 Bonds and the Remarketing Agent immediately.

SECTION 3.04 Registrar to Reduce and Terminate Series 2008 Liquidity Facility.

1. The Registrar shall, in accordance with the applicable provisions of the Series 2008 Liquidity Facility, take such action as shall be required to reduce the amounts available for demands for purchase thereunder in respect of principal portion of the Purchase Price and the interest portion of the Purchase Price on such Series 2008 Bonds to reflect any permanent reduction, whether by conversion of Series 2008 Bonds to a Fixed Mode or a Dutch Auction Mode, by payment upon redemption, by defeasance or otherwise, in the amount of Series 2008 Bonds Outstanding. The amount available to be drawn in respect of the payment of principal portion of the Purchase Price on the Series 2008 Bonds shall be reduced in an amount equal to the principal amount of such Series 2008 Bonds so converted or so paid or deemed paid and the amount available to be drawn in respect of the payment of interest portion of the Purchase Price on such Series 2008 Bonds shall be reduced by a percentage equal to the percentage by which the amount available to be drawn in respect of the payment of principal is reduced as aforesaid.

2. As soon as practicable on the first day after any such payment, conversion or defeasance, the Registrar shall, in accordance with the applicable provisions of the Series 2008 Liquidity Facility, take such action as shall be required to terminate the Series 2008 Liquidity Facility as a result of the payment or defeasance of all of the Series 2008 Bonds or the conversion of the interest rate on all Series 2008 Bonds to the Fixed Rate or a Dutch Auction Rate.

SECTION 3.05 No Demands to Pay Purchase Price of Series 2008 Bonds Held by the County or Certain Others. No demands for purchase under the Series 2008 Liquidity Facility shall be made, nor shall proceeds received in respect of the 2008 Liquidity Facility be used, to pay an amount on or in respect of Series 2008 Bonds in a Fixed Mode or Dutch Auction Mode or any Series 2008 Bonds held by or for the account of the Series 2008 Liquidity Facility Provider or the County.

ARTICLE IV
AUTHORIZATION OF ESTABLISHMENT AND MAINTENANCE OF OTHER FUNDS, ACCOUNTS AND SUBACCOUNTS AND APPLICATION THEREOF

SECTION 4.01 Authorization of Establishment of Series 2008 Liquidity Facility Proceeds Fund and Series 2008 Remarketing Proceeds Fund.

1. There is hereby created one or more funds to be held by the Registrar and each described as the "Series 2008 Liquidity Facility Proceeds Fund" plus such additional designation as may be appropriate to distinguish it. Each Series 2008 Liquidity Facility Proceeds Fund shall not constitute a Fund or Account within the meaning of the Master Ordinance and shall be held separate and apart from all Funds and Accounts under the Master Ordinance. Amounts on deposit in each Series 2008 Liquidity Facility Proceeds Fund shall constitute trust funds held for the benefit of the Holders of the Series 2008 Bonds as herein provided, and shall not be commingled with the amounts held in any Fund or Account under the Master Ordinance or in any Series 2008 Remarketing Proceeds Fund. All proceeds of drawings on a Series 2008 Liquidity Facility shall be deposited in any applicable Series 2008 Liquidity Facility Proceeds Fund as provided in Article III and shall be used only for payments of the Purchase Price of Series 2008 Bonds Outstanding which are entitled to the benefits of the Series 2008 Liquidity Facility in respect of which such proceeds were made available under the Series 2008 Liquidity Facility in the manner and at the times set forth in Article III. The Registrar shall make all amounts on deposit in the Series 2008 Liquidity Facility Proceeds Fund available to the applicable Tender Agent at the times and in the amounts required hereunder.

2. There is hereby created one or more funds to be held by the applicable Tender Agent and each described as a "Series 2008 Remarketing Proceeds Fund" plus such additional designation as may be appropriate to distinguish it. Each Series 2008 Remarketing Proceeds Fund shall not constitute a Fund or Account for purposes of the Master Ordinance. Amounts on deposit in each Series 2008 Remarketing Proceeds Fund shall not be commingled with the amounts held in any Fund or account under the Master Ordinance or in any Series 2008 Liquidity Facility Proceeds Fund. All amounts received by any Tender Agent from the applicable Remarketing Agent representing the Purchase Price of Series 2008 Bonds remarketed by the Remarketing Agent shall be deposited in the applicable Series 2008 Remarketing Proceeds Fund and shall be used only for payments of the Purchase Price of the Series 2008 Bonds so remarketed as provided in Section 2.08.

3. All moneys deposited in any Series 2008 Liquidity Facility Proceeds Fund and any Series 2008 Remarketing Proceeds Fund shall be held in trust by the Registrar and the applicable Tender Agent, respectively, and applied only in accordance with the provisions of this Exhibit A, and each Series 2008 Liquidity Facility Proceeds Fund and each Series 2008 Remarketing Proceeds Fund shall each be a trust fund for the purposes thereof. Amounts on deposit in any Series 2008 Liquidity Facility Proceeds Fund and any Series 2008 Remarketing Proceeds Fund shall not be commingled with any other funds held by the Registrar or a Tender Agent, respectively.

4. Amounts on deposit in any Series 2008 Liquidity Facility Proceeds Fund and any Series 2008 Remarketing Proceeds Fund shall either be held uninvested by the Registrar or the

applicable Tender Agent or be invested at the County's written direction only in direct obligations of or obligations unconditionally guaranteed by the United States of America, rated in the highest rating category by each Rating Agency having a maturity of the lesser of thirty (30) days or when needed. Unless otherwise provided in the applicable Bond Series Certificate, investment earnings on amounts on deposit in any Series 2008 Liquidity Facility Proceeds Fund and any Series 2008 Remarketing Proceeds Fund, to the extent not needed for the purposes for which such accounts were created, shall be deposited in the Revenue Fund.

Notwithstanding anything in the Master Ordinance to the contrary, neither the Registrar nor any Tender Agent shall have any right to, or lien whatsoever upon, any of the amounts on deposit in any Series 2008 Liquidity Facility Proceeds Fund and any Series 2008 Remarketing Proceeds Fund for any payment of fees, expenses or other compensation due and owing by the County to the Registrar or any Tender Agent, respectively, for any services rendered under the Master Ordinance.

SECTION 4.02 **Supplemental Deposits**. Pursuant to Section 801(e) of the Master Ordinance, the County makes the following modification to the application of funds set forth in Section 503(i)(3) thereof:

Modification of Deposit Requirements under Master Ordinance. Prior to the Fixed Rate Conversion Date, in addition to the deposit requirements set forth in Section 503 of the Master Ordinance, and in lieu of the deposit requirement of "substantially equal monthly payments" in Section 503(i)(c) of the Master Ordinance, the County shall deposit into the Bond Service Account, the amounts sufficient to pay the interest due on Series 2008 Bonds on such Interest Payment Date.

ARTICLE V
THE TENDER AGENT, THE REMARKETING AGENT, THE REGISTRAR, THE PAYING AGENT, THE AUCTION AGENT AND THE BROKER-DEALER

SECTION 5.01 Tender Agents.

1. The Registrar shall act as the Tender Agent for the Series 2008 Bonds, unless the County shall subsequently appoint a successor Tender Agent.

2. The Tender Agent agrees to:

(a) hold all Series 2008 Bonds properly tendered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective Holders of the Series 2008 Bonds which shall have so tendered such Series 2008 Bonds until moneys representing the Purchase Price of such Series 2008 Bonds shall have been delivered to or for the account of or to the order of such Holders of the Series 2008 Bonds;

(b) hold all moneys delivered to it hereunder for the purchase of Series 2008 Bonds as agent and bailee of, and in escrow for the benefit of, the Person which shall

have so delivered such moneys, until the Series 2008 Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(c) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the other Notice Parties;

(d) hold all Unremarketed Series 2008 Bonds delivered to it pursuant to clause (b) of Section 2.09.1 in trust for the benefit of the applicable Series 2008 Liquidity Facility Provider in accordance with the applicable Series 2008 Liquidity Facility until such Series 2008 Bonds are released by such Series 2008 Liquidity Facility Provider in accordance with Section 2.11.1 or until such Series 2008 Bonds are deemed tendered in accordance with Section 2.07;

(e) provide to the Registrar as soon as practicable after the close of business on each Record Date prior to all Series 2008 Bonds being in a Fixed Mode, but in no case later than 1:00 p.m., New York City time, on the applicable Interest Payment Date, a list of the names and addresses of the Holders of the Series 2008 Bonds, for which it serves as Tender Agent as of such Record Date;

(f) provide to the Registrar as soon as practicable after each applicable Fixed Rate Conversion Date, the registration books of the County containing the names and addresses of the Holders of Series 2008 Bonds as of such Fixed Rate Conversion Date; and

(g) give notices as required hereunder at the times and in the manner specified herein.

3. Upon receipt by any Tender Agent of any Tender Notice and the Series 2008 Bonds delivered pursuant to it for purchase in accordance with the Series 2008 Resolution, the Tender Agent shall deliver to the Person delivering the Tender Notice and the Series 2008 Bonds written evidence of the Tender Agent's receipt of such materials. Such Tender Agent shall promptly return any Tender Notice (together with the Series 2008 Bonds submitted in connection therewith) that is incomplete or improperly completed or not delivered by the date and time required hereunder to the Person submitting such notice upon surrender of the receipt, if any, issued therefor. The Tender Agent's determination of whether a Tender Notice is properly completed or delivered on a timely basis shall be binding on the County and the Holder of the Series 2008 Bonds submitted therewith.

4. Each Tender Agent shall be a commercial bank having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least $50,000,000 and authorized by law to perform all the duties imposed upon it by the Series 2008 Resolution. Each Tender Agent shall, wherever the Series 2008 Bonds are not subject to a book-entry only system, have an office or agency in New York, New York at which its duties hereunder are to be performed. Each Tender Agent may at any time resign and be discharged of the duties and obligations created by the Series 2008 Resolution by giving at least sixty (60) days' notice to the other Notice Parties. Each Tender Agent may be removed at any time by the County upon at least seven (7) days' notice to

the other Notice Parties and the Holders of the Series 2008 Bonds, other than Series 2008 Bonds then in a Fixed Mode. No such resignation or removal shall take effect until the appointment of, and the acceptance of such appointment by, a successor Tender Agent. Successor Tender Agents may be appointed from time to time by the County. Upon the resignation or removal of the Tender Agent, such Tender Agent shall deliver any Series 2008 Bonds and moneys held by it in such capacity to its successor.

5. Each Tender Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Exhibit A, shall examine such instrument to determine whether it conforms to the requirements of this Exhibit A and shall, in the absence of negligence or willful misconduct on the part of such Tender Agent, be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Tender Agent may consult with counsel and the written opinion of such counsel (which may be an Opinion of Bond Counsel) shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Series 2008 Resolution in good faith and in accordance therewith.

6. Whenever any Tender Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Series 2008 Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Finance Director, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Exhibit A upon the faith thereof; but in its discretion such Tender Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

7. Except as otherwise expressly provided in the Series 2008 Resolution, any request, order, notice or other written direction required or permitted to be furnished pursuant to any provision of this Exhibit A by the County to any Tender Agent shall be sufficiently executed in the name of the County by the Finance Director.

8. In the event that any Tender Agent is required to act pursuant to the terms of this Exhibit A upon the receipt of telephonic notice, such notice shall be promptly confirmed in writing. If such notice shall not be so confirmed, such Tender Agent shall be entitled to rely upon such telephonic notice for all purposes whatsoever.

9. In purchasing Series 2008 Bonds hereunder, each Tender Agent shall be acting as a conduit and shall not be purchasing such Series 2008 Bonds for its own account.

10. Unless otherwise provided by contract with a Tender Agent, the County shall pay to such Tender Agent, from time to time, reasonable compensation for all services rendered by it under the Series 2008 Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Series 2008 Resolution. None of the provisions contained in the Series 2008 Resolution shall require any Tender Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

11. Upon any change in any Tender Agent, the County shall furnish to each Rating Agency the notice provided in Section 7.01, but the failure to provide such notice shall not affect the validity of any change in such Tender Agent.

12. Regardless of any other provisions of this Exhibit A, the Registrar and the Tender Agent shall at all times be the same entity.

SECTION 5.02 Remarketing Agents.

1. The County may appoint from time to time one or more Remarketing Agents for the Series 2008 Bonds when the Series 2008 Bonds are being adjusted to an Interest Mode for which a Remarketing Agent is required. Each Remarketing Agent shall accept the duties and obligations thereof under the Series 2008 Resolution by execution and delivery of an agreement with the County under which such Remarketing Agent will agree, among other things, to keep such books and records regarding the remarketing of the applicable Series 2008 Bonds and determining the interest rates on such Series 2008 Bonds as provided herein as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Notice Parties at all reasonable times.

2. The Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least Fifty Million Dollars ($50,000,000) and be authorized by law to perform all the duties imposed upon it by the Series 2008 Resolution. Each Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the Series 2008 Resolution by giving at least thirty (30) days' notice to the other Notice Parties and as otherwise provided in the applicable Remarketing Agreement. Each Remarketing Agent may be removed at any time by the County upon 15 days prior written notice to the Notice Parties, or in the event of failure of the Remarketing Agent to satisfactorily perform its obligations under the Remarketing Agreement, in the reasonable judgment of the County, by the Series 2008 Credit Provider or the County, upon at least two (2) Business Days' written notice to the other Notice Parties. Prior to all applicable Series 2008 Bonds being converted to a Fixed Mode, no such removal shall be effective until a successor Remarketing Agent shall have been appointed and shall have accepted such appointment. A successor Remarketing Agent may be appointed from time to time by the County with the consent of the Series 2008 Credit Provider, which consent shall not be unreasonably withheld.

3. If the Remarketing Agent resigns or is removed, such Remarketing Agent shall pay over, assign and deliver any moneys and Series 2008 Bonds held by it in such capacity, other than Series 2008 Bonds held for its own account, to its successor. Upon any change in any Remarketing Agent, the County shall furnish to each Rating Agency the notice provided in Section 7.01, but the failure to provide such notice shall not affect the validity of any change in such Remarketing Agent.

SECTION 5.03 Dealings in Series 2008 Bonds. The Registrar, the Tender Agent, the Series 2008 Liquidity Facility Provider, a Series 2008 Credit Provider, the Remarketing Agent, the Auction Agent, or the Broker-Dealer, each in its individual capacity, may in good faith and to the extent otherwise permitted by law, buy, sell, own, hold and deal in any of the Series 2008 Bonds, and may join in any action which any Holder of the Series 2008 Bonds may be entitled to take with like effect as if it did not act in any capacity hereunder. The Registrar,

the Paying Agent, the Series 2008 Liquidity Facility Provider, a Series 2008 Credit Provider, the Tender Agent or the Remarketing Agent, each in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the County, and may act as depository, trustee, or agent for any committee or body of Holders of any Series 2008 Bonds secured hereby or other obligations of the County as freely as if it did not act in any capacity hereunder or under the Series 2008 Liquidity Facility or the Series 2008 Credit Facility.

SECTION 5.04 Additional Provisions Relating to the Registrar and Paying Agent.

1. As long as the Purchase Price of any Series 2008 Bonds is payable from a Series 2008 Liquidity Facility, (i) the Registrar (or Paying Agent) may be removed at any time, at the request of the Series 2008 Liquidity Facility Provider, for any breach of the trust set forth herein; (ii) every successor Registrar appointed under the provisions of the Master Ordinance shall be a subsidiary of, or under common control with, a bank with trust powers, a trust company or a national banking association with trust powers, having capital stock, surplus and undivided earnings aggregating at least $75,000,000 and acceptable to the Series 2008 Credit Facility Provider, and (iii) the Registrar may not resign or be replaced unless a successor Registrar, shall have been appointed and have accepted such appointment and be acting as Registrar under the Master Ordinance and such Series 2008 Liquidity Facility shall have been transferred to such successor Registrar. The Registrar agrees that it will transfer any Series 2008 Liquidity Facility to any successor Registrar in accordance with any terms of such Series 2008 Liquidity Facility.

2. Any successor Paying Agent, if applicable, shall not be appointed unless the Series 2008 Credit Facility Provider approves such successor in writing.

3. The Registrar agrees that, whenever required by the Master Ordinance and in accordance therewith, it will (i) make all payments due on or in respect of the Series 2008 Bonds and (ii) cause to occur any mandatory tender without seeking any consent or approval of any Series 2008 Liquidity Facility Provider and without seeking any indemnity prior to so acting.

4. The Registrar shall not give any consent or make any demand or request under any Series 2008 Liquidity Facility, other than a demand or request for payment of the Purchase Price of Series 2008 Bonds, without the written direction of the Finance Director.

5. Notwithstanding any other provision of this Exhibit A, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Master Ordinance, the Registrar (or Paying Agent) shall consider the effect on the Bondholders as if there were no Series 2008 Credit Facility.

SECTION 5.05 Notices. The Registrar shall, within twenty-five (25) days of the resignation or removal of the Remarketing Agent or the Tender Agent or the appointment of a successor Remarketing Agent or Tender Agent give notice thereof by first class mail, postage prepaid, to the Holders of the Series 2008 Bonds.

SECTION 5.06 Appointment of Auction Agent; Qualifications of Auction Agent; Resignation; Removal. On or before the effective date of a subsequent Conversion to a Dutch Auction Rate Period, or upon the resignation or removal of the Auction Agent, an

Auction Agent shall be appointed by the County with the consent of the Series 2008 Credit Provider, which consent shall not be unreasonably withheld. The Auction Agent shall evidence its acceptance of such appointment by entering into an Auction Agent Agreement with the County. The Auction Agent shall be (a) a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, in the City of New York and having a combined capital stock, surplus and undivided profits of at least $15,000,000 or (b) a member of the National Association of Securities Dealers. Inc. having a capitalization of at least $15,000,000 and, in either case, authorized by law to perform all the duties imposed upon it under the Auction Agent Agreement. The Auction Agent may at any time resign and be discharged of the duties and obligations created by the Series 2008 Resolution by giving at least 45 days' notice to the Registrar, the County and the Broker-Dealer. The Auction Agent may be removed at any time by the County or, in the event of failure of the Auction Agent to satisfactorily perform its obligations hereunder or under the Auction Agent Agreement, by the Series 2008 Credit Provider, upon at least 45 days' notice; provided that, the County shall have entered into an agreement in substantially the form of the Auction Agent Agreement with a successor Auction Agent.

SECTION 5.07 Several Capacities. Anything herein to the contrary notwithstanding, the same entity may serve hereunder as the Registrar, the Paying Agent, the Registrar, a Tender Agent, the Auction Agent, a Remarketing Agent, a Broker-Dealer and the Broker-Dealer, and in any combination of such capacities to the extent permitted by law. Any such entity may in good faith buy, sell, own, hold and deal in any of the Series 2008 Bonds and may join in any action which any Holders may be entitled to take with like effect as if such entity were not appointed to act in such capacity, under the Series 2008 Resolution.

ARTICLE VI
POWERS OF AMENDMENT

SECTION 6.01 Powers of Amendment. 1. In addition to any other amendments permitted by the Master Ordinance and as may be provided in a Bond Series Certificate, this Exhibit A may be amended or modified at any time or from time to time without the consent of any of the Holders of the Outstanding Series 2008 Bonds, but (a) with the consent of any applicable Series 2008 Liquidity Facility Provider and the Series 2008 Credit Provider for the purpose of making changes in any provisions relating to the terms, dates or other mechanical procedures relating to the setting of interest rates or changes in Interest Modes for Series 2008 Bonds, to the making of demands for payment of Purchase Price under such Series 2008 Liquidity Facility or the application of the proceeds thereof, or to the tender, purchase and remarketing of Series 2008 Bonds, other than any Series 2008 Bonds bearing interest at the Fixed Rate, so long as such changes shall not be inconsistent with the provisions of the Master Ordinance; (b) with the consent of any applicable Series 2008 Liquidity Facility Provider for the purpose of making any changes herein necessary to reflect the addition of a Substitute Series 2008 Credit Facility; or (c) with the consent of the Series 2008 Credit Provider and the provider of any Substitute Series 2008 Credit Facility then in effect for the purpose of (i) making any changes herein necessary to reflect the replacement of any Series 2008 Liquidity Facility by a Substitute Series 2008 Liquidity Facility at any time or upon the end of the stated term of any Series 2008 Liquidity Facility or (ii) making any changes herein necessary to reflect the replacement of any Hedge Agreement at the end of the stated term of such Hedge Agreement.

Each such amendment or modification shall become effective upon (i) the filing of a copy thereof with the Registrar, the Tender Agent, the Remarketing Agent, the Series 2008 Liquidity Facility Provider and the Series 2008 Credit Provider together with an Opinion of Bond Counsel to the effect that such amendment or modification is authorized or permitted by the Master Ordinance and will not, in and of itself, adversely affect the exclusion from gross income for Federal income tax purposes of the interest on the Series 2008 Bonds and (ii) receipt by the County of a consent to such amendment or modification by the applicable Series 2008 Liquidity Facility Provider and the Series 2008 Credit Provider, as appropriate. No such amendment or modification shall be effective with respect to any Series 2008 Bonds until the first Rate Adjustment Date for such Series 2008 Bonds following the filing thereof with the parties referred to in clause (i). No such amendment which is reasonably believed by either the Registrar or the Tender Agent to adversely affect its rights, immunities and duties under the Series 2008 Resolution shall be effective without the written consent thereto of the Registrar or the Tender Agent, as the case may be. No such amendment as to which a Remarketing Agent has notified the County in accordance with the Remarketing Agreement that it reasonably believes will adversely affect its rights, immunities and duties under the Remarketing Agreement shall be effective against such Remarketing Agent until thirty-one (31) days after the date of such amendment. Upon the adoption of any amendment or modification, the County shall furnish to each Rating Agency the notice provided in Section 7.01, but the failure to provide such notice shall not affect the validity of the adoption of any amendment.

2. Notwithstanding any provision to the contrary herein, any provision of this Exhibit A expressly recognizing or granting rights in or to the Series 2008 Credit Provider may not be amended in any manner which affects the rights of the Series 2008 Credit Provider hereunder without the prior written consent of the Series 2008 Credit Provider.

ARTICLE VII
MISCELLANEOUS

SECTION 7.01 Notices to the Rating Agencies. The County agrees to furnish written notice to each Rating Agency (to the extent each then has a credit rating outstanding on the Series 2008 Bonds at the request of the County) of the following: (i) obtaining or the expiration or termination of, or a material amendment to, any Series 2008 Liquidity Facility or Remarketing Agreement, (ii) a call for redemption of any of the Series 2008 Bonds, (iii) the conversion of the interest rate on any Series 2008 Bonds to the Fixed Rate, (iv) any change in the Registrar, the Remarketing Agent or the Tender Agent, (v) any amendment or modification of this Exhibit A, (vi) any defeasance of any Series 2008 Bonds, (vii) any adjustment of Series 2008 Bonds from one Interest Mode to another Interest Mode, (viii) any extension, renewal, replacement or substitution of the Series 2008 Liquidity Facility, and (ix) any mandatory tender described in Section 2.06.1. Such notices shall be furnished to each such Rating Agency at the address specified by such Rating Agency in writing to the County, but the failure to provide such shall not be deemed a default hereunder or under the Master Ordinance.

SECTION 7.02 Defeasance.

1. In the case in which the Purchase Price of any Series 2008 Bonds is paid with proceeds derived from a Series 2008 Liquidity Facility, such Series 2008 Bonds shall be deemed to have been paid with the effect expressed in Section 901 of the Master Ordinance only if (i)

none of such Series 2008 Bonds is bearing interest at the Bank Rate; (ii) the interest due on such Series 2008 Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Rate; provided, however, that if on any date, as a result of any of such Series 2008 Bonds having borne interest at less than the Maximum Rate for any period, the total amount of cash and Defeasance Obligations on deposit with the Registrar for the payment of interest on such Series 2008 Bonds is in excess of the total amount which would have been required to be deposited with the Registrar on such date in respect of such Series 2008 Bonds in order for such Series 2008 Bonds to have been deemed paid with the effect expressed in Section 901 of the Master Ordinance, the Registrar shall pay the amount of such excess to the Revenue Fund, provided that such payment does not result in or require the disposition of any Defeasance Obligations prior to the maturity thereof; (iii) in addition to satisfying the requirements of Section 901 of the Master Ordinance, there shall have been deposited with the Registrar cash in an amount which shall be sufficient to pay when due the maximum amount of principal of and interest on such Series 2008 Bonds which could become payable to the Holders of such Series 2008 Bonds upon the exercise of any options provided to the Holders of such Series 2008 Bonds and any amounts then due and owing to the Series 2008 Credit Provider; and (iv) the County provides the Registrar with written evidence from the Rating Agencies that the defeasance will not result in a reduction, withdrawal or suspension of the ratings then applicable to the Series 2008 Bonds being defeased. The Registrar may not pay any excess referred to in this Section 7.02.1 to the Revenue Fund unless the Registrar receives a certificate or other written evidence from a certified public accountant that an excess as described in this Section 7.02.1 exists and specifying the amount of such excess.

In addition to the other requirements set forth in this Section 7.02, no Series 2008 Bonds other than Series 2008 Bonds in a Dutch Auction Mode or a Fixed Mode, shall be deemed to have been paid with the effect expressed in Section 901 of the Master Ordinance unless the County shall have received an Opinion of Counsel (which Opinion of Counsel shall be acceptable to S&P) of recognized expertise in matters relating to Federal bankruptcy laws to the effect that any deposit of monies or Defeasance Obligations described in Section 901 and the payment of the Series 2008 Bonds on a redemption date or at maturity from such monies or Defeasance Obligations will not constitute avoidable preferences under the Federal bankruptcy laws as then in effect in a case commenced by or against the County in which the County is the debtor.

2. Except to the extent inconsistent with the foregoing provisions, defeasance of the Series 2008 Bonds shall be subject to the further provisions and requirements of Section 901 of the Master Ordinance.

ANNEX A

NOTICE OF TENDER

MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE REFUNDING VARIABLE RATE DEMAND BONDS, SERIES 2008

(the "SERIES 2008 BONDS")

The undersigned, _____, Holder of the following Series 2008 Bonds:

Bond Number	Maturity	Principal Amount	CUSIP Number

hereby notifies you of its election to tender such Series 2008 Bonds and hereby delivers such Series 2008 Bonds to you, for purchase on [***specify the Purchase Date***], at a price equal to 100% of the principal amount thereof plus accrued interest, if any. **After its execution and delivery to you, this notice will be irrevocable.**

The undersigned hereby also assigns and transfers and directs the Registrar to transfer the Series 2008 Bonds delivered in connection herewith to the applicable party under the terms and conditions contained in the Master Ordinance, the Series 2008 Resolution and Exhibit A thereto, pursuant to which the Series 2008 Bonds have been issued (collectively, the "Bond Resolution").

The undersigned hereby also requests that the purchase price of the Series 2008 Bonds be paid by wire transfer at [***insert wire transfer address, which address shall be in the continental United States***].

Dated:

_____
Name of Holder as it is written on the faces of the above listed Series 2008 Bonds in every particular, without alteration, enlargement or any change whatsoever

* * *

Witness:

Wire address information:

ANNEX B

MODE CONVERSION NOTICE

MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE REFUNDING VARIABLE RATE DEMAND BONDS, SERIES 2008

(the "SERIES 2008 BONDS")

Notice is hereby given to _____, the Registrar, _____, the Remarketing Agent, _____, the Tender Agent, and _____, the Series 2008 Liquidity Facility Provider, each with respect to the Series 2008 Bonds that:

1. Miami-Dade County, Florida is proposing to convert on the date set forth below (the "Conversion Date") [the County to insert as appropriate:] the Series 2008 Bonds which are presently in a [ ] Mode (the "[ ] Mode Obligations") and in a [ ] Mode (the "[ ] Mode Obligations").

2. The date of the Conversion Date shall be _____.

3. Beginning on the Conversion Date, [the County to insert as appropriate:] the [ ] Mode Obligations and the [ ] Mode Obligations will be converted to a [ ] Mode and a [ ] Mode, respectively.

[If the County proposes to effect a Fixed Rate Conversion of the Series 2008 Bonds on a Conversion Date, the following paragraph shall be included in this Notice (other than any such Notice being delivered to the Holders of any Series 2008 Bonds then in a Dutch Auction Mode):

4. The Series 2008 Liquidity Facility of [insert name of provider] delivered with respect to the Series 2008 Bonds shall terminate at the close of business on [insert Fixed Rate Conversion Date] with respect to the $_____ principal amount of Series 2008 Bonds being converted to a Fixed Rate (the "Fixed Rate Obligations") and the Fixed Rate Obligations shall no longer be subject to purchase from amounts available under the Series 2008 Liquidity Facility after such date.

Dated:

MIAMI-DADE COUNTY, FLORIDA

ANNEX C

MANDATORY TENDER NOTICE

TO HOLDERS OF

MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE REFUNDING VARIABLE RATE REFUNDING BONDS, SERIES 2008

(the "SERIES 2008 BONDS")

Notice is hereby given to the Holders of the Series 2008 Bonds indicated below (the "Tender Obligations") of the Miami-Dade County, Florida ("the County") that:

1. The Tender Obligations are subject to Mandatory Tender for purchase on (the "Purchase Date").

2. The Tender Obligations shall consist of the following Series 2008 Bonds:

Bond Number	Maturity	Principal Amount	CUSIP Number

3. The Tender Obligations are subject to Mandatory Tender due to the occurrence of the following event within the meaning of the Bond Resolution pursuant to which they have been issued [Registrar to insert as appropriate:]

[the Purchase Date is a Special Mandatory Purchase Date]

[the Purchase Date is a Scheduled Tender Date]

[the Purchase Date is a Book-Entry Only System Conversion Date]

[the Purchase Date is a Conversion Date]

[the Purchase Date is a Rate Adjustment Date].

4. The Purchase Price for the Tender Obligations shall be equal to one hundred percent (100%) of the principal amount thereof [Registrar to insert if appropriate:] [plus accrued and unpaid interest to, but not including, the Purchase Date] and from and after the Purchase Date interest shall no longer accrue on the Tender Obligations.

5. Each Holder of Tender Obligations shall be entitled to receive the proceeds of such tender by delivering such Tender Obligations (with an appropriate transfer of registration form executed in blank) to the principal corporate trust office of [name of Tender Agent], the Tender Agent, located at [Registrar to insert address of Tender Agent's principal corporate trust office].

6. In order to receive payment on the Purchase Date, such delivery must be made at any time at or prior to 10:00 A.M., New York City time, on the Purchase Date with respect to the Tender Obligations. Holders of such Tender Obligations that are delivered to such principal corporate trust office of the Tender Agent after the time stated above shall not be entitled to receive payment from the Tender Agent of the Purchase Price until the later of the next Business Day following (x) the Purchase Date or (y) the date of delivery of such Tender Obligations. The Purchase Price of any such Tender Obligations shall be paid in immediately available funds. The Purchase Price of such Tender Obligations (or portions thereof in Authorized Denominations) shall be payable on the Purchase Date applicable thereto by the Tender Agent in immediately available funds by wire transfer to any Holder of at least one million dollars ($1,000,000) aggregate principal amount of such Tender Obligations upon written notice from such Holder containing the wire transfer address (which shall be in the continental United States) to which such Holder wishes to have such wire directed, if such written notice is received with the applicable Tender Notice when such Tender Notice is delivered to the Tender Agent.

Dated:

[ ], as Registrar

ANNEX D

NOTICE TO HOLDERS OF MIAMI-DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE REFUNDING VARIABLE RATE DEMAND BONDS, SERIES 2008

(the "SERIES 2008 BONDS")

Notice is hereby given to the Holders of the Series 2008 Bonds that:

1. Miami-Dade County, Florida (the "County") has provided to the Registrar a Substitute Series 2008 Liquidity Facility issued by _____ (the "Substitute Series 2008 Liquidity Facility Provider"). The Substitute Series 2008 Liquidity Facility shall begin to furnish the Series 2008 Liquidity Facility Requirement for the Series 2008 Bonds on _____ (the "Substitution Date") and is scheduled to terminate, unless extended or renewed, on _____.

[Register shall only include paragraphs 2, 3 and 4, if applicable]

2. The Series 2008 Bonds shall be subject to a mandatory tender on _____ (the "Purchase Date").

3. All Holders of Series 2008 Bonds (other than Series 2008 Bonds subject to a Fixed Mode) are required to deliver their Series 2008 Bonds to _____ (the "Tender Agent") on the Purchase Date at the principal corporate trust office of the Tender Agent located at _____, New York, New York _____, endorsed in blank by the Holder thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank by the Holder thereof (the Tender Agent being able to refuse to accept delivery of any such Series 2008 Bond not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).

4. Each Holder of Series 2008 Bonds which are required to be tendered pursuant to this Notice shall be entitled to receive the proceeds of such tender by delivering such Series 2008 Bonds (with an appropriate transfer of registration form executed in blank) to the principal corporate trust office of the Tender Agent indicated above; provided that in order to receive payment on the Purchase Date, such delivery must be made at any time at or prior to 9:00 A.M., New York City time, on the Purchase Date with respect to such Series 2008 Bonds. Holders of Series 2008 Bonds that are delivered to such principal corporate trust office of the Tender Agent after the time stated above shall not be entitled to receive payment from the Tender Agent of the Purchase Price until the later of the next Business Day following (i) the Purchase Date or (ii) the date of delivery of such Series 2008 Bonds. [The Purchase Price of any such tendered Series 2008 Bonds shall be paid in immediately available funds.] The Purchase Price of such tendered Series 2008 Bonds (or portions thereof in Authorized Denominations) shall be payable on the Purchase Date by the Tender Agent in immediately available funds by wire transfer to any Holder of at least one million dollars ($1,000,000) aggregate principal amount of Series 2008

Bonds upon written notice from such Holder containing the wire transfer address (which shall be in the continental United States) to which such Holder wishes to have such wire directed.

5. The Registrar has obtained opinions of (i) counsel for the Substitute Series 2008 Liquidity Facility Provider(s), [Insert Name of Lawyer or Firm of Lawyers], that the Substitute Series 2008 Liquidity Facility and any documents related to it constitute a legal, valid and binding obligation of the Substitute Series 2008 Liquidity Facility Provider(s) enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium or insolvency or by equitable principles; and (ii) Bond Counsel, [Insert Name of Lawyer or Firm of Lawyers], stating that the execution and delivery of the Substitute Series 2008 Liquidity Facility will not, in and of itself, cause the interest on the Series 2008 Bonds to become includable in gross income for Federal income tax purposes.

6. After the Substitution Date, the ratings on the Series 2008 Bonds by [Tender Agent to insert, as appropriate: (i) Fitch Ratings, Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Group will be ___ and ___, respectively and/or (ii) Fitch Ratings, Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services may be reduced or withdrawn].

7. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Master Ordinance and the Series 2008 Resolution pursuant to which the Series 2008 Bonds have been issued.

Dated:

[ ]

By _____,

as Tender Agent

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Exhibit B

Form of Series 2008 Bond (On file with Clerk's Office)

Unless this Bond is presented by an authorized representative of DTC to the Registrar for registration of transfer, exchange, or payment, with respect to any Bond issued that is registered in the name of CEDE & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to CEDE & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, CEDE & Co., has an interest herein.

[Statement of Insurance]

No. R-__ ***$_____***

STATE OF FLORIDA
MIAMI-DADE COUNTY, FLORIDA
WATER AND SEWER SYSTEM REVENUE REFUNDING
VARIABLE RATE DEMAND BOND
SERIES 2008

INITIAL INTEREST MODE	FINAL MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
Weekly Mode	October 1, 20___	_____	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Miami-Dade County, Florida (the "County"), a political subdivision of the State of Florida (the "State"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Final Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, in any coin or currency which on the date of payment thereof is legal tender in the United States of America for the payment of public and private debts, upon presentation and surrender hereof at the principal corporate trust office of _____, or its successors, as Registrar and Paying Agent (the "Registrar" and the "Paying Agent", respectively), and to pay, solely from such revenues, interest on such Principal Amount from the date hereof, or from the most recent Interest Payment Date to which interest has been paid, calculated based on the Interest Mode identified above (or, following conversion, at such other Interest Mode then applicable), until payment of such Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable on the Interest Payment Dates described herein, in like coin or currency (or by wire transfer if permitted hereunder).

Except as provided in the following paragraph, interest will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the County maintained by the Registrar at 5:00 P.M. on the Record Date, as defined in Exhibit A referred to below, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to the relevant Interest Payment Date, unless the County shall be in default in the payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest as established by notice by deposit in the U. S. mails, postage prepaid, by the County to the Registered Owners of Bonds. To the extent practicable, such notice shall be mailed to the persons in whose names the Series 2008 Bonds are registered at the close of business on the fifth (5th) day (whether or not a business day) preceding the date of mailing.

The County has established a Book Entry System of registration for this Series 2008 Bond. Except as specifically provided otherwise in the Master Ordinance referred to below, CEDE & Co., as nominee of The Depository Trust Company, a New York corporation ("DTC"), will be the registered owner and will hold this Series 2008 Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Series 2008 Bond shall be deemed to have agreed to such arrangement. CEDE & Co., as Registered Owner of this Series 2008 Bond, may be treated as the owner of it for all purposes.

Payment of principal, upon presentation and surrender, and interest on this Series 2008 Bond shall, so long as CEDE & Co., or any other nominee of DTC, is the Registered Owner of this Series 2008 Bond, and otherwise may, at the option of any Holder of Series 2008 Bonds in an aggregate principal amount of at least $1,000,000, be transmitted by wire transfer to such Holder to the bank account number of a bank within the continental United States, designated in writing by such Holder to the Paying Agent, on a form acceptable to the Paying Agent, not less than five Business Days prior to each applicable Record Date. Any such written election may state that it will apply to all subsequent payments due with respect to the Series 2008 Bonds held by such Holder until a subsequent written notice is filed.

This Series 2008 Bond is a duly authorized revenue bond of the County designated as Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2008 (the "Series 2008 Bonds"), issued for the purpose of providing funds, together with other available funds to (i) refund its outstanding Dade County, Florida Water and Sewer System Revenue Bonds, Series 1994 and (ii) pay the costs of issuance of the Series 2008 Bonds, including the premium for a Credit Facility relating thereto. The Series 2008 Bonds were issued pursuant to Ordinance No. 93-134, duly enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on November 16, 1993, as amended and supplemented (the "Master Ordinance") and as particularly supplemented by Resolution No. R-_____ duly adopted by the Board on _____, 2008 (the "Series 2008 Resolution") duly adopted by the Board on June 7, 2008, and as further supplemented by Exhibit A to the Series 2008 Resolution ("Exhibit A") as amended and attached to the Omnibus Certificate of the County delivered at closing for the Series 2008 Bonds (collectively, all of the foregoing, the "Master Ordinance"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Master Ordinance.

Reference to the Master Ordinance is hereby made for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2008 Bonds, the collection and disposition of revenues, the funds charged with and pledged to the payment of the principal of and the interest on the Series 2008 Bonds, the nature and extent of the security, the terms and conditions on which obligations on a parity with the Series 2008 Bonds may be issued under the Master Ordinance, the rights, duties and obligations of the County under the Master Ordinance, the rights of the Holders of the Series 2008 Bonds, and the rights of the Bond Insurer (as defined below) of this Series 2008 Bond to approve amendments, grant consents and waivers and direct proceedings, and, by the acceptance of this Series 2008 Bond, the Holder hereof assents to all the provisions of the Master Ordinance. This Series 2008 Bond is issued and the Master Ordinance was enacted under the authority of the Constitution and laws of the State, including the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, and the Code of Miami-Dade County, Florida, as amended.

The Series 2008 Bonds are initially secured by a Standby Bond Purchase Agreement dated as of _____, 2008 (the "Series 2008 Liquidity Facility") entered into between the County and _____ (the "Series 2008 Liquidity Facility Provider"). The Series 2008 Liquidity Facility entitles the Registrar to draw an amount sufficient to pay the principal of the Series 2008 Bonds and up to 36 days' interest accrued on the Series 2008 Bonds at a maximum rate per annum of 12%. Unless extended by the Series 2008 Liquidity Provider in accordance with its terms, the initial Series 2008 Liquidity Facility expires on _____, 2008 or on the earlier occurrence of events specified in it. Prior to a scheduled expiration of the Series 2008 Liquidity Facility, the Series 2008 Bonds will be subject to mandatory tender for purchase as more fully set forth in the Master Ordinance and described below. In certain circumstances, however, the Series 2008 Liquidity Facility may be suspended or terminated without notice to the Registered Owner or any beneficial owner of this Series 2008 Bond and without the occurrence of any optional tender, mandatory tender or special mandatory tender. The Series 2008 Bonds will not benefit from the Series 2008 Liquidity Facility if they are in the Fixed Mode, the Dutch Auction Mode or while bearing interest at the Bank Rate.

Reference is hereby also made to that certain agreement (the "Bond Insurance Agreement") dated as of _____, 2008, entered into between the County and Financial Security Assurance Inc. (the "Bond Insurer") providing certain rights to the Bond Insurer in connection with the issuance by the Bond Insurer of its municipal bond insurance policy guaranteeing payment, when due, of the principal of and interest on the Series 2008 Bonds (the "Policy"), including the right to be treated as the Holder of the Series 2008 Bonds insured by it for the purpose of exercising any voting rights or privileges, or giving of any consent or direction, or taking any other action that the Holders of the Series 2008 Bonds are entitled to take whether pertaining to defaults and remedies, supplement or amendment to the Master Ordinance or otherwise. By purchasing this Series 2008 Bond, the Holders hereof, on their own behalf and on behalf of all subsequent Holders hereof, are deemed to have consented to the terms and provisions of the Bond Insurance Agreement. Executed counterparts of the Bond Insurance Agreement are on file with the Finance Director of the County.

This Series 2008 Bond and the principal of and interest thereon are special limited obligations of the County, payable solely from and secured solely by a lien on and pledge of certain investment income and revenues derived from the operation of the Utility, subject to the prior payment from revenues of expenses of the operation and maintenance of the Utility and the

funding of an operating reserve (the "Pledged Revenues"), all in the manner and to the extent provided in the Master Ordinance.

The Outstanding Bonds (as defined in the Series 2008 Resolution), the Series 2008 Bonds, any Additional Bonds (collectively, the "Bonds") issued under, and all Hedge Obligations incurred pursuant to, the Master Ordinance are and will be equally and ratably secured, in the manner and to the extent provided in the Master Ordinance, by the pledge thereunder of the Pledged Revenues.

This Series 2008 Bond shall not be deemed to constitute a general debt, liability or obligation or a pledge of the faith and credit of the County, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the Registered Owner of this Series 2008 Bond that such Registered Owner shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the County or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for the payment of the principal of and interest on this Series 2008 Bond or for the payment of any other amounts provided for in the Master Ordinance.

It is further agreed between the County and the Registered Owner of this Series 2008 Bond that this Series 2008 Bond and the indebtedness evidenced hereby shall not constitute a lien upon the Utility, or any part thereof, or any other tangible personal property of or in the County, but shall constitute a lien only on the Pledged Revenues derived from the operation of the Utility, to the extent legally available for such purposes, all in the manner and to the extent provided in the Master Ordinance. Neither the members of the governing body of the County nor any person executing the Series 2008 Bonds shall be liable personally on the Series 2008 Bonds by reason of their issuance.

The numbered paragraphs below constitute a summary of certain terms of the Series 2008 Bonds. This summary is not intended to modify, limit or replace in any respect, the provisions contained in the Master Ordinance, including, without limitation, Exhibit A, and in the event of a conflict between this summary and the Master Ordinance, the terms of Master Ordinance shall control. Certain provisions below will be modified concurrently with a change in Interest Mode.

1. **Interest Rate**. Interest on this Series 2008 Bond will be paid at a Daily Rate, a Weekly Rate, a Flexible Rate, a Dutch Auction Rate, or a Fixed Rate as selected by the County from time to time and as determined in accordance with Exhibit A; however, in no event shall the interest rate on this Series 2008 Bond exceed the Maximum Rate as provided in Exhibit A. Interest will initially be payable at the Weekly Rate, as computed in accordance with Section 2.04.2 or Section 2.04.6 of Exhibit A, as the case may be. The County may change the Interest Mode from time to time in accordance with the procedures and subject to the limitations set forth in Exhibit A. A change in the Interest Mode will result in the Series 2008 Bonds becoming subject to mandatory tender for purchase on the effective date of such change as described below. The determination of the Weekly Rate in accordance with Exhibit A shall be conclusive and binding on the Holders. All Series 2008 Bonds shall bear interest in the same Interest Mode.

Subject to the provisions of Exhibit A, the interest rate for the Series 2008 Bonds while bearing interest in the Daily Mode, Weekly Mode or Flexible Mode shall be determined by the

Remarketing Agent in its sole and exclusive judgment in accordance with Exhibit A, at the rate that is necessary to sell the Series 2008 Bonds subject to the then existing Interest Mode at par. Determination of the interest rate for the Series 2008 Bonds while bearing interest in the Dutch Auction Mode or the Fixed Mode or at the Bank Rate shall be as specified in Exhibit A.

When interest is payable at (a) a Daily Rate, Weekly Rate, Flexible Rate or at the Bank Rate, it will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, (b) a Dutch Auction Rate, it will be computed on the basis of a 360-day year for the actual number of days elapsed for the period to which such interest relates, and (c) a Fixed Rate, it will be computed on the basis of a 360-day year of twelve 30-day months.

2. **Interest Payment and Record Dates**. Interest will accrue on the unpaid portion of the principal of this Series 2008 Bond from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of initial authentication and delivery of the Series 2008 Bonds, until the entire principal amount of this Series 2008 Bond is paid or duly provided for. When interest is payable at the Interest Mode in the first column below, interest accrued during the Interest Period shown in the second column will be paid on the Interest Payment Date in the third column to Holders of record on the Record Date in the fourth column, provided that interest in each Interest Mode shall, in addition, be payable on a Conversion Date:

TYPE OF INTEREST MODE	INTEREST PERIOD*	INTEREST PAYMENT DATE	RECORD DATE
Daily Mode	Calendar Month	First Business Day of the next month	The day, whether or not a Business Day, immediately preceding such Interest Payment Date.
Weekly Mode	Calendar Month	First Business Day of the next month	The Business Day immediately preceding an Interest Payment Date

* If the Conversion Date does not coincide with the first day of the Interest Period for the new Interest Period, then the first day of such Interest Period shall be the Conversion Date, but all other terms and condition shall be as set forth in the above Table.

Flexible Mode	From 1 to 269 days (or, if so directed in writing by the County to the Remarketing Agent, up to 365 days) as determined for each Bond pursuant to Section 2.04.3 of Exhibit A	Business Day next following the last day of the Flexible Period	The Business Day immediately preceding an Interest Payment Date
Dutch Auction Mode	Auction Period (either 7 or 35 days as designated pursuant to Exhibit A)	Business Day immediately succeeding the last day of such Auction Period	The Business Day immediately preceding an Interest Payment Date
Fixed Rate Mode	Six-month period or portion thereof beginning on the Conversion Date and ending on the day preceding the next succeeding April 1 or October 1, as the case may be, and the day preceding each April 1 and October 1 thereafter	April 1 and October 1 of each applicable year	Fifteenth day of the month before the Interest Payment Date (whether or not a Business Day).

3. **Conversion Option**. The County may, from time to time, cause the conversion of the current Interest Mode (initially a Weekly Rate) to a different Interest Mode authorized in Exhibit A. Any change in the Interest Mode will require advance notice and will trigger a mandatory tender as contemplated in Paragraph 4 below.

4. **Optional and Mandatory Tenders for Purchase.**

(A) ***Mandatory Tender for Purchase of Series 2008 Bonds on a Substitution Date, the Special Mandatory Purchase Date, Scheduled Tender Date or a Book-Entry Only System Conversion Date.*** If the Series 2008 Bonds are in an Interest Mode other than a Fixed Mode or in the Dutch Auction Mode, the Series 2008 Bonds shall be subject to mandatory tender and purchase on a Substitution Date (the date the County substitutes or replaces the Series 2008 Liquidity Facility), the Special Mandatory Purchase Date (arising from the receipt of a Termination Notice from the Series 2008 Liquidity Facility Provider), the Scheduled Tender Date (the 5th Business Day preceding the Series 2008 Liquidity Facility Expiration Date, if no Substitute Series 2008 Liquidity Facility has been provided) and a Book-Entry Only System Conversion Date (the date the County converts from a Book-Entry Only System to a non-Book Entry Only System).

(B) ***Mandatory Tender for Purchase of Series 2008 Bonds.*** Series 2008 Bonds are subject to mandatory tender and purchase on each Conversion Date applicable to such Series 2008 Bonds. Series 2008 Bonds subject to a Flexible Mode shall be subject to mandatory tender and purchase on each Rate Adjustment Date (which is not also a Conversion Date).

(C) ***Optional Tender of Series 2008 Bonds.*** Series 2008 Bonds in the Weekly Mode are subject to purchase on any Business Day on the demand of the Holder thereof set forth in a properly completed Tender Notice delivered to the Tender Agent and the Remarketing Agent at its principal corporate trust office not less than seven (7) calendar days prior to such Business Day. Such Tender Notice, once transmitted to the Tender Agent, shall be irrevocable with respect to the tender for which such Tender Notice was delivered and such tender shall occur on the Business Day specified in such Tender Notice. Series 2008 Bonds in the Daily Mode are subject to purchase on any Business Day on the demand of the Holder thereof as set forth in Exhibit A. There is no right of purchase on demand of a Holder of Series 2008 Bonds in a Dutch Auction Mode, Flexible Mode or Fixed Mode or bearing interest at the Bank Rate.

(D) ***Manner and Timing of Payment for Tendered Series 2008 Bonds.*** Each Holder of any Series 2008 Bonds that are to be tendered shall be entitled to receive the proceeds of such tender by delivering such Series 2008 Bonds (with an appropriate transfer of registration form executed in blank) to the principal corporate trust office of, or other office designated in writing by, the Tender Agent; provided that in order to receive payment on the Purchase Date, such delivery must be made at any time at or prior to 11:30 A.M., New York City time on the Purchase Date with respect to such Series 2008 Bonds. Holders of Series 2008 Bonds that are delivered to such principal corporate trust office of the Tender Agent after the time stated above shall not be entitled to receive payment from the Tender Agent of the Purchase Price until the later of the next Business Day following (x) the Purchase Date or (y) the date of delivery of such Series 2008 Bond.

Notwithstanding and in lieu of the foregoing, while Series 2008 Bonds are held by CEDE & Co., or another Securities Depository, payment of principal and interest shall be made by the Registrar to the Holder by wire transfer without the necessity of presentation and surrender of such Series 2008 Bonds and the notation of payment on the records by the Registrar and the Securities Depository pursuant to Exhibit A shall be conclusive and binding on the Holder.

(E) ***Agreement to Tender Series 2008 Bonds.*** Where applicable, by acceptance of this Series 2008 Bond, the Holder agrees to tender this Series 2008 Bond to the Tender Agent for purchase (i) on dates on which this Series 2008 Bond is subject to mandatory tender, and (ii) on dates on which this Series 2008 Bond is subject to tender and purchase pursuant to a Tender Notice given in accordance with Exhibit A at the Purchase Price and, where applicable, upon such tender, surrender of this Series 2008 Bond properly endorsed for transfer in blank.

(F) ***Notice of Mandatory Tender for Purchase.*** Notice of any mandatory tender of Series 2008 Bonds (a "Mandatory Tender Notice") identifying the Series 2008 Bonds to be purchased pursuant to Exhibit A shall be provided by the Registrar or caused to be provided by the Registrar by mailing a copy of the notice of mandatory tender by first-class mail at least fifteen (15) days, or forty-five (45) days pursuant to Exhibit A, if applicable, prior to the

Purchase Date to any Holder of Series 2008 Bonds subject to such purchase at the address shown on the registration books and to the Remarketing Agent. Such notice of mandatory tender shall identify such Series 2008 Bonds to be tendered, the reason for the mandatory tender for purchase, and specify the Purchase Date, the Purchase Price, the place and manner of payment, and that no further interest will accrue from and after the Purchase Date to such Holder.

In the event a mandatory tender of Series 2008 Bonds pursuant to Exhibit A shall occur at or prior to the same date on which a purchase pursuant to Exhibit A is scheduled to occur, the terms and conditions of the applicable mandatory tender shall control.

Any notice mailed as provided in Exhibit A shall be conclusively presumed to have been duly given, whether or not the Holder of such Series 2008 Bond receives the notice, and the failure of such Holder to receive any such notice shall not affect the validity of the action described in such notice.

5. **Non-delivery of Series 2008 Bonds.**

If any Series 2008 Bond with respect to which a Tender Notice has been sent to the Tender Agent pursuant to Exhibit A or any Series 2008 Bond which is subject to mandatory tender for purchase pursuant to Exhibit A is not delivered to the Tender Agent at the time, in the manner and at the place required by Exhibit A, the undelivered Series 2008 Bond or Bonds will be deemed to have been tendered and purchased by the Tender Agent, and interest accruing on such Series 2008 Bonds on and after the applicable Purchase Date shall no longer be payable to the prior registered Holders thereof. Such prior Holders shall have recourse solely to the funds held by the Tender Agent or the Registrar for the purchase of the undelivered Series 2008 Bonds, and the Registrar shall not recognize any further transfer of such undelivered Series 2008 Bonds by such prior Holders. The Registrar or Tender Agent, as the case may be, shall register the transfer of such Series 2008 Bonds to the purchaser thereof and shall issue a new Series 2008 Bond or Bonds, notwithstanding such non-delivery.

6. **Redemption Provisions.**

(A) ***General Optional Redemption of Series 2008 Bonds During Any Interest Mode Other Than The Fixed Mode.*** At the option of the County, any Series 2008 Bonds are subject to redemption prior to maturity during any Interest Mode other than the Fixed Mode, in whole or in part (but if in part in the Authorized Denomination applicable to such Interest Mode) on any date (except that any Series 2008 Bond in a Flexible Mode shall not be redeemed pursuant to this paragraph on any date other than a Rate Adjustment Date and any Series 2008 Bonds in a Dutch Auction Mode shall only be redeemed on an Interest Payment Date) at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2008 Bonds to be redeemed plus accrued and unpaid interest not otherwise payable on such date. Before selecting any Series 2008 Bonds for such optional redemption, the Registrar shall first apply any amounts to be applied to such optional redemption to redeem any Series 2008 Bonds then bearing interest at the Bank Rate.

(B) ***General Optional Redemption of Series 2008 Bonds In the Fixed Mode.*** Any Series 2008 Bonds in a Fixed Mode are subject to redemption, in whole or in part (but if in part in integral multiples of $5,000) on any Interest Payment Date occurring on or after the fifth

anniversary of the Fixed Rate Conversion Date for such Series 2008 Bonds, at the option of the County, at one hundred percent (100%) of the unpaid principal amount thereof, plus accrued interest thereon to the Redemption Date (or such other Redemption Prices as shall be determined by the County on or prior to the Fixed Rate Conversion Date for such Series 2008 Bonds and accompanied by an Opinion of Bond Counsel, to be delivered to the Registrar and the Series 2008 Credit Provider, to the effect that such other Redemption Prices (i) are authorized or permitted by the Master Ordinance, and (ii) will not, in and of themselves, cause the interest on the Series 2008 Bonds to become includable in gross income for Federal income tax purposes).

(C) ***Partial Redemption.*** In the event of redemption of less than all of the Outstanding Series 2008 Bonds (except as otherwise provided in Exhibit A), the Registrar shall assign to each such Outstanding Series 2008 Bond to be redeemed a distinctive number for each unit of the principal amount of such Series 2008 Bond equal to the minimum Authorized Denomination and shall select the particular Series 2008 Bonds or portions thereof to be redeemed using such method of selection as it shall, in its discretion, deem fair and appropriate; provided, however, the portion of such Series 2008 Bonds to be redeemed and the portion of such Series 2008 Bonds to be retained by the Holder thereof shall be in the principal amount of an Authorized Denomination for the Interest Rate Mode to which such Bonds are then subject. New Series 2008 Bonds representing the unredeemed balance of the principal amount of any such Series 2008 Bond shall be issued to the registered Holder thereof, without charge therefor.

(D) ***Notice of Redemption.*** In the case of any redemption of Series 2008 Bonds pursuant to paragraphs 1 or 3 of Section 2.17 of Exhibit A, the County shall give written notice to the Registrar of its election or direction so to redeem, of the redemption dates and of the principal amounts of the Series 2008 Bonds to be redeemed. Such notice shall be given to the Registrar (i) in the case of any redemption of Series 2008 Bonds pursuant to paragraph 3 of Section 2.17 of Exhibit A, at least forty (40) days prior to the date on which such Series 2008 Bonds are to be redeemed, (ii) in the case of any redemption of Series 2008 Bonds pursuant to paragraph 1 of Section 2.17 of Exhibit A, at least twenty-five (25) days prior to the date on which such Series 2008 Bonds are to be redeemed, or (iii) in any case, such lesser number of days prior to such redemption date as shall be acceptable to the Registrar. In the case of any redemption of Series 2008 Bonds pursuant to paragraph 1 of Section 2.17 of Exhibit A, such notice shall also be given by the County to the other Notice Parties.

(E) ***Effect of Redemption.*** Notice having been given in the manner provided in Exhibit A, the Series 2008 Bonds, or principal portion thereof, called for redemption shall become due and payable on the redemption date specified in said notice at the Redemption Price, plus interest accrued and unpaid to the redemption date and, upon presentation and surrender of the Series 2008 Bonds so to be redeemed at the office specified in such notice, such Series 2008 Bonds, or principal portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date; provided, however, that if the redemption date for any Series 2008 Bonds is on or after the Record Date for any Interest Payment Date and on or prior to such Interest Payment Date, interest on such Series 2008 Bonds shall be paid to the Holder on such Record Date in the normal course. If, on the redemption date, moneys for the redemption of all Bonds or principal portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given or waived as aforesaid, then, from and after the redemption date, interest on such Series 2008 Bonds or principal portions thereof so called for redemption

shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Series 2008 Bonds or principal portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

7. **Mandatory Redemption from Amortization Installments**. The Series 2008 Bonds shall be subject to mandatory sinking fund redemption from Amortization Installments, in part by lot, at the redemption price equal to the principal amount of Series 2008 Bonds or portions thereof (in Authorized Denominations) to be redeemed, plus accrued interest to the redemption date, on October 1 of the following years and in the following amounts:

Date (October 1) *	Principal Amount	Date (October 1)*	Principal Amount
		**	

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* While the Series 2008 Bonds bear interest at the Weekly Rate, principal and interest to be paid pursuant to mandatory redemption will be paid on the first Business Day of each October, commencing October 1, 20___.

** Final Maturity

8. **Conditional Notice of Redemption**. Notice of redemption shall be given in the manner specified in the Master Ordinance; however, in the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of monies, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent 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 monies are not so deposited or if the notice is rescinded as described herein. 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 Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Holders. Any Series 2008 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.

Any notice mailed in accordance with the foregoing requirements shall be conclusively presumed to have been duly given, whether or not the Registered Owner actually receives such notice.

9. **Denominations.** The Series 2008 Bonds are in registered form without coupons in denominations as follows: (1) when interest is payable at a Daily Rate, Weekly Rate, Flexible Rate or Bank Rate, $100,000 minimum denomination, with $5,000 increments in excess thereof, (2) for Series 2008 Bonds bearing interest at a Dutch Auction Rate, $50,000 or any integral multiple thereof, and (3) when interest is payable at a Fixed Rate, $5,000 minimum denomination and integral multiples of $5,000.

10. **Persons Deemed Owners.** Except as otherwise specifically provided herein and in Exhibit A, when a Book-Entry System is in effect, the Holder of this Series 2008 Bond shall be treated as the sole owner of it for all purposes, and participants or beneficial owners shall not have any direct or independent rights under the Master Ordinance.

11. **General Provisions Applicable to all Bonds Issued Under the Master Ordinance**. The Registered Owner of this Series 2008 Bond shall have no right to enforce the provisions of the Master Ordinance, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Ordinance, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Ordinance.

Modifications or alterations of the Master Ordinance or of any ordinance supplemental thereto or amendatory thereof may be made only to the extent and in the circumstances permitted by the Master Ordinance.

EXCEPT AS OTHERWISE PROVIDED IN EXHIBIT A, THIS SERIES 2008 BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF DTC OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY IN ACCORDANCE WITH EXHIBIT A.

The transfer of this Series 2008 Bond is registrable by the Registered Owner hereof in person or by his attorney duly authorized in writing at such bank or trust company, as Registrar, as shall be designated by the Board but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Ordinance, and upon surrender and cancellation of this Series 2008 Bond. Upon such transfer, a new registered bond or bonds of the same series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

Each Series 2008 Bond delivered pursuant to any provision of the Master Ordinance in exchange or substitution for, or upon the transfer of the whole or any part of one or more other Series 2008 Bonds, shall carry all of the rights to interest accrued and unpaid and to accrue that were carried by the whole or such part, as the case may be, of such one or more other Series 2008 Bonds, and notwithstanding anything contained in the Master Ordinance, such Series 2008 Bonds shall be so dated or bear such notation, that neither gain nor loss in interest shall result from any such exchange, substitution or transfer.

No recourse shall be had for the payment of the principal of or interest on this Series 2008 Bond, or for any claim based hereon or on the Master Ordinance, against any member, officer or employee, past, present or future, of the County or of any successor body thereof, as

such, either directly or through the County or any such successor or body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability of such members, officers or employees being released as a condition of and as consideration for the enactment or adoption, as applicable, of the Master Ordinance by the Board and the issuance of this Series 2008 Bond.

The County, the Registrar and the Paying Agent may deem and treat the person in whose name this Series 2008 Bond is registered as the absolute Holder of this Series 2008 Bond for the purpose of receiving payment of, or on account of, the principal and interest due on this Series 2008 Bond and for all other purposes, and neither the County, the Registrar nor the Paying Agent shall be affected by notice to the contrary except the due execution and delivery to the Registrar of the Certificate of Transfer set forth in this Series 2008 Bond.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the Master Ordinance to exist, to have happened and to have been performed precedent to and in the absence of this Series 2008 Bond, do exist, have happened and have been performed.

As declared by the Act, this Series 2008 Bond shall have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the State of Florida, subject to the provisions for registration stated herein and contained in the Master Ordinance, and subject to such provisions, nothing contained in this Series 2008 Bond or in the Master Ordinance shall affect or impair the negotiability of this Series 2008 Bond. This Series 2008 Bond is issued with the intent that the laws of said State shall govern its construction.

If the date for payment of the principal of or interest on this Series 2008 Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

The Master Ordinance permits, with certain exceptions as therein provided or as provided in the Bond Insurance Agreement, the amendment thereof and the modification of the rights and obligations of the County and the rights of the owners of the Series 2008 Bonds at any time by the County with consent of the owners of a majority of the Series 2008 Bonds Outstanding, as defined in the Master Ordinance. Any such consent or waiver by the owner of this Series 2008 Bond or by the Bond Insurer (in accordance with the terms of the Master Ordinance and the Bond Insurance Agreement) shall be conclusive and binding upon such owner and upon all future owners of this Series 2008 Bond and of any Bond issued upon the transfer or exchange of this Series 2008 Bond whether or not notation of such consent or waiver is made upon this Series 2008 Bond. The Master Ordinance also contains provisions permitting a default trustee to waive certain past defaults under the Master Ordinance and their consequences.

This Series 2008 Bond is not valid unless the Registrar's Certificate of Authentication endorsed hereon is duly executed.

IN WITNESS WHEREOF, Miami-Dade County, Florida has caused this Series 2008 Bond to be executed by the Mayor of Miami-Dade County, Florida and the Ex Officio Clerk of the Board and its official seal to be imprinted hereon, all as of the ___ day of _____, 2008.

MIAMI-DADE COUNTY, FLORIDA

(SEAL)

By: _____
Mayor

By:_____
Ex-Officio Clerk of the Board

REGISTRAR' S CERTIFICATION OF AUTHENTICATION

This Series 2008 Bond is one of the Series 2008 Bonds described in and authorized to be issued pursuant to the terms of the Master Ordinance.

[Registrar]

By:_____
Authorized Signatory

(FORM OF ASSIGNMENT FOR EACH BOND FORM)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned _____ (the "Transferor") hereby sells, assigns and transfers unto _____ (the "Transferee")

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE)

(Please print or typewrite name and address of Transferee)
the within bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ as attorney to register the transfer of the within bond on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Dated:_____
Signature Guaranteed:

_____

_____
Registered Owner

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guaranty program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP), a member firm of the New York Stock Exchange or a commercial bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name or names of the Transferee(s), unless the signature(s) to this assignment correspond(s) with the name or names as it/they appear(s) upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever, and the Social Security or Federal Employer Identification Numbers of the Transferee(s)is/are supplied.

5239446_v1

Exhibit C

Form of Bond Purchase Agreement (On file with Clerk's Office)

EXECUTION COPY

MIAMI-DADE COUNTY, FLORIDA
$_____,000
Water and Sewer System Revenue Refunding Bonds
Series 2008

BOND PURCHASE AGREEMENT

_____, 2008

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

Ladies and Gentlemen:

RBC Capital Markets (the "Senior Manager"), acting on behalf of itself and Estrada Hinojosa & Company Inc., Raymond James and Associates, Inc., Rice Financial Products, and Wachovia Bank, N.A., (the "Co-Senior Managers") and Butler Wick & Co. Inc., Jackson Securities, Loop Capital Markets, LLC, M.R. Beal & Company, Morgan Keegan & Company, Inc., Samuel A. Ramirez & Co., Inc., and Siebert Brandford Shank & Co., LLC 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 which 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 Bond Ordinance and in the Official Statement (as each are defined in this Bond Purchase Agreement).

1. <u>Purchase and Sale of Bonds.</u>

(a) Subject to the terms and conditions and in reliance upon 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, all but not less than all of the $_____.00 aggregate principal amount of the Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"), at the aggregate purchase price of $_____ (representing the principal amount of $_____, plus original issue premium of $_____ and less an Underwriters' discount of $_____). The Series 2008 Bonds shall bear interest at the rates, be sold to the public at the yields and mature on the dates, all as set forth in and provided for on Schedule I to this Bond Purchase Agreement. The Official Statement of the County relating to the Series 2008 Bonds, dated _____, 2008, including the cover page and Appendices, in substantially the form attached to this Bond Purchase Agreement as Exhibit "A" and incorporated by reference, with such additional changes and amendments as shall be deemed necessary and approved by the Senior Manager and the Finance Director, is referred to as the "Official Statement". The Underwriters agree to make a bona fide public offering of the Series 2008 Bonds, solely pursuant to the Official Statement, at the initial offering prices or yields set forth in the Official Statement, reserving, however, the right to change such initial offering prices or yields after the initial public offering as the Senior Manager shall deem necessary in connection with the marketing of the Series 2008 Bonds and to offer and sell the Series 2008 Bonds to certain dealers (including dealers depositing the Series 2008 Bonds into investment trusts) at concessions to be determined by the Senior Manager. The Underwriters also reserve the right to overallot or effect transactions that stabilize or maintain the market prices of the Series 2008 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 2008 Bonds shall be issued pursuant to Ordinance No. 93-134, enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on November 16, 1993 (the "Master Ordinance"), as supplemented by Resolution No. R-____-08 adopted by the Board on _____, 2008 (the "Series 2008 Resolution"). The Master Ordinance and the Series 2008 Resolution are collectively referred to as the "Bond Ordinance" in this Bond Purchase Agreement. The Series 2008 Bonds shall be substantially in the form described in the Series 2008 Resolution, and in addition to the Bond Ordinance, shall be issued in compliance with the Constitution of the State of Florida, and (i) Chapters 125 and 166, Florida Statutes, (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 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) The proceeds of the Series 2008 Bonds will be used, together with other available funds of the Miami-Dade Water and Sewer Department (the "Department") if any, to: (i) refund the County's Water and Sewer System Revenue Bonds, Series 1994 maturing on and after _____ (the "Refunded Bonds") by depositing with _____, as escrow agent (the "Escrow Agent") the amounts required by the Escrow Deposit Agreement dated as of _____, 2008 (the "Escrow Agreement") between the Escrow Agent and the County to

defease the Refunded Bonds; and (ii) pay the costs incurred in connection with the issuance of the Series 2008 Bonds, including the premium for a municipal bond insurance policy.

(d) The County authorizes the Underwriters to use and distribute copies of the Official Statement and copies of the Bond Ordinance in connection with the public offering and sale of the Series 2008 Bonds.

(e) The County consents to and ratifies the use by the Underwriters of the Preliminary Official Statement dated _____, 2008 relating to the Series 2008 Bonds (the "Preliminary Official Statement") for purposes of marketing the Series 2008 Bonds in connection with the original public offer, sale and distribution of the Series 2008 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 2008 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 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 Bond Ordinance as the Underwriters may request for use in connection with the offering and sale of the Series 2008 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.

2. Events Requiring Disclosure.

If, after the date of this Bond Purchase Agreement and during the Disclosure Period (as defined in Section 5(w) hereof), 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 the County, in consultation with 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 of $_____ (the "Good Faith Deposit"), which is being delivered to the County on account of the purchase price of the Series 2008 Bonds and as security for the performance by the Underwriters of their obligation to accept and to pay for the Series 2008 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 2008 Bonds pursuant to Section 4 hereof. In the event of the County's failure to deliver the Series 2008 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 sum of the Good Faith Deposit plus an amount equal to the federal funds rate on the Good Faith Deposit, individually, 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 2008 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 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 Standard Time, on _____, 2008 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 2008 Bonds in definitive form to the Underwriters, through the facilities of The Depository Trust Company 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 2008 Bonds less the amount of the Good Faith

Deposit 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 municipal bond insurance policy may be paid by the Senior Manager, on behalf of the County, directly to _____ (the "Bond Insurer") in immediately available funds. Payment for and delivery of the Series 2008 Bonds shall be made at such place as the County may designate in writing. 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 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) enact the Bond Ordinance; (ii) to authorize the Finance Director to execute and deliver this Bond Purchase Agreement, the Escrow Agreement and deliver the Official Statement; (iii) issue, sell, execute and deliver the Series 2008 Bonds to the Underwriters, as provided in this Bond Purchase Agreement; (iv) secure the Series 2008 Bonds in the manner contemplated by the Bond Ordinance; and (v) carry out and consummate all other transactions contemplated by the preceding documents and instruments; provided, however, that no representation is made concerning compliance with the federal securities laws or the securities or Blue Sky laws or the legality for investment under the laws of the various states;

(c) The Board has the full right, power and authority to pledge the Pledged Revenues pledged under the Bond Ordinance and described in the Official Statement for the payment of the Series 2008 Bonds;

(d) The Board has duly enacted the Master Ordinance and adopted the Series 2008 Resolution and has duly authorized or ratified: (i) the execution, delivery and performance of this Bond Purchase Agreement and the issuance, sale, execution and delivery of the Series 2008 Bonds; (ii) the delivery, use and distribution of the Preliminary Official Statement and the use and 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 2008 Bonds for investment under the laws of the various states;

(e) This Bond Purchase Agreement, when executed and delivered by the parties, and the Bond Ordinance 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;

(f) The County has complied, in all material respects, with the Bond Ordinance;

(g) The Bond Ordinance creates a valid pledge of, and lien and charge upon, the Pledged Revenues to the extent set forth in the Bond Ordinance;

(h) Other than as disclosed in the Official Statement, the enactment and adoption, as applicable, by the Board and performance by the County of its obligations under the Bond Ordinance and the authorization, execution, delivery and performance of its obligations under this Bond Purchase Agreement, the Series 2008 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 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, 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 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;

(i) The Preliminary Official Statement is true, correct and complete in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(j) The financial statements and other historical financial and statistical information contained in the Official Statement fairly present the financial position and results of operations of the 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;

(k) Except as otherwise described in the Official Statement, there has been no material adverse change since September 30, 2007 in the results of operations or financial condition of the Department other than changes in the ordinary course of business;

(l) Between the time of execution of this Bond Purchase Agreement by the County and Closing, the County will not execute or issue any indebtedness secured by the Pledged Revenues superior to or on a parity with the Series 2008 Bonds;

(m) 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 Senior Manager may reasonably request to qualify the Series 2008 Bonds for offer and sale and to determine

the eligibility of the Series 2008 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 2008 Bonds for investment under the laws of the various states;

(n) 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 2008 Bonds or the collection of revenues pledged under the Bond Ordinance; (ii) in any way contesting or affecting: (1) the authority for the issuance of the Series 2008 Bonds; (2) the validity or enforceability of the Series 2008 Bonds, the Bond Ordinance, the Pledged Revenues and this Bond Purchase Agreement; or (3) the power of the Board to adopt or enact, as applicable, the Bond Ordinance, to execute and deliver the Series 2008 Bonds and this Bond Purchase Agreement, or to consummate the transactions relating to the County contemplated by the Bond Ordinance and this Bond Purchase Agreement; (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;

(o) The County will not knowingly 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 2008 Bonds under the Internal Revenue Code of 1986, as amended;

(p) 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;

(q) 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 2008 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;

(r) The description of the Series 2008 Bonds in the Official Statement conforms in all material respects to the Series 2008 Bonds;

(s) The County will apply the proceeds of the Series 2008 Bonds in accordance with the Bond Ordinance and as contemplated by the Official Statement;

(t) Neither the County nor anyone authorized to act on its behalf, directly or indirectly, has offered the Series 2008 Bonds for sale to, or solicited any offer to buy, the Series 2008 Bonds from anyone other than the Underwriters;

(u) All proceedings of the Board relating to the adoption or enactment, as applicable, of the Bond Ordinance, the approval of this Bond Purchase Agreement, the Escrow Agreement and the Official Statement and the approval and authorization of the issuance and sale of the Series 2008 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 2008 Bonds has been or will be repealed, rescinded, or revoked;

(v) During the Disclosure Period: (i) the Board will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriters shall reasonably object in writing, unless the County has obtained the opinion of Disclosure Counsel or Bond Counsel, stating that such amendment or supplement is necessary in order to make the Official Statement not misleading in light of the circumstances existing at the time that it is delivered to a purchaser; and (ii) if any event relating to or affecting the County shall occur which would or might cause the information contained in 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 required to be stated in the Official Statement or necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading, the County shall notify the Underwriters, and if as a result of which it is necessary, in the opinion of Counsel to the Underwriters, to amend or to supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, the County shall immediately prepare and furnish to the Underwriters (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriters and the County) which will amend or supplement the Official Statement so that such Official Statement, as amended or supplemented, in the reasonable opinion of the County, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading in any material respect. Unless otherwise notified in writing by the Underwriters on or prior to the Closing Date, the End of the Underwriting Period for the Series 2008 Bonds for all purposes of the Rule and Section 5(w)(ii) below, 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 2008 Bonds, provided that such period shall not extend beyond thirty days following the Closing Date;

(w) (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 to the County described in subsection (x) above, the time at which the Underwriters do not retain an unsold balance of the Series 2008 Bonds for sale to the public; and

(x) The County will comply with the continuing disclosure commitment set out in the Series 2008 Resolution, including: (i) certain annual financial information and operating data (the "Annual Information") for the periods specified in the Series 2008 Resolution, together with the 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 the Series 2008 Bonds; and (iii) timely notice of the County's inability to provide the Annual Information on or before the date specified in the Series 2008 Resolution.

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 the 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 the Closing, and are also subject, in the discretion of the Senior Manager, to the following further conditions:

(a) At Closing: (i) the Bond Ordinance 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 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 and Knight, LLP and Law Offices of Steve Bullock, P.A. ("Bond Counsel"), Hogan & Hartson LLP, Miami, Fl., McGhee & Associates LLC, Miami, Fl. and Law Offices Jose A. Villalobos, P.A. Miami, Fl. ("Disclosure Counsel") or _____ ("Counsel to the Underwriters"), be necessary in connection with the transactions contemplated by the Bond Ordinance, the Series 2008 Bonds and this Bond Purchase Agreement; (iv) the Series 2008 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, in a form acceptable to the Senior Manager;

(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 Counsel to the Underwriters, dated the Closing Date, to the effect that the Series 2008 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(iv) The opinion of Disclosure Counsel dated the Closing Date 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, engineering and statistical data included in the Official Statement, 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 Bond Ordinance satisfy the requirements contained in Rule 15c2-12(b)(i);

(v) The supplemental opinions of Bond Counsel, dated the Closing Date, in a form acceptable to the Senior Manager and the County; and

(vi) An executed copy of this Bond Purchase Agreement.

(c) At Closing, the Underwriters shall receive a certificate, dated the Closing Date signed by the Finance Director to the effect that, to the best of her knowledge, information and belief: (i) the representations and warranties of the County contained in this Bond Purchase Agreement are true and correct in all material respects as of the Closing Date as if made on the Closing Date, (ii) the County has performed all obligations to be performed under this Bond Purchase Agreement as of the Closing Date, (iii) when paid for by the Underwriters at the Closing in accordance with the provisions of this Bond Purchase Agreement, and when authenticated by the Registrar, the Series 2008 Bonds are duly authorized, executed, issued and delivered and constitute legal, valid and binding obligations of the County enforceable in accordance with their terms and the terms of the Bond Ordinance, 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 (iv) all approvals, consents and orders of and filings with any governmental authority or agency, if any, which would constitute a condition precedent to the issuance of the Series 2008 Bonds or the execution and delivery of or the performance by the County of its obligations under this Bond Purchase Agreement, the Series 2008 Bonds, or the Bond Ordinance have been obtained or made and any consents, approvals and orders so received or filings so made are in full force and effect; provided, however, that no representation or authorization is made concerning compliance with the federal securities laws or the securities or Blue Sky laws of the various states or the legality of the Series 2008 Bonds for investment under the laws of the various states;

(d) At Closing, the Underwriters shall receive a certificate, dated the Closing Date signed by the Department Director to the effect that the information in the Official Statement with respect to the Department, the Utility (as defined in the Bond Ordinance) and the Pledged Revenues is true, correct and complete in all material respects and does not contain any untrue statements of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(e) At Closing, the Underwriters shall receive a copy of the Bond Ordinance certified by the Ex-Officio Clerk or Deputy Clerk of the Board as a true and correct copy of the originals, as currently in full force and effect and as not having been otherwise amended since its enactment and adoption, as the case may be, except as provided in this Bond Purchase Agreement;

(f) At Closing, the Underwriters shall receive letters from Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Rating Group, a division of McGraw Hill Companies ("S&P") confirming that they have rated the Series 2008 Bonds "_____", "____" and "_____" respectively, and that such ratings are in effect on the Closing Date;

(g) At Closing, the Underwriters shall receive a certificate from the Paying Agent, dated the Closing Date and addressed to the Bond Counsel and the County to the effect that: (i) the Paying Agent is a national banking association, duly organized and validly existing under the laws of the United States of America and authorized to do business in the State; (ii) the Paying Agent has duly accepted its duties under the Bond Ordinance; and (iii) the Paying Agent has taken all necessary corporate actions required to act in its role as Paying Agent under the Bond Ordinance to perform its duties under each.

(h) At Closing, the Underwriters will receive two copies of the Official Statement;

(i) At Closing, the Underwriters shall receive a transcript of the proceedings relating to the authorization and issuance of the Series 2008 Bonds that shall include certified or executed copies of the Bond Ordinance, this Bond Purchase Agreement and the Escrow Agreement.

(j) At Closing, the Underwriters shall receive evidence satisfactory to the Underwriters that the Bond Insurer has issued a policy of insurance guaranteeing the timely payment of principal of and interest on the Series 2008 Bonds (the "Policy");

(k) At Closing, the Underwriters shall receive an opinion of Bond Insurer's counsel, addressed to the Underwriters and the County as to the Policy's enforceability and a certificate of an appropriate officer of the Bond Insurer to the effect that the information in the Official Statement under the caption "Municipal Bond Insurance" is true and correct in all material respects;

(l) At Closing, the Underwriters shall receive evidence of compliance with the requirements of the Master Ordinance relating to the issuance of refunding bonds in the form of the certifications required by Section 209 of the Master Ordinance;

(m) At Closing, the Underwriters shall receive a copy of the verification report prepared by _____, with respect to the sufficiency of the deposits made under the Escrow Agreement; and

(n) 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 income, for federal income tax purposes, of the interest on the Series 2008 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.

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 fails to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement, or if any representation or covenant of the County is false or breached in any material respect, 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 2008 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 2008 Bonds, or any tax exemption of the Series 2008 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 2008 Bonds or the sale, at the contemplated offering prices stated in this Bond Purchase Agreement, by the Underwriters of the Series 2008 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 or Disclosure Counsel which, in the reasonable opinion of the Senior Manager, materially adversely affects the market price for the Series 2008 Bonds or the sale, at the prices stated in this Bond Purchase Agreement, by the Underwriters of the Series 2008 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 2008 Bonds to be registered under the Securities Act of 1933, as amended, or the Series 2008 Resolution or the Master Ordinance 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 2008 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 2008 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 2008 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 2008 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 the debt obligations 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 contemplated offering prices as stated in this

Bond Purchase Agreement, by the Underwriters of the Series 2008 Bonds or (ii) the ability of the Underwriters to enforce contracts for the sale of the Series 2008 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 2008 Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Series 2008 Bonds; or

(h) Any national securities exchange, or any governmental authority, shall impose as to the Series 2008 Bonds or any obligation of the general character of the Series 2008 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 2008 Bonds, the Bond Ordinance or this Bond Purchase 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 plaintiff are without merit; or

(j) The rating of securities insured by the Bond Insurer shall have been downgraded below "_____" by Fitch, "_____" by Moody's or "_____" by S&P after the date of this Bond Purchase Agreement, or 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 the effect of which, in the opinion of the Senior Manager, is to affect materially and adversely the market prices of the Series 2008 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 2008 Bonds or their sale at the prices stated in this Bond Purchase Agreement), materially adversely affects the market price for the Series 2008 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 reasonable opinion of the Senior Manager, would have a material adverse affect on the market price of the Series 2008 Bonds or their sale at the prices stated in this Bond Purchase Agreement; or

(m) Trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such 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 2008 Bonds; (iii) the fees and charges of the Paying Agent and Escrow Agent; (iv) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Financial Advisor and of any other experts or consultants retained by the County; (v) the cost of any insurance premium or other credit enhancements; (vi) the cost of any consent letters, statements or certificates delivered by the Department's accountants or consultants; and (vii) any other cost incidental to the issuance of the Series 2008 Bonds except as described in (b) below.

(b) The Underwriters shall pay all expenses incident to their performance, including, but not limited to: (i) the cost of delivering the Series 2008 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 2008 Bonds, including the preparation, printing and separate distribution, if any, of the Blue Sky memoranda and legal investment surveys, if any.

(c) 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 proceeds of the Series 2008 Bonds will be used, together with other available funds of the Department, if any, (i) to refund the Refunded Bonds; and (ii) to pay costs incurred in connection with the issuance of the Series 2008 Bonds, including the premium for a municipal bond insurance policy.

The debt or obligation created by the Series 2008 Bonds are expected to be repaid over a period of 19 years. At a true interest cost (TIC) of 4.3666%, the total interest paid over the life of the debt obligation will be $229,595,350.38 for the Series 2008 Bonds.

The source of repayment or security for this proposal to issue the Series 2008 Bonds is exclusively limited to the Pledged Revenues. Authorizing this debt or obligation will result in amounts ranging from $16,794,043.76 to a maximum annual amount of $106,979,250.00 of the Pledged Revenues not being available to the Department to finance other services of the Department for the 19-year period that the Series 2008 Bonds are outstanding.

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, telegraphed, or delivered to:

The Underwriters:

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

with a copy to:
Suite 2810
Attention: County Attorney

and

Miami-Dade Water and Sewer Department
3071 S.W. 38th Avenue Room 506
Miami, FL 33146
Attn: Assistant Director - Finance

(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 2008 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 2008 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 provisions 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 provisions 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.

(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.

(SIGNATURE PAGES TO FOLLOW)

MORGAN KEEGAN & COMPANY, INC.,
on behalf of the Underwriters

_____

By:
Title:

Accepted as of the date first above written:

MIAMI-DADE COUNTY, FLORIDA

_____

Name: Rachel Baum, C.P.A.
Title: Finance Director

Approved as to form and legal sufficiency:

_____

Name:
Title: Assistant County Attorney

SCHEDULE I

BOND TERMS

I. THE SERIES 2008 BONDS:

Dated: Date of Delivery

Aggregate Principal Amount: $_____,000

Maturity	Coupon	Yield	Principal Amount
10/1/2008			
10/12009			
10/1/2010			
10/1/2010			
10/1/2011			
10/1/2011			
10/1/2012			
10/1/2013			
10/1/2013			
10/1/2014			
10/1/2014			
10/1/2015			
10/1/2015			
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10/1/2018			
10/1/2019			
10/1/2020			
10/1/2021			
10/1/2021			
10/1/2022			
10/1/2022			
10/1/2023			
10/1/2024			
10/1/2025			
10/1/2025			
10/1/2026			
			$_____,000

II. NET TO COUNTY AT CLOSING

	Series 2008 Bonds
Face Amount	$.00
Plus: Original Issue Premium	
Less: Underwriters' Discount	
Less: Good Faith Deposit	
Net to County	$.00

III. REDEMPTION

Optional Redemption. The Series 2008 Bonds maturing on or before October 1, 20__ shall not be subject to optional redemption prior to maturity. The Series 2008 Bonds maturing on or after October 1, 20__ shall be subject to optional redemption prior to maturity, at the option of the County, in whole or in part at any time, on or after October 1, 20__, and if in part, in maturities determined by the County and by lot within a maturity, at a redemption price equal to _____% of the principal amount of the Series 2008 Bonds to be redeemed, plus accrued interest to the date of redemption and without premium.

SCHEDULE II

DISCLOSURE LETTER

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

MIAMI-DADE COUNTY, FLORIDA
$_____,000
Water and Sewer System Revenue Refunding Bonds
Series 2008

Ladies and Gentlemen:

Pursuant to Section 218.385, Florida Statutes, and in reference to the issuance of the $344,690,000 Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2008 (the "Series 2008 Bonds"), RBC Capital Markets (the "Senior Manager"), acting on behalf of itself and Estrada Hinojosa & Company Inc., Raymond James and Associates, Inc., Rice Financial Products, and Wachovia Bank, N.A., (the "Co-Senior Managers") and Butler Wick & Co. Inc., Jackson Securities, Loop Capital Markets, LLC, M.R. Beal & Company, Morgan Keegan & Company, Inc., Samuel A. Ramirez & Co., Inc., and Siebert Brandford Shank & Co., LLC and (the "Co-Managers," collectively with the Senior Manager and the Co-Senior Managers, the "Underwriters") as named in the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated September 12_____, 2008 by and among the Underwriters and Miami-Dade County, Florida (the "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 2008 Bonds issued in the aggregate principal amount of $344,690,000. The underwriters discount to be paid to the Underwriters for the Series 2008 Bonds is $1,720,868.30.

1. Expenses estimated to be incurred by the Underwriters in connection with the issuance of the Series 2008 Bonds:

Underwriters Counsel Fees and Expenses	$
DTC/CUSIP/BMA	
Fed Funds	
Dalnet	
Courier/Communications	
Travel and other out-of-pocket 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 2008 Bonds:

None

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

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 2008 Bonds to any person not regularly employed or retained by the Underwriters:

5. The name and address of the Underwriters connected with the Series 2008 Bonds:

See attached list

Very truly yours,

By: _____

Name:
Title:

NAMES AND ADDRESSES OF THE UNDERWRITERS

EXHIBIT A

OFFICIAL STATEMENT

Exhibit E

Form of Escrow Deposit Agreement (On file with Clerk's Office)

ESCROW DEPOSIT AGREEMENT
PERTAINING TO
DADE COUNTY, FLORIDA
WATER AND SEWER SYSTEM REVENUE BONDS,
SERIES 1994

This is an Escrow Deposit Agreement dated as of _____, 2008, by and between **MIAMI-DADE COUNTY, FLORIDA,** a political subdivision of the State of Florida (the "Issuer"), and [_____], a national banking association, having trust powers, duly organized and existing under the laws of the United States of America and having a corporate office in the City of [_____], [_____], as escrow agent (the "Escrow Agent"):

WITNESSETH:

WHEREAS, the Issuer has previously issued its $437,195,000 Dade County, Florida Water and Sewer System Revenue Bonds, Series 1994, of which $415,160,000 is currently outstanding (the "1994 Bonds"), pursuant to Ordinance No. 93-134, enacted on November 16, 1993, as amended and supplemented (collectively, the "Master Ordinance") and Resolution No. R-74-94 adopted by the Board on January 18, 1994, including Appendix B thereto (the "Series 1994 Resolution"); and

WHEREAS, the Issuer wishes to make provisions for the payment of the outstanding 1994 Bonds (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 on the Refunded Bonds as the same become due or are called for redemption as required by this Agreement; and

WHEREAS, in order to deposit such amount of money in trust the Issuer has authorized and issued its $_____ Miami-Dade County, Florida Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2008 (the "Series 2008 Bonds" or the "Refunding Bonds") pursuant to Resolution No. R-_____-08, adopted on _____, 2008 (the "Series 2008 Resolution"), and has made available certain other moneys described below; and

WHEREAS, a portion of the proceeds derived from the sale of the Refunding Bonds will be applied, directly or indirectly as required under this Agreement, 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 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 set forth in this Agreement and in order to secure the payment of the principal of and interest on, with respect of the Refunded Bonds according to their tenor and effect, the Issuer does by these presents deliver to and give, grant, mortgage, assign and pledge to the Escrow Agent, and to its successors in the trusts created under this Agreement, and to it and its assigns forever, the following property:

I.

All right, title and interest of the Issuer in and to $_____, consisting of $_____ derived from the proceeds of the Series 2008 Bonds, $_____ derived from funds in the Debt Service Account held for the benefit of the Refunded Bonds and $_____ derived from other County revenues.

II.

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."

III.

All right, title and interest of the Issuer in and to all cash balances held from time to time by the Escrow Agent under this Agreement and all income and earnings derived from or accruing to the Government Obligations described in Clause II above and more particularly described in Schedule "A," attached and made a part of this Agreement, and all proceeds of such investments.

IV.

All property which is by the express provisions of this Agreement required to be subject to the pledge granted in this Agreement and any additional property of every kind and nature that may, from time to time after the date of this Agreement, 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 granted in this Agreement, by the Issuer or by anyone in its behalf, and the Escrow Agent is authorized to receive the same at any time as additional security for the purposes of this Agreement.

TO HAVE AND TO HOLD, all the same, including all additional property which by the terms of this Agreement 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, 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 set forth in this Agreement, 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 their terms and after excess funds or obligations remaining in the funds and accounts created hereunder have been transferred to the Issuer pursuant to Section 2.06 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 set forth in the following sections.

ARTICLE I
DEFINITIONS

SECTION 1.01. 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 Financial Security Assurance Inc., so long as it then insures the Refunding Bonds.

"**Debt Service Fund**" means the accounts and subaccounts under the Debt Service Fund created pursuant to Section 502 of the Master Ordinance, established pursuant to the Series 1994 Resolution, for the benefit of the Refunded Bonds.

"**Escrow Agent**" means [_____], a national banking association organized and existing under and by virtue of the laws of the United States of America, 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 2.01 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 Schedule "A" attached to this Agreement.

"**Issuer**" means **MIAMI-DADE COUNTY, FLORIDA**.

"**Master Ordinance**" means the Ordinance No. 93-134, enacted on November 16, 1993, as amended and supplemented.

"**Paying Agent**" means [JPMorgan Chase Bank (as successor to The Chase Manhattan Bank, N.A.)], or its successor as the designated Registrar and Paying Agent for the Refunded Bonds pursuant to the terms of the Master Ordinance.

"**Refunded Bonds**" mean the outstanding 1994 Bonds.

"**Refunded Bonds Redemption Date**" means October 31, 20____.

"**Refunding Bonds**" mean the Series 2008 Bonds.

"**Reserve Account**" has the meaning ascribed to it in the Master Ordinance.

"**Reserve Account Requirement**" has the meaning ascribed to it in the Master Ordinance.

"**Revenue Fund**" means the account so designated and established by Section 502 of the Master Ordinance.

"**Series 2008 Bonds**" means Miami-Dade County, Florida Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2008.

"**Series 1994 Resolution**" means Resolution No. R-74-94 adopted by the Board on January 18, 1994, pursuant to the Master Ordinance, which authorized the issuance of the Series 1994 Bonds.

"**Series 2008 Resolution**" means Resolution No. R-_____-08 adopted by the Board on _____, 2008 pursuant to the Master Ordinance, which authorized the issuance of the Series 2008 Bonds.

"**SLGS**" means the United States Treasury Obligations, State and Local Government Series.

"**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, Mayor Pro Tem, Director of Finance, or any other officer or official of the Issuer duly authorized and satisfactory to the Escrow Agent.

SECTION 1.02. 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 2.01. 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" 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 hereby deposits or has caused to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of immediately available moneys, in the amount of $_____, all of which have been immediately deposited in the Escrow Deposit Trust Fund.

(C) Of the moneys described in subsection (B) above,

(i) $_____ were immediately invested in the SLGS described in Schedule "A" hereto; and

(ii) $_____ are being held uninvested and will be applied to interest coming due on the Refunded Bonds as shown on Schedule "B" hereto.

The Issuer and the Escrow Agent have received a verification report on the date of this Agreement which establishes that the Government Obligations described in Schedule "A," together with earnings to be received thereon, and the initial cash balance will provide sufficient revenues to pay the principal of and interest on the Refunded Bonds as the same mature or are called for redemption on the Refunded Bonds Redemption Date. The total aggregate receipts from such investments are shown on Schedule "B" attached to this Agreement. The debt service on the Refunded Bonds to their respective call dates is shown on Schedule "C" attached to this Agreement.

SECTION 2.02. Irrevocable Trust Created. Except as provided in Section 4.01 of this Agreement 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 under this Agreement for the benefit of the registered owners of the Refunded Bonds as provided in this Agreement, 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 2.03. Purchase of Government Obligations. The Escrow Agent is hereby directed to immediately purchase the Government Obligations listed on Schedule "A." The Escrow Agent shall purchase the Government Obligations solely from the moneys deposited in the Escrow Deposit Trust Fund as described above. Except as provided below, cash balances received from the Government Obligations as described in Schedule "A" and the initial cash balance of $_____ as shown on Schedule "B" shall be held uninvested until applied in accordance with the terms of this Agreement.

SECTION 2.04. Redemption of Bonds; Use of Moneys in the Escrow Deposit Trust Fund.

(A) On _____, 2008, the Escrow Agent is hereby irrevocably instructed to notify the Paying Agent, [_____], Tel: [_____], Fax: [_____], of its obligation to call the Refunded Bonds on the Refunded Bonds Redemption Date at the redemption price of par plus accrued interest, in accordance with the terms of the Master Ordinance and the Series 1994 Resolution and the redemption instructions of the Issuer given to the Paying Agent concurrently with the execution hereof.

(B) As any principal of and interest on the Government Obligations set forth in Schedule "A" shall mature and is received as shown on Schedule "B," the Escrow Agent shall, no later than the interest and principal payment dates and the redemption dates with respect to the Refunded Bonds as reflected in the Master Ordinance and in the Series 1994 Resolution, transfer from the Escrow Deposit Trust Fund, to the Paying Agent for the Refunded Bonds amounts sufficient to pay the principal of and interest on the Refunded Bonds on the Refunded Bonds Redemption Date, as shown on Schedule "C." Such amounts shall be applied by said Paying Agent to pay the principal of and interest on the Refunded Bonds. Except as otherwise provided in this Agreement, all cash balances remaining from time to time in the Escrow Deposit Trust Fund, as described in Schedule "B" 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 upon its written request for deposit into the Series 2008 Bond Service Subaccount (as defined in the Series 2008 Resolution) as contemplated in Section 2.06 below.

SECTION 2.05. 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 provided in this Agreement. The Escrow Agent, at the written direction of the Issuer, may 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 to this Agreement 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 2.05 shall be transferred to the Issuer 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 2.06. 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 and interest 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 upon its written request by the Escrow Agent and deposited in the Series 2008 Bond Service Subaccount under the Master Ordinance and the Series 2008 Resolution 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 and interest on the Refunded Bonds have been paid.

SECTION 2.07. 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 from the Department 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 Schedule "A" to this Agreement

and the Issuer funds the resulting deficiency pursuant to this Section 2.07, the Issuer shall be entitled to reimbursement from the Escrow Agent 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 3.01. Appointment of Escrow Agent. The Issuer hereby appoints [_____], City of [_____],[_____], as Escrow Agent under this Agreement.

SECTION 3.02. Acceptance by Escrow Agent. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. 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 under this Agreement.

SECTION 3.03. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement 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 provided in this Agreement, 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 3.04. 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 3.05. 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 and by publishing notice thereof, specifying the date when such resignation will take effect, at least once not less than sixty (60) days before such resignation is to take effect in a newspaper printed in the English language and of general circulation in Miami-Dade County, Florida, 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 3.06. 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 five percent (5%) 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 3.07. 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 3.08. Receipt of Proceedings. Receipt of true and correct copies of the Master Ordinance, the Series 1994 Resolution and the Series 2008 Resolution 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 3.09. 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 4.01. 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 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 and interest on 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 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 to this Agreement at the time of its execution, the Government Obligations described in Schedule "A" (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 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 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 Schedule "A" for all purposes hereof.

If securities are substituted pursuant to this Section 4.01 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 Series 2008 Bond Service Subaccount in Debt Service Fund or if the Issuer is then in default under the Master Ordinance, the Revenue Fund created and established by the Master Ordinance and used for the purpose described therein.

SECTION 4.02. 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 4.03. 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 4.04. 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 4.05. 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 4.06. 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 _____, 2008.

MIAMI-DADE COUNTY, FLORIDA

(SEAL)

By_____
Rachel E. Baum, CPA
Finance Director

Attested and countersigned

By_____
Deputy Clerk

[_____]

By_____
Authorized Officer

(SEAL)

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