NEW ISSUE – BOOK-ENTRY ONLY **RATINGS: *See* "RATINGS" herein**

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming continuing compliance with certain covenants and the accuracy of certain representations, (a) interest on the Series 2010 Bonds will be excludable from gross income for federal income tax purposes, (b) interest on the Series 2010 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and such interest on the Series 2010 Bonds will not be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations, and (c) the Series 2010 Bonds and the income thereon will not be subject to taxation under the laws of the State of Florida, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein. For a more complete discussion of the tax aspects, see "TAX MATTERS."

$239,755,000
MIAMI-DADE COUNTY, FLORIDA
Double-Barreled Aviation Bonds (General Obligation)
Series 2010

Dated: Date of delivery **Due: July 1, as shown on inside cover page**

Miami-Dade County, Florida (the "County") is issuing its $239,755,000 Double-Barreled Aviation Bonds (General Obligation), Series 2010 (the "Series 2010 Bonds"). The Series 2010 Bonds are being issued as fully registered bonds, initially registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2010 Bonds. So long as the Series 2010 Bonds are in book-entry form, purchases of beneficial interests in the Series 2010 Bonds will be made in book-entry only form, without certificates, in denominations of $5,000 or integral multiples of $5,000. See "THE SERIES 2010 BONDS."

Interest on the Series 2010 Bonds will accrue from their date of delivery and will be payable on January 1 and July 1 of each year, commencing July 1, 2010.

Principal of and interest on the Series 2010 Bonds will be payable at the principal corporate trust office of U.S. Bank National Association, as Registrar and Paying Agent ("Registrar" or "Paying Agent"). So long as DTC or its nominee is the registered owner of the Series 2010 Bonds, payments of the principal of and interest on the Series 2010 Bonds will be paid directly to DTC or its nominee, and disbursements of such payments to beneficial owners will be the responsibility of DTC and its participants. See "THE SERIES 2010 BONDS – Book-Entry Only System." The Series 2010 Bonds will be subject to optional and mandatory redemption prior to maturity at the prices, in the manner and at such times as set forth in this Official Statement. See "THE SERIES 2010 BONDS – Redemption."

Proceeds of the Series 2010 Bonds will be used for (a) financing or reimbursing the County for costs of the acquisition, construction, improvement and/or installation by the County's Aviation Department (the "Aviation Department") of its MIA Mover Program and a portion of its North Terminal Program (collectively, the "Projects"); (b) making a deposit to the Reserve Account for the Series 2010 Bonds; (c) paying capitalized interest on the Series 2010 Bonds through July 1, 2011; and (d) paying certain costs of issuance relating to the Series 2010 Bonds.

The Series 2010 Bonds are payable first from the "Net Available Airport Revenues" (as defined herein). **Additionally, the Series 2010 Bonds are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitation as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2010 Bonds.**

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

This cover page contains information for quick reference only. It is not a summary of the Series 2010 Bonds. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2010 Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the delivery of an opinion as to legality by Greenberg Traurig, P.A., Miami, Florida, and Edwards & Associates, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain other legal matters relating to disclosure will be passed upon for the County by Hunton & Williams LLP, Miami, Florida, and Law Offices Thomas H. Williams, Jr., P.L., Miami, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Akerman Senterfitt, Miami, Florida. The Financial Advisors to the Aviation Department are First Southwest Company, Aventura, Florida, and Frasca & Associates, L.L.C., New York, New York. It is expected that the Series 2010 Bonds will be available for delivery through DTC in New York, New York on or about March 4, 2010.

Morgan Stanley

J.P. Morgan M.R. Beal & Company Rice Financial Products Company Stifel, Nicolaus & Company, Incorporated

Estrada Hinojosa & Company, Inc. Goldman, Sachs & Co. Jackson Securities Morgan Keegan & Company, Inc.

Ramirez & Co., Inc. Siebert Brandford Shank & Co., LLC Wells Fargo Securities

Dated: February 10, 2010

MATURITIES, PRINCIPAL AMOUNTS, INITIAL CUSIP NUMBERS[(1)], INTEREST RATES, AND YIELDS OF THE SERIES 2010 BONDS

DOUBLE-BARRELED AVIATION BONDS (GENERAL OBLIGATION), SERIES 2010

$129,995,000 Serial Series 2010 Bonds

Maturity (July 1)	Principal Amount	Initial CUSIP No.[(1)]	Interest Rate	Yield	Maturity (July 1)	Principal Amount	Initial CUSIP No.[(1)]	Interest Rate	Yield
2012	$3,945,000	59333FJY7	2.00%	1.11%	2023	$6,160,000	59333FKK5	5.00%	3.96%*
2013	4,025,000	59333FJZ4	4.00	1.40	2024	2,625,000	59333FKL3	4.00	4.05
2014	4,185,000	59333FKA7	5.00	1.72	2024	3,845,000	59333FKX7	5.00	4.05*
2015	4,395,000	59333FKB5	4.00	2.17	2025	6,765,000	59333FKM1	5.00	4.14*
2016	4,570,000	59333FKC3	2.70	2.70	2026	7,105,000	59333FKN9	5.00	4.25*
2017	4,695,000	59333FKD1	5.00	3.00	2027	7,460,000	59333FKP4	5.00	4.34*
2018	4,930,000	59333FKE9	5.00	3.27	2028	7,835,000	59333FKQ2	5.00	4.43*
2019	4,095,000	59333FKF6	3.50	3.50	2029	8,225,000	59333FKR0	5.00	4.52*
2019	1,080,000	59333FKW9	5.00	3.50	2030	415,000	59333FKS8	4.50	4.59
2020	5,375,000	59333FKG4	4.00	3.64	2030	8,220,000	59333FKY5	5.00	4.59*
2021	5,590,000	59333FKH2	5.00	3.72*	2031	9,065,000	59333FKU3	5.00	4.66*
2022	5,870,000	59333FKJ8	5.00	3.84*	2032	9,520,000	59333FKV1	5.00	4.72*

$20,465,000 4.75% Term Bonds due July 1, 2034, Yield 4.85%, Initial CUSIP No.[(1)] 59333FKZ2
$89,295,000 5.00% Term Bonds due July 1, 2041, Yield 4.95%*, Initial CUSIP No.[(1)] 59333FKT6

*Yield to first optional call date of July 1, 2020.

(1)The County is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

MIAMI-DADE COUNTY, FLORIDA
Carlos Alvarez, Mayor

MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS
Dennis C. Moss, Chairman
José "Pepe" Diaz, Vice Chairman

Barbara J. Jordan, District 1
Dorrin D. Rolle, District 2
Audrey M. Edmonson, District 3
Sally A. Heyman, District 4
Bruno A. Barreiro, District 5
Rebecca Sosa, District 6
Carlos A. Gimenez, District 7
Katy Sorenson, District 8
Dennis C. Moss, District 9
Sen. Javier D. Souto, District 10
Joe A. Martinez, District 11
José "Pepe" Diaz, District 12
Natacha Seijas, District 13

COUNTY CLERK
Harvey Ruvin

COUNTY MANAGER
George M. Burgess

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

FINANCE DIRECTOR
Carter Hammer

AVIATION DEPARTMENT
José Abreu, P.E.
Aviation Director

Miguel A. Southwell
Deputy Aviation Director

Anne Syrcle Lee
Chief Financial Officer

Robin D. Pearsall
Capital Finance Manager

BOND COUNSEL
Greenberg Traurig, P.A.
Miami, Florida

Edwards & Associates, P.A.
Miami, Florida

DISCLOSURE COUNSEL
Hunton & Williams LLP
Miami, Florida

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

FINANCIAL ADVISORS
First Southwest Company
Aventura, Florida

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

CONSULTING ENGINEERS
HNTB Corporation
Miami, Florida

TRAFFIC ENGINEERS
Jacobs Consultancy, Inc.
Burlingame, California

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
KPMG LLP
Fort Lauderdale, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY, THE AVIATION DEPARTMENT OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN AS SET FORTH IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY, THE AVIATION DEPARTMENT OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SERIES 2010 BONDS BY A PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE SERIES 2010 BONDS.

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

THE SERIES 2010 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAVE THE ORDINANCE, THE 2010 RESOLUTION OR THE AUTHORIZATIONS DESCRIBED IN THIS OFFICIAL STATEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY UPON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2010 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER OR YIELDS HIGHER THAN THE PUBLIC OFFERING YIELDS REFLECTED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING YIELDS MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

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 OF REFERENCE 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 2010 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTIONS "ESTIMATED SOURCES AND USES OF FUNDS," "CERTAIN INVESTMENT CONSIDERATIONS AFFECTING NET AVAILABLE AIRPORT REVENUES," "AVIATION DEPARTMENT FINANCIAL INFORMATION – MANAGEMENT'S DISCUSSION OF FINANCIAL INFORMATION," AND "APPENDIX A — REPORT OF THE TRAFFIC ENGINEERS" IN THIS OFFICIAL STATEMENT. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. AMONG THE FACTORS THAT MAY CAUSE PROJECTED REVENUES AND EXPENDITURES TO BE MATERIALLY DIFFERENT FROM THOSE ANTICIPATED ARE AN INABILITY TO INCUR DEBT AT ASSUMED RATES, CONSTRUCTION DELAYS, INCREASES IN CONSTRUCTION COSTS, GENERAL ECONOMIC DOWNTURNS, FACTORS AFFECTING THE AIRLINE INDUSTRY IN GENERAL, FEDERAL LEGISLATION AND/OR REGULATIONS, AND REGULATORY AND OTHER RESTRICTIONS, INCLUDING, BUT NOT LIMITED TO, THOSE THAT MAY AFFECT THE ABILITY TO UNDERTAKE, THE TIMING OR THE COSTS OF CERTAIN PROJECTS. ANY FORECAST IS SUBJECT TO SUCH UNCERTAINTIES. THEREFORE, THERE ARE LIKELY TO BE DIFFERENCES BETWEEN FORECASTS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL. OTHER THAN THE CUSTOMARY FINANCIAL REPORTING ACTIVITIES OF THE COUNTY AND THE AVIATION DEPARTMENT OR REPORTING ACTIVITIES NECESSARY TO COMPLY WITH LEGAL OR CONTRACTUAL REQUIREMENTS, NEITHER THE COUNTY NOR THE AVIATION DEPARTMENT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN (i) THE EXPECTATIONS OF THE COUNTY OR THE AVIATION DEPARTMENT CHANGE, OR (ii) THE EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH FORWARD-LOOKING STATEMENTS ARE BASED ACTUALLY OCCUR OR FAIL TO OCCUR.

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OFFICIAL STATEMENT

relating to

$239,755,000

MIAMI-DADE COUNTY, FLORIDA

Double-Barreled Aviation Bonds (General Obligation)

Series 2010

INTRODUCTORY STATEMENT

This Official Statement of Miami-Dade County, Florida (the "County"), which includes the cover page, the inside cover page and the Appendices, furnishes (1) information in regard to the Port Authority Properties ("Port Authority Properties") and other assets owned by the County and operated by the Miami-Dade County Aviation Department (the "Aviation Department"), (2) information regarding the County and its ad valorem tax revenues, and (3) other information in connection with the issuance and sale of the County's $239,755,000 Double-Barreled Aviation Bonds (General Obligation), Series 2010 (the "Series 2010 Bonds").

The Series 2010 Bonds are being issued pursuant to (1) Chapters 125 and 166, Florida Statutes (the "Act"); (2) Resolution No. R-1122-86 adopted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on September 2, 1986, calling for a Special Election to submit to the electors in the County the question of whether general obligation bonds of the County in an amount not to exceed $247,500,000 should be authorized to finance certain capital improvements at County owned and operated airports; (3) Ordinance No. 86-75 (the "Ordinance"), enacted by the Board on October 14, 1986, authorizing the issuance of general obligation bonds for such purpose, subject to the approval of the electorate at the Special Election; (4) the approval of such authorization by the electorate at the Special Election on November 4, 1986; and (5) Resolution No. R-1346-09 (the "2010 Resolution"), adopted by the Board on December 1, 2009, authorizing the issuance of the Series 2010 Bonds. See "APPENDIX G – THE 2010 RESOLUTION."

The Series 2010 Bonds are being issued to provide long-term financing for certain capital improvements comprising a part of the Capital Improvement Program (the "CIP") for the County's Aviation Department (the "Aviation Department") described in this Official Statement. See "CAPITAL IMPROVEMENT PROGRAM" and "FUNDING SOURCES FOR THE CIP." Proceeds of the Series 2010 Bonds will be used for (1) financing or reimbursing the County for costs of the acquisition, construction, improvement and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Program (collectively, the "Projects"); (2) making a deposit to the Reserve Account for the Series 2010 Bonds; (3) paying capitalized interest on the Series 2010 Bonds through July 1, 2011; and (4) paying certain costs of issuance relating to the Series 2010 Bonds.

The Series 2010 Bonds are payable first from Net Available Airport Revenues (as hereinafter defined), which revenues are generated primarily from the Port Authority Properties. See "SECURITY FOR THE SERIES 2010 BONDS – Net Available Airport Revenues." The major components of the Port Authority Properties are (1) the terminals, grounds, runways and taxiways of (a) the Miami International Airport (the "Airport" or "MIA"), (b) three general aviation airports (Opa-locka Executive Airport, Homestead General Aviation Airport and Kendall-Tamiami Executive Airport), (c) one flight training airport (Dade-Collier Training and Transition Airport), and (d) one decommissioned airport (Opa-locka West Airport), and (2) all improvements of, or other projects at, the County's airports designated as Port Authority Properties pursuant to the Senior Trust Agreement (hereinafter defined), pursuant to which the County has issued senior aviation revenue bonds. **The Series 2010 Bonds will not be issued under, or secured by, the Senior Trust Agreement and the Series 2010 Bond holders will have no right to the security afforded thereby. See "SECURITY FOR THE SERIES 2010 BONDS."**

The Series 2010 Bonds additionally are a general obligation of the County, secured by the full faith, credit and taxing power of the County. The Series 2010 Bonds are payable from ad valorem taxes levied on all taxable property in the County, without limitation as to rate or amount, to the extent that Net Available Airport Revenues are insufficient to pay debt service on the Series 2010 Bonds.

The Airport is located approximately seven miles west of the downtown area of the City of Miami and includes approximately 3,300 acres and approximately 184 buildings. The Airport provides service to virtually every capital and secondary city/business center in the Latin American/Caribbean region and to many major business centers in Europe. For the 11 months through November 2009, a total of 30,862,609 passengers traveled through the Airport. The entire airport system operated by the County is referred herein as the "Airport System." See "AIRPORT SYSTEM FACILITIES."

This Official Statement contains descriptions of, among other matters, the Series 2010 Bonds, the 2010 Resolution, the Aviation Department, the Airport, its facilities and operations, the CIP and the County, including its ad valorem taxation. Such descriptions do not purport to be comprehensive or definitive. Certain information in this Official Statement has been provided by The Depository Trust Company ("DTC"). The County has not provided information in this Official Statement with respect to DTC, and the County does not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and is not responsible for the information provided by DTC. All references in this Official Statement to the 2010 Resolution and related documents are qualified in their entirety by reference to such documents, and references in this Official Statement to the Series 2010 Bonds are qualified in their entirety by reference to the form of the Series 2010 Bonds included in the 2010 Resolution.

The Report of the Traffic Engineers is included as APPENDIX A. Audited financial statements of the Aviation Department for the fiscal years ended September 30, 2008 and September 30, 2007 are included as APPENDIX B. Unaudited financial statements of the Aviation Department for the fiscal year ended September 30, 2009 are included as APPENDIX C. General information relating to the County is included as APPENDIX D. Audited financial statements of the County for the fiscal year ended September 30, 2008 are included as APPENDIX E. Unaudited General Fund Financial Statements (a major governmental fund of Miami-Dade County) for the Fiscal Year ended September 30, 2009 are included as APPENDIX F. A copy of the 2010 Resolution is included as APPENDIX G. A summary of certain provisions of the Senior Trust Agreement is included as APPENDIX H. A summary of certain provisions of the Airline Use Agreement is included as APPENDIX I. The opinions in substantially final form to be delivered by Greenberg Traurig, P.A., and Edwards & Associates, P.A., Bond Counsel, are included as APPENDIX J. The opinions in substantially final form to be delivered by Hunton & Williams LLP and Law Offices Thomas H. Williams, Jr., P.L. Disclosure Counsel, are included as APPENDIX K.

All capitalized terms not otherwise defined in this Official Statement shall have the meanings ascribed to them in the 2010 Resolution. See APPENDIX G – THE 2010 RESOLUTION for definitions of certain of those terms.

PLAN OF FINANCING

The proceeds of the Series 2010 Bonds will be used for financing or reimbursing the County for costs of the acquisition, construction, improvement and/or installation by the Aviation Department of its MIA Mover Program and a portion of its North Terminal Program (collectively, the "Projects"). The proceeds of the Series 2010 Bonds also will be used for making a deposit to the Reserve Account, paying capitalized interest on the Series 2010 Bonds through July 1, 2011 and paying the costs of issuance relating to the Series 2010 Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the sale of the Series 2010 Bonds are expected to be applied as follows:

	Series 2010 Bonds
SOURCES OF FUNDS:	
Aggregate Par Amount	$239,755,000.00
Plus: Original Issue Premium	8,051,762.35
Less: Original Issue Discount	(311,041.10)
TOTAL SOURCES	$247,495,721.25
USES OF FUNDS:	
Deposit to Acquisition Account	
Projects	$214,778,347.38
Capitalized Interest[1]	15,218,191.44
Deposit to Reserve Account for the Series 2010 Bonds	15,434,750.00
Underwriters' Discount	1,260,432.43
Costs of Issuance	804,000.00
TOTAL USES	$274,495,721.25

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(1) Consists of capitalized interest on the Series 2010 Bonds through July 1, 2011.

THE SERIES 2010 BONDS

General

The Series 2010 Bonds will be dated the date of their delivery, will bear interest at such rates, will be payable at such times, will mature on the dates and will be issued in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2010 Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 2010. U.S. Bank National Association will act as Registrar and Paying Agent. The Series 2010 Bonds will be subject to optional and mandatory redemption as described in this Official Statement. The Series 2010 Bonds are being issued as fully registered bonds in denominations of $5,000 or any integral multiple of $5,000, and when issued will be initially registered in the name of Cede & Co., as nominee of DTC. Purchases of beneficial interests in the Series 2010 Bonds will be made in book-entry only form, without certificates. If the book-entry only system is discontinued, such beneficial interests are exchangeable for one or more fully registered bonds of like principal amount.

So long as any of the Series 2010 Bonds are in book-entry only form, the registered owner of the Series 2010 Bonds will be Cede & Co. for all purposes and the principal of and interest on the Series 2010 Bonds will be payable as described under "THE SERIES 2010 BONDS — Book-Entry Only System" below.

Redemption

The Series 2010 Bonds are subject to optional and mandatory redemption prior to their stated maturity, as set forth below.

Optional Redemption

The Series 2010 Bonds maturing on or before July 1, 2020 shall not be subject to optional redemption prior to maturity. The Series 2010 Bonds maturing on or after July 1, 2021 may be redeemed prior to their respective maturities at the option of the County, upon at least 15 days' notice, either in whole or in part, from any moneys that may be available for such purpose, on any date on or after July 1, 2020, at a redemption price equal to 100% of the principal amount of such Series 2010 Bonds or portion of such Series 2010 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Mandatory Redemption

The Series 2010 Bonds in the principal amount of $20,465,000 maturing on July 1, 2034 are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2010 Bonds, plus accrued interest, without premium, in the following principal amounts on July 1 of the years set forth below:

Year	Amount
2033	$ 9,995,000
2034*	10,470,000

* Final Maturity

The Series 2010 Bonds in the principal amount of $89,295,000 maturing on July 1, 2041 are subject to mandatory redemption prior to maturity at a redemption price equal to the principal amount of such Series 2010 Bonds, plus accrued interest, without premium, in the following principal amounts on July 1 of the years set forth below:

Year	Amount
2035	$10,970,000
2036	11,515,000
2037	12,090,000
2038	12,695,000
2039	13,330,000
2040	14,000,000
2041*	14,695,000

* Final Maturity

Notice and Effect of Redemption

In the event of a partial redemption of the Series 2010 Bonds, the Series 2010 Bonds may be redeemed in any order of maturity determined by the County. If less than all of any Series of the Series 2010 Bonds of any one maturity shall be called for redemption, the particular Series 2010 Bonds to be redeemed shall be selected by lot by the Registrar and Paying Agent by such method as it considers proper in its discretion. However, so long as the Series 2010 Bonds are fully registered in book-entry form and registered in the name of Cede & Co. (DTC's partnership nominee), the provisions for selecting Series 2010 Bonds for redemption may be altered in order to conform to the requirements of DTC.

Notice of the proposed redemption of any Series 2010 Bonds shall be mailed, postage prepaid, to Cede & Co., as nominee of DTC, as registered owner of the Series 2010 Bonds, or, if DTC is no longer the registered owner of the Series 2010 Bonds, to the then registered owners of the Series 2010 Bonds, as applicable, which notice shall be mailed at least 15 days prior to the date fixed for redemption (the "Redemption Date").

The 2010 Resolution states that, in the case of an optional redemption, the notice of redemption may state that (i) the redemption is conditioned on the receipt of moneys for such redemption by the Paying Agent on or prior to the Redemption Date, (ii) the County retains the right to rescind such notice on or prior to the scheduled Redemption Date and (iii) 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, and the Paying Agent shall give notice of such rescission to the affected holders of Series 2010 Bonds no later than the second Business Day following its receipt of said written direction from the County. In the event that a conditional notice of redemption is given and (i) the redemption has been rescinded, or (ii) if moneys sufficient to pay the Redemption Price are not timely received by the Paying Agent, then the redemption for which such notice was given shall not be undertaken and the related Series 2010 Bonds 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 Paying Agent shall give immediate notice to the affected holders of Series 2010 Bonds that the redemption did not occur and that the Series 2010 Bonds called for redemption and not so paid remain Outstanding.

No interest shall accrue after the Redemption Date of any Series 2010 Bonds if notice has been duly given as provided in the 2010 Resolution and payment for the Series 2010 Bonds has been duly provided, and in such event, the Series 2010 Bonds (or portion of such Series 2010 Bonds) called for redemption will no longer be protected by the 2010 Resolution. The failure to mail a notice of redemption as required in the 2010 Resolution shall not affect the validity of the proceedings for such redemption.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2010 Bond certificate will be issued for each maturity of the Series 2010 Bonds as set forth in the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2010 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 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 2010 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 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 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 2010 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2010 Bond documents. For example, Beneficial Owners of Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and interest payments on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and interest, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

NEITHER THE COUNTY NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2010 BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2010 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS OF SERIES 2010 BONDS UNDER THE 2010 RESOLUTION, THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2010 BONDS, OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2010 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE HOLDERS OF SERIES 2010 BONDS OR REGISTERED OWNERS OF THE SERIES 2010 BONDS SHALL MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2010 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 2010 Bond certificates, the County may notify DTC and the Registrar, whereupon DTC will notify the DTC Participants, of the availability through DTC of Series 2010 Bond certificates. In such event, the County shall prepare and execute, and the Registrar shall authenticate, transfer and exchange, Series 2010 Bond certificates as requested by DTC in appropriate amounts and within the guidelines set forth in the 2010 Resolution. DTC may also determine to discontinue providing its services with respect to the Series 2010 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 2010 Bond certificates as described herein. In the event Series 2010 Bond certificates are issued, the provisions of the 2010 Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the 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

2010 Bonds to any DTC Participant having Series 2010 Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2010 Bonds.

SECURITY FOR THE SERIES 2010 BONDS

The Series 2010 Bonds are payable first from the Net Available Airport Revenues and, to the extent that Net Available Airport Revenues are insufficient, are additionally secured by the full faith, credit and taxing power of the County, which full faith, credit and taxing power is irrevocably pledged to the punctual payment of the Principal and Interest Requirements for the Series 2010 Bonds as the same shall become due and payable. This security structure is created under the 2010 Resolution by the County's pledge to the payment of the Series 2010 Bonds of all "Pledged Revenues," which consist of both (1) "Net Available Airport Revenues" (as further described below) and (2) the proceeds of the County's ad valorem tax levy actually deposited into the Debt Service Account or the Reserve Account created under the 2010 Resolution. Payment is further secured by a Reserve Account containing an amount equal to maximum Principal and Interest Requirements on all Series 2010 Bonds payable in any fiscal year (the "Reserve Account Requirement"). In connection with the issuance of the Series 2010 Bonds, the County has entered into a rate covenant to produce Net Available Airport Revenues sufficient to pay all debt service on the Series 2010 Bonds and related deposits. See "Rate Covenant for Series 2010 Bonds."

Net Available Airport Revenues.

The 2010 Resolution defines "Net Available Airport Revenues" as any unencumbered funds held for the credit of the Improvement Fund (the "Improvement Fund") created under the Senior Trust Agreement after the payment of all obligations of the County pertaining to the County Airports which are payable pursuant to, and subject to the restrictions of (i) the Senior Trust Agreement, (ii) any Airline Use Agreement then in effect or (iii) any other indenture, trust agreement or contract. The 2010 Resolution requires the County to deposit on the last Business Day of every month all then available Net Available Airport Revenues (1) into the Debt Service Account until the amount therein equals the Principal and Interest Requirements on the Series 2010 Bonds for the then current Fiscal Year and (2) into the Reserve Account until the amount therein equals the Reserve Account Requirement, which is maximum Principal and Interest Requirements on all outstanding Series 2010 Bonds.

Relationship to Senior Trust Agreement for Senior Aviation Revenue Bonds

To finance costs of the CIP, the County has issued aviation revenue bonds (collectively "Senior Aviation Revenue Bonds") pursuant to the Amended and Restated Trust Agreement dated as of December 15, 2002 (the "Senior Trust Agreement") by and among the County, The Bank of New York Mellon (successor in interest to JPMorgan Chase Bank), as trustee (the "Senior Trustee"), and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association), as co-trustee (the "Senior Co-Trustee"). The current outstanding amount of Senior Aviation Revenue Bonds is $5,603,745,000. The County currently expects to issue approximately $388,000,000 in additional Senior Aviation Revenue Bonds later in 2010, although the principal amount may be increased to cover certain currently unresolved cost issues. See "CAPITAL IMPROVEMENT PROGRAM — Cost Increases, Claims, Delays and Related Risks."

Net Available Airport Revenues will exist and be available for payment of the Series 2010 Bonds only to the extent that the Revenues of the Airport and other Port Authority Properties remain after their use under the Senior Trust Agreement for payment of the Senior Aviation Revenue Bonds, operating expenses of the Airport and other Port Authority Properties and other prescribed or permitted uses.

Reference is made to Appendix A "REPORT OF THE TRAFFIC ENGINEERS — Application of Revenues" for a description of the flow of funds under the Senior Trust Agreement.

Use of Improvement Fund Revenues and Payment of Series 2010 Bonds.

The 2010 Resolution requires the County to deposit Net Available Airport Revenues into the Debt Service Account for payment of the Series 2010 Bonds and the funding, if required, of the Reserve Account Requirement (see below "Flow of Funds Under 2010 Resolution"). Under the terms of the Senior Trust Agreement, moneys in the Improvement Fund may be disbursed by the County from time to time for any airport or airport related purpose and for the retirement of any Senior Aviation Revenue Bonds or pledged to any bonds or other obligations issued or assumed by the County in the future. Interest on the County's Aviation Commercial Paper Notes outstanding from time to time and certain related payments are also secured by amounts in the Improvement Fund. Moneys in the Improvement Fund are also used to fund the Aviation Capital Account and its two subaccounts. Funds in the Improvement Fund, therefore, are both pledged to and available for other uses than payment of the Series 2010 Bonds, and the County has broad discretion in the use of such funds. Further, funds in the

Improvement Fund do not secure and are not pledged to the payment of the Series 2010 Bonds unless and until such moneys are deposited in the Debt Service Account or the Reserve Account for the Series 2010 Bonds. See APPENDIX H "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR TRUST AGREEMENT" and APPENDIX A "TRAFFIC ENGINEERS REPORT."

The 2010 Resolution, however, requires the County on the last Business Day of each month, to use all amounts in the Improvement Fund for deposit into the Debt Service Account and the Reserve Account for the Series 2010 Bonds until (1) the amount in the Debt Service Account equals 100% of the Principal and Interest Requirements for the Series 2010 Bonds for the current Fiscal Year and (2) the amount in the Reserve Account equals the full amount of the Reserve Account Requirement, which is maximum Principal and Interest Requirements on the Series 2010 Bonds payable in any Fiscal Year. See below "Flow of Funds Under 2010 Resolution."

Rate Covenant for Series 2010 Bonds

The County has covenanted in the 2010 Resolution that it will at all times fix, charge and collect rates and charges for the use of and for the services and facilities furnished by the Port Authority Properties, and that from time to time, and as often as it shall appear necessary, it will revise such rates and charges as may be necessary or proper, in order that the Net Available Airport Revenues will at all times be sufficient to satisfy the deposit requirements for the Debt Service Account and Reserve Account set forth in the 2010 Resolution and all other financial obligations of the County under the 2010 Resolution. Pursuant to the current Airline Use Agreement, debt service on the Series 2010 Bonds is included in rates, fees and charges for the Port Authority Properties. See "AIRLINE USE AGREEMENT."

Information regarding the operation of MIA and the other Port Authority Properties that are the source of Net Available Airport Revenues and related financial information are provided in this Official Statement under the headings "AIRPORT SYSTEM FACILITIES," "AIRPORT TRAFFIC ACTIVITY" and "AVIATION DEPARTMENT FINANCIAL INFORMATION." See also "CERTAIN INVESTMENT CONSIDERATIONS AFFECTING NET AVAILABLE AIRPORT REVENUES."

General Obligation Pledge

The Series 2010 Bonds constitute a general obligation of the County, and, in addition to being secured by the Net Available Airport Revenues, are secured by the full faith and credit of the County. The 2010 Resolution provides that the Series 2010 Bonds are payable first from the Net Available Airport Revenues, but if and to the extent that the amounts on deposit in the Debt Service Account and the Reserve Account are insufficient on July 1 of such Fiscal Year to pay the Principal and Interest Requirements on the Series 2010 Bonds through the end of the next succeeding Fiscal Year as the same shall become due and payable, the County will assess, levy and collect an ad valorem tax, without limitation as to rate or amount, on all taxable property within the corporate limits of the County (excluding exemptions as provided by applicable law), in addition to all other taxes, in an amount sufficient, when combined with the amounts on deposit in the Debt Service Account and the Reserve Account, to pay the Principal and Interest Requirements on the Series 2010 Bonds as the same shall become due and payable through the end of the next succeeding Fiscal Year. The ad valorem tax pledged to the payment of the Series 2010 Bonds shall be assessed, levied and collected and the proceeds of such ad valorem tax shall be applied solely to the payment of the Principal and Interest Requirements on the Series 2010 Bonds. See "COUNTY AD VALOREM TAXATION" below for a description of the procedures for the levying and collection of ad valorem taxes. Such method will be used to impose ad valorem taxes sufficient to pay the Principal and Interest Requirements on the Series 2010 Bonds to the extent that the amounts on deposit in the Debt Service Account and the Reserve Account are insufficient therefor. The County has covenanted in the 2010 Resolution not to take any action that will impair or adversely affect its rights to levy, collect and receive said ad valorem tax, or impair or adversely affect in any manner the pledge made in the 2010 Resolution or the rights of the Series 2010 Bondholders.

The Senior Aviation Revenue Bonds are not secured by the County's general obligation pledge.

Information regarding the County, its ad valorem taxation system and related financial information is provided in this Official Statement, including in "COUNTY AD VALOREM TAXATION," "THE COUNTY" and "COUNTY INVESTMENT POLICY."

Reserve Account for Series 2010 Bonds

The 2010 Resolution creates a Reserve Account to secure payment of the Series 2010 Bonds. Upon the issuance of the Series 2010 Bonds, proceeds thereof will be deposited into the Reserve Account in the amount of the Reserve Account Requirement, which is an amount equal to the maximum Principal and Interest Requirements on the Series 2010 Bonds payable in any Fiscal Year. As described in the subsection below, the County is obligated to restore any deficit in the Reserve Account with Net Available Airport Revenues.

Flow of Funds Under 2010 Resolution

The 2010 Resolution creates the Double Barreled Aviation Bonds (General Obligation), Series 2010, Debt Service Account (the "Debt Service Account") and the "Double Barreled Aviation Bonds (General Obligation), Series 2010, Reserve Account (the "Reserve Account"). The Debt Service Account and the Reserve Account constitute trust funds for the purposes provided in the 2010 Resolution and held by the Aviation Department in an Authorized Depository designated by the Aviation Director, in trust for the benefit of, and subject to a lien and charge in favor of, the Registered Owners of the Series 2010 Bonds, and shall at all times be kept separate and distinct from all other funds of the County and used only as provided in the 2010 Resolution.

The 2010 Resolution provides that on the last Business Day of every month the County shall deposit Net Available Airport Revenues into the Debt Service Account and the Reserve Account to the extent needed to satisfy the cumulative deposit requirements described in clauses (i) and (ii) below:

(i) first, to the credit of the Debt Service Account until the amounts on deposit in the Debt Service Account equal the Principal and Interest Requirements on the Series 2010 Bonds for such Fiscal Year; and

(ii) second, to the credit of the Reserve Account, until the amounts on deposit therein (including amounts available under any Reserve Facility) are equal to the Reserve Account Requirement.

The County may, in lieu of cash funding the Reserve Account for the Series 2010 Bonds, substitute a Reserve Facility issued by a Credit Facility Provider in an amount equal to the Reserve Account Requirement with respect to such Series 2010 Bonds. Such Reserve Facility as provided above must provide that if a deficiency exists in the Debt Service Account with respect to the principal of or interest due on the Series 2010 Bonds which cannot be cured by funds in any other account held pursuant to the 2010 Resolution and available for such purpose, the provider of such Reserve Facility shall pay such deficiency to the Registrar and Paying Agent for the benefit of the Bondholders, who shall be named as the beneficiary of such Reserve Facility. If a disbursement is made from a Reserve Facility as provided above, the County shall be obligated, in accordance with clause (ii) above, to either (x) reinstate the maximum limits of such Reserve Facility following such disbursement, (y) replace such Reserve Facility by depositing Net Available Airport Revenues available for deposit in accordance with clause (ii) above into the Reserve Account in the maximum amount originally payable under such Reserve Facility, plus amounts necessary to reimburse the Credit Facility Provider for previous disbursements made pursuant to such Reserve Facility, or (z) undertake a combination of such alternatives. Amounts drawn or paid under a Reserve Facility shall be reimbursed to the Credit Facility Provider thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such facility entered into between the County and such Credit Facility Provider.

After the deposit requirements described in clauses (i) and (ii) above have been satisfied, the County may deposit Net Available Airport Revenues in the Debt Service Account to be used for the redemption of Series 2010 Bonds pursuant to the 2010 Resolution.

Ad Valorem Tax Revenues shall be deposited as follows: FIRST, in the Debt Service Account until the amounts on deposit in the Debt Service Account, after taking into account all moneys on deposit therein prior to the deposit of the Ad Valorem Tax Revenues, equal the Principal and Interest Requirements on the Series 2010 Bonds for such Fiscal Year, and SECOND, following a draw on the Reserve Account to cure a deficiency in the Debt Service Account with respect to the Series 2010 Bonds, in the Reserve Account.

Funds on deposit in the Reserve Account, if any, shall be used for the purpose of curing deficiencies in the Debt Service Account with respect to the Series 2010 Bonds after application of funds otherwise available therefor. If funds on deposit in the Reserve Account exceed, in the aggregate, the Reserve Account Requirement with respect to the Series 2010 Bonds (other than due to the substitution of a Reserve Facility in accordance with the 2010 Resolution), the excess funds shall be deposited into the Debt Service Account for the benefit of all Series 2010 Bonds. Funds on deposit in the Reserve Account are pledged solely to the payment of debt service on the Series 2010 Bonds.

COUNTY AD VALOREM TAXATION

General. The laws of the State of Florida (the "State") provide for a uniform procedure to be followed by all counties, municipalities, school districts and special districts for the levy and collection of ad valorem taxes on real and personal property. Pursuant to such laws, the County's property appraiser (the "Property Appraiser") prepares an annual assessment roll for all taxing units within the County and levies such millage, subject to constitutional limitations, as determined by each taxing unit, and the County's tax collector (the "Tax Collector") collects all ad valorem taxes for all taxing units in the same manner as County taxes are collected. Since the taxes of all taxing units are billed together by the Tax Collector, each property owner is required to pay all such taxes without preference.

Property Assessment. Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. The Property Appraiser is required to physically inspect the real property every three (3) years. There is a limitation of the lesser of 3% or the increase in the consumer price index during the relevant year on the annual increase in assessed valuation of homestead property, except in the event of a sale of such property during such year, and except as to improvements to such property during that year. State law requires, with certain exceptions, that property be assessed at fair market value; however, $25,000 of the assessed valuation of a homestead is exempt from taxation for a residence occupied by the owner on a permanent basis where such owner has filed for and received a homestead exemption ("Homestead Property" or "Homestead"). There have been recent changes to the State's Homestead exemption. See *"Property Tax Reform"* below. In addition, as of the date of this Official Statement, persons 65 years or older whose household income does not exceed $22,693 are allowed an additional $25,000 exemption.

The Property Appraiser's office prepares the assessment roll and gives notice to each property owner of the proposed taxes. The property owner then has the right to file an appeal with the Value Adjustment Board, which considers petitions relating to assessments and exemptions. The Value Adjustment Board may make adjustments to the assessment roll to reflect any reduction in the assessed value of property upon the completion of the appeals. The assessment roll is then certified by the Value Adjustment Board as complete and the Property Appraiser uses the final assessment roll to levy the millage for each taxing unit in the County.

The County has the authority to increase its millage levy for debt supported by unlimited ad valorem taxes, including the Series 2010 Bonds, and the limitations, exemptions or adjustments described above and any others provided in State law do not affect the ability of the County to levy and collect ad valorem taxes in amounts sufficient to pay principal of, and interest on, the Series 2010 Bonds.

Property Tax Reform. In June 2007 the Florida Legislature enacted Chapter 2007-321, Laws of Florida (2007) (the "Rollback Law"). The Rollback Law took effect immediately and affected budgets prepared for fiscal year 2007-2008. The Rollback Law requires all cities, counties and special districts to "roll back" their Fiscal Year 2007 tax rates so that they collect the same revenue in Fiscal Year 2007 that they collected in Fiscal Year 2006, and it required a further 0% to 9% tax cut from Fiscal Year 2006 figures, depending on individual county, municipality, or special district tax increases since Fiscal Year 2001. Using the formula set forth in the Rollback Law, the County cut its revenue collections for Fiscal Year 2007 9% from its Fiscal Year 2006 collections. After 2009, property tax rate growth cannot exceed growth of new construction and per capita personal income. The Board can exceed the new statutory cap by up to 10% following a two-thirds majority vote. In addition, the Board can exceed the Rollback Law's cap further following a three-fourths majority vote, or the County's electors can vote to exceed the cap via referendum.

It should be noted that the Rollback Law does not apply to ad valorem revenues pledged to repay general obligation debt. The County's ability to levy taxes in order to repay the Series 2010 Bonds will not be adversely affected by the Rollback Law.

Effective January 1, 2008, changes to Florida's property tax laws created a new formula for calculating assessed value of Homestead Property. "Assessed value" is the official value upon which real properties may be taxed in Florida. Under the new formula, if an owner of a Florida Homestead purchases a new Homestead Property for greater value, the assessed value of the new Homestead would equal the purchase price of the new Homestead minus the difference between the purchase price of the previous Homestead and the assessed value of the previous Homestead, or $500,000, whichever is less. For Florida Homestead owners already receiving a property tax exemption of $25,000 on the assessed value of their homes, the new law creates an additional $25,000 exemption on the assessed value of Homestead Property greater than $50,000 for all property tax levies except school taxes. Also effective January 1, 2008, the first $25,000 of tangible personal property will be exempt from taxation.

Additionally, effective January 1, 2009 increases in annual assessments on certain non-Homestead property were capped at 10% annually for all tangible personal property tax levies except school taxes. The impact of these changes to property tax receipts cannot yet be determined.

The following table shows the actual value and assessed value of taxable property within the County in each of the Fiscal Years 2000 through 2009.

Actual Value and Assessed Value of Taxable Property
Fiscal Years 2000-2009
(in thousands)

	Real Property					Exemptions[a]			
Fiscal Year Ended Sept. 30,	**Residential Property**	**Commercial/ Industrial Property**	**Government/ Institutional**	**Personal Property**	**Total Actual and Assessed Value of Taxable Property**	**Real Property – Amendment 10 Excluded Value[b]**	**Real Property – Other Exemptions**	**Personal Property**	**Total Assessed Value[c]**
2000	$71,442,168	$25,196,147	$11,030,062	$11,889,283	$119,557,660	$ 2,996,068	$22,397,240	$3,268,556	$90,895,796
2001	76,087,033	26,668,298	11,363,847	12,297,090	126,416,268	3,726,657	23,833,488	3,297,721	95,558,402
2002	85,606,675	28,553,272	12,031,675	12,579,974	138,771,596	6,822,996	24,759,993	3,305,120	103,883,487
2003	99,013,490	30,575,866	12,772,725	14,081,331	156,443,412	12,130,872	25,789,693	4,420,409	114,012,438
2004	116,239,333	33,758,008	13,853,198	14,130,977	177,981,516	18,795,770	27,463,005	4,526,608	127,196,133
2005	139,613,985	38,815,238	15,207,320	14,189,142	207,825,685	28,070,316	30,189,372	4,575,028	144,990,969
2006	169,866,793	47,406,357	17,847,477	14,623,349	249,743,976	38,586,357	34,190,689	4,624,481	172,342,449
2007	215,572,532	57,763,162	20,904,964	14,957,659	309,198,317	57,656,531	39,258,084	4,650,725	207,632,977
2008	258,170,144	64,690,401	23,385,545	15,318,056	361,564,146	74,022,146	43,736,755	4,718,843	239,086,902
2009[d]	232,142,794	94,597,080	24,221,156	15,985,133	366,946,133	66,217,577	54,884,174	5,735,676	240,108,706

SOURCE: Miami-Dade County Property Appraiser
NOTE: Property in the County is reassessed each year. Property is assessed at actual market value. Tax rates are per $1,000 of assessed value.

a) Exemptions for real property include: $25,000 homestead exemption; widows/widowers exemption; disability/blind exemption; age 65 and older exemption; governmental exemption; institutional exemption; economic development exemption; and other exemptions as allowed by law.
b) Amendment 10 was an amendment to the Florida Constitution in 1992 which capped the assessed value of properties with homestead exemption to increases of 3% per year or the Consumer Price Index, whichever is less (193.155, F.S.) (commonly referred to as the "Save Our Homes" Provision).
c) The basis of assessed value is approximately 100% of actual value. Preliminary roll for Fiscal Year Ended September 30, 2010 indicates that the Taxable Assessed Value will be $242,562,406,277.
d) Figures for Fiscal Year 2009 are preliminary, as over 32,000 properties with a value of approximately $30 billion are pending Value Adjustment Board hearings. Estimate for Fiscal Year 2009 factors in a reduction for the pending hearings based on historical data.

Tax Levies and Tax Collections. The County has levied certified millages for the Fiscal Year 2010 beginning October 1, 2009, consisting of 4.8379 mills for general operations, 0.285 mills for Countywide debt service, 0.042 mills for Fire Rescue District voted debt, 0.3822 mills for libraries, 2.1851 mills for fire protection and 2.0083 mills for municipal services in the County's unincorporated areas. The Florida Constitution establishes a maximum millage, exclusive of voted millages, of 10.0 mills each for general operations for counties and municipalities. The millages levied by the County for debt service (unlimited millage) and for municipal services (separate 10.0 mill cap) in the County's unincorporated areas, are excluded from the 10.0 mill cap on millages levied for the County's general operations.

The County also collects taxes on behalf of other taxing authorities within the County. Section 197.383, Florida Statutes, requires the Tax Collector to distribute to each taxing authority taxes collected on its behalf at the rate of four times per month during the first two months after the tax roll comes into his possession and once per month thereafter, unless the County determines a different schedule. Upon receipt, the moneys representing debt service millage are deposited to the credit of the Miami-Dade County Interest and Sinking Fund, a special fund created and maintained pursuant to the requirements of Chapter 129, Florida Statutes.

All ad valorem taxes become due and payable on November 1, and become delinquent on the following April 1, at which time they bear interest at not more than 18% per annum until a tax certificate is sold with respect to real property taxes and until paid with respect to personal property taxes. Discounts are allowed for early payment of 4% if paid in November, 3% if paid in December, 2% if paid in January, and 1% if paid in February. All taxes collected are distributed by the Tax Collector to the applicable taxing units. It is the tax collector's duty on or before June 1 of each year to advertise and sell tax certificates on real property tax delinquencies extending from the previous April 1. Delinquent taxes may be paid by the property owner prior to sale of tax certificates upon payment of all costs, delinquent taxes and interest at the rate of not more than 18% per annum. The tax certificates must be for an amount not less than the taxes due, plus interest from April 1 to the date of sale at not more than 18% per annum, together with the cost of advertising and expense of the sale. Each tax certificate is awarded to the bidder paying the above amounts who accepts the lowest interest to be borne by the tax certificate after its sale. If there are no bidders, the County must hold, but not pay for, such tax certificates. Thereafter, the County may sell such tax certificates to the public at any time at the principal amount thereof plus interest at not more than 18% per annum and a fee. With respect to personal property tax delinquencies, such delinquent taxes must be advertised within 45 days after delinquency and, after May 1, the property is subject to warrant, levy, seizure and sale. The proceeds of the sale of the tax certificates are distributed to the respective taxing agencies.

Tax certificates held by persons other than the County may be redeemed and cancelled by any person prior to the time a tax deed is issued upon payment of the face amount of the tax certificate plus interest, costs and other charges. Holders of tax certificates, other than the County, which have not been redeemed may, at any time after two years but prior to seven years from date of issuance, file an application for a tax deed with the Tax Collector upon payment of all other outstanding tax certificates on such property plus interest, any omitted taxes plus interest, and delinquent taxes plus interest covering the real property. Thereafter, the property is advertised for public sale at auction to the highest bidder, subject to certain minimum bids. If there are no other bidders, the holder of the tax certificate receives title to the land. If the tax certificate is held by the County and the County has not succeeded in selling it within two years, the County applies for a tax deed upon payment of all applicable costs and fees but not any amount to redeem the tax certificate. Such property is then also advertised for public sale to the highest bidder, subject to certain minimum bids. If there are no other bidders, the County may purchase the land for the minimum bid. In the case of unsold lands, after seven years the County will take title to such lands.

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The following table shows the tax levies and tax collections of the County for each of the Fiscal Years 2000 through 2009.

Property Tax Levies and Collections
Fiscal Years 2000-2009
(in thousands)

					Net Collections		
Fiscal Year Ended Sept. 30,	**Total County**[1]	**Total Adjusted**[2]	**Gross Collections Before Discounts**	**Discounts Allowed**	**Miami-Dade County**	**Other Taxing Districts**[3]	**Percent of Tax Roll Collected**
2000	12.145	$1,855,743	$1,818,600	$ 56,346	$ 845,429	$ 916,826	98.0%
2001	11.953	1,917,058	1,910,147	58,638	877,618	973,891	99.6
2002	11.915	2,058,787	2,039,313	63,243	943,440	1,032,630	99.1
2003	11.873	2,242,920	2,217,608	69,622	1,029,161	1,118,825	98.9
2004	11.848	2,538,949	2,525,040	78,980	1,145,389	1,300,671	99.5
2005	11.814	2,797,336	2,774,059	88,374	1,274,801	1,401,882	99.2
2006	11.714	3,267,623	3,228,549	108,277	1,494,417	1,625,854	98.8
2007	11.484	3,800,764	3,739,610	109,643	1,744,046	1,885,921	98.4
2008	9.539	3,987,661	3,902,484	105,905	1,669,219	2,127,360	97.9[4]
2009	9.741	4,123,839	3,961,175	109,500	1,705,396	2,146,278	96.1[4]

SOURCE: Miami-Dade County Finance Department, Tax Collector's Division

(1) Includes the millage levy for County-wide operating expenses, County debt service on voter approved debt, unincorporated area operating expenses, Fire District and the Public Library District, rounded to three decimal places.

(2) Includes the County, Miami-Dade County School Board, South Florida Water Management District, Fire District, Public Library District, and Special Benefit Districts, but excludes the municipalities in the County for which the County collects taxes.

(3) Includes Miami-Dade County School Board, South Florida Water Management District, and Special Benefit Districts, but excludes the municipalities in the County for which the County collects taxes.

(4) The tax collection amounts for FY 2008 and FY 2009 are inclusive of tax certificate sales. The collection rates are down due to the high number of Value Adjustment Board cases.

THE COUNTY

Set forth below is certain general information concerning 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 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 2009, the population of the County was estimated at 2,532,000.

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 and Broward Counties, 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

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 "Home Rule 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 Home Rule Charter from time to time by countywide vote. The most recent amendment was in November 2008.

Three amendments to the Home Rule Charter are of particular importance:

- January 23, 2007 – 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.

- January 29, 2008 – Provided that (i) the two week qualifying period for candidates shall commence three weeks earlier in order to be in line with the State, and (ii) the Property Appraiser shall be elected rather than appointed.

- November 4, 2008 – Transferred the County Manager's powers, duties and responsibilities to the Mayor and provided that the County Manager assists the Mayor in the County government administration.

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.

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

(a) Countywide 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 30 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 Florida Statutes, Section 29.008) 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) Countywide 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, a 22.4 mile long rapid transit system, the Metromover component of the rapid rail transit system with 4.4 miles of an elevated double-loop system, and Metrobus operating over 30.5 million miles annually.

(g) Combined public library system consisting of the Main Library, 47 branches and 4 mobile libraries offering educational, informational and recreational programs and materials. It is anticipated that the construction of another new library facility will be completed by December 2010. On an annual basis, approximately 8 million people visit the libraries, and check out more than 8.9 million items such as books, DVDs, books on tape, CDs and other library materials, while reference librarians answer over 8 million questions. The library system is the largest free internet provider in South Florida, registering more than 2 million internet sessions. Its web page offers an extensive digital library of more than 1,500 downloadable e-books, videos and music that is available 24/7.

(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 preparations and for their governmental operations.

(i) Establish 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 services to an average of 323,500 households during Fiscal Year 2009 within the unincorporated area and certain municipalities of the County, and disposal services to public and private haulers countywide.

(k) The Dante B. Fascell Port of Miami (the "Port") is 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 4,110,100 passengers in Fiscal Year 2009. As of September 2009, 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 principal commercial airport serving South Florida; (ii) the Opa-locka Executive Airport, a 1,810-acre facility; (iii) the Opa-locka West Airport, a 420-acre facility that has been decommissioned, (iv) the Kendall-Tamiami Executive Airport, a 1,380-acre facility, (v) the Homestead General Aviation Airport, a 960-acre facility; and (vi) the Dade-Collier Training and Transition Airport, a facility of approximately 24,300 acres located in Collier and Miami-Dade Counties. All of these facilities are County-owned and operated by the Miami-Dade Aviation Department.

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

Bond Indebtedness, General Fund Summary, and Ten Largest Taxpayers

The following tables detail the County's outstanding general obligation bonds, special obligation bonds, certificates and notes, principal and interest requirements of general obligation and special obligation debt as of September 30, 2009, comparative ratios of debt to population and to the County's tax base, the County's five-year summary of operations and financial position and approved budget for the fiscal year ending September 30, 2010, and the County's ten largest taxpayers.

The County intends to issue from time to time general obligation bonds payable from unlimited ad valorem taxes on all taxable real property within the County. In addition to the general obligation bonds described in this Official Statement, on November 4, 1986, the voters of the County approved the issuance of general obligation bonds of the County in the principal amounts of (1) $131,474,000 for financing capital improvements to the County's water and sewer system and for refunding previously issued water and sewer system bonds and (2) $153,513,500 for financing capital improvements to the Port of Miami, which is owned and operated by the County, and for refunding previously issued bonds for the Port of Miami. Said general obligation bonds are to be payable first from revenues of the County's water and sewer system, the Port of Miami and the County's airports, respectively, and, to the extent such revenues are insufficient, from unlimited ad valorem taxes. Of the amount approved by the voters, only the general obligation bonds for the Port of Miami have been issued to date.

Pursuant to an ordinance approved by the voters on November 2, 2004, the County may issue up to $2,925,750,000 of bonds under the Building Better Communities Program. As of the date of this Official Statement, $750,580,000 has been issued under the program. This amount includes $50,980,000 General Obligation Bonds (Building Better Communities Program), Series 2010A that closed on February 4, 2010. There are no other voter approved authorizations at this time other than mentioned above.

General Obligation Bonds Outstanding[1]
as of September 30, 2009

Bonds Issued	Issue's Dated Date	Final Maturity Date	Original Principal Amount	Amount Outstanding
Criminal Justice Program:				
Public Improvement Bonds, Series "CC"	10/01/86	10/01/16	$ 33,876,000	$ 16,246,000
Public Improvement Bonds, Series "DD"	10/01/88	10/01/18	51,124,000	30,165,000
Parks Program:				
General Obligation Bonds, Series 1999	11/01/99	11/01/24	25,615,000	19,855,000
General Obligation Bonds, Series 2001	08/01/01	11/01/26	28,500,000	23,320,000
General Obligation Bonds, Series 2002	12/01/02	11/01/13	11,355,000	3,155,000
General Obligation Bonds, Series 2005	06/09/05	11/01/30	55,700,000	55,700,000
Building Better Communities Program:				
General Obligation Bonds, Series 2005	07/21/05	07/01/35	250,000,000	250,000,000
General Obligation Bonds, Series 2008A	04/30/08	07/01/38	99,600,000	97,920,000
General Obligation Bonds, Series 2008B	12/18/08	07/01/28	146,200,000	143,800,000
General Obligation Bonds, Series 2008B-1	03/19/09	07/01/38	203,800,000	203,800,000
Total General Obligation Bonds [1]			**$905,770,000**	**$843,961,000**

SOURCE: Miami-Dade County Finance Department

(1) Excludes the Seaport General Obligation Refunding Bonds, Series 1996 (the "Series 1996 Bonds"), issued in the amount of $149,950,000 and outstanding in the amount of $130,370,000. The Series 1996 Bonds are being paid by the Seaport Department's Net Revenues. However, to the extent that the Net Revenues of the Seaport Department are insufficient to pay debt service on the Series 1996 Bonds, such debt service will be payable from unlimited ad valorem taxes.

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Special Obligation Bonds Outstanding as of September 30, 2009

	Date of Issue	Final Maturity	Original Principal	Amount Outstanding
Guaranteed Entitlement Refunding Revenue Bonds, Series 2007 (1)	07/11/07	08/01/18	$ 108,705,000	$ 96,840,000
Capital Asset Acquisition Floating/Fixed Rate Special Obligation Bonds, Series 1990 (3)	11/01/90	10/01/10	64,300,000	800,000
Capital Asset Acquisition Fixed Rate Special Obligation Bonds, Series 2002A (3)	09/19/02	04/01/13	119,845,000	54,125,000
Refunding Special Obligation Note, Series 2008A (3)(5)	04/10/08	04/01/23	11,275,000	11,275,000
Capital Asset Acquisition Floating Rate (MUNI-CPI) Special Obligation Bonds, Series 2004A(3)	04/27/04	04/01/14	50,000,000	35,000,000
Capital Asset Acquisition Fixed Rate Special Obligation Bonds, Series 2004B(3)	09/29/04	04/01/35	72,725,000	53,480,000
Capital Asset Acquisition Special Obligation Bonds, Series 2007A(3)	05/24/07	04/01/37	210,270,000	203,415,000
Refunding Special Obligation Note, Series 2008B(3)(5)	04/10/08	04/01/27	17,450,000	17,450,000
Capital Asset Acquisition Special Obligation Bonds, Series 2009A(3)	09/03/09	04/01/39	136,320,000	136,320,000
Capital Asset Acquisition Special Obligation Bonds, Series 2009B(3)	09/03/09	04/01/39	45,160,000	45,160,000
Professional Sports Franchise Facilities Tax Revenue Refunding Bonds, Series 2009A(2)	07/14/09	10/01/49	85,701,273	86,932,299
Professional Sports Franchise Facilities Tax Revenue Refunding Bonds, Taxable Series 2009B	07/14/09	10/01/29	5,220,000	5,220,000
Professional Sports Franchise Facilities Tax Revenue Bonds, Series 2009C(2)	07/14/09	10/01/48	123,421,712	124,097,042
Professional Sports Franchise Facilities Tax Revenue Bonds, Taxable Series 2009D	07/14/09	10/01/29	5,000,000	5,000,000
Professional Sports Franchise Facilities Tax Variable Rate Revenue Bonds, Series 2009E	07/14/09	10/01/48	100,000,000	100,000,000
Special Obligation Bonds (Courthouse Center Project), Series 1998A (4)	12/17/98	04/01/20	5,110,000	3,925,000
Special Obligation Bonds (Courthouse Center Project), Series 1998B (4)	12/17/98	04/01/20	38,320,000	27,405,000
Fixed Rate Special Obligation Bonds (Juvenile Courthouse Project), Series 2003A(4)	03/27/03	04/01/35	44,605,000	44,605,000
Variable Rate Demand Special Obligation Bonds (Juvenile Courthouse Project), Series 2003B(4)(6)	03/27/03	04/01/43	45,850,000	45,850,000
Public Service Tax Revenue Bonds (UMSA), Series 1999	01/21/99	10/01/23	77,640,000	55,780,000
Public Service Tax Revenue Bonds (UMSA), Series 2002	06/15/02	04/01/27	55,275,000	46,460,000
Public Service Tax Revenue Bonds (UMSA), Series 2006	02/08/06	04/01/30	28,000,000	25,965,000
Public Service Tax Revenue Bonds (UMSA), Series 2007A	08/30/07	04/01/32	30,785,000	28,805,000
Special Obligation Bonds (Stormwater), Series 1999	03/16/99	04/01/24	41,580,000	30,215,000
Special Obligation Bonds (Stormwater), Series 2004	11/10/04	04/01/29	75,000,000	65,520,000
Miami-Dade Fire and Rescue Bonds, Series 1996 (7)	02/15/96	11/01/11	41,105,000	7,295,000
Miami-Dade Fire and Rescue Bonds, Series 2002	07/01/02	04/01/22	17,895,000	13,120,000
Special Obligation Refunding Bonds, Series 1996B (2)	07/01/96	10/01/35	175,278,288	88,315,766
Subordinate Special Obligation and Refunding Bonds, Series 1997A (2)	12/18/97	10/01/26	86,570,856	160,605,757
Subordinate Special Obligation and Refunding Bonds, Series 1997B (2)	12/18/97	10/01/36	170,008,377	219,609,079
Subordinate Special Obligation Bonds, Series 1997C (2)	12/18/97	10/01/38	41,961,440	35,224,294
Subordinate Special Obligation Bonds, Series 2005A (2)	06/16/05	10/01/40	138,608,940	165,202,664
Subordinate Special Obligation Bonds, Series 2005B (2)	06/16/05	10/01/35	45,703,308	53,025,000
Subordinate Special Obligation Bonds, Series 2009(2)	07/01/09	10/01/47	91,207,214	92,772,021
Total Special Obligation Bonds			$2,405,896,408	$2,184,813,922

SOURCE: Miami-Dade County Finance Department

(1) Payable from the guaranteed portion of State revenue sharing receipts.
(2) "Capital Appreciation Bonds," the amount reflected as outstanding represents the accreted value as of 9/30/09.
(3) Payable from Legally Available Non-Ad Valorem Revenues budgeted and appropriated annually by the County.
(4) Payable from pledged filing and service charge revenues through June 30, 2004, effective July 1, 2004, payable from a $15 traffic surcharge and, if necessary, from a County covenant to annually budget and appropriate from Legally Available Non-Ad Valorem revenues.
(5) The Capital Asset Acquisition Auction Rate Special Obligation Bonds, Series 2002B and Series 2007B were redeemed/refunded on May 30, 2008 and May 23, 2008, respectively, and replaced with the fixed rate Refunding Special Obligation Notes, Series 2008A and 2008B.
(6) On September 5, 2008, the County converted the Auction Rate Special Obligation Bonds (Juvenile Courthouse Project) Series 2003B out of auction mode to Variable Rate Demand Bonds.
(7) On October 1, 2008, the County partially redeemed, at par, $1,940,000 of the April 1, 2011 maturity.

Principal And Interest Requirements of the General and Special Obligation Obligation Bonds of Miami-Dade County Outstanding as of September 30, 2009

Fiscal Year Ending Sept. 30,	General Obligation Bonds Principal	General Obligation Bonds Interest	General Obligation Bonds Total Debt Service	Special Obligation Bonds Principal	Special Obligation Bonds Interest	Special Obligation Bonds Total Debt Service
2010	$13,260,000	$44,648,956	$57,908,956	$50,108,659	$59,152,472	$109,261,131
2011	13,930,000	43,943,065	57,873,065	65,830,493	73,580,128	139,410,621
2012	14,630,000	43,193,826	57,823,826	55,689,222	71,498,447	127,187,669
2013	15,025,000	42,401,418	57,426,418	58,847,939	70,435,139	129,283,078
2014	15,445,000	41,572,260	57,017,260	75,481,621	69,462,739	144,944,360
2015	16,190,000	40,696,380	56,886,380	58,499,477	76,290,682	134,790,159
2016	17,085,000	39,765,800	56,850,800	57,888,687	74,810,751	132,699,439
2017	18,061,000	38,776,496	56,837,496	54,965,591	71,802,801	126,768,392
2018	16,355,000	37,825,702	54,180,702	58,648,153	71,306,268	129,954,420
2019	17,270,000	36,899,695	54,169,695	47,916,623	71,688,967	119,605,590
2020	21,715,000	36,074,663	57,789,663	49,106,860	72,417,502	121,524,362
2021	22,835,000	34,936,089	57,771,089	45,010,818	76,182,824	121,193,642
2022	23,990,000	33,778,478	57,768,478	49,161,722	79,260,446	128,422,168
2023	25,225,000	32,559,684	57,784,684	52,947,461	77,158,511	130,105,972
2024	30,020,000	31,275,984	61,295,984	55,549,575	76,904,293	132,453,868
2025	33,355,000	29,704,047	63,059,047	53,916,742	76,702,488	130,619,229
2026	35,075,000	27,985,078	63,060,078	57,914,468	76,732,542	134,647,011
2027	36,955,000	26,105,415	63,060,415	62,152,976	77,066,261	139,219,237
2028	38,895,000	24,160,019	63,055,019	60,039,296	77,683,217	137,722,512
2029	40,980,000	22,078,641	63,058,641	59,716,742	82,224,352	141,941,094
2030	43,045,000	20,010,953	63,055,953	56,431,261	88,526,042	144,957,302
2031	45,265,000	17,790,648	63,055,648	51,966,526	99,179,726	151,146,252
2032	47,465,000	15,595,169	63,060,169	51,348,072	105,500,699	156,848,772
2033	49,950,000	13,105,169	63,055,169	48,854,420	110,472,284	159,326,704
2034	52,570,000	10,484,013	63,054,013	49,975,280	117,237,363	167,212,643
2035	55,360,000	7,697,919	63,057,919	77,021,242	98,490,749	175,511,991
2036	26,475,000	4,764,356	31,239,356	85,856,165	92,263,894	178,120,059
2037	27,975,000	3,265,606	31,240,606	98,990,926	80,824,128	179,815,054
2038	29,560,000	1,679,388	31,239,388	110,294,367	61,749,842	172,044,210
2039				58,980,800	114,946,252	173,927,052
2040				56,589,056	113,286,702	169,875,758
2041				22,537,281	149,646,018	172,183,299
2042				19,069,296	155,533,643	174,602,939
2043				18,418,451	158,718,023	177,136,475
2044				12,234,294	162,066,574	174,300,868
2045				11,492,629	165,589,147	177,081,775
2046				10,802,674	169,209,091	180,011,765
2047				9,994,713	170,754,528	180,749,241
2048				7,462,477	133,089,437	140,551,914
2049				4,054,448	67,032,327	71,086,775
2050				1,931,143	34,035,857	35,967,000
Sub-Totals	$843,961,000	$802,774,917	$1,646,735,917	$1,993,698,649	$3,930,513,157	$5,924,211,806
Prior Year Accretion to Date/ (Paid Accretion)	0	0	0	171,774,646	(171,774,646)	0
Current Year Accretion/ (Paid Accretion)	0	0	0	19,340,626	(19,340,626)	0
Totals[1]	$843,961,000	$802,774,917	$1,646,735,917	$2,184,813,921	$3,739,397,885	$5,924,211,806

SOURCE: Miami-Dade County Finance Department

[1] Totals may not add up due to rounding.

Ratio of Net General Obligation Bonded Debt to Net Assessed Property Value and Net General Obligation Bonded Debt per Capita Last Ten Fiscal Years

Fiscal Year Ended September 30,	Population (000's)	Net Assessed Property Value (000's)	Gross General Obligation Bonded Debt (000's)[1]	Less Sinking Fund (000's)	Net General Obligation Bonded Debt (000's)	Ratio of Net General Obligation Bonded Debt to Net Assessed Property Value	Net General Obligation Bonded Debt Per Capita
2000	2,209	$ 90,895,796	$ 328,426	$23,780	$304,646	0.0034	$137.91
2001	2,283	95,558,403	285,161	20,397	264,764	0.0028	115.97
2002	2,313	103,883,487	270,986	13,964	257,022	0.0025	111.12
2003	2,343	114,012,438	247,541	5,454	242,087	0.0021	103.32
2004	2,372	127,196,133	225,581	4,027	221,554	0.0017	93.40
2005	2,422	144,990,968	519,126	18,764	500,362	0.0035	206.59
2006	2,432	172,342,449	507,316	28,845	478,471	0.0028	196.74
2007	2,468	207,632,977	472,236	25,500	446,735	0.0022	181.01
2008	2,500	239,086,902	523,596	19,255	504,341	0.0021	201.74
2009*	2,532	240,108,706	843,961	21,734	822,227	0.0034	324.73

*Preliminary.

(1)Gross General Obligation Bonded Debt does not include amounts for the outstanding Seaport General Obligation Bonds or the Series 2010 Bonds.

SOURCES: Miami-Dade County Departments of Planning, Property Appraiser and Finance.

General Fund Five Year Summary of Operations and Financial Position for the Fiscal Year Ending September 30, 2009 and Approved Budget for FY 2010 (in thousands)

	2005	2006	2007	2008	(Unaudited) 2009	Approved Budget 2010
REVENUES						
Taxes	$1,161,513	$1,331,654	$1,519,225	$1,416,578	$1,438,456	$1,322,921
Licenses & Permits	90,761	94,609	80,857	112,950	106,217	120,492
Intergovernmental Revenues	209,336	227,416	224,229	230,478	204,635	198,321
Fines & Forfeitures	13,951	13,078	14,357	12,066	11,877	4,587
Charges for Services	238,779	265,114	262,538	237,373	233,607	218,990
Interest Income	8,304	25,873	33,957	20,627	9,092	7,862
Miscellaneous Revenue [(1)]	48,706	59,974	80,925	86,867	88,702	295,376
Total Revenues	$1,771,350	$2,017,718	$2,216,088	$2,116,939	$2,092,586	$2,168,549
EXPENDITURES						
General Government	$ 303,467	$ 338,856	$ 414,641	$423,505	$377,198	$412,319
Public Safety	770,551	850,199	924,446	933,452	919,200	894,497
Highway & Streets	34,703	36,799	42,906	42,025	38,634	41,907
Health	37,373	28,835	26,682	31,653	33,142	29,388
Physical Environment	64,363	73,600	72,270	73,025	79,344	187,789
Welfare & Social Services	13,401	11,139	12,897	13,281	90,608	77,572
Recreational, Cultural & Educational	88,616	101,787	98,107	104,710	99,434	90,584
Capital Outlay[(2)]	18,674	24,772	39,179	23,518	0	0
Transfers, Net	348,785	458,886	542,130	512,786	523,032	434,493
Total Expenditures	$1,679,933	$1,924,873	$2,173,258	$2,157,955	$2,160,592	$2,168,549
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	$91,419	$92,845	$42,829	($41,016)	($68,006)	$0
ASSETS						
Cash & Cash Equivalents	$ 36,199	$ 48,392	$123,070	$45,592	$189,894	
Investments	77,446	111,299	117,703	152,140	0	
Net Accounts & Taxes Receivables	5,218	3,744	5,176	11,808	21,919	
Due from Other Funds	191,481	222,661	199,153	156,468	161,949	
Due from other Governments	37,777	51,775	54,325	78,119	45,090	
Long-term advances receivables		40,000	44,678	72,000	42,380	
Inventory	17,287	19,113	18,463	19,777	21,804	
Total Assets	$365,408	$496,984	$562,569	$535,904	$483,036	
LIABILITIES						
Account Payable & Accrued Exp.	$65,074	$ 85,544	$ 92,349	$102,856	$97,408	
Due to Other Funds or Other Gov't.	22,484	39,210	44,565	35,016	80,920	
Deferred Taxes or Revenues	3,106	2,815	20,766	32,845	5,500	
Total Liabilities	$90,664	$127,569	$157,680	$170,717	$183,828	
FUND EQUITY						
Reserved	$148,254	$210,890	$221,051	$240,464	$205,575	
Unreserved	126,490	158,525	183,838	124,723	93,633	
Total Fund Equity	$274,744	$369,415	$404,889	$365,187	$299,208	
Total Liabilities and Fund Equity	$365,408	$496,984	$562,569	$535,904	$483,036	

SOURCE: Miami-Dade County Finance Department

NOTES:

(1) Included in the Miscellaneous Revenue under the Approved Budget 2010 Fiscal Year column in the above table are all unencumbered funds carried forward from the prior Fiscal Year available for the appropriation of 2010 expenditures. State law permits counties and municipalities to appropriate 95% of estimated revenues to be collected in the ensuing Fiscal Year plus the excess funds from prior years as the basis for authorizing levels expenditures. Excess funds from prior years considered in the budgetary process are not presented as revenues for financial reporting purposes and generally accepted accounting principles.

(2) Pending reclassification of operating expenditures into Capital Outlay for Fiscal Year 2009.

Principal Taxpayers
for the Fiscal Year Ended September 30, 2009*
(in thousands)

	Business or Use	Net Assessed Real and Personal Property Value	% of Total Real and Personal Property Value
Florida Power & Light Company	Utility	$ 3,012,789	1.25%
BellSouth Telecommunications, Inc.	Utility	595,914	0.25
Teachers Insurance	Real Estate	451,354	0.18
Century Grand I LLP	Real Estate	408,438	0.17
The Graham Corporation	Real Estate	369,637	0.15
SDG Dadeland Associates	Real Estate	341,200	0.14
Aventura Mall	Real Estate	316,800	0.13
200 S. Biscayne TIC I LLC	Real Estate	304,500	0.12
MB Redevelopment	Real Estate	280,000	0.11
Dolphin Mall	Real Estate	259,200	0.10
Total		$6,339,832	2.60%
Total Net Assessed Real and Personal Property Value		$240,108,706	100.00%

SOURCE: Miami-Dade County Property Appraiser

*Preliminary

COUNTY INVESTMENT POLICY

Pursuant to Florida Statutes, Section 218.45, which requires a written investment policy by the Board, the County adopted an investment policy (the "Investment Policy") which applies to all funds held by or for the benefit of the Board in excess of those required to meet short-term expenses, except for proceeds of bond issues (including the Series 2010 Bonds) which are specifically exempted by Board ordinance or resolution.

The primary objectives of the Investment Policy, listed in order of importance are:

1. the safety of principal;

2. the liquidity of funds; and

3. the maximization of investment income.

The Investment Policy limits the securities eligible for inclusion in the County's portfolio to a maximum maturity of five (5) years. The Investment Policy allows investments in repurchase agreements with a maximum length to maturity of 14 days from the date of purchase; the collateral shall be "marked to market" as needed.

To enhance safety, the Investment Policy requires the diversification of the portfolio to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which the instruments are bought and sold. The Investment Policy also requires the monthly performance reports to be presented to the County Clerk and to the County's Finance Director, quarterly performance reports to be submitted to the Investment Advisory Committee and an annual report to be presented to the Board within 120 days of the end of the Fiscal Year.

The Investment Policy may be modified by the Board as it deems appropriate to meet the needs of the County.

CERTAIN INVESTMENT CONSIDERATIONS AFFECTING NET AVAILABLE AIRPORT REVENUES

The Series 2010 Bonds are payable first from Net Available Airport Revenues. Payment from such source is dependent on the collection of Net Revenues adequate to pay debt service on the Series 2010 Bonds as well as all Senior Aviation Revenue Bonds and certain other indebtedness. See "SECURITY FOR THE SERIES 2010 BONDS − Net Available Airport Revenues." Net Revenues consist of all Revenues of the Port Authority Properties in excess of Current Expenses, all as defined in the Senior Trust Agreement. Accordingly such payment depends primarily on the generation of Revenues by the Airport and other Port Authority Properties adequate to pay all Current Expenses of such properties plus the debt service on all indebtedness payable from such Revenues. The generation and collection of such revenues is influenced by a wide range of factors affecting operations at the Airport, including the condition of the air transportation industry, security requirements affecting both the Airport and airlines, and local, national and international economic conditions. Certain of these factors are discussed below.

Factors Affecting Air Transportation Industry

General

The generation of Revenues is heavily dependent on the volume of the commercial flights, passengers and cargo at the Airport. Such volume reflects a wide range of factors including (1) local, national and international economic conditions, including international trade volume, (2) regulation of the airline industry, (3) passenger reaction to disruptions and delays arising from security concerns, (4) airline operating and capital expenses, including security, labor and fuel costs, (5) environmental regulations, (6) the capacity of the national air traffic control system and (7) currency values. The airline industry has faced and continues to face severe economic challenges, reflecting both increased costs and overall economic conditions. Results have included major airline financial losses and in some cases bankruptcy. Increased costs and other factors arising from the September 11, 2001 terrorist attacks and related regulatory reaction are discussed separately below in "Security Requirements."

The Report of the Traffic Engineers included as Appendix A takes into account certain of the factors affecting the air transportation system as set forth in such report. As noted therein, the degree and duration of such effects on individual traffic segments vary. See "REPORT OF THE TRAFFIC ENGINEERS" and "APPENDIX A – REPORT OF THE TRAFFIC ENGINEERS."

Particular factors are discussed below.

Airline Economic Considerations

The financial strength and stability of airlines serving the Airport will affect future airline traffic. While the airline industry overall was profitable in both 2006 and 2007, it suffered substantial losses in the previous five years and in 2008 and 2009. To mitigate these losses, legacy airlines have reduced their route networks and flight schedules and negotiated with employees, lessors and vendors to cut costs, either under Chapter 11 bankruptcy protection or the threat of such. Additional losses could force airlines to further retrench, seek bankruptcy protection, discontinue marginal operations, or liquidate. The restructuring, merging or liquidation of one or more of the large network airlines could drastically affect air service at many connection hub airports, offer business opportunities for the remaining airlines and change air travel patterns throughout the U.S. aviation system.

The current economic downturn has reduced air traffic as a result of a decline in business activities, job losses, reduced discretionary income and consumer spending and has put pressure on businesses to find alternatives to air travel. For additional discussion of the factors affecting both domestic and international traffic see "APPENDIX A − REPORT OF THE TRAFFIC ENGINEERS."

Mergers have offered another method of addressing current economic uncertainties. The merger of Delta Air Lines with Northwest Airlines is expected to have only a minimal impact, if any, on passenger traffic at MIA.

The share of total enplaned passengers at the Airport accounted for by the two airlines has declined over the past 10 years, from 7% in FY 1998 to 5% in FY 2008. Delta has stated its intent to maintain all of the airport hubs operated by the two merging airlines. Further airline consolidation could affect future passenger traffic at the Airport.

American Airlines

In 2008, American Airlines was the largest international carrier in the world as measured in terms of enplaned passengers. By using the Airport as a major connecting international hub within its route system, American Airlines is the predominant carrier at the Airport. Including the operations of its affiliate, American Eagle, American Airlines accounted for approximately 65% of the enplaned passengers at the Airport and approximately 38% of Revenues during the fiscal year ended September 30, 2009. During the fiscal year ended September 30, 2008, American Airlines and American Eagle accounted for approximately 68% of the enplaned passengers at the Airport and approximately 35% of Revenues.

AMR Corporation ("AMR"), the parent company of American Airlines, reported a net loss of $359 million for the third quarter of 2009. The loss was $265 million excluding special items, primarily non-recurring charges of approximately $94 million related to the sale of aircraft and early grounding of leased aircraft. This compares to a $31 million profit for the third quarter of 2008, although with the exclusion of special items, the third quarter of 2008 produced a net loss of $374 million. Operating expenses declined in the third quarter of 2009 as compared to the third quarter of 2008, reflecting primarily a decline in the cost of jet fuel per gallon from $3.57 in the third quarter of 2008 to $2.07 in the third quarter of 2009. This resulted in a reduction of fuel costs of nearly $1.1 billion comparing quarter to quarter. For the third quarter of 2009, American Airlines' mainline load factors was 83.9%, up 1.8% from the third quarter of 2008.

A future bankruptcy or other material financial decline of American Airlines could adversely affect traffic at the Airport, especially to the extent that hub operations at other airports replace connections currently made at MIA.

Cost of Aviation Fuel

According to the Air Transport Association, aviation fuel is the second largest cost component of airline operations after labor costs and continues to be an important and uncertain factor in an air carrier's operating economics. Aviation fuel prices tend to fluctuate with crude oil prices. The significant and prolonged increases in the cost of aviation fuel have materially increased airline operating costs. See "APPENDIX A – REPORT OF THE TRAFFIC ENGINEERS."

International Traffic

International traffic constitutes almost 50% of the Airport's passenger traffic. Since 2002, the annual growth in international passengers has been 3.1%, primarily representing the strength of the Central and South American passenger markets. However, the Airport has experienced increasing competition for both international and domestic passenger traffic from other regional and international gateway airports in recent years. See "AIRPORT TRAFFIC ACTIVITY" and "AVIATION DEPARTMENT FINANCIAL INFORMATION – Historical Financial Results."

The adverse economic conditions affecting domestic air travel have also affected international traffic. In addition, health crises can adversely affect international traffic. Most recently, an outbreak of H1N1 virus in Mexico and cases reported in the U.S. have caused travel concerns that could adversely affect international traffic at the Airport.

Airline Bankruptcies

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

Rejection of any executory lease or contract by a debtor in bankruptcy is typically sought to avoid long-term commitments, unusual contract terms or high fixed fees. Airlines operating at MIA typically have two primary payment obligations: (1) rent and use charge payments under a Terminal Building Lease Agreement ("TBLAs") and (2) landing fees and aviation charge payments under the Airline Use Agreement ("AUA"). The TBLA gives an airline a five-year right to make use of space somewhere in the Terminal Building and a month-to-month right to lease specifically identified premises in the Terminal Building, with the month-to-month portion of the TBLA being subject to cancellation by either party upon 30 days' notice. The TBLAs also require the airlines to pay annually-adjusted rents for use of the Terminal Building monthly in advance and other charges, including 7% of their gross revenues for general aeronautical handling services to other airlines under the terms of a separate permit, monthly in arrears. Thus, for an airline desiring to keep operating at the Airport while it is in bankruptcy, little is gained by an airline's rejecting its TBLA which gives the airline the right to use the Terminal Building at a cost that is the same for all similarly situated airlines. The TBLAs expired in 2007 and, as permitted by Florida law, the airlines have been operating on a month-to-month basis as hold-over tenants under the existing TBLAs. The Aviation Department expects that the airlines will approve and execute in the near future new TBLAs, substantially similar to the existing TBLAs. The AUA sets forth the conditions under which an airline can operate at the Airport and requires the airlines to pay the annually-adjusted level of Landing Fees and aviation charges for its use of the Airport, based on its level of activity with the charges being the same for all similarly-situated airlines. More importantly, the AUA contains a credit program that permits airlines to avoid having to pay in cash each time they land at the Airport if they self-report and self-pay their Landing Fees in the month following the month in which the charges are incurred. As is the case with TBLAs, it is not expected that an airline having filed for bankruptcy but desiring to continue operating at the Airport would seek rejection of the AUA, inasmuch as to do so would eliminate the vitally-important credit program for the airline. Moreover, rejection gains the airline nothing economically, inasmuch as the County separately requires the airline on a regulatory basis to pay the same charges imposed under the AUA. To date, with the exception of one airline with minimal activity, no Signatory Airline that has filed for bankruptcy protection has sought rejection. There can be no assurance, however, that an airline in bankruptcy will not seek to avoid its contractual obligations under its TBLA or the AUA, but even if an airline should do so, the airline is subject to regulatory obligations imposed by County law that require the rejecting airline to pay the same charges reflected in the rejected agreements for the airline's continued use of the Airport. See "AIRLINE USE AGREEMENT" and "APPENDIX I – SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT."

For a description of the possible effects of airline bankruptcies on PFC collections see below "PFC Collections – Possible Bankruptcy Effects."

Additional Information on Airlines

Certain of the Signatory Airlines under the AUA and other airlines operating at the Airport (or their respective parent corporations) file reports and other information (collectively, the "SEC Reports") with the United States Securities and Exchange Commission ("SEC"). Certain information, including financial information, as of particular dates, concerning each airline (or their respective parent corporations) is included in the SEC Reports. The SEC Reports can be inspected in the Public Reference Room of the SEC at 100 F Street, N.E., Washington, DC 20549, and at the SEC's regional offices at 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604 and 3 World Financial Center, Room 4300, New York, New York 10281. Copies of the SEC Reports can be obtained from the SEC's Public Reference Section at the above address at prescribed rates, or at www.sec.gov.

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

PFC Collections

General

Pursuant to federal authorization, the Airport collects passenger facility (or passenger facilities) charges ("PFCs") on each qualifying enplaned passenger. The Airport currently collects a PFC of $4.50 per passenger, subject to certain exceptions. The applicable airline collects the PFCs and remits them monthly to the Airport net of $0.11 per PFC administrative charge.

PFCs constitute a substantial portion of revenues collected by the Aviation Department, providing $60.8 million and $58.5 million for the fiscal years ending September 30, 2008 and 2009, respectively. Such collections are subject to federal regulation and control, and their volume is affected by the economic and other conditions affecting passenger volume at the Airport.

Use of PFCs; Rate Covenant

PFCs provide a portion of the funding for the CIP, including the North Terminal Program. Also, while PFCs do not constitute Revenues under the Senior Trust Agreement and are therefore not pledged to the payment of the Series 2010 Bonds, the Aviation Department anticipates continuing its practice of depositing PFC revenues into the Sinking Fund's Bond Service Account and Redemption Account each year to reduce the Principal and Interest Requirements on the Bonds. Such deposits effectively reduce the amount of Revenues that must be collected to comply with the rate covenant under the Senior Trust Agreement. The Report of the Traffic Engineers attached at APPENDIX A makes certain assumptions regarding the collection and use of PFCs as set forth therein. See also "SECURITY FOR THE SERIES 2010 BONDS − Rate Covenant" and "FUNDING SOURCES FOR THE CIP − Passenger Facility Charges."

Possible Bankruptcy Effects

Applicable federal legislation and regulation provide that PFCs collected and held by an airline constitute a trust fund for the benefit of the applicable airport and create additional protections intended to ensure the regular transfer of PFCs to airports in the event of an airline bankruptcy. There can be no assurance, however, that during the bankruptcy of any airline, payment to the Airport of PFCs will not be delayed or blocked.

Federal Legislation

Federal legislation affects the funding that the Airport receives, its PFC collections and operational requirements imposed on it. Congress has not passed a multi-year reauthorization bill for the Federal Aviation Administration ("FAA"), since the last legislation expired on September 30, 2007. Instead it has approved a series of short-term extensions. In December 2009, Congress approved and the President signed another extension of the Airport Improvement Program ("AIP") through March 31, 2010 and increased the AIP contract authority to $2 billion — half of the $4 billion included for AIP for FY 2010 in the version of the FAA reauthorization bill passed by the House earlier in FY 2010.

In May 2009, the House passed the FAA Reauthorization Act of 2009, which would raise the cap on PFCs from $4.50 to $7 and increase AIP funding by $100 million per year, starting from $3.9 billion in FY 2009. The bill also includes a provision that could force airports to comply with National Fire Protection Association ("NFPA") standards. If enacted, MIA would need to build a new fire station at an approximate cost of $17 million and purchase a 4,500 gallon Aircraft Rescue and Firefighting unit at a cost of $1.6 million. Also, an additional eight fire fighters would be needed to comply with the new standards at a cost of approximately $750,000 annually.

In July 2009, the Senate Commerce, Science and Transportation Committee approved a two-year FAA reauthorization bill, the FAA Air Transportation Modernization and Safety Improvement Act. The bill does not include the PFC increase authorized in the House bill. It also does not include the provision on NFPA standards. The bill is pending Senate approval, after which a House/Senate conference committee will attempt to resolve differences in the two bills and send the reconciled bill back to both the House and the Senate for final action.

The American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), which became law in February 2009, includes $1.1 billion in stimulus AIP funding through FAA discretionary grants with priority for projects expected to be completed within two years of enactment and serves to supplement but not supplant planned expenditures. There are currently no Recovery Act stimulus projects being funded for the Aviation Department.

Provisions affecting security costs are discussed in the following subsection.

Airport Security Requirements

General

Legislative and regulatory requirements since 2001 have imposed substantial costs on the Airport and its airlines relating to security, some of which are discussed below. Federal legislation created the Transportation Security Administration (the "TSA"), an agency within the Department of Homeland Security ("DHS"). Mandates of federal legislation, TSA and DHS have imposed extensive new requirements related to, among other things, screening of baggage and cargo (including explosive detection), screening of passengers, employees and vehicles, and airport buildings and structures.

The Federal Aviation and Transportation Security Act ("ATSA") makes airport security the responsibility of the TSA. The Homeland Security Act of 2002 (the "HSA") and subsequent directives issued by DHS have mandated, among other things, stronger cockpit doors on commercial aircraft, an increased presence of armed federal marshals on commercial flights, establishment of 100% checked baggage screening, and replacement of all passenger and baggage screeners with federal employees who must undergo criminal history background checks and be U.S. citizens.

ATSA also mandates additional airport security measures, including: (1) screening or inspection of all individuals, goods, property, vehicles and equipment before entry into secured and sterile areas of the airport, (2) security awareness programs for airport employees, (3) screening all checked baggage for explosives with explosives detection systems ("EDS") or other means or technology approved by the Undersecretary of the United States Department of Transportation, (4) deployment of sufficient EDS for all checked baggage, and (5) operation of a system to screen, inspect or otherwise ensure the security of all cargo to be transported in all-cargo aircraft. Due to a lack of TSA funding, airports have borne some or all of the cost of design, construction, and installation of automated in-line baggage screening systems and passenger screening checkpoints to meet the specifications that the TSA screening process requires for operation at full design capacity.

EDS equipment purchased by the federal government has been installed at the Airport. In some cases, installation of EDS equipment necessitated structural modifications to the Terminal Building. Substantially all of the costs of those modifications and the installation were borne by the TSA during the initial deployment. The Aviation Department estimates that the North Terminal EDS system will cost approximately $78.1 million, of which TSA is funding $54.4 million. The Aviation Department believes that the federal participation rate for the North Terminal EDS installation project should be higher and is working with members of Congress on legislation that would direct TSA to reimburse the Aviation Department for an additional amount of approximately $11 million. There can be no assurance, however, that such efforts will be successful.

The TSA also has issued additional unfunded mandates through TSA security directives including: (1) transmittal to the TSA of personal information on all employees holding, applying for or renewing an airport-issued identification badge for the performance of Security Threat Assessment ("STA") and retrieval of STA results prior to issuing badges and other forms of identification, (2) performance of inspections of all vendors and vendor products entering the sterile concourse areas of the airport, (3) reduction in the number of airport employees authorized to escort visitors in the secured areas, (4) annual audits of all airport-issued identification media, (5) the implementation of a substantive training program for all persons designated as an authorized signatory in the

Airport's identification media system, and (6) recording and retention of personal identification media used to obtain an airport-issued identification badge.

Airport security programs have also been affected by additional requirements resulting from the construction of the North Terminal. In particular, the Aviation Department has increased operations within the ID and Fingerprint sections to vet construction workers, expanded the hours of operation at vehicle access gates and has increased physical screening operations. Additionally, any elevation of the national threat advisory level (currently at Code Orange) would impose significant additional law enforcement costs on the Aviation Department.

Cargo Security

Both federal legislation and TSA rules have imposed additional requirements relating to air cargo. These include providing information for a central database on shippers, extending the areas of the Airport subject to security controls, and criminal background checks on additional employees, which inhibits the ability of operators to hire temporary workers during peak periods.

The TSA currently requires carriers to screen 50% of all loaded cargo on passenger airplanes; however, this requirement is expected to be increased to 100% by August 2010. The TSA is developing a Certified Cargo Screening Program ("CCSP") to develop a "supply chain wide solution" to cargo security that will certify shippers to screen cargo earlier in the chain. The Airport currently is participating in phase one of the CCSP program.

TSA also has initiated an explosive detection canine program at the Airport dedicated to cargo screening. Currently the Airport has the largest TSA Canine Unit in the country. The Miami-Dade Police Department's Canine Unit also dedicates 25% of its operations to cargo screening. American Airlines, the Airport's largest carrier, is participating in a TSA pilot program to screen cargo utilizing explosive detection screening equipment.

Airport management believes it is well positioned to meet the new cargo screening requirements. A Cargo Security Consortium for the Airport involving the relevant agencies and business partners meets quarterly to discuss issues, and the TSA, both nationally and locally, has been working with airports and carriers to develop security options that meet the regulatory mandates while minimizing the adverse effect on air cargo operations.

Costs

The Aviation Department has included in its current budget funds for a substantial amount of the costs imposed by the requirements described above. The Fiscal Year 2010 operating budget includes approximately $13.9 million for security costs. To date, the Airport has been able to meet the additional financial burdens imposed by new security requirements, but the Aviation Department anticipates additional unfunded security directives that may impose substantial further costs. Such requirements may include access control at passenger screening exit lanes (currently done by TSA); biometric credentialing in employee screening and access control, and additional security requirements at the general aviation airports.

Airport Competition

The Airport competes with other airports for domestic and international passengers. The closest competing airport, and MIA's biggest competitor for domestic origin-destination ("O&D")[*] passengers, is Fort Lauderdale-Hollywood International Airport ("FLL"). Over the last 10 years, the average number of departing seats on jet flights to domestic destinations decreased 17% at MIA, while increasing 30% at FLL. FLL also has substantially more low-cost carrier service than MIA. Low-cost carriers accounted for 58% (7 million) of all domestic scheduled departing seats at FLL in Calendar Year 2008 (up from 30% in Calendar Year 2000), while low-cost carriers accounted for just 2% (210,000) of all domestic scheduled departing seats at MIA in Calendar Year 2008 (down

[*] Origin-destination passengers begin or end their trips at an airport rather than connecting through the airport en route to their destination.

from 3% in Calendar Year 2000). In Calendar Years 2006 through 2008, FLL averaged 4.2 million more outbound domestic O&D passengers per year than MIA. Average domestic airfares at MIA tend to be 20-30% higher than those at FLL for trips of similar distance, due largely to the higher number of premium-fare passengers at MIA and the greater concentration of low-cost carrier service at FLL This low-cost carrier presence at FLL has put competitive downward pressure on domestic airfares at both airports such that, between Calendar Year 1998 and Calendar Year 2008, there was little net increase in the average domestic airfare paid at either airport. In the first half of Calendar Year 2009, average domestic airfares declined year-over-year at both airports; DOT airfare data increasingly understate the true cost of air travel, however, as they do not include ancillary charges (e.g., checked baggage fees), which were increasingly implemented throughout the industry in 2008 and 2009. The significant increase in low-cost carrier service and the associated relatively low fares charged at FLL are the major factors underlying the market share decline in domestic O&D passengers at MIA from 47.4% of the South Florida region in Calendar Year 1998 to 32.8% in Calendar Year 2008. In the first half of Calendar Year 2009, MIA's share increased somewhat relative to the same period of Calendar Year 2008.

For passengers traveling between other parts of the United States and international destinations, mostly in the Caribbean and Latin America, there are an increasing number of alternative routings, both nonstop flights and connecting services, via other U.S. gateway airports. For a further discussion of such competition, see "APPENDIX A – REPORT OF THE TRAFFIC ENGINEERS."

Matters Relating to CIP

The CIP is a large and complex undertaking, and a number of factors can still affect both its cost and the completion date for its components. These factors, including various schedule delays, cost overruns and current contract disputes, are discussed in "CAPITAL IMPROVEMENT PROGRAM," especially in the subsections therein "Terminal and Concourse Facilities Programs — *Baggage Handling System Delay and Cost"* and "Cost Increases, Claims, Delays and Related Risks."

Environmental Liabilities

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

Airport Insurance

The Aviation Department maintains insurance in accordance with industry standards, but the operations of the Airport create risks of significant losses that may not be fully covered by insurance (see "AIRPORT SYSTEM FACILITIES − Airport Insurance").

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AVIATION RELATED DEBT

Outstanding Bonds Under The Senior Trust Agreement

The total aggregate principal amount of Outstanding Senior Aviation Revenue Bonds under the Senior Trust Agreement prior to the issuance of the Series 2010 Bonds is as follows:

Outstanding Bonds	Dated Date of Issue	Principal Amount Issued	Principal Amount Outstanding
Series 1997A Bonds(1)	June 1, 1997	$ 130,385,000	$ 10,250,000
Series 1997C Bonds	October 1, 1997	63,170,000	63,170,000
Series 1998A Bonds(1)	July 1, 1998	192,165,000	85,675,000
Series 1998C Bonds	October 1, 1998	150,000,000	145,515,000
Series 2000A Bonds	March 1, 2000	78,110,000	78,110,000
Series 2000B Bonds	March 1, 2000	61,890,000	61,890,000
Series 2002 Bonds	May 30, 2002	299,000,000	299,000,000
Series 2002A Bonds	December 19, 2002	600,000,000	600,000,000
Series 2003A Bonds	May 28, 2003	291,400,000	291,400,000
Series 2003B Bonds(1)	May 28, 2003	61,160,000	33,060,000
Series 2003D Bonds(1)	May 28, 2003	85,640,000	74,460,000
Series 2003E Bonds(1) (2)	May 28, 2003	139,705,000	139,700,000
Series 2004A Bonds	April 14, 2004	211,850,000	211,850,000
Series 2004B Bonds	April 14, 2004	156,365,000	156,365,000
Series 2004C Bonds(1)	April 14, 2004	31,785,000	9,990,000
Series 2005A Bonds	November 2, 2005	357,900,000	357,900,000
Series 2005B Bonds(1)	November 2, 2005	180,345,000	154,155,000
Series 2005C Bonds(1)	November 2, 2005	61,755,000	40,710,000
Series 2007A Bonds	May 31, 2007	551,080,000	551,080,000
Series 2007B Bonds	May 31, 2007	48,920,000	48,820,000
Series 2007C Bonds(1)	December 20, 2007	367,700,000	354,705,000
Series 2007D Bonds(1)	December 20, 2007	43,650,000	35,840,000
Series 2008A Bonds	June 26, 2008	433,565,000	433,565,000
Series 2008B Bonds	June 26, 2008	166,435,000	166,435,000
Series 2009A Bonds	May 7, 2009	388,440,000	388,440,000
Series 2009B Bonds	May 7, 2009	211,560,000	211,560,000
Series 2010A Bonds	January 28, 2010	600,000,000	600,000,000
TOTAL		$5,963,975,000	$5,603,745,000

(1) Denotes Refunding Bonds issues.
(2) On March 17, 2008, the County converted its Series 2003E auction rate securities to fixed rate bonds. The County currently has no Outstanding Bonds that are variable rate debt.

Debt Service Schedule

The following table shows the annual Principal and Interest Requirements on all outstanding Senior Aviation Revenue Bonds, as of the date of delivery of the Series 2010 Bonds for the Fiscal Years ending September 30, 2010 through the final maturity of the Series 2010 Bonds. The table does not include debt service on the Series 2010 Bonds or other Airport related debt.

SENIOR LIEN DEBT

Fiscal Year Ended September 30[(1)]	Principal and Interest Requirements on Outstanding Senior Aviation Revenue Bonds[(2)]
2010	$337,775,661
2011	344,785,040
2012	345,386,109
2013	345,374,214
2014	345,510,679
2015	345,758,699
2016	346,984,718
2017	352,867,818
2018	369,087,162
2019	370,253,279
2020	370,277,822
2021	370,294,787
2022	370,312,735
2023	370,336,047
2024	370,414,974
2025	370,470,305
2026	370,540,771
2027	370,610,884
2028	370,671,434
2029	370,820,685
2030	370,896,779
2031	370,969,366
2032	371,055,429
2033	371,136,047
2034	371,230,848
2035	371,377,504
2036	371,534,398
2037	371,696,422
2038	371,867,209
2039	372,076,581
2040	372,254,663
2041	372,442,800
TOTAL[(2)]	$11,667,071,869

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

[(2)] Numbers may not add up due to rounding.

DEBT SERVICE ON THE SERIES 2010 BONDS

The following table shows the annual principal and interest requirements on the Series 2010 Bonds:

Fiscal Year Ended September 30	Principal	Interest	Total Principal and Interest Requirements
2010	---	$ 3,732,764	$ 3,732,764
2011	---	11,485,427	11,485,427
2012	$ 3,945,000	11,485,427	15,430,427
2013	4,025,000	11,406,527	15,431,527
2014	4,185,000	11,245,527	15,430,527
2015	4,395,000	11,036,277	15,431,277
2016	4,570,000	10,860,477	15,430,477
2017	4,695,000	10,737,087	15,432,087
2018	4,930,000	10,502,337	15,432,337
2019	5,175,000	10,255,837	15,430,837
2020	5,375,000	10,058,512	15,433,512
2021	5,590,000	9,843,512	15,433,512
2022	5,870,000	9,564,012	15,434,012
2023	6,160,000	9,270,512	15,430,512
2024	6,470,000	8,962,512	15,432,512
2025	6,765,000	8,665,262	15,430,262
2026	7,105,000	8,327,012	15,432,012
2027	7,460,000	7,971,762	15,431,762
2028	7,835,000	7,598,762	15,433,762
2029	8,225,000	7,207,012	15,432,012
2030	8,635,000	6,795,762	15,430,762
2031	9,065,000	6,366,087	15,431,087
2032	9,520,000	5,912,837	15,432,837
2033	9,995,000	5,436,837	15,431,837
2034	10,470,000	4,962,075	15,432,075
2035	10,970,000	4,464,750	15,434,750
2036	11,515,000	3,916,250	15,431,250
2037	12,090,000	3,340,500	15,430,500
2038	12,695,000	2,736,000	15,431,000
2039	13,330,000	2,101,250	15,431,250
2040	14,000,000	1,434,750	15,434,750
2041	14,695,000	734,750	15,429,750
TOTALS[1]	$239,755,000	$238,418,416	$478,173,416

[1] Numbers may not add up due to rounding.

Commercial Paper Notes

Pursuant to the Senior Trust Agreement and the 1997 Authorization, the Board has authorized the issuance of CP Notes from time to time of up to $400 million outstanding aggregate principal amount at any time. The CP Notes consist of Aviation Commercial Paper Notes, Series A (AMT), and Aviation Commercial Paper Notes, Series

B (NON-AMT). Payment of all outstanding CP Notes is also secured by an irrevocable standby letter of credit issued on a several but not a joint basis by BNP Paribas, acting through its San Francisco Branch ("BNP"), and Dexia Credit Local, acting through its New York Branch ("Dexia"). Proceeds of the CP Notes have been used to fund on a short-term basis costs of the CIP pending permanent financing with the proceeds of Bonds issued under the Senior Trust Agreement. Interest on the CP Notes and certain related interest obligations under the standby letter of credit are secured by amounts in the Improvement Fund and by proceeds of Bonds issued to refund or pay CP Notes. There are no CP Notes currently outstanding, but the County also may continue to utilize the CP program until its expiration, now scheduled for August 1, 2010. See "ESTIMATED SOURCES AND USES OF FUNDS."

Other Airport Related Debt

Sunshine State Loan

On August 16, 2005, the County entered into a Loan Agreement with the Sunshine State Governmental Financing Commission whereby the County borrowed $71 million (the "Sunshine State Loan") to finance certain capital improvements, including improvements to the Aviation Department's Enterprise Resource Planning services in the amount of $7.9 million (the "MIA Portion"). The County's obligation to repay the Sunshine State Loan is secured by a covenant from the County to annually budget and appropriate from its legally available non-ad valorem revenues sufficient moneys to pay debt service on the Sunshine State Loan. The actual debt service on the MIA Portion is payable by the Aviation Department to the County on a subordinate basis to the Senior Aviation Revenue Bonds and the Reserve Maintenance Fund deposit. As of September 30, 2009, the outstanding principal on the MIA Portion was $1.6 million.

FDOT State Infrastructure Bank Loan

On February 6, 2007, the Board approved the construction of the NW 25th Street Viaduct Project ("Viaduct Project") by the Florida Department of Transportation ("FDOT") and approved a County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT agreed to construct the Viaduct Project. The loan closed on March 21, 2007. The Viaduct Project is now in construction. The Viaduct Project consists of an elevated roadway over NW 25th Street, the only major access from the Palmetto Expressway (State Road 826) to MIA's Westside and Northside air cargo handling facilities, so that trucks entering and exiting the air cargo area can travel on the Viaduct and avoid the NW 25th Street congestion.

The FDOT loan is secured by a County covenant to annually budget and appropriate from County legally available non-ad valorem revenues funds sufficient to pay debt service costs. The County has paid $5 million for the first debt service payment, which was due October 1, 2009, and intends to earmark approximately $5 million per year over the balance of the eleven year life of the loan (last payment is October 1, 2019) from the Aviation Capital Account to pay FDOT. This payment is subordinate to all other Aviation Department funding requirements, including all other debt to be paid from the Improvement Fund.

TIFIA Loan

In August 2007, FDOT, in cooperation with the County, closed on a $270 million loan from the United States Department of Transportation under the Transportation Infrastructure Financing Innovation Act ("TIFIA") loan program. These loan proceeds are being used to design and construct a consolidated rental car center ("RCC") adjacent to the Airport. The revenues pledged for repayment of the loan are the proceeds of the Customer Facility Charges collected from car rental company customers at the Airport and, if required, rent payments from the car rental companies. The repayment of the TIFIA loan is not secured by Revenues or any other revenues of the Aviation Department. See "AIRPORT SYSTEM FACILITIES – Roadway Access to MIA."

Third-Party Obligations

The County may issue revenue bonds related to the Airport System outside the provisions of the Senior Trust Agreement and not payable from Revenues pledged under the Senior Trust Agreement, subject to the condition, among others, that it will not construct, or consent to the construction of, any project, whether at the Airport or any other site, unless there is filed with the Clerk of the Board a statement signed by the Traffic Engineers and the Consulting Engineers certifying that, in their respective opinions, the operation of such additional project will not affect the County's compliance with the Rate Covenant Requirement or impair the operating efficiency of the Port Authority Properties. The Miami-Dade County Industrial Development Authority has issued revenue bonds in the combined aggregate principal amount of $210,365,000 for the benefit of conduit borrowers, the proceeds of which have been used to finance the construction of air cargo and other facilities at the Airport. As of September 30, 2009, such bonds were outstanding in the aggregate principal amount of $174,155,000. Neither the Airport nor the County has any obligation with respect to these bonds. See "APPENDIX H – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR TRUST AGREEMENT – Bonds Secured Otherwise than by the Trust Agreement."

Possible Future Indebtedness; Other Capital Expenditures

The Aviation Department currently has no plans to incur substantial indebtedness other than in connection with completion of the CIP. See "FUNDING SOURCES FOR THE CIP." The Department, however, has identified a number of potential capital projects related primarily to maintenance of existing assets and safety and security programs. The current project list includes improvements for runways, aprons, and roadways and replacement of an existing automatic people mover system. A significant portion of the costs of the projects identified are eligible for funding by state and/or federal grants, though there can be no assurance that any such grants will be forthcoming. Such projects have not been prioritized by staff or approved internally or by the Board.

Additional indebtedness may be required to finance on a temporary or permanent basis costs of such projects if they are approved, as well as other capital expenditures appropriate for the maintenance of a large international airport. Any such indebtedness would likely be secured on a parity basis with the Senior Aviation Revenue Bonds under the Senior Trust Agreement. The issuance of such indebtedness, on a parity basis with the Senior Aviation Revenue Bonds or otherwise, could affect the amounts in the Improvement Fund available for transfer to the Debt Service Account or the Reserve Account for the benefit of the Series 2010 Bonds. See "SECURITY FOR THE SERIES 2010 BONDS — Net Available Airport Revenues — *Use of Improvement Fund Revenues and Payment of Series 2010 Bonds.*"

AIRPORT SYSTEM GOVERNANCE AND MANAGEMENT

Governance

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

Management

Brief descriptions of the director of the County Finance Department and the executive staff and selected division managers of the Aviation Department follow.

Carter Hammer, MBA, MACC, AIF
Miami-Dade County Finance Director

Carter Hammer was appointed Finance Director in December 2008. As Finance Director, Mr. Hammer is responsible for the capital financing activities of all County departments and for reviewing the structure and issuance of the County's debt. Treasury responsibilities include cash management, review of the County's investment policy and investment of County funds. Tax collection responsibilities include timely collection and distribution of real estate and personal property taxes due to the County, municipalities and other government agencies located within the geographical boundaries of the County. Mr. Hammer is also responsible for the coordination and issuance of the County's financial statements in accordance with the accepted governmental accounting principles.

Prior to joining the County, Mr. Hammer served as Chief Financial Officer of the Palm Beach County Clerk's Office managing an investment portfolio of over $2 billion and supporting a AAA rated County debt portfolio of almost $2 billion. In the private sector, he held multiple positions as chief financial officer, controller, and management accounting related positions for companies such as Motorola, Philips, and Park-Ohio. Mr. Hammer holds a Masters of Accounting and a Masters in Business Administration from Florida Atlantic University in Boca Raton as well as a Bachelors of Business Administration from the University of Miami. He currently is pursuing his Certified Public Accountant and Certified Financial Analyst certifications.

José Abreu, P.E.
Aviation Department, Aviation Director

José Abreu joined the Aviation Department on July 11, 2005 as Aviation Director. In this capacity, Mr. Abreu is directly responsible for overseeing the day-to-day operation of the Aviation Department's Airport System. His duties and areas of responsibility include management of operations, engineering, facilities development, business development, financial management, and safety and security. Prior to joining the Aviation Department, Mr. Abreu served as Secretary of FDOT, appointed by Governor Jeb Bush on March 5, 2003. Prior to serving as Secretary, Mr. Abreu served in progressively senior positions at FDOT, including eight years as FDOT's District Six Secretary for Miami-Dade and Monroe Counties. Mr. Abreu received a Bachelor of Science Degree in Civil Engineering from the University of Miami. He is a licensed professional engineer and a certified engineering contractor in Florida active in his profession. Mr. Abreu serves on several University of Miami boards including the Industrial Advisory Board of the College of Engineering and the Alumni Association. He also serves on the Board of the Association of Cuban-American Civil Engineers and is a Fellow of the American Society of Civil Engineers. Mr. Abreu has received numerous awards and proclamations including the 1996 Distinguished Alumnus Award from the University of Miami College of Engineering, the 1996 Outstanding Contributions Award from Florida International University College of Engineering, the 2000 Wilbur S. Smith Award, the 2000 National Highway Engineering honor and the 2004 Civil Government Award presented by the American Society of Civil Engineers, the Florida Engineering Society award for outstanding service to the profession-government and the Miami-Dade Community College Hall of Fame. Mr. Abreu was named one of "The 100 Most Influential Hispanics" by Hispanic Business magazine in 2003 and a top Newsmaker for 2007 by *Engineering News-Record*.

Anne Syrcle Lee
Aviation Department, Chief Financial Officer

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

Robin D. Pearsall
Aviation Department, Capital Finance Manager

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

Juan Carlos Arteaga, AIA
Program Director, North Terminal Development Program

Juan Carlos Arteaga has served as the Program Director for Miami International Airport's North Terminal Development (NTD) Program since December 2005. His duties include managing and directing the design and construction of the NTD Program, which will expand and renovate concourses A, B, C and D, at MIA into a state-of-the-art, 1.3 mile-long linear terminal. Prior to joining the Aviation Department, Mr. Arteaga was the Airport Division Director for the Miami-Dade Building Department from 2001 to 2005. Mr. Arteaga has a broad range of experience as a professional architect, urban planner, general contractor, design-builder and construction manager spanning 28 years. Prior to his years of County service, he served in various capacities for numerous architectural firms in the private sector (including his own).

Mr. Arteaga currently serves as an adjunct professor at Florida International University. He has received numerous design awards for his architectural and urban development contributions, including the best town landmark for the Bell Tower at Weston Town Center in Ft. Lauderdale; Urban Development of the Year for North Satellite City in Santa Cruz, Boliva; and Best Master Plan Award from the Association of Building Code Officials in 2004. Mr. Arteaga is a Registered Architect, Urban Planner, Certified General Contractor, Threshold Building Inspector, Building Plans Examiner, Building Inspector, Certified Building Official and a LEED accredited professional. He holds bachelor's and master's degrees in Architecture, a master's degree in Urban Planning and an international degree in Urban Design.

Aviation Department, Deputy Aviation Director for Operations

The Deputy Aviation Director for Operations is responsible for oversight of all County owned airports, Airside, Landside & Terminal Operations, Administration, Information Systems, Noise Abatement, Facilities Management, Security, Communications, Cultural Affairs, and the Airport's Police and Fire-Rescue Departments. The previous Deputy Aviation Director, Max Fajardo, retired on September 30, 2009. The Aviation Department is finalizing a timetable for filling the position.

Miguel A. Southwell
Aviation Department, Deputy Aviation Director for Business Retention and Development

Miguel A. Southwell is the Deputy Director of Business for the County's system of airports that includes Miami International and four general aviation (GA) airports. His responsibilities include generating revenue from a variety of airport business operations that include: Real Estate Leasing and Management; Food, Beverage and Retail Concessions; Parking; the Miami International Airport Hotel; and new Air Service Development. He joined the Aviation Department in July 2001. Before joining the Aviation Department, Mr. Southwell spent 11 years at Hartsfield-Jackson Atlanta International Airport in numerous positions, including Interim Assistant Director of Business and Finance. He also served for five years as an Adjunct Professor of Aviation at Georgia State University.

Prior to his airport career, Mr. Southwell worked in the banking and airline industries. He was a Regional Branch Manager and Assistant Vice President of Willamette Savings in Portland, Oregon. Also, he worked with British West Indian Airways in Antigua, British West Indies.

Mr. Southwell holds a bachelor's degree in management from Portland State University and a master's degree in international business from City University of New York.

Among the international and civic organizations in which he serves, Mr. Southwell is a World Governing Board member of Airports Council International (ACI) and President of ACI — Latin America and the Caribbean Region. ACI is the five-region official association of airports around the world. He is also a member of the Executive Committee of the Beacon Council, Miami-Dade County's economic development agency, and a Board member of the Greater Miami Convention & Visitors Bureau.

Sunil Harman
Aviation Department, Assistant Aviation Director for Facilities Development

Sunil Harman is currently the Acting Assistant Aviation Director of Capital Facilities Development and is responsible for overseeing the Facilities Development and Civil/Environmental Engineering Divisions. He is responsible for managing capital facilities development, including planning, programming, design and construction of all projects other than North Terminal. Mr. Harman has more than 22 years of experience in the aviation industry, including airport planning and development and airline passenger and air-cargo operations.

Mr. Harman has a bachelor of science degree in Aviation Administration and a master's degree in Aviation Management from Embry-Riddle Aeronautical University, Daytona Beach, Florida.

Employees

The Aviation Department has approximately 1,400 employees. Collective bargaining units represent approximately 1,100 of the 1,400 employees. Florida Statutes prohibit public employees from striking against their employers. Police and fire services are provided by their respective County departments through dedicated Aviation Department forces, with supplemental services provided and paid for as needed.

AIRPORT SYSTEM FACILITIES

Introduction

The Airport is located in the unincorporated area of the County, approximately seven miles west of the downtown area of the City of Miami and nine miles west of the City of Miami Beach. Its close in-city location provides convenient and immediate access to the Greater Miami area.

During calendar year-to-date, January through August 2009, a total of 23,159,546 passengers traveled through MIA, of which 10.8 million or 47% were international, and 12.3 million or 53% were domestic. MIA maintains one of the highest international to domestic passenger ratios of any U.S. airport supported by South Florida's culturally diverse population and international tourist destination status. The Airport supports multiple airline and multiple daily frequencies to virtually every capital and secondary city/business center in the Latin American/Caribbean region. According to the Airports Council International, MIA in FY 2008 ranked 29th worldwide and 15th nationwide in terms of total passengers (both arriving and departing).

MIA includes approximately 3,300 acres and approximately 184 buildings, ranging from airfield lighting vaults, aircraft engine test cells, chiller plants, cargo warehouses, office buildings, and hangars, to a main terminal building. The North, Central and South Terminal additions provided by the CIP are adding more than 4 million square feet to the pre-existing 3.5 million square feet.

Terminal Building

This subsection describes terminal facilities in operation as of June 30, 2009. Terminal facilities under construction are discussed in "CAPITAL IMPROVEMENT PROGRAM."

As of September 30, 2009, the Terminal Building was a single horseshoe-shaped building consisting of North Terminal (Concourses A, C and D), Central Terminal (Concourses E/Satellite, F and G) and the new South Terminal (Concourses H and J) (Concourse B was demolished on September 30, 2004). The seven concourses (C, D, E/Satellite, F, G, H and J) have approximately 102 loading bridge gates plus 3 gates used for ground load operations for commuter flights. As of September 30, 2009, Concourse D has 26 gates, E has 18 gates, F has 19 gates, G has 11 gates (plus 3 ground load), H has 13 gates, and J has 15 gates. A map of the Airport is below. On October 31, 2007, Concourse A was temporarily closed for construction of the new North Terminal and the Concourse B FIS was permanently closed. A new FIS is being constructed in the area of Concourse D. The first level of the Terminal Building includes the arrivals area with domestic baggage claim and ground transportation, as well as outbound baggage systems. The second level is the departure level with security checkpoints, gate hold rooms and 522 ticket positions, the majority of which had common use equipment as of June 30, 2009. The Airport differs from many airports in that the Airport does not have a separate international terminal. Accordingly, the Terminal Building's third level is capable of moving international passengers from Concourses D, E, and F to the E FIS located in the Terminal Building area near Concourse E and moving international passengers from Concourses H and J to the new FIS near Concourse J, which became operational September 24, 2007. In October 31, 2007, the B FIS near the demolished Concourse B was closed, and it will ultimately be replaced by a new FIS in the North Terminal.

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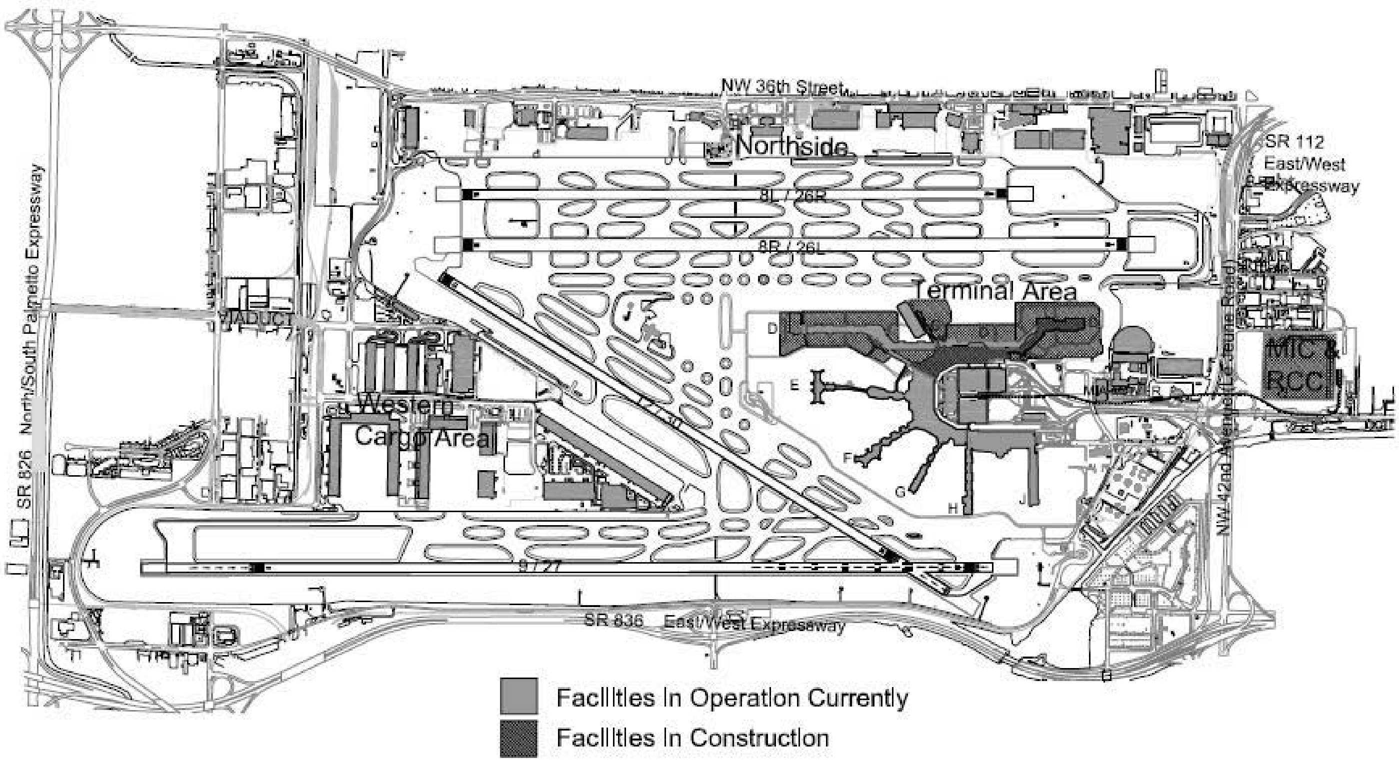

MIAMI INTERNATIONAL AIRPORT **AIRPORT LAYOUT**

MIAMI-DADE AVIATION DEPARTMENT

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Commercial Operations Facilities at the Airport

As of September 30, 2009, the Terminal Building had 132 permanent and 29 temporary concession locations occupying approximately 172,606 square feet of duty free, food and beverage and retail space. Approximately 40% of the concession locations are located pre-security and approximately 60% of the concessions are located post-security. The current concession locations are consistent with a concessions master plan.

The Terminal Building also provides locations for services such as advertising, banks and ATM machines, currency exchanges, baggage storage, shoeshine, barbershop, baggage wrap machines, luggage carts, baggage checkroom, and the Hotel. The Aviation Department currently operates two clubs (known as Club America) totaling 17,220 square feet. Club America accommodates approximately 25 member airlines that do not have their own club facilities and wish to offer their first class and business passengers a club environment. The participating airlines pay the Aviation Department a per passenger fee for the use of these facilities. A temporary Club America, located pre-security on the third floor, was opened September 14, 2007 to serve international airlines in the South Terminal until the permanent 10,000 square foot Club America on the third floor of Concourse J, located post-security, is completed.

In the past, most of the commercial operations operated under a management agreement structure. Under this structure, the Aviation Department pays a company a management fee to operate the commercial operation, while the Aviation Department receives all revenues and pays all expenses (including the management fee). Through a solicitation process, the Aviation Department has transitioned from the management agreement structure to concession agreements pursuant to which the operator pays the Airport the greater of a percentage of gross revenues or a minimum amount guaranteed in the contract. Solicitations have been issued and concession agreements awarded resulting in new master concessionaires, operators and/or developers with national, regional and local brands. The costs associated with the buildout of concession locations and on-going maintenance has been shifted to the concessionaire which is a cost-saving to the Aviation Department.

The transition to the concession agreement structure began in 2003 when Westfield Concessions Management, Inc. was awarded the Central Terminal Retail agreement to develop and operate a total of 36 locations. As the need for new concessions continued, solicitations were issued with awards to firms that had no previous presence in the Airport. Competition is created with a larger variety of concessionaires within each category of products or services. Areas USA and Concessions Miami were awarded agreements for the food/beverage program for the South and North Terminals. Faber, Coe & Gregg and HMS Host were awarded agreements for the retail program in the North and the South Terminals and The Hudson Group and Newslink/Adler were also awarded agreements in the North Terminal. Concession agreements were also awarded to a number of small businesses and/or local firms for locations in the North, Central and South Terminals.

The Central Terminal Retail program has been completed with the exception of one location that is under construction. Construction in the Central Terminal (before security from Concourse E to Concourse H) provides new concession signage identification of stores. It will assist in identifying stores from Concourse E to Concourse H (located before security) and improve the image of the area.

A new concession program was created to support the new South Terminal and its 50,000 square foot Concession Hall which features an 8,900 square foot food court. The South Terminal will also host a Bank of America service center and other amenities such as ATMs and a business center. Of the 43 permanent concession locations, 35 locations have opened. The remaining locations will be open by the end of the fourth quarter 2009.

Concourse A in the North Terminal was temporarily decommissioned November 10, 2007 to accelerate the completion of the North Terminal build out. In the Concourse D Extension areas of the North Terminal, temporary concessions supplement the existing permanent concessions during the build-out period. Planning is under way to ensure concurrent opening of concession services with the gate openings. One final concession solicitation is being prepared for issuance so that the concession openings will coincide with the opening of the final phase of the North Terminal in the fall of 2010.

During FY 2009, concessions totalling 26,402 square feet were added throughout the Airport. These new locations will enable the Department to meet the passenger demands for additional food/beverage, retail and duty free concessions.

Car rental agencies pay the Aviation Department a percentage of gross revenues and rent for counter space in the Terminal Building. Car rental counters are being phased out and replaced by telephone access through the courtesy or reservation boards located conveniently throughout the Airport. The current rental car companies at the Airport are Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Royal and Thrifty. Sixteen car rental agencies have signed the concession agreement and a memorandum of understanding agreement to participate in the consolidated Rental Car Center (the "RCC"). The RCC is currently under construction at the off-Airport Miami Intermodal Center (the "MIC") site and is scheduled to open in Spring 2010. The RCC is expected to be connected to the Airport by the MIA Mover from the MIC to a location between the Airport's Dolphin and Flamingo parking garages. The MIC will be accessible to the Terminal Building by shuttle bus between the RCC's opening and the commencement of MIA Mover operations, now scheduled for September 2011. (See "AIRPORT SYSTEMS FACILITIES — Roadway Access to MIA" for a description of the MIC and "CAPITAL IMPROVEMENT PROGRAM — Landside Programs — MIA Mover Program" for a description of the MIA Mover.

The Hotel, which is accessed on the second level of Concourse E, is currently managed by HID Development, Inc. through a management agreement. The Hotel occupies about 118,500 square feet with 259 rooms. Life code upgrades completed in 2007 and 2008 afforded the operator the opportunity to upgrade the hallway and room interiors with new wallpaper, draperies, carpet and furniture. Room occupancy during the reconstruction was 100% of rooms actually available due to the fact that approximately half of the rooms were under construction and/or renovation. Occupancy with the North and South Tower in service averaged 70% through September 30, 2009. Services at the Hotel include the Top of the Port restaurant, a lobby bar, and a sushi bar located in the Hotel's lobby area.

Airside Facilities

The Airport has four commercial air carrier runways, consisting of three parallel east-west runways and one diagonal runway oriented in the northwest to southeast heading. For a map of the runways, see "AIRPORT SYSTEMS FACILITIES – Terminal Building." These runways provide operational facilities to cover prevailing wind conditions at MIA and are connected by a system of dual taxiways and aprons. The runways are equipped with high-intensity runway lighting systems. Category I Instrument Landing Systems are provided for five of the eight runway approach directions to permit operations under poor weather conditions. The new, northernmost Runway 8L/26R runs east-west and is 8,600 feet long and 150 feet wide. Runway 8R/26L, also on the north side of the Airport, and located 800 feet south of Runway 8L/27R with a taxiway separating them, runs east-west and is 10,500 feet long and 200 feet wide. The south parallel east-west Runway 9/27, more than a mile to the south of Runway 8R/26L, is 13,000 feet long and 150 feet wide. The diagonal northwest-southeast Runway 12/30 is 9,355 feet long and 150 feet wide and is used sequentially with the parallel runways during easterly operations with the application of Land-and-Hold-Short procedures on the longer Runway 9/27 permitting converging landings. These runways are capable of handling any size commercial passenger or cargo aircraft planned or currently in use, with Runway 8R/26L and 9/27 capable of handling the Airbus A380 and the Boeing 747-8. MIA's four-runway layout permits peak hour aircraft movements of up to 149 flight operations per hour during optimal weather conditions.

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

To minimize take-off delays, all runways are supplemented at each end with large holding aprons, which permit the bypassing of most aircraft facing delay by other departing aircraft except in the case of the very large aircraft, including the Airbus A380 and the Boeing 747-8. A system of numerous high-speed exits (turnoffs) from the runways has been provided, permitting landing aircraft to make smooth exits from the runways to the taxiway system, minimizing runway occupancy times and enhancing airfield capacity. An extensive system of dual parallel taxiways has been constructed to support all four runways and serve the entire area of the Airport terminal complex.

These dual-parallel taxiways provide by-pass taxiway capability for all but the largest aircraft during high airfield utilization periods such as during peak periods when air traffic control needs to reshuffle departure queues to enable the most delayed departures to take-off prior to other flights.

Parking Facilities

The Airport offers several public parking alternatives: valet, short-term, long-term and economy parking with 24 hours a day, seven days per week availability. Two covered parking facilities are positioned within the linear configuration of the Terminal Building. The parking garages, ground transportation and curbside services are situated along the main access roadway. The remote Economy Park and Ride surface lot is located in a remote area of the Airport near the employee parking, and offers 600 public parking spaces with free shuttle service to the Terminal Building.

As of September 30, 2009, the Airport had 8,650 public parking spaces allocated for valet service, short-term, long-term and economy parking at MIA's parking facilities. The South Terminal short-term parking lot is temporarily being operated at long-term parking rates, while 129 of the 348 parking spaces are being utilized as a staging area for the construction of the automated people mover station. The main exit from the parking facilities is through a centrally-located revenue collection plaza. This plaza allows for centralized ticketing access to and from the garages with state-of-the-art revenue collection report systems. Systems upgrades such as Pay On Foot and the SunPass® program are to be completed by the end of calendar year 2009. Pay On Foot will allow patrons to pay for parking prior to exiting the collection plaza, and SunPass is FDOT's prepaid toll program, which patrons will be able to use to expedite their exit at the collection plaza through the use of transponders. MasterCard has agreed to install (at its expense) new readers to support the PayPass or other credit card programs. PayPass is MasterCard's "contactless" way to pay by simply tapping the PayPass card at the point of service device, which then processes payment without further interaction. This service is anticipated to speed up the exit process. It is anticipated that more credit card and SunPass usage will result in the need for fewer cash lanes and reduced labor expenses.

Roadway Access to MIA

The primary ingress and egress routes for passengers and visitors to MIA are (1) from LeJeune Road (NW 42nd Avenue, the eastern geographic boundary of the Airport) to NW 21st Street, and (2) the Dolphin Expressway — SR 836 (the southern boundary of the Airport) to LeJeune Road and (3) a direct connection to Interstate I-95 from the Airport Expressway State Road 112 (SR 112) with dedicated ramps from the North, South and East all leading to the Terminal Building and the revenue parking Central Collection Plaza via the MIA access roadway "Central Boulevard" (which is an extension of NW 21st Street). The Central Boulevard roadway connects to all passenger landside and terminal facilities and on approach to the terminal is grade separated with access to the first (ground) level for all arrivals and an elevated roadway level serving the entire second level for all departures.

Airport roadway access infrastructure that is part of the CIP includes the Central Collection Plaza and the Terminal South Drives Extension Projects, both of which were completed in 2003. The Central Collection Plaza provides a centralized point of entry and exit from the revenue parking garages with an automated payment system. The Southside Drives Extension project, which extended the grade separated terminal roadway system with additional curb frontage for arriving and departing passengers to support the South Terminal building and Concourse J expansion which opened for service in 2007. The Southside Drives Extension project greatly improved the circulation, weaving and wayfinding for passengers accessing the new terminal and exiting the Airport.

Other Airport surface access improvements have some CIP contributions but are primarily funded by entities other than the County to enhance the surface accessibility and functionality of roadways serving the Airport and include the Airport's interface with the Rental Car Center (RCC) and the transit oriented Miami Intermodal Center (MIC), and improved ingress and egress for both passengers and cargo both on the east (terminal) and west (air-cargo terminus) sides of the airport. Significant access improvements include:

- FDOT and the Miami-Dade County Expressway Authority ("MDX") are funding several projects to enhance access to the Airport from adjoining roads. This includes completed projects such as the widening LeJeune Road (Northwest 42nd Avenue), and direct connect ramps from the Airport to State Roads 836 and 112. On-going projects include the RCC, the MIC core building, widening the Northwest

25th Street air-cargo corridor at-grade and constructing a dedicated elevated cargo trucks only viaduct (the "Viaduct East Project") from the MIA cargo area, the rebuilding of the SR826/SR836 Interchange, and the SR 826/Northwest 36th Street Interchange. Currently, there is no funding source to implement the second and final phase of the Viaduct Project extending the viaduct westward over the Palmetto Expressway to just east of NW 82nd Avenue (the "Viaduct West Project"). However, with the enactment of the Recovery Act, the Aviation Department is seeking to qualify the Viaduct West Project for a discretionary USDOT grant under the Transportation Investment Generating Economic Recovery (TIGER) program, under *P.L. 111-5, The American Recovery and Reinvestment Act of 2009*. *See* "CERTAIN INVESTMENT CONSIDERATIONS AFFECTING NET AVAILABLE AIRPORT REVENUES — Federal Legislation."

- The estimated $97 million capacity improvements of the primary access to the Airport's passenger terminal, known as the "MIA Central Boulevard Widening, Re-alignment and Service Loop Project," is needed to balance MIA's terminal roadway system with the Airport's increased airfield and terminal capacity. It will be designed and constructed by MDX at no cost to the Aviation Department. That roadway system, mainly consisting of the Central Boulevard, is currently adequate but is anticipated to become inadequate in the foreseeable future. A Joint Participation Agreement between MDX and the Aviation Department was approved by the MDX Board on June 30, 2009, to accomplish MDX's assumption of the project in exchange for a perpetual easement and assignment of a $48.5 million FDOT grant to MDX. The Central Boulevard improvement project calls for enhancement of "at grade" and elevated roadways along the airport's main access corridors. It includes the widening and realignment of Central Boulevard and a separating of service and commercial traffic from the public traffic lanes. Specifically, the project widens Central Boulevard from three to four lanes in the west-bound ingress direction and from four to five lanes in the east-bound egress direction. When complete, the improved roadway will provide links to the Airport's major feeder roads and highways, such as LeJeune Road (NW 42nd Avenue), State Road 836, and State Road 112. Central Boulevard will also be the direct link to the new Miami Intermodal Center when it opens in 2011.

- The MIC is a multi-phased development program intended to relieve area roadway congestion and improve access to the Airport by creating a regional transportation center east of LeJeune Road. The MIC will act as a remote ground transportation hub for MIA by relieving terminal curbside congestion. Its estimated cost is $3.1 billion. The primary structures include a separate MIC core building and the RCC, both of which will be constructed by FDOT with loan proceeds from the United States Department of Transportation under the TIFIA loan program. The MIA Mover, which is being funded through the CIP and $114.2 M in FDOT grants, will connect the RCC to the Terminal Building. FDOT plans to construct other transportation-related facilities in the immediate area, all of which will be made commercially compatible with the RCC and the MIC core building.

The County's responsibilities for the MIC project are primarily limited to:

- Designing, constructing and operating the MIA Mover;

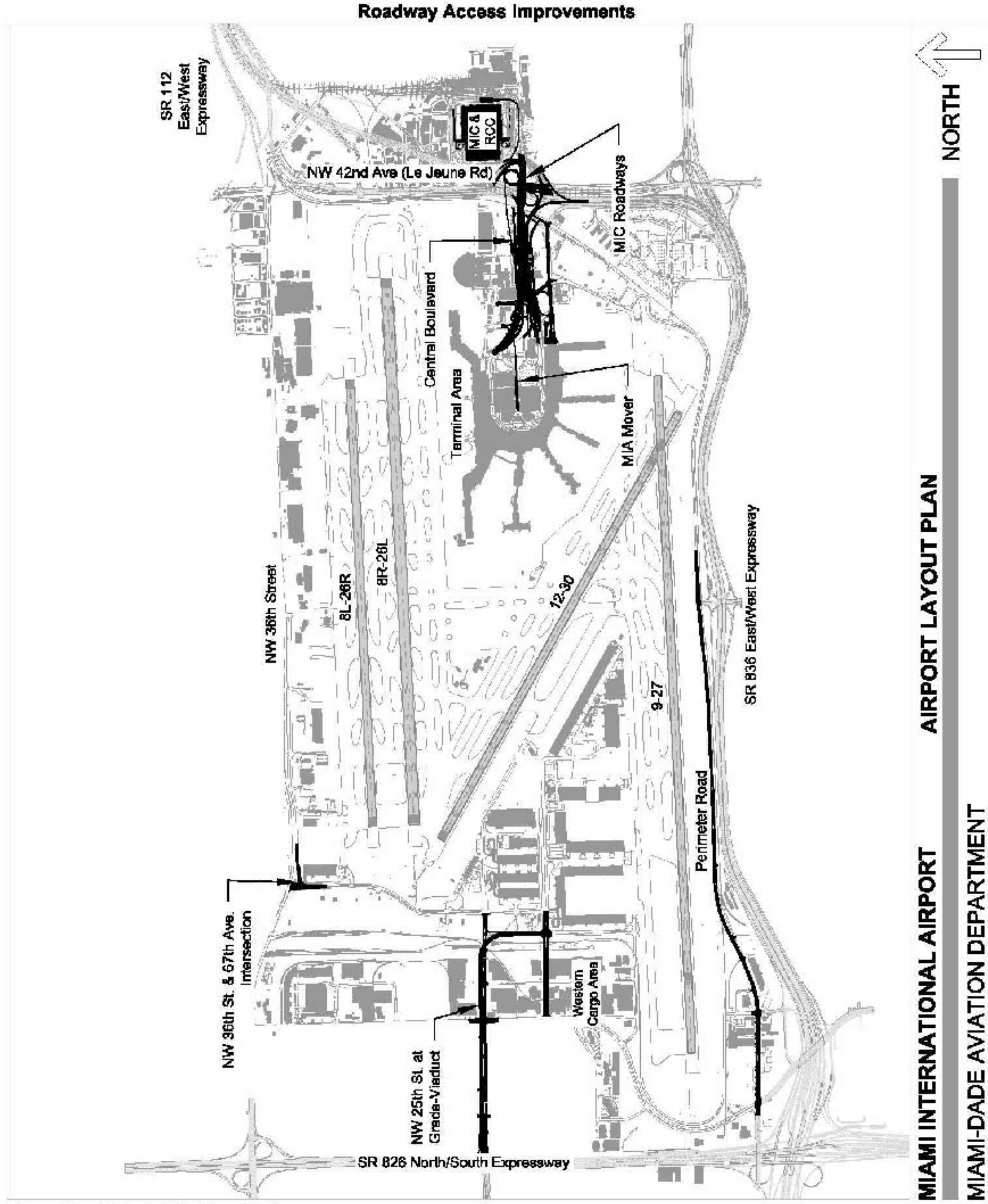
- Calculating Customer Facility Charges ("CFCs") sufficient to pay off the TIFIA loan secured by FDOT and imposing upon car rental companies the obligation to collect CFCs from their customers and remit them to a trustee; and

- Operating and maintaining the RCC and paying for the costs thereof from the CFCs. The CFCs are not Revenues.

Other improvements currently in design and funded by FDOT includes widening Perimeter Road from NW 72nd Avenue to NW 57th Avenue to four lanes to serve as a maintenance of traffic for the Miami-Dade Expressway Authority's widening and realignment of the Dolphin Expressway SR836. The other portion of Perimeter Road in design and subject to federal and state funding includes widening Perimeter Road from NW 57th Avenue along NW 42nd Court (parallel and to the east of LeJeune Road) and connecting to NW 20th Street allowing the aviation fuel-farm to be enclosed within the Airport's Airfield Operations Area.

See "AVIATION RELATED DEBT – Other Airport-Related Debt – FDOT State Infrastructure Bank Loan" for a description of the NW 25th Street Viaduct Project.

Figure I.1
Airport Layout Plan
Miami International Airport
Roadway Access Improvements



Source: Miami-Dade Aviation Department

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Cargo and Other Facilities at the Airport

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

As of September 30, 2009, the Aviation Department managed approximately 8.8 million square feet of potentially rentable cargo and other facilities space including maintenance facilities as well as hangars, office space, simulator bays and other training areas, engine repair and testing facilities. Storage areas and operational support facilities make up the rest of the square footage managed by the Aviation Department. The leased facilities are managed through 212 agreements and produced approximately $50.4 million in annual rental revenues ($36.4 million from buildings and $13.9 million from land), which constitute approximately 8.66% of Fiscal Year 2009 Revenues. This total includes the general aviation airports.

Cargo plays a significant role in the financial health of the Airport. Annual revenues generated from the rental of cargo facilities combined with Landing Fees of all-cargo airlines operating at MIA, totaled $57.67 million for fiscal year ended September 30, 2009.

From June 2008 through July 2009, cargo handled at the Airport has decreased 17.9% when compared to the same preceding 12-month period, which the Aviation Department attributes to the economic slowdown. In particular, cargo handled from January 2009 through August 2009 decreased 20.2%. It is too early to predict how long the decrease in cargo will continue and what impact, if any, it will have on Revenues.

The majority of the MIA airfield development in the last 20 years has been for cargo handling facilities on the west side of the Airport known as the belly cargo buildings and the Western and Eastern "U." The three belly cargo buildings and the four buildings making up the Western "U" were developed by the Aviation Department and are leased to cargo tenants.

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

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

In addition to the cargo facilities, the Aviation Department has a number of cargo loading (aircraft apron) positions located throughout the airfield that serve to support the cargo operations at the Airport. As of September 30, 2009, the Airport has 64 such positions, 44 of which are common-use positions that are assigned by the Aviation Department's Airside staff. The remaining 20 are on airline leasehold property. Assignment of the common-use cargo loading positions is based on the location of airline cargo warehouse leaseholds, aircraft types and operating schedules of the cargo airlines.

In 2007, the Aviation Department completed negotiation of a development lease with Centurion Air Cargo, Inc. ("Centurion"). This $110 million development (the "Development") will be located on a 83-acre site at the northeast corner of the Airport that was a major portion of the former Eastern Airlines leasehold. The lease has been reviewed and approved by the FAA and the resolution to adopt it was passed by the Board in September 2007. The development includes a 250,000 square foot warehouse, rehabilitation of 65,000 square feet of office space, 140,000 square feet of hangar space, construction of 350,000 square feet of paved aircraft ramp and ground services equipment storage and the purchase of Buildings 890 and 891 for the fair market value of $6.4 million. Centurion is also required to extend Taxiway "K" but, under the terms of the lease, the Aviation Department is required to reimburse Centurion for such extension up to $6.4 million. The cap on reimbursable costs related to the extension of Taxiway "K" does not apply to costs related to remediation of any unforeseen environmental conditions. Phase II of the lease gives Centurion the option to expand its cargo warehouse development into the area now occupied by Building 5A with the provision that it either replaces or purchases Building 5A from the Aviation Department. In either case, Centurion is obligated to bear the cost of relocating all operations currently housed in Building 5A. The lease term is 30 years with two five-year renewal options, for a total of 40 years. Under the terms of the lease, Centurion will assign the lease to Aero Miami, LLC ("Aeroterm") for the financing, design, construction and management of the Development. Centurion will remain liable with Aeroterm as joint lessees under the lease. The developer is in the permitting process for the demolition work required for the new construction with a commencement date of January 1, 2010.

Public Private Investor Partnership

In calendar year 2007, the Aviation Department initiated a multi-phased Public Private Investor Partnership (PPIP) program in an effort to address unfunded capital needs not included in the CIP and generate additional revenues. Through the PPIP program, the Aviation Department is seeking qualified investors/developers to finance, design, construct, renovate, manage and/or operate projects in undeveloped and/or underutilized land and facilities in certain designated investment areas within the boundaries of the Aviation Department's airports.

The Aviation Department issued a competitive Request for Proposal for Phase I of the PPIP program, which included seven investment areas, ranging in size from 2 to 62 acres, located at Miami International Airport and one general aviation airport. Respondents showed interest in developing four of the seven offered sites and the Aviation Department is currently in negotiation with the two top-ranked developers.

A request for Expression of Interest (EOI) was issued for PPIP Phase II, seeking a qualified developer for four available investment areas in the vicinity of the Airport's Central Boulevard, consisting of a hotel, existing structures, and underutilized land. The Aviation Department received EOIs from five qualified respondents, all of whom were invited to submit a proposal and discuss their EOIs further with the selection and negotiation committee. Two of the five qualified respondents submitted a proposal. Negotiations will continue and may lead to the Aviation Department recommending a single investor/developer for the program.

General Aviation Airports and Training Airports

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

Opa-locka Executive Airport

The County obtained Opa-locka Executive Airport ("OPF") from the United States government in 1961 and the former Naval Air Station Miami (Marine Corps Air Station Miami) has been operated for general aviation activity since then. OPF is a designated reliever airport for MIA. OPF's property contains 1,810 acres.

The Airfield consists of three active runways. The two east-west runways are 8,002 feet and 4,306 feet long, respectively, and 150 and 100 feet wide, respectively, with one runway having two instrument landing systems ("ILS") and Category I capabilities. The southeast-northwest runway is 6,800 feet long and 150 feet wide, and also has ILS and Category I capability. Other facilities include corporate hangars, an Aircraft Rescue and Fire Fighting building and a CBP private aircraft clearance building. In addition, third parties operate or are in the process of developing a number of the facilities at OPF including corporate hangars. The U.S. Coast Guard and Miami-Dade County Police and Fire ("Air Rescue") have operations at OPF.

At OPF, where there are currently over 500 acres available for development, the Aviation Department has taken measures to release large tracts of land held by three developers since the late 1990s, to accommodate such requests to construct hangar/office facilities, fuel farms, warehouses, retail/industrial facilities and fixed based operations. The total planned private investment as of September 30, 2009 was approximately $381,300,000.

Kendall-Tamiami Executive Airport

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

TMB's airfield consists of three active runways: two east-west runways of 5,002 feet and 5,003 feet in length and 150 feet in width, and a southeast-northwest runway of 4,001 feet in length and 150 feet in width. The primary east-west runway is equipped with high intensity runway lighting and two 50-foot wide parallel taxiways with medium intensity taxiway lighting. The secondary runways have medium intensity runway edge lighting and taxiway lighting. Other facilities include T-hangar bays, corporate hangars and office buildings, which have been built by the Aviation Department and private parties. The County and the federal government have considerable facilities at TMB. The County's Police and Fire Departments' aircraft are headquartered there, and the FAA operates the air traffic control tower and the International Flight Service Station. Miami-Dade College has a satellite campus located at TMB at which it operates flight training programs.

In 2007, six private development projects were approved by the County. The combined projects will utilize a total of 42.15 acres. The total planned private investment as of September 30, 2009 was approximately $11,173,250.

Recent planning studies for TMB have identified the need to lengthen Runway 9R/27L an additional 1,000 feet to a total of 6,000 feet to better serve existing as well as to accommodate additional corporate aircraft operators at the airport. The project is currently in the design phase and is funded with an FAA grant. Construction of the extension is not a part of the CIP. The total project cost is estimated to be $4,435,000, and the construction is wholly contingent upon the receipt of ninety percent (95%) FAA Discretionary Funding in FY 2010.

Homestead General Aviation Airport

Homestead General Aviation Airport ("X-51"), which was completed in 1963, and was rebuilt in 1997 after suffering significant windstorm damage from Hurricane Andrew, serves the public, agricultural users and sports aviation in the southern portion of the County. X-51's property contains 960 acres.

X-51's airfield consists of three general aviation runways: an east-west runway that is 3,000 feet long and 75 feet wide, a parallel east-west grass runway that is 1,000 feet long and 50 feet wide, reserved for ultralight activity, and a north-south runway that is 4,000 feet long and 100 feet wide. The main runways each have parallel lighted taxiways and medium intensity edge lighting. X-51 has an administration building, with approximately 100 paved auto parking spaces for general aviation on the airport.

The County has entered into a long-term lease agreement for a fixed base operator at X-51. The site consists of approximately 7.39 acres and also includes certain existing facilities. The lease requires the tenant to invest $80,000 in a fuel farm facility.

The Dade-Collier Training and Transition Airport

The Dade-Collier Training and Transition Airport (the "Dade-Collier Airport"), located partially within the County and partially within Collier County, is approximately 33 miles west of the Miami International Airport, was opened on January 20, 1970, and is used for commercial air carrier and military flight training purposes. The Dade-Collier Airport property contains 24,960 acres, which includes approximately 900 acres of developed and operational land.

The Dade-Collier Airport consists of a single east-west runway (10,500 feet long and 150 feet wide), which is equipped with high-intensity lights, and pavement geometry configured for efficient operation of wide-body aircraft. The County owns all facilities at this airport, excluding the ILS.

The undeveloped property of the Dade-Collier Airport is managed and operated by the Florida Game and Freshwater Fish Commission. Environmental concern for the safety of the Everglades resulted in the negotiations of the Everglades Jetport Pact, which is a multi-party agreement among the County, the State, and the United States acting through the Secretary of Transportation and the Secretary of the Interior, to restrict the development of the Dade-Collier Airport to a single runway until a mutually agreeable alternate site is made available to the County and equipped with facilities equal to those at the existing site without cost to the County. The selection of an alternate site has not occurred as of this date.

The Aviation Department is currently examining options to determine how best to maximize revenue from these extremely environmentally sensitive premises.

Opa-locka West Airport

The Opa-locka West Airport was decommissioned in 2006. The County entered into an agreement with the Florida Department of Transportation ("FDOT") on April 23, 2008 whereby FDOT serves as the manager for the purpose of mining limestone rock at the 422-acre airport site. Under the 10-year agreement, FDOT will secure all federal, state and County rock mining permits, assist the County in obtaining a competent extraction company to mine and sell the limestone rock, and assist the County in developing a marketing program for the rock. FDOT will receive no management fee; instead, FDOT will receive a volume discount for contractors working on FDOT projects. FDOT has already submitted the required permit applications to mine the limestone, including one to the U.S. Army Corps of Engineers. FDOT, along with many other mining companies in the Opa-locka West Airport area, are awaiting the outcome of federal litigation challenging the order of the U.S. Army Corps of Engineers that would allow continued limestone rock mining in the area. The federal district court struck down the permits initially, and, following a reversal of that decision by the Eleventh Circuit Court of Appeals, the same federal district court struck down the permits again. An appeal of that second decision is pending.

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

Airport Insurance

General Liability

The County maintains third party liability insurance coverage for bodily injury and property damage arising from aviation operations at all of its airports. Coverage is limited to $500 million per occurrence, with a self-insured retention of $50,000 per occurrence, for a total annual retention aggregate of $500,000. War risk liability is included in the program with a limit of $150 million per occurrence and in the aggregate.

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

Property Insurance

The property of the Aviation Department is insured under the countywide master program (the "Countywide Master Program"), which covers most County properties subject to policy terms and conditions. The program covers physical damage to real and personal property, including boiler and machinery, flood, and terrorism coverage, and provides related loss prevention services. The property insurance coverage limit is $365 million countywide, including a $5 million deductible per occurrence for most perils and a $200 million per occurrence deductible for named windstorms. The current Countywide Master Program, is effective through May 2, 2010.

The South Terminal Expansion Project, including Concourse J, is covered by a separate property insurance policy, which is effective through May 2010. The limit for this program is $660 million for most perils with a named storm sub limit of $50 million per occurrence, and $10 million per occurrence/annual aggregate for flood.

The North Terminal, which is currently under construction, is insured under a builder's risk policy. The coverage under the builder's risk policy is $50 million with a 5% deductible for named windstorms.

Report of Insurance Consultant

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

In its Trust Report and Insurance Program Review dated March 25, 2009 (the "Insurance Review"), the Insurance Consultant concluded that the Aviation Department's then current insurance program complies with the requirements of Section 706 of the Senior Trust Agreement with the exception of unrated insurers for the airport contractors liability program. The Insurance Consultant concluded that the property insurance currently purchased by the Aviation Department is practical and reasonable for the current Florida property insurance market; however, the amount of property insurance may be inadequate to cover damage arising out of a catastrophic event.

The Insurance Consultant has also identified certain priority issues regarding the Countywide Master Program as it relates to the Port Authority Properties under the Senior Trust Agreement. The priority recommendations relating to the Countywide Master Program include: (i) providing separate coverage for the Airport System properties (separate coverage has been purchased for the South Terminal properties); (ii) further increasing the countywide property insurance limits (currently at $365 million); (iii) decreasing the named windstorm deductible; and (iv) increasing the limit of terrorism coverage for non-certified acts of terrorism. All such priority recommendations are subject to the availability of such recommended coverage at reasonable costs. The Aviation Director has forwarded the Insurance Review to the Trustee and Co-Trustee as a part of the annual insurance report required by the Senior Trust Agreement. While the County believes, based in part on the Insurance Review, that it is currently in compliance with its insurance covenant under the Senior Trust Agreement, it recognizes that it still needs improvements in its insurance program.

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

To comply with certain federal regulations, on an annual basis, the County requests that the Office of Insurance Regulation of the Florida Department of Financial Services designate the Countywide Master Program as either (1) adequate because coverage was "reasonably available," or (2) not adequate because coverage was "reasonably available." If the Office of Insurance Regulation determines the Countywide Master Program is not adequate, the County must acquire additional coverage or provide the Office of Insurance Regulation with a reasonable basis for not obtaining such coverage. The Office of Insurance Regulation has never determined the Countywide Master Program to be not adequate.

AIRPORT TRAFFIC ACTIVITY

The Airport offers an extensive air service network, enhanced by multiple daily scheduled and non-scheduled flight frequencies covering nearly 150 cities on four continents. Based on Official Airline Guide data for flights scheduled from October 1, 2009 through December 31, 2009, the Airport's stronghold market, the Latin America/Caribbean region, was served by more passenger flights from the Airport than from any other U.S. airport. The Airport is a major transshipment point by air for the Americas. During 2008, the most recent year for which such information is available, the Airport handled 82% of all air imports and 79% of all air exports between the USA and the Latin American/Caribbean region. In calendar year 2008, the Airport was the nation's number one airport in international freight[*](excluding mail) and third in international passenger traffic.

The Airport stimulates a host of industries such as tourism, the cruise industry and international banking and commerce. The Airport's activities have resounding effects throughout the State as well. In calendar year 2008, the most recent period for which such information is available, the Airport was the port of entry for 69% of all international passenger traffic arriving by air to the State. In terms of trade, Department of Commerce data for 2008 showed that the Airport handled 96% of the dollar value of the State's total air imports and exports, and 33% of the State's total trade volume. The Airport is American Airline's largest international hub operation, both for international passengers and international cargo. American Airlines accounted for approximately 65.2% of the enplaned passengers at the Airport during Fiscal Year 2009, and together with its affiliate, American Eagle, approximately 69.2% of all enplaned passengers during such period. [**] See "REPORT OF THE TRAFFIC ENGINEERS."

The table set forth below provides statistical information related to the Airport's activity trends, including enplaned and deplaned passengers, landings and take-offs and enplaned and deplaned cargo.

AIRPORT TRAFFIC ACTIVITY TRENDS
MIAMI INTERNATIONAL AIRPORT
(FOR THE 12 MONTHS ENDED SEPTEMBER 30)

Fiscal Year	Total Enplaned and Deplaned Passengers	Percentage Change	Landings and Take-Offs	Percentage Change	Total Enplaned and Deplaned Cargo (Tons)	Percentage Change
2009	33,875,470	-0.56%	348,487	-7.7%	1,699,219	-18.31%
2008	34,065,830	2.4	377,568	-1.3	2,079,999	-0.9
2007	33,277,778	3.7	382,714	1.8	2,099,364	6.5
2006	32,094,712	3.8	376,007	-0.4	1,970,928	0.3
2005	30,912,091	2.2	377,630	-1.1	1,965,501	1.2
2004	30,244,119	2.4	381,670	0.1	1,942,119	9.4
2003	29,532,547	0.6	381,248	-1.9	1,775,087	0.7
2002	29,349,913	-11.2	388,738	-10.0	1,763,292	-4.2
2001	33,048,741	-2.1	431,919	-3.8	1,839,895	2.3
2000	33,743,284	-0.8	448,884	-0.9	1,799,225	-3.2

Source: Miami-Dade County Aviation Department.

The wide range of international air service, along with positive international air route development programs, contribute to the Airport's importance as a worldwide international-to-international connecting hub for

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

[**] Statistical data in this section was compiled by the Aviation Department's Marketing Division from data collected by ACI and 2008 calendar-year traffic reports from the respective airports and is available online at http://www.miami-airport.com/html/airport_statistics_.html.

many air carriers. As indicated in the following table, the Airport in calendar year 2008 ranked first in the United States in the number of tons of international cargo, excluding mail, and third in the number of international passengers. These statistics, in addition to the Airport's percentage of international passengers and cargo, are summarized in the tables below:

TOP FIVE US AIRPORTS' INTERNATIONAL ACTIVITY
CALENDAR YEAR 2008

International Enplaned/Deplaned Passengers		International Enplaned/Deplaned Freight (U.S. Tons) [1]	
1. New York Kennedy	22,401,135	1. Miami International	1,701,877
2. Los Angeles	16,686,487	2. New York Kennedy	1,161,771
3. Miami International	16,146,872	3. Chicago O'Hare	978,002
4. Chicago O'Hare	11,414,681	4. Los Angeles	969,999
5. Newark	11,138,544	5. Atlanta	402,116

(1) ACI rankings include the Ted Stevens Anchorage International Airport ("ANC") in its rankings. The Airport excludes ANC from its rankings because of ANC's particular methodology of accounting for freight. The Airport's total freight reflects only enplaned and deplaned freight, while ANC chooses to include a large amount of transit (same aircraft) freight.

Source: Airports Council International and Miami-Dade County Aviation Department.

TOP TEN MARKETS AND TOTAL PASSENGERS
CALENDAR YEAR 2008

DOMESTIC		INTERNATIONAL	
City	Passengers	Country	Passengers
1. New York, New York	2,752,291	1. Mexico	1,108,587
2. Atlanta, Georgia	1,528,536	2. Columbia	1,087,485
3. Chicago, Illinois	1,201,350	3. Brazil	969,823
4. Dallas/Fort Worth, Texas	971,506	4. Dominican Republic	908,622
5. San Juan, Puerto Rico	965,503	5. Venezuela	865,332
6. Washington, D.C.	960,596	6. United Kingdom	806,811
7. Los Angles, California	856,339	7. Bahamas	726,705
8. Orlando, Florida	824,995	8. Jamaica	604,278
9. Boston, Massachusetts	690,436	9. Canada	588,649
10. Charlotte, North Carolina	621,280	10. Costa Rica	579,050

Source: USDOT, T100 Database 2008

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AIRPORT INTERNATIONAL ACTIVITY
PERCENTAGES OF PASSENGERS AND CARGO

Fiscal Year Ended September 30	Enplaned and Deplaned International Passengers as a Percentage of Total Passengers	Enplaned and Deplaned International Cargo as a Percentage of Total Cargo
2009	47%	87%
2008	47	86
2007	46	84
2006	45	84
2005	46	83
2004	46	82
2003	47	81
2002	48	80
2001	48	79
2000	48	81

Source: Miami-Dade County Aviation Department.

Airlines Serving the Airport

As of September 30, 2009, scheduled service was provided at the Airport by 70 airlines; of these, 44 provide domestic or international passenger or passenger-cargo combination service, and 26 provide scheduled all-cargo service. The number of carriers providing scheduled service varies monthly.

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44 SCHEDULED PASSENGER/CARGO COMBINATION CARRIERS

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

Air Tran Airways*
Alaska Airlines*
American Airlines*
American Eagle*
Comair (Delta Connection)
Continental Airlines*
Delta Air Lines*
Gulfstream International (Continental Connection)*
Northwest Airlines*
Shuttle America (United Express)
Sun Country*[(1)]
United Airlines*
US Airways*

31 Foreign Scheduled Passenger/Cargo Combination Carriers

Aerolineas Argentinas (Argentina)*
Aeromexico (Mexico)*
Aerosur (Bolivia)
Aerogal (Ecuador)
Air Berlin (Germany)*
Air Canada (Canada)*
Air Europa (Spain)
Air France (France)*
Alitalia (Italy)*
Avianca (Colombia)*
Avior (Venezuela)
Bahamasair (Bahamas)*
British Airways (United Kingdom)*
Caribbean Airlines (Trinidad and Tobago)*
Cayman Airways (Cayman Islands)*
COPA (Panama)*
Iberia (Spain)*
Insel Air International (Curacao)
LACSA (Costa Rica)*
Lan Argentina (Argentina)
Lan (Chile)*
Lan Ecuador (Ecuador)
Lan Peru (Peru)
Lufthansa (Germany)*
Mexicana (Mexico)*
Santa Barbara Airlines (Venezuela)*
Surinam Airways (Suriname)*
Swiss International Airlines (Switzerland)*
TACA (El Salvador)*
TAM (Brazil)*
Virgin Atlantic (United Kingdom)*

Source: Miami-Dade County Aviation Department.
* Represents Signatory Airline
(1) Sun Country generally operates flights seasonally.

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26 SCHEDULED ALL-CARGO CARRIERS

11 U.S. Scheduled All-Cargo Carriers	15 Foreign Scheduled All-Cargo Carriers
ABX Air*	ABSA (Brazil)
Amerijet*	China Airlines (Taiwan)
Arrow Cargo*	Air Jamaica Cargo (Jamaica)
Centurion Air Cargo	Cargolux Airlines Int'l (Luxembourg)
DHL Express	Cathay Pacific Airways (Hong Kong)
Federal Express (FedEx)*	Cielos Del Peru (Peru)*
IBC Airways	DHL Aeroexpreso (Panama)*
Mountain Air Cargo (FedEx Feeder)	Estafeta (Mexico)*
Polar Air Cargo*	Korean Air (Korea)*
Tradewinds Airlines	LAN Cargo (Chile)*
United Parcel Service (UPS)*	LANCO (Colombia)
	Martinair Cargo (Holland)
	Mas Air (Mexico)
	Tampa Cargo (Colombia)
	Transportes Aereos Bolvianos (Bolivia)

Source: Miami-Dade County Aviation Department.
* Represents Signatory Airline

As of September 30, 2009, non-scheduled service on charter authority was provided by 22 airlines, 7 of which provide domestic or international passenger or passenger-cargo combination service, and 15 of which provide all-cargo service.

22 NON-SCHEDULED SERVICE CARRIERS

5 U.S. Passenger/Cargo Combination Carriers	12 U.S. All-Cargo Carriers
Allegiant Air	Air Azul
Gulfstream Air Charter*	Air Transport International*
Miami Air International*	Ameristar
Sky King*[(1)]	Atlas Air*
Vision Airlines	Capital Cargo International
	Florida West
	IFL Group
	Kalitta Air
	Prams Air*
	Sky Way Enterprises
	Southern Air*
	World Airways
2 Foreign Passenger/Cargo Combination Carriers	**3 Foreign All-Cargo Carriers**
Skyservice Airlines (Canada)*[(1)]	Aerounion (Mexico)
Thomson Fly (United Kingdom)	Avialeasing (Uzbekistan)
	MTA Cargo (Brazil)

Source: Miami-Dade County Aviation Department.
* Represents Signatory Airline
[(1)] These airlines generally operate flights seasonally.

Selected Carrier Activity

ENPLANED PASSENGERS
FISCAL YEARS ENDED SEPTEMBER 30

	2009		2008		2007		2006	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
American	11,002,707	65.17	11,099,724	65.16	10,655,050	64.13	10,170,787	63.35
American Eagle	684,832	4.06	711,775	4.18	749,319	4.51	693,498	4.32
Delta	645,293	3.82	549,383	3.22	527,605	3.18	530,247	3.30
US Airways	405,872	2.40	396,417	2.33	441,632	2.66	385,313	2.40
Continental	379,097	2.25	402,048	2.36	402,974	2.43	390,846	2.43
Avianca	276,739	1.64	292,161	1.72	278,947	1.68	247,297	1.54
TAM	223,292	1.32	165,754	0.97	169,472	1.02	137,789	0.86
British Airways	222,371	1.32	214,092	1.26	219,725	1.32	239,135	1.49
Northwest Airlines	211,709	1.25	194,120	1.14	193,987	1.17	212,168	1.32
Taca International	197,702	1.17	232,205	1.36	198,635	1.20	186,706	1.16
All Others	2,634,485	15.60	2,777,721	16.31	2,778,069	16.72	2,861,254	17.82
Total	16,884,099	100.00	17,035,400	100.00	16,615,415	100.00	16,055,040	100.00

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

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COMMERCIAL AIRCRAFT LANDED WEIGHT (1,000 LBS.)
FISCAL YEARS ENDED SEPTEMBER 30

	2009		2008		2007		2006	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
American	14,889,853	49.35	15,084,270	47.75	14,680,615	46.72	14,310,103	46.56
United Parcel Service	827,834	2.74	925,313	2.93	942,225	3.00	907,570	2.95
Delta	787,667	2.61	711,278	2.25	720,140	2.29	777,895	2.53
American Eagle	784,413	2.60	852,994	2.70	853,145	2.72	793,346	2.58
Arrow Air	771,143	2.56	650,495	2.06	613,079	1.95	535,925	1.74
LAN f/k/a Lan Chile	759,912	2.52	881,640	2.79	980,530	3.12	957,830	3.12
TAM	516,899	1.71	345,337	1.09	335,804	1.07	305,517	0.99
Tampa Cargo	465,617	1.54	558,628	1.77	576,930	1.84	595,459	1.94
Centurion Cargo	458,272	1.52	616,887	1.95	441,253	1.40	411,866	1.34
Martinair	443,420	1.47	395,649	1.25	387,444	1.23	353,886	1.15
All Others	9,466,652	31.38	10,567,979	33.45	10,888,712	34.66	10,785,715	35.09
Total	30,171,682	100.00	31,590,470	100.00	31,419,877	100.00	30,735,112	100.00

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

FLIGHT OPERATIONS (TAKE-OFFS AND LANDINGS)
FISCAL YEARS ENDED SEPTEMBER 30

	2009		2008		2007		2006	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
American	148,023	42.48	145,496	38.54	141,186	36.89	141,985	37.76
American Eagle	34,679	9.95	37,122	9.83	37,261	9.74	34,749	9.24
Delta	9,956	2.86	8,458	2.24	7,912	2.07	7,778	2.07
Gulfstream	7,703	2.21	17,323	4.59	22,178	5.79	21,770	5.79
United Parcel Service	7,719	2.22	8,132	2.15	8,232	2.15	7,951	2.11
Continental	6,825	1.96	7,719	2.04	8,015	2.09	7,894	2.10
US Airways	6,558	1.88	6,598	1.75	7,748	2.02	7,472	1.99
IBC Airways	6,012	1.73	5,378	1.42	5,234	1.37	5,146	1.37
LAN f.k.a. Lan Chile	4,769	1.37	5,687	1.51	6,326	1.65	6,105	1.62
Avianca	4,434	1.27	4,445	1.18	4,238	1.11	3,852	1.02
All Others	111,809	32.08	131,210	34.75	134,384	35.11	131,305	34.92
Total	348,487	100.00	377,568	100.00	382,714	100.00	376,007	100.00

Source: Miami-Dade County Aviation Department.
Note: Table reflects only commercial flights and excludes military and general aviation flights.
Percentages may not total 100% due to rounding.

Air Service Incentive Program

On July 10, 2007, the Board adopted the Airport's second Air Service Incentive Program ("ASIP2") developed by the Aviation Department. ASIP2 provides incentives for air carriers to establish scheduled domestic and international passenger flights and certain seasonal passenger flights, as well as freight flights from targeted international markets, by offering credits on Landing Fees for a maximum period of 12 months. The primary goal of the ASIP2 is to stimulate domestic passenger and international passenger and cargo service at the Airport, and to increase revenues at the Airport. Even with a waiver of Landing Fees, each new flight generates revenue, including but not limited to, concourse user fees, terminal rental and other fees, and PFCs. As of September 30, 2009, Surinam Airways (foreign passenger carrier), Cathay Pacific Airways (foreign all-cargo carrier), Air Berlin (foreign passenger carrier) and Insel Air International (foreign passenger carrier) are receiving landing fee benefits in an estimated abatement of $168,399. An additional domestic passenger carrier, American Eagle, is expected to add service to two new cities and to join ASIP2 in the fourth quarter 2009 with an estimated abatement of $58,706. In addition, American Eagle has also indicated that a third and fourth city will be further added during the second quarter of 2010 with an estimated abatement of $117,412.

AIRLINE USE AGREEMENT

General

The current Airline Use Agreement (the "AUA") became effective May 1, 2002. A total of 93 airlines were serving MIA during the month of October 2009, including 71 scheduled carriers and 22 charter carriers. As of October 31, 2009, 69 airlines have executed the AUA and are referred to in this Official Statement as the "Signatory Airlines." Sixty-one Signatory Airlines operated at MIA during the month of October 2009 and the remaining 32 airlines were charter, seasonal, scheduled international and scheduled domestic airlines that did not operate at MIA during the month of October 2009.

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

Under the AUA, the County has agreed to work closely with the Signatory Airlines to review the approved capital projects for the Airport System through the Miami Airport Affairs Committee (the "MAAC"). So long as it provides service at the Airport System and is in good standing under the AUA, each of the following airlines is a permanent member of the MAAC: American Airlines, Air Canada, Continental Airlines, Delta Air Lines, Northwest Airlines, United Airlines and US Airways. In addition, the MAAC includes at least one European passenger airline, one Caribbean/Latin American passenger airline, one cargo airline and one regional airline. Additional representatives for the MAAC are selected from Signatory Airlines constituting the top 25 airlines by landed weight at the Airport, and any Signatory Airline among the top 10 airlines on the Aviation Department's landed weight list for the prior year is entitled to membership on the MAAC for the succeeding fiscal year if such Signatory Airline so requests. Any otherwise eligible airline may request permission of the MAAC to join the MAAC, and such request is entitled to the due consideration of the MAAC. Under the AUA, the MAAC is required to have at least 11 Signatory Airline representatives but not more than 21. A majority-in-interest of Signatory Airlines on the MAAC ("MIIs") represent the airlines' interests at the Airport and make decisions required by the AUA on behalf of all Signatory Airlines. The selection process for the MIIs is described in "APPENDIX I – SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT." Under the AUA, the MIIs have varying levels of review and approval or disapproval authority over certain capital improvement projects, which increases as the projection of airline costs per enplaned passengers approaches and then exceeds $35 (expressed in 1998 dollars). The forecasted passenger airlines' costs per enplaned passenger in the Traffic Engineers' Report during the forecast period are lower than $21 (expressed in 1998 dollars, using an assumed discount rate of 3% for future years). Therefore, based upon the current approved capital projects for the Airport as noted in the current Traffic Engineers' Report, the Department does not expect further levels of MII review as contemplated by the AUA to result from increases in costs per enplaned passengers. See "APPENDIX A – REPORT OF THE TRAFFIC ENGINEERS." The review and approval or disapproval process is described in "APPENDIX I – SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT."

The AUA creates the Aviation Capital Account and its two sub-accounts, the Retainage Sub-Account and the Performance Sub-Account. The AUA provides that the Retainage Sub-Account is to be funded annually up to $5,000,000 from moneys in the Improvement Fund subject to a maximum cumulative balance of $15,000,000. Both of these amounts are subject to adjustment annually up or down by the percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the Miami-Fort Lauderdale combined metropolitan service area. The Performance Sub-Account may be funded annually from moneys in the Improvement Fund in an amount equal to 50% of the Revenues that exceed breakeven costs of the Cargo and Commercial Aviation Support Facilities (as defined in the AUA). There is no cap on the annual deposit to, or the balance in, the Performance Sub-Account.

As of September 30, 2009, the estimated balance in the Retainage Sub-Account was $19.1 million and the balance in the Performance Sub-Account was $2.0 million. Currently, these two sub-accounts in the Aviation Capital Account are held in the Improvement Fund. However, the Aviation Department has the option of maintaining these accounts outside of the Improvement Fund, and in such case, such moneys will not be available to make the required transfers to make the payments on the Series 2010 Bonds. The Aviation Department may use the moneys in the Retainage Sub-Account and the Performance Sub-Account for any lawful aviation-related purposes. For instance, the moneys in the Retainage Sub-Account have provided the source of payment for the Florida Department of Transportation State Infrastructure Bank loan as further described under "AVIATION RELATED DEBT – Other Airport Related Debt."

Landing Fees

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

As set forth in the AUA, an airline is obligated to pay 100%, 105% or 150% of the Landing Fee Rate and certain aviation use fees (collectively, the "Aviation Activities Fees"), depending on the airline's compliance with the AUA and a separate Aviation User Credit Program ("AUCP"). An airline that both signs the AUA and complies with the AUCP is entitled to pay not more than 100% of the established Aviation Activities Fees, payable to the Aviation Department by the 10th day of the month following the month in which the Aviation Activities Fees are incurred. An airline that does not sign the AUA (each such airline, a "Non-Signatory Airline"), but is nevertheless permitted by the Aviation Department to participate in the AUCP, is required to timely pay 105% of such fees. Any airline, however, whether a Signatory or Non-Signatory Airline, that does not comply with the AUCP is required to pay 150% of Aviation Activities Fees each time it uses the Airport facilities. Copies of the AUA are available upon request from the Aviation Department, and a summary of certain provisions of the AUA is described in "APPENDIX I – SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT."

Terminal Rents and User Fees

The Terminal Building includes space leased exclusively by airlines for uses such as ticket counters, offices, passenger lounges and VIP clubs, but the majority of the space within the Terminal Building constitutes common use space, including concourses and passenger hold rooms. An airline using either exclusive use space or common use space in the Terminal Building must pay rents and user fees calculated in accordance with the methodology established by resolution of the Board. Consistent with the methodology established under the current Board resolution, the Aviation Department uses a blended or equalized rate approach for determining terminal rents and user fees. This means that each airline pays the same rate for a particular class of property regardless of its location within the Terminal Building. See "APPENDIX A – REPORT OF THE TRAFFIC ENGINEERS."

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

Each TBLA sets forth two distinct contractual terms: (i) a general right of the airline for a period of five years from the execution date to nonexclusive use of runways, taxiways, roads of egress and ingress, service roads and such other facilities and improvements as may be then in existence or thereafter constructed for the use of persons lawfully using the Airport, including common use areas within the Terminal Building, and (ii) the right to lease specifically identified space located within the Terminal Building on a month-to-month term, with either party having the right to cancel the lease for such specific space on 30-days' notice and which lease automatically terminates upon termination of the TBLA unless extended by the parties on mutually satisfactory terms. The month-to-month lease term for specifically identified Terminal Building space permits the Airport and the airline tenant to have maximum flexibility by permitting the airline to increase or decrease or abandon its leased space area depending on the airline's operating requirements, and by allowing the Airport to relocate the airline to a different location if the Airport's needs require it. The current TBLAs expired in 2007, and the airlines have been operating on a month-to-month basis under the existing TBLAs since then. The Aviation Department expects that the airlines will approve and execute in the near future new TBLAs, substantially similar to the existing TBLAs. In effect, under the payment and cancellation terms of the TBLA in conjunction with the payment obligations under the AUA that are limited primarily to landing fees for use, an airline may discontinue its operations at the Airport and terminate its obligations under the TBLA upon limited notice without substantial financial penalty.

CAPITAL IMPROVEMENT PROGRAM

Airport System Master Plan

From 1991 to 1994, the Aviation Department developed its Airport System Master Plan (the "Master Plan") to redevelop the Airport and to construct support projects for the County's general aviation airports. The Master Plan was approved by the Board in June 1994 and underwent a Master Plan Verification Analysis in April 1999, during which various consultants concluded that the general assumptions that defined the Airport's general development program remained valid. Based on anticipated traffic projections, the Master Plan sought to maximize and balance the capacity of the Airport within its boundaries. The primary components of the Master Plan were to modernize the Airport facilities, support the changing airline industry, increase Airport capacity, accommodate changes in aircraft, and include numerous betterment projects for all the County-owned airports.

Cost Estimates

The CIP is an aggregation of projects to implement the Master Plan and is managed by the Aviation Department. Projects financed and managed by third parties, such as certain tenant improvement projects, are not considered part of the CIP.

In 2002, the Board approved a CIP, with estimated expenditures of $4.8 billion through 2015, when enplanement levels were projected to reach 39 million annual passengers ("MAP"). The Board approved an increase in the cost of the CIP to $5.237 billion in June 2005 and a further increase to $6.2 billion in March 2007. The increases were primarily due to schedule delays and increased cost estimates. The Board-approved CIP budget effective October 2008 included an additional $76 million in FDOT funding for costs associated with the MIA

Mover. In Fall 2008, TSA and the County executed an agreement whereby TSA will reimburse the County an additional $54 million for baggage screening requirements. The Master Plan calls for the Aviation Department to undertake additional capital improvements when traffic exceeds 39 MAP, but no funding has been established for such improvements in the CIP, and they are not discussed in this Official Statement. For a discussion of the current CIP budget, see the subsection below "Cost Increases, Claims, Delays and Related Risks."

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

In March 2003, the Aviation Department determined that the Airport should hold the CEP in Fiscal Year 2015 to no more than $30 (expressed in 2015 dollars).* In March 2007, the Aviation Department increased the Fiscal Year 2015 CEP target to $35 (expressed in 2015 dollars)*, in recognition of the need to complete the CIP. Largely due to the economic recession and its effect on passenger traffic, in April 2009 the Traffic Engineers forecast that the Fiscal Year 2015 target of $35 would be exceeded. The Aviation Department proceeded to take measures to reduce the Fiscal Year 2010 budget due to the economic recession and the decline in passenger traffic, which has resulted in slowing the increase in the CEP. The Traffic Engineers currently forecast the Fiscal Year 2015 CEP to be $32.62. See "REPORT OF THE TRAFFIC ENGINEERS."

The Aviation Department has implemented and is considering various measures to reduce increased pressures on the CEP, including, but not limited to, private-public investments and funding contributions from other political subdivisions that are benefited by capital projects at the Airport.

Summary of Programs

The CIP is categorized into the following programs:

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

Each program consists of various capital projects. The CIP began in 1994 and those projects that are complete represent approximately 56% of the total cost of the CIP. Major capital projects completed include:

<u>Airside Program</u>

- New fourth runway (8L/26R) and associated parallel taxiways
- New mid-field dual taxiway system and high-speed exits
- Runway 9/27 rehabilitation
- New Air-Traffic Control Tower ("ATCT")
- Two new Aircraft Rescue and Fire Fighting ("ARFF") facilities
- Re-construction of Midfield/Airfield
- Midfield Tunnel and Utility Corridor
- Various NAVAID Improvements, Blast Fence and Drainage Improvements

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* Note that this CEP calculation does not relate to airline MII approval as contemplated by the Airline Use Agreement. *See* "SECURITY FOR THE SERIES 2010 BONDS – Airline Use Agreement."

Terminal and Concourse Facilities

- South Terminal Program, including the terminal expansion from Concourse H to Concourse J, construction of a new Concourse J, internationalization of Concourse H, apron construction between Concourses H and J, and related utilities infrastructure
- North Terminal – Extension of Concourse D (added 11 international/domestic swing gates)
- Concourse A expansion (added 9 international/domestic swing gates)
- Renovation projects in Concourses E, F and G
- Relocation of Security Checkpoint to Concourse E
- New baggage handling systems
- EDS for baggage screening
- Upgrades relating to life safety systems, utilities, building code requirements and requirements of the Americans with Disabilities Act
- Phase II retail transition space preparation
- Terminal 2nd floor carpeting
- Concourse H glass protection

Landside

- New 1540-space parking garage
- Various renovation and expansion projects for parking facilities
- Central revenue collection plaza for long-term parking garages
- Upper and Lower Terminal Vehicular Drives extension
- Perimeter fence for the aircraft operating area

Support Programs

- Premise Distribution System (PDS): A data and communications infrastructure throughout the Terminal that allows for installation of security and business systems
- Common Use Terminal Equipment (CUTE): allows flexible ticket counter and gate assignments to maximize usage
- Central Chiller Plant expansion to accommodate an expanding Terminal
- Various security systems improvements throughout the Terminal and at general aviation airports
- Environmental remediation projects including remediation of groundwater and soil contamination and removing asbestos

Cargo and Aircraft Maintenance

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

General Aviation Airports

- OPF Runway 12/30 improvements
- OPF Rescue and Fire Fighting Facility
- Signage and Lighting Improvements at Kendall-Tamiami and Opa-locka airports

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

Airside Program

The primary objectives of the Airside Program are to expand airfield capacity, enhance aircraft movement efficiency and safety, reduce delays, and accommodate changes in aircraft fleets. The total current forecast for the Airside Program is $330.5 million, of which approximately 96.2% has been expended through September 30, 2009.

The major remaining project is the Runway 8R/26L pavement reconstruction, which will extend the useful life of the runway. The project was awarded in August 2009.

Terminal and Concourse Facilities Programs

The Terminal Building is divided into three areas, North, Central and South. Approximately 64% of the CIP is allocated to reconstructing and expanding the North and South Terminals. The CIP will increase the building's area from 4.8 million to approximately 7.4 million square feet.

The proposed budget for the Terminal and Concourse renovation and expansion is approximately $4.565 billion, distributed as follows:

North Terminal Program	$ 2.949 billion
South Terminal Program	1.118 billion
Other Terminal Projects	0.498 billion
Total	$ 4.565 billion

The programs are described in detail in the following pages.

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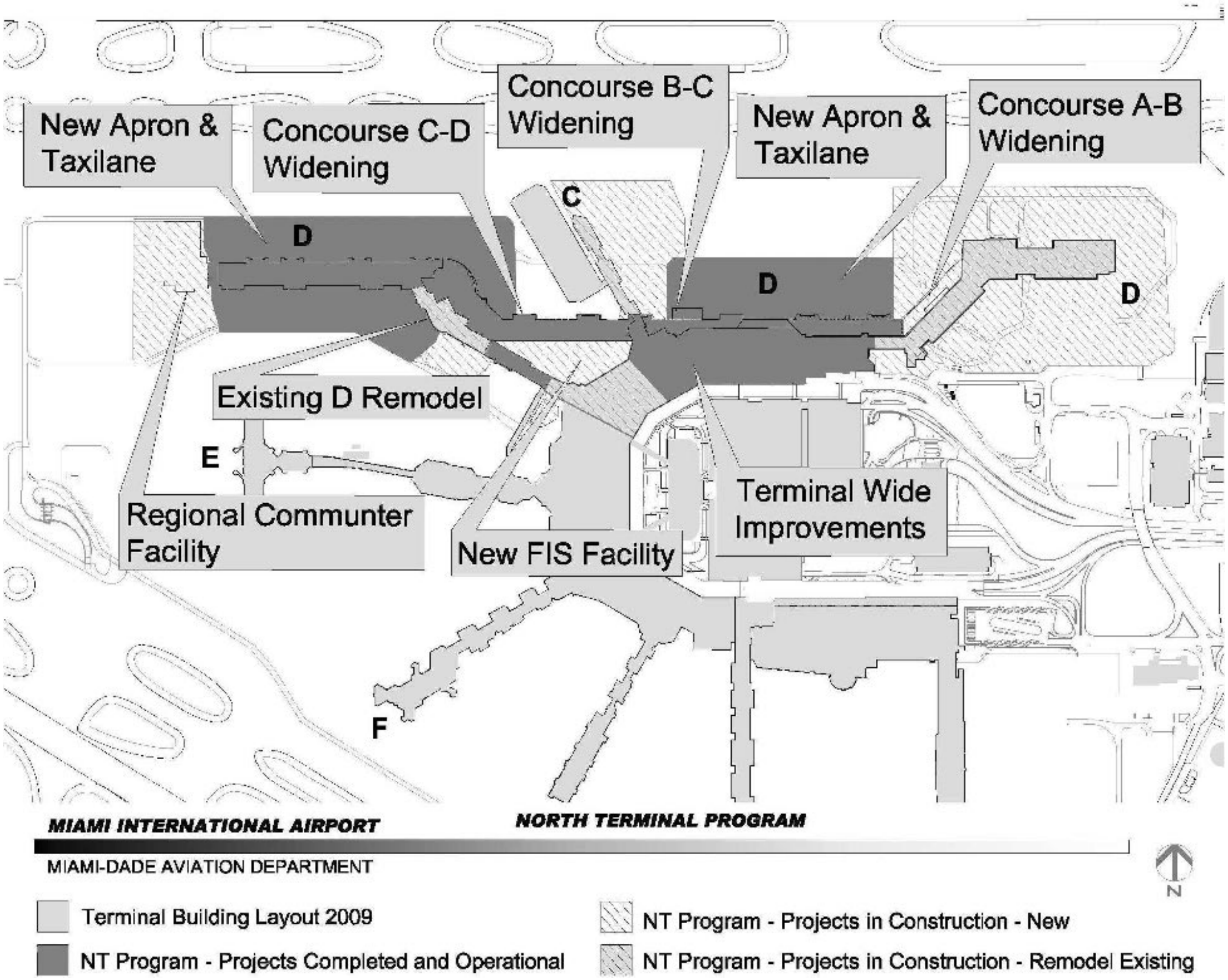

North Terminal Program

The North Terminal Development Program ("NTD") area previously consisted of Concourses A, B, C and D in a pier configuration. This area is being transformed from a series of separate concourses into a linear terminal which will increase gate utilization and connection efficiencies, supporting a major hub facility for American Airlines and its OneWorld alliance partners. The program eliminates Concourses B and C and widens the Terminal Building area between Concourses A and D. As part of the program, the Aviation Department is renovating 1.7 million square feet of the existing Terminal Building and adding 1.8 million square feet of new terminal/concourse space. The completed North Terminal will have 48 international/domestic swing gates, two regional jet gates, an FIS facility capable of processing 3,600 international passengers per hour, 278 ticketing positions (including 126 self-service units), a new baggage handling system (discussed below), and support systems capable of handling an international hub operation of 250 flights per day or more. It is expected to serve 70% to 73% of the passenger volume at the Airport.

Prior to July 2005, American Airlines managed the NTD for the Aviation Department, with the Turner Austin Airport Team ("TAAT") as the construction manager for terminal work from the airside to the ticket counters. Effective July 2005, the Board authorized the Aviation Department to exercise direct control over the NTD and approved a contract with Parsons Odebrecht ("POJV"), a joint venture, to finish the TAAT scope of work. Because the County and POJV inherited a work-in-progress with many unknowns due to incomplete design and work, the risks were shared between the County and POJV. POJV's contract is for the procurement and management of all trade work necessary to complete the NTD. POJV also is currently serving as construction manager for the South Terminal Program and contractor for the design construction, operation and maintenance of the MIA Mover System.

Early bidding raised significant concerns as to the reliability of TAAT's 2005 estimate, which was based upon plans that were 35% complete. There were few bidders, and the bids received were significantly higher than anticipated. The Aviation Department subsequently commissioned a new cost estimate, prepared by U.S. Cost, Inc., a nationally-recognized firm, using a team of experienced construction cost estimators. The resulting estimate was based upon completed designs and was compared with newly received bids. As a result, various alternatives to keep the NTD within budget were considered, and a new CIP budget was developed.

After constructability and construction phasing reviews performed in 2006 by the Aviation Department staff, POJV and consultants, the NTD was re-phased and bid packages were revised. This process delayed the project schedule.

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

The County renegotiated POJV's contract to reduce the risk to the County and reallocate responsibility between the County and POJV to take advantage of the contractor's ability to schedule and manage its work. The amended contract was approved by the Board on May 22, 2007. Of the total \$2.8945 billion budget for the NTD, the POJV contract covers \$1.045 billion in construction costs. The TWI construction package and several smaller construction packages were bid and awarded separately. The POJV renegotiation accomplished the following:

- Established fixed costs for Concourses A through D and completion work;

- Established that POJV will be responsible for its entire work schedule;

- Established that POJV will assume normal contractor risks;

- Established that the County will assume risks for hurricanes; and

- Established that POJV is required to coordinate work and schedule with other contractors and subcontractors

The revised scope of NTD maintained full functionality, significantly reduced the scope of the TWI project, and temporarily closed Concourse A in the fall of 2007. Closing Concourse A reduced both construction cost and duration and simplified the complex phasing of the NTD. It shifted most of the construction zone from airside to landside, reducing security screening requirements, increasing available labor and encouraging contractor participation. It also provides easy access to most of the construction site and simplified maintenance of traffic. The Aviation Department has estimated that the foregoing efforts have reduced the projected construction time by two years, resulting in a net savings in project management costs. Concourse A is expected to reopen in the second quarter of 2010 for domestic traffic only, with the opening of the new FIS facility adding international capacity upon substantial completion of the program.

The table below compares the budget and status of development for the NTD (core and support projects) from December 31, 2008, the date of the most recent status update, to September 30, 2009. The construction costs are categorized to aid in understanding the status of ongoing work versus work yet to be awarded. All of the NTD work currently is under contract with the exception of a small portion of apron, estimated to cost \$2 million. The distinction between "core" and "support" is a holdover from the period when American Airlines managed a majority of work (deemed "core"), while the Aviation Department managed the balance of the work (deemed "support").

NORTH TERMINAL DEVELOPMENT PROGRAM
BUDGET AND STATUS OF DEVELOPMENT
(in millions of dollars)

	December 31, 2008 Update	September 30, 2009 Update
NTD CORE PROGRAM		
To-Be-Awarded Construction	$ 70.2*	$ 2.0*
Ongoing Construction	1,681.7	1,767.2*
Completed Work	672.2	672.0
Program Contingency	19.0**	55.8**
Professional Services	338.6	339.1
Subtotal NTD Core	**$ 2,781.7**	**$ 2,836.1**
NTD SUPPORT PROGRAM		
Completed Work	$ 22.4	$ 22.4
Indirect Costs	$ 76.9	$ 76.9
Professional Services	13.5	13.5
Subtotal NTD Support	**112.8**	**112.8**
TOTAL NTD PROGRAM	**$ 2,894.5**	**$ 2,948.9**

* Change from December 31, 2008 to September 30, 2009 reflects award of (1) BC Level 3 Remodel, (2) D-Extension Remaining Scope, (3) PLB Refurbishment, (4) Regional Commuter Facility Apron and (5) PCA/400Hz System Remaining Scope projects, included with "Ongoing Construction" for the Core Program.

** Recent utilization of these contingency funds is attributed to change orders for Baggage Handling System, Terminal Wide Improvements and POJV. Contingency reflects the addition of $54.4 million in TSA Grants for impacts to the baggage handling system due to 100% in-line screening requirements.

Approximately 70% of the $2.9489 billion budget has been expended through September 30, 2009.

The Aviation Department management team has been reorganized and streamlined to accommodate contracting requirements of a general contractor. All of the Architectural/Engineering ("AE") contracts associated with the POJV scope of work and for Automated People Mover ("APM") and Baggage Handling Systems ("BHS") have been modified to support the revised contract and revised schedule. Modifications to the AE support contracts are within the overall budget for the NTD.

Baggage Handling System Delay and Cost

A major component of the NTD is a state-of-the-art baggage handling system ("BHS") for American Airlines. In March 2009, Siemens, contractor for the BHS, notified MDAD that (1) the date for substantial completion of Phase I of the BHS ("Phase I Completion"), scheduled for July 28, 2009, would be delayed, and (2) significant design changes would be required to make the system effective and efficient. The required changes reflect both revised TSA requirements and defects identified in the original mechanical and programming structures. The required modifications are currently expected to increase the cost by $46 million. The additional costs are being covered by contingency funds and a TSA grant.

In response, MDAD has devised and implemented a correction plan to reduce the delays and mitigate the resulting cost increases, while making the required changes for the BHS. The correction plan includes a program of alterations and tests. The limited tests completed to date have been successful. Siemens has submitted a revised completion date of June 30, 2010, for both Phase I and Phase II of the BHS.

The delay to June 30, 2010 adversely affects the ability to complete the remaining components of the NTD program in accordance with the prior schedule and also increases costs. The Aviation Department currently estimates the costs of reconfiguration and rescheduling of other project components caused by the delay to be approximately $10 million. Further delays in the completion of Phase I and Phase II would not restrict operations at the Airport, as American Airlines can continue operations indefinitely with the current baggage system. However, further delays beyond the revised June 30, 2010 date may result in substantial additional reconfiguration and rescheduling costs for the final phases of the NTD program, including the construction of the new Federal Inspection Services ("FIS") area. While any such further delay in completion of the new FIS area will postpone implementation of certain efficiencies resulting from the FIS relocation, such delay will not restrict operations at the Airport.

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PROGRESS AND ACCOMPLISHMENTS (since December 2008)

	Description of Progress and Accomplishments
Manpower & Expenditures Ramped-up	As of September 2009, there was an average of over 1,200 workers on site daily and $40 million of total expenditures per month. These averages are expected to be maintained through calendar year 2009 and early 2010.
Significant Construction Progress Enabling New International Gates to Open	There has been significant construction progress made towards phased completion of the North Terminal. The entire terminal has been "topped-off" (poured roof slabs) and "dried-in" (enclosed terminal areas). B-C terminal phase 1 and modifications to D-Remodel phases 1 and 2 were completed, enabling four new international gates to open on or ahead of schedule. A-B terminal phase 1 was also completed to enable opening of three more gates in the third quarter of 2009, for a total of seven new gates in 2009. Remaining work with existing D terminal is progressing.
Remaining Projects Awarded under Budget	Of the six remaining projects, five (Regional Commuter Facility Apron, B-C Level 3 Remodel, PLB Refurbishment, D-Extension Remaining Scope and PCA/400 Hz System Remaining Scope) have been awarded approximately $13 million under budget. The last apron project (A-B Apron Remaining Scope) is estimated to cost $2 million.
Terminal Wide Construction Late Start Mitigated	The Terminal Wide Project (TWI) started construction two months later than originally scheduled. The contractor MCM/Dragodos Joint Venture (MDJV) accelerated the schedule to compensate for the delay in construction start. The Allowance Account within the contract has been utilized to pay for the cost of this acceleration.
Regional Commuter Facility (RCF) Terminal on Schedule	The Regional Commuter Facility Terminal project has made substantial progress and is on schedule.
Board Ratified Additional Funding from TSA	TSA mandated requirements for 100% baggage screening increased North Terminal construction cost. TSA agreed to reimburse $54.4 million of the estimated $78.1 million in increased costs. The Board ratified the TSA funding in June 2009.

KNOWN EXPOSURES AND MITIGATING ACTIONS (since December 2008)

	Description of Exposures and Actions Taken
Baggage Handling System Schedule	As discussed above, the Aviation Department is closely monitoring the proposed and revised baggage handling system schedule and tracking it against the physical progress on site.
POJV Schedule	Detailed schedule updates are submitted by the contractor on a monthly basis. These updates allow the Aviation Department to identify issues and their impacts to the program completion. The Aviation Department has resolved all known impacts to date by utilizing the POJV contract allowance account and is continuing to work on other potential impacts. Future delays to program completion could result in additional overhead costs to the County for POJV and other related construction and professional contracts.
NTD Contingency	The NTD is forecast to need an additional $29 million for completion. See below "Cost Increases, Claims, Delays and Related Risks."

The South Terminal Program ("STP") includes the terminal expansion from Concourse H to Concourse J, construction of a new Concourse J, internationalization of Concourse H, apron construction between Concourses H and J and related utilities infrastructure. Approximately 92.1% of the $1.118 billion current forecast for the core program and support projects was expended through September 30, 2009. The core STP is fully operational and only minor corrective work remains to be completed.

The completed STP provides 1.5 million square feet of new and 0.2 million square feet of renovated terminal and concourse space. The South Terminal has a total of 28 gates, on Concourses H and J, of which 19 are international/domestic including one which will be designated for Airbus A-380 operations. The design for the A-380 Gate has been completed, and the Aviation Department expects to bid this project in the fourth quarter of 2009. The South Terminal currently supports 190 ticketing positions. South Terminal serves as a medium-sized hub for the Star Alliance (including United Airlines) and the SkyTeam Alliance (including Delta Airlines). At such time as the CIP is complete, the South Terminal is expected to handle 20% to 22% of the passenger volume at the Airport. Changes in both air service and airline alliances have caused the Aviation Department to adjust the mix of airlines originally scheduled to occupy the South Terminal, with SkyTeam and Star Alliance members remaining the primary occupants.

The STP was designed and some of the bids were negotiated prior to September 11, 2001. Increased security measures implemented after the September 11, 2001 terrorist attacks required extensive redesign of the STP, which resulted in scope changes, delays and cost increases. Changes in technology and reconfiguration of the information technology and security system conduit and wiring to meet current operating needs resulted in further scope changes, delays and cost increases to STP.

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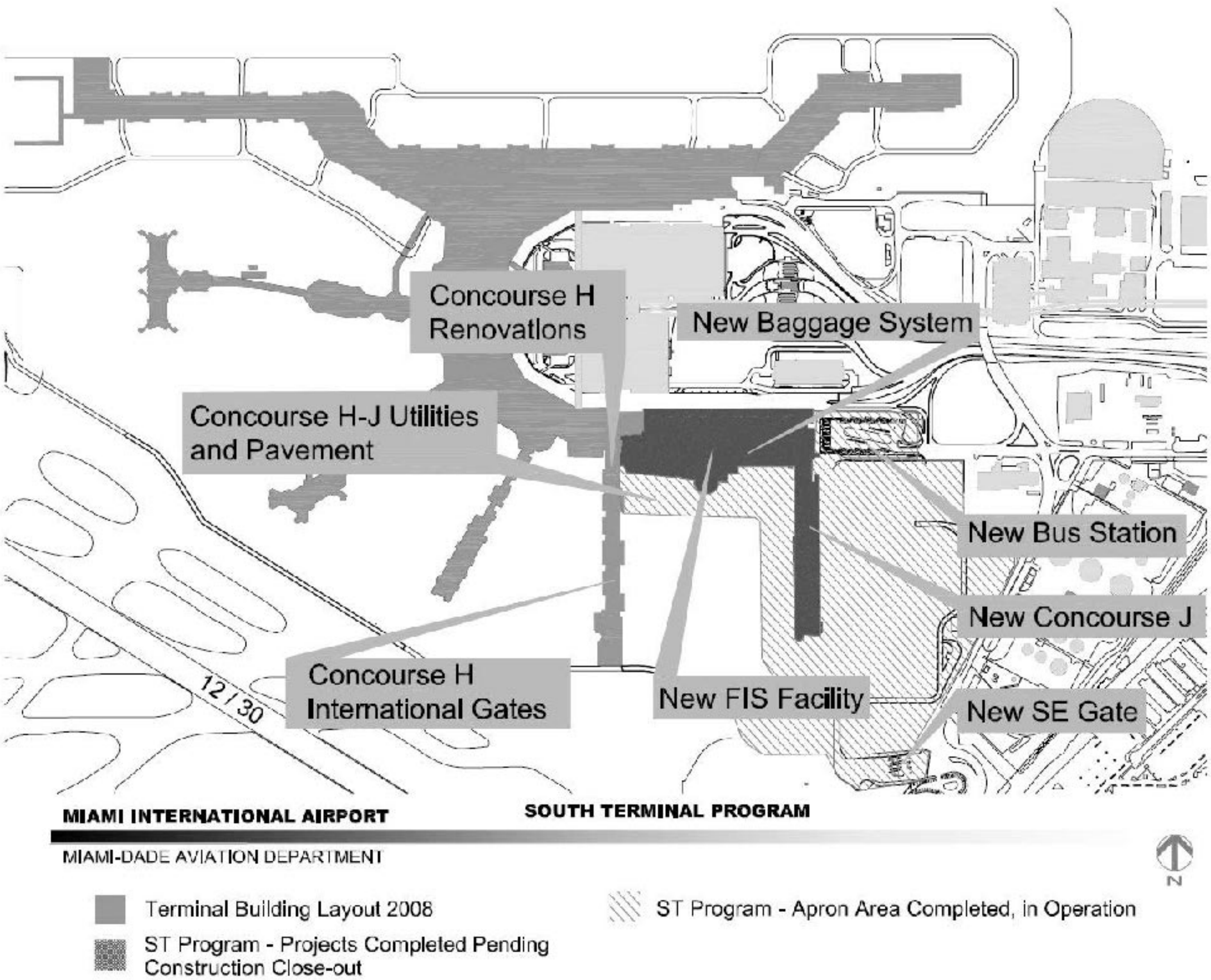

As required by changing conditions, the Aviation Department has increased the budgets for the STP and has extended schedules for the completion of the STP from time to time. Notwithstanding the increased budgets and extended schedules, the first domestic flight from South Terminal occurred on August 29, 2007, the first international flight into the facility occurred on September 14, 2007 and the first flight from Concourse J occurred on September 24, 2007. The Aviation Department and the construction manager, POJV, previously set the contractual substantial completion date (1) for Phase I (all work except for all renovations of the existing terminal space adjacent to Concourse H) at June 2007, and (2) for Phase II (Concourse H minor renovations) at November 2008. The contractor fell behind schedule. The issuance of a Temporary Certificate of Occupancy (TCO) by the Building Department, allowing for Beneficial Occupancy, is another meaningful measure of development for a construction project. The Building Department issued a TCO for the majority of Concourse J, enabling the first flight from Concourse J in September 2007. The Building Department issued a TCO for Phase II, allowing for Beneficial Occupancy, on June 2, 2009. The Aviation Department is actively pursuing settlement of all direct and indirect claims against the County relating to the South Terminal. While additional negotiations may be required, the Aviation Department currently estimates that it will be able to resolve all claims in a manner that will add approximately $4.85 million of unbudgeted costs.

Other Terminal Projects

This program consists of expanding Concourse A by 9 gates to 20 gates and making improvements to the existing Central Terminal. This collection of projects has a current forecast value of $497.9 million and is approximately 93.1% complete as of September 30, 2009. The major project remaining to be completed is life-safety improvements to the existing Central Terminal. Central Terminal includes the terminal and concourse areas between Concourses E, F and G. The airlines that will operate in this area are the domestic and international non-aligned airlines. At such time as the CIP is complete, the Central Terminal is anticipated to handle 5% to 10% of the passenger volume at the Airport. Other Central Terminal improvements yet to be completed include building code upgrades, tenant relocations to and from the renovated areas and procurement of new passenger loading bridges.

Landside Programs

Roadways and Parking

This program improves ground access to the Airport, primarily by relocating the Airport's perimeter roadway, extending the Terminal Building's upper and lower drives to accommodate the South Terminal expansion; and increasing parking capacity and centralizing and automating the parking revenue collection process. The program forecast value is $158.5 million of which approximately 94.9% was spent through September 30, 2009. Significant projects yet to be completed include improvements to the Perimeter Road North and an upgrade of the Airport's Upper and Lower Vehicle Drive Accessibility Improvements. The Perimeter Road North project will expand the lanes of the intersection at NW 36th Street, NW 67th Avenue and Perimeter Road, thus allowing this intersection to serve as a second major entry/exit to the west side and north-west cargo areas of MIA.

MIA Mover Program

The Aviation Department has undertaken construction of an elevated automated people mover system known as the MIA Mover, connecting the Terminal Building to remote ground transportation facilities at an inter-modal hub known as the MIC, being built by FDOT. (See "AIRPORT SYSTEMS FACILITIES − Roadway Access to MIA" for a description of the MIC). The MIA Mover is part of a larger FDOT project, including the Miami Central Station, a core transportation building and the adjacent Rental Car Center ("RCC"). The MIA Mover will enable passengers to reach the RCC, Metrorail, Tri-Rail, Amtrak, Greyhound and Metrobus transportation systems. The project is one means of eliminating congestion at the Terminal Building curbs and on access roadways by eliminating the need for the rental car companies to provide bus/van transportation to and from the Terminal.

The MIA Mover will consist of approximately 1.25 miles of dual lane guideway and will have two stations. The MIA Station will be located between the Flamingo and Dolphin parking garages and will use the existing connector bridges to the North Terminal and the South Terminal. The MIC Station, just west of the Miami Central Station, is being constructed by FDOT although the MIA Mover Contractor will install the operating system equipment and station equipment.

A Request for Proposals ("RFP") for the MIA Mover was first advertised in December 2004. The RFP called for the delivery of a turnkey solution to design, build, operate and maintain the MIA Mover. This approach was chosen to reduce capital costs, provide for faster completion, provide greater contractor accountability, and reduce potential for delays. To promote completion, the RFP documents allowed for different technologies to be proposed. The final rankings were based on best value, combining technical merit and pricing. The contract was awarded to POJV in July 2008.

The contract includes Phase I (the capital project) and Phase II (the operating project). Phase I includes the design, construction, manufacture, supply, installation, testing and commissioning of the fixed facilities (MIA Station, guideways, maintenance and storage facility, provisions for air conditioned pedestrian corridors with moving walkways connecting the MIA Station to the MIA Terminal, etc.) and the operation system of the MIA Mover APM System. The term for construction of the MIA Mover capital project is three years from the effective date of Notice to Proceed, which was September 8, 2008. The MIA Mover is scheduled to be operational in

September 2011, with shuttle buses connecting the Terminal Building to the RCC between the RCC's opening, now projected to be Spring 2010, and the commencement of MIA Mover service.

This project is forecast to cost $299.4 million. Through September 30, 2009, the Aviation Department had expended approximately $60.9 million or 20.3% of the forecast. Nearly $11 million of the $60.9 million was spent prior to the award of the contract to POJV. The majority of costs prior to contract award were for feasibility and alignment studies as well as program management. Since contract award, the majority of costs have been for design of the fixed facilities, design of the operating systems, contractor mobilization, and site work.

Support Programs

These programs support the Airport System functions, including environmental remediation and utility infrastructure, security and business systems. The program forecast is $713.3 million (including $18.0 million in contingencies as of September 30, 2009) of which 89.0% has been spent through September 30, 2009. The majority of the environmental remediation and utility infrastructure projects are complete; security and business systems projects are ongoing.

The security program's components include access control (approximately 20%), screening passengers with carry-on baggage (approximately 5%), screening checked baggage (approximately 30%), the technical system that supports these applications as well as the business systems applications described below (approximately 40%), and other miscellaneous costs (approximately 5%). The cost of the security program is approximately $365 million, including $153 million for the technical system. Of the $365 million, approximately $275 million is included in the North and South Terminal and other program budgets. The $90 million balance is included in the Security Program budget. Grant revenues of approximately $138 million are forecast as sources of equity funding for the $365 million security budget, including $54 million from TSA to offset the cost of baggage screening in the North Terminal.

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

- Airport Operation Information System (AOIS): supplies new flight information displays as part of a system that provides computer-based flight and operational data resource management tools (automated planning of gate, ticket counter, baggage systems and baggage claim carousel usage).

- Building Management System (BMS): automates the management of electrical, air conditioning, fire alarm and other building systems.

- Public Address System Infrastructure (PASI): a new public address system which includes fire annunciation and visual paging for the hearing-impaired.

Cargo and Aircraft Maintenance Program

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

The only projects not yet complete are the clearing facility for international arriving animals and the improved drainage projects. The clearing facility will consist of a 64,000 square foot facility which includes an import and export barn area, 102 animal holding quarantine stalls, and an aviary.

The program forecast is $182.1 million, of which 93.8% has been spent through September 30, 2009.

General Aviation Airports Program

This program consists of runway and taxiway improvements, security improvements and support facilities at the County's three general aviation airports (Opa-locka, Kendall-Tamiami and Homestead). The TMB Runway is being extended to allow aircraft to increase their fuel and/or cargo load, which in turn allows them to arrive at destinations that are currently unattainable without having to land and refuel at other airports. The program's forecast cost is $58.4 million of which 93.8% has been spent through September 30, 2009.

CIP Expenditures

The following table is an overview of the status of the CIP expenditures, by major programs. As of September 30, 2009, $4.958 billion has been expended on all projects in the CIP.

CIP BUDGETS AND EXPENDITURES BY MAJOR PROGRAM[(1)]
(in millions)

Programs	December 31, 2008 Forecast	September 30, 2009 Spending Plan	Expended to Date (9-30-09)
Airside Program	$ 342.3	$ 330.5	$ 318.0
Terminal Facilities Program:			
North Terminal [(2)]	2,894.5	2,948.8	2,064.8
South Terminal [(2)]	1,115.6	1,118.0	1,030.0
Other Terminal Projects	502.8	497.9	463.4
Landside Program:			
Roadways & Parking	162.8	158.5	150.4
MIA Mover	299.4	299.4	60.9
Support Programs[(3)(4)]	759.7	713.3	635.1
Cargo and Aircraft Maintenance Program	189.1	182.1	180.3
General Aviation Airports Program	53.7	58.4	54.8
Total CIP Budget[(5)]:	$6,320.0	$6,306.9	$4,957.7

(1) All data as of September 30, 2009. Capital projects funded by discretionary pay-as-you-go money from the Improvement Fund are not included in this table.
(2) Includes support projects.
(3) Indirect costs are budgeted in each CIP program but actually charged to the Support Program only. For purposes of this table, the $250 million in indirect costs that have been charged through September 30, 2009 is allocated among the CIP program in proportion to the direct costs incurred by each program.
(4) The County expects to incur $12.5 million in indirect costs in FY 2010, which are included in the FY 2009-2010 Forecast, and another $18 million in indirect costs from FY 2011 through 2013, which are not currently included in the Total CIP Forecast.
(5) Columns may not add due to rounding.

Long-term planning continues to be challenged by the rapidly changing aviation industry. See "CERTAIN INVESTMENT CONSIDERATIONS AFFECTING NET AVAILABLE AIRPORT REVENUES — Factors Affecting the Air Transportation System." It is possible that some new projects not now reflected in the CIP could be added to the CIP.

Cost Increases, Claims, Delays and Related Risks

General

The CIP is a large and complex undertaking. The County's ability to complete the CIP consistent with the Airport's needs and available funding sources may be adversely affected by a number of factors. These include, without limitation, (1) estimating errors and omissions, (2) design and engineering errors and omissions, (3) changes to the scope of the projects, (4) disputes under existing and future contracts, (5) costly changes resulting from interpretations of the County Building Code and other regulations, (6) application of the County's Art in Public

Places ordinance, (7) delays in contract awards, (8) material and/or labor shortages, (9) unforeseen site conditions, (10) adverse weather conditions, (11) contractor defaults, (12) labor disputes, (13) unanticipated levels of inflation, (14) environmental issues, and (15) the ability of the County to meet the tests set forth in the Senior Trust Agreement for issuing Additional Bonds and to sell the Additional Bonds needed to finance the CIP.

As described above, the County has encountered a number of difficulties that have significantly extended the duration and increased the cost of various CIP projects. These include construction cost escalation, labor shortages, unexpected increases in the costs of payment and performance bonds, unforeseen construction conditions, claims by contractors for additional payments substantially in excess of original bid amounts and costs imposed by compliance with interpretations of the requirements of the County's Building Code and other governmental restrictions on construction projects. These difficulties have generally been exacerbated for contracts effectively assumed by the County when it obtained the right to exercise direct control over the entire North Terminal Program. While the Aviation Department has instituted a number of procedures and programs to address these issues described above, there can be no assurance that such difficulties will not continue.

Contingencies; Additional Borrowing Capacity

As of December 31, 2008, program-wide contingencies totaled approximately $72 million. Of this amount, $12.5 million was allocated for indirect costs for FY 2010 and $54.5 million was allocated to North Terminal, while $12.9 million was added to the contingency total, reflecting primarily the decrease in anticipated costs of a runway rehabilitation and environmental remediation projects. This left forecasted program-wide contingencies of $18 million as of September 30, 2009.

The Aviation Department has not revised its borrowing requirement since March 2007. Since that date, the cost of the CIP budget has increased by $107 million to $6.307 billion. The increase, however, has been funded entirely by grants. The Aviation Department recognizes that total costs may be materially increased by the time the CIP is completed. Of the $6.307 billion spending plan, as of September 30, 2009, $3.544 billion represents completed projects. The balance of $2.763 billion represents projects still subject to the risks inherent in construction, including subsequent claims by contractors for additional payments. Of this $2.763 billion, bids are not yet awarded for $49 million, and therefore these project budgets are also still subject to the risk that bids will be in excess of amounts reflected in their current project forecasts.

The current approved spending plan, set at $6.307 billion, does not take into account certain, as yet unresolved, cost issues. Accordingly, the Traffic Engineers have included in their report an assumed increase of up to $100 million in principal amount in addition to the $388 million in Senior Aviation Revenue Bonds expected to be issued later in 2010. The Aviation Department believes, based on all currently available information, that the additional $100 million should cover existing cost uncertainties. See "Assumptions Regarding Completion of the CIP" in "Report of the Traffic Engineers" in APPENDIX A. See also above "Terminal and Concourse Facilities Programs — Baggage Handling System Delay and Cost."

FUNDING SOURCES FOR THE CIP

Funding for the CIP has been provided from proceeds of Bonds issued under the Senior Trust Agreement, proceeds of CP Notes issued by the County to provide temporary financing of costs, federal and state aviation grants, PFC revenue, a contribution from American Airlines, and interest income. Proceeds of the Series 2010 Bonds will be used to pay costs of the MIA Mover and certain other costs of the CIP. The County and the Aviation Department currently expect that final funding for the CIP will be provided by federal and state aviation grants as well as the proceeds of at least one more issue of bonds under the Senior Trust Agreement, currently expected in the third quarter of 2010. Factors that may alter this proposed funding approach include, but are not limited to: differences in the actual amounts of federal and State grants; the risk of termination of PFCs; and the addition and deletion of projects. The Series 2010 Bonds represent the most recent bond funding under the Authorizations. In addition, the Aviation Department intends to continue to use CP Notes to provide temporary financing for certain CIP costs with permanent financing provided through Bonds. The CP Program is currently scheduled to expire on August 1, 2010. See "AVIATION RELATED DEBT – Commercial Paper Notes."

CIP FUNDING SOURCES [a]

Miami-Dade County Aviation Department
as of September 30, 2009
(in thousands)

		Funding Sources							
		Pay-as-you-go					Aviation Revenue Bonds		General Obligation Backed
Program Description	**Program Total**	**AIP Grants**	**TSA OTA**	**FDOT Grants**	**PFC Revenue [b]**	**Other Funds [c]**	**Paid with PFC Revenue [d]**	**Paid with Airport Revenue**	**Paid with Airport Revenue**
Airside	$ 330,503	$193,570		$ 61,604	$ 12,675			$ 62,654	
Terminal & Concourse Facilities:									
• North Terminal [d]	2,948,796		$54,400	7,166		$105,000	$847,386	1,902,235	$ 32,609
• South Terminal [e]	1,118,016	30,054	17,173	51,691	18,731		446,256	554,111	
• Other Terminal Projects [f]	497,880	12,792		14,452	82,207			388,429	
Landside:									
• Roadways & Parking	158,466			30,449	44,103			83,914	
• MIA Mover	299,381			101,526				25,118	172,737
Support Programs	713,311	35,534	2,689	33,008	11,743			630,337	
Cargo and Aircraft Maintenance	182,143	3,694		31,240				147,209	
General Aviation Airports	58,382	21,535		6,701				30,146	
Total CIP:	**$6,306,878**	**$297,179**	**$74,262**	**$337,837**	**$169,459**	**$105,000**	**$1,293,642**	**$3,824,153**	**$205,346**

(a) All data as of September 30, 2009. This table reflects only the $6.3 billion CIP spending plan and excludes any capital projects paid with Improvement Fund monies.
(b) Based on the FAA approved PFC applications (#1, #2 and Amended #3).
(c) Represents the American Airlines contribution of $105 million.
(d) Based on the FAA approved PFC application #4, which also includes the financing and issuance costs related to these programs, which are not included in this table.
(e) Includes "support" projects.
(f) Includes a portion of Concourse A, Phase 1 and all of Concourse A, Phase 2.

Source: Miami-Dade County Aviation Department

Federal Grants

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

For Fiscal Years 2004 through 2007, an FAA reauthorization bill signed into law on December 12, 2003, authorized AIP funding starting at the then current levels (i.e., for Fiscal Year 2003) for Fiscal Year 2004 and slightly increasing each year thereafter. Appropriation bills were signed into law for Fiscal Year 2004 through Fiscal Year 2007, with funding levels similar to past fiscal years.

For Fiscal Year 2008 and 2009, Congress, unable to reach agreement on AIP reauthorization, enacted temporary Omnibus legislation to extend the AIP funding at approximately 75% of the Fiscal Year 2007 AIP obligation authority for a portion of the Fiscal Year, but in both years legislation was enacted to complete the funding for the fiscal year.

For Fiscal Year 2009, Congress passed an extension of AIP grants and FAA programs by virtue of the enactment of the FAA Extension Act of 2009. The extension kept the airport construction grants program and other FAA programs funded through September 30, 2009, by authorizing a total of $3.9 billion and appropriating $3.5 billion of funding for airport capital grants for the fiscal year ended September 30, 2009.

The recently enacted American Recovery and Reinvestment Act (the "Recovery Act") provides (1) $800 million of additional AIP funding for airport security and improvement projects, and (2) a separate $1.1 billion stimulus program for surface access (highways, bridge and intermodal) projects called Transportation Investment Generating Economic Recovery (TIGER). The Aviation Department plans to seek funding from TIGER for the Viaduct West Project. *See* "CERTAIN INVESTMENT CONSIDERATIONS AFFECTING NET AVAILABLE AIRPORT REVENUES – Federal Legislation."

Federal aviation grants apportioned (for entitlements) and awarded (for discretionary) to the County for the last five Fiscal Years are as follows:

Fiscal Year	**Entitlement**		**Discretionary**	**Total**
	(Passenger)	**(Cargo)**		
2009	$ 6,374,043	$11,356,593	$ 10,110,000	$ 27,840,636
2008	3,466,041	4,348,557	4,000,000	11,814,598
2007	4,530,691	5,554,060	16,012,452	26,097,203
2006	4,386,399	5,522,311	7,550,000	17,458,710
2005	4,262,672	5,293,844	13,722,084	23,278,600

Source: Miami-Dade County Aviation Department.

In Fiscal Year 2001, the FAA issued a Letter of Intent award ("LOI") of $101,040,000 for the capacity-enhancing fourth runway project. The LOI was amended to $104,040,000 on March 11, 2004 to include $3.0 million for the renumbering of the runways at MIA. In March 2006, effective Fiscal Year 2007, the FAA approved and authorized the Aviation Department to utilize $2,512,569, which was remaining in the approved LOI amount by amending the scope of the LOI for the Tract One apron drainage, grading and pavement improvement project (located near the North runway). This amendment authorizing the funding of the Tract One project did not result in an increase in the maximum obligation of the LOI amount of $104,040,000. The remaining balance of the eligible 75% share of the Federal contribution of the estimated $15 million Tract One project is to be funded through two separate installment grants totaling $8,720,307. The LOI issued to the Aviation Department serves to assure higher discretionary funding levels through 2010 for the Tract One project. An LOI, however, is not a legal obligation of the United States and is subject at all times to funds being appropriated by Congress. Because the AIP is periodically re-authorized with appropriations approved annually, there can be no guarantee as to the future level of annual funding, the future of the AIP, the AIP entitlement amounts apportioned to the Airport, or the amount of AIP discretionary funds awarded to the County for the Airport and other airports within the Airport System. The LOI for $104,040,000 represents a maximum of 75% of the estimated eligible runway and apron drainage costs (referred to hereafter in this section as the "costs"). The Aviation Department received amounts totaling $95.9 million under the LOI scheduled for payment in the fiscal years 2000 through 2009. As expected, $10,110,000 scheduled for payment in Fiscal Year 2009 was received in June 2009. The remaining LOI payment of $8.54 million is scheduled to be received in FY 2010.

State Grants

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

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

Fiscal Year	AIP	Discretionary	Flex Funds	Total Collected
2009	$ 3,000,000	$ 5,993,000	N/A	$ 8,993,000
2008	5,949,000	6,361,000	N/A	12,310,000
2007	10,593,298	4,328,735	N/A	14,922,033
2006	6,730,420	8,331,000	N/A	15,061,420
2005	6,228,000	8,900,000	N/A	15,128,000

N/A = Not applicable

The Aviation Department received $8.993 million in FDOT grants in Fiscal Year 2009.

The County's five-year work plan for Fiscal Years 2010 through 2014 contemplates the receipt of FDOT aviation grants between $127.9 million and $133.7 million, a portion of which is conditioned on the MIA Mover project proceeding. In earlier 5-year work programs, FDOT allocated $80 million, which was increased in 2008 to $114.3 million, including the value of certain work performed by FDOT and therefore not in the CIP, for the MIA Mover Design, Build, Operate and Maintain Project through a requested reallocation of funds in the approved 5-year work program. There are several important airfield and landside capacity projects that FDOT is planning to fund in future years, but for which no local matching funds have yet been identified or budgeted. Due to the current recession and stressed economic conditions, the fulfillment of FDOT funding cannot be taken for granted. If these long-term projects are not funded by FDOT due to the change in economic conditions, the County may amend the five-year work plan or consider alternative funding sources. However, the County is committed to completion of the MIA Mover project from FDOT grants and other available County monies or funding.

Over the last two fiscal years, the State budget deficit has resulted in FDOT having to reduce its statewide funding commitments under its Five Year Work Program by an estimated $2.5 billion, resulting in FDOT reducing the Aviation Department's work-program allocation by $19.52 million through FY 2014. As the reductions have taken place in consultation with the Aviation Department, the reduction has had no material impact on the current CIP funding, as most of the reductions were taken from projects that are not funded in the CIP and lack the local share apportionment.

Passenger Facility Charges

The Airport currently collects passenger facility charges ("PFCs") with a charge of $4.50 on each passenger on an air carrier enplaned at the Airport, subject to certain limitations. PFCs must be used for finance specific eligible projects as described below. Currently, PFCs are capped at $4.50 per segment of flight (up to a maximum of $18.00 on round trip). Pending federal legislation contemplates an increase to $7.00 per segment although there can be no assurance that such increase will be authorized. See "CERTAIN INVESTMENT CONSIDERATIONS – Federal Legislation."

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

Regulations and the Noise Act, however provide procedural safeguards that limit the FAA's ability to summarily terminate the Aviation Department's ability to impose PFCs.

Under the PFC Regulations, PFC revenues can only be used to pay the costs of approved projects or debt service and financing costs associated with bonds issued for such projects. PFC revenues are currently not defined as Revenues under the Senior Trust Agreement and must be applied specifically as required by the PFC Regulations. Accordingly, PFC revenues are not pledged to or held by the Trustee for the benefit of the owners of the Bonds unless and until they are specifically pledged pursuant to a resolution of the Board. However, the County intends to continue its current practice of depositing a portion of the PFCs into the Sinking Fund at the beginning of each Fiscal Year, which is credited against the Principal and Interest Requirements on the Bonds for that particular Fiscal Year. Under the definition of Principal and Interest Requirements in the Senior Trust Agreement, the County is allowed to exclude from the computation of Principal and Interest Requirements any funds set aside or deposited for purposes of paying debt service in that Fiscal Year. Therefore, in calculating its rate covenant requirement, the County reduces the Principal and Interest Requirements by the amount of PFC revenue set aside per the Annual Budget for debt service payment in that Fiscal Year thus reducing the coverage amount otherwise required.

The Aviation Department transferred $100 million in PFC revenues to the Sinking Fund for payment of the Fiscal Year 2010 Principal and Interest Requirement, with such revenues generated in part from PFCs collected in prior years but not yet expended. The balance in the PFC Revenue Account as of September 30, 2009, was $195.9 million from which the $100 million transfer was made at the beginning of October 2009.

In the past, on an interim basis, the Aviation Department has used accumulated PFCs for direct payment of construction costs. The Aviation Department has reimbursed the PFC account for such draws at such time as the County issued long term debt.

The FAA authorized the Aviation Department to impose a PFC of $3 per passenger commencing November 1, 1994. On October 21, 2001, the FAA approved a PFC collection level of $4.50 with an effective date of January 1, 2002. On December 2002, the FAA approved an application that enables the Aviation Department to use PFC revenues to pay debt service related to the North and South Terminal Programs.

The Aviation Department has been authorized to collect PFCs in the estimated aggregate amount of $2.6 billion over the next 30 years, including interest. The authorization is expected to expire in October 2035. The amount of PFC collections from inception through September 30, 2009 was $678.8 million and with interest was $748.3 million. Of this amount, the Aviation Department has expended $552.0 million as of September 30, 2009. Under generally accepted accounting principles, PFCs are reported as non-operating revenues. Aviation Department annual PFC collections since inception through September 30, 2009 are as follows:

Fiscal Year	PFC Collections
1995	$24,338,247
1996	38,187,434
1997	35,491,604
1998	36,424,124
1999	39,164,381
2000	35,707,692
2001	37,298,407
2002	42,868,403
2003	50,746,842
2004	53,877,379
2005	53,969,695
2006	51,978,979
2007	59,295,761
2008	60,822,212
2009	58,476,343

The forecast PFC revenue for Fiscal Year 2010 through Fiscal Year 2018 as determined by the Traffic Engineers based on its underlying enplaned passenger forecast during this period (see "APPENDIX A – REPORT OF THE TRAFFIC ENGINEERS") is as follows:

Fiscal Year	Estimated PFC Revenue To Be Collected
2010	$57,397,000
2011	58,229,000
2012	59,305,000
2013	60,605,000
2014	61,923,000
2015	63,258,000
2016	64,628,000
2017	66,015,000
2018	67,455,000

Other Revenues

American Airlines has agreed to contribute $105 million toward the costs of settling claims and completing NTD. Its contribution will be paid over 10 years effective July 1, 2005 as delineated in the Claims Administration Agreement between American Airlines and the County and acknowledged by American Airlines in the First Amendment to its AUA. If American Airlines fails to make any payment according to schedule, the Amendment to the AUA provides that the County shall be entitled to recover the unpaid balance of the $105 million payment through a surcharge due by American Airlines for its use of facilities at MIA. As of September 30, 2009, the Aviation Department had received $60 million from American Airlines.

In Fiscal Year 2006, TSA issued a one-time $20 million "other transaction agreement" (OTA) for in-line EDS for South Terminal. In Fiscal Year 2008, TSA committed a one time $54.4 million OTA for in-line EDS and security enhancements of the baggage handling and gate delivery system for the North Terminal Program.

Bond Authorizations

Ordinances previously enacted by the Board have authorized the issuance of up to $6.2 billion in aviation revenue bonds, of which approximately $5,341,515,000 have been issued prior to the issuance of the Series 2010 Bonds, with the remaining $858,485,000 authorized but not issued to fund projects at the Airport. The issuance of aviation revenue bonds to finance costs of the CIP beyond the authorized amounts would require enactment of an additional ordinance or ordinances by the Board. Refunding bonds are not limited by such authorizations.

AVIATION DEPARTMENT FINANCIAL INFORMATION

The financial exhibits in "APPENDIX A – REPORT OF THE TRAFFIC ENGINEERS" set forth the forecasted operating results of the Port Authorities Properties. The tables included in this section present a summary of the historical operating results of the Port Authority Properties for Fiscal Year 2005 through Fiscal Year 2009.

Historical Financial Results

The following table presents a summary of revenues and expenses from Port Authority Properties for the periods shown, and includes debt service coverage ratios for such periods. The method of presentation required under the Senior Trust Agreement and presented in the following table is on a cash basis, which differs from the Aviation Department's financial statements, which are prepared on an accrual basis in accordance with generally accepted accounting principles. The numbers in the summary do not constitute part of the audited financial statements of the Aviation Department. Attached as APPENDIX B are audited financial statements for the Aviation Department for the Fiscal Years ended September 30, 2008 and September 30, 2007. Attached as APPENDIX C are unaudited financial statements for the Aviation Department for the Fiscal Year ended September 30, 2009. Audited financial statements for the year ended September 30, 2009, are not expected prior to the delivery of the Series 2010 Bonds.

PORT AUTHORITY PROPERTIES

HISTORICAL OPERATING RESULTS
(in thousands)*
(UNAUDITED)
(Cash Basis)

	Fiscal Year Ended September 30[1]				
	2009	**2008**	**2007**	**2006**	**2005**
MIA Aviation Fees	$311,888	$322,975	$300,738	$288,583	$270,607
Commercial Operations:					
Management Agreements	$ 72,628	$ 77,158	$ 78,885	$ 68,212	$ 68,649
Concessions	99,096	99,335	91,629	77,505	77,283
Total Commercial Operations	$171,724	$176,493	$170,514	$145,717	$145,932
Rentals	$95,626	$ 97,369	$ 93,118	$ 87,688	$ 85,998
Other Revenues[2]	17,885	22,438	21,783	23,467	32,532
Sub-total Revenues	$597,123	$619,275	$586,153	$545,455	$535,069
General Aviation Airports	4,758	4,373	5,616	4,432	4,328
Gross Revenues	$601,881	$623,648	$591,769	$549,887	$539,397
Expenses:					
Current Expenses	$300,079	$311,914	$285,244	$240,922	$269,819
Current Expenses under Mgmt. Agmt.	27,944	31,557	29,654	27,894	27,778
Current Expenses under Oper. Agmt.	39,491	35,092	31,307	30,859	31,433
Total Current Expenses	$367,514	$378,563	$346,205	$299,675	$329,030
Net Revenues:	$234,367	$245,085	$245,564	$250,212	$210,367
Less: Reserve Maintenance Fund Deposit	15,000	23,000	17,000	7,500	15,000
Net Revenues After Deposits	$219,367	$222,085	$228,564	$242,712	$195,367
Total Debt Service	$251,049	$229,984	$230,239	$220,578	$176,610
Less: PFC Revenue (used for d/s)	(100,000)	(81,608)	(73,641)	(65,000)	(35,000)
Debt Service	$151,049	$148,376	$156,598	$155,578	$141,610
Debt Service Coverage[1][2]	1.45x	1.50x	1.46x	1.56x	1.38x

(1) During each Fiscal Year, certain moneys from the previous Fiscal Year remaining in the Improvement Fund are deposited in the Revenue Fund. The amount of such deposit is included as Revenues and is required by the AUA to be taken into account in determining the amount of the landing fee rate required for the next succeeding Fiscal Year.
(2) Calculated in accordance with the Senior Trust Agreement by dividing Net Revenues after deposits by the required Debt Service amount.
* Numbers may not total due to rounding.
N/A = not applicable
Source: Miami-Dade County Aviation Department.

Management's Discussion of Financial Information

For Fiscal Year 2009, the significant items affecting the financial results were :

- Aviation fees decreased in Fiscal Year 2009 when compared to Fiscal Year 2008 by $11 million, representing .3%. The Landing Fee rate charged to MIA air carriers in Fiscal Year 2009 decreased from $1.94 in Fiscal Year 2008 to $1.18, primarily due to the decrease in the Current Expenses budget. In addition, the landed weight amount increased year over year thus decreasing the landing fee rate.

- As part of its agreement to relinquish program management control over the North Terminal, American Airlines agreed to contribute $105 million over a ten-year period of annual payments so as to pay claims and construction costs related to the NTD capital project. In accordance with this agreement, American Airlines has made $60 million in payments to the Aviation Department including $15 million in June 2005, $15 million in July 2006, $10 million in July 2007, $10 million in July 2008 and $10 million in 2009.

- The Aviation Department's discretionary cash position decreased in Fiscal Year 2009 as noted below primarily due to the decrease in Net Revenues, which accumulated in the Improvement Fund. As of September 30, 2009, September 30, 2008 and September 30, 2007, the Aviation Department's operating cash position was as follows:

	2009	2008	2007
Revenue Fund [(1)]	$ 51,372,019	$ 66,740,051	$ 59,396,481
Reserve Maintenance Fund	28,798,565	32,949,068	29,047,384
Improvement Fund [(2)]	116,383,418	137,233,412	125,594,816
Total	$196,554,002	$236,922,531	$214,038,681

(1) Includes the operating reserve requirement based on 13.5% of the Current Expense annual budget amount as required by the Senior Trust Agreement. However, for Fiscal Year 2007, the amount includes $23 million earmarked for a transfer to the Revenue Fund on 09/28/2007 that was in fact recorded and applied for purposes of the Senior Trust Agreement on 10/01/2007, which was the first day of Fiscal Year 2008.

(2) The Fiscal Year 2006 amount includes $63.6 million that was transferred to the Revenue Fund during Fiscal 2007. The Fiscal Year 2007 amount includes $64.1 million that was transferred to the Revenue Fund in Fiscal Year 2008 and $72.0 million of the Fiscal Year 2008 balance is earmarked to be transferred in Fiscal Year 2009. All of these transfers are required per the AUA.

In September 2009, the Board approved the Aviation Department's Fiscal Year 2010 budget. This budget reflects the Aviation Department's expectation of a 2.41% increase in passengers or 17.0 million enplaned passengers; an increase of 2.5% in landed weight; a $18.7 million or 4.5% decrease in Current Expenses primarily in Salaries and Fringes $7.5 million or 5.1% due to a reduction of 79 positions coupled with other categories such as Outside Contracts $7.1 million or 10.85%; use of $100.0 million in PFC revenues to pay debt service (compared to $100.0 million used in Fiscal Year 2009); and a increase from $15.0 million to $19.25 million in the annual deposit to the Reserve Maintenance Fund.

During Fiscal Year 2007, the Aviation Department, in conjunction with other County departments, implemented Enterprise Resource Planning ("ERP"), a new financial system. ERP is an integrated software platform that runs on a single database and enables the Aviation Department to replace its financial systems with a fully integrated suite of financial applications that will produce more timely and valuable financial data. In addition, ERP gives the Aviation Department more flexibility in producing financial reports and makes data more readily available through the internet to all authorized users. The total estimated budget for the project is approximately $12 million. Approximately $8 million of the costs were financed in Fiscal Year 2007 with a loan from the Sunshine State Financing Commission. The repayment of the Sunshine State loan is not secured by Revenues or any other revenues of the Aviation Department and is being made with monies deposited into the Improvement Fund. Two million dollars for ERP has been included in the Current Expense budgets for Fiscal Years 2009 and 2010.

Commercial Operations Revenues at the Airport

The Aviation Department received $171.7 million in commercial revenues in Fiscal Year 2009, as compared to $176.5 million in Fiscal Year 2008. The decrease in revenues reported reflects a decrease in revenues from the parking management agreement of $4.2 million.

Fiscal Year 2009 revenues in the major categories include $37.4 million in parking revenues and $25.1 million in rental car revenues. Retail concessions generated approximately $10.6 million in total sales under a management agreement. The Hotel and related Top-of-the-Port Restaurant generated $12.9 million in revenues in Fiscal Year 2009.

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 costs for most state and local government employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of GASB 45 establish disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time.

The County provides paid medical and dental plans to active employees of the County. The County has approximately 37,000 active employees. The County also provides retirees the opportunity to participate in the group employee health plans. The County has approximately 1,600 pre-age 65 and approximately 1,900 post-age 65 retired employees participating in the plans. Employees who retire and begin receiving benefits under the Florida Retirement System and who were participants in the existing medical plan at the time of retirement are entitled to participate in the plan. The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier selected by the retiree. The County also provides paid health benefits to elected officials, employees who were offered an early retirement program, retirees who were injured in the line of duty and meet requirements defined in collective bargaining agreements, as well as a very small group of executive level employees.

GASB 45 reporting requirements became effective with the County's Fiscal Year ending September 30, 2008. An actuarial study estimated the County's OPEB liability to be $300.8 million as of October 1, 2008 and the annual OPEB cost to be $28.8 million (assuming a 30-year amortization and level percentage of payroll, closed, amortization method, 4.75% discount rate). The accrued actuarial OPEB liability estimated for the approximate 1,270 eligible employees of the Aviation Department is $11.8 million and the annual OPEB cost is $1.112 million. Currently, the County's policy is to fund the benefits on a pay-as-you-go basis and those estimates assume the County will continue that policy. As of September 30, 2009, no assets have been segregated and restricted to provide postretirement benefits. During the fiscal years ended September 30, 2009 and 2008, the County contributed $21.8 million and $11.3 million, respectively, towards retirees' medical benefits on the pay-as-you-go basis, of which $836,000 and $371,000, respectively, was allocated to the Aviation Department. The Aviation Department reported an OPEB liability of $956,000 and $679,000 as of September 30, 2009 and 2008 respectively.

REPORT OF THE TRAFFIC ENGINEERS

The Report of the Traffic Engineers (the "Series 2010 Report") included in APPENDIX A to this Official Statement was prepared by Jacobs Consultancy, Inc. (the "Traffic Engineers") in connection with the issuance of the Series 2010 Bonds. The Series 2010 Report should be read in its entirety for an understanding of the information and underlying assumptions. The Series 2010 Report includes an examination of the underlying economic base of the Air Trade Area, analyses of historical and projected air traffic activity at the Airport, a description of planned new facilities and various financial analyses, including a computation of debt service coverage ratios during the forecast period (Fiscal Year 2010 through Fiscal Year 2018, inclusive). The Series 2010 Report concluded, based on various assumptions described in the Series 2010 Report, that the Aviation Department would generate Revenues sufficient to satisfy the requirements of both the Rate Covenant under the Senior Trust Agreement and the Rate Covenant under the 2010 Resolution during the forecast period.

Set forth below are two tables appearing in the Series 2010 Report reflecting the projected debt service coverage for the Port Authority Properties based on the $6.307 billion current CIP spending plan, plus an assumed issuance of an additional $100 million in debt. See, **"CAPITAL IMPROVEMENT PROGRAM — Cost Increases, Claims, Delays and Related Risks —** ***Contingencies; Additional Borrowing Capacity."***

The first table, Exhibit F-1 in the Series 2010 Report, shows the projected debt service coverage on the Senior Aviation Revenue Bonds as calculated under the Senior Trust Agreement. Such calculation assumes the issuance of the Series 2010 Bonds. The second table, Exhibit F-2 in the Series 2010 Report, sets forth the projected dollar amount generated in excess of the one times coverage required under the rate covenant set forth in the 2010 Resolution and reflects payment of all Senior Aviation Revenue Bonds when due. See "SECURITY FOR THE SERIES 2010 BONDS — Rate Covenant for Series 2010 Bonds."

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Exhibit F-1

RATE COVENANT COMPLIANCE — AVIATION REVENUE BONDS
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rate Covenant Compliance-Aviation Revenue Bonds									
Revenues	$635,181	$778,368	$859,582	$911,398	$946,789	$988,398	$1,033,513	$1,096,824	$1,145,778
Current Expenses	(394,209)	(455,077)	(481,209)	(509,234)	(538,977)	(570,549)	(604,071)	(639,667)	(677,476)
Net Revenues	$240,972	$323,291	$378,373	$402,164	$407,813	$417,848	$429,442	$457,157	$468,302
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
1.20 X Principal and Interest Requirements /1	(220,853)	(292,843)	(333,603)	(355,929)	(360,125)	(364,454)	(377,848)	(403,639)	(412,166)
Bond Reserve Account	—	—	—	—	—	—	—	—	—
Must Not Be Less Than Zero	$869	$10,423	$23,919	$24,560	$25,138	$29,489	$26,245	$26,642	$27,111
Additional Information									
Net Revenues	$240,972	$323,291	$378,373	$402,164	$407,813	$417,848	$429,442	$457,157	$468,302
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
Bond Reserve Account	—	—	—	—	—	—	—	—	—
Subtotal	$221,722	$303,266	$357,523	$380,489	$385,263	$393,943	$404,092	$430,282	$439,277
Principal and Interest Requirements	184,044	244,035	278,003	296,608	300,104	303,712	314,873	336,366	343,472
Senior Lien Debt Service Coverage Ratio /2	**1.20**	**1.24**	**1.29**	**1.28**	**1.28**	**1.30**	**1.28**	**1.28**	**1.28**

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

Notes: 1. Net of PFCs deposited in the Sinking Fund.

2. Calculated pursuant to Section 501 of the Trust Agreement, where a ratio no less than 120% demonstrates compliance with the Rate Covenant.

Exhibit F-2

RATE COVENANT COMPLIANCE — DOUBLE-BARRELED BONDS
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by the Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rate Covenant Compliance — Double-Barreled Bonds									
Revenues	$635,181	$778,368	$859,582	$911,398	$946,789	$988,398	$1,033,513	$1,096,824	$1,145,778
LESS:									
Current Expenses	(394,209)	(455,077)	(481,209)	(509,234)	(538,977)	(570,549)	(604,071)	(639,667)	(677,476)
Operating Reserve	648	(8,826)	(6,195)	(6,750)	(7,305)	(8,855)	(5,587)	(5,933)	(6,301)
Bond Service Account	(184,044)	(244,035)	(278,003)	(296,608)	(300,104)	(303,712)	(314,873)	(336,366)	(343,472)
Bond Reserve Account	—	—	—	—	—	—	—	—	—
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
Commercial Paper Interest	—	—	—	—	—	—	—	—	—
Net Available Airport Revenues	$38,326	$50,404	$73,325	$77,132	$77,853	$81,376	$83,633	$87,983	$89,504
Proposed 2010 Double-Barreled Bonds	—	—	(15,850)	(15,790)	(15,730)	(18,510)	(18,510)	(18,505)	(18,507)
Must Not Be Less Than Zero	$38,326	$50,404	$57,475	$61,342	$62,123	$62,866	$65,123	$69,477	$70,997

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

Also presented below is a chart depicting the projected cost per enplaned passenger for the Port Authority Properties during the forecast period.

Fiscal Year	Passenger Airline Payments	Enplaned Passengers	Cost per Enplaned Passenger
	[C]	[D]	[C]/[D]
2009	$269,754	16,884	$15.98
2010	303,316	16,550	18.33
2011	447,692	16,790	26.66
2012	507,807	17,100	29.70
2013	540,072	17,475	30.91
2014	563,355	17,855	31.55
2015	594,978	18,240	32.62
2016	630,161	18,635	33.82
2017	680,058	19,035	35.73
2018	712,510	19,450	36.63

The Series 2010 Report was based on a number of assumptions and contains projections and statements relating to operating and financial results that may not be realized. The assumptions used reflect the best information available to the Aviation Department and reliance on the knowledge and experience of the Traffic Engineers. Investors should review carefully the assumptions in the Series 2010 Report, which includes assumptions made by the Financial Advisor about the principal amount of and interest rate on debt to be issued during the period of the forecast and on estimates of CIP costs and schedule provided by the Aviation Department. The Aviation Department's future operating performance, including enplaned passengers, and financial performance, however, may vary from the projections and such variances may be material. Among other things, the Series 2010 Report assumed the issuance of future debt by the Aviation Department at particular interest rates and the completion of certain planned construction at assumed costs. The Series 2010 Report also assumed only the cost of constructing the components of the CIP then planned by the Aviation Department and the issuance of the debt necessary to finance such projects. It assumed that no additional projects would be financed with bonds payable from Revenues of the Aviation Department during the forecast period.

Various factors may adversely affect the ability of the Aviation Department to achieve the projections in the Series 2010 Report, including, without limitation, the Aviation Department's ability to incur debt at assumed interest rates and unexpected construction delays or cost increases (which may reflect special costs of the Aviation Department's projects as well as general increase in construction costs). Such projections also may be affected by the factors affecting the Airport and the airline industry in general. See "CERTAIN INVESTMENT CONSIDERATIONS AFFECTING NET AVAILABLE AIRPORT REVENUES."

The Series 2010 Report has been included herein in reliance upon the knowledge and experience of Jacobs Consultancy, Inc. as the Traffic Engineers. As noted in the Series 2010 Report, any forecast is subject to uncertainties. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. The Series 2010 Report should be read in its entirety for a complete understanding of its contents. See the information regarding forward looking statements on the disclaimer page at the beginning of this Official Statement.

TAX MATTERS

General

In the opinion of Greenberg Traurig, P.A. and Edwards & Associates, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming continuing compliance with certain covenants and the accuracy of certain representations, (1) interest on the Series 2010 Bonds will be excludable from gross income for federal income tax purposes, (2) interest on the Series 2010 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and such interest on the Series 2010 Bonds will not be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations, and (3) the Series 2010 Bonds and the income thereon will not be subject to taxation under the laws of the State, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

The above opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and 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 2010 Bonds will be and will remain obligations, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2010 Bonds.

The Internal Revenue Code of 1986, as amended (the "Code") prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excludable from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excludable from the date of issuance. Noncompliance with these requirements by the County may cause the interest on the Series 2010 Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of issuance of the Series 2010 Bonds. The County has covenanted to take the actions required of it for the interest on the Series 2010 Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that excludability.

Interest on the Series 2010 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.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Series 2010 Bonds. Prospective purchasers of the Series 2010 Bonds should be aware that the ownership of Series 2010 Bonds may have certain collateral 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 or other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2010 Bonds. Prospective purchasers of the Series 2010 Bonds should consult their own tax advisors as to the impact of these other tax consequences. Bond Counsel will express no opinion regarding those consequences.

Purchasers of the Series 2010 Bonds at other than their original issuance at the respective yields indicated on the inside cover of this Official Statement should consult their own tax advisors regarding other tax considerations such as the consequences of market discount.

From time to time, there are legislative proposals pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the Series 2010 Bonds, adversely affect the market price or marketability of the Series 2010 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Series 2010 Bonds.

Original Issue Discount and Original Issue Premium

Certain of the Series 2010 Bonds as indicated on the inside cover of this Official Statement ("Discount 2010 Bonds") were offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount 2010 Bond. The issue price of a Discount 2010 Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount 2010 Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount 2010 Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount 2010 Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2010 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount 2010 Bond. A purchaser of a Discount 2010 Bond in the initial public offering at the price for that Discount 2010 Bond stated on the inside cover of this Official Statement who holds that Discount 2010 Bond to maturity will realize no gain or loss upon the retirement of that Discount 2010 Bond.

Certain of the Series 2010 Bonds as indicated on the inside cover of this Official Statement ("Premium Bonds") 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 (or over a shorter permitted compounding interval selected by the owner). 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 price for that Premium Bond stated on the inside cover 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 Discount 2010 Bonds and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount 2010 Bonds or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income. Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as "APPENDIX J — Proposed Form of Bond Counsel Opinion" for the complete text thereof. *See also* "CERTAIN LEGAL MATTERS" herein.

Information Reporting and Backup Withholding

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

CONTINUING DISCLOSURE

Disclosure Covenants

The County has covenanted in the 2010 Resolution, in accordance with the provisions of, and to the degree necessary to comply with the continuing disclosure requirements of Rule 15c2-12 (the "Rule") of the SEC, that certain continuing disclosure information will be provided or cause to be provided for the benefit of the beneficial owners of the Series 2010 Bonds (such covenants as described in paragraph (i) through (vii) below being referred to as the "Covenants") as follows:

(i) The County agrees to provide or cause to be provided for the benefit of the beneficial owners of the Series 2010 Bonds to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable legislation, from time to time (each such information repository, a "MSIR") the following annual financial information (the "Annual Information"), commencing with the Fiscal Year ending after the issuance of the Series 2010 Bonds:

(a) Revenues and Net Available Airport Revenues of the Aviation Department and operating information for the prior Fiscal Year of the type and in a form which is generally consistent with the presentation of such information in this Official Statement for the Series 2010 Bonds, and such additional operating information as may be determined by the Aviation Department;

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

(c) The County's Comprehensive Annual Financial Report utilizing generally accepted accounting principles applicable to local governments; and

(d) Information relating to assessed values, ad valorem tax collections and exemptions from ad valorem taxes within the County in a form that is generally consistent with the presentation of such information in this Official Statement.

The information in paragraphs (a), (b), (c) and (d) above is expected to be available on or before June 1 of each year for the preceding Fiscal Year and will be made available to each MSIR and to each beneficial owner of the Series 2010 Bonds who requests such information in writing. The County's Comprehensive Annual Financial Report referred to in paragraph (c) above is expected to be available separately from the information in paragraph (a) above and will be provided by the County as soon as practical after acceptance of such statements from the auditors by the County. The County's Comprehensive Annual Financial Report is generally available within eight months from the end of the Fiscal Year.

(ii) The County agrees to provide or cause to be provided, in a timely manner, to each MSIR in the appropriate format required by law or applicable regulation,, notice of occurrence of any of the following events with respect to the Series 2010 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 providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2010 Bonds; (7) modifications to rights of holders of the Series 2010 Bonds; (8) bond calls; (9) defeasance; (10) release, substitution or sale of any property securing repayment of the Series 2010 Bonds; and (11) rating changes.

(iii) The County agrees to provide or cause to be provided, in a timely manner, to each MSIR in the appropriate format required by law or applicable regulation, notice of its failure to provide the Annual Information with respect to itself on or prior to June 1 following the end of the preceding Fiscal Year.

(iv) The Covenants shall remain in effect only so long as the Series 2010 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 2010 Bonds within the meaning of the Rule.

(v) The Covenants are intended to be for the legal and beneficial owners of the Series 2010 Bonds and shall be enforceable by the beneficial owners if the County fails to cure a breach within a reasonable time after receipt of written notice from a beneficial owner that a breach exists; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the County's obligations under the 2010 Resolution 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 2010 Bonds.

(vii) Additionally, the requirements of subsection (i) above do not necessitate the preparation of any separate annual report addressing only the Series 2010 Bonds. The requirements of subsection (i) may be met by the filing of an annual information statement or audited general purpose financial statements of the Aviation Department or the County's Comprehensive Annual Financial Report, provided such report includes all of the required Annual Information and is available by June 1 of each year for the preceding Fiscal Year. Additionally, the County may incorporate any information in any prior filing with each MSIR or included in the final Official Statement of the County, provided such final Official Statement is filed with the MSRB.

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

Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of the 2010 Resolution, the Covenants may only be amended if:

(i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the 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 2010 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 Disclosure Counsel or other independent counsel knowledgeable in the area of federal securities law and regulations; or

(ii) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the adoption of this 2010 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.

Obligated Persons

The County has determined that as of the issuance of the Series 2010 Bonds, the County will be the sole Obligated Person (as defined in the Rule) with respect to the Series 2010 Bonds.

Because the County will be the sole Obligated Person with respect to the Series 2010 Bonds at the time of their issuance, the Covenants do not provide for, and no undertaking is being made by the County or the Aviation Department to update, any information contained in this Official Statement with respect to any individual airline. Under the AUA, each signatory airline is contractually obligated to make payments only to the extent of its use of the Airport during any Fiscal Year.

Airline Disclosure

Copies of the SEC filings (including (i) an Annual Report on Form 10-K, and (ii) a Quarterly Report on Form 10-Q, annual, quarterly and special reports, information statements and other information) for any individual airline which is required to file such reports pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended, are available over the Internet at the web site of the Securities and Exchange Commission at http://www.sec.gov; or at the SEC's public reference room in Washington, D.C. See also "CERTAIN INVESTMENT CONSIDERATIONS – Airline Economic Considerations — Additional Information on Airlines" for the location of other financial and operating data which may be available as to individual airlines operating at the Airport.

Continuing Disclosure Compliance; Limited Information

The County has complied in all material respects with all continuing disclosure commitments previously made by the County with respect to issued obligations. The County's obligation under the Covenants is to supply limited information at specified times and may not provide all information necessary to determine the value of the Series 2010 Bonds.

RATINGS

Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("S&P") and Moody's Investors Service, Inc. ("Moody's") are expected to assign the ratings of "AA-" with a negative outlook and "Aa3" with a stable outlook, respectively, to the Series 2010 Bonds.

The ratings reflect only the view of S&P and Moody's (together, the "Rating Agencies"). Any desired explanation of the significance of such ratings should be obtained from the Rating Agency furnishing the same. Generally, the Rating Agencies base their ratings on the information and materials furnished to them and on investigations, studies and assumptions by them. There is no assurance that the ratings will continue for any given period of time or that the same will not be revised downward or withdrawn entirely by the Rating Agency furnishing the same if, in its judgment circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2010 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2010 Bonds upon an event of default under the 2010 Resolution are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for under the 2010 Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2010 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2010 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

UNDERWRITING

The Series 2010 Bonds are being purchased by the Underwriters listed on the cover page hereof, for whom Morgan Stanley & Co. Incorporated is acting as representative. Subject to certain conditions, the Underwriters have agreed to purchase all of the Series 2010 Bonds at a purchase price of $246,235,288.82, representing the original principal amount of $239,755,000, plus net original issue premium of $7,740,721.25, less an Underwriters' discount of $1,260,432.43 (approximately 0.526% of the principal amount of the Series 2010 Bonds). The purchase contract between the Underwriters and the County provides that the Underwriters will purchase all of the Series 2010 Bonds, if any are purchased. The yields for the Series 2010 Bonds set forth on the inside cover page may be changed after the initial offering by the Underwriters.

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

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wachovia Bank, National Association.

FINANCIAL ADVISOR

First Southwest Company, Aventura, Florida, and Frasca & Associates, L.L.C., New York, New York, served as financial advisors (collectively, the "Financial Advisor") to the Aviation Department with respect to the offering of the Series 2010 Bonds. The Financial Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning of the offering of the Series 2010 Bonds. The fee payable to the Financial Advisor is contingent upon the issuance and delivery of the Series 2010 Bonds.

RELATIONSHIPS OF PARTIES

A number of the firms serving as Bond Counsel, Disclosure Counsel or Underwriters' Counsel (1) have represented and may continue to represent the Trustee and one or more of the Underwriters in connection with other transactions in jurisdictions other than the County and (2) represents the County on certain other matters and represent certain other clients in matters adverse to the County.

FINANCIAL STATEMENTS OF AVIATION DEPARTMENT

The financial statements of the Aviation Department as of and for the Fiscal Years ended September 30, 2008 and September 30, 2007 included in Appendix B have been audited by KPMG LLP, independent auditors, as stated in their report appearing in Appendix B. Such financial statements speak only as of September 30, 2008 and September 30, 2007, respectively, and have been included as a matter of public record. KPMG LLP (1) has not been engaged to perform and has not performed since the date of its report on such financial statements any procedures with respect to such financial statements and (2) has not performed any procedures relating to this Official Statement. The consent of KPMG LLP for the use of the financial statements herein has not been sought. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE AVIATION DEPARTMENT FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2008 AND SEPTEMBER 30, 2007."

The financial statements for the Aviation Department as of and for the Fiscal Year ended September 30, 2009, attached as APPENDIX C have not been audited, and KPMG has not reviewed or performed any procedures with respect to such financial statements.

FINANCIAL STATEMENTS OF COUNTY

Included as APPENDIX E to this Official Statement is the Audited Annual Financial Report of Miami-Dade County for the Fiscal Year ended September 30, 2008. Such financial statements have been audited by KPMG, LLP, independent certified public accountants, as set forth in their report dated May 20, 2009, which report is also included in APPENDIX E to this Official Statement. Such audited financial statements, including the notes thereto, should be read in their entirety. KPMG LLP (1) has not been engaged to perform and has not performed since the date of its report on such financial statements any procedures with respect to such financial statements and (2) has not performed any procedures relating to this Official Statement. The consent of KPMG LLP for the use of the financial statements herein has not been sought.

The Unaudited General Fund Financial Statements (a major governmental fund of Miami-Dade County) for the Fiscal Year ended September 30, 2009 are also included in this Official Statement as APPENDIX F to this Official Statement. See Appendix E "AUDITED ANNUAL FINANCIAL STATEMENTS OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008" and Appendix F "UNAUDITED GENERAL FUND FINANCIAL STATEMENTS (A MAJOR GOVERNMENTAL FUND OF MIAMI-DADE COUNTY) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009."

EXPERTS

The report of the Traffic Engineers to the Aviation Department included in APPENDIX A to this Official Statement was prepared by Jacobs Consultancy, Inc., Burlingame, California, in connection with the offering of the Series 2010 Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2010 Bonds, including their legality and enforceability and the exclusion of interest on the Series 2010 Bonds from gross income for federal income tax purposes, are subject to the approval of Greenberg Traurig, P.A., Miami, Florida and Edwards & Associates, P.A., Miami, Florida, Bond Counsel, whose opinions will be delivered with the Series 2010 Bonds. Certain legal matters will be passed upon for the County by the Office of the Miami-Dade County Attorney. Certain other legal matters relating to disclosure will be passed upon for the County by Hunton & Williams LLP, Miami, Florida, and Law Offices Thomas H. Williams, Jr., P.L., Miami, Florida, Disclosure Counsel, whose opinions will be delivered with the Series 2010 Bonds. Akerman Senterfitt, Miami, Florida, are acting as counsel to the Underwriters. The fees payable to Bond Counsel, Disclosure Counsel and Underwriters' counsel are contingent upon the issuance and delivery of the Series 2010 Bonds.

The proposed text of the separate legal opinions of Bond Counsel and Disclosure Counsel are set forth as "APPENDIX J – PROPOSED FORM OF BOND COUNSEL OPINION" and "APPENDIX K – PROPOSED FORM OF DISCLOSURE COUNSEL OPINION," respectively. The actual legal opinions to be delivered may vary from the text of APPENDIX J and K, if necessary, to reflect facts and law on the date of delivery of the Series 2010 Bonds. The opinions will speak only as of their date and subsequent distribution of it by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of the opinions Bond Counsel has affirmed its opinion or that Disclosure Counsel has reviewed or expressed any opinion concerning any of the matters referenced in this Official Statement.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Series 2010 Bonds and the tax-exempt status of interest on the Series 2010 Bonds, as described under "TAX MATTERS," and will make no statement regarding the accuracy and completeness of this Official Statement.

The legal opinion 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 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 its opinions to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2010 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the attorneys providing such opinion do not become insurers or guarantors of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

General

The County is a party, from time to time, to various lawsuits relating to the Airport and the Aviation Department, all of which the County has, and will continue to, vigorously defend and/or prosecute. There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2010 Bonds or questioning or affecting the validity of the Series 2010 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence, nor the title of the present members of the Board or other officers of the County to their respective offices, is being contested. Except as noted below, there is no litigation pending, or to the knowledge of County officials threatened, which, if it were decided against the County or the Aviation Department, would have a material adverse effect upon the financial affairs of the County or the Aviation Department, with regard to Port Authority Properties. There is not now pending, or to the knowledge of County officials threatened, any claim that the Landing Fees or any other rates and charges at the Airport are not in accordance with federal, state or local law.

Aviation Environmental Matters

In August 1993, the Aviation Department and the County's Department of Environmental Resources Management ("DERM") entered into a Consent Agreement (the "DERM Consent Agreement"). Under the DERM Consent Agreement, the Aviation Department became liable to address and correct subsurface contamination resulting from various Airport tenants' operations and failure to comply with their legal obligations at the Airport, including facilities previously occupied by Eastern Airlines and Pan Am Airlines. In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the Aviation Department's damages imposed by the DERM Consent Agreement. This study, known as the "Opinion of Cost," was used as a basis to record the cost of environmental remediation at the Airport as of September 30, 1993.

In each subsequent year, the Aviation Department received an updated study performed by MACTEC Engineering and Consulting, Inc. formerly known as LAW Engineering and Environmental Services, Inc. ("MACTEC"), an independent engineering firm, to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

During Fiscal Year 1998, the Florida Department of Environmental Protection (the "FDEP") required the Aviation Department to enter into a Consent Order ("FDEP Consent Order"). The FDEP Consent Order, which encompasses and replaces the DERM Consent Agreement, requires the Aviation Department to address and correct subsurface contamination at all locations at the Airport that are contaminated as well as additional sites where contamination is suspected. Under these and other consent orders/agreements, environmental regulatory agencies are entitled to penalties for violations of these consent orders/agreements by the Aviation Department.

In 1999, the Board authorized the Aviation Department's Environmental Cost Recovery Program to recover the costs of remediation of environmental contamination at MIA from responsible parties, insurers, and regulatory programs. As part of that program, the County proceeded with demand for payment and litigation against current and former users of the airport, including the U.S. government. It also pursued payments from FDEP under its Inland Protection Trust Fund which allows for the reimbursement or pre-approval for payment of certain qualified petroleum cleanups. A more detailed discussion of some of those efforts follows.

The Aviation Department also applied for $40 million of reimbursable costs from the Inland Protection Trust Fund for eligible petroleum cleanup costs. Initially, $25 million was approved. The Aviation Department appealed approximately $10.1 million in denied supplemental payment requests for reimbursement and audited amounts, which was settled for an additional $3.5 million that brought the total reimbursed to $28.5 million. In addition, certain Airport sites where contamination is suspected are recorded in the FDEP Consent Order under a "Protective Filing." If contamination were documented at these sites, the State would be required to incur the costs of remediation after the first $200,000 of costs incurred by the Aviation Department. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at these sites is unknown at this time, these sites appear in the Opinion of Cost report with no dollar amounts. To date, the airlines and the other tenants have complied with all actions requested of them by the Aviation Department in order to comply with the FDEP Consent Order.

As noted above, in addition to the state regulatory administrative challenges, the Aviation Department has commenced various lawsuits against responsible parties and insurers to recover damages arising out of the costs associated with environmental contamination addressed by the DERM Consent Agreement and FDEP Consent Order. The County has settled claims against numerous responsible parties and insurers and litigation remains pending or will be brought against others. The County has recovered approximately $21 million as a result of these settlements, which, along with the IPTF recoveries, brings the total recovered under the Cost Recovery Program to approximately $50 million.

In February 2009, the Opinion of Cost report was further updated to reflect changes having occurred during FY2008. As a result of the updated study and damages incurred in FY 2008, the estimated cost to the Aviation Department to address the contamination as of September 30, 2008 is in a range from $67 million to $156 million, about two-thirds of which is capital and one-third of which is operating. The estimated range is due largely to uncertainties at this time as to the nature and extent of groundwater contamination beneath the Airport and the methods, which must be employed, for the remediation. Such amounts are scheduled by MACTEC to be incurred by the County over 8 years, but based on recent historical spending levels, it will take longer to accomplish the work. Management believes that no specific amount in the range represents a better estimate of the ultimate liability. As a result, the Aviation Department has recorded a liability of $111,437,161 in the Port Authority Properties at September 30, 2008. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from the operations of the Aviation Department, which would include any amounts received as a result of environmental cost recovery efforts, including lawsuits that the County has commenced against responsible parties, especially taking into account recent historical spending levels.

In addition to the studies conducted to determine the environmental damage to the sites formerly occupied by Eastern Air Lines and Pan American World Airways, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise encapsulate the asbestos in buildings other than those formerly occupied by Eastern Airlines and Pan American Airlines. The studies estimate the cost to correct such damage related to all buildings to be approximately $4.5 million. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters.

North Terminal Claims

Effective July 1, 2005, the County assumed responsibility to complete the construction of the NTD project which was previously managed by American Airlines. Significant claims for additional compensation due to changed work and delays have been asserted against the construction manager, TAAT, American Airlines and the County; in the aggregate, these claims exceed $100 million, including several lawsuits. As a result of the Fourth Amendment to the Lease, Construction and Financing Agreement and the Claims Administration Agreement with American Airlines, the County is responsible for defending American Airlines and to pay up to an aggregate amount of $205 million (American Airlines is contributing $105 million) to resolve claims. It is anticipated that ultimate resolution will not exceed the $205 million.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the County to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). The County is not and has not been in default as to principal and interest on bonds or other debt obligations that it has issued as the principal obligor.

There are several special purpose governmental authorities that serve as conduit issuers of private activity bonds for purposes such as housing, industrial development, education and health care. Defaults have occurred in connection with some of those private activity bonds; however, such defaults affect only the defaulted issues and will have no effect on the payment of the Series 2010 Bonds. The County has no obligation to pay such bonds and the conduit issuers had only a limited obligation to pay such bonds from the payments made by the underlying obligors with respect to such issues. Defaults relating to conduit issuers are not material with regard to the Series 2010 Bonds.

CERTIFICATE OF FINANCE DIRECTOR AND AVIATION DIRECTOR CONCERNING THIS OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2010 Bonds, the Finance Director and the Aviation Director will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2010 Bonds, does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included in this Official Statement for the purpose for which this Official Statement is to be used, or which is necessary to make the statements contained in this Official Statement, in light of the circumstances in which they were made, not misleading.

MISCELLANEOUS

This Official Statement is not to be construed as a contract with the purchasers of the Series 2010 Bonds. The references, excerpts and summaries of all documents referred to in this Official Statement do not purport to be complete statements of the provisions of such documents, and potential investors should refer to all such documents for full and complete statements of all matters relating to the Series 2010 Bonds, the security for the payment of the Series 2010 Bonds and the rights and obligations of the owners of the Series 2010 Bonds. The information set forth in this Official Statement has been obtained from the County and other sources that are believed to be reliable. The information and expressions of opinion in this Official Statement are not subject to change without notice and neither the delivery of this Official Statement nor any sale made shall under any circumstances create any implication that there has been no change in the matters referred to in this Official Statement since its date.

The delivery of this Official Statement by the County has been duly authorized by the Board.

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APPENDIX A

REPORT OF THE TRAFFIC ENGINEERS

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Appendix A

REPORT OF THE TRAFFIC ENGINEERS

on the proposed issuance of

MIAMI-DADE COUNTY, FLORIDA,
AVIATION REVENUE BONDS, SERIES 2010A

and

MIAMI-DADE COUNTY, FLORIDA
DOUBLE-BARRELED AVIATION BONDS (GENERAL OBLIGATION),
SERIES 2010

Prepared for

Miami-Dade County Aviation Department
Miami-Dade County, Florida

Prepared by

Jacobs Consultancy Inc.
Burlingame, California

January 14, 2010

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JACOBS CONSULTANCY

555 Airport Boulevard, Suite 300
Burlingame, California 94010 U.S.A.
1.650.579.7722 Fax: 1.650.343.5220

January 14, 2010

Mr. José Abreu, Aviation Director
Miami-Dade County Aviation Department
P. O. Box 592075
Miami, Florida 33159

Re: Report of the Traffic Engineers,
Miami-Dade County, Florida,
Airport Revenue Bonds, Series 2010A,
and Double-Barreled Aviation Bonds (General Obligation), Series 2010

Dear Mr. Abreu:

We are pleased to submit this Report of the Traffic Engineers (the Report) on certain aspects of the proposed issuance of Aviation Revenue Bonds, Series 2010 A-1 & A-2 (the 2010A Bonds), by Miami-Dade County (the County) in the aggregate principal amount of $600,000,000, and on certain aspects of the proposed issuance of another bond series referred to as the Double-Barreled Aviation Bonds (General Obligation), Series 2010 (the 2010 Double-Barreled Bonds) in the aggregate principal amount of $247,500,000*. This letter and the accompanying attachment and exhibits constitute our Report.

The 2010A Bonds are being issued under the Amended and Restated Trust Agreement (the Trust Agreement) dated December 15, 2002, and are secured by a pledge of Net Revenues**. The net proceeds of the 2010A Bonds, and certain investment earnings thereon, will be used to (1) finance a portion of the costs of the Capital Improvement Program (CIP, as defined below) on a long term basis, (2) satisfy the Reserve Account Requirement, and (3) pay certain costs of issuance of the 2010A Bonds.

The 2010 Double-Barreled Bonds are being issued under the Ordinance 86-75 adopted by the Board of County Commissioners (the Board), as supplemented by Resolution 1346-09, adopted on December 1, 2009 (this Double-Barreled Resolution, together with the Ordinance, is referred to as the Ordinance), and are secured by Pledged Revenues, including Net Available Airport Revenues and Ad Valorem Tax Revenues actually deposited into the Debt Service Account or the Reserve Account as required under the Ordinance. The net proceeds of the 2010 Double-Barreled Bonds, and certain

*Preliminary; subject to change.

**Capitalized terms not otherwise defined in this Report shall have the meaning given in the Trust Agreement, the Airline Use Agreement or the Ordinance. References in this Report to the Trust Agreement, the Airline Use Agreement and the Ordinance do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference thereto.

investment earnings thereon, will be used to (1) finance a portion of the costs of the Project (including the MIA Mover and the North Terminal) on a long term basis, (2) satisfy the Reserve Account Requirement for the 2010 Double-Barreled Bonds, and (3) pay certain costs of issuance of the 2010 Double-Barreled Bonds. Miami-Dade County Aviation Department (MDAD or the Aviation Department) intends to pay the debt service related to the 2010 Double-Barreled Bonds from the Improvement Fund reflecting their subordinate nature to the Principal and Interest Requirements on the Bonds issued under the Trust Agreement as well as other funding requirements under the Trust Agreement.

The purpose of this Report is to evaluate the ability of the Airport System to satisfy the requirements of the Rate Covenant (defined below) of the Trust Agreement and the requirements of the Rate Covenant under the Ordinance (the Double-Barreled Rate Covenant), taking into account Outstanding Bonds, the proposed 2010A Bonds, the proposed 2010 Double-Barreled Bonds, and future Bonds that the Aviation Department expects to issue in late 2010 (the 2010B Bonds) to complete the bond financing for the CIP, as described in the Report in detail. The forecast period covers Fiscal Year (FY) 2010 through FY 2018.*

AIRPORT SYSTEM

The County owns Miami International Airport (MIA or the Airport), the principal airline airport serving the Miami-Dade area, three active general aviation airports, one decommissioned general aviation airport, and one airport used primarily for flight training. The six airports together constitute the Airport System, and are operated by the Aviation Department.

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program includes projects managed by the Aviation Department to implement the Master Plan developed in 1994. As of September 30, 2009, MDAD's cost estimate for the CIP was about $6.307 billion. However, there are some concerns associated with potential increased project spending requirements, as discussed in the next section.

This Report is contingent on the information and assumptions about the CIP supplied by MDAD. We make no representations as to the adequacy or completeness of this information, or of MDAD's ability to construct the CIP according to its estimates of project costs and construction schedule.

---

*The County's Fiscal Year ends September 30.

Significant Specific Concerns Associated with Completion of the CIP

As of December 1, 2009, the Aviation Department had identified several significant specific concerns associated with completion of the CIP, including: an expected delay in schedule and increase in cost for the new baggage handling system in the North Terminal, indirect costs exceeding the current cost estimates for the CIP, potential need for additional program-wide contingency funds, and likely need for additional funds to settle claims related to the completed South Terminal project These specific concerns are discussed in more detail in the Attachment.

MDAD is in the process of evaluating the requirement for potential increased funding to complete the CIP. For the purpose of this Report, an assumed issuance of $100 million in additional debt was included in the financial analysis, which amount, the Aviation Department believes, based on all currently available information, should cover existing cost uncertainties.

As more specific CIP project update information becomes available, MDAD will review and update the amount of potential increase in total CIP project cost; this increase could be more than or less than what is provided through a $100 million in additional debt.

In addition, MDAD is in the process of updating the key completion dates for the CIP, largely due to the expected delays with the new baggage handling system in the North Terminal. It is currently estimated that the Phases I and II of North Terminal baggage system will be substantially complete in June 2010, and that the remainder of the North Terminal project will be substantially complete in August 2011. These currently estimated milestone completion dates are reflected in the financial analysis presented herein.

Assumptions Regarding Completion of the CIP

For the purpose of this report, it was assumed that the CIP would be completed within the schedule and cost estimates provided by MDAD, taking into consideration the representations below.

MDAD represents that:

- It is reasonably expected that the remaining portion of the $6.3 billion CIP can be constructed within the current estimate of unexpended costs, taking into account the potential need to add $100 million in funding upon resolution of several specific project completion concerns.
- It is reasonably expected that Phases I and II of the North Terminal baggage system will be substantially complete in June 2010, and that the full CIP, including the North Terminal, will be substantially complete by August 2011.

- The $6.3 billion CIP (plus the potential $100 million in increased funding requirement) accounts for all major capital projects the Aviation Department currently plans to undertake through FY 2018 (the end of the forecast period considered in this Report). MDAD has, however, identified certain additional capital projects that may be undertaken during the forecast horizon, primarily related to preservation of current assets and safety and security. In the event MDAD determines a need to implement any additional projects during this period, MDAD expects that such needs would be evaluated within the context of the available funding sources and financial standing of MDAD, with MDAD making its best efforts to avoid the need for additional borrowing of funds, and so that any potential additional capital investments would be undertaken in a manner consistent with remaining at or below future CEP levels presented herein.

- The capital cost of the consolidated rental car center (RCC) and the Miami Inter-modal Center (MIC) and the repayment of related debt service have not been and will not be funded from Revenues or other financial resources of the Airport System, but from other sources, including a customer facility charge (CFC) imposed on rental car customers and contingent rent, if necessary, imposed on the rental car companies serving the Airport.

Funding Plan

The Aviation Department plans to fund certain project costs of the CIP through Airport Improvement Program (AIP) grants administered by the Federal Aviation Administration (FAA), grants from the Florida Department of Transportation (FDOT), contributions from the Transportation Security Administration (TSA) and American Airlines, and passenger facility charge (PFC) revenues. The net remaining project costs of the CIP are to be financed with the proceeds of Bonds issued under the Trust Agreement and, to a significantly lesser extent, the proceeds of the 2010 Double-Barreled Bonds to be issued under the Ordinance.

The County has authorized MDAD to issue, through separate series resolutions that were approved by the Board, up to $6.2 billion of Bonds under the Trust Agreement for this CIP. After the 2010A Bonds are issued, the principal balance of Outstanding Bonds will be $5.6 billion and the County will have issued approximately $5.3 billion of the $6.2 billion of bonding capacity authorized by the Board for the CIP.

The issuance of the 2010 Double-Barreled Bonds was approved separately under the Ordinance to finance the costs of certain projects in the CIP. After the issuance of the 2010 Double-Barreled Bonds, the County will have used up the entire authorization under the Ordinance.

The County may issue refunding bonds during the forecast period, or may issue a portion of the 2010A Bonds, the 2010B Bonds or the 2010 Double-Barreled Bonds as Build America Bonds, none of which are taken into consideration in this Report.

TRUST AGREEMENT

The County issues aviation revenue bonds (Bonds) pursuant to the terms and conditions set forth in the Trust Agreement between the County and the Trustee and Co-Trustee. Aviation revenue bonds are special, limited obligations of the County payable solely from and secured by Net Revenues. The faith and credit of the County are not pledged to the payment of Bonds. Principal and Interest Requirements on outstanding parity Bonds (Outstanding Bonds) are payable from the Sinking Fund, to which the County has covenanted to deposit sufficient Net Revenues after retention of an operating reserve.

Security for the Bonds

The proposed 2010A Bonds are to be issued under the Trust Agreement on a parity basis with other Outstanding Bonds and are likewise to be secured by the Net Revenues of the Airport System. The proposed 2010A Bonds are to be issued as fixed-rate debt.

Pursuant to the Trust Agreement, unless otherwise provided by resolution of the Board, PFC revenues are excluded from the definition of Revenues and are not included in Net Revenues, nor are they pledged to the payment of the Bonds. CFC revenues are also excluded from the definition of Revenues. The County has used PFC revenues to pay principal and interest on Bonds, and plans to do so in the future at its discretion. The FAA has approved four applications authorizing the Aviation Department to collect and use $2.60 billion in PFC revenues, including interest earnings, beginning November 1994. Of this authority, $2.42 billion is planned by MDAD to be used to pay eligible debt service on Bonds issued to finance the North Terminal and the South Terminal capital programs at the Airport. Principal and Interest Requirements exclude the amount of funds set aside or deposited for debt service payments in the Bond Service Account. Thus, for the purpose of this Report, principal and interest expected to be paid from PFC revenues were not included in computing Principal and Interest Requirements for the corresponding Fiscal Years FY 2011 to FY 2018.

Rate Covenant

Section 501 of the Trust Agreement provides that Revenues will, at all times, be sufficient to (1) provide funds for the payment of Current Expenses, (2) provide for making deposits to the Reserve Maintenance Fund in the amounts recommended by the Consulting Engineers, and (3) provide for (a) deposits to the Sinking Fund (other than the Reserve Account) that in each fiscal year will equal not less than 120% of the Principal and Interest Requirements due in that fiscal year and (b) deposits to the Reserve Account and payments to reimburse providers of Reserve Facilities (collectively, the Rate Covenant).

Conditions for Issuing Additional Bonds

Outstanding Bonds constitute all debt obligations issued under the Trust Agreement that are currently in force (accruing principal and interest payments and that have not been defeased or retired). Section 210 of the Trust Agreement requires, among other things, that the Additional Bonds must meet either a historical or a prospective earnings test.

ORDINANCE

The proposed 2010 Double-Barreled Bonds are to be issued under the Ordinance, and are secured by Pledged Revenues, which include Net Available Airport Revenues and the County's Ad Valorem Tax Revenues.

Net Available Airport Revenues are defined in the Ordinance as "… any unencumbered funds held for the credit of the Improvement Fund after the payment of all obligations of the County pertaining to the County Airports which are payable pursuant to, and subject to the restrictions of: (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect or (iii) any other indenture, trust agreement or contract."

The unlimited ad valorem taxes represent the full faith, credit and taxing power of the County that is irrevocably pledged to the punctual payment of debt service on the proposed 2010 Double-Barreled Bonds.

Pursuant to Section 8.02 of the Double-Barreled Resolution, the County will at all times fix, charge and collect rates and charges so that there will be Net Available Airport Revenues sufficient to satisfy the requirements under this Resolution, which includes the debt service payments associated with the 2010 Double-Barreled Bonds. Because these costs will be included in the airlines rates and charges as further discussed in the section below, the County expects that Net Available Airport Revenues will be sufficient to meet the Double-Barreled Rate Covenant requirements and therefore does not expect to require any ad valorem taxes to pay debt service on the 2010 Double-Barreled Bonds.

AIRLINE AGREEMENTS

In addition to the Trust Agreement, other key documents governing MDAD's financial operation include the Airline Use Agreement (AUA) and the Terminal Building Lease Agreement (TBLA) with the airlines operating at the Airport, among others.

Airline Use Agreement

The County has entered into separate but identical Airline Use Agreements with various airlines serving MIA (the Signatory Airlines). The AUA, a 15-year agreement scheduled to expire on April 30, 2017, provides that the County, acting through the Board, has the right to calculate and collect a landing fee using an Airport System residual methodology so that Revenues from Signatory Airline landing fees together with Revenues from other sources will, at all times, be sufficient to meet (1) the Rate Covenant and other requirements under the Trust Agreement, (2) certain other requirements, including funding of certain indebtedness payable from moneys in the Improvement Fund (including the 2010 Double-Barreled Bonds), and (3) funding of a discretionary capital account up to a maximum of $15 million, with an annual adjustment for inflation. For the purpose of this Report, it was assumed that the current ratemaking methodology will remain in effect throughout the forecast period.

The Signatory Airlines have agreed to pay landing fees as long as they operate at the Airport or at any airport in the Airport System. If any airline ceases operations, then it would have no obligation to pay landing fees, and the landing fees payable by other airlines would, other things being equal, be increased to make up for the landing fee revenue that would otherwise have been produced by operations of the terminating airline. American Airlines, similar to other airlines operating at MIA, has no contractual obligation to operate aircraft at the Airport or at any airport in the Airport System.

Signatory Airline Approval of Capital Projects

The AUA acknowledges Signatory Airline approval of the $5.45 billion CIP approved by the Board in July 1999 and establishes due process procedures for a limited review of the Airport's CIP, as detailed in Section 3.3 of this Report. Projects in the $6.3 billion CIP budget, including projects to be financed with the proceeds of the proposed 2010A Bonds and proposed 2010 Double-Barreled Bonds, have received all the required approvals under the AUA.

Terminal Building Lease Agreement

In 2001, the County entered into separate but substantially similar Terminal Building Lease Agreements (TBLA) with various airlines (including American Airlines) providing for the general right of the signatory airlines to use and occupy the passenger terminal premises for a 5-year term. Under the lease agreement, the separate lease provisions for specific space are subject to cancellation by either party on 30-day notice. All of the 5-year leases had a uniform expiration date of July 2006. The airlines are expected to approve and execute new TBLAs, which are substantially similar to the existing TBLAs, in the near future.

SCOPE OF THE REPORT

This Report was prepared to address the ability of the Airport System to generate Revenues sufficient to satisfy the requirements of the Rate Covenant and to ensure Net Available Airport Revenues are sufficient to satisfy the requirements of the Double-Barreled Rate Covenant, taking into account Outstanding Bonds, the proposed 2010A Bonds, the proposed 2010 Double-Barreled Bonds, and future 2010B Bonds that the

Aviation Department expects to issue to complete the bond financing of the CIP. The forecast period considered in this Report covers FY 2010 through FY 2018.

In preparing the Report, we analyzed:

- Future airline traffic demand at the Airport, giving consideration to the demographic and economic characteristics of the region served; historical trends in airline traffic; recent airline service development and airfares; and other key factors that may affect future airline traffic.

- Aviation Department policies and plans for the development, financing, and pricing of Port Authority Properties.

- The status and estimated costs of the CIP.

- Historical and future grants from FAA, State and TSA.

- Estimated sources and uses of funds and annual Principal and Interest Requirements for the proposed 2010A Bonds, the proposed 2010 Double-Barreled Bonds and future 2010B Bonds that the County expects to issue to complete the bond financing of the CIP.

- Historical relationships among revenues, expenses, and airline traffic at the Airport.

- The facilities to be provided by the CIP.

- Historical and future PFC revenues, and the Aviation Department's intention to use PFC revenues to reduce the Principal and Interest Requirements during the forecast period.

- Historical financial results for the Airport System, the FY 2010 budget, projected staffing requirements, and other operational considerations.

- The County's policies and contractual arrangements relating to the use and occupancy of Airport System facilities, including the calculation of airline rents, fees, and charges under the Airline Use Agreements, the operation of concession privileges, and the leasing of buildings and grounds.

We have relied upon the Aviation Department and its consultants for estimates of project costs and construction schedules for the CIP and upon First Southwest Company, the Aviation Department's financial advisor, for the plan of debt finance and estimated debt service for the proposed 2010 Double-Barreled Bonds, and the future 2010B Bonds to complete the bond financing of the CIP.

We also identified key factors upon which the future financial results of the Airport System may depend and, with airport management, formulated assumptions about those factors. On the basis of these assumptions, we assembled the financial forecasts presented in the exhibits at the end of this Report.

SUMMARY OF FORECAST FINANCIAL RESULTS

Rate Covenant Compliance

As shown in Exhibit F-1 and the table below, the residual cost methodology for computing landing fees is forecast to result in calculated Revenues that are sufficient to meet the requirements of the Rate Covenant. This conclusion assumes that the passenger and all-cargo airlines are willing and able to pay landing fees and other rents, fees, and charges imposed by the County for use and occupancy of the Airport.

RATE COVENANT COMPLIANCE - AVIATION REVENUE BONDS
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rate Covenant Compliance - Aviation Revenue Bonds									
Revenues	$ 635,181	$ 778,368	$ 859,582	$ 911,398	$ 946,789	$ 988,398	$ 1,033,513	$ 1,096,824	$ 1,145,778
Current Expenses	(394,209)	(455,077)	(481,209)	(509,234)	(538,977)	(570,549)	(604,071)	(639,667)	(677,476)
Net Revenues	$ 240,972	$ 323,291	$ 378,373	$ 402,164	$ 407,813	$ 417,848	$ 429,442	$ 457,157	$ 468,302
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
1.20 X Principal and Interest Requirements /1	(220,853)	(292,843)	(333,603)	(355,929)	(360,125)	(364,454)	(377,848)	(403,639)	(412,166)
Bond Reserve Account	-	-	-	-	-	-	-	-	-
Must Not Be Less Than Zero	$ 869	$ 10,423	$ 23,919	$ 24,560	$ 25,138	$ 29,489	$ 26,245	$ 26,642	$ 27,111
Additional Information									
Net Revenues	$ 240,972	$ 323,291	$ 378,373	$ 402,164	$ 407,813	$ 417,848	$ 429,442	$ 457,157	$ 468,302
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
Bond Reserve Account	-	-	-	-	-	-	-	-	-
Subtotal	$ 221,722	$ 303,266	$ 357,523	$ 380,489	$ 385,263	$ 393,943	$ 404,092	$ 430,282	$ 439,277
Principal and Interest Requirements	184,044	244,035	278,003	296,608	300,104	303,712	314,873	336,366	343,472
Senior Lien Debt Service Coverage Ratio /2	**1.20**	**1.24**	**1.29**	**1.28**	**1.28**	**1.30**	**1.28**	**1.28**	**1.28**

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

Notes: 1. Net of PFCs deposited in the Sinking Fund.
2. Calculated pursuant to Section 501 of the Trust Agreement, where a ratio higher than 120% demonstrates compliance to the Rate Covenant.

For the purpose of this report, the forecast of Net Airport Available Revenues for payment of debt service on the 2010 Double-Barreled Bonds includes only the annual deposit from the Revenue Fund to the Improvement Fund, although other unencumbered amounts in the Improvement Fund may also be available for payment of such debt service. As shown in Exhibit F-2 and the table below, Revenues in the financial forecast will provide sufficient Net Available Airport Revenues to satisfy the Double-Barreled Rate Covenant.

RATE COVENANT COMPLIANCE - DOUBLE-BARRELED BONDS
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rate Covenant Compliance - Double-Barreled Bonds									
Revenues	$ 635,181	$ 778,368	$ 859,582	$ 911,398	$ 946,789	$ 988,398	$ 1,033,513	$ 1,096,824	$ 1,145,778
LESS:									
Current Expenses	(394,209)	(455,077)	(481,209)	(509,234)	(538,977)	(570,549)	(604,071)	(639,667)	(677,476)
Operating Reserve	648	(8,826)	(6,195)	(6,750)	(7,305)	(8,855)	(5,587)	(5,933)	(6,301)
Bond Service Account	(184,044)	(244,035)	(278,003)	(296,608)	(300,104)	(303,712)	(314,873)	(336,366)	(343,472)
Bond Reserve Account	-	-	-	-	-	-	-	-	-
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
Commercial Paper Interest	-	-	-	-	-	-	-	-	-
Net Available Airport Revenues	$ 38,326	$ 50,404	$ 73,325	$ 77,132	$ 77,853	$ 81,376	$ 83,633	$ 87,983	$ 89,504
Proposed 2010 Double-Barreled Bonds	-	-	(15,850)	(15,790)	(15,730)	(18,510)	(18,510)	(18,505)	(18,507)
Must Not Be Less Than Zero	$ 38,326	$ 50,404	$ 57,475	$ 61,342	$ 62,123	$ 62,866	$ 65,123	$ 69,477	$ 70,997

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

The effectiveness of the AUA in supporting the ability of the Airport System to meet both Rate Covenants is based on maintaining airline rents, fees, and charges at MIA within limits that the airlines are willing and able to pay today and in the future. Revenues from landing fees and from other rents, fees, and charges payable by the airlines are forecast to be the largest source of incremental Revenues available to meet both Rate Covenants.

Significant risks exist, however, that may affect the willingness and ability of the airlines to pay rents, fees, and charges and, consequently, the future ability of the Airport System to meet both Rate Covenants, including: (1) potential unforeseeable CIP construction cost increases, particularly cost overruns and schedule delays in the CIP, as well as the effect of any potential capital projects that are not reflected in this analysis, (2) factors that may adversely affect numbers of airline passengers at the Airport, (3) the financial condition of the airlines, particularly American Airlines, and (4) other factors that may result in lower-than-expected Revenues or higher-than-expected Current Expenses.

Forecast Airline Costs per Enplaned Passenger

Exhibit D-2 and the following table present forecasts of payments to be made to the Aviation Department by the passenger airlines in the form of terminal rents, landing fees, and other charges under the Terminal Building Lease Agreement and the Airline Use Agreement and the passenger forecasts presented in the Report.

The airlines are forecast to pay significantly more in the future to operate at MIA, as shown in the table below. In addition to significant increases in the annual Principal and Interest Requirements on the Bonds issued to finance the CIP, Current Expenses to operate, maintain, and administer the Airport System are also forecast to increase significantly. Because Revenues from concessions and other nonairline revenue sources are not increasing as quickly as the annual Revenue Requirements, revenues from airline landing fees and other airline sources must increase rapidly for the Department to continue to satisfy the Rate Covenant and the Double-Barreled Rate Covenant.

Cost per Enplaned Passenger
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

Fiscal Year	Passenger airline payments	Enplaned passengers	Cost per enplaned passenger
2009	269,754	16,884	15.98
2010	303,316	16,550	18.33
2011	447,692	16,790	26.66
2012	507,807	17,100	29.70
2013	540,072	17,475	30.91
2014	563,355	17,855	31.55
2015	594,978	18,240	32.62
2016	630,161	18,635	33.82
2017	680,058	19,035	35.73
2018	712,510	19,450	36.63

The landing fees, passenger terminal rents and user fees, and related passenger terminal charges paid by the passenger airlines are typically expressed in relation to numbers of enplaned passengers, and the ratio is known as the airline cost per enplaned passenger. Cost per enplaned passenger (CEP) represents the average unit cost paid to an airport operator by the passenger airlines serving the airport, excluding the landing fees paid by the all-cargo airlines.

In March 2003, the Aviation Department adopted a CEP target of $30 (in 2015 dollars) for FY 2015. In adopting the target, the Aviation Department considered the balance of costs, benefits, and risks appropriate to the financial health of the Aviation Department and to the economic health of the County. In March 2007, the Aviation Department increased its CEP target to $35 (in 2015 dollars) in FY 2015.* The change reflected the desire of the Aviation Department to establish targets that might reasonably be achieved in light of increases in CIP costs and other considerations. The Aviation Department intends to periodically evaluate its CEP target.

*This CEP target of $35 in FY 2015 dollars is not directly related to certain thresholds expressed in 1998 dollars in the Airline Use Agreement for airline approval of capital expenditures.

Assumptions Underlying the Financial Forecasts

The financial forecasts are based on information and assumptions that were provided by or reviewed with and agreed to by MDAD management. Accordingly, the forecasts reflect management's expected course of action during the forecast period and, in management's judgment, present fairly the expected financial results of the Airport System.

Those key factors and assumptions that are significant to the forecasts are set forth in the attachment, "Background, Assumptions, and Rationale for the Financial Forecasts." The attachment should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the forecasts. However, any forecast is subject to uncertainties and there can be no assurance that the forecast financial results will be realized. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecast and actual results, and those differences may be material. Neither Jacobs Consultancy nor any person acting on behalf of Jacobs Consultancy makes any warranty, expressed or implied, with respect to the information, assumptions, forecasts, opinions, or conclusions disclosed in the Report.

We have no responsibility to update this Report for events and circumstances occurring after the date of the Report.

* * * * *

We appreciate the opportunity to assist the County and the Aviation Department on this proposed financing.

Respectfully submitted,

Jacobs Consultancy

JACOBS CONSULTANCY

Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE
FOR THE FINANCIAL FORECAST

Miami-Dade County
Miami, Florida

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CONTENTS

CONTENTS *(continued)*

TABLES

TABLES *(continued)*

FIGURES

EXHIBITS

1. OVERVIEW

This section provides an overview of the Airport System, existing facilities and the Capital Improvement Program.

1.1 AIRPORT SYSTEM ORGANIZATION AND MANAGEMENT

The County owns six airports that together comprise the Airport System: Miami International Airport, three active general aviation airports, one decommissioned general aviation airport, and one airport used primarily for flight training. The County currently operates the Airport System through the Miami-Dade County Aviation Department with policy guidance from the County Mayor (the Mayor), the Board, and the County Manager. The County operates under a strong mayoral form of government; the Mayor is the chief administrative officer to whom the County Manager reports and the Mayor appoints the Aviation Director, who serves as the chief administrative officer of MDAD. MDAD operates the Airport System as a financially self-sufficient entity, without property tax or budgetary support from the County.

Prior to April 1973, the County operated the Airport System through the Dade County Port Authority. In April 1973, the Board established the Dade County Aviation Department as the successor organization to the Dade County Port Authority, and in November 1997, this organization was renamed the Miami-Dade County Aviation Department to reflect the change in the County's name to Miami-Dade County. The term "Port Authority Properties" as used in the Trust Agreement remains in effect.

Port Authority Properties (PAP) include all properties financed or refinanced by debt obligations under the Trust Agreement and any other properties added to the Port Authority Properties pursuant to Section 1308 of the Trust Agreement. Port Authority Properties generally include all land in the Airport System, the runways and taxiways in the Airport System, the passenger terminal building at MIA, and most other infrastructure within the Airport System.

The County pledges Net Revenues derived from Port Authority Properties to secure bonds issued under the Trust Agreement. All properties that were not financed or refinanced using bonds backed by PAP revenues or that were not converted to PAP status under Section 1308 of the Trust Agreement are referred to herein as Non-Port Authority Properties (NPAP). Such properties are mainly tenant-financed cargo facilities and may include other types of tenant-financed facilities. Any NPAP can be added to PAP subject to the provisions of Section 1308 of the Trust Agreement. As of the date of this Report, the County has no plan to add any existing NPAP to PAP under the Trust Agreement. Capital Improvements to be financed with the proceeds of the 2010 Double-Barreled Bonds are part of the PAP.

1.2 THE AIRPORT SYSTEM

As previously stated, the Airport System consists of five active airports and one decommissioned airport. MIA is the only commercial-service airport in the Airport System and is the dominant airport in terms of financial contributions to and the debt repayment requirements of the Trust Agreement. MIA occupies approximately 3,230 acres of land in the unincorporated area of the County, approximately 7 miles west of the downtown area of the City of Miami and 9 miles west of the City of Miami Beach.

Opa–locka Executive Airport is the largest general aviation airport in the Airport System, and is designated as a reliever to MIA. Kendall-Tamiami Executive Airport is one of the busiest general aviation airports in Florida. Homestead General Aviation Airport serves sport, agricultural, and other private users. The Dade-Collier Training and Transition Airport is used for commercial air carrier and military flight training. Opa-locka West Airport was decommissioned in 2006 and the County plans to mine the limestone deposits located on the 420-acre site as a potential source of revenue for MDAD. For the purposes of this Report, it was assumed that no mining operations will be conducted.

1.3 EXISTING FACILITIES AT MIAMI INTERNATIONAL AIRPORT

1.3.1 Terminal Facilities

Figure 1 shows the Airport Layout Plan (ALP) for MIA as of December 2009. The terminal complex at MIA consists of a single horseshoe-shaped passenger terminal with eight concourses radiating from the passenger terminal building with each concourse designated by a letter code. Counterclockwise from the northeast, the concourses are A, C, D, E, F, G, H, and J. Concourse A was closed temporarily in November 2007 and is expected to reopen in mid-2010. Concourse B was closed in October 2004 and subsequently demolished. The temporary closure of Concourse A and the demolition of Concourse B are part of the North Terminal Development (NTD) Program.

Concourses A, C, and D, together with the terminal and concourse areas between those concourses, are referred to as the North Terminal. Concourses E, F, and G and the terminal and concourse areas between those concourses are referred to as the Central Terminal. Concourses H and J, together with the terminal and concourse areas between those concourses, are referred to as the South Terminal.

Figure 1
AIRPORT LAYOUT PLAN

MIC = Miami Intermodal Center; RCC = Rental Car Center

Source: Miami-Dade County Aviation Department.

The opening of Concourse J and the adjoining South Terminal landside terminal area in August 2007 enabled MDAD to relocate tenants to new terminal facilities, which was especially important with the closure of Concourse A. One gate at Concourse J will be capable of accommodating the new Airbus A380 aircraft following minor modifications.

As of December 1, 2009, MIA has a total of 79 dual-purpose (swing) gates capable of accommodating international and domestic arriving flights and an additional 23 gates that are restricted to accommodating domestic flights. Table 1 shows the locations of the 102 gates. MDAD controls all gate assignments and hardstands used by the passenger airlines and most passenger airline gates are equipped with loading bridges.

Table 1

AIRCRAFT GATES
As of November 1, 2009

	Domestic/ International	Domestic Only	Total
Concourse A-D *(a)*	26	--	26
Concourse E	18	--	18
Concourse F	16	3	19
Concourse G	--	11	11
Concourse H	4	9	13
Concourse J	15	--	15
	79	23	102

(a) Concourses A to D are being renamed as Concourse D and gates are to be opened incrementally over time through 2011.

Source: Miami-Dade County Aviation Department.

Federal Inspection Services (FIS) centers for U.S. Immigration and Customs Enforcement are provided at three locations: (1) between Concourse A and the former location of demolished Concourse B (this center is temporarily closed), (2) Concourse E, and (3) Concourse J. The combined total processing capacity of these two opened facilities is approximately 5,000 passengers per hour. International flights can arrive through the dual-purpose gates located on Concourses A, D, E, F, H, and J. MIA's terminals also provide facilities and services for processing interline and international in-transit passengers. Additional facilities include the 259-room MIA Airport Hotel, which is located within the terminal building near Concourse E.

1.3.2 Landside Facilities

MIA has 8,650 public parking spaces as of September 30, 2009, as shown in Table 2. Most of the parking spaces are provided in two parking garages (referred to as the Dolphin and Flamingo garages) located within the semicircle formed by the passenger terminal building and its access roadway.

Direct access to the bi-level roadway serving the passenger terminal building is provided via NW 21st Street. LeJeune Road (NW 42nd Avenue), which borders the Airport on the east, is the arterial road feeding NW 21st Street. LeJeune Road draws traffic from the north via State Road 112 (Airport Expressway) and Okeechobee Road, and from the south via State Road 836 (Dolphin Expressway) and Flagler Street. Airport Expressway and Dolphin Expressway connect with north-south Interstate 95 east of the Airport. A four-lane roadway directly connects Airport Expressway with Airport property, bypassing LeJeune Road. Dolphin Expressway connects with north-south Palmetto Expressway (State Road 826) and the Florida Turnpike west of the Airport.

Table 2

PUBLIC PARKING FACILITIES
As of September 30, 2009

Parking Facilities	Total Public Parking Spaces
Long-term parking	
Dolphin Garage	4,315
Flamingo Garage	3,025
High-vehicle	57
Total long-term spaces	7,397
Short-term parking	
Upper short-term garage	156
Lower short-term garage	158
Surface parking lot	219
Total short-term spaces	533
Other	
Valet parking	120
Remote parking lot	600
Total other spaces	720
Total parking spaces	8,650

Source: Miami-Dade County Aviation Department.

1.3.3 Airfield Facilities

The Airport has four air carrier aircraft runways, consisting of three parallel east-west runways (8L-26R, 9-27, and 8R-26L) and a crosswind northwest-southeast runway (Runway 12-30). The parallel runways are 10,500 feet, 13,000 feet, and 8,600 feet long, respectively, and Runway 12-30 is 9,355 feet long. Runways 8L-26R, 9-27, and 12-30 are each 150 feet wide, and Runway 8R-26L is 200 feet wide. Runways 8R-26L and 9-27 are capable of accommodating all passenger aircraft currently in use, and are equipped with parallel precision approach capabilities. Runway 8L-26R is also capable of accommodating all passenger aircraft currently in use, provided that weight and weather conditions meet the criteria of individual operators; the runway primarily serves arriving aircraft, and is not precision-marked. Runways 9, 27, 8R-26L, and 12 provide for Category I instrument landing system precision approaches and Runways 8L, 26R, and 30 provide for non-precision localizer-only approaches.

1.3.4 Cargo and Other Facilities

Cargo and other facilities (as listed below) are concentrated on the north and west sides of the Airport. The cargo warehouse areas (ultimate build-out in excess of 3 million square feet) serve a combination of belly cargo (cargo carried in the belly compartments of passenger aircraft) and freighter cargo (cargo carried in dedicated cargo aircraft). Other facilities include aircraft maintenance hangars and shops; simulator buildings; test cell engine facilities; a Cargo Clearance Center that houses U.S. Customs and Border Protection; the U.S. Department of Agriculture and the Food and Drug Administration; a fixed base operator (FBO) and General Aviation Center (GAC), two aircraft rescue and fire fighting (ARFF) stations, a U.S. Postal Service center; and the Federal Aviation Administration's (FAA's) Airport Traffic Control Tower and Terminal Radar Approach Control facility.

1.4 CAPITAL IMPROVEMENT PROGRAM

1.4.1 Overview and Status

Between 1991 and 1994, MDAD prepared a new Airport Master Plan to guide redevelopment of the Airport and provide support projects for the County's general aviation airports. A master plan is typically undertaken to provide for modernizing airport facilities, accommodating changes in the airline industry and aircraft types, and increasing airport capacity and efficiency. The Airport Master Plan was approved by the Board in June 1994, and a review of the 1994 Master Plan (the Master Plan Verification Analysis) in 1999 confirmed the need for the general development program outlined in the 1994 Master Plan.

MDAD's Capital Improvement Program (CIP) is an aggregation of programs that implement the 1994 Master Plan. Projects financed and managed by parties other than MDAD are not considered to be part of the CIP, and include: tenant improvement projects; the Miami Intermodal Center (MIC), a project being financed by the Florida Department of Transportation (FDOT); and the Rental Car Center (RCC), which is being constructed by FDOT at a location east of MIA and financed with loan proceeds from the U.S. Department of Transportation.

As of September 30, 2009, $5.0 billion of the $6.3 billion estimated CIP cost had been expended. The CIP cost estimates, expenditures to date, and percent expended to date are shown in Table 3 by program. However, there are some concerns associated with potential increased project spending requirements, as discussed below.

Status of CIP as of September 30, 2009

The estimated project costs shown in Table 3 include hard costs for construction, including escalation to the midpoint of project construction, and soft costs for design, insurance, inspection, testing, construction management, program management, allowance accounts, and contingencies. The labor costs related to the time spent by Aviation Department staff on the CIP are not reflected in project cost estimates, and are treated as Current Expenses rather than capitalized costs of projects. The estimated costs does not address potential increased project funding requirement, as discussed in the next section.

Table 3

CIP COST AND EXPENDITURES BY MAJOR PROGRAM

(in millions, except percentages) *(a)*

Programs	September 30, 2009 Base Case	Expended to Date (9-30-09)
Airside Program	$ 330.5	$ 318.0
Terminal Facilities Program:		
North Terminal *(b)*	2,948.8	2,064.8
South Terminal *(b)*	1,118.0	1,030.0
Other Terminal Projects	497.9	463.4
Landside Program:		
Roadways and Parking	158.5	150.4
MIA Mover	299.4	60.9
Support Programs *(c) (d)*	713.3	635.1
Cargo and Aircraft Maintenance Program	182.1	180.3
General Aviation Airports Program	58.4	54.8
Total CIP Budget *(e)*	$6,306.9	$4,957.7

(a) All data as of September 30, 2009, not including potential increase project funding requirements. Capital projects funded by discretionary pay-as-you-go money from the Improvement Fund are not included in this table.

(b) Includes support projects.

(c) Indirect costs are budgeted in each CIP program but actually charged to the Support Program only. For purposes of this table, the $250 million in indirect costs that have been charged through September 30, 2009 is allocated among the CIP program in proportion to the direct costs incurred by each program.

(d) The County expects to incur $12.5 million in indirect costs in FY 2010, which are included in the FY 2009-2010 Forecast, and another $18 million in indirect costs from FY 2011 through 2015, which are not currently included in the Total CIP Forecast.

(e) Columns may not add due to rounding.

As shown in Table 3, about 71.8% of the CIP budget consists of new expansion and redevelopment of the terminal and concourse facilities, of which the two largest are the North Terminal Development and South Terminal programs. Upon completion of these two programs, MDAD will have renovated and expanded the passenger terminal and concourses to accommodate demand through Fiscal Year (FY) 2018 (the end of the forecast period considered in this Report) and improve efficiency, convenience, and amenities for the airlines serving MIA and their passengers.

Significant Specific Concerns Associated with Completion of the CIP

As of December 1, 2009, the Aviation Department had identified several significant specific concerns associated with completion of the CIP, including: an expected delay in schedule and increase in cost for the new baggage handling system in the North Terminal, indirect costs exceeding the current cost estimates for the CIP, potential need for additional program-wide contingency funds, and likely need for additional funds to settle claims related to the completed South Terminal project These specific concerns are discussed in more detail in the following sections.

MDAD is in the process of evaluating the requirement for potential increased funding to complete the CIP. For the purpose of this Report, an assumed issuance of $100 million in additional debt was included in the financial analysis, which the Aviation Department believes, based on all currently available information, to be a sufficient amount to cover existing cost uncertainties.

As more specific CIP project update information becomes available, MDAD will review and update the amount of potential increase in total CIP project cost; this increase could be more than or less than what is provided through a $100 million in additional debt.

In addition, MDAD is in the process of updating the key completion dates for the CIP, largely due to the expected delays with the new baggage handling system in the North Terminal. It is currently estimated that the Phases I and II of the North Terminal baggage system will be substantially complete in June 2010, and that the remainder of the North Terminal project will be substantially complete in August 2011. These currently estimated milestone completion dates are reflected in the financial analysis presented herein. The CIP (plus the potential $100 million in increased funding requirement) represents, to the best knowledge and belief of the Aviation Department, all major capital projects that the Aviation Department currently plans to undertake through FY 2018.* MDAD has, however, identified certain additional capital projects that may be undertaken during the forecast horizon, primarily related to preservation of current assets and safety and security. In the event MDAD determines a need to implement any additional projects during this period, MDAD expects that such needs would be evaluated within the context of the available funding sources and financial standing of MDAD, with the Aviation Department making its best efforts to avoid the need for additional borrowing of funds. Therefore, MDAD would strive to undertake any potential additional capital investments in a manner consistent with remaining at or below the future CEP levels presented herein.

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*As of December 1, 2009, the Aviation Department is evaluating several initiatives to increase nonairline revenues that may trigger the need for capital investment, including redevelopment of a portion of the Central Terminal and vacant lands on airport through a private partnership, installing slot machines in the terminal facility, among others. Such initiatives are not taken into consideration for the purpose of this Report.

Completed Projects

Major capital projects that have been completed as part of the CIP to date include:

Airside Program
- New fourth runway (Runway 8L-26R) and associated parallel taxiways
- New midfield dual taxiway system and high-speed exits
- Runway 9-27 rehabilitation
- New Airport Traffic Control Tower
- Two new aircraft rescue and fire fighting facilities

Terminal and Concourse Facilities Program
- Concourse D extension and the addition of 11 swing gates
- Concourse A expansion and the addition of 9 swing gates
- Concourses E, F, and G renovation
- New Concourse J and the addition of 15 swing gates
- Security checkpoint relocation to Concourse E
- New baggage handling systems
- New explosives detection systems (EDS) for outbound baggage screening
- Safety systems and utilities upgrades to meet building code and Americans with Disabilities Act requirements

Landside Program
- New 1,540-space parking garage
- Parking facilities renovation and expansion
- New central revenue collection plaza for the parking garages
- Upper and lower terminal vehicular drive extensions
- New perimeter fence for aircraft operating area

Support Programs
- Central chiller plant expansion
- Security systems improvements
- Environmental remediation projects

Cargo and Aircraft Maintenance Program
- Six new cargo facilities totaling 1.09-million square feet
- New General Aviation Center building

General Aviation Airports Program
- Runway improvements

Completed CIP projects represent approximately 57.4% of the total cost of the CIP, as shown in Table 4.

Table 4

CIP PROJECT STATUS
(in millions)

Project phase	Program costs	As a percentage of program costs
Completed projects	$3,619	57.4%
Under construction	2,614	41.4
Bid/Award Phase	41	0.7
Planning and Design	33	0.5
Total	$6,307	100.0%

Note: CIP status as of September 30, 2009, not including potential increased project funding requirements.

Source: Miami-Dade County Aviation Department.

With completion of the CIP, the terminal and concourse areas will increase from 5.5 million square feet today (without Concourse A) to 7.4 million square feet at the expected completion date of March 2011. The improvements will also increase the number of operational gates (with loading bridges) from the current 102 to 128, the majority of which will be available for international arrivals. The planned improvements would also increase FIS design capacity from the current 5,000 passengers per hour, achieved with the opening of the third FIS facility on Concourse J in November 2007, to nearly 7,400 passengers per hour. The total FIS processing capacity is to be divided among the three terminal areas, 3,600 in the North Terminal, 1,800 in the Central Terminal, and 2,000 in the South Terminal.

The CIP programs and the major projects are described below.

1.4.2 Terminal and Concourse Facilities

North Terminal Development Program

The North Terminal Development Program is the largest single program in the CIP. The NTD Program consists of improvements to reconfigure the terminal and concourses and increase gate use and connection efficiencies. Beginning with Concourse A and extending through Concourses C and D, the new linear design of the North Terminal will support the international gateway operations of American Airlines and its **one**world alliance partners.

The NTD Program includes demolishing Concourses B and C and widening the terminal building between Concourses A and D. Among other improvements in the NTD Program, 1.7 million square feet of the existing terminal building are to be renovated and 1.8 million square feet of new terminal/concourse space are to be added to provide an additional 144,000 square feet for concessions, a new gate delivery baggage system, an automated people mover (APM) traversing the mile-long distance between Concourse A and Concourse D, and support systems capable of accommodating an international hub operation. NTD Program design will also accommodate international hubbing by providing gates that support taxi-in and taxi-out aircraft movements and ready runway access via dual taxiway systems.

The North Terminal is designed as a four-level facility. Baggage services and areas for meeters and greeters of arriving passengers are located on level one; ticketing, concessions, baggage claim for FIS, and departure functions are on level two; a sterile corridor and FIS functions are on level three; and the APM is on level four. Groundbreaking for the NTD Program occurred in November 1999, and new facilities are to open in phases.

In June 2009, the baggage handling system contractor (Siemens) reported delays in completing the baggage handling project for the North Terminal, which raised the possibility of the need for additional funding to successfully complete the baggage system. In response, MDAD has devised and implemented a recovery plan to reduce the delays and mitigate the resulting costs increases, while making the required changes for the baggage handling system. As a result, Siemens has submitted a revised completion date of June 30, 2010, for combined completion of both Phase I and Phase II of the baggage handling system, which represents a fully operational bag system for the completed portions of the North Terminal. While American Airlines can continue operations indefinitely with the current baggage system, if completion is delayed beyond such revised date of June 30, 2010, there may be substantial additional construction costs for the NTD resulting from required reconfiguration and rescheduling of other parts of the project, including the new Federal Inspection Services Area.

MDAD estimates that the required modifications may increase the cost by $46 million and the costs of reconfiguration and rescheduling of other project components caused by the delay to be approximately $10 million. As of September 30, 2009, MDAD had $55.8 million NTD project contingency, which was available primarily due to a transfer of $54 million from the program-wide contingency. After the transfer, program-wide contingency was $18.0 million with an additional $114 million residing in project contingency. MDAD has not yet determined whether the program-wide contingency should be replenished. As noted above, because of uncertainties related to the NTD bag system, potential contingency requirements, and other factors, an assumed issuance of additional $100 million has been included in the financial analysis for the purpose of this Report.

As of the date of this Report, MDAD, based on currently available information, expects that Phases I and II of the North Terminal baggage system will be substantially complete in June 2010, and that the remainder of the North Terminal project, including Phase II of the baggage system will be substantially complete in August 2011. Furthermore, MDAD expects that 42 gates out of the total 50 gates in the North Terminal will be functional in June 2010.

South Terminal Program

The South Terminal Program (STP) included the construction of Concourse J, which was completed in August 2007, terminal expansion and apron construction between Concourses H and J, and related utilities infrastructure. Majority of the budgeted costs for the South Terminal have been spent through September 30, 2009. As discussed above, there is a likely need for additional budget to settle claims, currently estimated by MDAD to be approximately $5 million.

The STP created a four-level, 950,000-square-foot expansion of the existing terminal building that provides areas for baggage claim and makeup, 190 ticketing positions, concessions (50,000 square feet of retail space located post security), an FIS facility, and offices. The South Terminal has a total of 28 gates on Concourses H and J, 19 of which are domestic-international swing gates, including 1 gate that will be designated for A380 operations.

The Concourse J project created a new three-level, 310,000-square-foot concourse providing 15 international gates and a gate operation control tower. The South Terminal serves numerous domestic airlines, including US Airways, United Airlines, Delta Air Lines, and Continental Airlines, and international airlines, including Air France, Alitalia and LAN Airlines.

Other Terminal Projects

The major project remaining in other terminal projects is improvement to the Central Terminal, which includes the terminal building and concourse areas between Concourses E, F, and G. The improvement project includes life safety and building code upgrades, major repairs to the terminal roof, tenant relocations to and from the renovated areas, and acquisition of loading bridges.

1.4.3 Other Airport System Facilities

Airside Program

The primary objectives of the Airside Program are to expand airfield capacity, enhance aircraft movement efficiency and safety, reduce delays, and accommodate changes in the aircraft fleet mix. The only remaining major project is the Runway 8R-26L pavement reconstruction.

Roadways and Parking Program

This program is designed to improve ground access to the Airport, increase parking capacity, and centralize and automate the parking revenue collection process. A significant project yet to be completed in this program is improvement to the Airport's Perimeter Roadway, which will make the tank farm accessible only through the secured airside area.

MIA Mover Program

Similar to the APM in the North Terminal, the MIA Mover is an automated people mover, which will connect MIA with the Miami Intermodal Center and the consolidated Rental Car Center. The MIC is an intermodal hub to be built by FDOT, which will allow Airport passengers to access the RCC and the Metrorail, Tri-Rail, and Amtrak transportation systems.

The MIA Mover is to consist of a fixed guideway, people mover vehicles, two stations (one Airport station located between the Dolphin and Flamingo garages and the other at the RCC), and facilities for vehicle maintenance and storage. The County has committed to FDOT that construction will be completed within 2 years of completion of the RCC, which is expected to open in early 2010.

The RCC is being designed and constructed by FDOT in cooperation with MDAD at a location east to MIA at the MIC. The RCC is expected to replace the existing individual service facilities of the current rental car concessionaires located off-Airport on privately owned land. The RCC has been sized to accommodate the operations of rental car companies that together constitute at least 90% of the current MIA rental car market through 2020.

The RCC is <u>not</u> part of the CIP, as FDOT is to finance the cost of the MIC and the RCC using loan proceeds from the U.S. Department of Transportation that were awarded under the Transportation Infrastructure Finance and Innovation Act of 1998. The debt service for the RCC portion of such loan (about $170 million) is to be payable solely from customer facility charges (CFCs) imposed by the County on customers of the rental car companies using the RCC, and from other revenues related to the RCC (including interest earnings on CFC revenues). The RCC-related debt service will not constitute an obligation of the Port Authority Properties or be secured by a pledge of Net Revenues. The security structure for the loan is similar to a stand-alone, special facility-type financing. The facility will be located on land acquired by the State and deeded to the County upon the opening of the RCC. The County is to pay the State for the cost of the land with CFC revenues.

Although the Aviation Department is to be responsible for operation and maintenance of the RCC upon completion, these costs are to be payable from CFC revenues and from contingent rent. The Aviation Department would be liable for such expenses only to the extent that it is subsequently not fully reimbursed from CFC revenues or contingent rent.

Support Programs

Support Programs are designed to address environmental remediation and to improve utility infrastructure, Airport security, and business systems. The majority of the environmental remediation and utility infrastructure projects are complete, and the security and business systems projects are ongoing.

The Security Programs include access control, passenger screening, checked baggage screening, and the technical systems that support these functions. Federal and State grants of $94 million are available for these projects. Furthermore, MDAD entered into an Other Transaction Agreement with the TSA in October 2008 and is to receive reimbursement up to $54.4 million for the costs to design and build a checked baggage inspection system and related building modifications.

Cargo and Aircraft Maintenance Programs

These programs are intended to expand cargo processing and aircraft maintenance facilities located on the west and north sides of the Airport. The projects yet to be completed are the 64,000-square-foot facility for clearing international arriving animals and improved drainage projects. The animal clearing facility will house an import and export barn area, 102 quarantine stalls for holding animals, and an aviary.

General Aviation Airports Program

This program consists of runway and taxiway improvements, security improvements, and support facilities at the County's general aviation airports.

1.4.4 CIP Risks

The CIP is a large program being financed and implemented in phases. The County's ability to complete the CIP within the current budget and timeframe previously discussed will be affected by a number of factors that are not entirely within the control of the County. These factors include, but are not limited to, program and design risks, including estimating errors and omissions, design and engineering errors and omissions, changes to the scope of individual projects, disputes arising under current and future contracts, changes required because of interpretations of the County Building Code and other regulations, delay in awarding contracts, material or labor shortages, unforeseen site conditions, adverse weather conditions, contractor defaults, labor disputes, unanticipated levels of inflation, and environmental issues. Wherever possible, insurance and contingency funds are to be used to reduce these risks.

In addition to these program and design risks, interest rate risks, credit market risks, and other funding risks may increase the cost to finance the CIP and limit the ability of the County to complete the CIP on schedule.

2. AVIATION DEMAND AND AIRLINE TRAFFIC ANALYSIS

This section discusses (1) the region served by the Airport, (2) the demand for passenger and cargo airline service, including the underlying economic factors and conditions that affect airline travel and the shipment of cargo through Miami International Airport (MIA), (3) data on historical airline service and traffic at the Airport, (4) the key factors that will affect future airline traffic at the Airport, and (5) the enplaned passenger forecast. The economy of an airport service region is a major factor affecting long-term airline traffic at the airport(s) serving the region. Generally, regions with large populations, high levels of employment, and high average per capita incomes will generate a greater volume of both outbound and inbound airline travel. As discussed later in this section, residents and visitors who travel on commercial flights to and from southeast Florida have a choice of using MIA or Fort Lauderdale-Hollywood International Airport (FLL), and the decision regarding which airport to use depends on several factors. There is a strong inter-relationship between MIA and FLL; therefore, the underlying economies of both Miami-Dade and Broward counties are discussed in this section.

2.1 AIRPORT SERVICE REGION

Miami International Airport is the only commercial service airport in Miami-Dade County. Commercial airline service is also available at FLL, which is located 27 miles (approximately 35 minutes driving time in uncongested conditions) north of MIA, in Broward County.* Residents of and visitors to Miami-Dade and Broward counties (together, the Airport Service Region or the Region) choose to patronize either MIA or FLL depending on such factors as ground accessibility, airfares, and the level and scope of airline service.** The Airport Service Region is depicted on Figure 2.

The aviation demand analysis in this Report is focused on each county in the Region. Miami-Dade County is an important international trading center with a large Hispanic population that generates demand for both international and domestic air transportation, while Broward County has a greater concentration of domestic economic activity. Tourism and cruise activity are important components of the economies of both counties that affect demand for air travel.

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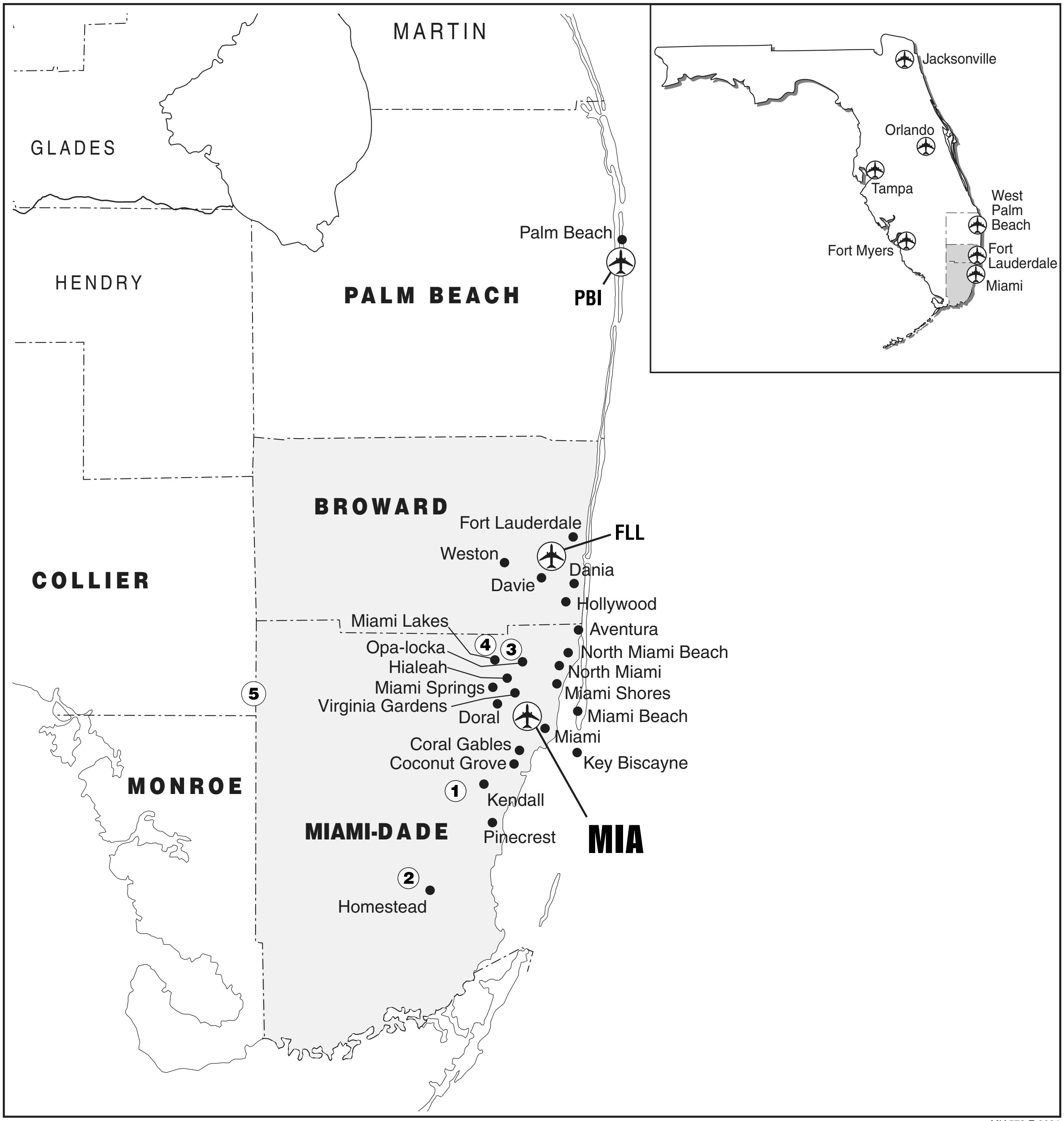
*Web-based map programs were the source for estimated distance.

**The Greater Miami Visitors & Convention Bureau reports that most visitors arriving at the Airport are destined for points within the Region.



MIA573 F-0001

LEGEND

Air Carrier Airport

General aviation airports:

1. Kendall-Tamiami Executive Airport
2. Homestead General Aviation Airport
3. Opa-locka Executive Airport
4. Opa-locka West Airport
5. Dade-Collier Training and Transition Airport

Airport Service Region

County boundary

N

7.5 0 7.5 15

Approximate Scale in Miles

Figure 2

AIRPORT SERVICE REGION

Miami International Airport

JACOBS CONSULTANCY

2.2 DEMAND FOR PASSENGER AND CARGO SERVICE

The demographics and economy of the region—as measured by changes in population, employment, and per capita income—are important factors affecting demand for O&D passenger air travel. Approximately 55% of MIA's domestic passengers are O&D passengers, and approximately 57% of MIA's international passengers begin or end their trips in the Airport Service Region. A well-developed tourism infrastructure also contributes to airline travel demand to and from the Airport Service Region. Demand for international airline travel is also related to factors such as relative currency values and the presence of a dynamic international business community in the Region.

Connecting passenger traffic is determined more by the route network decisions of the hubbing airline, as discussed in Section 2.3.1, "Airport Rankings and Roles." MIA's role as an international gateway is due, in part, to its geographic location and, in part, to route network decisions by American Airlines.

Demand for international air cargo service is derived from the demand for import, export, and transshipment of merchandise which, in turn, is driven by the underlying economic factors of the principal overseas markets served by MIA.* In addition to economic factors, Miami-Dade County's international trade activities are influenced by the County's strategic geographic location relative to Latin America and the Caribbean on the one hand, and North America, Europe, and Asia on the other.

2.2.1 Economy of the Airport Service Region

National economic trends affect the economic performance of the Region through the demand for goods and services and investment. This section reviews the outlook for the national and the Region's economies.

Major industries in the Region, such as tourism, business and professional services, information technology, and entertainment, are significant contributors to Regional income and employment. These industries also have a significant effect on airline travel to and from the Region.

Overall Outlook for the National, State, and Regional Economies

Both airline travel and the movement of cargo at MIA depend on the economic linkages between the national, State, and Regional economies through employment, income, trade and other factors discussed in this section.

*According to MDAD, the amount of merchandise transshipped through the Airport between other countries is significant; however, it is not represented in the official U.S. trade statistics.

National Economy

The current economic recession is the longest since the 1930s. According to the National Bureau of Economic Research, the recession started in December 2007. The triggers of the recession include: the downturn in real estate markets which began in 2006; the surge in fuel prices during 2008; the high levels of consumer debt fueled by aggressive sub-prime lending during the 2003-2006 period which, in turn, was supported by unsustainable growth in property values. The depth of this recession can be gauged by the 3.2% drop in U.S. Gross Domestic Product (GDP)* from the fourth quarter of 2007 through the second quarter of 2009, with residential investment down 39.8%, business investment down 18.0%, consumer spending on durable goods down 11.1%, and exports down by 13.0%. Over the same period, U.S. merchandise imports declined 23.8%.

The severity of the correction in the real estate market set off a financial crisis due to the exposure of very large commercial and investment banks to mortgage financing. Excess risk-taking by financial intermediaries had also been encouraged by deregulation and financial market innovations. In response to liquidity and credit quality problems in the financial system that became evident in mid-2007, the Federal Reserve System (the Fed) began to assume a bigger role through liquidity support. In addition, the Fed Funds rate, the basic interest rate used in the overnight and short-term inter-bank market, was lowered from 5.25% in July 2007 to 0.16% in August 2009. Other policy responses to the financial crisis resulted in the U.S. Congress passing the Emergency Economic Stabilization Act of 2008, providing for a government bailout of troubled banks with up to $700 billion in available funds.

As the recession deepened in early 2009, U.S. Congress enacted the American Recovery and Reinvestment Act of 2009. The legislation was an economic stimulus package with measures worth $787 billion comprised of tax cuts, expansion of unemployment benefits and other social welfare provisions, and domestic spending. As of October 30, 2009, funds paid out represented 24.7% of contracts, grants, loans, and entitlements under the stimulus package.**

Moody's Economy.com projects that, after having begun to recover from the current recession around year-end 2009, the U.S. economy will expand during the 2010-2018 period at an average rate of 3.1%, slightly above the U.S. historical average of 2.7% over the past 30 years.*** U.S. GDP is projected to grow an average of 3.6% per year in 2010 through 2013, followed by 2.7% average annual growth in 2014 through 2018 (see Table 5).

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*GDP measures the total output of goods and services in the economy.
**According to www.recovery.gov.
***Moody's Economy.com, a division of Moody's Analytics, Inc., is a leading independent provider of economic analysis, data, and forecasting and credit risk services.

Table 5

ECONOMIC PROJECTIONS FOR THE UNITED STATES ECONOMY

	Real GDP Growth	Inflation	Productivity Growth	U.S. Treasury 10 yr. Bond
2008	0.4%	3.8%	0.8%	3.85%
2009 *(a)*	-2.7	-0.7	1.0	4.81
2010	1.7	1.6	2.7	5.89
2011	3.9	2.0	1.6	5.36
2012	5.4	2.0	1.8	5.06
2013	3.5	2.0	0.3	4.99
2018	2.6	2.2	1.9	4.72
	Compound annual growth rate			
1979-2009	2.7	3.9	1.3	7.40
2009-2013	3.6	1.9	1.6	5.32
2013-2018	2.7	2.2	1.8	4.82
2009-2018	3.1	2.1	1.7	5.04

(a) The 2009 figures were prepared by Moody's Economy.com based on actual data for the first half of the year.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis and Moody's Economy.com, August 2009.

Given the combination of the prolonged recession and government actions to stabilize the financial system and stimulate the economy, the federal fiscal deficit has surged. According to the Congressional Budget Office's August budget projections, the on-budget Federal Government deficit will peak at 12.2% of GDP in 2009 and average about 5.0% during the years 2010 through 2018.* The trade deficit, which measures the difference between exports and imports of goods and services, is also expected to remain at historically high levels during the forecast period. Both deficits will continue to pose significant risks to the outlook for the U.S. economy.

Inflation is expected to average 1.9% annually in the years 2010 through 2013, followed by 2.2% during the 2014-2018 period, in both cases well below the historical average of 3.9%. While U.S. inflation trended up during the past 5 years, mostly as a result of high global demand for commodities, reaching 3.8% in 2008, the recession is expected to result in lower inflation in the coming decade.

The spillover effects from the U.S. recession and financial crisis have also weakened the economies of other countries, thereby triggering a global recession. In its October 2009 World Economic Outlook Update, the International Monetary Fund

*The on-budget deficit excludes the Social Security surplus/deficit since the latter is not part of the operational budget of the Federal Government.

(IMF) forecast a 1.1% decline in world GDP for 2009. A recovery is anticipated for 2010 with global economic growth of 3.1%. During the past 25 years the global economy averaged 3.6% per annum growth.

Regional Economy

Since the structure of the Regional economy is similar to that of the State, economic activity in both will be closely linked. As of 2008, Florida was the fourth most populous state in the nation, with 18.3 million residents. During 1979 through 2008, Florida's Gross State Product (GSP)* grew an average of 4.2% per year, significantly faster than the national GDP average growth of 2.9% per year. The State benefited from strong in-migration from other states as well as from other countries, which spurred an increase in construction activity. Propelled by the surge in real estate values, construction and related industries played a key role in the expansion during 2003 through 2007, in contrast to the previous expansion in the State during 1992-2001, which was more broad-based.

The unusually strong hurricane seasons in 2004 and 2005, with several storms making landfall in the State, exposed some vulnerability in terms of the economic impact from natural disasters. While no storms have significantly affected South Florida since 2005, some experts have predicted an increased frequency of such storms.

The current recession has had a greater impact on the Regional economy than the rest of the nation due to a more severe correction in the Regional real estate market. The boom in construction in the Region was fueled by a surge in property values relative to the rest of the nation. Based on the Standard & Poor's (S&P)/Case-Shiller Home Price Indices, the national average price for single family homes grew an average of 14.3% per year in 2000 through 2005, while the Regional price grew an average of 19.5% per year. The combination of the recession, excess inventory of residential homes, and overvaluation of home prices in the Regional market relative to the rest of the nation has been reflected in a steeper decline of 47.6% in home prices in the Region compared to the 31.1% national average, based on the S&P/Case-Shiller index for July 2006 through July 2009. The correction has been more pronounced in the condominium market. According to the National Association of Realtors, average prices for condominiums declined 20.3% in the nation between 2006 and the second quarter of 2009, while prices in the Miami area market declined 64.0% because of the large excess inventory of condominium units.

Total economic activity for the Airport Service Region is projected to grow 4.6% per year, on average, in the years 2010 through 2013, well above the historical average of 3.6% and the rates of economic growth forecast for the nation and the State (see Table 6). Thereafter, economic growth is expected to moderate, with 3.3% annual

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*Gross State Product is the state counterpart of GDP; it represents the value added in production by the labor and property located in a state.

growth during the 2014-2018 period. Productivity growth in the Region is forecast to outperform the nation and the State through 2018.

Table 6

ECONOMIC PROJECTIONS FOR THE STATE AND AIRPORT SERVICE REGION

Compound Annual Growth Rates

	Actual 1979-2008	2009	2010-2013	2014-2018
Real Gross State/Municipal Product				
Florida	4.2%	-2.7%	4.0%	3.6%
Region	3.6	-4.2	4.6	3.3
Miami-Dade County	3.1	-5.2	4.3	2.8
Broward County	4.4	-2.9	5.1	3.8
Productivity				
Florida	1.1	2.0	1.3	1.2
Region*	1.5	-0.3	2.7	1.9
Miami-Dade County*	1.6	-1.4	2.6	1.6
Broward County*	1.2	1.3	2.7	2.2
Real personal income				
Florida	4.3	-1.4	2.8	4.4
Region	3.2	-2.9	2.4	3.3
Miami-Dade County	2.9	-2.2	2.0	2.8
Broward County	3.6	-3.7	2.8	3.9
Nonagricultural employment				
Florida	3.0	-4.7	2.7	2.4
Region	2.1	-3.9	1.9	1.3
Miami-Dade County	1.5	-3.8	1.7	1.2
Broward County	3.2	-4.1	2.2	1.5

Note: Gross State and Municipal Product are the analogous measures of GDP for states and counties.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis and forecast by Moody's Economy.com, August 2009.

The flow of international trade in goods and services through the Region also affects employment and income within the Region and generates substantial activity at the Airport. International merchandise trade alone accounts for about 8.6% of total economic activity in Miami-Dade County.* This significant concentration in international trade is expected to help lessen the Region's business cycle volatility as a result of its reliance on a more diversified domestic and international economic base.

*This estimate is based on a study commissioned by Miami-Dade County's Jay Malina International Trade Consortium published in December 2007.

Risks to the Economic Outlook

In the near term, the principal risk to the U.S. economic outlook is that the recovery may take longer to materialize, given that spending associated with the government stimulus program has been at a slow pace and financial institutions are still vulnerable to liquidity and loan quality problems. A prolonged global slowdown extending beyond 2009 could also result in a lower average annual growth rate of the U.S., State, and Regional economies in 2010 and the years following. Because of these risk factors, there is also the possibility of another downturn resulting in back-to-back recessions.

Inflation risks still persist. The large amount of liquidity that the Fed has injected into the banking system could eventually exert upward pressure on prices.

In the longer term, the principal risks to U.S. economic performance are the sizable external and fiscal deficits. The continuing deficits in the U.S. balance of payments could result in greater volatility in the currency markets, which would then translate into higher interest rates and, therefore, slower economic growth. These consequences could be compounded if the fiscal deficit does not shrink within the next 5 years, thereby leading to much larger financing requirements and subsequent increases in interest rates, leading to slower investment and, consequently, slower productivity growth.

Principal Components of the Economy of the Airport Service Region

Demographic Profile

Miami-Dade County is the most populous county in Florida, followed by Broward County. Based on the U.S. Department of Commerce, Bureau of the Census estimates for 2008, Miami-Dade County was home to 13.1% of the State's population, and Broward County was home to 9.5%. Collectively, the region represents 22.6% of the State's population.

In comparison to the State's population, Miami-Dade County's population is younger, but has a lower educational attainment—77.3% of the County's residents are high school graduates compared with 86.8% in Broward County, 85.2% in the State and 85.0% in the nation. Miami-Dade County has the largest share of foreign-born residents of any county in the nation—49.8%—compared with 29.6% in Broward County, 18.5% in the State, and 12.5% in the nation.

The Region's share of total U.S. population is projected to be approximately 1.3% during the forecast period, while its share of the State's population is projected to decline from 22.6% in 2008 to 20.9% in 2018 (see Table 7). It was assumed by Moody's Economy.com that the Region's population growth will be relatively slower in the near term, as slow employment growth leads to a slowing of net migration (lower in-migration, higher out-migration). With the return to trend economic growth and greater employment opportunities in the years 2014 through 2018, migration flows are expected to support a higher rate of population growth.

Table 7

HISTORICAL AND PROJECTED POPULATION TRENDS
(in thousands, except percentages)

Year	United States	Florida	Broward County	Miami-Dade County	Region as % of U.S.	Region as % of Florida
Historical						
1960	181,053	5,034	334	935	0.7%	25.2%
1970	205,387	6,884	620	1,268	0.9	27.4
1980	227,506	9,886	1,026	1,643	1.2	27.0
1990	250,040	13,077	1,263	1,944	1.3	24.5
2000	282,560	16,049	1,632	2,260	1.4	24.3
2008	304,462	18,331	1,752	2,399	1.4	22.6
2009	307,450	18,447	1,739	2,400	1.3	22.4
Projected						
2010	310,465	18,559	1,722	2,384	1.3	22.1
2011	313,468	18,770	1,726	2,383	1.3	21.9
2012	316,504	19,076	1,747	2,396	1.3	21.7
2013	319,571	19,474	1,779	2,423	1.3	21.6
2018	335,250	21,810	1,962	2,598	1.4	20.9
	Compound annual growth rate (%)					
Historical						
1960-1970	1.3%	3.2%	6.4%	3.1%		
1970-1980	1.0	3.7	5.2	2.6		
1980-1990	0.9	2.8	2.1	1.7		
1990-2000	1.2	2.1	2.6	1.5		
2000-2008	0.8	1.5	0.8	0.7		
1960-2008	1.1	2.7	3.5	2.0		
Projected						
2009-2013	1.0	1.4	0.6	0.2		
2013-2018	1.0	2.3	2.0	1.4		
2009-2018	1.0	1.9	1.4	0.9		

Sources: Historical U.S. data—U.S. Census Bureau.
Historical State and County data—Moody's Economy.com, as adjusted by StratInfo.
Data for 2009 – 2018 were prepared by Moody's Economy.com as of August 2009.

Income Trends

Miami-Dade County's per capita income lags those of the State, Broward County, and the nation (see Table 8). The County's slower per capita income growth can be explained by several factors: (1) the changing structure of the County's economy with a decline in manufacturing, (2) a significant increase in lower-paying services industry jobs; and (3) a significant influx of immigrant workers, which has contributed to lower wages in the services sector. These factors are expected to keep the per capita income growth for the County slightly below the national average during the forecast period.

Table 8

PER CAPITA PERSONAL INCOME TRENDS
(2005 dollars)

Year	United States	Florida	Broward County	Miami-Dade County	Region as % of U.S.	Region as % of Florida
Historical						
1980	21,699	21,305	26,043	22,390	109.7%	111.7%
1990	26,867	27,117	32,160	25,467	104.6	103.6
2000	33,742	31,755	34,214	28,550	91.7	97.4
2008	36,869	35,713	38,088	33,629	96.3	99.4
2009	35,736	35,000	36,930	32,878	96.8	98.8
Projected						
2010	35,531	34,492	35,695	31,591	93.8	96.6
2011	36,316	35,024	37,017	32,517	94.7	98.2
2012	37,528	35,989	38,852	34,111	96.2	100.3
2013	38,575	36,983	40,271	35,277	96.9	101.1
2018	41,678	41,026	44,133	37,718	97.1	98.7
	Compound annual growth rate (%)					
Historical						
1980-1990	2.2%	2.4%	2.1%	1.3%		
1990-2000	2.3	1.6	0.6	1.1		
2000-2008	1.1	1.5	1.4	2.1		
1970-2008	2.0	2.0	1.6	1.5		
Projected						
2009-2013	1.9	1.4	2.2	1.8		
2013-2018	1.6	2.1	1.8	1.3		
2009-2018	1.7	1.8	2.0	1.5		

Note: Nominal figures were adjusted by a consumer spending deflator.

Sources: Historical U.S. data—U.S. Department of Commerce, Bureau of Economic Analysis.
Historical State and County data—Moody's Economy.com as adjusted by StratInfo.
Data for 2009 – 2018 were prepared by Moody’s Economy.com as of August 2009.

Employment

Historically, the most dynamic sector of Miami-Dade County's economy has been professional and business services, in which employment increased an average 4.0% per year from 1990 through 2008. Employment in education and health care services has grown at a rate of 2.9% per year since 1990. Similar trends were also experienced in the State and Broward County.

The leisure and hospitality industry has maintained a steady presence in the Regional economy, signifying the importance of tourism.

Manufacturing employment as a share of total employment has been declining in the Region, the State, and the nation since 1990. Manufacturing accounted for 4.3% of total nonagricultural employment in Miami-Dade County in 2008, down from 10.0% in 1990. This trend has been partially offset by the growth of high-technology manufacturing. The County is home to about 400 high-technology manufacturers.

Projections for the years 2010 through 2018 show employment growth for Miami-Dade County at a rate similar to the national average, and somewhat below the rate forecast for the State (see Table 9).

The top 10 private sector employers within Miami-Dade and Broward counties are shown in Table 10.

Tourism

Miami-Dade County is a leading center for tourism in the State. It is the primary tourist destination in Florida for domestic air travelers after Orlando. It is also the principal gateway in the State for international air travelers. As of June 2009, about 46,000 hotel and motel rooms were located in the County, and the number is projected to exceed 50,000 by the end of 2011.

The County hosted a record 12.1 million visitors in 2008, of which 47.7% were international (see Table 11). The direct expenditures of domestic and international visitors were estimated at over $17.1 billion in 2008 by the Greater Miami Convention & Visitors Bureau. The number of overnight visitors to Miami-Dade County, arriving via all modes of transportation, averaged 2.4% annual increases during the 2005-2008 period; the corresponding growth rates for domestic and international visitors were 1.7% and 3.2%, respectively. The strongest growth in international visitors during that period was from Central America with 4.4% growth, followed by South America with 4.1% and Europe with 3.9%.

According to the Greater Miami Convention & Visitors Bureau, the number of overnight visitors to Miami-Dade County during January–July of 2009 decreased 3.7% compared with the same period in 2008 due to the recession.

Table 9

TOTAL NONAGRICULTURAL EMPLOYMENT TRENDS
(numbers of jobs in thousands)

Year	United States	Florida	Broward County	Miami-Dade County	Region as % of U.S.	Region as % of Florida
Historical						
1990	109,490	5,372	519	865	1.3%	25.8%
2000	131,794	7,069	675	996	1.3	23.6
2008	137,046	7,761	772	1,048	1.3	23.4
2009	132,034	7,400	740	1,008	1.3	23.6
Projected						
2010	130,802	7,252	721	973	1.3	23.4
2011	133,715	7,520	747	1,000	1.3	23.2
2012	138,379	7,880	783	1,045	1.3	23.2
2013	142,767	8,222	809	1,078	1.3	23.0
2018	148,891	9,258	872	1,143	1.4	21.8
	Compound annual growth rate (%)					
Historical						
1990-2000	1.9%	2.8%	2.7%	1.4%		
2000-2008	0.5	1.2	1.7	0.6		
1990-2008	1.3	2.1	2.2	1.1		
Projected						
2009-2013	2.0	2.7	2.2	1.7		
2013-2018	0.8	2.4	1.5	1.2		
2009-2018	1.3	2.5	1.8	1.4		

Sources: Historical U.S. data—U.S. Department of Labor, Bureau of Labor Statistics.
Historical State and County data—Moody's Economy.com as adjusted by StratInfo.
Data for 2009 – 2018 were prepared by Moody’s Economy.com as of August 2009.

Table 10

TOP 10 PRIVATE SECTOR EMPLOYERS

Miami-Dade County		Broward County	
Firm	Number of Employees	Firm	Number of Employees
Publix Supermarkets, Inc.	11,000	Tenet Healthcare Corp.	10,156
Baptist Health South Florida	10,826	American Express	5,800
University of Miami	9,874	The Continental Group	3,900
American Airlines	9,000	Nova Southeastern Univ.	3,028
Precision Response Corp.	6,000	PRC	2,700
BellSouth/ATT	5,500	Motorola	2,300
Winn-Dixie Stores, Inc.	4,833	JM Family Enterprises	2,000
Florida Power & Light Company	3,900	BrandsMart USA	1,700
Carnival Cruise Lines	3,500	Kaplan Higher Education	1,600
Macy's Florida	3,368	Brown Jordan International	1,460
Mount Sinai Medical Center	3,264	Citrix Systems	1,428

Sources: Miami-Dade County, The Beacon Council, and Broward Alliance, 2009.

Table 11

VISITORS TO MIAMI DADE COUNTY

	Number (thousands)			Percent of Total		
Area of Origin	2000	2005	2008	2000	2005	2008
South America	2,304	2,199	2,480	20.7%	19.5%	20.4%
Central America	421	475	540	3.8	4.2	4.5
Caribbean	739	686	702	6.6	6.1	5.8
LAC Region	3,464	3,359	3,722	31.0%	29.7%	30.7%
Europe	1,419	1,213	1,361	12.7	10.7	11.2
Canada	633	564	574	5.7	5.0	4.7
Other	169	137	131	1.5	1.2	1.1
Total International	5,685	5,273	5,787	51.0%	46.7%	47.7%
Domestic Visitors	5,472	6,029	6,341	49.0%	53.3%	52.3%
Total Visitors	11,157	11,302	12,128	100.0%	100.0%	100.0%

LAC = Latin America and the Caribbean.

Source: Greater Miami Convention & Visitors Bureau.

The visitor market in Miami-Dade County reflects the quality of its leisure destinations—beaches, attractions, and entertainment. In 2008, 79.7% of total visitors to the County traveled for leisure purposes, including cruises, or to visit family and friends. Most visitors were in the 25-55 age group and usually traveled without children.

Despite the current recession, the number of international visitors recovered in 2008 to the record level experienced in 2000. Two contributing factors to the increase in international visitors were the stronger economic performance of the Latin America and Caribbean (LAC) region and the weaker dollar which lowers the cost of a trip to the United States for foreign visitors.

The Port of Miami is the world's largest multi-day cruise port; approximately 70% of its cruise ship passengers arrive at and depart from the Region via commercial flights. The number of cruise ship passengers embarking and disembarking through the Port of Miami increased from 1.5 million in 1980 to 4.1 million in 2008 (see Table 12). Growth in the number of cruise passengers through the Port of Miami since 2005 has been steady and showed notable strength in 2008. At Port Everglades, strong growth in the number of cruise passengers during 2000 through 2005 was followed by a contraction in 2006, a modest rebound in 2007 and another contraction in 2008.

Table 12

CRUISE SHIP PASSENGERS
Embarkation and Debarkation

	Port of Miami		Port Everglades	
12 Months Ended September 30	Passengers	Percent Increase (decrease)	Passengers	Percent Increase (decrease)
1980	1,466,581		121,616	
1990	2,734,816		2,187,503	
2000	3,364,643		2,737,389	
2005	3,605,201		3,801,464	
2006	3,731,459	3.5%	3,239,154	(14.8%)
2007	3,784,740	1.4	3,409,946	5.3
2008	4,137,531	9.3	3,227,770	(5.3)
	Compound annual growth rate			
1980-1990	6.4%		33.5%	
1990-2000	2.1		2.3	
2000-2005	1.4		6.8	
2005-2008	4.7		(5.3)	

Note: Passenger figures include both single-day and multi-day cruise travelers.

Sources: Port of Miami and Port Everglades.

The Port of Miami is now home to 18 cruise ships that operate year-round, including several new mega-cruise ships added since 2006. The seaport has made agreements to become the homeport of the largest passenger cruise-ships in the world. Its infrastructure allows for the accommodation of ships with capacity up to 6,400 passengers. Both ports offer multi-day cruises, but only Port Everglades offers one-day cruises ("cruise-to-nowhere") which appeal mainly to local residents.

Technology, Pharmaceutical, and Media Industries

Miami-Dade County is home to 2,287 information technology and telecommunications firms. The County is also home to 1,482 biomedical and pharmaceutical manufacturers. The University of Miami has created a major Bioscience Center in the City of Miami.

According to the American Electronics Association, the Miami-Dade/ Fort Lauderdale Metropolitan Statistical Area (MSA), which encompasses Miami-Dade, Broward, and Palm Beach counties, is the State's largest technology hub, with 75,300 workers in the fields of computer design and related services, telecommunications, and engineering.

The film, television, and print production industry is rapidly becoming an important sector of Miami-Dade County's economy. This industry consists of over 2,400 motion picture and video businesses, 214 production companies, 126 post-production facilities, 40 cable networks, 20 recording studios, 18 sound stages, and approximately 115 music companies in the County. About 200 advertising agencies in Miami-Dade County are also part of the industry's infrastructure. The County has become an important center for Spanish language broadcasting in the United States and the home of Spanish media companies focusing on the Latin America and Caribbean markets. The County has also developed into a center for the Latin American music industry.

2.2.2 Key International Markets

Latin America and Caribbean

LAC countries are the region's principal international markets for goods and services, and thus one of the drivers of demand for airline passenger transportation. MIA is a major hub for airline travel between Latin America and the Caribbean, the Region, and other parts of the world; it is also a key transshipment facility for merchandise trade between these economic areas. A significant portion of the businesses in the Region are directly linked to trade in goods and services with Latin America and the Caribbean; because of their location, these firms, in turn, are regular users of airline service at MIA.

The outlook for Latin America and the Caribbean is therefore an important determinant of the demand for air transportation at and through MIA. Because of their geographic location, LAC countries have close economic links to the United States. In 2008, 40.8% of LAC exports were to the United States, 14.1% to the

European Union, and 12.2% to Asia. (The remaining exports were either intra-regional or bound for other world areas.) Asia has been the fastest growing world destination for LAC exports since 2000, and this trend is projected to continue. Of all LAC imports in 2008, 30.1% were from the United States, 22.9% from Asia, and 14.2% from the European Union. Much of the air trade between the LAC region and Europe and Asia is transshipped through MIA.

Recent Trends

After a decade of economic contraction in the 1980s, trade and investment in Latin America and the Caribbean expanded rapidly during the 1990s. Implementation of long-awaited market-based economic reforms ushered in a period of sustained economic expansion, which lasted until the Latin American recession of 2002. This widespread recession lagged the U.S. recession of 2001 and was particularly acute in Argentina. A gradual recovery in 2003, with GDP growth of 2.2%, was followed by a robust expansion, as the global economy gained strength and brisk demand triggered a boom in commodity prices. After a strong rebound in 2004, with 6.1% growth, the economic momentum continued across Latin America and the Caribbean, averaging growth of 5.8% during the 2006-2007 period. The strong growth helped to cushion the initial effect of the U.S. recession on the LAC region.

Improved economic management, notably in fiscal and monetary policies, contributed to greater stability of the LAC regional economies and thus to sounder economic growth. Legislative reforms strengthened fiscal discipline. During 2002-2008, the fiscal deficits in the region averaged only 1.0% of GDP, which reflects the effectiveness of economic policies. Fiscal prudence in the region also allows a greater proportion of domestic savings to finance productive investments than would be the case in countries with high fiscal deficits where the government has to compete with the private sector for financing. Central banks in LAC countries also moved swiftly to achieve important reforms in the financial sector. Most LAC currencies are now market-determined or are allowed to trade within a flexible band. Stable economic policies combined with external trade surpluses have contributed to much less volatility of the LAC currencies.

The most dramatic improvement in the LAC region during the 1990s occurred in the rate of inflation, which fell from an annual average of 170% during 1985 through 1990 to single-digit rates during 2000 through 2008 despite the upsurge in global energy prices (see Table 13). By contributing to greater economic stability, the reduction in inflation within the region also contributed to higher GDP growth and increased domestic and foreign investment.

The external accounts of the LAC region improved noticeably, as seen by the average annual current account surplus of $16.6 billion in 2003 through 2008, compared with chronic deficits since 1985.* As shown in Table 13, net foreign direct investment (FDI) into the region attracted by greater economic stability has also played an important role in the development of natural resources and infrastructure. The region's external debt indicator, which is measured by the ratio of external debt to exports—or capacity to repay the debt—has improved noticeably since the debt crisis of 1982, falling from a high of 4.4 times exports in 1987 to an average of 1.4 times between 2003 and 2008.

Table 13

LATIN AMERICA AND THE CARIBBEAN: HISTORICAL ECONOMIC INDICATORS

	1985-1990	1990-1995	1995-2000	2000-2002	2002-2008
GDP growth	1.7%	3.1%	3.2%	0.0%	4.8%
Inflation (percentage)	169.7%	141.3%	12.6%	7.5%	7.0%
Government deficit (percent of GDP)	n.a.	1.6% *(a)*	2.6%	3.1%	1.0%
Current account surplus/(deficit) (millions of U.S. dollars)	($9,618)	($37,490)	($60,114)	($35,044)	$16,593
Foreign direct investment (millions of U.S. dollars)	$6,191	$16,534	$59,287	$60,178	$56,748
External debt to exports ratio	3.8	3.0	2.4	2.2	1.4

Note: Figures are annual averages.

n.a. = Not available.

(a) Calculated for 1992-1995.

Sources: U.N. Economic Commission for Latin America and the Caribbean (ECLAC) and International Monetary Fund (IMF), as adjusted by StratInfo.

Outlook

The economy of LAC countries is projected by StratInfo to grow an average of 4.2% per year in the years 2010 through 2018, as measured by real GDP (see Table 14). The global recession during 2008 and 2009 is expected to have an adverse effect on the LAC economies in the short term, but the medium- to long-term growth factors support an average growth rate that is moderately above the trend, with growth during the 2013-2018 period averaging 4.5%. Between 1990 and 2008, the LAC region averaged 3.6% growth per year.

*The current account balance measures the difference between exports and imports of goods and services where a surplus leads to an improvement in the country's international liquidity position, while a deficit requires an influx of foreign capital to cover the country's earnings gap.

The outlook for LAC regional economies is based on the assumption that international trade will continue to be the main engine of growth. The fundamental competitive factors supporting LAC's growth in exports include: abundant natural resources; lower production costs; and trade-creation opportunities through participation in free trade agreements with the United States and other countries. These advantages are likely to be sustained through the application of sound economic policies that promote investment and increased trade. In addition, some of the LAC countries, particularly in Central America and the Caribbean, will benefit from additional income growth in the form of worker remittances from the United States and other locations.

Table 14

LATIN AMERICA AND THE CARIBBEAN: SELECTED ECONOMIC INDICATORS

	GDP (billions of current US$)	GDP (billions of 2000 US$)	Population (thousands)	GDP per capita (US$)	Debt to exports ratio
Historical					
1980	$ 839,107	$ 1,317,828	360,716	2,326	2.4
1990	1,128,412	1,478,524	441,564	2,555	3.3
2000	2,113,190	2,111,722	523,048	4,040	2.0
2008	4,266,044	2,799,845	579,409	7,363	0.8
2009	4,348,708	2,736,923	586,644	7,413	0.9
Projected					
2010	4,456,084	2,804,268	593,697	7,506	0.9
2011	4,529,724	2,928,156	600,396	7,545	0.9
2012	4,755,381	3,052,999	607,171	7,832	0.9
2013	5,040,399	3,190,771	614,023	8,209	0.9
2018	6,886,169	3,972,776	646,734	10,648	1.4
	Compound annual growth rate				
Historical					
1980-1990	3.0%	1.2%	2.0%	0.9%	
1990-2000	6.5	3.6	1.7	4.7	
2000-2009	8.3	2.9	1.3	7.0	
Projected					
2009-2013	3.8	3.9	1.1	2.6	
2013-2018	6.4	4.5	1.0	5.3	
2009-2018	5.2	4.2	1.1	4.1	

Sources: Historical—ECLAC and World Bank, as adjusted by StratInfo.
Projected—StratInfo.

The LAC economies experienced their strongest growth in more than three decades in the years 2004 through 2007. Large external surpluses had also enabled many of the LAC countries to build up sizable foreign exchange reserves to protect against a sudden downfall in export earnings. By 2007, foreign exchange reserves had peaked at 7.5 months of imports. Most importantly, market fundamentals were robust: high growth, low inflation, modest fiscal surpluses as well as significant balance of payments surpluses. These strong fundamentals explain why the LAC region has fared better than other world areas during the current global recession.

One of the more revealing indicators of the resilience of the LAC countries has been the relative stability of their currencies despite the global economic downturn. Following the onslaught of the U.S. recession and financial crisis in 2007, currencies in the LAC region generally experienced only moderate slippage in value relative to the dollar during 2008 as the global recession began to take a toll on the local economies. By July 2009, however, most of the major currencies had returned to their December 2007 values, an indication of investor confidence in the LAC region's economic fundamentals.

Trade Expansion through Free Trade Agreements. There is a strong historical relationship between economic (GDP) growth in Latin America and the Caribbean and growth in the volume of international trade to and from LAC countries. From 2010 through 2018, the region's projected real annual economic growth (real GDP) of 4.2%, according to StratInfo, implies a higher-than-historical rate of growth in the volume of international trade, especially through the expansion of regional free trade agreements. Total trade is expected to increase from about 49.3% of the region's GDP in 2008 to about 66.3% in 2018. Existing and pending free trade agreements are expected to bolster the growth in trade between the LAC region and the United States through Miami-Dade County.

The following major U.S. trade agreements are in effect: the North American Free Trade Agreement (NAFTA) (1993), the Chile Free Trade Agreement (2004), the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) (2006), and the Peru Free Trade Agreement (2007). Both NAFTA and the Chile Free Trade Agreement have resulted in a pronounced increase in international trade.

Other free trade agreements awaiting ratification include those with Colombia and Panama. Colombia is MIA's second largest export market, and Panama is the sixteenth largest. Approval and subsequent implementation of these agreements would further boost international trade through the County.

Risks to the Latin American and Caribbean Outlook. While the projected economic indicators for the LAC region suggest a healthy economic environment, there are some risks to the outlook. Political risk exists in a number of LAC countries. In addition, the inability to enforce economic policies in any one of these countries, as a result of political change, represents a risk to the economic outlook for the region.

The principal risk in the short term is the possibility that the global economic recession could extend into 2010, thereby compromising the region's strong market fundamentals. At the same time, the fallout from the U.S. financial crisis could exacerbate volatility in those countries whose banking systems are exposed to the same types of risk as were the U.S. real estate and consumer lending sectors.

The main focus of volatility in the LAC region is on political developments in Venezuela, Bolivia, and Ecuador, as well as Colombia which has long been struggling with internal violence arising from extremist guerrilla groups. The adverse effect on economic performance from the marked political shift to the left in Bolivia, Ecuador, and Venezuela may be more than offset by their dependence on oil exports and the relatively robust long-term outlook for energy prices.

A spiraling of prices for energy and other commodities, as the global economy enters its next cyclical expansion, would have an uneven effect on LAC economies. High energy prices favor oil-exporting countries, but they also lead to larger external deficits and lower growth for the oil-importing countries. Unfavorable external developments could also trigger periods of increasing volatility in the financial and currency markets in the LAC region.

Europe

Europe is an important market for the Airport Service Region in terms of tourism, trade in goods and services, and the flow of investments, all of which are important factors in the demand for air transportation. The European Union (EU) averaged 2.2% annual economic growth in the years 2002 through 2008, with stronger momentum during 2006 and 2007. The International Monetary Fund (IMF) forecasts that the EU economy will weaken considerably in 2009 as GDP declines 4.2%, followed by a gradual recovery and a return to historical growth rates during the medium-to-long term. During the 2010-2014 period, the IMF forecast calls for GDP growth to average 1.9% per annum. Nevertheless, the EU continues to cope with fiscal imbalances, with the general government deficit expected to peak at 7.5% of GDP in 2010; this could lead to further tightening of spending and slower economic growth. Because of the importance of currency values to the flow of trade in goods and services, greater volatility in the relationship between the U.S. dollar and the euro could adversely affect trade, particularly tourism, between Europe and Florida, generally, and the Airport Service Region, specifically.

European trade and investments in the Airport Service Region's economy are expected to continue to grow, based on IMF, World Bank, and StratInfo global economic projections, and Miami-Dade County is projected to maintain its role as a merchandise transshipment hub between Europe, the United States, and the LAC region.

Asia

Asia is expected to remain the highest-growth area in the world economy. The growth dynamics of Asia are driven by the economies of the developing Asian countries. Prior to the current global downturn, developing Asian economies such as China and India had posted the highest GDP growth rate in two decades, averaging 8.7% per annum during 2002-2008.* Rapid growth in Asia was accompanied by large international trade surpluses, contributing to sizable international reserves. The developing Asian economies are expected to grow according to the IMF forecast by 8.2% per annum during 2010-2014. Robust growth in trade between Asia and the LAC countries is expected to bolster the transshipment of goods through MIA.

China has become one of the principal sources of merchandise imports into the Airport Service Region. In recent years, China has developed stronger economic ties with the LAC region through investments in natural resource industries; the LAC region is also a lucrative market for Chinese exports of consumer and industrial products. Based on the IMF's Direction of Trade statistics for 1999 through 2008, China's exports to Latin America and the Caribbean expanded an average of 29.7% per year, while China's imports from the region increased an average of 37.6% per year, with most of the growth occurring since 2002.

2.2.3 International Trade Sector

Growth in international trade results in increased cargo volumes at MIA, and increased cargo volumes result in greater landed weight by the cargo airlines. Because of the residual structure of landing fees at the Airport (discussed in Section 3 of this Report), increased landing fee revenue from the cargo airlines reduces the landing fee requirement for passenger airlines, thereby reducing the airline cost per enplaned passenger.

MIA has played an important role in the movement of merchandise at the national and local levels. In 2008, MIA's share of the total weight of U.S. exports by air was 10.6% and its share of total U.S. imports by air was 13.4%.** The growth of trade through MIA has been driven by economic trends in the LAC region which is the principal trading market for the Airport. During 2003 through 2008, the tonnage of exports through MIA increased an average of 9.5% per year, while imports increased an average of 1.0% per year. The much stronger export growth reflects the relatively strong growth of the LAC region's economies which are the principal purchasers of these products. During January through June of 2009, MIA exports were down 16.5% with respect to the same period in 2008, while total U.S. exports fell 21.6%; the

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*Developing Asian economies refers to emerging and developing economies of Asia as established by the IMF in the World Outlook, October 2009.

**The analysis of international trade through MIA was focused on the weight of shipments, in kilograms, because weight is the primary limiting factor of aircraft cargo capacity.

smaller drop in MIA exports is explained, in large part, by the resilience of the LAC markets.

MIA exports are characterized by high-value goods, such as computers and other electronic products and medical equipment, which experienced dynamic growth in tonnage between 2003 and 2008. Imports are dominated by perishables, especially flowers, fish, and vegetables. The development of offshore assembly facilities, especially in the apparel, footwear, and basic electronics industries, has contributed to the increase of both export and import businesses located in the Airport Service Region and to the movement of goods through MIA.

The growing importance of international trade in the Airport Service Region is also evidenced by growth in the volume of export and import activity through the Miami Customs District, which includes all airports and seaports located in Miami, Fort Lauderdale, Fort Pierce, Key West, and West Palm Beach.

Exports

Since 1992, the value of exports from South Florida has increased an average of 8.0% per year. The Miami Customs District has accounted for between 3.6% and 4.3% of total U.S. exports since 1992, as shown in Table 15.

Table 15

MIAMI CUSTOMS DISTRICT EXPORTS AND U.S. TOTAL

		Miami Customs District (MCD)			
				Top 15 countries	
	Total U.S. Exports (millions of US$)	Total Export Value (millions of US$)	MCD Percent of U.S. Total	Value (millions of US$)	Percent of MCD Total
1992	$448,164	$16,041	3.6%	$11,311	70.5%
1995	584,742	22,739	3.9	16,546	72.8
2000	781,918	31,119	4.0	22,963	73.8
2005	901,082	34,096	3.8	24,932	73.1
2008	1,287,442	54,883	4.3	41,478	75.6

Source: U.S. Department of Commerce, Bureau of the Census – Foreign Trade Division.

All except one (Switzerland) of the principal export markets (top 15 countries) for the Miami Customs District, based on the 2008 value of shipments, are in Latin America and the Caribbean.* These 15 markets account for about three-quarters of the total value of Miami Customs District exports.

Key trends affecting the growth of exports from the Miami Customs District since 2003 include: (1) expansion of the global economy and subsequent contraction in 2008; (2) the strength of the economic recovery of Latin America since the 2001-2002 recession, intensified by increases in global commodity prices which helped dampen the impact of the global recession; (3) growth of offshore production, which is reflected as exports from the Customs District to countries where the products are assembled and then shipped back to the United States; and (4) depreciation of the U.S. dollar, which makes U.S. products cheaper to foreign buyers.

Imports

The Miami Customs District's share of total U.S. imports ranged between 1.7% and 2.0% from 1992 through 2008, as shown in Table 16.

Table 16

MIAMI CUSTOMS DISTRICT IMPORTS AND U.S. TOTAL

		Miami Customs District (MCD)			
				Top 15 countries	
	Total U.S. Exports (millions of US$)	Total Export Value (millions of US$)	MCD Percent of U.S. Total	Value (millions of US$)	Percent of MCD Total
1992	$532,665	$9,651	1.8%	$6,395	66.3%
1995	743,543	13,328	1.8	8,628	64.7
2000	1,218,022	24,700	2.0	16,550	67.0
2005	1,673,455	31,802	1.9	21,913	68.9
2008	2,103,641	35,367	1.7	23,822	67.4

Source: U.S. Department of Commerce, Bureau of the Census – Foreign Trade Division.

*The top 15 countries for exports in descending order of importance are Brazil, Venezuela, Colombia, Costa Rica, Dominican Republic, Chile, Argentina, Honduras, Peru, Switzerland, Panama, Guatemala, Paraguay, Ecuador, and El Salvador.

The Miami Customs District imports are more diversified than its exports; the top 15 countries account for about two-thirds of the total. Of the top 15 countries for imports through the District in 2008, LAC countries accounted for 37.4% of the total value of District imports, followed by European countries, with 14.3%, and China, with 12.4%.*

International Trade-Related Services

The strength of international trade-related services in Miami-Dade County is due, in part, to the availability and interaction of a large number of facilitators, such as import/export firms, freight forwarders, customs brokers, and other trade-related service providers. This segment of the trade community consists of over 400 freight forwarders/customs brokers and 25 trade associations.

The Miami Free Trade Zone, the largest privately owned free trade zone in the United States, is located just west of the Airport, serving 60 companies with products from 75 countries. The free trade zone offers an extensive array of warehousing and distribution facilities. It was designed and developed to complement and enhance international cargo activities at MIA.

International Banking

Miami-Dade County's role as an international financial center also has a positive effect on traffic at the Airport, facilitating trade (and, therefore, international cargo activity) and offshore banking (with associated international passenger travel).

The most important category of international banking in Miami-Dade County is that of foreign bank agencies. According to the Florida Department of Banking, at mid-year 2009, 28 banks in Miami-Dade County were registered as foreign agencies, of which 13 were from Latin America, 12 were from Europe, 2 were from Israel, and 1 was from North America. The agencies are primarily involved in trade finance and international private banking. Total assets of the foreign agencies amounted to $12.0 billion at mid-year 2009. The decline in these assets from $21.7 billion in 2001 reflects, in large part, the adverse effect on international banking activities from the restrictive regulations imposed by the U.S. Patriot Act and, more recently, the severe global financial crisis.

In addition to commercial banks, the international financial sector encompasses investment and merchant banks and insurance companies. Investment banks in Miami-Dade County cater mainly to affluent Latin American and Caribbean clients. Insurance companies have aggressively tapped the Latin American and Caribbean markets, especially for life, commercial, and trade-related types of insurance.

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*The top 15 countries for imports in descending order of importance are China, Brazil, Honduras, Colombia, Dominican Republic, France, Venezuela, Costa Rica, Netherlands, Japan, United Kingdom, Italy, Chile, Mexico, and Guatemala.

Multinational Corporations

According to the Beacon Council, 1,295 multinational companies from all major regions of the world operate facilities in Miami-Dade County; of these, 743 are from the U.S. These companies represent a diversity of multinational industries primarily serving the United States and Latin America. The expansion of multinational firms in Miami-Dade County has produced important economic benefits for the Airport; many of the international trade decisions made by these firms have resulted in the transshipment of goods through MIA.

Surface Transportation and Warehousing Services

Surface transportation and warehousing services are a crucial component of the infrastructure for international trade, accommodating the movement of goods to be shipped overseas and the distribution of imported merchandise—Miami-Dade County's air and sea ports are linked to 150 cities by air and 250 seaports around the world. According to the Beacon Council, about 8,975 companies in the Airport Service Region are engaged in wholesale trade and warehousing and about 479 companies provide aircraft maintenance, overhaul, and parts manufacturing services.

Trade In Other International Services

Other international trade-related services firms located in Miami-Dade County include the following:

- *Accounting and legal services firms:* Many firms providing accounting and legal services have offices throughout the United States, as well as foreign offices or affiliations with other firms to better serve international businesses. A number of the largest firms have established their Latin American centers in Miami-Dade County.

- *Architectural Firms:* Miami-Dade architectural firms have designed projects in every continent and maintain offices in 30 countries, including China and Dubai.

- *Government and nongovernmental organizations:* Currently, 72 foreign consulates are located in Miami-Dade County, of which 29 are from the Americas (Latin America, the Caribbean, and Canada), 23 are from Europe, and the remainder are from Africa, the Middle East, and Asia. Miami-Dade County has the third largest Consular Corps in the United States. Currently, 39 binational chambers of commerce are located in Miami-Dade County: 17 are Latin American, 8 are European, 6 are Asian, and 8 are African. These organizations provide valuable links between their countries and Miami-Dade County's international trade community.

2.3 AIRLINE SERVICE AND TRAFFIC

Airport rankings and roles, service at competing airports, airline service at Miami International Airport, and historical airline traffic at the Airport are discussed in this section.

2.3.1 Airport Rankings and Roles

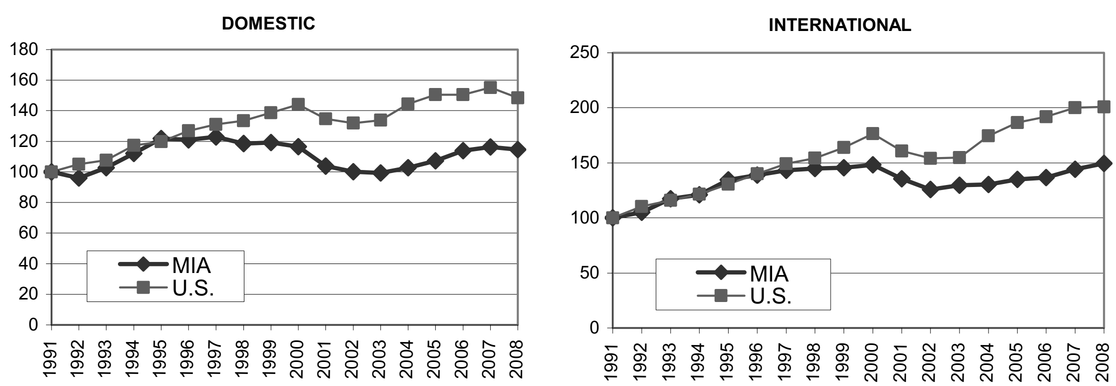
Several factors, such as the comparative performance of MIA, FLL, and various other airports in Florida and the United States; MIA's role as a connecting hub; MIA's role in the American Airlines route system and in the various airline alliance networks; and MIA's role as an air cargo hub, are discussed below.

Comparative Performance

Growth in the total number of enplaned passengers at MIA relative to national trends from 1991 through 2008 is illustrated on Figure 3. Total numbers of enplaned passengers at MIA in the early 1990s generally kept pace with national numbers. In 1996, however, growth in the number of passengers at MIA stalled as low-cost carrier (LCC) service at FLL expanded rapidly, and passenger numbers in the nation continued to grow. In 2001 and 2002, the numbers of enplaned passengers at MIA declined significantly, as they did across the nation, reflecting the economic recession and the effects of the September 11, 2001, terrorist attacks. Since 2002, the number of domestic enplaned passengers at MIA has generally kept pace with U.S. domestic passenger traffic overall. Growth in numbers of international passengers at MIA, on the other hand, has lagged growth nationwide, due to the continued expansion of international gateway service at competing airports.

Figure 3

COMPARATIVE INDEX OF ENPLANED PASSENGERS
Miami International Airport versus U.S. Total
(calendar years; 1991=100)



Source: U.S. DOT, Schedules T100 and 298C T1.

In 2008, the Airport ranked 27th among U.S. airports in terms of total domestic enplaned passengers (see Table 17). The number of domestic passengers at the Airport declined between 1998 and 2003, in contrast to the national trend, but increased between 2003 and 2008, in excess of the nationwide trend. In 2008, the number of domestic passengers at the Airport was 3.3% below the Airport's 1998 number, whereas total domestic passengers increased 11.5% at all U.S. airports and 73.9% at FLL over the 10-year period.

Table 17

COMPARATIVE TRENDS IN DOMESTIC ENPLANED PASSENGERS

Top 30 U.S. Airports

(calendar years)

2008 Rank	City (Airport)	Domestic enplaned passengers (thousands) 1998	2003	2008	Compound annual growth rate 1998-2003	2003-2008	2008 as percent of 1998
1	Atlanta	33,407	35,798	39,031	1.4%	1.7%	116.8%
2	Chicago-O'Hare	30,104	28,546	28,176	(1.1)	(0.3)	93.6
3	Dallas/Ft. Worth	25,964	22,976	24,700	(2.4)	1.5	95.1
4	Denver	17,005	17,302	23,166	0.3	6.0	136.2
5	Los Angeles	22,156	19,549	20,580	(2.5)	1.0	92.9
6	Las Vegas	12,849	16,692	19,752	5.4	3.4	153.7
7	Phoenix	15,083	17,571	18,522	3.1	1.1	122.8
8	Charlotte	11,085	10,753	16,128	(0.6)	8.4	145.5
9	Houston-Bush	12,091	13,459	15,997	2.2	3.5	132.3
10	Orlando	12,043	12,489	15,991	0.7	5.1	132.8
11	Detroit	13,610	14,174	15,084	0.8	1.3	110.8
12	Minneapolis/St. Paul	12,489	14,911	15,066	3.6	0.2	120.6
13	Seattle	11,680	12,017	14,389	0.6	3.7	123.2
14	San Francisco	15,646	10,880	13,930	(7.0)	5.1	89.0
15	Philadelphia	10,497	10,345	13,749	(0.3)	5.9	131.0
16	New York-Kennedy	6,613	8,184	12,582	4.4	9.0	190.3
17	New York-Newark	12,662	10,915	12,149	(2.9)	2.2	95.9
18	Boston	11,044	9,372	11,026	(3.2)	3.3	99.8
19	New York-LaGuardia	10,741	10,801	10,969	0.1	0.3	102.1
20	Baltimore	7,113	9,397	9,972	5.7	1.2	140.2
21	Salt Lake City	9,495	8,850	9,629	(1.4)	1.7	101.4
22	**Fort Lauderdale**	**5,452**	**8,073**	**9,484**	**8.2**	**3.3**	**173.9**
23	San Diego	7,179	7,430	8,893	0.7	3.7	123.9
24	Tampa	6,657	7,483	8,683	2.4	3.0	130.4
25	Washington DC-Reagan	7,444	6,678	8,558	(2.1)	5.1	115.0
26	Washington DC-Dulles	5,545	6,118	8,423	2.0	6.6	151.9
27	**Miami**	**8,638**	**7,231**	**8,350**	**(3.5)**	**2.9**	**96.7**
28	Chicago-Midway	5,152	8,567	7,993	10.7	(1.4)	155.1
29	Honolulu	7,749	7,175	7,292	(1.5)	0.3	94.1
30	Portland	6,108	5,898	6,736	(0.7)	2.7	110.3
	Total---Top 30 Airports	373,303	379,632	435,000	0.3%	2.8%	116.5%
	All Other	211,489	207,926	216,951	(0.3)	0.9	102.6
	Total---All U.S. Airports	**584,792**	**587,558**	**651,951**	**0.1%**	**2.1%**	**111.5%**

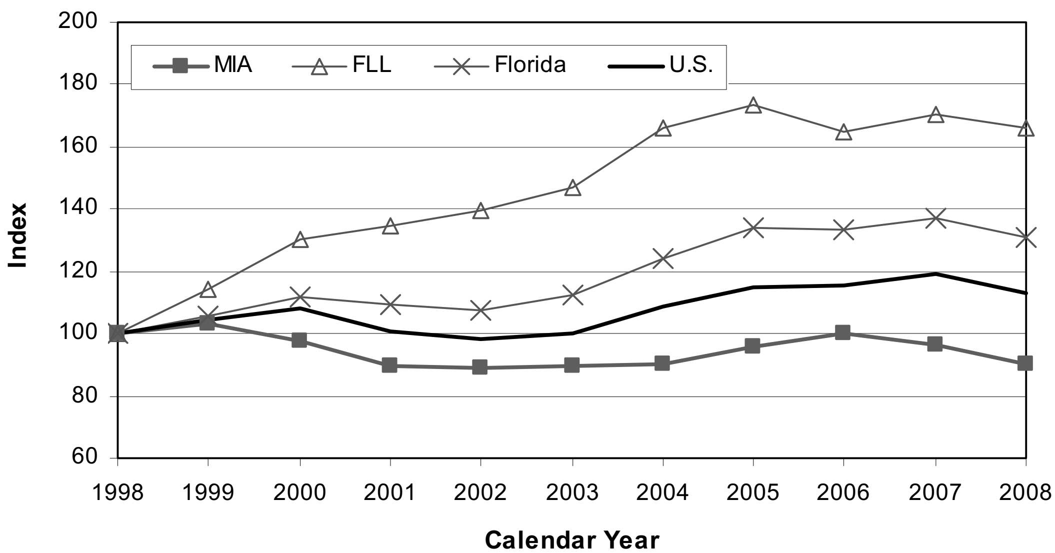
Source: U.S. DOT, Schedules T100 and 298C T1.

The number of domestic O&D passengers at MIA experienced no net gain between 1998 and 2006, before declining an average of 5.3% per year in 2007 and 2008. As shown on Figure 4, the overall trend in domestic O&D passengers at the Airport between 1998 and 2008 (down 1.0% per year on average) contrasted markedly with the growth in domestic O&D passengers at FLL (up 5.2% per year on average), at all Florida airports (up 2.7%), and across the nation (up 1.2%).

Figure 4

COMPARATIVE INDEX OF DOMESTIC O&D PASSENGERS

(calendar years; 1998=100)



Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

In terms of total numbers of international passengers in 2008, the Airport ranked second among U.S. airports (see Table 18). The number of international passengers at MIA declined in excess of the national rate between 1998 and 2003, and increased at half the national rate between 2003 and 2008, due to passenger growth at other international gateways mentioned previously. In net terms, international passenger volumes at MIA in 2008 increased 3.2% above the 1998 number. By contrast, total international passengers increased 28.4% at all U.S. airports and more than doubled (+153.0%) at FLL, albeit from a small base, over the 10-year period.

Table 18

COMPARATIVE TRENDS IN INTERNATIONAL ENPLANED PASSENGERS

Top 20 U.S. Airports

(calendar years; passengers in thousands)

2008 Rank	Airport	International enplaned passengers 1998	2003	2008	Compound annual growth rate 1998-2003	2003-2008	2008 as percent of 1998
1	New York-Kennedy	8,515	7,497	11,015	(2.5)%	8.0%	129.4%
2	**Miami**	**7,801**	**6,987**	**8,047**	**(2.2)**	**2.9**	**103.2**
3	Los Angeles	7,036	6,655	8,028	(1.1)	3.8	114.1
4	Chicago-O'Hare	4,220	4,376	5,492	0.7	4.6	130.2
5	New York-Newark	3,545	3,717	5,456	1.0	8.0	153.9
6	Atlanta	2,356	3,053	4,581	5.3	8.4	194.4
7	San Francisco	3,292	3,199	4,158	(0.6)	5.4	126.3
8	Houston-Bush	2,153	2,701	3,873	4.6	7.5	179.9
9	Wash. DC-Dulles	1,531	1,926	2,952	4.7	8.9	192.9
10	Dallas/Fort Worth	2,111	2,009	2,450	(1.0)	4.0	116.1
11	Detroit	1,468	1,592	1,901	1.6	3.6	129.5
12	Philadelphia	1,093	1,524	1,826	6.9	3.7	167.1
13	Boston	1,681	1,716	1,757	0.4	0.5	104.5
14	Honolulu	2,631	1,721	1,722	(8.1)	0.0	65.4
15	**Fort Lauderdale**	**606**	**612**	**1,534**	**0.2**	**20.2**	**253.0**
16	Seattle	912	1,052	1,414	2.9	6.1	155.1
17	Orlando	954	901	1,298	(1.1)	7.6	136.1
18	Minneapolis/St. Paul	1,088	1,134	1,280	0.8	2.5	117.7
19	Charlotte	296	703	1,142	18.9	10.2	386.1
20	Guam	1,292	871	1,141	(7.6)	5.6	88.4
	Total---Top 20 Airports	54,578	53,946	71,066	(0.2)%	5.7%	130.2%
	All Other	7,586	7,610	8,758	0.1	2.9	115.4
	Total---All U.S. Airports	**62,164**	**61,556**	**79,824**	**(0.2)%**	**5.3%**	**128.4%**

Note: Percentages shown were calculated using unrounded numbers.

Source: U.S. DOT, Schedules T100 and 298C T1.

MIA is a major connecting hub. An estimated 7.0 million passengers connected between flights at MIA in FY 2009, representing 44% of all revenue passengers enplaned at the Airport. Nearly 6.0 million of those connecting passengers were connecting to, from, or between international flights. New York's John F. Kennedy International Airport (JFK), MIA, and Los Angeles International Airport (LAX) are the busiest international gateway airports in the United States. Among all U.S. airports, MIA offers the most departing seats for Latin America (South America and Central America, excluding Mexico) and Caribbean travel (see Table 19). MIA is also a significant connecting point for travel between Europe and Latin America.

Table 19

SCHEDULED INTERNATIONAL DEPARTING SEATS, BY WORLD REGION DESTINATION

Top 20 U.S. Gateway Airports
(calendar year 2009)

		Average daily departing seats										
		Caribbean and Latin America										
Rank	City (Airport)	Bahamas	Other Caribbean *(a)*	South America	Central America	Total	Mexico	Canada	Europe	Asia	Other *(b)*	Total
1	New York-Kennedy	332	6,057	2,740	543	9,673	1,443	1,258	18,136	4,164	4,314	38,988
2	**Miami**	**1,372**	**6,943**	**9,526**	**4,108**	**21,949**	**1,909**	**1,105**	**3,736**	**-**	**-**	**28,699**
3	Los Angeles	-	10	622	1,103	1,735	4,708	2,622	4,622	7,303	4,763	25,752
4	New York-Newark	192	1,467	424	582	2,665	802	2,834	10,191	1,645	827	18,964
5	Chicago-O'Hare	1	262	183	73	519	2,178	4,411	8,030	3,271	453	18,862
6	Atlanta	476	1,830	1,933	1,348	5,587	1,493	848	5,571	1,079	1,067	15,646
7	Houston-Bush	27	375	1,197	2,838	4,437	4,792	1,234	2,746	283	464	13,957
8	San Francisco	-	-	-	170	170	1,078	1,992	3,391	6,022	1,083	13,736
9	Washington DC-Dulles	-	98	566	417	1,081	239	903	6,145	1,144	1,240	10,752
10	Dallas/Ft. Worth	42	105	766	587	1,500	3,361	1,400	1,764	637	-	8,662
11	Philadelphia	208	959	-	6	1,173	448	1,049	4,244	-	128	7,042
12	Boston	74	629	-	-	703	123	1,106	4,485	-	54	6,471
13	**Fort Lauderdale**	**1,347**	**1,987**	**578**	**547**	**4,459**	**220**	**1,025**	**-**	**-**	**-**	**5,704**
14	Honolulu	-	-	-	-	-	-	361	-	4,430	619	5,410
15	Detroit	30	78	-	-	108	437	1,048	2,166	1,091	24	4,874
16	Orlando	210	239	363	360	1,172	396	1,105	2,110		-	4,784
17	Seattle	-	-	-	-	-	338	2,019	1,176	1,238	-	4,770
18	Guam	-	-	-	-	-	-	-	-	3,961	260	4,220
19	Charlotte	451	1,525	10	190	2,176	584	490	946	-	-	4,196
20	Minneapolis/St. Paul	-	68	-	-	68	583	1,711	1,118	409	-	3,888
	Total---Top 20 gateways	4,762	22,633	18,909	12,872	59,176	25,132	28,522	80,576	36,676	15,296	245,377
	All other gateways	298	3,509	148	329	4,284	5,866	12,815	4,011	1,892	124	28,993
	Total---All U.S. gateways	**5,060**	**26,142**	**19,057**	**13,201**	**63,460**	**30,998**	**41,337**	**84,587**	**38,568**	**15,419**	**274,370**

Note: Columns and rows may not add to totals shown because of rounding.

(a) Excludes the Bahamas.
(b) Other includes Australia, New Zealand, the South Pacific, Africa, and the Middle East.

Source: *Official Airline Guide.*

American Airlines, in conjunction with the integrated route network of its American Eagle partner, conducts the only domestic airline hubbing activity of any significance at MIA. Passengers connect between American's jet flights to and from Puerto Rico and the Virgin Islands and its other domestic flights at MIA. Passengers also connect at MIA between American Eagle flights (which link the Airport with smaller Florida cities and the Bahamas using mostly turboprop aircraft and with small cities in the eastern United States using regional jets) and American's jet flights. American also accounts for the vast majority of passengers connecting between domestic and international flights (gateway connections) at MIA.

Role in the American Airlines Route System

American Airlines, the primary carrier at MIA, is the world's second-largest airline in terms of enplaned passengers. The airline has significant shares of the U.S. domestic, transatlantic, and Latin American markets. American's largest hubs, in terms of enplaned passengers, are at Dallas/Fort Worth International Airport, Chicago O'Hare International Airport, and MIA. Within American's U.S. airport network, MIA ranked first in terms of passengers enplaned on international flights, with more than double the number enplaned at its second-ranked gateway (Dallas/Fort Worth). See Table 20. MIA ranked third in American's network in terms of domestic enplaned passengers.

In the second quarter of 2009, while AMR's unit costs* declined 12.8% compared to unit costs in the second quarter of 2008, its unit revenue declined 16.0%. AMR cited weak travel demand and low fare yields, resulting from aggressive industry-wide pricing and reduced premium travel, as the primary reasons. Second quarter 2009 system-wide revenue passenger-miles (RPMs) declined 8.3% year-over-year with a 7.8% decline in available seat-miles (ASMs) resulting in a decline in load factor over the period from 81.8% to 81.3%.** In AMR's second quarter 2009 earnings report, Chairman and CEO Gerard Arpey stated:

> The challenges for our industry and company have continued throughout 2009. With ongoing global economic weakness and the resulting effect on travel demand, revenues are down sharply from a year ago. The spot price of oil, while much lower than this time last year, has risen since early this year and remains volatile. Even as we face these hurdles, however, we continue to focus on improvements in areas within our control. We bolstered liquidity and obtained additional committed financing related to our fleet renewal program. We also improved in our dependability and customer experience measures and announced additional capacity reductions as we seek the right balance between supply and demand.

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*Airline unit costs and unit revenue are measured per available seat-mile.
**Including American Eagle regional affiliate.

Table 20

PASSENGERS ENPLANED ON SCHEDULED FLIGHTS OPERATED BY AMERICAN AIRLINES

Top U.S. City Markets in American's System
(calendar years)

2008 Rank	City market	Enplaned passengers (thousands) 1998	2005	2006	2007	2008
DOMESTIC FLIGHTS:						
1	Dallas/Fort Worth *(a)*	18,275	21,528	22,283	22,237	21,298
2	Chicago *(b)*	10,935	12,491	12,183	11,998	10,792
3	**Miami**	**4,895**	**5,657**	**6,125**	**6,303**	**6,278**
	Percent of total	***6.6%***	***6.0%***	***6.4%***	***6.6%***	***7.1%***
4	Los Angeles *(c)*	3,906	6,129	6,017	6,037	5,624
5	New York *(d)*	4,814	6,211	6,190	5,989	5,464
6	San Francisco *(e)*	2,045	2,822	2,777	2,755	2,465
7	Wash. DC/Baltimore *(f)*	1,857	2,612	2,541	2,460	2,254
8	San Juan	2,235	2,565	2,453	2,402	1,963
9	Boston	1,618	2,318	2,103	2,024	1,903
10	St. Louis	306	2,108	2,179	2,153	1,879
	All other markets	23,332	30,445	30,777	30,722	28,176
	Total---All markets	74,219	94,884	95,628	95,080	88,097
INTERNATIONAL FLIGHTS:						
1	**Miami**	**3,843**	**4,187**	**4,447**	**4,799**	**5,102**
	Percent of total	***40.6%***	***36.3%***	***37.4%***	***39.9%***	***43.1%***
2	Dallas/Fort Worth *(a)*	1,606	2,093	2,181	2,104	2,024
3	New York *(d)*	1,547	2,174	2,136	2,111	2,018
4	Chicago *(b)*	1,185	1,307	1,375	1,339	1,247
5	San Juan	754	779	790	789	605
6	Los Angeles *(c)*	108	362	372	397	370
7	Boston	204	365	334	304	236
8	Fort Lauderdale	10	82	90	97	147
9	Raleigh/Durham	47	54	54	56	58
10	Wash. DC/Baltimore *(f)*	4	11	11	12	11
	All other markets	1,762	2,214	2,288	2,134	2,042
	Total---All markets	9,464	11,535	11,898	12,039	11,836

Notes: Includes enplaned passengers on American, American Eagle, and Executive. Columns may not add to totals shown because of rounding.

(a) Market is served by Dallas/Fort Worth Airport and Love Field.
(b) Market is served by O'Hare and Midway airports.
(c) Market is served by Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.
(d) Market is served by LaGuardia, Kennedy, and Newark airports.
(e) Market is served by San Francisco, San Jose, and Oakland airports.
(f) Market is served by Reagan, Dulles, and Baltimore airports.

Source: U.S. DOT, Schedule T100.

It is worth noting that American's announced capacity increases at MIA (departing seats up 1.1% year-over-year in the first 6 months of 2010) are in contrast to its planned cut in systemwide capacity (down 2.8%), according to advance published *Official Airline Guide* flight schedules. This increase at MIA (and a 1.2% year-over-year increase in capacity at San Juan's Luis Muñoz Marín International Airport) compares favorably to capacity changes planned at American's other major hubs during the same time period, ranging from flat capacity at Los Angeles International Airport to a 37.4% reduction at Lambert-St. Louis International Airport. This variance in systemwide capacity allocation would suggest that many markets served by American from MIA tend to be more profitable than others in American's system.

Role in Alliance Networks

American Airlines is the founding member of the **one**world alliance, which includes American, British Airways, Cathay Pacific Airways, Finnair, Iberia Airlines, Japan Airlines, LAN Airlines, MALEV Hungarian Airlines, Qantas Airways, and Royal Jordanian Airlines and their respective affiliates. The alliance links the networks of the member airlines to enhance customer service and improve connections. The alliance members also link their frequent flier programs and share airport lounge facilities. As of November 2009, the alliance offered 8,387 daily flights at 727 airports in 142 countries; American operated 3,410 daily flights at 256 airports in 52 countries.*

Market shares at MIA are highly concentrated among **one**world alliance partners, which accounted for 76.2% of departing seats on domestic flights and 70.5% of departing seats on international flights at the Airport in October 2009. The major competing alliances at MIA are the SkyTeam alliance and the Star alliance. Airlines that are not members of one of these three alliances accounted for 1.9% of departing seats on domestic flights and 20.7% of departing seats on international flights at the Airport in October 2009 (see Table 21). At FLL, by comparison, nonaligned carriers (primarily LCCs) accounted for 65.7% of total departing seats.

Foreign governments sometimes limit the rights of U.S. airlines to carry passengers beyond the designated gateway city in a foreign country. To improve access to foreign markets, American, similar to other major U.S. airlines that provide international service, has established marketing relationships in addition to the **one**world alliance with other airlines and rail companies.**

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*According to the **one**world alliance website.

**American Airlines has such marketing relationships with Air Pacific, Air Tahiti Nui, Alaska Airlines, Brussels Airlines, China Eastern Airlines, Dragonair, Deutsche Bahn German Rail, El Al, EVA Air, Gulf Air, Hawaiian Airlines, Jet Airways, Mexicana, SNCF French Rail, and Vietnam Airlines.

Table 21

SCHEDULED DEPARTING SEATS BY ALLIANCE GROUP
Miami International Airport

Alliance group *(a)*	Average daily domestic seats			Average daily international seats		
Carrier	2007	2008	2009	2007	2008	2009
oneworld alliance:						
American	19,667	19,679	18,070	15,840	15,868	15,062
American Eagle	1,787	1,458	1,605	990	1,122	1,018
British Airways	-	-	-	598	598	598
Iberia	-	-	-	369	281	284
LAN *(b)*	-	-	-	1,166	1,200	1,302
oneworld total	**21,454**	**21,137**	**19,675**	**18,964**	**19,069**	**18,264**
Percent of total	*76.7%*	*79.3%*	*76.2%*	*70.0%*	*68.4%*	*70.5%*
SkyTeam alliance *(c)*	2,735	2,484	2,879	1,291	1,508	1,453
Star alliance *(d)*	3,053	2,521	2,782	771	701	835
All other carriers	744	519	486	6,062	6,619	5,359
Airport total	**27,985**	**26,661**	**25,822**	**27,088**	**27,896**	**25,912**

Notes: For October of years noted.
Columns may not add to totals shown because of rounding.

(a) Alliance members as of November 2, 2009.
(b) Includes LAN Airlines, LAN Argentina, LAN Ecuador, and LAN Peru.
(c) SkyTeam Alliance carriers serving MIA include Aeromexico, Air France, Alitalia, Delta, and Northwest. COPA, a SkyTeam Associate, is also included.
(d) Star Alliance carriers serving MIA include Air Canada, Continental, Lufthansa, Swiss, United, and US Airways. Continental left SkyTeam and joined the Star alliance on Oct. 27, 2009, but was included with Star Alliance in all years shown.

Source: *Official Airline Guide.*

Role as a Cargo Hub

MIA is a major transshipment point for international air cargo. The Airport is the second largest international air cargo hub after Anchorage International Airport and accommodates nearly as much international air cargo as the next two largest hubs—JFK and LAX—combined. International cargo accommodated at MIA has grown 20.4% since 2003 (see Table 22).

Table 22

COMPARATIVE TRENDS IN INTERNATIONAL AIR CARGO
At Top 10 U.S. Airports
(calendar years)

2008 Rank	City(-Airport)	Onboard air cargo weight (tons, in thousands) *(a)* 1998	2003	2008	Percent increase/ (decrease) 1998-2003	2003-2008
1	Anchorage	1,567.4	2,162.3	2,435.1	38.0%	12.6%
2	**Miami**	**1,535.4**	**1,382.8**	**1,664.8**	**(9.9)**	**20.4**
3	New York-Kennedy	1,014.2	906.0	931.5	(10.7)	2.8
4	Los Angeles	485.4	604.0	761.0	24.4	26.0
5	Chicago-O'Hare	474.4	524.6	636.8	10.6	21.4
6	New York-Newark	284.3	308.5	328.1	8.5	6.3
7	Atlanta	214.3	232.0	289.0	8.2	24.6
8	Memphis	150.8	197.5	286.9	31.0	45.3
9	San Francisco	281.2	299.4	274.2	6.5	(8.4)
10	Washington DC-Dulles	116.0	126.5	194.8	9.1	53.9

Notes: Cargo data obtained from U.S. DOT differs from cargo data reported to the airports by the carriers. Percentages were calculated using unrounded numbers.

(a) Includes total enplaned, deplaned and through freight and mail onboard scheduled and nonscheduled (i.e., charter) flights departing to and arriving from non-U.S. destinations, excluding Canada.

Source: U.S. DOT, Schedule T100.

2.3.2 Airline Service at MIA and Competing Airports

Table 23 lists all airlines that served the Airport during FY 2009.

Figure 5 shows the U.S. airports linked with MIA by scheduled daily nonstop or one-stop domestic flights in October 2009. Although the majority of nonstop destinations are in the eastern United States, seven are west of the Mississippi River.

In October 2009, about 87% of the scheduled international passenger flights at MIA operated to Latin America, Mexico, and the Caribbean (see Figure 6 for destinations served by nonstop or one-stop direct flights). In addition, an average of 15 daily flights operated from MIA to transatlantic destinations (see Figure 7), and an average of 6 daily flights operated from MIA to Canadian destinations.

Table 23

CARRIERS REPORTING ENPLANED PASSENGERS AND AIR CARGO

Miami International Airport
(for Fiscal Year 2009)

U.S. Carriers (47)

Passenger/Cargo Services *(a)*	Passengers	Cargo
AirTran	X	
Alaska	X	X
Allegiant *(b)*	X	
American	X	X
American Eagle (AA)	X	
Comair (DL)	X	
Continental	X	X
Delta *(d)*	X	X
Gulfstream Intl. (CO)	X	
Miami Air Intl. *(b)*	X	
Northwest *(d)*	X	X
Shuttle America (UA)	X	
Sky King *(b)*	X	
Sun Country	X	
United	X	X
US Airways	X	X
Vision *(b)*	X	
All-Cargo Services		
ABX Air		X
Air Tahoma		X
Air Transport Intl.		X
Amerijet Intl.		X
Arrow		X
Atlas Air		X
Capital Cargo		X
Centurion Air Cargo		X
DHL Airways		X
FedEx		X
Florida West		X
IBC Airways		X
IFL Group		X
Mountain Air Cargo		X
Polar		X
Prams Air		X
Skyway		X
Southern Air		X
Tradewinds		X
UPS		X

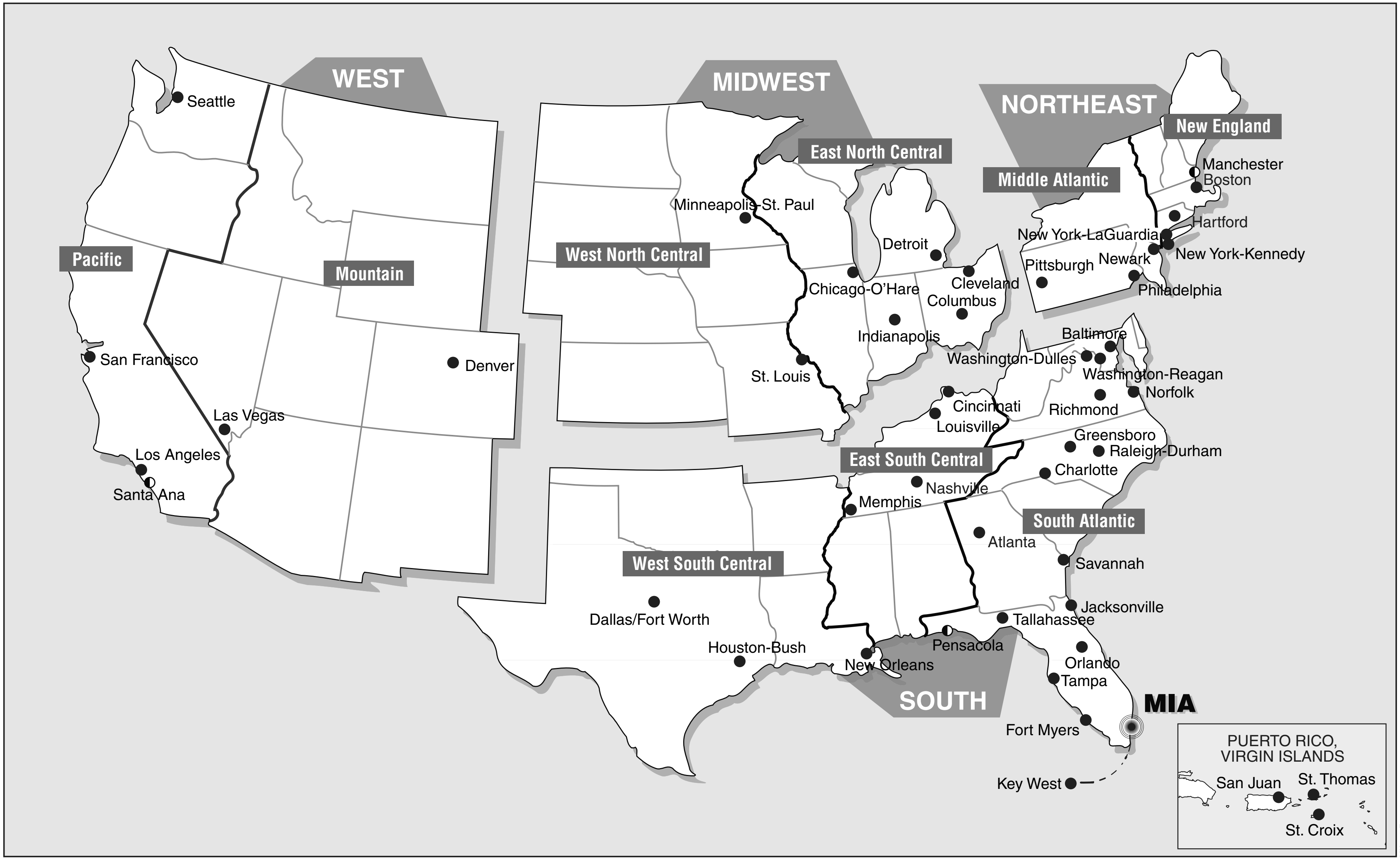
Foreign-Flag Carriers (45)

South America	Passengers	Cargo
Aerogal	X	
Aerolineas Argentinas	X	X
Aerosur (Bolivia)	X	
Avianca (Colombia)	X	X
Avior (Venezuela)	X	
Cielos del Peru		X
LAN Airlines (Chile) *(c)*	X	X
LAN Argentina *(c)*	X	X
LAN Ecuador *(c)*	X	X
LAN Peru *(c)*	X	X
LAN Cargo (Chile) *(c)*		X
Master Top (Brazil)		X
Santa Barbara (Venezuela)	X	
Surinam Airways	X	
TAB Cargo (Bolivia)		X
TAM (Brazil)	X	X
TAMPA (Colombia)		X
Mexico and Central America		
Aeromexico	X	X
COPA (Panama)	X	X
DHL AeroExpress (Panama)		X
Estafeta Carga (Mexico)		X
LACSA (Costa Rica) *(e)*	X	X
Mexicana	X	X
TACA Intl. (El Salvador) *(e)*	X	X
Caribbean		
Air Jamaica *(f)*	X	X
Bahamasair	X	
Caribbean (Trinidad)	X	X
Cayman	X	X
Insel Airways (Neth. Antilles)	X	
Europe, Middle East, and Africa		
Air Berlin (Germany) *(g)*	X	X
Air Europa (Spain)	X	
Air France	X	X
Alitalia (Italy)	X	X
Avialeasing (Russia)		X
British Airways	X	X
Cargolux (Luxembourg)		X
Iberia (Spain)	X	X
Lufthansa (Germany)	X	X
Martinair Holland	X	X
SWISS (Switzerland)	X	X
Virgin Atlantic (U.K.)	X	X
Canada		
Air Canada	X	X
Asia		
Cathay Pacific (Hong Kong)		X
China Airlines		X
Korean Air		X

Note: Excludes carriers reporting fewer than 1,000 enplaned passengers or 100 tons of cargo. Certain carriers transported cargo on behalf of other carriers. In such cases, either carrier may have reported the tonnage to MDAD.

(a) Code-sharing airline, if any, in parentheses: AA=American; CO=Continental; DL=Delta.
(b Carrier provided non-scheduled passenger service only.
(c) All members of the LAN Chile Business Group.
(d) Delta and Northwest merged in October 2008 and received a single operating certificate from the FAA in December 2009.
(e) Member of TACA Group.
(f) Air Jamaica ceased service at MIA on February 25, 2009.
(g) LTU Intl. was acquired by Air Berlin and in May 2009 began reporting traffic and cargo as Air Berlin.

Source: MDAD.



LEGEND

● Daily scheduled nonstop service

◐ Daily scheduled one-stop same-plane service

Figure 5

U.S. AIRPORTS SERVED BY DAILY SCHEDULED ROUND TRIP PASSENGER FLIGHTS

Miami International Airport

October 2009

Source: Official Airline Guides, Inc.

JACOBS CONSULTANCY

Note: Domestic destinations in Puerto Rico and the U.S. Virgin Islands are also shown on this map.

LEGEND

- ● Daily scheduled nonstop service
- ◐ Daily scheduled one-stop same-plane service

Figure 6

AIRPORTS IN MEXICO, CENTRAL AMERICA, SOUTH AMERICA, AND THE CARIBBEAN SERVED BY NONSTOP AND ONE-STOP SCHEDULED PASSENGER FLIGHTS

Miami International Airport

October 2009

Source: Official Airline Guides, Inc.

JACOBS CONSULTANCY

LEGEND

- ● Daily scheduled nonstop service
- ◐ Daily scheduled one-stop same-plane service

Source: Official Airline Guides, Inc.

Figure 7

TRANS-ATLANTIC DESTINATIONS
SERVED BY NONSTOP AND ONE-STOP SCHEDULED PASSENGER FLIGHTS

Miami International Airport

October 2009

JACOBS CONSULTANCY

In the 10 years from October 1999 through October 2009, scheduled airline service at MIA declined (see Table 24). The total number of destinations served nonstop declined from 119 to 111, and the number of airlines serving those destinations declined from 52 to 38. The total number of departing seats from MIA declined 23%. Most of the declines occurred between 1999 and 2004.

Table 24

TRENDS IN SCHEDULED SERVICE
Miami International Airport

Destination region / Length of haul *(a)* / Carrier flag	Number of airports served nonstop			Number of carriers serving *(b)*			Scheduled departing seats: Average daily seats			Change	
	1999	2004	2009	1999	2004	2009	1999	2004	2009	1999-2004	2004-2009
TOTAL---All destinations	**119**	**108**	**111**	**52**	**42**	**38**	**66,943**	**54,803**	**51,529**	**-12,141**	**-3,273**
Total domestic	**42**	**44**	**45**	**10**	**10**	**8**	**33,885**	**28,114**	**25,743**	**-5,771**	**-2,371**
Short-haul	10	8	8	6	5	4	8,526	6,322	5,466	-2,204	-856
Medium-short haul	24	28	30	8	8	7	20,741	17,265	16,403	-3,476	-863
Medium-long haul	3	3	3	3	3	2	1,854	1,946	1,584	+92	-362
Long-haul	5	5	4	3	4	2	2,764	2,581	2,290	-183	-291
Total international	**77**	**64**	**66**	**47**	**36**	**31**	**33,058**	**26,689**	**25,787**	**-6,369**	**-902**
U.S. carriers	49	50	54	4	3	1	17,247	15,837	16,042	-1,410	+205
Foreign-flag carriers	62	47	42	43	33	30	15,811	10,852	9,745	-4,959	-1,107
International by region:											
South America	**21**	**18**	**20**	**15**	**12**	**11**	**11,340**	**8,290**	**8,376**	**-3,050**	**+85**
U.S. carriers	12	13	15	2	1	1	5,764	4,770	4,612	-994	-158
Foreign-flag carriers	17	15	16	13	11	10	5,576	3,520	3,764	-2,055	+244
Caribbean	**27**	**21**	**24**	**15**	**10**	**9**	**9,442**	**7,360**	**7,537**	**-2,082**	**+176**
U.S. carriers	22	21	23	4	3	1	6,662	5,803	6,397	-859	+595
Foreign-flag carriers	17	9	8	11	7	8	2,780	1,558	1,139	-1,223	-418
Central America	**9**	**10**	**9**	**6**	**6**	**4**	**3,768**	**4,160**	**3,643**	**+392**	**-517**
U.S. carriers	8	9	9	1	1	1	2,276	2,542	2,591	+266	+49
Foreign-flag carriers	8	8	6	5	5	3	1,492	1,618	1,052	+126	-566
Europe, Mid-East & Africa	**15**	**9**	**8**	**15**	**10**	**10**	**4,876**	**3,618**	**3,668**	**-1,257**	**+50**
U.S. carriers	3	3	3	1	1	1	688	732	729	+44	-3
Foreign-flag carriers	15	9	8	14	9	9	4,188	2,886	2,939	-1,302	+53
Mexico	**3**	**4**	**3**	**4**	**4**	**3**	**2,474**	**2,272**	**1,730**	**-202**	**-542**
U.S. carriers	2	2	2	1	1	1	1,441	1,414	972	-27	-442
Foreign-flag carriers	3	4	3	3	3	2	1,033	858	758	-175	-100
Canada	**2**	**2**	**2**	**3**	**2**	**2**	**1,159**	**988**	**833**	**-171**	**-155**
U.S. carriers	2	2	2	1	1	1	416	576	740	+160	+164
Foreign-flag carriers	2	2	1	2	1	1	743	412	93	-331	-319

Note: Columns and rows may not add to totals shown because of rounding.

(a) Short-haul=less than 600 miles; medium-short haul=600-1,199 miles; medium-long haul=1,200-1,799 miles; long-haul=1,800+ miles.

(b) Each mainline carrier and its code-sharing affiliates were counted as one airline. America West and US Airways were counted as one airline for all years shown.

Source: *Official Airline Guide*, for the first week of October of years noted.

Between 1999 and 2009, service was reduced in both the domestic and international sectors. In the domestic sector, service on routes shorter than 1,200 miles was reduced to a greater extent than service to longer-haul destinations. In the international sector, notable trends were the significant decline in service offered by the foreign-flag carriers compared to a more modest decline in service offered by U.S. carriers.

Between 1999 and 2004, international service at MIA by both U.S. and foreign-flag carriers declined. Between 2004 and 2009, however, international service offered by U.S. carriers (mostly American Airlines) rebounded slightly while the erosion of service by foreign-flag carriers continued.

Service at Competing Airports

Regional competition for domestic passenger traffic and competition among international gateway airports are discussed below.

FLL, the nearest major commercial service airport to MIA, competes with the Airport primarily for domestic passengers. It also competes for international passengers, but on a much more limited scale.

Six of the top eight U.S. airlines (in terms of numbers of enplaned passengers) provide scheduled service at both MIA and FLL; the remaining two top airlines, Southwest Airlines and JetBlue Airways, operate only at FLL. Service on airlines generally recognized as LCCs is largely concentrated at FLL. The world's top three foreign-flag airlines (in terms of numbers of passengers) and the top two all-cargo airlines (in terms of cargo weight carried) provide service at MIA (see Table 25).

Regional Competition for Domestic Passenger Traffic

The availability of scheduled passenger airline service at MIA and other South Florida airports gives consumers a choice of airport, which is the basis for regional competition among airports. In selecting their airport of choice, domestic airline travelers generally evaluate their options in terms of trade-offs among airline service quality (schedule, frequency, number and location of en route stops and connections, total travel time, schedule reliability, aircraft type, etc.), airfares (including ancillary fees and frequent flier benefits), and the cost and convenience of ground access to and from the respective airports.

As airline traffic has grown at FLL, the airport service regions for MIA and FLL increasingly overlap, and travelers to and from South Florida increasingly have a choice of two airports. FLL captured virtually all of the growth in the number of domestic passengers in the South Florida air travel market over the 10 years following the initiation of service by Southwest Airlines at FLL in 1995. Since 2005, however, domestic passenger traffic at FLL has shown considerably more volatility than at MIA (see Figure 8). In the first half of 2009, the number of domestic passengers decreased both at MIA (-1.6%, year-over-year) and, to a much greater extent, at FLL (-13.5%).

Table 25

PASSENGERS ENPLANED AND CARGO HANDLED

Miami and Fort Lauderdale-Hollywood International Airports

(calendar year 2008)

Enplaned passengers

U.S. airlines				Foreign-flag airlines			
Rank	Airline	MIA	FLL	Rank	Airline	MIA	FLL
1	American	11,131,455	708,925	1	Air France/KLM	177,617	-
2	Delta *(a)*	571,686	1,278,525	2	Lufthansa	122,613	-
3	United	100,110	161,722	3	British Airways	216,015	-
4	Continental	390,596	744,587	10	Air Canada	70,176	207,976
5	Northwest *(a)*	192,419	307,243	17	Iberia	115,714	-
6	Southwest	-	1,519,975	20	Virgin Atlantic	105,835	-
7	US Airways *(b)*	395,379	976,559	21	TAM	181,745	-
8	JetBlue	-	1,392,002	33	LAN Airlines	134,258	-
9	AirTran	153,292	631,714	48	Mexicana	160,910	-
15	American Eagle	715,346	-	60	Aeromexico	105,135	-
16	Spirit	-	2,117,091	73	Avianca	288,807	42,326
121	Allegiant	1,783	111,255	74	COPA	110,272	-
n.r.	Gulfstream Intl.	83,549	141,513	129	TACA	228,589	-
				155	Air Jamaica	43,789	124,294
				n.r.	Bahamasair	103,131	95,085
All other U.S. airlines		252,555	295,370	All other foreign-flag airlines		869,105	161,586
Total—U.S. airlines		**13,988,170**	**10,386,481**	**Total—Foreign-flag airlines**		**3,033,711**	**631,267**

Cargo Tonnage Handled

Passenger/Cargo airlines				All-Cargo airlines			
World Rank	Airline	MIA	FLL	World Rank	Airline	MIA	FLL
1	Korean Air	24,965	-	1	FedEx	108,593	97,046
8	British Airways	15,421	-	2	UPS	163,480	11,324
14	American	178,251	1,781	n.r.	Arrow Air	183,630	152
18	LAN Airlines	205,596	-	n.r.	Centurion Air Cargo	183,487	138
n.r.	Martinair	22,000	14	n.r.	Tampa	156,942	-
n.r.	TAM	14,335	-	n.r.	Southern Air	87,585	172
n.r.	Lan Peru	14,175	-	n.r.	Amerijet Int'l	74,753	-
n.r.	Alitalia	11,853	-	n.r.	ABX Air	72,661	52
n.r.	Lan Argentina	11,423	-				
All other psgr/cargo airlines		73,730	23,582	All other all-cargo airlines		389,150	11,631
Total—Psgr/cargo airlines		**571,749**	**25,377**	**Total—All-cargo airlines**		**1,420,280**	**120,515**

- = Did not serve the airport.

n.r.=Not ranked. Columns may not add to totals shown because of rounding.

Notes: The table includes (1) U.S. airlines that enplaned 100,000 passengers or more at MIA or FLL; (2) foreign-flag airlines that enplaned 100,000 passengers or more at MIA or FLL; (3) the passenger/cargo airlines that handled more than 10,000 tons of cargo at either MIA or FLL; and (4) the all-cargo airlines that handled more than 70,000 tons of cargo at either MIA or FLL.

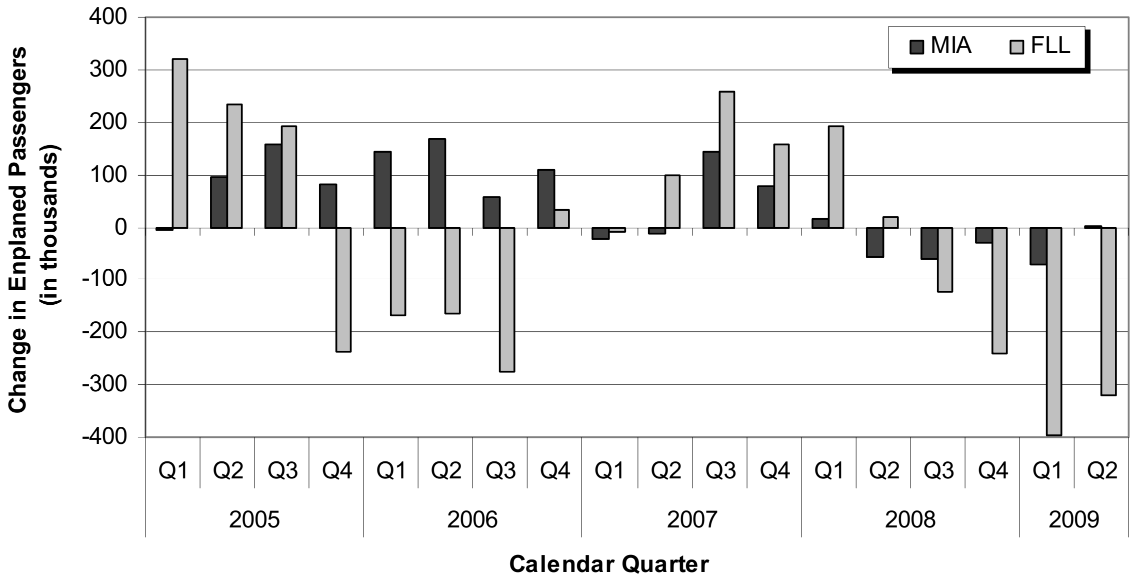
(a) Delta and Northwest merged in October 2008 and received a single operating certificate from the FAA in December 2009.

(b) Includes traffic for both US Airways and America West.

Sources: Data—U.S. DOT, Schedule T100; MDAD.
Rankings—*Airline Business* (August 2009) and *Air Cargo World* (September 2009) magazines.

Figure 8

YEAR-TO-YEAR CHANGES
IN QUARTERLY DOMESTIC ENPLANED PASSENGERS
Miami and Fort Lauderdale-Hollywood International Airports
(January 2005 to June 2009)



Source: U.S. DOT, Schedule T100.

MIA and FLL are 27 miles from one another, about 35 minutes driving distance under uncongested traffic conditions. Because of their proximity, many airline passengers ascribe less importance to airport access and more importance to service and fares in selecting their airport of choice in southeastern Florida. Between 1999 and 2009, the number of domestic departing seats decreased 17% at MIA and increased 30% at FLL (see Table 26).

Table 26

COMPARISON OF SCHEDULED NONSTOP DOMESTIC JET SERVICE IN SOUTH FLORIDA'S TOP 15 DOMESTIC O&D PASSENGER MARKETS

Miami and Fort Lauderdale-Hollywood International Airports

			Average daily departing seats on jet flights							
	City market	Nonstop	1999		2009		Increase/(decrease) 1999-2009		MIA as percent of region	
Rank *(a)*	Airport	mileage *(b)*	MIA	FLL	MIA	FLL	MIA	FLL	1999	2009
1	New York	1,092	5,211	3,484	4,084	5,225	-1,127	1,741	59.9%	43.9%
	LaGuardia		1,720	1,374	1,436	2,396	*-284*	*1,022*	*55.6*	*37.5*
	Newark		1,220	1,446	1,141	1,416	*-79*	*-30*	*45.7*	*44.6*
	Kennedy		2,271	664	1,508	1,413	*-763*	*749*	*77.4*	*51.6*
2	Washington D.C. *(d)*	928	2,908	1,283	1,856	1,974	-1,053	690	69.4	48.5
3	Chicago *(e)*	1,196	2,276	935	1,685	950	-591	15	70.9	63.9
4	Atlanta	595	3,360	3,154	2,466	3,606	-894	452	51.6	40.6
5	Boston	1,258	1,166	644	1,140	524	-26	-120	64.4	68.5
6	Los Angeles *(f)*	2,338	1,451	190	1,190	382	-261	192	88.4	75.7
7	Philadelphia	1,013	857	738	847	954	-10	215	53.7	47.0
8	Detroit	1,145	818	546	417	972	-401	426	59.9	30.0
9	San Juan	1,045	1,543	338	1,246	830	-297	492	82.0	60.0
10	Tampa	204	--	1,543	740	1,308	740	-236	--	36.1
11	San Francisco *(g)*	2,583	788	--	605	--	-183	--	100.0	100.0
12	Las Vegas	2,175	150	150	338	406	188	256	50.0	45.4
13	Dallas/Fort Worth *(h)*	1,121	2,036	1,155	1,542	696	-494	-459	63.8	68.9
14	Houston *(i)*	964	1,185	564	903	1,032	-282	468	67.8	46.6
15	Orlando	193	1,080	1,259	1,140	936	60	-323	46.2	54.9
Total—top 15 markets			24,828	15,984	20,197	19,795	-4,630	3,810	60.8%	50.5%
Other markets			5,172	4,667	4,608	6,970	-564	2,303	52.6	39.8
Total—all markets			**29,999**	**20,651**	**24,805**	**26,764**	**-5,194**	**6,113**	**59.2%**	**48.1%**

		Number of airlines serving *(c)*							
	City market	1999		2009		Increase/(decrease) 1999-2009		MIA vs FLL Gap	
Rank *(a)*	Airport	MIA	FLL	MIA	FLL	MIA	FLL	1999	2009
1	New York	6	7	3	4	-3	-3	-1	-1
	LaGuardia	*2*	*4*	*1*	*3*	*-1*	*-1*	*-2*	*-2*
	Newark	*2*	*3*	*2*	*2*	-	*-1*	*-1*	--
	Kennedy	*4*	*3*	*2*	*2*	*-2*	*-1*	*1*	--
2	Washington D.C. *(d)*	3	4	3	5	--	1	-1	-2
3	Chicago *(e)*	2	3	2	3	--	--	-1	-1
4	Atlanta	4	2	3	3	-1	1	2	-
5	Boston	1	2	1	2	--	--	-1	-1
6	Los Angeles *(f)*	2	1	1	3	-1	2	1	-2
7	Philadelphia	2	1	2	2	--	1	1	--
8	Detroit	2	2	2	2	--	--	--	--
9	San Juan	1	2	1	2	--	--	-1	-1
10	Tampa	--	2	1	2	1	--	-2	-1
11	San Francisco *(g)*	2	--	1	--	-1	--	2	1
12	Las Vegas	1	1	1	3	-	2	--	-2
13	Dallas/Fort Worth *(h)*	1	2	1	1	-	-1	-1	--
14	Houston *(i)*	2	1	2	2	-	1	1	--
15	Orlando	3	2	1	3	-2	1	1	-2
Total—top 15 markets		9	12	7	10	-2	-2	-3	-3
Other markets									
Total—all markets		**9**	**13**	**8**	**11**	**-1**	**-2**	**-4**	**-3**

Notes: As defined herein, the South Florida airports include Miami and Fort Lauderdale-Hollywood international airports. Columns may not add to totals shown because of rounding.

(a) Top 15 city markets ranked by total domestic O&D passengers for calendar year 2008.
(b) Nonstop air miles from Miami International Airport.
(c) Each mainline carrier and its code-sharing affiliates are counted as one airline.
(d) Market is served by Reagan, Dulles, and Baltimore airports.
(e) Market is served by Midway and O'Hare airports.
(f) Market is served by Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.
(g) Market is served by San Francisco, San Jose, and Oakland airports.
(h) Market is served by Dallas/Fort Worth Airport and Love Field.
(i) Market is served by Hobby and Bush airports.

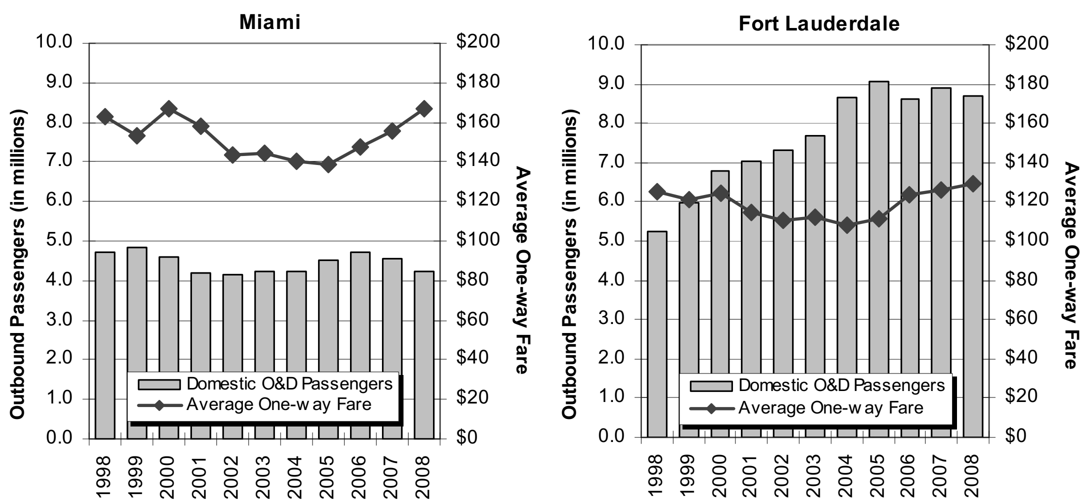
Source: *Official Airline Guide*, for the first week of October of years noted.

Since 1998, the average airfare paid was substantially higher at MIA than at FLL (see Figure 9). In 2001 and 2002, attempting to stimulate traffic and fill seats, the airlines generally introduced much lower airfares nationwide. Although the average domestic fares paid at MIA and FLL changed relatively little between 2002 and 2005, domestic O&D traffic increased 8% at MIA and 24% at FLL in response to demand growth and service improvements at both airports. Between 2005 and 2008, average airfares paid at both airports increased significantly (up 20% at MIA and 16% at FLL). Higher airfares and the widespread introduction of ancillary fees (which are not reflected in average airfares) were, at least in part, the cause of a reduction in domestic O&D traffic (down 6% at MIA and 4% at FLL) over the same period.

Since 1998, the average distance traveled by domestic O&D passengers at MIA has been only 5-10% longer than at FLL, meaning that differences in average airfares paid at the two airports do not result simply from passengers traveling different distances. The greater number of premium-fare passengers at MIA and the greater concentration of LCCs at FLL contribute significantly to the airfare difference.

Figure 9

TRENDS IN DOMESTIC O&D PASSENGERS AND AIRLINE FARES
Miami and Fort Lauderdale-Hollywood International Airports
(calendar years)



Notes: Average one-way fares are net of all taxes, fees, and PFCs.
Because average fares do not include ancillary charges, such as bag check fees, they increasingly understate the true cost of air travel.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Similar trends are evident in the airports' city-pair markets. Table 27 presents a comparison of domestic O&D passengers and average fares paid at MIA and FLL for the South Florida region's top 15 domestic O&D city-pair markets. Between 1998 and 2008, the share of the South Florida domestic O&D market accommodated at MIA declined from 47.4% to 32.8%. MIA's market share in each of the top 15 markets declined between 1998 and 2008. Over the same period, the overall gap in average fares paid at the two airports stayed constant. Although the fare gap widened in the New York area market, South Florida's largest, airfare trends in the other top 15 markets were mixed.

Competition among International Gateway Airports

The availability of international service at MIA and other U.S. airports gives consumers a choice of international flights via those airports, which is the basis for gateway competition. International airline travelers generally evaluate their flight options in terms of trade-offs among airline service level (schedule, frequency, number and location of en route stops and connections, total travel time, schedule reliability, aircraft type, etc.) and airfares (including ancillary fees and frequent flier benefits). Total travel time is significantly affected by the directness of the itinerary routing and by the connecting time between flights at the gateway airport and other en route airports.

Consumers have an increasing number of international flight options via other U.S. gateway airports for travel between the United States and the Caribbean, South America, and Central America, which increases competition for MIA. Between October 1999 and October 2009, MIA lost market share, as measured by departing seats, and experienced a decline in the actual number of departing seats in each of these regions (see Table 28).

Between October 1999 and October 2009, the total number of seats offered from U.S. gateway airports to Caribbean destinations declined by 1,200, or 0.8%. MIA lost market share (down 8.7 percentage points), while the New York area airports, FLL, Hartsfield-Jackson Atlanta International Airport (ATL), and Charlotte Douglas International Airport gained market share. The total number of departing seats offered from U.S. gateway airports to South America declined by 17,300, or 12.7%. MIA lost market share (down 8.9 percentage points), as did the New York area airports, while ATL and Bush Intercontinental Airport/Houston (IAH) gained market share. It is worth noting that the decline at MIA in the number of seats to the Caribbean and South America occurred in the first half of the 10-year period; since 2004, the number of seats departing from MIA to both regions has increased.

Table 27

COMPARISONS OF DOMESTIC O&D PASSENGERS AND AVERAGE FARES PAID IN SOUTH FLORIDA'S TOP 15 DOMESTIC O&D PASSENGER MARKETS

Miami and Fort Lauderdale-Hollywood International Airports
(calendar years)

		Average daily domestic outbound O&D revenue passengers							
	City market	CY 1998		CY 2008		Increase/(decrease) CY 1998-CY 2008		MIA as percent of region	
Rank *(a)*	Airport	MIA	FLL	MIA	FLL	MIA	FLL	CY1998	CY2008
1	New York	2,669	2,419	2,222	4,482	(446)	2,064	52.5%	33.1%
	LaGuardia	*830*	*1,168*	*1,013*	*1,832*	*183*	*664*	*41.5*	*35.6*
	Newark	*712*	*774*	*649*	*1,353*	*(63)*	*579*	*47.9*	*32.4*
	Kennedy	*1,127*	*477*	*560*	*1,298*	*(566)*	*820*	*70.2*	*30.2*
2	Washington D.C. *(c)*	602	894	794	1,579	192	685	40.2	33.5
3	Chicago *(d)*	679	712	771	1,019	91	307	48.8	43.1
4	Atlanta	505	952	608	1,179	103	227	34.6	34.0
5	Boston	403	569	374	964	(29)	395	41.5	28.0
6	Los Angeles *(e)*	521	407	630	654	110	248	56.1	49.1
7	Philadelphia	299	420	375	862	76	442	41.6	30.3
8	Detroit	266	353	208	700	(59)	347	43.0	22.9
9	San Juan	603	89	353	449	(250)	360	87.1	44.0
10	Tampa	287	663	162	509	(126)	(154)	30.2	24.1
11	San Francisco *(f)*	356	184	367	289	11	106	65.9	55.9
12	Las Vegas	165	183	215	436	50	253	47.5	33.0
13	Dallas/Fort Worth *(g)*	244	281	300	351	56	70	46.5	46.1
14	Houston *(h)*	220	178	270	308	50	129	55.2	46.7
15	Orlando	340	465	181	344	(159)	(121)	42.2	34.5
Total—top 15 markets		8,161	8,770	7,831	14,126	(330)	5,357	48.2%	35.7%
Total—other markets		4,767	5,594	3,808	9,757	(959)	4,163	46.0	28.1
Total—all markets		**12,928**	**14,364**	**11,639**	**23,883**	**(1,289)**	**9,519**	**47.4%**	**32.8%**

		Average one-way fare paid *(b)*							
	City market	CY 1998		CY 2008		Percent Increase/(decrease) CY 1998-CY 2008		MIA vs FLL Gap	
Rank *(a)*	Airport	MIA	FLL	MIA	FLL	MIA	FLL	CY1998	CY2008
1	New York	$132.58	$124.96	$145.62	$124.91	9.8%	0.0%	$7.62	$20.71
	LaGuardia	*156.07*	*123.70*	*146.47*	*111.39*	*(6.1)*	*(10.0)*	*32.37*	*35.09*
	Newark	*137.01*	*137.31*	*149.89*	*137.60*	*9.4*	*0.2*	*(0.29)*	*12.28*
	Kennedy	*112.48*	*108.05*	*139.14*	*130.78*	*23.7*	*21.0*	*4.43*	*8.37*
2	Washington D.C. *(c)*	153.73	106.82	143.87	114.52	(6.4)	7.2	46.91	29.35
3	Chicago *(d)*	156.26	142.25	142.96	130.02	(8.5)	(8.6)	14.01	12.94
4	Atlanta	127.56	99.33	130.37	99.45	2.2	0.1	28.24	30.92
5	Boston	157.07	120.13	170.55	133.47	8.6	11.1	36.93	37.09
6	Los Angeles *(e)*	234.04	167.26	243.83	168.79	4.2	0.9	66.78	75.04
7	Philadelphia	160.85	140.31	135.30	112.78	(15.9)	(19.6)	20.55	22.52
8	Detroit	137.36	116.99	145.72	113.42	6.1	(3.0)	20.38	32.30
9	San Juan	156.17	162.40	163.28	98.17	4.5	(39.5)	-6.23	65.10
10	Tampa	104.89	71.59	105.00	77.63	0.1	8.4	33.31	27.37
11	San Francisco *(f)*	241.74	210.07	231.93	172.49	(4.1)	(17.9)	31.67	59.45
12	Las Vegas	169.69	145.06	218.55	162.78	28.8	12.2	24.63	55.77
13	Dallas/Fort Worth *(g)*	200.80	168.32	178.08	167.03	(11.3)	(0.8)	32.48	11.06
14	Houston *(h)*	149.55	139.89	163.04	155.31	9.0	11.0	9.65	7.73
15	Orlando	213.92	62.01	109.84	61.37	(48.7)	(1.0)	151.91	48.47
Total—top 15 markets		$156.85	$120.70	$159.62	$123.05	1.8%	2.0%	$36.15	$36.57
Other markets		172.73	131.72	181.13	137.41	4.9	4.3	41.01	43.72
Total—all markets		**$162.70**	**$124.99**	**$166.66**	**$128.92**	**2.4%**	**3.1%**	**$37.72**	**$37.74**

Note: As defined here, South Florida airports include Miami and Fort Lauderdale-Hollywood international airports. Columns may not add to totals shown because of rounding.

(a) Top 15 city markets ranked by total domestic O&D passengers for calendar year 2008.
(b) Average one-way fares are net of all taxes, fees, and PFCs.
(c) Market is served by Reagan, Dulles, and Baltimore airports.
(d) Market is served by Midway and O'Hare airports.
(e) Market is served by Los Angeles, Burbank, Long Beach, Ontario, and Orange County airports.
(f) Market is served by San Francisco, San Jose, and Oakland airports.
(g) Market is served by Dallas/Fort Worth Airport and Love Field.
(h) Market is served by Hobby and Bush airports.

Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 28

RANKING OF U.S. CITIES
BY GATEWAY SHARES OF INTERNATIONAL DEPARTING SEATS

Destination area / U.S. gateway city	2009 Rank	1999 Seats	1999 Share	2004 Seats	2004 Share	2009 Seats	2009 Share
Caribbean (includes Bahamas)		**149,329**		**154,723**		**148,171**	
Miami	**1**	**66,094**	**44.3%**	**51,522**	**33.3%**	**52,757**	**35.6%**
New York *(a)*	2	38,062	25.5	46,183	29.8	42,429	28.6
Fort Lauderdale	3	11,847	7.9	10,088	6.5	19,643	13.3
Atlanta	4	8,482	5.7	11,485	7.4	9,805	6.6
Charlotte	5	4,215	2.8	7,059	4.6	6,660	4.5
All other U.S. gateways		20,629	13.8	28,386	18.3	16,877	11.4
South America		**136,806**		**102,582**		**119,491**	
Miami	**1**	**79,381**	**58.0%**	**58,033**	**56.6%**	**58,631**	**49.1%**
New York *(a)*	2	30,039	22.0	16,715	16.3	19,892	16.6
Atlanta	3	5,809	4.2	7,322	7.1	12,255	10.3
Dallas/Ft. Worth	4	6,055	4.4	6,493	6.3	5,223	4.4
Houston	5	3,829	2.8	5,047	4.9	8,761	7.3
All other U.S. gateways		11,693	8.5	8,972	8.7	14,729	12.3
Central America (excludes Mexico)		**56,457**		**74,081**		**71,898**	
Miami	**1**	**26,375**	**46.7%**	**29,122**	**39.3%**	**25,504**	**35.5%**
Houston	2	10,796	19.1	12,927	17.4	13,118	18.2
Los Angeles	3	4,580	8.1	8,775	11.8	6,567	9.1
Atlanta	4	5,712	10.1	5,779	7.8	6,822	9.5
New York *(a)*	5	3,519	6.2	6,299	8.5	6,283	8.7
All other U.S. gateways		5,475	9.7	11,179	15.1	13,604	18.9

Notes: For the first week of October of years noted.
Excludes gateway cities in Alaska, Hawaii, Puerto Rico, the U.S. Virgin Islands, and the Pacific Trust Islands.

(a) Includes Kennedy, Newark, and LaGuardia airports.

Source: *Official Airline Guide.*

By contrast, the total number of departing seats offered from U.S. gateway airports to Central America increased by 15,400, or 27.4%. MIA saw only a minor decline in departing seats to Central America but lost market share (down 11.2 percentage points) of an expanding market, while LAX and the New York area airports gained market share.

In the period from 2006 through 2008, MIA's gateway share of total passengers between the United States and the Caribbean, South America, and Central America, taken together, increased marginally (from 33.6% to 34.4%) (see Table 29). While MIA's shares of gateway traffic destined for Central America and South America declined, its share of gateway traffic destined for the Caribbean increased.

Table 29

RECENT CHANGES IN MIA SHARE OF GATEWAY PASSENGER TRAFFIC FROM THE UNITED STATES TO THE CARIBBEAN AND LATIN AMERICA

(calendar years)

	Departing passengers (in thousands) *(a)*			Increase/(decrease) Passengers (in thousands)		Percent	
Destination region U.S. gateway airport	2006	2007	2008	2006-2007	2007-2008	2006-2007	2007-2008
Caribbean *(b)*	**8,604**	**8,699**	**8,596**	**95**	**-103**	**1.1%**	**-1.2%**
MIA	2,197	2,277	2,377	80	100	3.6	4.4
MIA share	***25.5%***	***26.2%***	***27.7%***				
All other gateways	6,406	6,422	6,219	15	-203	0.2	-3.2
South America	**4,379**	**4,770**	**5,011**	**390**	**241**	**8.9%**	**5.0%**
MIA	2,244	2,434	2,514	190	80	8.5	3.3
MIA share	***51.2%***	***51.0%***	***50.2%***				
All other gateways	2,136	2,336	2,497	200	161	9.4	6.9
Central America *(c)*	**3,287**	**3,680**	**3,789**	**393**	**109**	**11.9%**	**3.0%**
MIA	1,031	1,078	1,098	47	20	4.6	1.9
MIA share	***31.4%***	***29.3%***	***29.0%***				
All other gateways	2,256	2,602	2,691	345	89	15.3	3.4
Total---three regions	**16,270**	**17,148**	**17,396**	**878**	**247**	**5.4%**	**1.4%**
MIA	5,472	5,789	5,989	317	200	5.8	3.5
MIA share	***33.6%***	***33.8%***	***34.4%***				
All other gateways	10,799	11,359	11,406	561	47	5.2	0.4

(a) Includes enplaned (O&D and connecting) passengers as well as through passengers.
(b) Includes the Bahamas.
(c) Excludes Mexico.

Source: U.S. DOT, Schedule T100.

2.3.3 Historical Airline Traffic at the Airport

The composition of passenger and cargo traffic at the Airport is discussed below, including the changes that have occurred, with emphasis on the most recent 10 year period. The chronology presented in Table 40, at the end of this section, provides a historical context for the events and trends that have occurred at the Airport since 1990. The table of highlights below offers a summary of key observations regarding historical airline traffic at MIA; the topics addressed in the table are discussed at further length in the pages that follow.

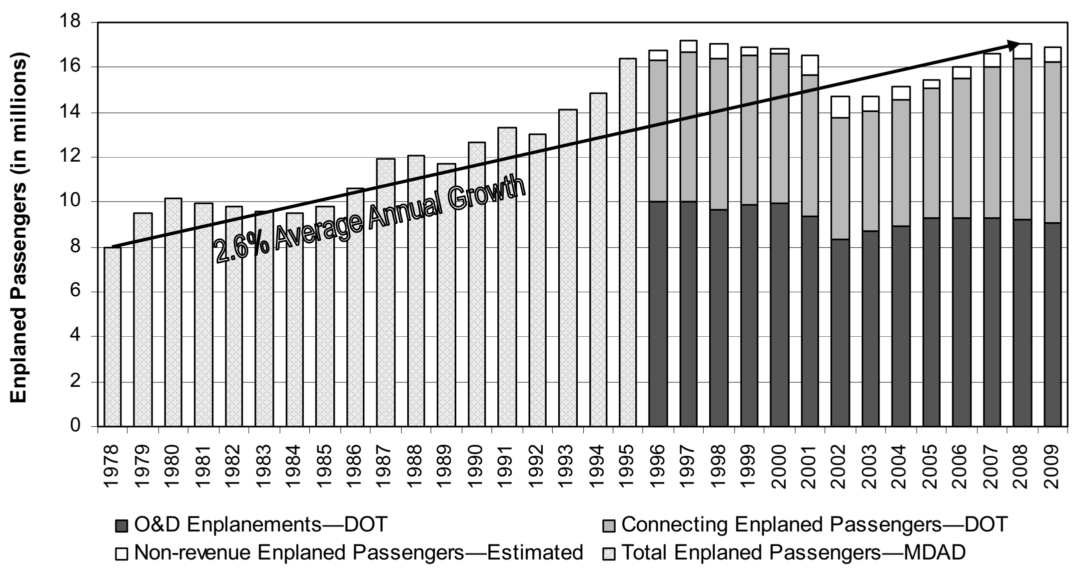
HISTORICAL AIRLINE TRAFFIC HIGHLIGHTS Miami International Airport		
➔	Since 1978, passenger traffic at MIA has more than doubled. While strong growth has occurred at the Airport since the September 11, 2001, terrorist attacks and the 2001 recession, MIA has experienced no net growth in passengers since the mid-1990s.	(See Trends in Enplaned Passengers)
➔	Domestic O&D passengers account for roughly 26% of revenue passengers at MIA, a much lower percentage than at most other U.S. airports. There was been no net growth in the numbers of domestic O&D passengers at the Airport since FY 1998.	(See Domestic O&D Passenger Trends)
➔	International O&D passengers account for roughly 27% of revenue passengers at MIA. Nearly three-quarters of international O&D passengers are traveling between MIA and destinations in Latin America and the Caribbean.	(See International O&D Passenger Trends)
➔	Connecting passengers account for roughly 44% of revenue passengers at MIA, and the majority of connections are gateway connections. The number of connecting passengers increased at a faster rate than O&D passengers at MIA between FY 2002 and FY 2009.	(See Connecting Passenger Trends)
➔	American and American Eagle have accounted for an increasing share of domestic and international passengers at the Airport over the past 10 years.	(See Carrier Concentration)
➔	The number of passengers on American at MIA has exhibited strong, steady growth since 2003. Advance published schedules for American indicate further capacity growth at MIA in the first half of 2010, in contrast to systemwide capacity reductions.	(See American Airlines)
➔	Passenger traffic growth at MIA between FY 2003 and FY 2009 occurred during a period of declining capacity, resulting in a nearly 12 percentage point increase in the passenger load factor at the Airport.	(See Capacity and Load Factor)
➔	In FY 2009, there was no growth in enplaned passengers at MIA. In the first three quarters of FY 2010, the capacity outlook is relatively more positive for MIA than for the U.S. as a whole, and for American at MIA than for its system-wide network.	(See MIA FY 2009 Passengers and Capacity Outlook)
➔	After reaching a record high at MIA in the FY 2007-FY 2008 period, cargo tonnage declined 18% in FY 2009. Arrow Air Cargo accounts for the largest cargo market share at MIA.	(See Trends in Air Cargo)

Trends in Enplaned Passengers*

Figure 10 shows the number of passengers enplaned at MIA from FY 1978 through FY 2009. The most recent periods of strong passenger growth at the Airport coincided with the buildup of American's hub at the Airport in the early to mid-1990s, and the recovery from the 2001 economic downturn and the September 11, 2001, terrorist attacks. Shown also, for each of the most recent 14 years, is the split of O&D and connecting passengers, according to airline data reported to U.S. DOT. Enplaned passengers at MIA increased an average of 2.6% per year in the 30 years following airline deregulation in FY 1978. Since FY 1997, however, there has been no net growth in enplaned passengers at the Airport.

Figure 10

HISTORICAL ENPLANED PASSENGERS
Miami International Airport
(for fiscal years ended September 30)



The reporting of total enplaned passengers by MDAD includes both revenue and non-revenue passengers. In FY 1996 through FY 2009, O&D and connecting enplaned revenue passengers were calculated using data from U.S. DOT. Non-revenue passengers are the difference between total enplaned passengers reported to MDAD and revenue passengers reported to U.S. DOT.

Sources: MDAD; U.S. DOT, Schedules T100 and 298C T1, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

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*Airlines are required to report passenger traffic monthly to both MDAD and the U.S. Department of Transportation. The traffic data published by MDAD differ from the data published by U.S. DOT in a number of ways, including: MDAD data include non-revenue passengers whereas U.S. DOT data reflect revenue passengers only and MDAD categorizes passengers as "domestic" and "international" in a different way than U.S. DOT. Because most of the analyses of passenger traffic presented in this report are based on U.S. DOT data, some of the analyses presented in this section and the passenger forecasts presented later provide total passenger traffic as reported by each organization.

Passenger traffic at MIA, as reported by MDAD, declined 11.2% in FY 2002, the first Fiscal Year following the 2001 economic recession and the terrorist attacks in the United States (see Table 30). After a 0.4% increase in passengers at the Airport in FY 2003, total enplaned passengers at the Airport increased more strongly over the next 5 years. In FY 2009, coincident with weaker air travel demand resulting from the current economic recession, enplaned passengers declined 0.9% at MIA. The number of enplaned passengers nationwide declined to a considerably greater extent (down 7.3%) in FY 2009, according to the Air Transport Association.

Table 30

ENPLANED PASSENGER TRENDS

Miami International Airport

(for the 12 months ended September 30; passengers in thousands)

	Revenue passengers only										
	By flight destination sector		By passenger segment								
Year	Dom.	Intl.	Dom. O&D	Other orig. *(a)*	Intl. O&D	Connex.	**U.S. DOT total**	Non-revenue psgrs.	**MDAD total**	Annual percent Increase/ (decrease)	5-year compound annual growth rate
1978									**7,945**		**4.4%**
1983									**9,594**		**3.8%**
1988									**12,092**		**4.7**
1993									**14,108**		**3.1**
1998	8,640	7,771	4,701	634	4,341	6,735	**16,411**	609	**17,020**		**3.8**
2001	7,982	7,653	4,404	549	4,408	6,274	**15,635**	888	**16,524**		
2002	7,087	6,644	4,042	453	3,818	5,419	**13,731**	943	**14,674**	**(11.2)%**	
2003	7,210	6,868	4,191	730	3,808	5,349	**14,078**	661	**14,740**	**0.4**	**(2.8)**
2004	7,496	7,057	4,289	619	4,024	5,622	**14,554**	564	**15,118**	**2.6**	
2005	7,735	7,319	4,468	656	4,163	5,767	**15,054**	390	**15,443**	**2.2**	
2006	8,184	7,295	4,692	550	4,048	6,189	**15,479**	576	**16,055**	**4.0**	
2007	8,403	7,618	4,578	545	4,182	6,715	**16,021**	595	**16,615**	**3.5**	
2008	8,378	8,021	4,286	588	4,373	7,153	**16,399**	636	**17,035**	**2.5**	**2.9**
2009E	8,320	7,903	4,238	515	4,335	7,135	**16,223**	661	**16,884**	**(0.9)**	
Compound annual growth rate											
1998-2001	(2.6)%	(0.5)%	(2.2)%	(4.7)%	0.5%	(2.3)%	**(1.6)%**	13.4%	**(1.0)%**		
2001-2002	(11.2)	(13.2)	(8.2)	(17.5)	(13.4)	(13.6)	**(12.2)**	6.1	**(11.2)**		
2002-2009E	2.3	2.5	0.7	1.9	1.8	4.0	**2.4**	(5.0)	**2.0**		
Percent of total											
1998	52.6%	47.4%	28.6%	3.9%	26.5%	41.0%	**100.0%**				
2003	51.2	48.8	29.8	5.2	27.1	38.0	**100.0**				
2008	51.1	48.9	26.1	3.6	26.7	43.6	**100.0**				
2009E	51.3	48.7	26.1	3.2	26.7	44.0	**100.0**				

E=Estimated. Traffic segments estimated based on nine months of actual segment-level data. Total enplaned passengers are actual.

Notes: Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

(a) Includes domestic and international charter passengers, passengers who boarded domestic flights to other U.S. gateway airports where they connected with flights to their international destinations, and U.S. DOT *O&D Survey* sampling error.

Sources: Enplaned passenger total—MDAD.
Sector breakdown—U.S. DOT, Schedules T100 and 298C T1.
Segment breakdown—Jacobs Consultancy, using U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

The total number of passengers enplaned at the Airport in FY 2008 (17,035,000) essentially matched the FY 1998 level (17,020,000). Stability was not evident in all segments of passenger traffic, however. O&D passenger traffic declined over the period; international O&D passengers increased 0.7%, while domestic O&D passengers declined 8.8%. An increase of nearly 420,000 connecting passengers (6.2%) between FY 1998 and FY 2008, along with an increase in non-revenue passengers, more than offset the decline in O&D passengers and accounted for the slight gain in total passengers. Consequently, the traffic mix at MIA shifted slightly between FY 1998 and FY 2008. Passengers enplaned on domestic flights declined from 52.6% to 51.1% of total revenue passengers, while the proportion of passengers enplaned on international flights increased from 47.4% to 48.9%. Connecting passengers increased from 41% to 44% of total revenue passengers, while O&D passengers declined from 59% to 56% of the total.

Based upon DOT *O&D Survey* data for the first three quarters of FY 2009, no material shifts among traffic segments are estimated in FY 2009 compared to FY 2008 at MIA.

In the discussion of passenger traffic by market segment that follows, enplaned passengers at MIA are categorized into three primary segments: domestic O&D, international O&D, and connecting. Together, these segments accounted for an estimated 96% of all enplaned revenue passengers at the Airport in FY 2009.* Figure 11 shows that the relative proportions accounted for by the three traffic segments at the Airport changed very little from FY 1998 to FY 2009.

Domestic O&D Passenger Trends

MIA accommodated an estimated 4.2 million outbound domestic O&D passengers in FY 2009, down 5.3% from the number enplaned in FY 2001 and 11.3% below the FY 1998 number. This segment of the MIA market represented an estimated 26% of total enplaned revenue passengers in FY 2009, down from 28.6% in FY 1998.

Domestic O&D traffic at MIA declined between FY 1998 and FY 2002, as American's service at the Airport plateaued, low-fare competition at FLL increased, and external events, such as the September 11, 2001, terrorist attacks, depressed airline traffic. Domestic O&D passenger traffic resumed positive growth in FY 2003, increasing 16% between FY 2002 and FY 2006, but most of those gains were eliminated by FY 2009 as the economy weakened.

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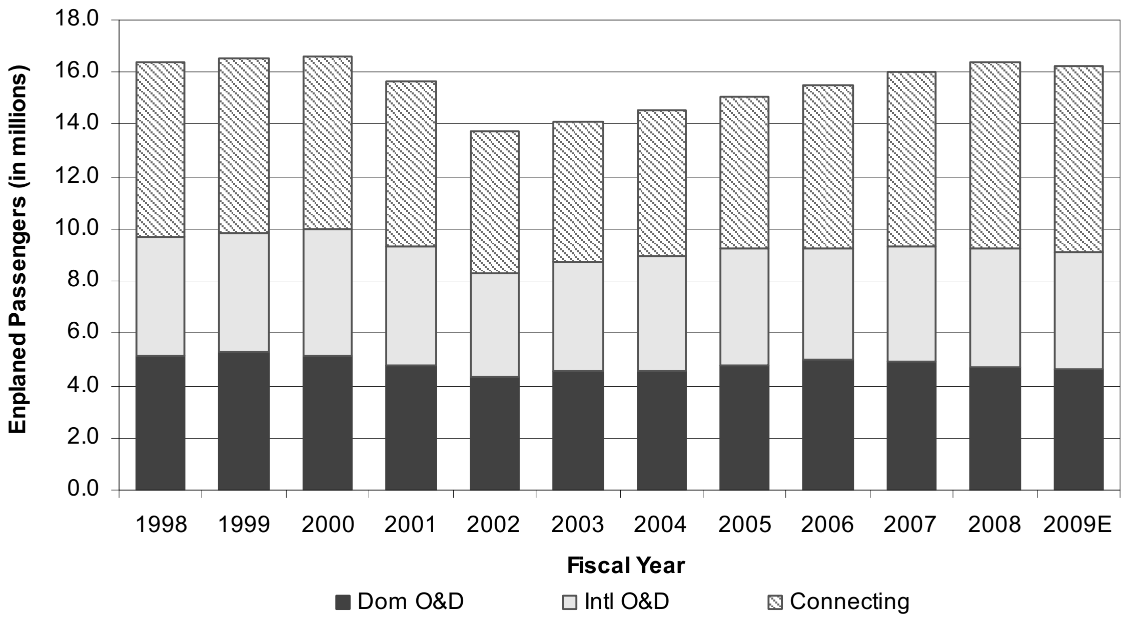
*The enplaned revenue passengers not included in the three main segments include (a) passengers on domestic and international charter flights and (b) passengers who boarded domestic flights to other U.S. gateway airports where they connected with flights to international destinations.

Figure 11

ENPLANED REVENUE PASSENGER TRENDS BY PASSENGER SEGMENT
Miami International Airport
(for the 12 months ended September 30)



Note: E=Estimated.
Sources: MDAD; U.S. DOT, Schedules T100 and 298C T1, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

Nearly two-thirds of domestic O&D passengers at MIA are traveling between 600 and 1,200 miles (see Figure 12). The number of short-haul domestic O&D passengers (i.e., less than 600 miles) at MIA continues to decline; between FY 1998 and FY 2009, the number declined by one-third. Since the onset of the current recession, passenger traffic in the two longer-haul segments has shown a greater degree of resilience compared to the two shorter-haul segments. At FLL, like at MIA, the number of short-haul passengers has declined; however, unlike at MIA, the number of longer-haul passengers at FLL has increased strongly.

International O&D Passenger Trends

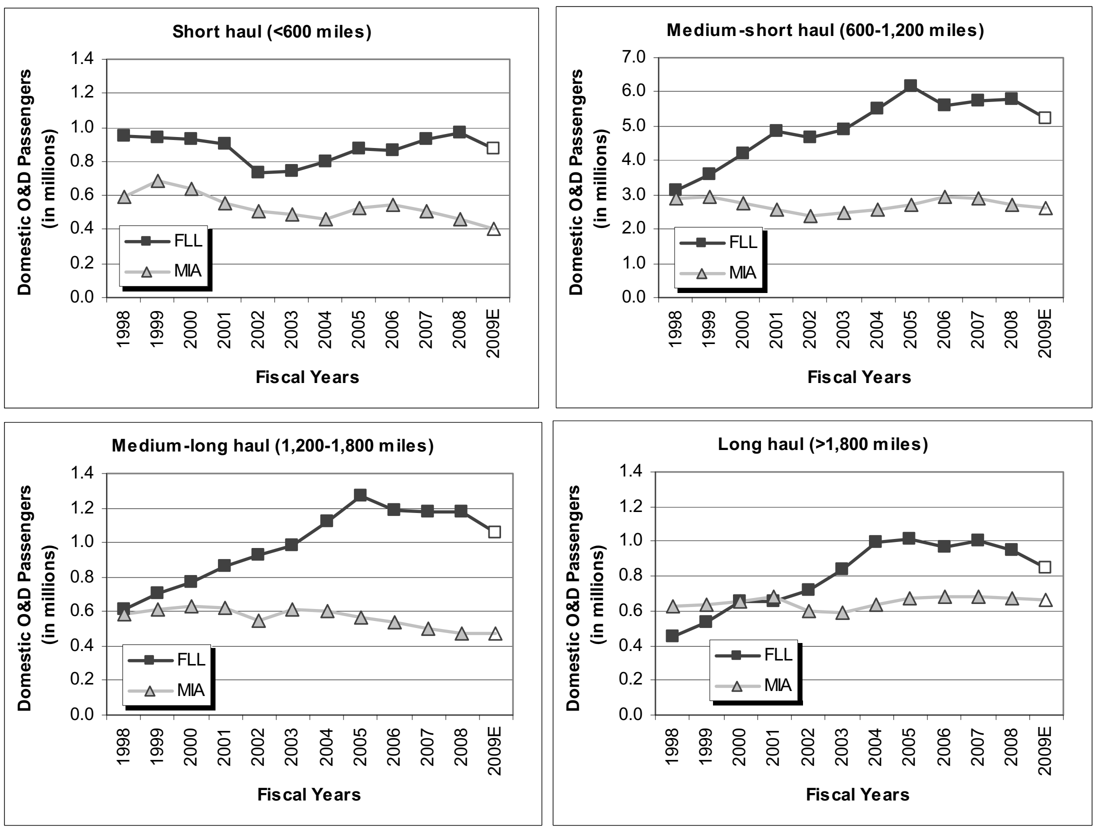
An estimated 4.3 million international O&D passengers were enplaned on scheduled flights at MIA in FY 2009, 1.9% less than in FY 2001 and 0.3% less than in FY 1998. This segment of the MIA market represented an estimated 27% of total enplaned revenue passengers at MIA in FY 2009. The size of the international O&D market at MIA reflects the strong familial, social, cultural, and economic linkages to the Caribbean and Latin America, the role of the Miami area as a center of international trade and finance, and the attractiveness of Miami as a vacation and cruise destination.

Figure 12

DOMESTIC O&D PASSENGER TRENDS

Miami and Fort Lauderdale-Hollywood International Airports

(for the 12 months ended September 30 for years noted; outbound passengers, in thousands)



Notes: E=Estimated.
Data include international passengers making domestic trips during their visits to the United States. Rows may not add to totals shown because of rounding. Percentages shown were calculated using unrounded numbers.
Source: U.S. DOT, *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Table 31 presents a breakdown of international O&D passengers at MIA by world area. In FY 2009, travel between MIA and destinations in Latin America, Mexico, and the Caribbean accounted for an estimated 73% of international O&D passengers at the Airport. Travel between MIA and transatlantic destinations (23% of international O&D passengers) and Canada (4% of international O&D passengers) accounted for the remainder.

Table 31

INTERNATIONAL O&D PASSENGER TRENDS

Miami International Airport

(for the 12 months ended September 30; outbound passengers, in thousands)

Year	Latin America: South America	Latin America: Central America	Latin America: Total	Mexico	Caribbean	Transatlantic (Europe, Mid-East, Africa)	Canada	**Total Intl. O&D passengers**
1998	1,421	425	1,846	307	1,080	897	210	**4,341**
2001	1,361	540	1,901	311	982	1,015	200	**4,408**
2002	1,121	520	1,641	259	903	852	162	**3,818**
2003	1,042	555	1,596	263	849	933	167	**3,808**
2004	1,113	631	1,745	274	828	1,003	174	**4,024**
2005	1,266	551	1,817	304	876	987	178	**4,163**
2006	1,232	517	1,750	298	898	915	187	**4,048**
2007	1,314	536	1,850	331	892	936	174	**4,182**
2008	1,402	542	1,945	338	932	992	166	**4,373**
2009E	1,391	565	1,957	328	885	989	167	**4,326**
Compound annual growth rate								
1998-2001	(1.4)%	8.3%	1.0%	0.4%	(3.1)%	4.2%	(1.6)%	**0.5%**
2001-2002	(17.6)	(3.6)	(13.7)	(16.6)	(8.0)	(16.1)	(18.8)	**(13.4)**
2002-2009E	3.1	1.2	2.5	3.4	(0.3)	2.1	0.4	**1.8**
Percent of total								
1998	32.7%	9.8%	42.5%	7.1%	24.9%	20.7%	4.8%	**100.0%**
2003	27.4	14.6	41.9	6.9	22.3	24.5	4.4	**100.0**
2008	32.1	12.4	44.5	7.7	21.3	22.7	3.8	**100.0**
2009E	32.2	13.1	45.2	7.6	20.5	22.9	3.9	**100.0**

E=Estimated.

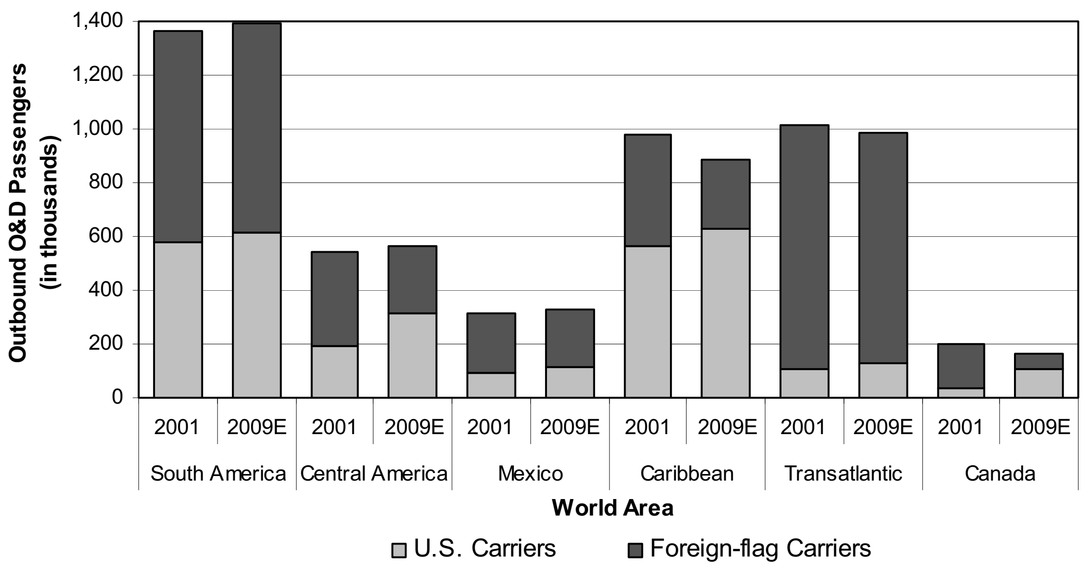
Notes: Because foreign-flag carriers do not report passenger numbers to the U.S. DOT *O&D Survey*, Jacobs Consultancy estimates were used to develop the data in the above table. Includes passengers on Schedules flights only. Rows may not add to totals shown because of rounding. Percentages shown were calculated using unrounded numbers.

Sources: U.S. DOT, Schedules T100 and 298C T1; *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

Foreign-flag carriers enplaned an estimated 56% of all O&D passengers on international flights at MIA in FY 2009, and U.S. carriers accounted for the remaining 44%. The relative composition of passenger traffic carried on foreign-flag and U.S. carriers, however, differs materially by world area (see Figure 13).

Figure 13

INTERNATIONAL O&D PASSENGERS, BY WORLD AREA
Miami International Airport
(for the 12 months ended September 30)



Notes: E=Estimated.
Because foreign-flag carriers do not report passenger data to the U.S. DOT *O&D Survey*, Jacobs Consultancy estimated the proportion of O&D passengers on these carriers based on analysis of U.S. DOT, Schedule T100 data.
Source: U.S. DOT, Schedules T100 and 298C T1; *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.

Connecting Passenger Trends

MIA has long served as the primary air transportation gateway between the United States and LAC countries. MIA has also served as a major connecting point for transatlantic passengers traveling to and from the LAC region as well as for passengers traveling between one country and another within that region. While the Airport continues to serve this triple role as a gateway, MIA has lost share in each of those markets since the mid-1990s.

Connecting passengers represent a substantial passenger segment at MIA (an estimated 44% of total revenue passengers in FY 2009). For purposes of analysis and forecasting, connecting passengers were categorized into three groups: (1) connections from one domestic flight to another (domestic-to-domestic); (2) connections from one international flight to another (international-to-international); and (3) connections from a domestic flight to an international flight or vice versa (gateway connections) (see Table 32). In FY 2009, gateway connections accounted for an estimated 71% of all connecting passengers at MIA, while the remaining 29% was split approximately evenly between domestic-to-domestic and international-to-international connecting passengers.

Table 32

CONNECTING PASSENGER TRENDS

Miami International Airport

(for the 12 months ended September 30; enplaned passengers, in thousands)

	Connections strictly between:		Gateway connections:		
Year	Domestic flights (domestic-to-domestic)	International flights (international-to international) *(a)*	From domestic to international flights (domestic-to international)	From international to domestic flights (international-to domestic)	**Total connecting passengers**
1998	1,238	1,116	2,132	2,248	**6,735**
2001	1,034	1,066	2,010	2,164	**6,274**
2002	830	851	1,814	1,924	**5,419**
2003	807	880	1,784	1,879	**5,349**
2004	901	808	1,905	2,007	**5,622**
2005	865	844	1,970	2,087	**5,767**
2006	901	871	2,133	2,284	**6,189**
2007	1,005	965	2,300	2,444	**6,715**
2008	1,065	1,027	2,441	2,620	**7,153**
2009E	1,062	996	2,367	2,594	**7,018**
Compound annual growth rate					
1998-2001	(5.8)%	(1.5)%	(1.9)%	(1.3)%	**(2.3)%**
2001-2002	(19.7)	(20.2)	(9.7)	(11.1)	**(13.6)**
2002-2009E	3.6	2.3	3.9	4.4	**3.8**
Percent of total					
1998	18.4%	16.6%	31.7%	33.4%	**100.0%**
2003	15.1	16.4	33.3	35.1	**100.0**
2008	14.9	14.4	34.1	36.6	**100.0**
2009E	15.1	14.2	33.7	37.0	**100.0**

E=Estimated.

Notes: Rows may not add to totals shown because of rounding. Percentages shown were calculated using unrounded numbers.

(a) Estimated by Jacobs Consultancy based on analysis of U.S. DOT Data.

Sources: U.S. DOT, Schedules T100 and 298C T1; *Air Passenger Origin-Destination Survey,* reconciled to Schedules T100 and 298C T1; Jacobs Consultancy.

Geography is the primary limiter of growth in domestic-to-domestic connections. Because of Miami's location near the southern tip of Florida, the only domestic-to-domestic connecting travelers that MIA is able to serve well (from the standpoint of an efficient flight routing) are those connecting with flights to and from Puerto Rico, the U.S. Virgin Islands, and other cities in South Florida, such as Key West and Fort Myers. As those locations have gained nonstop service from other U.S. cities, travelers have had increasing options in addition to connecting through MIA. Therefore, domestic-to-domestic connections represent one of the smaller segments of enplaned passengers at MIA. Domestic-to-domestic connections accounted for an estimated 7% of total revenue passengers enplaned at the Airport in FY 2009.

International-to-international connections are less visible than domestic-to-domestic connections at MIA. The airlines do not report numbers of international-to-international connections to either MDAD or the U.S. DOT. Consequently, no reliable data are available and international-to-international connection numbers must be estimated from other statistical data and analysis of U.S. DOT data.

Whereas MIA's geographic location poses a limiting factor for growth in the number of domestic-to-domestic connections, it enhances the ability of the carriers serving the Airport to develop international-to-international connections. The Airport's location minimizes routing circuitry for travel between Canada and Europe and between the Caribbean and Latin America.

Although international-to-international connecting passenger numbers are not reported by the airlines, it is estimated, based on analysis of U.S. DOT data, that the number of international-to-international connecting passengers at MIA has declined 11% since FY 1998. Competing U.S. gateway airports accounted for only a small portion of the decline, which primarily resulted from the development of more nonstop intra-Latin America and Europe-Latin America service, obviating the need for connections through a U.S. airport such as MIA. Measures taken by the U.S. government since September 11, 2001, to increase the level of security at its borders, have further contributed to the decline in international-to-international connections at the Airport. International-to-international connections were estimated to account for 6% of total revenue passengers enplaned at the Airport in FY 2009, compared with an estimated 7% of total revenue passengers enplaned in FY 1998.

Gateway connecting passengers have historically been one of the fastest growing segments of the MIA market. For these passengers, MIA is a point of exit from, or entry to, the United States. MIA is the predominant gateway for passenger travel between the United States and the LAC region. In FY 2009, an estimated 5.0 million passengers connected between domestic and international (or vice versa) flights at MIA. These passengers accounted for an estimated 31% of all revenue passengers enplaned at the Airport in FY 2009, up from 27% in FY 1998.

Miami offers certain unique advantages of location in the flows of people, goods, and services between centers of population and trade in the United States, the Caribbean, and Latin America, which contribute to its role as a gateway airport. These advantages are derived from two key attributes of Miami's location. First, a large number of the major population centers in the Caribbean and South America lie east (and south) of Miami, thereby making MIA a logical connecting airport for north-south flows between those areas. Connecting through Miami can be less circuitous relative to the alternatives. Second, Miami is a natural catchment location for the relatively thin markets dispersed throughout the Caribbean and northern South America.

Carrier Concentration

American and its affiliated feeder carrier, American Eagle, accounted for 69.8% of all revenue passengers enplaned at the Airport in 2008, up from 56.6% in 1998 (see Table 33). Virtually all of American's share gain occurred in the most recent 5 years, when American more than accounted for all enplaned passenger growth at the Airport. Delta, the second-ranking airline serving MIA in terms of enplaned revenue passengers, enplaned 3.9% of the total in 2008.

American has a particularly large share of the Airport's domestic passenger market. Nearly 76% of domestic revenue passengers at MIA in 2008 boarded a flight operated by either American or American Eagle, compared with 62% in 1998.

More than 63% of international revenue passengers at MIA in 2008 were carried by American and American Eagle, up from 51% in 1998. The remaining 9 of the top 10 carriers of international passengers at the Airport in 2008 were foreign-flag airlines.

American Airlines

American rapidly built up its hubbing operation at MIA in the first half of the 1990s after purchasing Eastern Air Lines' route authorities and operating infrastructure in Latin America. American enplaned 12,000 domestic passengers per day and 9,000 international passengers per day by 1996 (see Figure 14). Over the next 4 years, American's total passenger traffic at MIA plateaued, albeit with a slight shift in favor of international traffic.

Table 33

ENPLANED PASSENGERS, BY CARRIER

Miami International Airport

(calendar years; passengers in thousands)

2008 Rank	Airline	Enplaned Passengers 1998	2003	2007	2008	Percent of Total 1998	2003	2007	2008
Domestic:									
1	American *(a)*	5,364.6	4,560.3	6,303.3	6,336.6	62.1%	63.1%	75.0%	75.9%
2	Delta *(b)*	805.5	729.1	627.3	627.3	9.3	10.1	7.5	7.5
3	Continental *(c)*	512.5	431.8	478.4	434.5	5.9	6.0	5.7	5.2
4	US Airways *(d)*	708.9	503.8	421.8	386.1	8.2	7.0	5.0	4.6
5	Northwest *(b)*	343.5	241.3	188.4	186.1	4.0	3.3	2.2	2.2
6	United *(e)*	590.2	414.0	144.2	163.7	6.8	5.7	1.7	2.0
7	AirTran	24.5	129.2	174.0	149.5	0.3	1.8	2.1	1.8
8	Alaska	-	34.6	46.4	46.6	0.0	0.5	0.6	0.6
9	Sun Country	-	10.9	6.7	10.6	0.0	0.2	0.1	0.1
10	Miami Air Intl.	0.1	5.3	7.3	4.2	0.0	0.1	0.1	0.1
	All others	288.3	171.2	5.9	5.0	3.3	2.4	0.1	0.1
	Total	**8,638.2**	**7,231.5**	**8,403.8**	**8,350.2**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
International:									
1	American *(a)*	3,946.8	3,599.0	4,831.1	5,102.4	50.6%	51.5%	62.2%	63.4%
2	Avianca	126.0	120.5	265.1	259.1	1.6	1.7	3.4	3.2
3	British Airways	231.7	212.4	207.1	200.7	3.0	3.0	2.7	2.5
4	TAM	-	64.5	167.2	180.0	0.0	0.9	2.2	2.2
5	Air France	127.1	163.5	159.5	173.0	1.6	2.3	2.1	2.1
6	TACA	67.1	171.4	174.2	172.0	0.9	2.5	2.2	2.1
7	Mexicana	122.9	84.0	162.0	151.4	1.6	1.2	2.1	1.9
8	LAN Airlines	102.0	128.1	122.6	125.7	1.3	1.8	1.6	1.6
9	Lufthansa	133.6	125.5	113.3	116.0	1.7	1.8	1.5	1.4
10	Iberia	117.8	149.1	110.4	112.3	1.5	2.1	1.4	1.4
	All others	2,825.9	2,168.7	1,450.8	1,454.5	36.2	31.0	18.7	18.1
	Total	**7,800.9**	**6,986.7**	**7,763.4**	**8,047.1**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total:									
1	American *(a)*	9,311.4	8,159.4	11,134.5	11,438.9	56.6%	57.4%	68.9%	69.8%
2	Delta *(b)*	806.2	729.1	629.1	631.3	4.9	5.1	3.9	3.9
3	Continental *(c)*	564.5	593.2	516.5	454.6	3.4	4.2	3.2	2.8
4	US Airways *(d)*	714.6	505.4	422.4	387.7	4.3	3.6	2.6	2.4
5	Avianca	126.0	120.5	265.1	259.1	0.8	0.8	1.6	1.6
6	British Airways	231.7	212.4	207.1	200.7	1.4	1.5	1.3	1.2
7	Northwest *(b)*	352.9	242.3	188.7	186.6	2.1	1.7	1.2	1.1
8	TAM	-	64.5	167.2	180.0	0.0	0.5	1.0	1.1
9	Air France	127.1	163.5	159.5	173.0	0.8	1.2	1.0	1.1
10	TACA	67.1	171.4	174.2	172.0	0.4	1.2	1.1	1.0
	All others	4,137.5	3,256.5	2,302.9	2,313.3	25.2	22.9	14.2	14.1
	Total	**16,439.1**	**14,218.2**	**16,167.1**	**16,397.3**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Notes: Columns may not add to totals shown because of rounding.

(a) Includes American Connection (American Eagle, Executive, and Trans States). TWA is included here as an affiliate of American in 1998, although American did not start reporting TWA passengers with its own until 2001.

(b) Includes Delta Connection (Comair, Freedom, Chautauqua, Atlantic Southeast, and a portion of Shuttle America). Delta and Northwest merged in October 2008 and received a single operating certificate from the FAA in December 2009.

(c) Includes Continental Connection (Gulfstream and ExpressJet).

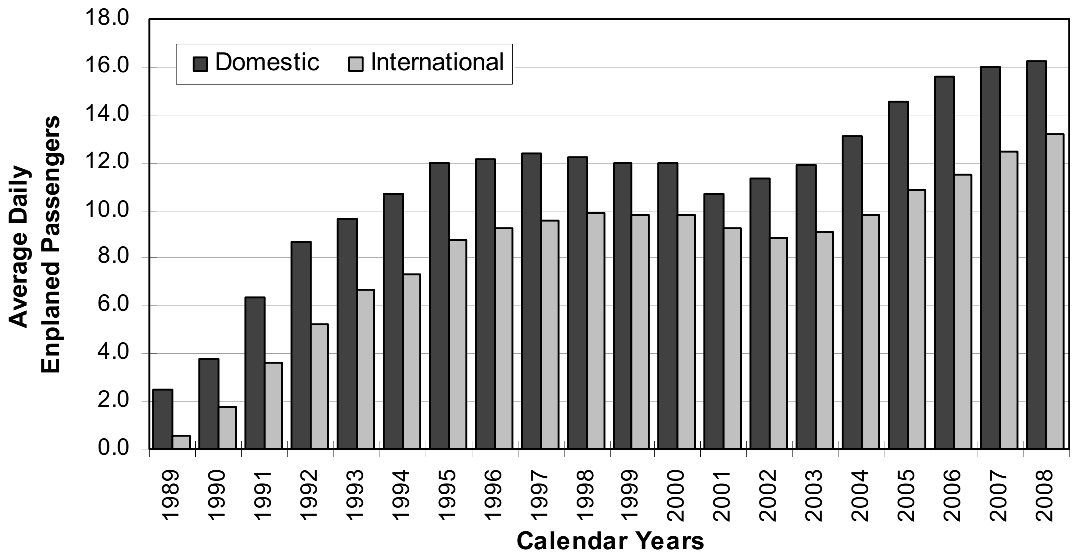
(d) Includes US Airways Express (Air Midwest and Piedmont). America West is included here as an affiliate of US Airways for all years shown, although its merger with US Airways did not occur until September 2005.

(e) Includes United Express (Ted and a portion of Shuttle America).

Source: U.S. DOT, Schedules T100 and 298C T1.

Figure 14

AVERAGE DAILY ENPLANED PASSENGERS
American Airlines at Miami International Airport
(calendar years; passengers in thousands)



Notes: Excludes passengers enplaned on American Eagle flights. American began reporting TWA flights and passengers as its own in December 2001.
Above data include passengers on both scheduled and charter flights and the passengers carried thereon.
Passenger data include revenue passengers only and may differ from the figures reported by American Airlines to MDAD.

Source: U.S. DOT, Schedules T3 and T100.

After September 11, 2001, American's overall passenger traffic declined and the airline made substantial capacity cuts across its system, including at MIA. American's traffic at MIA has been more resilient, however, compared with its traffic at many other U.S. airports. The number of enplaned passengers on American at MIA declined 8.6% in 2001, but then recovered strongly over the next 7 years. In 2008, American enplaned a record 10.7 million passengers at MIA, 48% above its 2001 number enplaned at the Airport.

Advance flight schedules published in the *Official Airline Guide* indicate that American will reduce its systemwide capacity by 2.8% in the first half of 2010. By contrast, American's published flight schedules indicate a 1.1% capacity *increase* at MIA over the same period.

Capacity and Load Factor

The total number of enplaned passengers at MIA increased between FY 2003 and FY 2009; domestic and international passengers were each up an estimated 14%. Over the same period, however, the total number of departing seats offered on flights at MIA declined slightly (see Table 34). Consequently, enplaned passenger load factors (the proportion of departing seats occupied by enplaned passengers) on both domestic and international flights increased significantly (10 to 12 percentage points) over the 6-year period. The overall load factor in FY 2009 held virtually unchanged from FY 2008.

Table 34

ENPLANED PASSENGERS, DEPARTING SEATS, AND LOAD FACTORS

Miami International Airport

(for the 12 months ended September 30; passengers and seats in thousands)

	Domestic			International			Total		
Year	Enplaned passengers	Departing seats	Load factor	Enplaned passengers	Departing seats	Load factor	Enplaned passengers	Departing seats	Load factor
2003	7,210	10,552	68.3%	6,868	10,817	63.5%	14,740	21,369	69.0%
2004	7,496	10,746	69.8	7,057	11,046	63.9	15,118	21,792	69.4
2005	7,735	10,533	73.4	7,319	10,657	68.7	15,443	21,190	72.9
2006	8,184	10,690	76.6	7,295	10,405	70.1	16,055	21,095	76.1
2007	8,403	10,609	79.2	7,618	10,412	73.2	16,615	21,021	79.0
2008	8,378	10,537	79.5	8,021	10,809	74.2	17,035	21,346	79.8
2009E	8,320	10,242	81.2	7,903	10,635	74.3	16,884	20,877	80.9
Percent increase/(decrease) from previous year									
2003-2004	4.0%	1.8%	1.5 pts.	2.7%	2.1%	0.4 pts.	2.6%	2.0%	0.4 pts.
2004-2005	3.2	(2.0)	3.7	3.7	(3.5)	4.8	2.2	(2.8)	3.5
2005-2006	5.8	1.5	3.1	(0.3)	(2.4)	1.4	4.0	(0.4)	3.2
2006-2007	2.7	(0.8)	2.6	4.4	0.1	3.1	3.5	(0.4)	2.9
2007-2008	(0.3)	(0.7)	0.3	5.3	3.8	1.0	2.5	1.5	0.8
2008-2009E	(0.7)	(2.8)	1.7	(1.5)	(1.6)	0.1	(0.9)	(2.2)	1.1

E=Estimated.

Notes: Percentages shown were calculated using unrounded numbers.

Sources: Domestic and international passengers—U.S. DOT, Schedule T100 (excludes non-revenue passengers).
Total passengers—MDAD (includes non-revenue passengers).
Departing seats—U.S. DOT, Schedule T100.

FY 2009 Passengers and Capacity Outlook

In FY 2009 at MIA, MDAD reported no growth in enplaned passenger numbers (down 0.9%, year-over-year). The domestic and international passenger sectors both declined 0.9%. (See Table 35.) American's passenger traffic at MIA exhibited roughly the same decline as the Airport overall. The traffic decline at FLL during the same period was significantly larger (down 10.6%, year-over-year).

Table 35

ENPLANED PASSENGERS IN FISCAL YEAR 2009
MIA, American at MIA, FLL
(for Fiscal Years ended September 30)

	MIA	AA at MIA *(a)*	FLL
FY 2008	17,035,400	11,811,499	11,590,439
FY 2009	16,884,099	11,687,539	10,467,888
Change	-151,301	-123,960	-1,122,551
Percent change by sector:			
Domestic	-0.9%	-1.0%	-10.6%
International	-0.9%	-1.1%	-4.0%
Total	-0.9%	-1.0%	-9.7%

(a) Includes American Eagle.

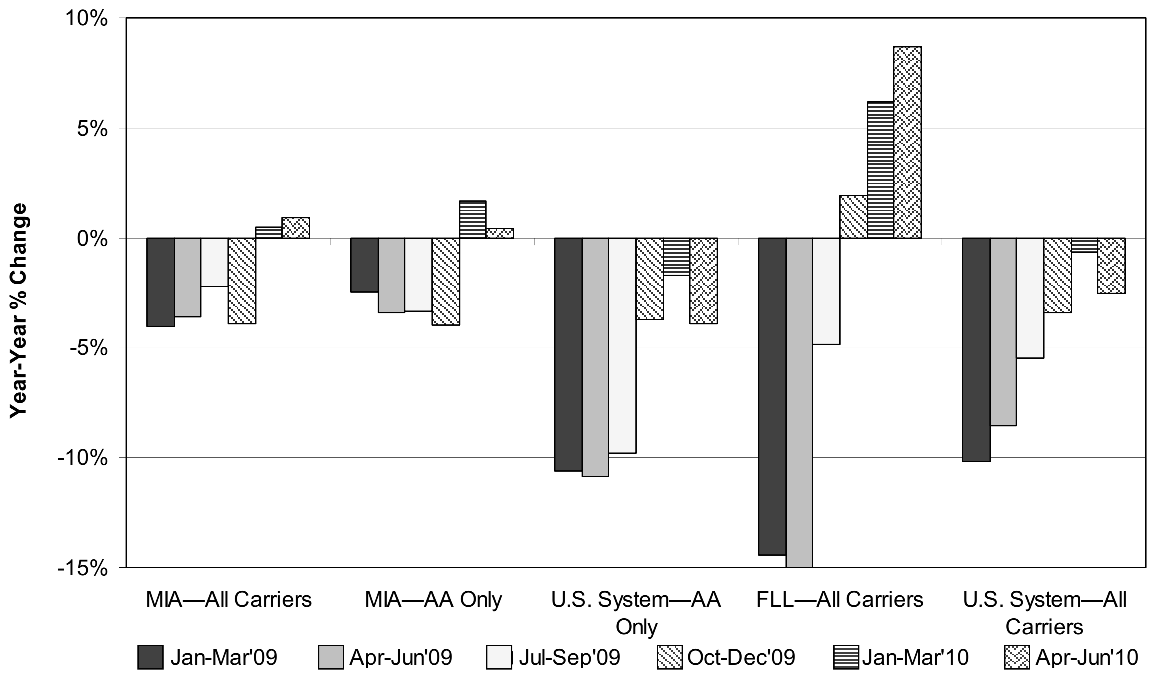
Sources: MDAD; Broward County Aviation Department.

Weak travel demand, lower fare yields, and volatile fuel prices have exacerbated financial pressures on the airlines. In their quest for profitability, airlines have been making capacity cuts throughout their route systems. Industry-wide year-over-year capacity cuts began in the fourth quarter of 2008 and continued throughout 2009, and more are expected in the first half of 2010.

An indication of the upcoming effect of service cuts on overall seat capacity at MIA and FLL, as well as nationwide, can be discerned from flight schedules filed by the airlines with *Official Airline Guide*. As reflected on Figure 15, total aircraft seat capacity offered at MIA is projected to be nearly 4% lower in the last quarter of 2009, year-over-year, followed by slight growth beginning in 2010. Given these capacity changes, coupled with weak near-term travel demand, passenger levels at the Airport are projected to show a slight overall decline in FY 2010.

Figure 15

YEAR-TO-YEAR QUARTERLY CHANGES IN SCHEDULED SEATS
Miami and Fort Lauderdale-Hollywood International Airports and All U.S. Airports



Note: Advance published schedules are subject to change.
Source: *Official Airline Guide.*

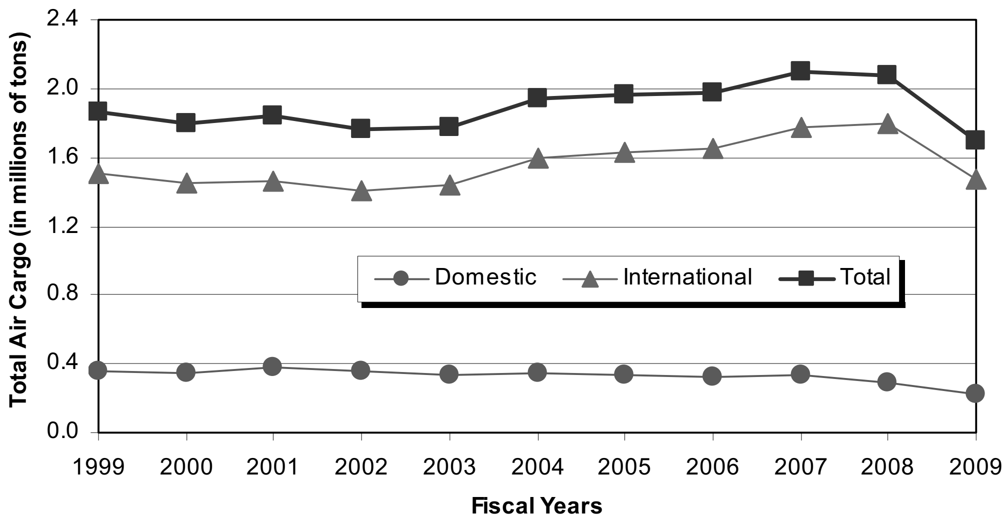
While lower capacity at MIA during FY 2010 is likely to be accompanied by reduced numbers of enplaned passengers, the size of the capacity reductions at the Airport is relatively modest compared to capacity reductions occurring nationwide. Total domestic departing seats for all U.S. airlines, considered together, will decline in the fourth quarter of 2009 and the first two quarters of 2010, according to published schedules. American's capacity growth at MIA in the first half of 2010 is in contrast to reductions in its system-wide network, overall. Year-over-year percentage increases in capacity at FLL should be interpreted with a view to the significant capacity cuts made at that airport one year before.

Trends in Air Cargo

Following a peak in domestic and international cargo tonnage at MIA in FY 1998, both cargo sectors experienced declines through FY 2002 (see Figure 16). Despite steady growth in international tonnage over the next 6 fiscal years, total cargo tonnage handled at MIA in FY 2008 was only 4.4% higher than the level handled in FY 1998. In FY 2009, as the global economic recession worsened, total cargo tonnage handled at the Airport declined 18% relative to FY 2008.

Figure 16

TRENDS IN AIR CARGO
Miami International Airport
(for the 12 months ended September 30)



Notes: Sum of enplaned and deplaned freight and mail.
International air cargo includes some freight and mail reported as domestic by foreign-flag carriers.

Source: MDAD.

Between FY 2002 and FY 2008, growth in total cargo tonnage at the Airport was entirely due to an increase in international cargo. The all-cargo airlines handled 80% of the increase (see Table 36). In FY 2009, however, total cargo tonnage declined 18% year-over-year at the Airport. Significant declines were recorded by both passenger and all-cargo carriers in both the domestic and international sectors.

Table 36

TRENDS IN TOTAL AIR CARGO TONNAGE, BY TYPE OF CARRIER

Miami International Airport

(for the 12 months ended September 30; in thousands of tons)

Fiscal	Domestic			International			Total		
Year	Passenger	All-cargo	Total	Passenger	All-cargo	Total	Passenger	All-cargo	Total
1999	173.7	178.7	352.6	458.5	1,048.6	1,506.8	632.2	1,227.2	1,859.4
2000	170.8	178.2	350.1	454.3	994.4	1,447.7	625.1	1,172.6	1,797.7
2001	155.7	227.3	383.1	462.9	994.0	1,456.8	618.6	1,221.3	1,839.9
2002	123.7	230.0	353.7	403.8	1,005.7	1,409.6	527.5	1,235.8	1,763.3
2003	124.6	209.4	333.9	416.4	1,024.8	1,441.1	541.0	1,234.1	1,775.1
2004	124.7	224.7	349.5	482.9	1,109.8	1,592.7	607.6	1,334.5	1,942.1
2005	103.1	236.0	339.1	478.4	1,148.0	1,626.4	578.8	1,386.7	1,965.5
2006	82.7	241.0	323.7	469.8	1,177.5	1,647.2	552.5	1,418.4	1,970.9
2007	87.6	242.0	329.7	528.1	1,241.5	1,769.7	615.8	1,483.6	2,099.4
2008	83.0	203.3	286.3	509.0	1,284.8	1,793.7	592.0	1,488.0	2,080.0
2009	62.5	166.0	228.5	424.1	1,047.8	1,471.9	486.6	1,213.8	1,700.4
Compound annual growth rate									
1999-2001	(5.3)%	12.8%	4.2%	0.5%	(2.6)%	(1.7)%	(1.1)%	(0.2)%	(0.5)%
2001-2002	(20.6)	1.2	(7.7)	(12.8)	1.2	(3.2)	(14.7)	1.2	(4.2)
2002-2008	(6.4)	(2.0)	(3.5)	3.9	4.2	4.1	1.9	3.1	2.8
2008-2009	(24.8)	(18.3)	(20.2)	(16.7)	(18.4)	(17.9)	(17.8)	(18.4)	(18.2)
Share of Airport total									
1999	9.3%	9.6%	19.0%	24.7%	56.4%	81.0%	34.0%	66.0%	100.0%
2004	6.4	11.6	18.0	24.9	57.1	82.0	31.3	68.7	100.0
2009	3.7	9.8	13.4	24.9	61.6	86.6	28.6	71.4	100.0

Notes: Sum of enplaned and deplaned freight and mail. Rows may not add to totals shown because of rounding. Percentages were calculated using unrounded numbers.

Source: MDAD.

Seventy-four carriers reported air cargo tonnage at MIA in FY 2009, as summarized in Table 37. A total of 33 U.S. carriers accounted for about 65% of the total cargo tonnage handled. Foreign-flag carriers handled the remainder, of which nearly three-quarters was handled by South American carriers.

Table 37

SUMMARY OF CARRIERS REPORTING AIR CARGO
Miami International Airport
(for the 12 months ended September 30, 2009)

Carrier flag	Number of	Cargo weight by type of flight (tons, in thousands)		
World area	carriers	Domestic	International	Total
All carriers	**74**	**228.5**	**1,471.9**	**1,700.4**
U.S. carriers	**33**	**228.5**	**863.7**	**1,092.2**
Foreign-flag carriers	**41**		**608.2**	**608.2**
By world area:				
South America	12		441.9	441.9
Europe, Mid-East, and Africa	13		90.6	90.6
Asia	3		46.7	46.7
Mexico and Central America	8		25.3	25.3
Caribbean	4		3.4	3.4
Canada	1		0.4	0.4

Notes: Sum of enplaned and deplaned freight and mail. Rows may not add to totals shown because of rounding.

Source: MDAD.

Domestic cargo is more concentrated among the carriers than international cargo at the Airport (see Table 38). The two top-ranking carriers of domestic cargo at MIA (FedEx and American Airlines) together handled 66.7% of total domestic tonnage in FY 2009. In contrast, the top three carriers of international cargo at MIA (Arrow Air Cargo, LAN Airlines, and TAMPA) together accounted for 33.3% of the international total. Arrow Air Cargo was the overall top-ranking cargo carrier at the Airport in FY 2009—handling an average of more than 500 tons of cargo per day.

Eight of the top 10 carriers reporting cargo tonnage at the Airport in FY 2009 were all-cargo carriers. Of the total cargo tonnage carried to and from MIA in FY 2009, about 71% was carried on all-cargo (i.e., freighter) aircraft, while the remainder (29%) was carried on passenger flights. The carriage of cargo is a key source of operating revenue for many passenger airlines serving MIA, particularly the foreign-flag airlines, and an important contributor to the viability of their passenger flights.

Table 38

AIRLINE MARKET SHARES OF AIR CARGO TONNAGE

Miami International Airport

(for the 12 months ended September 30; in thousands of tons)

2009 Rank	Airline	1999	2004	2008	2009	Percent of total 1999	2004	2008	2009
Domestic									
1	FedEx	35.4	109.1	110.6	99.6	10.0%	31.2%	38.6%	43.6%
2	American	85.9	88.7	72.9	52.9	24.4	25.4	25.4	23.1
3	UPS	46.1	44.6	35.2	29.6	13.1	12.8	12.3	13.0
4	ABX Air	5.3	3.2	1.0	17.3	1.5	0.9	0.3	7.6
5	DHL	25.0	11.6	20.1	7.9	7.1	3.3	7.0	3.5
6	Florida West	0.3	4.9	5.9	3.9	0.1	1.4	2.0	1.7
7	Continental	6.5	4.2	3.3	3.5	1.8	1.2	1.1	1.5
8	Delta *(a)*	19.7	14.3	2.6	2.7	5.6	4.1	0.9	1.2
9	Arrow Air Cargo	30.5	6.4	1.2	2.0	8.6	1.8	0.4	0.9
10	US Airways	5.6	2.7	2.5	1.8	1.6	0.8	0.9	0.8
	All others	92.2	59.8	31.1	7.2	26.2	17.1	10.9	3.1
	Total	**352.3**	**349.5**	**286.3**	**228.5**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
International:									
1	Arrow Air Cargo	68.0	105.5	177.7	185.2	4.5%	6.6%	9.9%	12.6%
2	LAN	59.9	177.8	210.7	170.4	4.0	11.2	11.7	11.6
3	TAMPA	117.3	174.7	160.5	133.8	7.8	11.0	9.0	9.1
4	Centurion Air Cargo	143.0	75.2	176.1	129.8	9.5	4.7	9.8	8.8
5	UPS	18.8	124.5	136.8	120.3	1.2	7.8	7.6	8.2
6	American	117.5	111.6	113.9	90.3	7.8	7.0	6.4	6.1
7	Amerijet	65.6	59.3	78.4	67.3	4.4	3.7	4.4	4.6
8	ABX Air	-	28.4	62.9	66.0	-	1.8	3.5	4.5
9	Southern Air	-	-	86.6	57.0	-	-	4.8	3.9
10	Atlas Air	250.7	68.8	29.7	48.4	16.6	4.3	1.7	3.3
	All others	666.3	667.0	560.4	403.2	44.2	41.9	31.2	27.4
	Total	**1,507.1**	**1,592.7**	**1,793.7**	**1,471.9**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Total									
1	Arrow Air Cargo	98.5	111.8	178.8	187.2	5.3%	5.8%	8.6%	11.0%
2	LAN	59.9	177.8	210.7	170.4	3.2	9.2	10.1	10.0
3	UPS	64.8	169.1	172.0	150.0	3.5	8.7	8.3	8.8
4	American	203.4	200.3	186.8	143.2	10.9	10.3	9.0	8.4
5	TAMPA	117.3	174.7	160.5	133.8	6.3	9.0	7.7	7.9
6	Centurion Air Cargo	143.0	75.4	176.5	130.0	7.7	3.9	8.5	7.6
7	FedEx	39.5	109.9	111.0	99.9	2.1	5.7	5.3	5.9
8	ABX Air	5.3	31.6	63.9	83.4	0.3	1.6	3.1	4.9
9	Amerijet	66.1	59.3	78.4	67.3	3.6	3.1	3.8	4.0
10	Southern Air	-	-	86.6	58.6	-	-	4.2	3.4
	All others	1,061.6	832.2	654.8	476.6	57.1	42.9	31.5	28.0
	Total	**1,859.4**	**1,942.1**	**2,080.0**	**1,700.4**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Notes: Sum of enplaned and deplaned freight and mail. Columns may not add to totals shown because of rounding.

(a) Delta and Northwest merged in October 2008 and received a single operating certificate from the FAA in December 2009.

Source: MDAD.

2.4 KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

In addition to development of the economy of the Airport Service Region, as discussed earlier, key factors that will affect future airline traffic at the Airport include:

- Economic and political conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition, airfares, and airport charges
- Airline consolidation and alliances
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport
- Operating efficiencies for American Airlines
- Capacity of Fort Lauderdale-Hollywood International Airport
- Relations with Cuba

2.4.1 Economic and Political Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. Recession in the U.S. economy in 2001 and stagnant economic conditions in 2002 contributed to reduced passenger numbers during those years. The recession that began in late 2007, combined with reduced discretionary income and increased airfares, has contributed to reduced airline travel demand in 2008 and 2009 and will continue to do so in the near term.

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at major U.S. airports. Sustained future increases both in domestic and international passenger traffic will depend on stable and peaceful international conditions and global economic growth.

2.4.2 Financial Health of the Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines, particularly American, to make the necessary investments to continue providing service.

The 1990-1991 recession, coupled with increased operating costs and security concerns during the Gulf War, generated then-record financial losses in the airline industry. Those losses put particular pressures on financially weak or highly indebted airlines, forcing many to seek bankruptcy protection, sell productive assets, lay off workers, reduce service, or discontinue operations.

Between 1995 and 2000, the airline industry was profitable, but as a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 terrorist attacks, increased fuel and other operating costs, and price competition, the industry again experienced huge financial losses. In 2001 through 2005, the major U.S. passenger airlines collectively recorded net losses of approximately $40 billion.

To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreement with their employees, lessors, vendors, and creditors to cut costs, either under Chapter 11 bankruptcy protection or the possibility of such. US Airways twice filed for bankruptcy protection, in August 2002 and September 2004, before emerging in September 2005 following its merger with America West Airlines. In 2004, US Airways drastically reduced service at its Pittsburgh hub. In December 2002, United Airlines filed for bankruptcy protection (emerged in February 2006). In 2003, American Airlines avoided filing for bankruptcy protection only after obtaining labor cost concessions from its employees and drastically reducing service at its St. Louis hub. In September 2005, Northwest filed for bankruptcy protection (emerged in May 2007). In 2005, Delta eliminated its Dallas/Fort Worth hub and downsized its Cincinnati hub. In September 2005, Delta filed for bankruptcy protection (emerged April 2007). Among smaller airlines, between 2003 and 2005, Hawaiian Airlines, ATA Airlines, Aloha Airlines, and Independence Air filed for bankruptcy protection. (Of these airlines, only Hawaiian was still operating as of October 2009.)

In 2006 and 2007, the U.S. passenger airline industry as a whole was profitable, but in 2008, as oil and aviation fuel prices increased to unprecedented levels, the industry experienced a profitability crisis. The industry responded by grounding older, less fuel-efficient aircraft, adopting fuel-saving operating practices, hedging their fuel requirements, reducing scheduled seat capacity, eliminating unprofitable routes, laying off employees, reducing employee compensation, reducing other non-fuel expenses, increasing airfares, and imposing other fees and charges. By the end of 2008, the U.S. passenger airlines had collectively reduced domestic capacity (as measured by available seat-miles) by approximately 10% compared with the end of 2007 and most airlines undertook additional capacity reductions in 2009.

Such industrywide capacity reductions may be required to allow the airlines to achieve equilibrium between seat supply and passenger demand at airfares adequate to achieve profitability. The combination of reduced seat capacity, increased airfares, and weak economic conditions is expected to lead to reduced passenger numbers at most airports in the near term.

Continuing losses by the U.S. airlines could deplete limited cash reserves and force any of them to seek bankruptcy protection or liquidate. In March and April 2008, Aloha, ATA, and Skybus airlines declared bankruptcy and ceased operations. In April 2008, Frontier Airlines filed for Chapter 11 bankruptcy protection (emerged October 2009 as a subsidiary to Republic Airways).

2.4.3 Airline Service and Routes

The Airport serves both as a gateway to South Florida and a connecting hub. The number of origin and destination passengers depends on the intrinsic attractiveness of South Florida as a business and leisure destination and the propensity of its residents to travel. The number of connecting passengers, on the other hand, depends on the airline service provided at the Airport and at other airports.

Most mainline airlines have developed hub-and-spoke systems that allow them to offer high-frequency service in many city-pair markets. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports.

The Airport is one of the most important hubs in American's system, and a significant percentage of passengers at the Airport connect between flights. As a result, much of the passenger traffic at the Airport results from the route network and flight schedule of American rather than the economy of the Airport service region. If American was to reduce connecting service at the Airport, such flights would not necessarily be replaced by other airlines, although reductions in service by any airline would create business opportunities for others.

This dependence on American poses risks for MIA. These risks are mitigated to the extent that MIA serves a large base of international O&D passengers and to the extent that MIA, by virtue of its geographic location, provides relatively unique advantages for serving U.S.-Caribbean and U.S.-South American traffic flows. FLL, because of the scale of its facilities, is not an adequate substitute for a large international gateway operation, such as American's hub at MIA, although it is potentially suitable for small-scale gateway operations and for international O&D traffic focused on U.S.-Caribbean, U.S.-Central America, and U.S.-South America traffic flows.

2.4.4 Airline Competition, Airfares, and Airport Charges

Airline fares have an important effect on passenger demand, particularly for relatively short trips, for which the automobile and other travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; airline debt burden; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend on the level of airfares.

Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the Internet, and other competitive factors combined to reduce airfares between 2000 and 2005. During that period, the average domestic yield for U.S. airlines was reduced from 14.9 cents to 12.7 cents per passenger-mile. Despite a period of elevated yields in the subsequent few years, travel demand weakened considerably in 2009, particularly for first- and business-class travel, in the face of the severe economic downturn. The average domestic yield for U.S. airlines in the first half of 2009 was 13.1 cents. The ability of airlines to increase and rationalize fares while controlling seat capacity is seen as key to the industry regaining and sustaining profitability.

Airfares at MIA are significantly related to the competitive structure of the airline industry, as well as service and airfare competition in individual markets served from MIA and FLL. Given the fare sensitivity of consumers, airlines typically respond to the lower fares offered by a competitor. While competition determines how low an airline must price its fares to attract passengers, costs determine how low an airline can price its seats and still make a profit. Thus, if fare reductions are not offset by increases in revenue from additional passengers and ancillary sources, and by greater operating efficiencies, then operating results will suffer, and service in such markets may be reduced. In this context, airport charges can be relevant.

Airport charges are typically expressed in terms of airline cost (payments) per enplaned passenger (CEP). CEP is used for comparison purposes, even though inherent issues affect the comparability of such ratios. In response to increased costs, an airline would, if it could, cancel the least profitable flights in its network. The high CEP at MIA might cause some of an airline's flights at the Airport to be among the least profitable flights in its network. Thus, a high CEP at MIA increases the likelihood of less service and higher fares at the Airport, both of which would adversely affect passenger traffic. These are complex and unique business decisions for individual airlines, which underscores why there is no clear, predictable relationship among (1) projected CEP, (2) future levels of airline service and fares, and (3) future levels of passenger traffic. The later Section 3.8.1 has additional information on the current forecast of CEP at the Airport.

2.4.5 Airline Consolidation and Alliances

In response to competitive pressures, the U.S. airline industry has consolidated. In April 2001, American completed an acquisition of failing Trans World Airlines. In August 2001, merger plans for United and US Airways were proposed, but rejected by the U.S. Department of Transportation because of concerns about reduced airline competition. In September 2005, US Airways and America West merged. In December 2006, AirTran initiated a hostile takeover offer for Midwest Airlines, but withdrew its offer in August 2007 when it was outbid by a consortium of private investors and Northwest. In October 2008, Delta and Northwest merged. In June 2009, Republic Airways Holdings announced the purchase of Frontier and Midwest airlines. Various other merger combinations of American, Continental, United, and US Airways have been rumored, but in an environment of high fuel prices and weak demand, none is expected to be pursued in the near term. In the longer term, further airline consolidation is possible and could change airline service patterns, particularly at the connecting hub airports of the merging airlines.

Alliances, joint ventures, and other marketing arrangements provide airlines with many of the advantages of mergers, and all of the large U.S. network airlines are members of such alliances with foreign-flag airlines. Alliances typically involve marketing, code-sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on certain routes. At a joint news conference in June 2008, United and Continental Airlines announced code-share and other cooperative plans as well as plans for Continental to join the Star alliance.

2.4.6 Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainty. Beginning in 2003, fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in Nigeria and other oil-producing countries; the rapidly growing economies of China, India, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest item of airline operating expense, accounting for between 30% and 40% of expenses for most airlines. Increased fuel prices have been the single most important contributor to recent airline industry losses. In the second half of 2008, fuel prices fell sharply as demand declined worldwide, although prices increased somewhat in 2009. Partly as a result of high fuel prices, airlines and aircraft manufacturers have begun to explore the use of alternative fuels for aircraft.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term. However, there is widespread agreement that fuel prices are likely to remain high relative to historical levels and to increase over the long term as global energy demand increases in the face of finite and increasingly expensive oil supplies.

While aviation fuel prices have not affected the ability of airlines to provide service, continued high prices will affect future airline service, airfares, and passenger numbers. Airline operating economics will also be affected as regulatory costs are imposed on air travel and the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

2.4.7 Aviation Safety and Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the Transportation Security Administration (TSA), and more intensive screening of passengers and baggage. Foiled plots to attack flights with explosives in summer 2006 and, more recently, in December 2009, have led to further changes in security screening procedures. The TSA faces a congressional mandate to screen 100% of air cargo by August 2010.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, public health concerns, and international hostilities. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, it can be expected that future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Public health concerns have also affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. Beginning in April 2009, concerns about the spread of swine flu caused by the H1N1 virus dampened international travel demand, particularly to and from Mexico and Asia.

2.4.8 Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. After 2001, and again in 2008 and 2009, air traffic delays decreased as a result of reduced numbers of aircraft operations, but, as air travel demand increases in the future, flight delays and restrictions will recur.

2.4.9 Capacity of the Airport

MIA's airfield capacity and, when the CIP is complete, its terminal capacity are believed to be sufficient to accommodate future growth in aircraft operations at the Airport over the forecast period (through FY 2018). MDAD expects that 42 gates out of the total 50 gates in the North Terminal will be functional in June 2010 and believes that, with these gates, there will be adequate facilities to meet American's stated needs and to accommodate additional growth over the next 2 years. American has indicated that its growth at MIA will be modest until North Terminal facilities are complete.

2.4.10 Operating Efficiencies for American Airlines

American, based on its share of activity at MIA, will pay more in airline charges at the Airport than all other airlines combined. At the same time, American expects to achieve significant operating benefits from the North Terminal when it is fully operational. These benefits would be achieved through more cost-efficient passenger and baggage throughput, reduced connection times, and reduced aircraft taxiing times, which produce operational savings through reduced crew time and fuel burn. The value of these benefits has not been quantified, although American believes that it is substantial, helping to offset the higher Airport charges to be paid by American and, to the extent that they also use the North Terminal, its regional affiliates and **one**world alliance partners.

2.4.11 Capacity of Fort Lauderdale-Hollywood International Airport

For purposes of forecasting numbers of enplaned passengers at MIA through FY 2018, it was assumed that there will be no physical constraints on growth at FLL during the forecast period.

2.4.12 Relations with Cuba

Given Fidel Castro's resignation as the President of Cuba and the succession of his younger brother, Raul, to the position in February 2008, as well as the current White House administration's decision to lift limitations on family travel to Cuba, the question arises as to whether this might lead to a thawing of relations between the United States and Cuba. Although it is increasingly likely that travel restrictions between the United States and Cuba will be relaxed further in the future, it was assumed that any change during the forecast period would be incremental and evolving. The effect of any policy change is likely to be more pronounced in the Airport Service Region than in the rest of the United States, as the Region is the center of the Cuban diaspora in the United States.

Even in the current limited U.S.-Cuba travel environment, the overwhelming majority of travelers use flights operating to and from MIA. Apart from trips being made for military purposes, 97% of U.S.-Cuba travelers in 2008 used flights operated from MIA. Since the April 2009 easing of restrictions on family travel, MIA has experienced roughly a doubling in U.S.-Cuba passenger traffic.

2.5 ENPLANED PASSENGER FORECAST

Enplaned passengers at MIA were forecast taking into account the key factors discussed above as well as other assumptions. For this forecast, it was assumed that American would continue to rely on MIA as its primary gateway to Latin America; American, its affiliates, and alliance partners at MIA would operationally benefit as they ramp up service at the North Terminal; and American, from its operation in MIA, would effectively counter efforts by any LCC that might attempt to develop a significant level of low-fare service at FLL to the Caribbean, Central America, or the northern part of South America.

The combined effect of recent and ongoing events (the economic recession, weak business travel demand, continued widespread capacity reductions, and fuel cost volatility) on future passenger demand and on the aviation industry in general remains uncertain and will likely continue to be so for the near future.

Highlights of the forecast of enplaned passengers at MIA through FY 2018 are as follows:

- Total passengers declined 0.9% (from 17.0 million to 16.9 million) in FY 2009, and are forecast to decline a further 2.0% in FY 2010, returning thereafter to positive growth at rates gradually approaching a 2.2% longer-term annual growth rate, and reaching 19.5 million enplaned passengers in FY 2018. This longer-term rate of increase is somewhat below the 2.6% average annual growth rate experienced at the Airport over the 30 years between FY 1978 and FY 2008, as discussed earlier.

- The number of domestic enplaned passengers at MIA is estimated to have declined 0.7% in FY 2009, and is forecast to decline a further 1.6% in FY 2010, returning thereafter to positive growth at rates gradually approaching a 1.9% longer-term annual growth rate.

- The number of domestic O&D passengers is forecast to achieve its FY 2007 level again only after FY 2018. All net growth in domestic enplaned passenger numbers over the forecast period is expected to result from increased gateway connections (i.e., international-to-domestic connections).

- The number of international enplaned passengers at MIA is estimated to have declined 1.5% in FY 2009, and is forecast to decline a further 2.4% in FY 2010, returning thereafter to positive growth at rates gradually approaching a 2.5% longer-term annual growth rate.

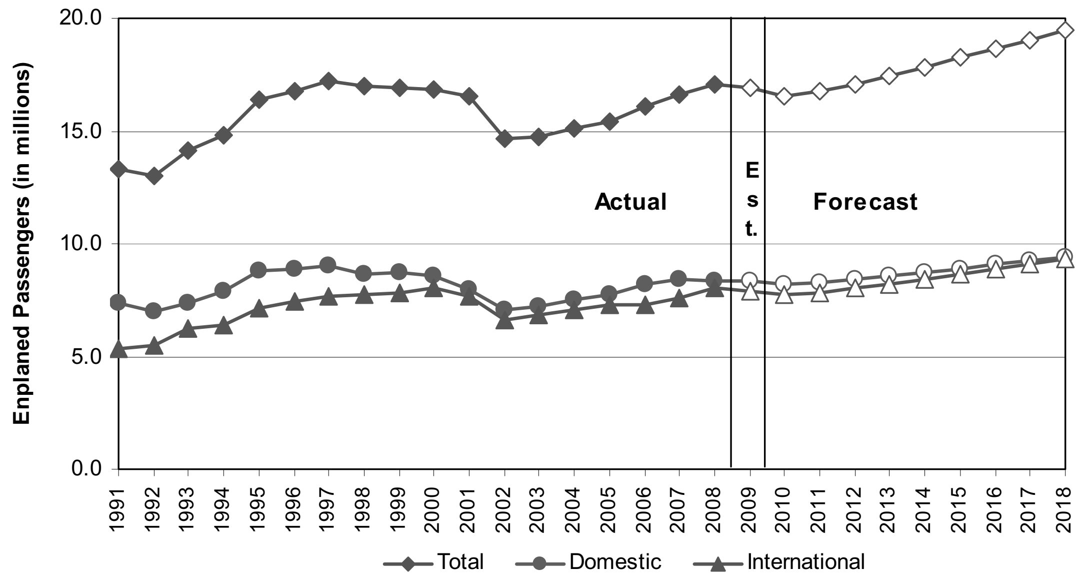
- The traffic mix in FY 2018 is forecast to be slightly more heavily weighted by international enplaned passengers (49.8% of total) relative to FY 2008 (48.7%), with a greater reliance on connecting traffic (45.8% of total in FY 2018, relative to 43.6% in FY 2008).

The enplaned passenger forecast for MIA is displayed graphically on Figure 17 and in tabular form in Table 39.

Figure 17

ENPLANED PASSENGER FORECAST
Miami International Airport
(for the 12 months ended September 30)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events, which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.



Sources: Actual—MDAD; U.S. DOT, Schedule T100; *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast—Jacobs Consultancy.

The FAA's *Terminal Area Forecast* (TAF) for MIA, released in December 2008, forecasts a total of 19.8 million enplaned revenue passengers at the Airport in FY 2018, compared to a forecast of 18.7 million enplaned revenue passengers at MIA in this Report. The TAF reflects average growth of 2.4% per year in FY 2010 through FY 2018, as opposed to the passenger decline forecast in FY 2010 in this Report followed by a return to a 2.2% long-term annual growth rate.

Table 39

SUMMARY OF ENPLANED PASSENGER FORECAST

Miami International Airport

(for fiscal years ended September 30; passengers in thousands)

This forecast was prepared on the basis of the information and assumptions given in the text. The achievement of any forecast is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results may vary from the forecast, and the variance could be material.

	Actual					Forecast				
	2005	2006	2007	2008	2009E	2010	2011	2012	2015	2018
Total revenue enplaned passengers.	15,054	15,479	16,021	16,399	16,223	15,900	16,129	16,427	17,533	18,717
Annual % increase/decrease	3.4%	2.8%	3.5%	2.4%	-1.1%	-2.0%	1.4%	1.8%	2.0%	2.2%
Nonrevenue enplaned passengers	390	576	595	636	661	650	661	673	707	733
TOTAL ENPLANED PSGRS.	**15,443**	**16,055**	**16,615**	**17,035**	**16,884**	**16,550**	**16,790**	**17,100**	**18,240**	**19,450**
Annual % increase/decrease	**2.2%**	**4.0%**	**3.5%**	**2.5%**	**-0.9%**	**-2.0%**	**1.5%**	**1.8%**	**2.0%**	**2.2%**
Domestic revenue passengers										
O&D	4,782	4,999	4,953	4,693	4,647	4,510	4,530	4,576	4,760	4,946
Connecting	2,953	3,185	3,450	3,685	3,673	3,673	3,749	3,842	4,137	4,458
Total domestic revenue passengers	7,735	8,184	8,403	8,378	8,320	8,183	8,279	8,418	8,897	9,404
Annual % increase/decrease	3.2%	5.8%	2.7%	-0.3%	-0.7%	-1.6%	1.2%	1.7%	1.7%	1.9%
International revenue passengers										
O&D	4,504	4,292	4,352	4,553	4,441	4,352	4,420	4,500	4,842	5,203
Connecting	2,814	3,003	3,265	3,468	3,463	3,365	3,430	3,509	3,794	4,110
Total international revenue psgrs.	7,319	7,295	7,618	8,021	7,903	7,717	7,850	8,009	8,636	9,313
Annual % increase/decrease	3.7%	-0.3%	4.4%	5.3%	-1.5%	-2.4%	1.7%	2.0%	2.3%	2.5%
As percent of revenue enplaned psgrs.										
Domestic	51.4%	52.9%	52.5%	51.1%	51.3%	51.5%	51.3%	51.2%	50.7%	50.2%
International	48.6	47.1	47.5	48.9	48.7	48.5	48.7	48.8	49.3	49.8
O&D	61.7%	60.0%	58.1%	56.4%	56.0%	55.7%	55.5%	55.3%	54.8%	54.2%
Connecting	38.3	40.0	41.9	43.6	44.0	44.3	44.5	44.7	45.2	45.8

E = Estimated. Traffic segments estimated based on nine months of actual segment-level data. Total enplaned passengers are actual.

Sources: Actual: MDAD; U.S. DOT, Schedule T100; *Air Passenger Origin-Destination Survey*, reconciled to Schedules T100 and 298C T1.
Forecast: Jacobs Consultancy.

Table 40

CHRONOLOGY OF RELEVANT EVENTS

1990	May	-With Eastern under bankruptcy protection, American purchased its route authorities and much of its operating infrastructure in Latin America
	July	-A national economic recession began, continuing until March 1991
1991	January	-Eastern terminated system operations
	December	-United acquired from Pan Am its Latin American route authorities
	December	-Pan Am terminated system operations
1992	August	-Hurricane Andrew struck South Florida
1995	February	-United States and Canada reached agreement on removing many of the barriers to increased scheduled air service between the two countries
1996	Jan., April	-Southwest launched nonstop service from FLL to Tampa and Orlando
	May	-Valujet flight crashed into the Everglades after takeoff from MIA
1997	May	-United, Lufthansa, Air Canada, SAS, Thai, and Varig launched Star alliance
1998	September	-American, British Airways, Canadian, Cathay Pacific, and Qantas launched **one**world alliance
2000	June	-Delta, Air France, Mexicana, and Korean Air launched SkyTeam alliance
2001	January	-American announced an agreement to purchase the assets of TWA
	March	-A national economic recession began, continuing until November 2001
	September 11	-Terrorist attacks in New York and Washington DC were followed by an unprecedented 3-day shutdown of the U.S. air transportation system
2002	July	-US Airways filed for Chapter 11 bankruptcy protection
	December	-United filed for Chapter 11 bankruptcy protection
2003	March	-War commenced in Iraq
		-World Health Organization (WHO) issued first international emergency travel advisory relating to Severe Acute Respiratory Syndrome (SARS)
		-US Airways emerged from Chapter 11 bankruptcy protection
	July	-WHO removed all SARS-related travel advisories
2004	May	-US Airways joined United as member of Star alliance
		-United completed the shift of its Latin American hubbing operation from MIA to Washington Dulles
	September	-Iberia terminated its Latin American hubbing operation at MIA
		-US Airways filed for Chapter 11 bankruptcy protection for a second time
	October	-ATA filed for Chapter 11 bankruptcy protection
	November	-American announced fare initiative at MIA, including reduced fare levels, fewer restrictions, and a simplified fare structure
2005	August	-Hurricane Katrina struck South Florida, the Gulf Coast, and New Orleans
	September	-Delta and Northwest both filed for Chapter 11 bankruptcy protection
	September	-US Airways emerged from bankruptcy and merged with America West
	October	-Airport was closed for nearly 3 days due to Hurricane Wilma
2006	February	-United and ATA emerged from bankruptcy protection
2007	April, May	-Delta and Northwest emerged from bankruptcy protection
	December	-A national economic recession began
2008	March, April	-Aloha, ATA, and Skybus ceased operations
	April	-Frontier filed for Chapter 11 bankruptcy protection
	July	-Price of crude oil peaked at $147 per barrel
	September	-Several large U.S. financial institutions failed or were sold, largely as a result of the subprime mortgage crisis
		-Many airlines, including American, began to undertake significant systemwide capacity reductions
	October	-Global financial markets experienced extreme volatility and heavy losses
		-Delta and Northwest completed their merger
2009	February	-Congress enacted the American Recovery and Reinvestment Act of 2009 (ARRA)
	September	-American announced a network restructuring and plans to increase capacity at MIA
	December	-FAA approved a single operating certificate for Delta and Northwest

3. FINANCIAL ANALYSIS

The purpose of the financial analysis is to evaluate the ability of the Airport System to generate Net Revenues sufficient to satisfy the requirements of the Rate Covenant of the Trust Agreement and its ability to satisfy the requirements of the Rate Covenant under the Ordinance, taking into account Outstanding Bonds, the proposed 2010A Bonds, the proposed 2010 Double-Barreled Bonds and future 2010B Bonds that the County expects to issue in late 2010 to complete the remainder of the bond financing for the CIP. The analysis covers the period from FY 2010 through FY 2018. The financial operations data for FY 2009 are based on 12 months unaudited financial data and the FY 2010 data are based on MDAD's budget for FY 2010. Data for FY 2011 through FY 2018 were forecast reflecting historical operating results and FY 2010 budget. To provide the basis for the financial analysis, the financial structure of the Port Authority Properties, which is largely governed by the Trust Agreement, is discussed first, followed by a discussion of the Ordinance and airline agreements.

3.1 TRUST AGREEMENT

The County issues aviation revenue bonds pursuant to the terms and conditions set forth in the Trust Agreement between the County and the Trustee and Co-Trustee. Aviation revenue bonds are special, limited obligations of the County payable solely from and secured by the Net Revenues of the Port Authority Properties. The faith and credit of the County are not pledged to the payment of the Bonds unless stated otherwise. Principal and interest on outstanding parity Bonds (Outstanding Bonds) are payable from the Sinking Fund, to which the County has covenanted to deposit sufficient Net Revenues of the Port Authority Properties after retention of an operating reserve. MDAD accounts for its operation on a cash basis for Trust Agreement purposes and on an accrual basis for financial reporting purposes.

3.1.1 Net Revenues

In the Trust Agreement, Net Revenues are defined as Revenues less Current Expenses. Under the Trust Agreement, the term "Revenues" is defined as "all moneys received or earned by the Authority [MDAD] for the use of, and for the services and facilities furnished by, the Port Authority Properties and all other income derived by the Authority from the operation or ownership of said Properties…." Revenues include ground rent paid for land on which Port Authority Properties and Non-Port Authority Properties are located. Revenues also include certain moneys remaining in the Improvement Fund at the end of a Fiscal Year that are transferred from the Improvement Fund to the Revenue Fund in the subsequent Fiscal Year. Revenues do not include moneys received from federal or State grants, the sale of surplus property as permitted under the Trust Agreement, or PFC revenues, unless otherwise provided by resolution of the Board. CFC revenues are also not included in the definition of Revenues.

The Trust Agreement defines "Current Expenses" to mean the reasonable and necessary current expenses of maintenance, repair, operation, and administration of the Port Authority Properties, including reasonable payments to pension or retirement funds, insurance premiums, and taxes. Current Expenses do not include depreciation, reserves for extraordinary maintenance or repair, or deposits to the credit of the Sinking Fund, the Reserve Maintenance Fund, or the Improvement Fund.

3.1.2 Application of Revenues

The Trust Agreement provides that all Revenues of the Port Authority Properties are to be deposited in the Revenue Fund to be held in trust by the Co-Trustee. Moneys in the Revenue Fund are to be applied for various purposes and to fund accounts in the following priority:

1. To pay from the Revenue Fund any Current Expenses as they "become due and payable."

2. To hold within the Revenue Fund an operating reserve of not more than 20% of the Annual Budget for Current Expenses.

3. To the Bond Service Account in the Sinking Fund to pay interest on all Bonds outstanding and principal on serial bonds outstanding under the Trust Agreement.

4. To the Redemption Account in the Sinking Fund to fund the amortization requirement on any term bonds.

5. To the Reserve Account in the Sinking Fund to maintain a balance of one-half the maximum Principal and Interest Requirements for any future Fiscal Year.

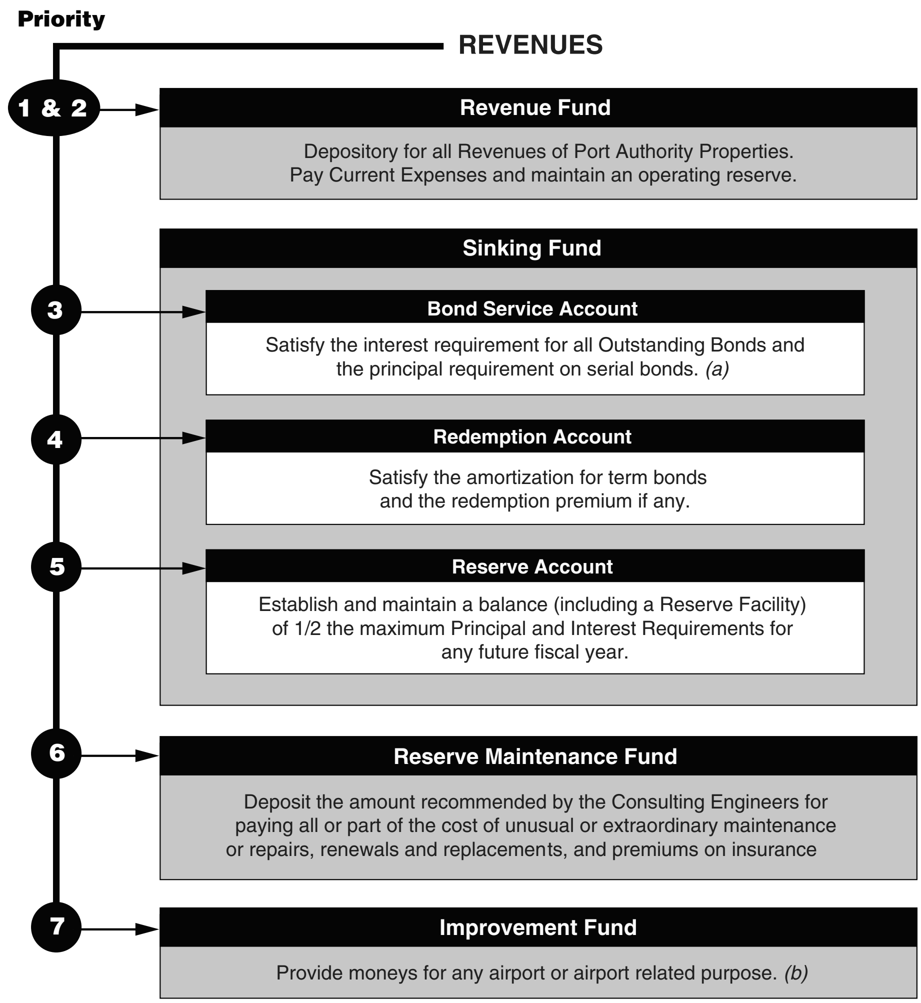
6. To the Reserve Maintenance Fund such amount as recommended by the Consulting Engineers to pay all or part of the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and premiums on insurance.

7. To the Improvement Fund the remaining balance, if any, for any purpose permitted under the Trust Agreement.

The priority for the use of Revenues is illustrated on Figure 18.

Figure 18

APPLICATION OF PORT AUTHORITY PROPERTIES REVENUES UNDER THE TRUST AGREEMENT



Note: *(a)* Requirements from Revenues may be reduced to the extent such requirements are satisfied from moneys (e.g., PFC revenues) set aside or deposited for such purpose.

(b) Certain moneys are transferred annually from the Improvement Fund to the Revenue Fund pursuant to the terms of the Airline Use Agreement. Such deposits to the Revenue Fund are treated as Revenues under the Trust Agreement.

Source: Trust Agreement. (The Amended and Restated Trust Agreement dated as of December 15, 2002.)

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The deposit to the Improvement Fund will be used to make payments subordinate to the requirements described above, after satisfying the requirements under the Trust Agreement. Payment for commercial paper interest has the first claim on the deposit to the Improvement Fund, followed by the payment of Principal and Interest Requirements on the 2010 Double-Barreled Bonds. However, the Aviation Department currently expects to pay commercial paper interest from the bond proceeds and is not currently planning to use the Improvement Fund.

Under the landing fee methodology adopted by resolution of the Board and incorporated in the Airline Use Agreement, certain moneys remaining in the Improvement Fund, after satisfying the requirements under the Trust Agreement and the Ordinance, are to be transferred to the Revenue Fund in the succeeding Fiscal Year. The amount of such transfer is considered to be Revenues in the succeeding Fiscal Year.

3.1.3 Rate Covenant

The County has covenanted in Section 501 of the Trust Agreement (the Rate Covenant) that it will, at all times, establish and collect rates and charges relating to PAP that will be sufficient to:

1. Provide adequate funds for the payment of Current Expenses.

2. Provide for making deposits to the Reserve Maintenance Fund in the amounts recommended by the Consulting Engineers.

3. Provide for (a) deposits to the Sinking Fund (other than the Reserve Account) that in each Fiscal Year will equal not less than 120% of the Principal and Interest Requirements due in that Fiscal Year and (b) deposits to the Reserve Account and payments to reimburse providers of Reserve Facilities.

3.1.4 Conditions for Issuing Additional Bonds

Outstanding Bonds constitute all debt obligations issued under the Trust Agreement that are currently in force (i.e., accruing principal and interest payments and that have not been defeased or retired). Section 210 of the Trust Agreement requires, among other, that before debt for new facilities or improvements can be issued on an equal standing with Outstanding Bonds, the Additional Bonds must meet either a historical or a prospective earnings test:

- The historical test establishes a test period consisting of 12 consecutive calendar months during the 18 months immediately preceding the date of the certificate of indebtedness issued by the Aviation Director. During this test period, Net Revenues shall not be less than 120% of the maximum Principal and Interest Requirements in any Fiscal Year on all Outstanding Bonds and the Additional Bonds then being issued. If the rates and charges established and charged for PAP are revised prior to the date of the certificate of indebtedness, the Net Revenues for the test period may be adjusted to reflect the amounts that would have been collected had the revised rates and charges been in effect throughout the entire test period.

- The prospective earnings test requires that the estimated Net Revenues for each of the 5 Fiscal Years immediately following either the date of the Statement of the Traffic Engineers or the last date on which interest is to be paid from the proceeds of the Additional Bonds shall not be less than 120% of the Principal and Interest Requirements in each such Fiscal Year of all Outstanding Bonds and the Additional Bonds then being issued.

Section 211 of the Trust Agreement provides for the issuance of Bonds to refund all or some of the series of Outstanding Bonds, providing that the total Principal and Interest Requirements of the Refunding Bonds during their term are less than the Principal and Interest Requirements during the term of the Outstanding Bonds that are being refunded. Alternatively, Refunding Bonds can be issued by satisfying either the historical or prospective earnings test of Net Revenues under terms identical to those required to issue Additional Bonds.

Under Section 212 of the Trust Agreement, the County may also issue Bonds to refund debt that was not issued under the Trust Agreement, the principal and interest payments of which are to be made from sources related to any airport or airport-related project if, among other things, the conditions of the prospective earnings test of Net Revenues, identical to that required for issuing Additional Bonds, are met and the full amount then required for the Reserve Account is on deposit. Also, any airport or airport-related project or property that is not part of PAP may be added to PAP under Section 1308 of the Trust Agreement provided that Net Revenues, after deducting the average annual deposits to the Reserve Maintenance Fund for the projects or properties added to PAP, are no less than 120% of the Principal and Interest Requirements on all Outstanding Bonds in each of the 5 Fiscal Years following the inclusion of such property or project in PAP.

3.2 ORDINANCE

The 2010 Double-Barreled Bonds are being issued under the Ordinance 86-75 adopted by the Board, as supplemented by the 2010 Double-Barreled Resolution. The 2010 Double-Barreled Bonds will constitute general obligations of the County secured by the full faith, credit and tax power of the County and payable from Pledged Revenues.

3.2.1 Pledged Revenues

Pledge Revenues mean, collectively, the Net Available Airport Revenues and Ad Valorem Tax Revenues actually deposited into the Debt Service Account or the Reserve Account pursuant to the 2010 Double-Barreled Resolution. Net Available Airport Revenues means

> "… any unencumbered funds held for the credit of the Improvement Fund after the payment of all obligations of the County pertaining to the County Airports which are payable pursuant to, and subject to the restrictions of: (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect or (iii) any other indenture, trust agreement or contract."

The County expects to have sufficient Net Available Airport Revenues to pay Principal and Interest Requirements on the 2010 Double-Barreled Bonds, although Ad Valorem Tax Revenues are available to meet any potential deficiency. For the purpose of this report, the forecast of Net Airport Available Revenues for payment of debt service on the 2010 Double-Barreled Bonds includes only the annual deposit from the Revenue Fund to the Improvement Fund, although other unencumbered amounts in the Improvement Fund may also be available for payment of such debt service.

3.2.2 Double-Barreled Rate Covenant

The County covenants that it will at all times fix, charge and collect rates and charges for the use of and for the services and facilities furnished by the Port Authority Properties, and revise such rates and charges to satisfy the deposit requirements for the Debt Service Account and Reserve Account set forth in the 2010 Double-Barreled Resolution.

3.2.3 Authentication of 2010 Double-Barreled Bonds

The 2010 Double-Barreled Resolution requires that a Certificate of Authentication be executed, which requires, among others, that:

1. A statement from the Traffic Engineers, forecasting Net Airport Available Revenues in each of the 8 years immediately following the date of said statement, and

2. A certificate by the Aviation Director

    a. setting forth the Principal and Interest Requirements of the 2010 Double-Barreled Bonds,

    b. stating ending date of capitalized interest, if applicable, and

c. concluding that Net Airport Available Revenues, as forecasted by the Traffic Engineers, to be at least 100% of item a above in each year of 8 years immediately following after issuance date

The statement of the Traffic Engineers for the 2010 Double-Barreled Bonds will be provided in a separate document.

3.3 AIRLINE AGREEMENTS AND RELATED FEES

In addition to the Trust Agreement, the financial operation of PAP is also governed by the agreements with the airlines operating at the Airport.

3.3.1 Airline Use Agreement

The County has entered into separate but identical Airline Use Agreements (AUA) with various airlines serving MIA (the Signatory Airlines). The AUA incorporates the rates and charges methodologies for landing fees, terminal building rental rates, and aviation user fees, as established annually by the Board. The Signatory Airlines have agreed to pay landing fees for as long as they operate at the Airport or at any airport in the Airport System. The AUA is a 15-year agreement, which is scheduled to expire on April 30, 2017. For the purposes of this Report, it was assumed that the rates and charges methodology currently in effect will remain unchanged throughout the forecast period. As of October, 2009, 69 airlines have entered into the AUA with the County. In FY 2009, approximately 91% of the landing fee revenues were generated from the Signatory Airlines.

The AUA provides that the County, acting through the Board, has the right to calculate and collect a landing fee using an Airport System residual methodology so that Revenues from Signatory Airline landing fees together with Revenues from other sources will, at all times, be sufficient to meet:

1. The requirements of the Rate Covenant.

2. Certain other requirements, including funding of certain indebtedness payable from moneys in the Improvement Fund, including the debt service related to the 2010 Double-Barreled Bonds

Landing fee rates, under the terms of the AUA, are reviewed annually and appropriately adjusted effective October 1, and semi-annually adjusted effective April 1. Landing fees can also be adjusted at other times, as required, as a result of "emergency conditions." The Board reserves the right to modify the landing fee methodology, as well as the methodology used to calculate all other applicable fees and charges upon consultation with the airlines serving MIA and with the consent of the Trustee.

The AUA acknowledges the consent of the Signatory Airlines to the $5.45 billion CIP approved by the Board in July 1999 and establishes due process procedures for a limited review of the Airport's CIP. Projects added to the CIP after July 1999 that are not in specific review-exempt categories are subject to airline rights of review under the following terms:

1. So long as the projected airline cost per enplaned passenger does not exceed \$30 (in 1998 dollars) in 5 or more of the 10 years within the forecast period, then a project is deemed approved unless a majority-in-interest (MII) of the airline members of the Miami Airport Affairs Committee (MAAC) take action to disapprove it. If a project is disapproved, the County will re-examine the project for 180 days, after which it may be resubmitted to the MAAC for approval. If the project is disapproved a second time, the County must wait another 180 days, after which the County can implement the project whether or not the MAAC airlines approve it.

2. If the airline cost per enplaned passenger is projected to exceed \$30 (in 1998 dollars) but not to exceed \$35 (in 1998 dollars) in 6 or more of the 10 years within the forecast period, then a nonexempt project must be submitted to the MAAC airlines for approval. If the project is not approved, then the County may resubmit the project to the MAAC airlines for approval after 180 days. If the project is still not approved, then the project may be submitted to the Board for approval. If the project is approved by the Board, the County may construct the project regardless of MII non-approval.

3. If MDAD's annual projection of airline cost per enplaned passenger exceeds \$35 (in 1998 dollars) in 6 or more of the 10 years within the forecast period, then MDAD may not incur costs to design and construct Capital Projects subject to MII review except with MII approval.

The AUA exempts certain categories of projects from airline review as follows: projects with costs (net of grants and PFC revenues) less than \$15 million; projects financed by tenants or third parties, projects certified by the Consulting Engineers to be necessary under the Trust Agreement; projects to meet regulatory requirements or other specified objectives (e.g., to repair casualty damage or satisfy judgments); and overruns for each program within the CIP provided that such overruns do not exceed 25% of the originally approved cost of the program.

Projects in the \$6.3 billion CIP, including projects to be financed with the proceeds of the proposed 2010A Bonds and proposed 2010 Double-Barreled Bonds, have received all required approvals under the AUA.

3.3.2 Terminal Building Lease Agreement

The County entered into separate but substantially similar terminal building lease agreements with the airlines operating at MIA (including American) providing for the general right to use and occupy the passenger terminal premises for a 5-year term, with a separate lease provision for specific space in the terminal building actually occupied by each airline. Under the lease agreement, the separate lease provisions for specific space are subject to cancellation by either party on 30-days' notice. All of the 5-year leases had a uniform expiration date of July 2006. The airlines are expected to approve and execute new TBLAs, which are substantially similar to the existing TBLAs, in the near future.

3.3.3 Landing Fee Calculation

Landing fees for the Signatory Airlines are based on Revenue Requirements (costs) and Revenue Credits (credits) that are measured on a cash basis. Revenue Requirements include:

1. Estimated Principal and Interest Requirements on bonds then outstanding and on bonds to be issued during the period of the fee calculation.

2. A coverage margin calculated as 20% of the estimated Principal and Interest Requirements.

3. Estimated Current Expenses.

4. Estimated change in the operating reserve for Current Expenses, which reserve is calculated as a percentage (not to exceed 20%) of estimated Current Expenses.

5. Estimated deposit, if any, from Revenues to the bond Reserve Account required to meet the Reserve Account Requirement.

6. Deposit to the Reserve Maintenance Fund in the amount recommended by the Consulting Engineers.

7. Estimated debt service payable from Revenues on commercial paper then outstanding and on commercial paper to be issued during the period of the fee calculation, including amounts necessary to make hedge or termination payments.

8. Estimated debt service and revenue covenant requirements payable from Revenues on other indebtedness (for example, subordinate debt, PFC-backed debt, or general obligation bonds, including the 2010 Double-Barreled Bonds) then outstanding and on other indebtedness to be issued during the period of the fee calculation.

9. Estimated deposits to funds and accounts payable from Revenues that may be required in connection with commercial paper or other indebtedness.

Under the landing fee methodology adopted by resolution of the Board and incorporated in the Airline Use Agreement, moneys remaining in the Improvement Fund are to be transferred to the Revenue Fund in the succeeding Fiscal Year, except for moneys required to pay current indebtedness payable from the Improvement Fund (e.g., commercial paper, hedge or termination payments under swap agreements, and subordinate debt including the 2010 Double-Barreled Bonds) and for moneys retained by MDAD in the subaccounts of the Aviation Capital Account. The resolution provides that MDAD can deposit $5 million per year into the Retainage Sub-account, subject to a cap of $15 million for the total amount on deposit therein, which amounts are subject to annual adjustment for inflation. The resolution also provides that MDAD can deposit annually to the Performance Sub-account 50% of the Revenues that exceed break-even costs of the Cargo and Commercial Aviation Support Facilities. For the purposes of this Report, it was assumed that no deposit will be made to the Performance Sub-account in the forecast period.

The Revenue Credits to be received during the period of the fee calculation include revenues from all sources, including transfers from the Improvement Fund and Revenues from the Nonsignatory Landing Fee Differential, but exclusive of Revenues from landing fees, interest earnings on moneys in the Reserve Maintenance Fund, and interest earnings on moneys in the Improvement Fund.

The aggregate landing fee requirement is calculated by subtracting the Revenue Credits from the Revenue Requirements. The landing fee is then established as three landing fees: the Signatory Landing Fee; the Nonsignatory Landing Fee (105% of the Signatory Landing Fee) for nonsignatory airlines that have complied with the County's Aviation User Credit Program requirements (referred to as the Non-Signatory Differential); and a fee of 150% of the Signatory Landing Fee for airlines not complying with the County's Aviation User Credit Program requirements.

3.3.4 Calculation of Terminal Rents and User Fees

The AUA acknowledges that the County establishes terminal rents and user fees using an equalized rate methodology that was first adopted by the Board in September 1990 (Resolution No. R-1054-90). Under this methodology, airlines pay the same rate for a category of terminal space, even though the space used by one airline may differ significantly from the same category of space used by another airline in terms of age, location, cost to construct, replacement value, undepreciated value, and other factors that may affect how the value of the space is perceived. This methodology permits MDAD to recover most of the costs allocated to the terminal building. The terminal building-related fees in effect at the Airport and the activity on which they are based, including charges for common use terminal equipment (CUTE), are presented below.

Rates and Fees	Basis
Rental rates	Rentable square footage
Concourse use fee	Arriving and departing seats
Domestic bag claim fee	Domestic arriving seats
Screening fee	Departing seats
International facilities fee	International arriving seats
Outbound baggage makeup fee	Departing seats
CUTE infrastructure fee	Departing seats for all airlines
CUTE gate fee	Departing seats for CUTE airlines
CUTE equipment and space	Per hour of CUTE ticket counter use

Terminal rents and user fees are set to recover a portion of the costs of operating the terminal including: direct Current Expenses; allocated (indirect) Current Expenses; allocated Principal and Interest Requirements; an allocated portion of the net increase in coverage on allocated Principal and Interest Requirements; amortization on the cost of terminal assets, except those financed with moneys from the Aviation Capital Fund, federal or State grants, PFC revenues, or the proceeds of bonds issued under Section 210 of the Trust Agreement.

Terminal rents are assessed to the airlines for exclusive-use premises. Airlines are also charged a concourse use fee for common-use areas (e.g., holdrooms). Airlines with international arriving passengers are assessed an international facilities fee for the cost of special equipment and services, including international baggage claim equipment. Additional terminal fees are assessed for the cost of security screening, domestic baggage claim including the cost of the corresponding terminal space, and outbound baggage makeup facilities. All airlines that use CUTE-equipped ticket counters and associated baggage makeup area are assessed a fee per departing seat to cover the costs of infrastructure to support CUTE as well as a fee per hour for the use of CUTE-equipped ticket counters.

3.3.5 Lease, Construction and Financing Agreement with American Airlines

In October 1995, the County entered into a Lease, Construction and Financing (LCF) Agreement with American Airlines regarding the planning, programming, design, and construction of the North Terminal Development (NTD) Program. Subsequent amendments to the LCF Agreement increased the scope of work and the County's not-to-exceed amount for the NTD Program.

In June 2005, the Board approved a fourth amendment to the LCF Agreement, in which the County assumed responsibility for completion of the NTD Program, and American agreed to contribute $105 million over a 10-year period into a Claims

Reserve Fund to pay claims asserted against or allocable to American Airlines in conjunction with construction. Any residual amount remaining in the Claims Reserve Fund after the payment of any claims is to be applied to the costs of the NTD Program. After completion of the NTD Program and settlement of all related claims, any excess may be used to pay the costs of any projects in the CIP.

To protect the County from a potential American Airlines bankruptcy and potential rejection of its $105 million obligation, American executed an amendment to its AUA consenting to a modification of the methodology for calculating terminal rents and user fees to impose a surcharge on American to recover any unpaid amounts in the event of a bankruptcy filing by the airline. The County has received the consent of the Trustee for this amendment to American's AUA incorporating these changes, if necessary, to the rate-setting methodology for American.

3.4 CAPITAL EXPENDITURES AND FUNDING

As noted in Section 1 of this Report, the estimated project cost for the CIP was $6.307 billion as of September 30, 2009, which did not include the potential cost increase. For the purpose of this Report, an assumed issuance of up to $100 million in additional debt was included in the financial analysis, which the Aviation Department believes, based on all currently available information, to be a sufficient amount to cover existing cost uncertainties. Discussion in this capital funding section does not include the additional debt issuance, unless noted otherwise.

Significant risks relate to a construction program of this size, including, but not limited to, cost overruns; design, engineering, and estimating errors and omissions; changes to the scope of individual projects; disputes arising under current and future contracts; regulatory environmental or code compliance changes to scope; delays in awarding contracts; material or labor shortages; contractor defaults; labor disputes; unanticipated levels of inflation; and the ability of the County to meet the Rate Covenant and Additional Bonds test.

The validity of this Report and the subsequent certification for issuing Additional Bonds are contingent on the information and assumptions regarding the CIP that were provided by MDAD. No independent verification of the costs, construction timetables, or other information concerning the CIP, including the adequacy of monetary contingencies, construction reserves, or other indemnification measures, was made by the Traffic Engineers.

Funding for the CIP is from a variety of sources, including an estimated $297 million (4.7%) in grants from the FAA Airport Improvement Program (AIP); $338 million (5.4%) in grants from FDOT; $169 million (2.7%) in PFC revenues on a pay-as-you-go basis; $105 million (1.7%) in agreed-upon contributions by American Airlines to the NTD Program; $74 million (1.2%) in TSA grants for security-related costs; and the remainder of $5.3 billion (84.4%) in proceeds from the issuance of Aviation Revenue Bonds and the proposed 2010 Double-Barreled Bonds.

Federal and State Grants

MDAD receives capital grants from the FAA, TSA, and FDOT. FAA grants from the Airport Improvement Program are funded through the Airport and Airway Trust Fund with revenues from federal aviation user fees and taxes. These FAA grants are for airport infrastructure projects that enhance safety, security, capacity, and access in the national air transportation system and are made available to airport operators in the form of FAA entitlement and discretionary allocations for AIP-eligible projects.

The AIP entitlement grant amounts are based on an airport's enplaned passenger numbers and air cargo landed weight. In FY 2009, MIA received $6.4 million passenger entitlement grant and $11.4 million cargo entitlement grant from the FAA.

AIP discretionary grants are selectively distributed based on the competitiveness of proposed projects within the national priority system established by the FAA, and designations by Congress. AIP discretionary grants for MIA amounted to $16.0 million in FY 2007, $4.0 million in FY 2008 and $10.1 million in FY 2009. Since expiration of the Century of Aviation Reauthorization Act (Vision 100) on September 30, 2007, the FAA has continued to operate under a series of resolutions that extended the agency's authorization, including provisions for AIP funding. The current resolution is scheduled to expire on March 31, 2010. For purposes of the financial forecasts in this Report, it was assumed that Congress will pass a reauthorization bill or extend the current authorization such that no lapse in AIP funding authority will occur during the forecast period.

In April 2000, MDAD received a Letter of Intent (LOI) from the FAA for AIP entitlement and discretionary grants in the amount of $101 million to pay the eligible costs of the Runway 8L-26R. In March 2004, the project scope of the LOI was amended, and the amount of the LOI was increased to $104.0 million. Through FY 2009, MDAD had received $95.9 million of the LOI amount. Remaining LOI payments of $8.5 million are scheduled to be received in FY 2010.

MDAD expects to use $337.8 million in grants from FDOT for the CIP, including $101.5 million for the MIA Mover.

Passenger Facility Charge Revenue

The federal PFC Program currently allows the collection of a PFC up to $4.50 per eligible enplaned passenger at commercial airports controlled by public agencies. Airport operators use PFC revenues to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. MDAD has used PFC revenues in two ways: to pay for eligible projects on a pay-as-you-go basis and to pay debt service on the eligible-project portion of funded debt.

The FAA has approved the collection and use of $2.60 billion in PFCs, including interest, for projects at the Airport. Of this total approved amount, $2.42 billion is approved to be used for the payment of eligible debt service on Bonds used to finance the North Terminal Development and South Terminal programs.

MDAD has used $375 million in PFC revenues for the payment of Principal and Interest Requirements from FY 2004 through FY 2009. MDAD has deposited $100 million to pay eligible debt service in FY 2010. In addition, as reflected in Exhibit B, MDAD plans to use the forecast $589 million of PFC revenues to pay eligible debt service from FY 2011 to FY 2018, and does not intend to use any of this forecast amount for pay-as-you-go purposes during this period. In the event that higher levels of the PFC collection rate are authorized in the future, there could be additional PFC revenue available for other purposes.

American Airlines Capital Contribution

As previously mentioned, American Airlines has agreed to contribute $105 million to the NTD Program over a 10-year period that began in July 2005. To date, American Airlines has paid MDAD $60 million of the total $105 million.

TSA Funding

MDAD received $20 million from the TSA in FY 2006 to pay part of the costs for infrastructure to install EDS equipment in the South Terminal. MDAD also received $2.7 million from the TSA to pay for security cameras in the terminal. In October 2008, TSA further agreed to reimburse MDAD for the costs of baggage inspection equipment, in an amount up to $54.4 million.

Aviation Revenue Bonds

Aviation Revenue Bonds provide funding through proceeds of the bonds and interest earnings on funds deposited to capitalized interest and construction accounts. Bond proceeds are used to pay CIP project costs, including construction fund deposits and redemption of interim financing instruments; the Reserve Account Requirement or the costs related to a Reserve Facility (e.g., purchase of a surety bond); capitalized interest; and bond insurance premiums, as well as other costs of issuance.

A small portion of the CIP costs are funded with the proceeds of the 2010 Double-Barreled Bonds.

Funding for Remaining CIP Expenditure

Exhibit A shows the sources and uses of funds for the remaining CIP project expenditures incurred from September 30, 2009 through completion of the current CIP projects, estimated to occur in FY 2015. The amount on Exhibit A does not include the assumed issuance of additional $100 million. However, the estimated debt service associated with the $100 million is included in the projected total debt service shown on Exhibit B.

3.5 DEBT SERVICE

Exhibit B presents the annual Principal and Interest Requirements for Outstanding Bonds, the proposed 2010A Bonds, and future 2010B Bonds that the County expects to issue later in 2010. As noted above, the financial analysis presented in Exhibits B through F-2 take into consideration of an assumed issuance of additional $100 million Bonds.

After the 2010A Bonds are issued, the principal balance of the Outstanding Bonds will be $5.6 billion, which equates to approximately $332 per enplaned passenger based on the 16.9 million passengers enplaned at MIA in FY 2009. Also, after the 2010A Bonds are issued, the County will have issued approximately $5.3 billion of the $6.2 billion of bonding capacity authorized by the Board for the CIP.

The Aviation Department expects to issue the 2010 Double-Barreled Bonds shortly after the issuance of the 2010A Bonds, and to issue future 2010B bonds with an estimated par amount of $388 million later in 2010 to complete the financing of the CIP. First Southwest Company, MDAD's financial advisors, structured the Principal and Interest Requirement so that the airline cost per enplaned passenger is forecast to increase steadily until FY 2018, several years after the expected completion of the North Terminal Development Program, after which the Principal and Interest Requirement on Outstanding Bonds is to be leveled. For the purposes of this Report, First Southwest assumes 6.09% for the 2010 Double-Barreled Bonds, and 6.59% for the 2010B Bonds. It is anticipated that all future bonds will be issued as fixed-rate debt.

Principal and Interest Requirements exclude, among others, funds set aside or deposited to the payments of debt service. For the purposes of this Report, principal and interest expected to be paid from PFC revenues were not included in computing Principal and Interest Requirements for the corresponding Fiscal Years FY 2011 to FY 2018.

Debt service on the 2010 Double-Barreled Bonds does not constitute Principal and Interest Requirements under the Trust Agreement. The County may issue refunding bonds during the forecast period, or may issue all or a portion of the 2010B Bonds or the 2010 Double-Barreled Bonds as Build America Bonds, none of which are taken into consideration in this Report.

3.6 CURRENT EXPENSES

Exhibit C shows the forecast of Current Expenses by division and by category for each Fiscal Year FY 2007 through FY 2018. The amounts for FY 2007 and 2008 are actual Current Expenses, whereas the FY 2009 amount is based on 12-month unaudited actual results and the FY 2010 amount is from the FY 2010 annual operating budget prepared by MDAD and approved by the board.

Current Expenses include expenses of all divisions of MDAD (81.1% of Current Expenses in FY 2010 budget) and management agreement expenses (18.9% of Current Expenses). In FY 2010, budgeted personnel expenses (salaries and benefits) represent approximately 35.0% of Current Expenses. The forecast of personnel expenses reflects the reduction of approved positions from 1,435** in the FY 2010 budget to 1,326 in FY 2012, per the full-time equivalent (FTE) reduction plan adopted by MDAD in 2007. In the forecast of personnel costs, an annual cost escalation rate of 8.0% was used for salaries and benefits. The County is in the process of implementing a 5 percent expenses reduction in FY 2010. For the purpose of this Report, it was assumed that FY 2011 average personnel expenses per FTE will remain the same as in FY 2010 approved budget and resume growth in FY 2012.

Outside contract services for FY 2010 represent 23.2% of total Current Expenses. Expenses within this category include fire services, external auditing services, Consulting Engineer services, architectural and engineering services for in-house projects, building maintenance, insurance, and general fund support charges. In the forecast, cost escalation for outside contract services was assumed to be 5.0% per year.

Utilities for FY 2010 represent 13.4% of total Current Expenses. In the forecast, cost escalation for utilities was assumed to be 5.0% per year.

Other expenses for FY 2010 represent 9.2% of total Current Expenses. Expenses in this category include insurance, telephone service, sales and use tax payments, gasoline purchases, and Trustee agent fees. In the forecast, cost escalation for other expenses was assumed to be 5.0% per year.

Management agreement expenses for FY 2010 represent 18.9% of total Current Expenses. Majority of the management agreements expenses were assumed to increase at 5.0% per year.

Expenses for capital outlays represent spending for maintenance to be funded from the Revenue Fund; capital outlays are, therefore, expensed rather than capitalized for airline rates and charges purposes. These expenses in FY 2010 represent 0.2% of

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*MDAD transferred its ARFF division to the Miami-Dade County's fire department in 2006 under a Memorandum of Understanding (MOU), classified the associated expenses as contractual services instead of personnel expenses. This MOU is renegotiated between the two entities on an annual basis. MDAD is considering a similar arrangement for its police division. For the purpose of this Report, police expenses are not reclassified to contractual services in order to provide comparable results and the FTE count of the police division is included in the FTE count above.

total Current Expenses. In the forecast, cost escalation for capital outlays was assumed to be 5.0% per year.

Current Expenses in future years were forecast to account for increases related to inflation (cost escalation), fluctuations in the number of MDAD personnel, and changes (incremental operating and maintenance expenses) associated with new facilities*, including, among others:

- $16 million in FY 2011 and an additional $9 million in FY 2012 for maintenance costs related to the APM, electrical, plumbing, heating, ventilating, and air conditioning (HVAC), and other equipment and systems in the North Terminal, and the MIA Mover.

- Starting in FY 2011, $16 million of other operating divisions; $10 million for utility expenses; and $7 million for janitorial expenses for North Terminal operation.

3.7 REVENUES

The forecast of Revenues from all sources is shown in Exhibit D.

3.7.1 Aviation Fees

Aviation Fees include landing fees, concourse use fees, equipment use fees, and aircraft parking fees. Aviation Fee revenues also include the annual deposit from the Improvement Fund made from any residual balance from the prior year in the Improvement Fund, which offsets the Revenue Requirements under the landing fee calculation.

As discussed in Section 3.3.2, terminal rental rates are calculated under a hybrid methodology to recover a portion of the costs allocable to the terminal cost center. The concourse use fees include the product of the terminal rental rate and the concourse space for domestic and international operations, as well as international facilities fees, CUTE infrastructure fee and CUTE gate fees.

Equipment use fees include domestic bag claim fees, screening fees, outbound baggage makeup fee, aircraft parking fees, and loading bridge fees. The Aviation Department periodically adjusts the rate for aircraft parking and loading bridge uses from time to time and recalculates other rates annually under the AUA.

Landing fees recover the Revenue Requirement net of Revenue Credits. Total landing fee revenues are from the Signatory Airlines, including cargo airlines.

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*American Airlines will directly pay the operating and maintenance costs related to the outbound baggage systems in the North Terminal. In addition, for the purpose of this Report, it was assumed that Current Expenses do not include the RCC operating expenses, which are to be paid directly from the CFC revenues.

Exhibit D-1 shows the calculation and forecast of Signatory Airline landing fees through FY 2018.

3.7.2 Commercial Revenues

Commercial revenues include revenues derived from duty free stores, food and beverage concessions, parking, rental cars, merchandise, the fuel farm, passenger services, and transportation and operation support. Business terms for Revenues generated by certain sources in this category are governed by management contracts or concession agreements. Revenues received pursuant to management contracts are gross revenues of MDAD with corresponding expenses reported as Current Expenses, while revenues to MDAD under concession agreements are based on negotiated terms not related to the expenses to operate the facility.

Exhibit D includes forecast revenues to MDAD from commercial operations, including revenues earned under management contracts and concession agreements. MDAD converted all merchandise concessions from management contracts to concession agreements as of FY 2009. In the redevelopment of the terminal building, many commercial operations are being disrupted while new opportunities are being created upon completion of the different phases of the CIP.

Revenues from commercial operations increased from $170.5 million in FY 2007 to $175.6 million in FY 2008 as a result of increase in enplaned passenger and completion of new facilities under the CIP. Commercial revenues are forecast to increase from $171.7 million estimated for FY 2009 to $226.3 million in FY 2018, driven by the forecast increase in numbers of enplaned passengers, higher gross sales per enplaned passenger due to inflation, and higher gross sales due to new concession offerings in the upgraded facility.

Duty Free

In December 2005, MDAD entered into an agreement with Duty Free Americas Miami, LLC (Duty Free America) for a period of 10 years, extendable for two 1-year periods at MDAD's discretion. The agreement specifies 12 locations with a total of 35,800 square feet for duty free stores and 25,100 square feet for office and storage space. Under the agreement, Duty Free Americas is obliged to pay MDAD the higher of a percentage fee or the sum of a minimum annual guarantee (MAG) plus terminal rent. The MAG is set at $20 million and is to be adjusted by the percentage of permanent store spaces occupied more than a 12-month period, and the growth rate for international enplaned passengers. The percentage fee has a tiered structure ranging from 25% to 31% of gross sales. Duty free retail offerings at MIA occupied approximately 21,000 square feet of space in the terminal building through majority of FY 2009, with two new locations opened in Concourse D of 6,600 square feet and 4,400 square feet respectively.

Duty free gross revenues are, and will likely remain, heavily dependent on passenger traffic from Latin America. Construction disruptions adversely affected duty free revenues after a major store on Concourse A, which generated approximately 36% of total duty free sales, was closed in December 2007. Offsetting this closure is the added duty free retail space in the South Terminal that opened in January 2008 and permanent locations in Concourse D, which opened in fall 2009. As a result, duty free revenues to MDAD decreased from $15.6 million in FY 2007 to $15.1 million in FY 2008 and were approximately the same in FY 2009.

In FY2010, Duty Free Americas is expected to occupy approximately 32,000 square feet of terminal space. For the purpose of this Report, it was assumed that duty free operation space will stay at 32,000 square feet throughout the forecast period, and the corresponding MAGs are expected to be higher than the revenues from the percentage fee. Duty free revenues are forecast to increase from an estimated $15.2 million in FY 2009 to $21.9 million in FY 2018.

Food and Beverage Concessions

As of December 1, 2009, four major concessionaires are providing food and beverage concession at the Airport, including Host International, Inc., Global Concessions, Concession Miami, LLC and Areas USA, Inc. Combined MAGs for all four concessionaires total $8.5 million. The food and beverage operator occupied approximately 98,600 square feet of terminal space and MDAD is expected to select additional concessionaires for permanent locations throughout the terminal in FY 2010 and FY 2011. Also included in this revenue category are VIP club revenues, primarily in the form of user fees charged to airlines, totaling $4.8 million in FY2009. The VIP Club is administered under a management agreement and an additional club scheduled to be operational in the summer of FY 2010.

Food and beverage revenues increased from $15.6 million in FY 2007 to $17.5 million in FY 2008 and decreased slightly to $17.1 million in FY 2009. The space reduction of food and beverage facilities resulting from the closure of Concourse A was more than offset by the opening of food and beverage locations in the South Terminal and additional revenues from the VIP club. Food and beverage revenues are forecast to increase from $17.1 million in FY 2009 to $26.3 million in FY 2018, with new offerings in the North Terminal contributing to the continued growth.

Parking

Parking facilities at the Airport are operated by Airport Parking Associates, Inc. under a management contract. Parking rates are periodically adjusted; the most recent adjustment occurred in November 2006. Currently, 533 short-term parking spaces and 7,397 long-term parking spaces are provided at the Airport, supplemented by an additional 600 remote spaces and a valet operation with 120 spaces located in Flamigo Garage. Off-Airport competition for parking consists primarily of one operator with 1,400 spaces that opened in 1997.

Parking revenue decreased from $41.5 million in FY 2007 to $39.9 million in FY 2008 and to $38.3 million in FY 2009. The FY 2009 results reflected cash collection for

13 months of parking operation activity and would have been approximately $35.4 million if annualized over a 12-month period. The decline in parking revenues was primarily triggered by the closing of Concourse A. As a result, major airport passenger traffic was directed to the Central Terminal where convenient parking within a reasonable walking distance is relatively limited. The Aviation Department is conducting analyses and devising strategies to increase the number of airport patrons utilizing the Airport's parking facilities. The partial reopening of North Terminal in mid-2010 is expected to eliminate most of the parking inconveniences that have adversely affected parking in FY 2008 and FY 2009.

Parking revenues are forecast to recover in FY 2010, and to increase to $47.5 million in FY 2018. In addition to the increase in parking patrons, the growth in revenue will also benefit from $1.00 increase in daily maximum parking rates that are currently assumed to take effect in FY 2013 and FY 2018.

Rental Cars

Rental car concessions at MIA are operated by Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Royal, and Thrifty. The current rental car agreements expired on December 31, 2005, and have been extended on a month-to-month basis (Interim Contracts) until the date of beneficial occupancy (DBO) of the consolidated Rental Car Center, at which time new rental car agreements are to become effective.

The County has entered into a Memorandum of Understanding (MOU) with 22 companies for participation in the planned consolidated Rental Car Center. Subsequent to the MOU, MDAD issued new concession agreements, which have been approved and executed by the rental car companies signatory to the MOU, and a CFC has been assessed on all rental car transactions since 2004. The consolidated Rental Car Center is being constructed by FDOT and the costs have been financed by CFC collections and a Transportation Infrastructure Finance and Innovation Act loan from the U.S. Department of Transportation. As the Rental Car Center is not constructed with funding provided under the Trust Agreement, it is therefore not part of PAP nor are the CFCs collected included in MDAD Revenues. Pursuant to the MOU, 50% of the MIA Mover operating expenses in the first five years of operation will be reimbursed by the CFC revenues. Reimbursement beyond the first five-year period will be determined annually based on the ridership using the MIA Mover to the RCC. For the purpose of this Report, it was assumed that 50% of the MIA Mover operating expenses will be reimbursed by CFC revenues through the forecast period and those reimbursements are included under rental car revenues.

Rental car revenues from privilege fees increased from $24.9 million in FY 2007 to $26.3 million in FY 2008 as a result of an increase in the number of passengers at MIA and increasing international traffic. Due to the construction activity and decreased international passenger traffic, rental car revenues declined to $24.4 million in FY 2009. Rental car revenues are forecast to increase to $33.3 million in

FY 2018, including $2.4 million reimbursement for the MIA Mover operating expenses.

Merchandise

Retail areas for merchandise concessions (gifts, news, and specialty retailing) totaled approximately 65,400 square feet in FY 2009 and were located primarily in the central portion of the terminal and to a lesser extent in the concourse areas. All merchandise sales were converted to concession operations in FY 2004, except gift kiosks that were converted in FY 2008, thus decreasing merchandise revenues from $15.1 million in FY2007 to $10.7 million in FY 2008. Westfield Concessions Management operates the merchandise concessions in the Central Terminal and pays MDAD the higher of a MAG equal to $0.25 for each Central Terminal domestic enplaned passenger and $0.35 for each Central Terminal international enplaned passenger or an opportunity fee ranging from 8% to 16% of gross revenue based on merchandise category. Two concessionaires were selected for the South Terminal and began operations in FY 2008: Host International, Inc. and Faber, Coe and Gregg of Florida, Inc., both of which have MAGs of $1.0 million. MDAD plans to issue Requests for Proposals for the North Terminal merchandise concessions in FY 2010 or FY 2011 as the construction is scheduled to complete.

General merchandise revenues are forecast to increase from $11.0 million in FY 2009 to $15.2 million in FY 2018.

Fuel Farm

The fuel farm is operated under a management agreement with Allied Aviation Services. Under the terms of the management agreement, MDAD receives total gross revenues and pays operating expenses plus a management fee. The current management agreement expires in FY 2011; however, three 1-year extensions are permissible. Fuel farm revenues are forecast on a cost recovery basis to increase from $14.2 million in FY 2009 to $18.8 million in FY 2018. MDAD is also in preliminary discussions with some of the air carriers to have the Airport fuel facilities be managed by an airline operated fuel consortium, but for purposes of this Report no management changes were assumed.

Passenger Services

Passenger services include revenues from catering, hotel, restaurant, and miscellaneous concessions offering goods and services to passengers. MDAD utilized funds from the Reserve Maintenance Fund and the Improvement Fund to complete the construction and refurbishment of the MIA Hotel and the Top of the Port restaurant in the spring of 2009. As a result, these facilities have not only added amenities and space, but also allowed MDAD to satisfy safety requirements for the continued operation of both facilities throughout the forecast period of this Report.

Passenger services revenues increased from $24.8 million in FY 2007 to $31.8 million in FY 2009 as a result of higher revenues from the hotel, money exchange, and advertising operations. Passenger services revenues are forecast to increase from an estimated $31.8 million in FY 2009 to $37.8 million in FY 2018.

Transportation and Operation Support

Transportation and operation support revenues include revenues from general aeronautical services, employee parking, ground transportation, and miscellaneous concession operations. Revenues in this category are forecast to increase from $19.7 million in FY 2009 to $25.6 million in FY 2018.

3.7.3 Rental Revenues

Rental revenues include passenger terminal rents, ground rents, utilities reimbursements, and other rents primarily from cargo facility, maintenance and support buildings. Passenger terminal rental revenues are forecast to increase from $40.8 million in FY 2009 to $86.1 million in FY 2018, primarily driven by a forecast increase in rented space and an increase in terminal rental rates. Rental rates from maintenance and cargo buildings, which are based on annual appraisals, are forecast to be flat in FY 2011 and to increase 1.9% per year thereafter.

3.7.4 General Aviation Revenues

General aviation revenues include revenues from the general aviation airports and from Dade-Collier Training and Transition Airport. General aviation revenues are forecast to increase from $4.8 million in FY 2009 to $6.2 million in FY 2018.

3.7.5 Other Revenues

Other revenues include applicable interest earnings, nonrecurring operating grant revenues, and reimbursements for other capital items paid with operating revenues. Other revenues are forecast to increase from $17.9 million in FY 2009 to $25.4 million in FY 2018.

3.8 AIRLINE COSTS

3.8.1 Passenger Airline Payments

Exhibit D-2 shows the calculation and forecast of passenger airline fees and charges, including terminal rents, concourse use fees, CUTE charges, terminal and concourse equipment fees, landing fees, and aircraft parking fees paid to MDAD for the use and occupancy of PAP. Revenues from airline rentals, fees, and charges are forecast to increase significantly in the future to fulfill the terms of the Rate Covenant. The share of Revenues from passenger airline rentals, fees, and charges is forecast to increase from 44.8% in FY 2009 to 62.2% in FY 2018.

The landing fees, passenger terminal rents and user fees, and related passenger terminal charges paid by the passenger airlines are typically expressed in relation to the number of enplaned passenger, and the ratio is known as the airline cost per enplaned passenger (CEP). Airline CEP is forecast to increase from an estimated $15.98 in FY 2009 to $36.63 in FY 2018.

MDAD uses a target level of future airline CEP to guide its financial plans and policies. By establishing a CEP target, MDAD is able to weigh the capital and operating needs of its Airport System and the economic needs of the County against the risks of a higher CEP. As of the date of this report, MDAD had an internal CEP target of $35 in FY 2015 (expressed in 2015 dollars). The current forecast of CEP for FY 2015 is $32.62, lower than the $35 target.

3.8.2 Cargo Airlines

The passenger and all-cargo airlines pay the same landing fee rate, which is forecast to increase from $1.92 charged for FY 2010 to $7.27 in FY 2018. In FY 2009, the cargo related landed weight accounted for 20.4% of total aircraft landed weight. Representatives of the cargo community at MIA, while acknowledging the contractual basis for the residual cost landing fee calculation, have expressed concern that the costs of developing and operating passenger terminal facilities are being subsidized, in part, by the revenue from landing fees paid by the all-cargo airlines.

3.9 APPLICATION OF REVENUES

The forecast application of Revenues is shown in Exhibit E. Exhibit B presents the annual Principal and Interest Requirements and Exhibit C shows the forecast of Current Expenses. Other projected deposits include:

- **Operating Reserve.** MDAD is required to maintain a balance in the Revenue Fund, designated as an operating reserve, equal to 20% of the estimated Current Expenses or a lesser amount as specified by the County. Funds in the operating reserve are available for the payment of Current Expenses. Historically, MDAD has maintained the operating reserve at a level specified by the County, which, as of FY 2010, is 14.5% of the FY 2010 Current Expense budget amount. MDAD plans to gradually increase this percentage to 16.7% in FY 2015.

- **Reserve Account Deposit.** Consistent with the sources and uses of funds for the proposed 2010A Bonds and for the remaining CIP, it was assumed that any increases in the Reserve Account Requirement will be satisfied through either a Reserve Facility purchased with Bond proceeds at the issuance of the proposed 2010A Bonds, or with a deposit from Bond proceeds. Accordingly, it was assumed that no deposits are to be made to the Reserve Account during the forecast period that would cause an increase in the Revenue Requirement (i.e., that would be funded with moneys from the Revenue Fund).

- **Reserve Maintenance Deposit.** Section 503 of the Trust Agreement stipulates that, on or before July 1 of each year, the Consulting Engineers are to recommend amounts to be deposited to the Reserve Maintenance Fund. The Consulting Engineers have determined that future deposits to the Reserve Maintenance Fund for PAP would increase from $19.3 million in FY 2010 to $29.0 million in FY 2018.

After making the deposits as illustrated in steps 1 through 6 on Figure 15, remaining Revenues are to be deposited to the Improvement Fund and can be used for any airport or airport related purpose, including paying current indebtedness that is payable from the Improvement Fund and for deposits to the Aviation Capital Account, as discussed in Section 3.3.3. The annual deposit amount to the Aviation Capital Account is estimated at $6.5 million for FY 2010.

The Aviation Department has indicated the following items to be paid from the Improvement Fund, ranked by priority:

- Commercial paper interest. Payment for commercial paper interest has the first claim on the deposit to the Improvement Fund, followed by the payment of Principal and Interest Requirements on the 2010 Double-Barreled Bonds. However, the Aviation Department currently expects to pay commercial paper interest from the bond proceeds and is not currently planning to use the Improvement Fund.

- Debt service on the 2010 Double-Barreled Bonds. The Aviation Department intends to make monthly deposit into the Debt Service Account under the 2010 Double-Barreled Resolution to satisfy the deposit requirements of the 2010 Double-Barreled Bonds.

- Debt service related to the Sunshine State Loan, which funded $7.9 million capital cost of the Aviation Department's Enterprise Resource Planning (new financial accounting system) services in 2005. The Aviation Department has repaid and intends to continue to repay the loan on a monthly basis using monies from the Improvement Fund, with the last payment due in September 2010.

- Debt service related to the County's share of FDOT Infrastructure Bank Loan, which funded $50 million in capital cost for the NW 25th Street Viaduct project in 2007. The Aviation Department intends to earmark $5 million per year from the Aviation Capital Account to reimburse the County over the next ten years (through FY 2020). The first payment of $5 million was made October 1, 2009.

3.10 RATE COVENANT AND DEBT SERVICE COVERAGE

The effectiveness of the Airline Use Agreement in supporting the ability of MDAD to meet the Rate Covenant is based on maintaining airline rentals, fees, and charges within limits that the airlines are willing and able to pay today and in the future. A number of factors or risks may, at any time, affect the willingness and ability of airlines to serve the Airport or to pay rentals, fees, and charges to use the Airport, including: (1) potential CIP construction cost increases, particularly resulting from cost overruns and schedule delays, (2) factors that may adversely affect the numbers of airline passengers at the Airport, (3) the financial condition of the airlines, particularly American Airlines, and (4) factors that may result in lower-than-expected Revenues or higher-than-expected Current Expenses.

Exhibit F-1 presents the Rate Covenant compliance test and the calculation of debt service coverage under Section 501, taken into consideration of the proposed 2010A Bonds and the future 2010B Bonds, but not the 2010 Double-Barreled Bonds. In each year of the forecast period, debt service coverage is forecast to be above the required 1.20 coverage ratio.

Exhibit F-2 presents the calculation of Net Available Airport Revenues and demonstrates the compliance to the Double-Barreled Rate Covenant. In each year of the forecast period, Net Available Airport Revenues are forecast to exceed the Principal and Interest Requirements of the 2010 Double-Barreled Bonds.

Exhibit A

SOURCES AND USES OF FUNDS FOR REMAINING CIP EXPENDITURES

Miami-Dade County Aviation Department

From October 1, 2009 through FY 2015

(dollars in thousands)

Sources of Funds		
Bond Proceeds and Interest Earnings	$	1,235,705
Federal Grants /1		185,901
Prior Bond Proceeds		75,925
American Airlines Construction Payment		45,000
Total Sources of Funds	$	1,542,531
Uses of Funds		
Project Cost /2 /3	$	1,349,532
Deposit to Capitalized Interest Fund		108,009
Underwriters Discount		7,573
Costs of Issuance		6,183
Deposit to Debt Service Reserve Fund		71,235
Total Uses of Funds	$	1,542,531

Source: First Southwest Company.

Notes: 1. Estimated MDAD AIP grants expected to be received in FY 2010 through FY 2015.

2. Project costs include refunding of commercial paper and deposits to Construction Fund for the remaining portion of the $6.307 billion CIP after October 1, 2009.

3. This exhibit does not include an assumed issuance of additional $100 million Bonds.

Exhibit B

PRINCIPAL AND INTEREST REQUIREMENTS
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical		Forecast								
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Aviation Revenue Bonds											
Series 1995E	$ 382	$ 6,752	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Series 1996A	1,281										
Series 1996B	129										
Series 1996C	406				-	-	-	-	-	-	-
Series 1997A	10,799	10,799	10,801	-	-	-	-	-	-	-	-
Series 1997B	881	-	-	-	-	-	-	-	-	-	-
Series 1997C	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237	3,237
Series 1998A	37,537	4,284	4,284	4,284	4,284	4,284	4,479	4,799	4,798	4,795	4,797
Series 1998C	7,604	12,089	12,091	12,090	12,086	12,089	12,088	12,091	12,088	12,089	12,087
Series 2000A	4,599	4,599	4,599	6,974	6,971	6,970	6,973	6,971	6,973	6,970	6,974
Series 2000B	3,500	3,500	3,500	5,420	5,419	5,423	5,424	5,423	5,424	5,422	5,421
Series 2002	16,187	16,187	16,187	18,987	23,941	23,941	23,943	23,939	23,943	23,941	23,941
Series 2002A	30,253	30,253	30,253	30,253	30,253	30,253	30,253	30,253	30,253	30,253	30,253
Series 2003A	14,313	14,313	14,313	14,313	14,313	14,313	14,313	14,313	14,313	14,313	14,313
Series 2003B	1,596	1,596	1,596	6,196	2,986	2,990	2,985	2,990	2,990	2,987	2,985
Series 2003C	1,242	5,137	-	-	-	-	-	-	-	-	-
Series 2003D	3,872	8,077	6,023	8,077	8,080	8,083	8,080	8,081	8,083	8,079	8,075
Series 2003E	6,981	7,271	13,496	13,519	13,524	13,560	13,575	13,570	13,593	13,643	13,655
Series 2004A	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370	10,370
Series 2004B	7,808	7,808	7,808	7,808	7,808	7,808	7,808	7,808	7,808	7,808	7,808
Series 2004C	652	5,312	5,319	5,319	-	-	-	-	-	-	-
Series 2005A	17,873	17,873	17,873	17,873	17,873	17,873	17,873	17,873	17,873	17,873	17,873
Series 2005B	9,732	18,374	19,058	8,025	19,554	19,554	19,550	19,553	19,557	19,550	19,555
Series 2005C	10,771	3,166	11,909	5,105	1,380	1,378	1,381	1,379	1,381	1,378	1,380
Series 2007A	-	27,554	27,554	27,554	27,554	27,554	27,554	27,554	27,554	27,554	27,554
Series 2007B	-	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294
Series 2007C	22,406	24,182	24,178	34,815	34,812	34,811	34,812	34,812	34,809	34,814	34,810
Series 2007D	5,572	6,024	6,025	6,027	1,433	1,433	1,433	1,433	1,433	1,433	1,433
Series 2008A	-	-	23,044	23,044	23,044	23,044	23,044	23,044	23,044	23,044	23,044
Series 2008B	-	-	8,232	8,232	8,232	8,232	8,232	8,232	9,497	9,486	9,494
Series 2009 A&B	-	-	-	33,469	33,439	33,409	33,369	33,329	33,289	39,189	44,324
Outstanding Bonds	$ 229,984	$ 251,049	$ 284,044	$ 313,286	$ 312,887	$ 312,905	$ 313,072	$ 313,350	$ 314,606	$ 320,524	$ 325,678
Proposed Series 2010 Bonds	-	-	-	15,750	32,499	32,469	32,439	32,409	32,379	32,344	43,409
Future Additional Bonds /1	-	-	-	-	12,617	26,233	29,593	32,953	37,888	47,498	39,385
Gross P&I Requirements	$ 229,984	$ 251,049	$ 284,044	$ 329,035	$ 358,003	$ 371,608	$ 375,104	$ 378,712	$ 384,873	$ 400,366	$ 408,472
Less:											
2003 PFC Set-Aside	(35,000)	(9,000)	(9,000)	-	-	-	-	-	-	-	-
2005 PFC Set-Aside	(30,000)	(30,000)	-	-	-	-	-	-	-	-	-
Other PFC Deposits	(16,608)	(61,000)	(91,000)	(85,000)	(80,000)	(75,000)	(75,000)	(75,000)	(70,000)	(64,000)	(65,000)
Principal and Interest Requirements	$ 148,376	$ 151,049	$ 184,044	$ 244,035	$ 278,003	$ 296,608	$ 300,104	$ 303,712	$ 314,873	$ 336,366	$ 343,472

Sources: FY 2008 and FY 2009, and PFC Deposits from Miami-Dade County Aviation Department; Forecasts of Gross P&I Requirements by First Southwest Company.

Note: 1. Including Principal and Interest Requirements for an assumed issuance of additional $100 million Bonds, above the funding requirements for the remaining portion of the $6.307 billion CIP.
Totals may not sum due to rounding.

Exhibit C

CURRENT EXPENSES
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical		Estimates	Budget	Forecast							
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Current Expenses by Division												
Operations:												
Airside Operations	$ 8,061	$ 8,091	$ 7,892	$ 8,317	$ 8,765	$ 8,876	$ 9,556	$ 10,288	$ 11,077	$ 11,928	$ 12,845	$ 13,834
Terminal Operations	7,877	7,968	8,086	8,917	9,258	9,399	10,097	10,848	11,656	12,526	13,462	14,469
Landside Operations	9,511	9,901	10,568	11,092	10,696	11,071	11,925	12,846	13,838	14,909	16,063	17,308
Administrative	52,511	46,442	43,469	47,523	47,475	48,796	52,076	55,587	59,346	63,372	67,684	72,303
Police /1	24,013	25,609	25,498	24,082	25,832	27,696	29,699	31,852	34,166	36,654	39,328	42,203
Safety	12,021	12,900	12,377	13,895	15,631	15,947	16,961	18,044	19,199	20,432	21,749	23,156
Fire Rescue /1	19,659	21,551	19,366	19,376	21,095	22,150	23,257	24,420	25,641	26,923	28,269	29,683
Maintenance	66,582	82,111	80,886	81,564	100,637	110,783	117,459	124,560	132,115	140,153	148,708	157,814
Planning and Development	4,206	3,741	3,876	6,960	7,246	7,718	8,222	8,761	9,337	9,953	10,612	11,317
Info. Systems and Tech Support	13,487	19,130	18,471	20,111	21,407	22,322	23,637	25,033	26,517	28,093	29,768	31,549
Environmental Engineering	5,861	6,922	7,765	7,211	7,589	8,034	8,506	9,007	9,540	10,105	10,706	11,345
Non-Departmental O&M/Utilities	59,068	67,548	61,825	70,486	93,615	98,296	103,211	108,371	113,790	119,480	125,454	131,726
General Aviation Airports /2	2,388	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**$ 285,245**	**$ 311,914**	**$ 300,079**	**$ 319,534**	**$ 369,248**	**$ 391,088**	**$ 414,606**	**$ 439,618**	**$ 466,223**	**$ 494,528**	**$ 524,648**	**$ 556,705**
Operating Management Agreements /3	32,356	38,575	41,094	44,642	54,294	57,009	59,859	62,852	65,995	69,295	72,759	76,397
Commercial Management Agreements	28,605	28,074	26,341	30,034	31,535	33,112	34,768	36,506	38,332	40,248	42,260	44,374
Total Current Expenses	**$ 346,206**	**$ 378,564**	**$ 367,514**	**$ 394,209**	**$ 455,077**	**$ 481,209**	**$ 509,234**	**$ 538,977**	**$ 570,549**	**$ 604,071**	**$ 639,667**	**$ 677,476**
% Change		9.3%	-2.9%	7.3%	15.4%	5.7%	5.8%	5.8%	5.9%	5.9%	5.9%	5.9%
Current Expenses by Type												
Salary and Benefits	$ 128,723	$ 134,573	$ 139,731	$ 137,799	$ 136,640	$ 138,852	$ 149,759	$ 161,528	$ 174,229	$ 187,934	$ 202,724	$ 218,685
Outside Contract Services	81,160	93,061	80,327	91,545	126,054	140,354	147,372	154,740	162,477	170,601	179,131	188,088
Utilities	48,171	51,774	50,533	53,011	65,267	68,530	71,957	75,555	79,332	83,299	87,464	91,837
Other	26,211	30,298	27,633	36,264	40,327	42,343	44,460	46,683	49,018	51,469	54,042	56,744
Capital Outlay	981	2,207	1,854	915	960	1,008	1,059	1,112	1,167	1,226	1,287	1,351
Subtotal	$ 285,245	$ 311,914	$ 300,079	$ 319,534	$ 369,248	$ 391,088	$ 414,606	$ 439,618	$ 466,223	$ 494,528	$ 524,648	$ 556,705
Management Agreements	60,961	66,650	67,435	74,675	85,830	90,121	94,627	99,359	104,327	109,543	115,020	120,771
Total Current Expenses	**$ 346,206**	**$ 378,564**	**$ 367,514**	**$ 394,209**	**$ 455,077**	**$ 481,209**	**$ 509,234**	**$ 538,977**	**$ 570,549**	**$ 604,071**	**$ 639,667**	**$ 677,476**

Sources: FY 2007 through FY 2010 from Miami-Dade County Aviation Department; Forecasts by Jacobs Consultancy. For FY 2009, 12-month unaudited actual is used, for FY 2010 the MDAD operating budget is used.

Notes:
1. In FY 2006, MDAD transferred its ARFF division to the Miami-Dade County's fire department, which was paid under an Memorandum of Understanding (MOU). This MOU will be negotiated between the two entities on annual basis. MDAD plans to transfer its Police Division in the same manner. For the purpose of this forecast, police expenses are not reclassified to contractual services in order to provide comparable results.
2. Combined into other divisions starting FY 2008.
3. Operating management agreement includes shuttle service, janitorial contract, porter service, and SmartCarte.

Exhibit D

REVENUES
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Historical		Estimates	Budget	Forecast							
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Aviation Fees												
Deposit from Improvement Fund /1	$ 63,606	$ 64,109	$ 71,954	$ 57,000	$ 30,228	$ 43,697	$ 50,600	$ 54,295	$ 54,901	$ 55,463	$ 57,534	$ 61,699
Landing Fees	59,147	59,419	36,899	57,386	160,857	154,344	166,904	177,666	192,913	207,534	231,513	246,077
Concourse Use Fees	137,460	146,747	150,730	168,247	211,080	251,234	265,686	275,036	287,407	302,728	322,578	335,643
Equipment and Parking Fees	40,525	52,701	52,304	50,653	58,412	73,018	76,614	79,180	82,535	86,160	90,987	94,689
Total Aviation Fees	$ 300,738	$ 322,975	$ 311,888	$ 333,286	$ 460,577	$ 522,294	$ 559,804	$ 586,177	$ 617,757	$ 651,885	$ 702,613	$ 738,107
Commercial Revenue												
Duty Free	$ 15,623	$ 15,118	$ 15,159	$ 15,396	$ 18,479	$ 18,852	$ 19,329	$ 19,812	$ 20,307	$ 20,814	$ 21,330	$ 21,865
Food and Beverage	15,595	17,456	17,136	19,484	19,468	20,616	21,468	22,352	23,268	24,223	25,213	26,252
Parking	41,541	39,905	38,313	37,500	36,717	37,836	41,016	41,788	42,555	43,340	44,112	47,517
Rental Car	24,904	26,253	24,442	26,252	25,401	27,850	28,706	29,579	30,467	31,384	32,311	33,283
Merchandise /2	15,098	10,714	11,022	9,596	11,181	11,956	12,451	12,963	13,494	14,048	14,623	15,225
Fuel Farm	16,696	16,094	14,167	14,967	15,366	15,785	16,224	16,686	17,171	17,680	18,214	18,775
Passenger Service /3	24,842	28,925	31,754	32,121	33,960	34,412	34,959	35,514	36,075	36,652	37,236	37,841
Transportation and Operation Support	16,215	21,128	19,731	23,943	22,293	22,772	23,211	23,660	24,119	24,584	25,068	25,552
Total Commercial Revenue	$ 170,514	$ 175,592	$ 171,723	$ 179,259	$ 182,864	$ 190,080	$ 197,364	$ 202,353	$ 207,457	$ 212,726	$ 218,107	$ 226,312
Rental Revenue:												
Passenger Terminal Building	$ 43,865	$ 44,893	$ 40,825	$ 42,002	$ 53,609	$ 63,946	$ 67,756	$ 69,986	$ 73,102	$ 77,019	$ 82,250	$ 85,434
Ground Rentals	12,901	13,827	14,845	15,261	15,261	15,551	15,846	16,147	16,454	16,767	17,085	17,410
Utilities	4,656	6,409	5,747	5,976	6,275	6,589	6,918	7,264	7,627	8,009	8,409	8,830
Other Rentals	31,697	33,139	34,209	33,399	33,399	34,034	34,680	35,339	36,011	36,695	37,392	38,102
Total Rental Revenue	$ 93,118	$ 98,269	$ 95,627	$ 96,638	$ 108,544	$ 120,119	$ 125,201	$ 128,737	$ 133,194	$ 138,489	$ 145,136	$ 149,776
G.A. Airports	5,616	4,373	4,758	5,309	5,410	5,513	5,618	5,725	5,833	5,944	6,057	6,172
Other Revenue	21,783	22,441	17,885	20,689	20,972	21,576	23,412	23,798	24,157	24,469	24,912	25,410
REVENUES	$ 591,769	$ 623,650	$ 601,881	$ 635,181	$ 778,368	$ 859,582	$ 911,398	$ 946,789	$ 988,398	$ 1,033,513	$ 1,096,824	$ 1,145,778
% Change		5.4%	-3.5%	5.5%	22.5%	10.4%	6.0%	3.9%	4.4%	4.6%	6.1%	4.5%

Sources: FY 2007 through FY 2009 from Miami-Dade County Aviation Department; Forecasts by Jacobs Consultancy. For FY 2009, 12-month unaudited actual is used, for FY 2010 the MDAD operating budget is used.

Notes: 1. Based on the financial results from the prior fiscal year.
2. The decrease of merchandise revenues in FY 2008 is due to a change from management agreements to concession agreements.
3. Includes the revenues from Hotel and Top of the Port Restaurant.

Exhibit D-1

CALCULATION OF AIRLINE LANDING FEE
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Landing Fee Calculation:									
Principal and Interest Requirements	$ 184,044	$ 244,035	$ 278,003	$ 296,608	$ 300,104	$ 303,712	$ 314,873	$ 336,366	$ 343,472
Times Coverage Factor	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
P&I Requirements Times including coverage	$ 220,853	$ 292,843	$ 333,603	$ 355,929	$ 360,125	$ 364,454	$ 377,848	$ 403,639	$ 412,166
Current Expenses	394,209	455,077	481,209	509,234	538,977	570,549	604,071	639,667	677,476
Proposed 2010 Double-Barreled Bonds	-	-	15,850	15,790	15,730	18,510	18,510	18,505	18,507
Increase/(Decrease) in Operating Reserve	(648)	8,826	6,195	6,750	7,305	8,855	5,587	5,933	6,301
Deposit to Bond Reserve Account	-	-	-	-	-	-	-	-	-
Deposit to Reserve Maintenance Fund	19,250	20,025	20,850	21,675	22,550	23,905	25,350	26,875	29,025
Total Requirement	$ 633,664	$ 776,771	$ 857,707	$ 909,378	$ 944,687	$ 986,274	$ 1,031,365	$ 1,094,620	$ 1,143,475
Revenues Net of Landing Fees	(577,796)	(617,510)	(705,237)	(744,494)	(769,123)	(795,484)	(825,979)	(865,311)	(899,701)
Interest Income Excluded from Calculation	1,517	1,597	1,874	2,020	2,103	2,124	2,148	2,204	2,303
Amount Recovered from Landing Fees	$ 57,386	$ 160,857	$ 154,344	$ 166,904	$ 177,666	$ 192,913	$ 207,534	$ 231,513	$ 246,077
Estimated One Month Landing Fee of Prior Year	(2,828)	(4,782)	(13,405)	(12,862)	(13,909)	(14,806)	(16,076)	(17,295)	(19,293)
Landing Fee Required for Eleven Months	$ 54,558	$ 156,075	$ 140,940	$ 154,042	$ 163,757	$ 178,108	$ 191,458	$ 214,219	$ 226,784
Pro Forma Landing Fee Rate Calculation:									
Estimated Landed Weight (in 1,000 lb. units)	30,955,844	30,060,000	30,530,000	31,080,000	31,650,000	32,230,000	32,820,000	33,440,000	34,040,000
Estimated Landed Weight of Eleven Months	28,376,190	27,555,000	27,985,833	28,490,000	29,012,500	29,544,167	30,085,000	30,653,333	31,203,333
Pro Forma Rate (per 1,000 lb. unit)	$ 1.92	$ 5.66	$ 5.04	$ 5.41	$ 5.64	$ 6.03	$ 6.36	$ 6.99	$ 7.27

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

Exhibit D-2

PASSENGER AIRLINE REVENUES
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(in thousands except for per passenger rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Departmen as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipatec events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material

	Historical		Estimates	Budget	Forecast							
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Passenger Airline Payments:												
Landing Fees	$ 59,147	$ 59,419	$ 36,899	$ 57,386	$ 160,857	$ 154,344	$ 166,904	$ 177,666	$ 192,913	$ 207,534	$ 231,513	$ 246,077
Less Cargo Airline Landing Fees	(13,805)	(13,535)	(7,534)	(11,923)	(32,965)	(31,144)	(33,082)	(34,581)	(36,873)	(38,955)	(42,650)	(44,534)
Concourse Use Fees	137,460	146,747	150,730	168,247	211,080	251,234	265,686	275,036	287,407	302,728	322,578	335,643
Equipment and Parking Fees	40,525	52,701	52,304	50,653	58,412	73,018	76,614	79,180	82,535	86,160	90,987	94,689
Passenger Terminal Building Rent	43,865	44,893	40,825	42,002	53,609	63,946	67,756	69,986	73,102	77,019	82,250	85,434
Terminal NPAP Payments												
Less Non-airline Terminal Rent	(3,584)	(3,483)	(3,471)	(3,049)	(3,301)	(3,592)	(3,806)	(3,931)	(4,106)	(4,326)	(4,620)	(4,799)
Total Passenger Airline Payments	$ 263,608	$ 286,741	$ 269,754	$ 303,316	$ 447,692	$ 507,807	$ 540,072	$ 563,355	$ 594,978	$ 630,161	$ 680,058	$ 712,510
Enplaned Passengers	16,615	17,035	16,884	16,550	16,790	17,100	17,475	17,855	18,240	18,635	19,035	19,450
Passenger Airline Payments per e.p.	$ 15.87	$ 16.83	$ 15.98	$ 18.33	$ 26.66	$ 29.70	$ 30.91	$ 31.55	$ 32.62	$ 33.82	$ 35.73	$ 36.63

Sources: FY 2007 through FY 2009 from Miami-Dade County Aviation Department; Forecasts by Jacobs Consultancy. For FY 2009, 12-month unaudited actual is used, for FY 2010 the MDAD operating budget is used.

Exhibit E

APPLICATION OF REVENUES
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues									
Aviation Fees	$ 333,286	$ 460,577	$ 522,294	$ 559,804	$ 586,177	$ 617,757	$ 651,885	$ 702,613	$ 738,107
Commercial Revenue	179,259	182,864	190,080	197,364	202,353	207,457	212,726	218,107	226,312
Rental Revenue	96,638	108,544	120,119	125,201	128,737	133,194	138,489	145,136	149,776
General Aviation Revenue	5,309	5,410	5,513	5,618	5,725	5,833	5,944	6,057	6,172
Other Revenue	20,689	20,972	21,576	23,412	23,798	24,157	24,469	24,912	25,410
Total Revenues	$ 635,181	$ 778,368	$ 859,582	$ 911,398	$ 946,789	$ 988,398	$ 1,033,513	$ 1,096,824	$ 1,145,778
Application of Revenues:									
Current Expenses	$ 394,209	$ 455,077	$ 481,209	$ 509,234	$ 538,977	$ 570,549	$ 604,071	$ 639,667	$ 677,476
Operating Reserve	(648)	8,826	6,195	6,750	7,305	8,855	5,587	5,933	6,301
Bond Service Account	184,044	244,035	278,003	296,608	300,104	303,712	314,873	336,366	343,472
Bond Reserve Account	-	-	-	-	-	-	-	-	-
Reserve Maintenance Fund	19,250	20,025	20,850	21,675	22,550	23,905	25,350	26,875	29,025
Improvement Fund									
Proposed 2010 Double-Barreled Bonds	-	-	15,850	15,790	15,730	18,510	18,510	18,505	18,507
Sunshine State Loan Repayment	1,554	-	-	-	-	-	-	-	-
Retainage Sub-account	6,544	6,707	6,875	7,047	7,223	7,403	7,588	7,778	7,973
Performance Sub-account	-	-	-	-	-	-	-	-	-
Restricted for Transfer to Revenue Fund	30,228	43,697	50,600	54,295	54,901	55,463	57,534	61,699	63,024
Total Application of Revenues	$ 635,181	$ 778,368	$ 859,582	$ 911,398	$ 946,789	$ 988,398	$ 1,033,513	$ 1,096,824	$ 1,145,778

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

Exhibit F-1

RATE COVENANT COMPLIANCE - AVIATION REVENUE BONDS
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Department, as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material.

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rate Covenant Compliance - Aviation Revenue Bonds									
Revenues	$ 635,181	$ 778,368	$ 859,582	$ 911,398	$ 946,789	$ 988,398	$ 1,033,513	$ 1,096,824	$ 1,145,778
Current Expenses	(394,209)	(455,077)	(481,209)	(509,234)	(538,977)	(570,549)	(604,071)	(639,667)	(677,476)
Net Revenues	$ 240,972	$ 323,291	$ 378,373	$ 402,164	$ 407,813	$ 417,848	$ 429,442	$ 457,157	$ 468,302
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
1.20 X Principal and Interest Requirements /1	(220,853)	(292,843)	(333,603)	(355,929)	(360,125)	(364,454)	(377,848)	(403,639)	(412,166)
Bond Reserve Account	-	-	-	-	-	-	-	-	-
Must Not Be Less Than Zero	$ 869	$ 10,423	$ 23,919	$ 24,560	$ 25,138	$ 29,489	$ 26,245	$ 26,642	$ 27,111
Additional Information									
Net Revenues	$ 240,972	$ 323,291	$ 378,373	$ 402,164	$ 407,813	$ 417,848	$ 429,442	$ 457,157	$ 468,302
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
Bond Reserve Account	-	-	-	-	-	-	-	-	-
Subtotal	$ 221,722	$ 303,266	$ 357,523	$ 380,489	$ 385,263	$ 393,943	$ 404,092	$ 430,282	$ 439,277
Principal and Interest Requirements	184,044	244,035	278,003	296,608	300,104	303,712	314,873	336,366	343,472
Senior Lien Debt Service Coverage Ratio /2	**1.20**	**1.24**	**1.29**	**1.28**	**1.28**	**1.30**	**1.28**	**1.28**	**1.28**

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

Notes: 1. Net of PFCs deposited in the Sinking Fund.

2. Calculated pursuant to Section 501 of the Trust Agreement, where a ratio no less than 120% demonstrates compliance to the Rate Covenant.

Exhibit F-2

RATE COVENANT COMPLIANCE - DOUBLE-BARRELED BONDS
Miami-Dade County Aviation Department
For Fiscal Years Ending September 30
(dollars in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by Aviation Department as described in the accompanying text. Inevitably, some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those forecast, and the variations could be material

	Budget	Forecast							
	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rate Covenant Compliance - Double-Barreled Bonds									
Revenues	$ 635,181	$ 778,368	$ 859,582	$ 911,398	$ 946,789	$ 988,398	$ 1,033,513	$ 1,096,824	$ 1,145,778
LESS:									
Current Expenses	(394,209)	(455,077)	(481,209)	(509,234)	(538,977)	(570,549)	(604,071)	(639,667)	(677,476)
Operating Reserve	648	(8,826)	(6,195)	(6,750)	(7,305)	(8,855)	(5,587)	(5,933)	(6,301)
Bond Service Account	(184,044)	(244,035)	(278,003)	(296,608)	(300,104)	(303,712)	(314,873)	(336,366)	(343,472)
Bond Reserve Account	-	-	-	-	-	-	-	-	-
Reserve Maintenance Fund	(19,250)	(20,025)	(20,850)	(21,675)	(22,550)	(23,905)	(25,350)	(26,875)	(29,025)
Commercial Paper Interest	-	-	-	-	-	-	-	-	-
Net Available Airport Revenues	$ 38,326	$ 50,404	$ 73,325	$ 77,132	$ 77,853	$ 81,376	$ 83,633	$ 87,983	$ 89,504
Proposed 2010 Double-Barreled Bonds	-	-	(15,850)	(15,790)	(15,730)	(18,510)	(18,510)	(18,505)	(18,507)
Must Not Be Less Than Zero	$ 38,326	$ 50,404	$ 57,475	$ 61,342	$ 62,123	$ 62,866	$ 65,123	$ 69,477	$ 70,997

Sources: Miami-Dade County Aviation Department for FY 2010 Budget; forecasts by Jacobs Consultancy.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AVIATION DEPARTMENT FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2008 AND SEPTEMBER 30, 2007

KPMG LLP (1) has not been engaged to perform and has not performed since the date of its report on the financial statements set forth below any procedures with respect to such financial statements, and (2) has not performed any procedures relating to this Official Statement. The attached financial statements have been included as a matter of public record. These financial statements speak only as of September 30, 2008 and September 30, 2007, respectively. The consent of KPMG LLP for the use of the financial statements herein has not been sought.

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MIAMI-DADE COUNTY AVIATION DEPARTMENT

Financial Statements

September 30, 2008 and 2007

(With Independent Auditors' Report Thereon)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Financial Statements

September 30, 2008 and 2007

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KPMG LLP
Suite 2000
200 South Biscayne Boulevard
Miami, FL 33131

Independent Auditors' Report

The Honorable Mayor and Members
The Board of County Commissioners
Miami-Dade County
Miami, Florida:

We have audited the accompanying financial statements of the Miami-Dade County Aviation Department (the Aviation Department), an enterprise fund of Miami-Dade County, as of and for the years ended September 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Aviation Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aviation Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1(a), the financial statements present only the Aviation Department and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida (the County), as of September 30, 2008 and 2007, and the changes in its financial position or, where applicable, its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Aviation Department, an enterprise fund of Miami-Dade County, as of September 30, 2008 and 2007, and the changes in financial position and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2009, on our consideration of the Aviation Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

As discussed in note 13, during the year ended September 30, 2008, the Aviation Department adopted the provision of the Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions*.

KPMG LLP

March 24, 2009
Certified Public Accountants

Introduction

The following discussion and analysis of the financial performance and activity of the Aviation Department is to provide an introduction and understanding of the financial statements of the Aviation Department for the years ended September 30, 2008 and 2007. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The Aviation Department operates an Airport System consisting of Miami International Airport (MIA), three general aviation airports, Opa locka Airport, Homestead General Airport, Kendall Tamiami Executive Airport and two training airports, one of which has been closed.

The Aviation Department operates as an enterprise fund of Miami-Dade County, Florida (the County). The Department is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenues from concessions to fund operating expenses. The Capital Improvement Program (CIP) is primarily funded by bonds, federal and state grants, and Passenger Facility Charges (PFCs).

Required Financial Statements

The Aviation Department's financial report includes three financial statements: the statements of net assets, statements of revenues, expenses and changes in net assets, and statements of cash flows. The financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Aviation Department is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital asset costs, with the exception of land and construction in progress, are capitalized and depreciated over their estimated useful lives. Certain net asset balances are restricted for debt service, construction activities, and major maintenance type activities.

The statements of net assets include all of the Aviation Department's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) as well as obligations to creditors and investors (liabilities). They also provide the basis for evaluating the capital structure of the Aviation Department and assessing liquidity and financial flexibility.

The statements of revenues, expenses, and changes in net assets report the operating revenues and expenses and nonoperating revenues and expenses of the Aviation Department for the fiscal year with the difference, net income or loss being combined with any capital contributions to arrive at the change in net assets for the fiscal year. These statements measure the success of the Aviation Department's operations over the past year and can be used to determine whether the Aviation Department has successfully recovered all its costs through its users' fees and other charges.

The statements of cash flows provide information about the Aviation Department's cash receipts and payments during the reporting period. The statements report cash receipts, cash payments and net changes in cash resulting from operating, investing, and capital and noncapital financing activities and provide an insight regarding sources providing cash and activities using cash.

Activity Highlights

Miami International Airport experienced a 2.5% increase in enplaned passenger traffic in fiscal year 2008, which is slightly less than the 3.5% and 4.0% experienced in fiscal years 2007 and 2006, respectively. Although the airline industry reduced its capacity at various airports throughout the United States in 2008 (including MIA) in reaction to the exorbitant increases in jet fuel prices, passenger traffic at MIA did not decline. Landed weight, which represents the total weight of the commercial aircraft that land at MIA, only slightly increased at 0.5% annual growth in fiscal year 2008 after increasing 2.2% in fiscal year 2007. Enplaned cargo increased significantly in fiscal year 2007 over fiscal year 2006 at 8.6%, but as a reflection of the international economic decline in fiscal year 2008, the annual growth was only 1.4%. Below is a comparative of these activities at MIA by fiscal year.

	2008	2007	2006
Enplanements	17,035,400	16,615,415	16,055,040
Landed weight (1,000 pounds)	31,590,470	31,419,877	30,735,112
Enplaned cargo (in tons)	974,653	961,260	885,513

Financial Highlights

- Total assets increased by $550.1 million in fiscal year 2008 while total liabilities also increased by $516.5 million resulting in a net increase in assets of $33.6 million. The primary reason for the increase in assets is due to the addition and construction in progress of new facilities at MIA; the opening of the new South Terminal and the expansion of the North Terminal. Correspondingly, liabilities increased as bond financing was used as the primary funding source for the construction costs of these new facilities.

- Construction in Progress increased by $579.8 million, or 48.2%, during fiscal year 2008. The increase primarily represents significant additions to the North Terminal construction work.

- Total bonded debt increased by $527.4 million during fiscal year 2008, due primarily to the issuance of new bonds during the fiscal year to replace the outstanding commercial paper utilized to fund construction at the airport.

- During fiscal year 2008, operating revenues were $562 million, an increase of $7 million, or 1.3%, as compared to fiscal year 2007. During fiscal year 2007, operating revenues were $555 million, an increase of $29.8 million, or 5.7%, as compared to fiscal year 2006.

- During fiscal year 2008, operating expenses, excluding depreciation and amortization, were $383 million, an increase of $25.6 million or 7.0%, as compared to fiscal year 2007. During fiscal year 2007, operating expenses, excluding depreciation and amortization, were $357.4 million, an increase of $9.2 million or 2.7%, as compared to fiscal year 2006.

The table below shows the composition of assets, liabilities, and net assets as of September 30, 2008, 2007, and 2006.

		2008	2007	2006
			(In thousands)	
Current assets	$	651,239	570,335	556,999
Noncurrent assets:				
Restricted assets		345,444	407,889	376,423
Capital assets, net		5,148,169	4,634,971	4,335,934
Other assets		71,678	53,199	45,905
Total assets		6,216,530	5,666,394	5,315,261
Current liabilities		62,548	80,841	142,484
Current liabilities payable from restricted assets		358,002	285,499	285,719
Noncurrent liabilities		4,604,000	4,141,708	3,825,574
Total liabilities		5,024,550	4,508,048	4,253,777
Net assets:				
Invested in capital assets, net of debt		597,870	541,818	553,668
Restricted		410,174	476,644	443,019
Unrestricted		183,936	139,884	64,797
Total net assets	$	1,191,980	1,158,346	1,061,484

Capital assets, net, as of September 30, 2008 were $5.1 billion, $513.2 million higher than at September 30, 2007. As of September 30, 2007, capital assets, net, was $4.6 billion, $299 million higher than at September 30, 2006. These increases were primarily in buildings and improvements due to the ongoing Capital Improvement Program.

Total net assets as of September 30, 2008 were $1.2 billion, an increase of approximately $33.6 million as compared to 2007. The increase in primarily due to an increase in capital contributions and passenger facility charge (PFC) revenues during the period. Total net assets as of September 30, 2007 were also $1.2 billion, an increase of $96.9 million as compared to fiscal year 2006. The increase represents significant contributions from commercial operations. In addition, the lessening of the environmental remediation liability resulted in additional revenue to add to the net assets amount.

(Continued)

Changes in net assets can be determined by reviewing the following summary of revenue, expenses, and changes in net assets for the years ended September 30, 2008, 2007, and 2006.

	2008	2007	2006
		(In thousands)	
Operating revenue:			
Aviation fees	$ 262,888	239,565	249,867
Rentals	103,483	101,331	93,077
Commercial operations	176,239	173,074	148,670
Other operating	6,149	10,717	18,967
Other – environmental remediation	13,181	30,296	14,619
Nonoperating revenues:			
Investment income	18,138	28,903	31,336
Passenger facility charges	71,502	66,341	65,149
Other	13,123	23,027	20,548
Total revenues	664,703	673,254	642,233
Operating expenses:			
Operating expenses	260,093	238,691	221,049
Operating expenses – environmental remediation	2,223	2,107	3,381
Operating expenses – commercial operations	58,858	64,848	58,604
General and administrative expenses	61,750	51,732	65,102
Depreciation and amortization	138,117	122,596	111,811
Nonoperating expenses:			
Interest expense	154,575	123,401	113,274
Total expenses	675,616	603,375	573,221
(Loss) income before capital contributions	(10,913)	69,879	69,012
Capital contributions	44,547	26,983	55,993
Change in net assets	33,634	96,862	125,005
Net assets at beginning of year	1,158,346	1,061,484	936,479
Net assets at end of year	$ 1,191,980	1,158,346	1,061,484

Total revenues for the fiscal year 2008 were $664.7 million, a decrease of $8.6 million, or 1.3%, as compared to fiscal year 2007. Total revenues for the fiscal year 2007 were $673.3 million, an increase of $31 million, or 4.8%, as compared to fiscal year 2006. Operating revenues for fiscal year 2008 were $561.9 million, an increase of $7 million, or 1.3%, as compared to fiscal year 2007. These increases comprise additional activities in the commercial operations at MIA particularly aviation fees through concourse use fees and baggage claim charges. The Aviation Department experienced significant reduction in investment income and other non operating revenues in fiscal year 2008 which offset the increase in operating revenues. Operating revenues for fiscal year 2007 were $555 million, an increase of $29.8 million, or 5.7%, as compared to fiscal year 2006. The increase is due primarily to a 16.4% increase in the commercial operations at MIA including parking and rental car revenues.

Total expenses, including depreciation and amortization, for the fiscal year 2008 were $675.6 million, an increase of $72.2 million, or 12.0%, as compared to fiscal year 2007. Operating expenses for fiscal year 2008 were $260.1 million, an increase of $21.4 million, or 9.0%, as compared to fiscal year 2007. This was primarily due to increases in salaries and fringes. General and administrative expenses increased from $51.7 million in 2007 to $61.8 million in 2008 due to increases in operating and maintenance cost of airport systems. Total expenses, including depreciation and amortization, for the fiscal year 2007 were $603.4 million, an increase of $30.2 million, or 5.3%, as compared to fiscal year 2006. Operating expenses for fiscal year 2007 were $238.7 million, an increase of $17.6 million, or 8.0%, as compared to fiscal year 2006. This was primarily due to increases in salaries and fringes. General and administrative expenses decreased from $65.1 million in 2006 to $51.7 million in 2007 due to a reduction in outside maintenance and engineering services.

The Aviation Department uses an airport system residual cost recovery methodology to set its landing fee rate. In accordance with the amended and restated trust agreement (the Trust Agreement), the Aviation Department is required to meet its rate covenant, which means the Department is required to maintain, charge, and collect rates and charges for the use of and for the services and facilities provided to all users of these facilities. In addition, these rates and charges are to provide revenues sufficient to pay current expenses: to make the required reserve maintenance fund (the Reserve Maintenance Account) annual deposits as recommended by the Consulting Engineers; and to make deposits to the sinking fund (the Sinking Fund Account), which comprises the Bond Service Account, the Reserve Account, and the Redemption Account, of not less than 120% of the principal and interest requirements of the outstanding bonds, as defined in the Trust Agreement (all capitalized terms referenced in this sentence are defined terms in the Trust Agreement). The manner in which the residual landing fee is calculated enables the Aviation Department to establish rates to meets its rate covenant.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2008, 2007, and 2006, the Aviation Department had $5.1 billion, $4.6 billion, and $4.3 billion, respectively, invested in capital assets, net of accumulated depreciation.

(Continued)

The following table summarizes the composition of capital assets, net of accumulated depreciation as of September 30, 2008, 2007, and 2006.

		2008	2007	2006
			(In thousands)	
Land	$	88,836	88,836	88,836
Buildings, improvements, and systems		2,458,826	2,563,536	1,575,500
Infrastructure		669,888	677,539	678,772
Furniture, machinery, and equipment		147,178	101,471	112,017
		3,364,728	3,431,382	2,455,125
Construction in progress		1,783,441	1,203,589	1,880,809
Total capital assets, net	$	5,148,169	4,634,971	4,335,934

Construction in progress (CIP) increased by a net $579.9 million, or 48.2%, during 2008, due to the ongoing construction of North Terminal.

The CIP consists of 330 projects with a budgeted cost of approximately $6.2 billion for construction through fiscal year 2015. As of September 30, 2008, the status of these projects can be described as follows:

- 265 projects completed $3.6 billion
- The completed projects include most of the South Terminal, the Northside Runway (9/27), Concourse "A" Terminal Expansion, the Central Collection Plaza, the Park 7 Garage, the Central Chiller Plant, Mid-field and Runway 9/27 rehabilitation, security projects and the entire Westside Cargo Development Program.
- 46 projects under construction $2.1 billion
- Primarily consists of the North Terminal, which will add terminal, concourse, administrative, and concessions space to MIA. A few remaining projects related to the South Terminal, which opened for passenger operations in August 2007, are still under construction.
- 19 projects in design and planning $0.5 billion
- These projects include the MIA Mover, the rehabilitation of runway 8R/26L at MIA, life safety, roof repairs, and signage projects in the Terminal building and drainage improvement projects on the north side of MIA.

Additional information on the Aviation's Department's capital assets can be found in note 5 of this report.

Debt Administration

As of September 30, 2008, 2007, and 2006, the Aviation Department had a total of $4.5 billion, $4 billion, and $3.4 billion, respectively, in long-term revenue bonds outstanding. The long-term debt consists of Aviation Revenue Bonds issued under a Trust Agreement. Maturity dates range from 2008 to 2041, and the interest rates range from 2% to 6%. Both principal and interest are payable solely from net revenues generated from the airport facilities constructed under the provisions of the Trust Agreement. The Revenue Bonds do not constitute debt of the County or a pledge of the full faith and credit of the County. In addition to net revenues, the Aviation Department used $81.6 million of PFC revenue to pay principal and interest due in fiscal year 2008.

The Aviation Department initiated a Commercial Paper program in July 2000, with the authorization of the Board of County Commissioners (the Board), of $400,000,000 Aviation Commercial Paper Notes with maturities not to exceed 270 days. As of September 30, 2008, 2007, and 2006, the Aviation Department had $0, $70.3 million, and $365.3 million, respectively, plus accrued interest outstanding of Aviation Commercial Paper Notes. The outstanding commercial paper notes have been excluded from current liabilities because the Aviation Department intends to finance the Commercial paper with long-term revenue bonds.

Some issues of General Aviation Revenue Bonds are insured by various monoline insurance companies and the rating reflects the claims paying ability of these companies. When the insurance was originally purchased by the County, the issue were rated AAA, Aaa, and AAA by Standard and Poor's, Moody's Investor Service, and Fitch Ratings, respectively, and lowered the interest rate that the County paid on the debt at the time of the sale. These policies provided that the insurers would make debt service payments on the respective debt issues in the unlikely event that the County was not able to do so. Since then, the ratings of the various monoline insurers has been lowered or withdrawn by the rating agencies. The Aviation Department is not directly impacted by these rating downgrades. The respective insurance policies remain in effect.

As of September 30, 2008, the public underlying ratings for the Aviation Department's outstanding General Aviation Revenue Bonds were A- with a stable outlook, A2 with a stable outlook and A with a stable outlook per Standard and Poor's, Moody's Investors Service, Inc and Fitch Ratings, respectively.

Additional information of the Aviation Department's debt administration can be found in note 6 of this report.

Economic Factors and Outlook

Most of the airline rates and charges at MIA continue to increase due to the issuance of additional debt required for the Department's on-going Capital Improvement Program. As previously stated, the Aviation Department calculates the landing fee rate on an airport system residual cost recovery basis and, therefore, is able to pass along these increases in costs to the MIA air carriers through either the terminal rental rate or the landing fee. This increase in capital costs is expected to continue until the Aviation Department completes its terminal projects as well as the MIA Mover, a train connecting to a multimodal transportation area just outside the Airport premises.

MIA principally serves the metropolitan area of Miami-Dade County. MIA is supported by this community and is thereby affected by its economic well-being. Like the rest of the nation, Miami-Dade has suffered significant layoffs. Nonagricultural companies in Miami-Dade County lost 27,600 jobs between December 2007 and December 2008. Construction topped the list, with a drop of 15.2%. Other sectors that have been impacted by the recession include, retail, with a loss of 6.9%, or 9,200 jobs lost; financial activities, down 4.6%, or 3,500 jobs lost; professional and business services, which dropped 4.4%, or 6,500 jobs lost; and leisure and hospitality, which fell 0.9%, a loss of 900 jobs. Even wholesale trade, which includes international trade, of Miami-Dade's major industrial sectors, saw a decline of 2.2%, for a loss of 1,700 jobs. The unemployment rate for the

Miami-Fort Lauderdale-Pompano Beach metropolitan statistical area (MSA) rose from 5.9% in July 2008 to a 6.4% rate in August and September 2008. This increase, although high, was not quite as high as the state of Florida's, which went from a rate of 4.2% in September 2007 to a rate of 6.6% in September 2008's preliminary reporting.

A significant increase in the cost of fuel in 2008 and an overabundance of capacity that had been built up over time, led many airlines to reduce their schedules by maximizing their loads in fewer flights by discontinuing marginal operations. Some airlines still could not sustain such conditions and instead sought bankruptcy protection, which resulted in either restructuring or liquidating, while others merged with stronger airlines. In spite of the general malaise in the industry, MIA has not suffered as extensively from service cutbacks as many other airports. During fiscal year 2008, many airports in the nation received news of significant planned service cutbacks by the airlines later to be enacted later in that year. Miami International Airport, however, was largely spared. In May 2008, MIA's principal carrier, American Airlines (American), announced that the airline would be reducing flights in all its principal operations, except Miami. The only flight eliminated in South Florida was to Barranquilla, Columbia, a discontinued destination by American. As of September 30, 2008, American has 211 daily flights, up from 206 in January 2008.

Thus far in this economic cycle, Latin American economies have been more resilient than the U.S. economy, thereby diluting some of the negative impacts that other airports have faced and continue to face during this time of financial strain. This has benefited Miami International Airport because it dominates the Latin American/Caribbean region both in passenger numbers and cargo volume. The financial strength and stability of the airlines serving Miami International Airport will affect future airline traffic. While passenger demand at the Airport remained strong in fiscal year 2008, there can be no assurance given as to the levels of aviation activity that will be achieved at the Airport in the future. Any financial or operational difficulties incurred by American or any other major air carriers at the Airport could have a material adverse effect on the Airport, although the Aviation Department would take measures to mitigate the effect.

The Aviation Department finances its construction programs through the sale of bonds. By converting its series 2003E auction rate securities to fixed rate bonds in March 2008, the Aviation Department effectively insulating itself from market fluctuations because all of its other outstanding bonds are fixed rate, as well.

Request for Information

This financial report is designed to provide customers, creditors and other interested parties with a general overview of the Aviation Department's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed in writing to the Finance Manager, Miami-Dade Aviation Department, 4200 N.W. 36th Street, Suite 300, Miami, Florida 33122.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2008 and 2007

(In thousands)

Assets	2008	2007
Current assets:		
Cash and cash equivalents (including restricted assets of $165,615 in 2008 and $155,547 in 2007)	$ 342,500	333,098
Investments, including interest receivable (including restricted assets of $192,387 in 2008 and $129,952 in 2007)	237,567	160,523
Accounts receivable, net of allowance for doubtful accounts of $12,989 in 2008 and $14,033 in 2007	37,133	39,945
Inventories, prepaid expenses, and deferred charges	6,005	6,478
Due from County Agencies	28,034	30,291
Total current assets	651,239	570,335
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	296,249	350,861
Cash held in escrow by agent	29,817	50,000
Government grants receivable	10,521	2,142
Passenger facility charges receivable	8,857	4,886
Total noncurrent restricted assets	345,444	407,889
Capital assets:		
Land	88,836	88,836
Construction in progress	1,783,441	1,203,589
Buildings, improvement, and systems	3,553,164	3,546,231
Infrastructure	1,097,364	1,097,202
Furniture, equipment, and machinery	341,120	279,821
Less accumulated depreciation	(1,715,756)	(1,580,708)
Capital assets, net	5,148,169	4,634,971
Other noncurrent assets	71,678	53,199
Total noncurrent assets	5,565,291	5,096,059
Total assets	$ 6,216,530	5,666,394

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MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2008 and 2007

(In thousands)

Liabilities and Net Assets	2008	2007
Current liabilities payable from unrestricted assets:		
Accounts payable and accrued expenses	$ 24,030	26,211
Security deposits	9,715	10,868
Environmental remediation liability	7,365	16,015
Compensated absences	7,313	6,590
Deferred revenues	4,299	3,056
Due to County Agencies	9,826	18,101
Total current liabilities payable from unrestricted assets	62,548	80,841
Current liabilities payable from restricted assets:		
Accounts and contracts payable and accrued expenses	185,307	123,169
Bonds payable within one year:		
Trust Agreement Aviation Revenue Bonds	64,730	68,755
Interest payable	107,965	93,575
Total current liabilities payable from restricted assets	358,002	285,499
Total current liabilities payable	420,550	366,340
Noncurrent liabilities:		
Trust Agreement Aviation Revenue Bonds payable after one year	4,485,569	3,954,103
Commercial paper notes	—	70,295
Deferred rental credits	8,994	9,711
Compensated absences, net of current portion	19,886	18,213
Environmental remediation liability, net of current portion	84,855	89,386
Other noncurrent liabilities	4,696	—
Total noncurrent liabilities	4,604,000	4,141,708
Total liabilities	5,024,550	4,508,048
Net assets:		
Invested in capital assets, net of related debt	597,870	541,818
Restricted	410,174	476,644
Unrestricted	183,936	139,884
Total net assets	$ 1,191,980	1,158,346

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended September 30, 2008 and 2007

(In thousands)

		2008	2007
Operating revenue:			
Aviation fees	$	262,888	239,565
Rentals		103,483	101,331
Commercial operations:			
Management agreements		72,250	78,974
Concessions		103,989	94,100
Other		6,149	10,717
Other – environmental remediation		13,181	30,296
Total operating revenue		561,940	554,983
Operating expenses:			
Operating expenses		260,093	238,691
Operating expenses – environmental remediation		2,223	2,107
Operating expenses under management agreements		24,447	32,197
Operating expenses under operating agreements		34,411	32,651
General and administrative expenses		61,750	51,732
Total operating expenses before depreciation and amortization		382,924	357,378
Operating income before depreciation and amortization		179,016	197,605
Depreciation and amortization		138,117	122,596
Operating income		40,899	75,009
Nonoperating revenue (expenses):			
Environmental cost recovery		1,902	6,586
Passenger facility charges		71,502	66,341
Interest expense		(154,575)	(123,401)
Investment income		18,138	28,903
Other revenue		11,221	16,441
Total nonoperating expenses		(51,812)	(5,130)
(Loss) income before capital contributions		(10,913)	69,879
Capital contributions		44,547	26,983
Change in net assets		33,634	96,862
Net assets, beginning of year		1,158,346	1,061,484
Net assets, end of year	$	1,191,980	1,158,346

See accompanying notes to financial statements.

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2008 and 2007

(In thousands)

		2008	2007
Cash flows from operating activities:			
Cash received from customers and tenants	$	557,218	515,276
Cash paid to suppliers for goods and services		(207,279)	(259,488)
Cash paid to employees for services		(169,578)	(164,347)
Net cash provided by operating activities		180,361	91,441
Cash flows from capital and related financing activities:			
Proceeds from sale of revenue bonds and commercial paper		1,346,472	732,400
Principal paid on revenue bonds and commercial paper		(889,326)	(471,513)
Interest paid on revenue bonds		(201,427)	(191,814)
Payment of bond issue costs		(18,479)	(7,294)
Purchase and construction of capital assets, net		(520,727)	(317,323)
Capital contributed by federal and state governments		36,168	32,136
Passenger facility charges		67,531	69,186
Proceeds from environmental reimbursements		1,902	6,586
Proceeds from North Terminal Program Claims		10,000	10,000
Net cash used in capital and related financing activities		(167,886)	(137,636)
Cash flows from noncapital financing activity:			
Operating reimbursements received		1,221	6,441
Net cash provided by noncapital financing activity		1,221	6,441
Cash flows from investing activities:			
Purchase of investments		(980,767)	(513,953)
Proceeds from sales and maturities of investments		901,533	580,678
Interest and dividends on investments		20,328	28,903
Net cash (used in) provided by investing activities		(58,906)	95,628
Net (decrease) increase in cash and cash equivalents		(45,210)	55,874
Cash and cash equivalents, beginning of year		683,959	628,085
Cash and cash equivalents, end of year	$	638,749	683,959
Cash and cash equivalents reconciliation:			
Unrestricted assets	$	176,885	177,551
Restricted assets		461,864	506,408
Cash and cash equivalents	$	638,749	683,959

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MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2008 and 2007

(In thousands)

		2008	2007
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	40,899	75,009
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization		138,117	122,596
Provision for uncollectible accounts		(1,044)	2,710
Loss on building demolition		—	39
Changes in operating assets and liabilities:			
Accounts receivable		3,856	(11,291)
Inventories, prepaid expenses, and deferred charges		473	(3,762)
Due from County Agencies		2,257	(1,308)
Accounts and contracts payable and accrued expenses		10,794	(56,769)
Security deposits		(1,153)	1,094
Due to County Agencies		(8,275)	(6,265)
Deferred revenues and rental credits		526	(655)
Other liabilities		(6,089)	(29,957)
Total adjustments		139,462	16,432
Net cash provided by operating activities	$	180,361	91,441
Noncash investing, capital, and financing activities:			
(Decrease) increase in fair value of investments	$	(2,190)	2,158
Increase in construction in progress accrual		49,163	27,654
(Decrease) increase in cash held in escrow by agent		(20,183)	50,000

See accompanying notes to financial statements.

(1) General

(a) Description

Miami-Dade County, Florida (the County) is a chartered political subdivision of the state of Florida and is granted home rule county powers by the Constitution of the State of Florida and Florida Statutes. The Board of County Commissioners (the Board) is the legislative and governing body of the County. The Miami-Dade County Aviation Department (the Aviation Department), established on February 6, 1973, is included as an enterprise fund in the County's comprehensive annual financial report as part of the County's reporting entity.

These statements present only the Aviation Department, and do not purport to, and do not present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2008 and 2007, and the changes in its financial position and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Pursuant to the general laws of Florida, the County owns Miami International Airport (MIA), three general aviation airports, and two training airports (collectively, the Airports), all of which are operated by the Aviation Department.

(b) Basis of Presentation

The Aviation Department operates as an enterprise fund of the County. An enterprise fund is used to account for the financing of services to the general public, since substantially all of the costs involved are paid in the form of charges by users of such services. Accordingly, the Aviation Department's financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

(c) Authority to Fix Rates

Under the provisions of the Trust Agreement, amended and restated dated December 15, 2002 by the County, The Bank of New York, successor in interest to JP Morgan Chase Bank, New York, New York, as trustee (the Trustee) and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association, Miami, Florida) as co-trustee (the Co-Trustee) (the Trust Agreement), which amended and restated the Trust Agreement dated as of October 1, 1954 with the Chase Manhattan Bank (predecessor-in-interest to the Trustee) and First Union National Bank of Miami (predecessor-in-interest to the Co-Trustee), as amended and supplemented (the Original Trust Agreement), the Aviation Department is required to maintain, charge, and collect rates and charges for the use and services provided, which will provide revenues sufficient to:

- pay current expenses, as defined in the Trust Agreement;
- make the Reserve Maintenance Fund (the Reserve Maintenance Account) deposits recommended by the Consulting Engineers; and
- make deposits to the Interest and Sinking Fund (the Sinking Fund Account) comprised of the Bond Service Account, the Reserve Account and the Redemption Account of not less than 120%

of the Principal and Interest requirements of the Trust Agreement Aviation Revenue Bonds, as defined in the Trust Agreement.

Any remaining balance in the Revenue Fund, after meeting the requirements noted above, is deposited to the Improvement Fund (the Improvement Account), as defined in the Trust Agreement.

(d) Agreements with Airlines

The County has entered into agreements (the Airline Agreements) with various airlines that, among other things, provide for the establishment and adjustment of certain landing fees for aircraft landing at MIA. The original Airline Agreements entered into prior to the date of the Trust Agreement had significantly restricted the County in its imposition of landing charges payable by such airlines. As a result of these restrictions and in order to provide sufficient revenues to the County as required by the Trust Agreement, the original Airline Agreements were amended in 1974 to provide for a Supplemental Landing Charge, which may be adjusted by the County when needed to assure that sufficient revenues are generated to meet the rate covenant requirements of the Trust Agreement and the earnings requirements for the issuance of additional bonds to fund airports' improvements. All provisions of the Airline Agreements that limited the County in its imposition of basic landing charges expired on April 30, 1987. The County now has the right to increase or decrease basic landing charges to meet the Trust Agreement requirements and other funding requirements of the airport system. A new Airline Use Agreement was adopted during fiscal year 2001 – 2002.

Pursuant to the requirements of the Airline Use Agreement, deposits in the Improvement Account in excess of $5 million, in any fiscal year, adjusted annually by the Consumer Price Index (CPI), with a cumulative cap of $15 million, can be used for any airport-related purpose. The deposits are to be transferred to the Revenue Account and to be taken into consideration in determining landing fees for the next fiscal year, unless otherwise agreed to by the airlines. As of September 30, 2008 and 2007, these excess deposits, which are transferred to the Revenue Account annually during the following January, were approximately $64,109,000 and $63,606,000, respectively.

(e) Relationship with County Departments

The Aviation Department reimburses the General Fund of the County for its portion of the direct administrative service cost, such as Audit and Management Services, the Board, Clerk of the Courts, Computer Services and Information Systems, County Manager, Fire, Police, Personnel, and others. In 1996, an internal study was conducted by the County to determine the appropriate method as a basis to establish the indirect administrative services cost reimbursement for the year ended September 30, 1996 and subsequent years. This study was updated in 2003, which has recommended a cost allocation basis in accordance with OMB A-87. For the years ended September 30, 2008 and 2007, the Aviation Department recorded an expense in the amount of $9,075,000 and $8,537,000, respectively, for the indirect administrative services cost reimbursement in accordance with the formula developed as a result of the study.

As of September 30, 2008 and 2007, the Aviation Department owes the County approximately $9,826,000 and $18,101,000, respectively, for various services. For these same periods, the Aviation Department has receivables due from the County in the amount of $28,034,000 and $30,291,000, respectively.

In addition, the Aviation Department pays other County departments directly for most services provided such as Fire, Police, Legal, and General Services Administration. The total cost to the Aviation Department for these services was approximately $73,151,000 and $66,750,000 for the years ended September 30, 2008 and 2007, respectively.

On March 20, 2003, the U.S. Department of Transportation, Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenue in connection with their audit of amounts paid to the County by the Aviation Department. The OIG reported that the County diverted Aviation Department revenues of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from the Aviation Department, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was updated to include the years 2001 through 2005, and the total diversion of revenues was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. The County repaid the Aviation Department $1 million annually during fiscal year 2004 to fiscal year 2006. The County repaid the Aviation Department $2,257,005 in fiscal year 2008 and 2007, respectively, leaving an unpaid balance of $6,771,016 as of September 30, 2008, which is included in Due from County Agencies in the accompanying statements of net assets. The $6,771,016 unpaid balance will be repaid by the County in quarterly installments of $564,251 over the next three fiscal years.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are presented on the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded when incurred.

(b) Cash and Cash Equivalents

Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

(c) Investments

Investments consist primarily of U.S. government securities and are carried at fair value based on quoted market prices.

(d) Inventories

Inventories consisting of building materials/supplies and spare parts, are valued at cost using the first-in, first-out (FIFO) method.

(e) Capital Assets and Depreciation

Capital assets are recorded at cost, except for contributions by third parties, which are recorded at fair value at the date of contribution. Expenditures for maintenance, repairs, minor renewals, and betterments are expensed as incurred. When property is disposed of, the cost and related accumulated depreciation is eliminated from the accounts and any gain or loss is reflected in the statements of revenue, expenses, and changes in net assets.

The Aviation Department depreciates assets using the straight-line method of depreciation over the assets estimated useful lives as follows:

	Years
Hangars and buildings	40
Runways, aprons and taxiways, and field improvements	30
Paved roads and parking areas	20
Automotive, field and building equipment, and furniture and fixtures	5 – 16
Utility plant and systems	40

(f) Interest on Indebtedness

Interest is charged to expense as incurred, except for interest related to borrowings used for construction projects. The Aviation Department capitalizes interest costs as part of the cost of constructing specified qualifying assets. In situations involving qualifying assets financed with the proceeds of tax-exempt debt, the amount of interest capitalized is reduced by any interest income earned on the temporary investment of such moneys. Interest is capitalized throughout the construction period.

(g) Restricted Assets

Assets required to be reserved for airport maintenance and debt service pursuant to the Trust Agreement are classified as restricted assets and are not available for payment of current expenses. In accordance with the terms of the Trust Agreement, assets of the Reserve Maintenance Account are restricted for unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, and premiums on insurance required to be carried under the provisions of the Trust Agreement and are not available for the payment of current expenses.

Unexpended Passenger Facility Charges (PFC) revenue and accumulated interest earnings are restricted to be used on Federal Aviation Administration (FAA) approved capital projects and are classified as restricted assets.

When both restricted and unrestricted resources are available for use, it is the Aviation Department's policy to use restricted resources first, then unrestricted resources as needed.

(h) Compensated Absences

The Aviation Department accounts for compensated absences by accruing a liability for employees' compensation of future absences in accordance with Governmental Accounting Standards Board (GASB) No. 16, *Accounting for Compensated Absences*. The Aviation Department's policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. The Aviation Department recognizes a liability and expense in the period vacation and sick pay benefits are earned. As of September 30, 2008 and 2007, liabilities related to compensated absences were approximately $27,199,000 and $24,803,000, respectively.

(Continued)

(i) Environmental Remediation

Environmental remediation expenses that relate to current operations are expensed. Assets acquired for environmental remediation are capitalized as appropriate. Environmental remediation expenses that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments or remedial efforts are probable, and the Aviation Department's share of the amount can be reasonably estimated.

(j) Refundings Resulting in the Defeasance of Debt

For current and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the weighted average method since the results are not significantly different from the effective interest method over the remaining life of the old debt or the life of the new debt, whichever is shorter. The difference in these amounts, to the extent unamortized, is accounted for as an element of the carrying cost of the related debt.

(k) Bond Discount/Premium and Issuance Costs

Discount/premium on bonds and bond issuance costs are amortized using the straight-line method over the life of the related bond issue since the results are not significantly different from the interest method of amortization.

(l) Pension Plan

The Aviation Department contributes to the Florida Retirement System, a cost-sharing multi-employer plan. Under GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, employers that participate in multi-employer defined benefit plans are required to measure and disclose an amount for annual pension costs on the accrual basis of accounting.

(m) Net Asset Classifications

Net assets are classified and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

(Continued)

(n) Revenue Classifications

The Aviation Department defines operating revenue as those revenues earned from aviation operations and charged to customers and tenants. Nonoperating revenues include interest earnings, certain grants, and passenger facility charges (PFC) collections.

The components of the major revenue captions are:

Aviation Fees – landing fees, concourse use charges, loading bridge use charges, baggage claim use charges, screening fees, airplane parking fees, and other similar facilities and service use fees and charges.

Rentals – rentals of land, buildings, and machinery and equipment.

Management Agreements – revenues from the sale of publications, automotive parking fees, pharmacy facilities, baggage services, special services lounges, the Airport Hotel, Fuel Farm, and the Top of the Port Restaurant.

Concessions – revenues from the sale of duty-free merchandise, rent-a-car companies, and various services provided by terminal complex concessionaires.

(o) Grants from Government Agencies

Grants received for the acquisition or construction of capital assets are recorded as capital contributions, when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred. During fiscal years 2008 and 2007, the Aviation Department recorded approximately $44,547,000 and $26,983,000, respectively, in contributions consisting of federal and state grants in aid of construction.

(p) Passenger Facility Charges

The FAA authorized the Aviation Department to impose PFC of $3.00 per passenger commencing November 1, 1994. In October 2001, with an effective date of January 1, 2002, the FAA approved an increase in the PFC at MIA to $4.50. The net receipts from PFCs are restricted to be used for funding FAA approved capital projects and debt service attributable to such approved capital projects.

PFC revenue is reported as nonoperating revenue. The Aviation Department has been authorized to collect PFCs on eligible enplaning revenue generating passengers in the aggregate amount not to exceed $2,757,441,000 including interest, of which $692,189,000 has been earned through September 30, 2008.

(q) Application of FASB Pronouncements to Proprietary Funds

GASB No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, gave the option of adopting Financial Accounting Standards Board (FASB) standards issued after November 30, 1989, unless the latter contradict GASB pronouncements, or not following FASB standards issued after such date. The Aviation Department elected not to apply FASB statements and interpretations issued subsequent to November 30, 1989.

(Continued)

(r) Use of Estimates

The preparation of the financial statements requires management of the Aviation Department to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation allowances for receivables, self-insurance, and environmental liabilities. Actual results could differ from those estimates.

(s) Implementation of New Accounting Standards

In April 2004, the GASB issued GASB Statement No. 43 (GASB 43) for financial reporting for postemployment benefit (OPEB) plans other than pension plans. GASB 43 applies to state and local governmental employers that have plans to fund OPEB costs such as health care and life insurance. The County does not have OPEB plans and is not affected by GASB 43.

In June 2004, the GASB issued GASB Statement No. 45 (GASB 45) for other postemployment benefits (OPEB), which is effective for the County beginning with the fiscal year ended September 30, 2008. This statement requires that the County accrue the cost of the County's retiree health subsidy and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability be disclosed in order to accurately account for the total future cost of OPEB and the financial impact on the County.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* (GASB 42). GASB 42 establishes accounting and financial reporting standards for impairment of capital assets. Additionally, it clarifies and establishes accounting requirements for insurance recoveries. The adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Technical Bulletin No. 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*, with regards to pension transactions. GASB Technical Bulletin 2004-2 clarifies the requirements of GASB No. 27, *Accounting for Pensions by State and Local Government Employers*. The requirements of GASB Technical Bulletin 2004-2 as they relate to other postemployment benefits were adopted simultaneously with the requirements of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in fiscal year 2008.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation, an amendment of GASB Statement No. 34* (GASB 46). GASB 46 clarifies a legally enforceable enabling legislation restriction. Additionally, GASB 46 establishes the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. GASB 46 also requires the disclosure of the portion of total net assets that is restricted by enabling legislation. The adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

During fiscal year 2006, the Aviation Department adopted the provisions of GASB Statement No. 47, *Accounting for Termination Benefits* (GASB 47). GASB 47 establishes accounting standards for termination benefits. The adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

In September 2006, the GASB issued GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This statement establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or collateralized borrowings. The statement also included disclosure requirements for future revenues that are pledged or sold. The requirements of the new statement become effective for fiscal periods beginning after December 15, 2006. The Aviation Department has not sold or pledged its receivables and future revenues and intra-entity transfers of assets and future revenues. As such, the adoption of this statement did not have an impact on the financial statements, including required disclosures, of the Aviation Department.

In December 2006, the GASB issued GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement provides guidance on how to calculate and report the cost and obligations associated with pollution cleanup efforts. The requirements of this statement become effective for fiscal periods beginning after December 15, 2007. The Aviation Department expects to comply with the provisions of this statement at the appropriate time.

In June 2007, the GASB issued GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible including easements, water rights, timber rights, patents, trademarks, and computer software. An absence of sufficiently specific authoritative guidance has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009. The Aviation Department expects to comply with the provisions of this statement.

In November 2007, the GASB issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as Investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2008. The Aviation Department expects to comply with the previsions of this statement.

In June 2008, the GASB issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make Investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transactions. Derivative instruments associated with changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. Derivative instruments, however, also can expose governments to significant risks and liabilities. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swap options, forward contracts, and futures contracts. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009. The Aviation Department expects to comply with the provisions of this statement.

(t) Reclassification

Certain prior year amounts have been reclassified to conform to the current year's presentation.

(3) Cash and Cash Equivalents and Investments

As of September 30, 2008 and 2007 total unrestricted and restricted cash and cash equivalents and investments comprise the following:

		2008	2007
		(In thousands)	
Cash and cash equivalents	$	638,749	683,959
Investments, including interest receivable		237,567	160,523
	$	876,316	844,482

The carrying amounts of the Aviation Department's local deposits were $12.0 million and $72.5 million as of September 30, 2008 and 2007, respectively. All deposits are fully insured by Federal Depository Insurance and are held in qualified public depositories pursuant to Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the Aviation Department intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs.

Cash held in escrow by agent of $29.8 million and $50 million as of September 30, 2008 and 2007, respectively, represents the proceeds held by the FDOT State Infrastructure Bank to fund construction projects. See note 6.

Cash, cash equivalents, and investments as of September 30, 2008 and 2007 are summarized as follows:

	2008	2007
	(In thousands)	
Cash deposits	$ 12,027	72,494
U.S. government securities	630,762	400,785
Money market	124	—
SBA	—	26,500
Commercial paper	233,403	344,703
Total cash equivalents and investments	864,289	771,988
	$ 876,316	844,482

At September 30, 2008 and 2007, the carrying value of cash equivalents and investments included the following (in thousands):

Investment type	2008 fair value	2007 fair value
Federal Home Loan Mortgage Company	$ 40,175	157,237
Federal Home Loan Bank	347,161	73,323
Federal Farm Credit Bank	43,723	29,354
Fannie Mae	175,744	128,882
Freddie Mac	8,998	9,989
Treasury notes	14,961	2,000
Money market	124	—
SBA	—	26,500
Commercial paper	233,403	344,703
	$ 864,289	771,988

(a) Credit Risk

The Aviation Department's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund (SBA) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the U.S. Treasury; federal agencies and instrumentalities; securities of, or other interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the U.S. government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such U.S. government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; Commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; Banker Acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; Investments in Repurchase Agreements (Repos) collateralized by securities authorized by this policy.

The Local Government Surplus Funds Trust Fund Investment Pool (the Pool) is a "2a-7 like" pool, and the Pool account balance is stated at fair value. The Pool is governed by Chapter 19-7 of the Florida Administrative Code, which identified the rules of the State Board of Administration (SBA) for the administration of the Pool. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

The table below summarizes the investments by type and credit ratings as of September 30, 2008 and 2007.

Investment type	Credit rating
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Fannie Mae	AAA
Freddie Mac	AAA
SBA	N/A
Time Deposits	N/A
Treasury Notes	N/A
Commercial Paper	A1/P1

(b) Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. As of September 30, 2008, all of the County's bank deposits were in qualified public depositories.

The Policy requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution.

(c) Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in nonnegotiable interest bearing time certificates and deposit savings accounts with no more than 5% deposited with any one issuer; a maximum 75% of the total portfolio may be invested in federal agencies and instrumentalities; a maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptances with a maximum of 25% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptances; a maximum of 10% of the portfolio may be invested with any one institution.

As of September 30, 2008 and 2007, the following issuers held 5% or more of the investment portfolio:

Issuer	2008	2007
Federal Farm Credit Bank	5.06%	3.80%
Federal Home Loan Bank	40.17	9.50
Federal Home Loan Mortgage Corporation	4.65	20.37
Fannie Mae	20.33	16.69
Commercial paper	27.01	44.65

(d) Interest Rate Risk

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; and evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than one year. Investments for bond reserves, construction funds and other nonoperating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of five years.

(Continued)

As of September 30, 2008 and 2007, the County had the following investments with the respective weighted average maturity in years.

Investment type	2008	2007
Federal Home Loan Mortgage Corporation	0.48	0.23
Federal Home Loan Bank	0.38	0.33
Federal Farm Credit Bank	1.25	0.16
Fannie Mae	0.30	0.30
Freddie Mac	0.06	0.03
SBA	N/A	N/A
Time deposits	N/A	N/A
Treasury notes	0.23	N/A
Commercial paper	0.04	0.03

(e) Foreign Currency Risk

The Policy limits the Aviation Department's foreign currency risk by excluding foreign investments as an investment option.

(4) Disaggregation of Receivables and Payables

(a) Receivables

As of September 30, 2008, accounts receivable, net of the allowance for doubtful accounts, in the amount of $37,133,000 comprise accounts from customers (tenants, carriers, business partners) representing 95% and government agencies representing 5%. As of September 30, 2007, accounts receivable, net of the allowance for doubtful accounts, in the amount of $39,945,000 comprise accounts from customers (tenants, carriers, business partners) representing 97% and government agencies representing 3%.

(b) Payables

As of September 30, 2008, accounts payable and accrued expenses and contracts payables totaled $209,337,000. This amount comprised 97% for amounts payable to vendors, 2% due to employees, and 1% due to government agencies. As of September 30, 2007, accounts payable and accrued expenses and contracts payables totaled $149,380,000. This amount comprises 97% for amounts payable to vendors, 2% due to employees, and 1% due to government agencies.

(Continued)

(5) Capital Assets and Depreciation

A summary of capital asset activity and changes in accumulated depreciation for the years ended September 30, 2008 and 2007 follows:

	Balance at September 30, 2007	Additions	Deletions/ retirements	Balance at September 30, 2008
		(In thousands)		
Capital assets not being depreciated:				
Land	$ 88,836	—	—	88,836
Construction in progress	1,203,589	649,135	(69,283)	1,783,441
Total capital assets not being depreciated	1,292,425	649,135	(69,283)	1,872,277
Capital assets being depreciated:				
Buildings, improvements, and systems	3,546,231	21,817	(14,884)	3,553,164
Infrastructure	1,097,202	162	—	1,097,364
Furniture, machinery, and equipment	279,821	62,843	(1,544)	341,120
Total capital assets being depreciated	4,923,254	84,822	(16,428)	4,991,648
Less accumulated depreciation for:				
Buildings, improvements, and systems	(982,695)	(113,182)	1,539	(1,094,338)
Infrastructure	(419,663)	(7,813)	—	(427,476)
Furniture, machinery, and equipment	(178,350)	(17,080)	1,488	(193,942)
Total accumulated depreciation	(1,580,708)	(138,075)	3,027	(1,715,756)
Net capital assets	$ 4,634,971	595,882	(82,684)	5,148,169

	Balance at September 30, 2006	Additions	Deletions/ retirements	Balance at September 30, 2007
		(In thousands)		
Capital assets not being depreciated:				
Land	$ 88,836	—	—	88,836
Construction in progress	1,880,809	411,271	(1,088,491)	1,203,589
Total capital assets not being depreciated	1,969,645	411,271	(1,088,491)	1,292,425
Capital assets being depreciated:				
Buildings, improvements, and systems	2,459,798	1,087,569	(1,136)	3,546,231
Infrastructure	1,090,633	6,569	—	1,097,202
Furniture, machinery, and equipment	277,271	5,281	(2,731)	279,821
Total capital assets being depreciated	3,827,702	1,099,419	(3,867)	4,923,254
Less accumulated depreciation for:				
Buildings, improvements, and systems	(884,298)	(99,493)	1,096	(982,695)
Infrastructure	(411,861)	(7,802)	—	(419,663)
Furniture, machinery, and equipment	(165,254)	(15,301)	2,205	(178,350)
Total accumulated depreciation	(1,461,413)	(122,596)	3,301	(1,580,708)
Net capital assets	$ 4,335,934	1,388,094	(1,089,057)	4,634,971

Total interest costs incurred during the years ended September 30, 2008 and 2007, amounted to approximately $215,817,000 and $200,096,000, respectively. Of this amount, approximately $61,242,000 and $76,695,000 were capitalized during 2008 and 2007, respectively.

(6) Debt

(a) Aviation Revenue Bonds

Revenue Bonds are issued to finance the construction of facilities at the Airports pursuant to the Trust Agreement and are payable solely from and are collateralized by a pledge of net revenues, as defined in the Trust Agreement. The Revenue Bonds do not constitute a debt of the County or a pledge of the full faith and credit of the County.

In June 2008, the County issued $433,565,000 of Series 2008A all of which remains outstanding at September 30, 2008 and $166,435,000 of Series 2008B all of which remains outstanding at September 30, 2008. The Series 2008A and 2008B were issued to refund outstanding Commercial Paper Notes and to provide funds for the payment of costs of certain airport improvements. The Series 2008A bonds bear stated interest rates ranging from 5.35% to 5.50%, with $55,740,000 serial bonds due October 1, 2024 to 2038 and $377,825,000 term bonds due October 1, 2040.

The Series 2008B bonds bear stated interest rates ranging from 4.00% to 5.00%, with $166,435,000 serial bonds due October 1, 2016 to 2041.

In March 2008, the County refunded $139,700,000 of Series 2003E all of which remains outstanding at September 30, 2008. The Series 2003E was issued to refund and convert Variable Series 2003E Revenue Refunding to Fixed Rate Bonds. The Series 2003E bonds bear stated interest rates ranging from 5.125% to 5.375%, with $70,125,000 serial bonds due October 1, 2010 to 2018 and $69,575,000 term bonds due October 1, 2024. As a result of this transaction, the Aviation Department increased its aggregate debt service payments over the next 17 fiscal years and incurred an economic loss of approximately $4,443,105. This projected economic loss is computed using prevailing interest rates at the time of the refunding. However, market conditions were deteriorating and the market for auction rate securities was disappearing. Had a failed auction scenario occurred prior to the refunding, the interest rate would have defaulted to 13%. By refunding in March 2008, the Aviation Department avoided paying the default rate.

In December 2007, the County issued $367,700,000 of Series 2007C all of which remains outstanding at September 30, 2008 and $43,650,000 of Series 2007D all of which remains outstanding at September 30, 2008. The Series 2007C and 2007D were issued to refund Series 1996A, 1996B, 1996C, and 1997B. The Series 2007C bonds bear stated interest rates ranging from 5.00% to 5.25%, with $367,700,000 serial bonds due October 1, 2008 to 2026. The Series 2007D bonds bear stated interest rates ranging from 4.00% to 5.25%, with $43,650,000 serial term bonds due October 1, 2008 to 2026. The advance refunding of Series 1996A, 1996B, 1996C, and 1997B resulted in a deferred accounting loss of approximately $19,594,097 for the fiscal year ended September 30, 2008. As a result of this transaction, the Aviation Department decreased its aggregate debt service payments by approximately $36,640,646 over the next 18 years and realized an economic gain of approximately $23,069,106.

In May 2007, the County issued $551,080,000 of Series 2007A all of which remains outstanding at September 30, 2008 and $48,920,000 of Series 2007B all of which remains outstanding at September 30, 2008. The Series 2007A and 2007B were issued to refund outstanding Commercial Paper Notes and to provide funds for the payment of costs of certain airport improvements. The Series 2007A bonds bear stated interest in the amount of 5.00%, with $322,195,000 term bonds due October 1, 2040 and $228,885,000 serial bonds due on October 1, 2040. The Series 2007B bonds bear stated interest rates ranging from 4.50% to 5.00%, with $16,070,000 term bonds due on October 1, 2029 and $32,850,000 serial bonds due October 1, 2025 to 2029.

Miami-Dade County Aviation Department Debt Reconciliation September 30, 2008 and 2007

Revenue bonds	Issue date	Rate	Maturity	2008	2007
2008A	June 2008	5.350% – 5.500%	2024 – 2038	$ 55,740	—
2008B	June 2008	4.000% – 5.000%	2016 – 2041	166,435	—
2007A	May 2007	5.000%	2040	228,885	228,885
2007B	May 2007	4.500% – 5.000%	2025 – 2029	32,850	32,850
2005A	November 2005	4.875% – 5.000%	2036 – 2038	322,500	322,500
2004A	March 2004	4.750% – 5.000%	2029	1,020	1,020
2004B	March 2004	4.625% – 5.000%	2029	2,670	2,670
2004C	March 2004	2.000% – 5.000%	2011	14,650	19,140
2003A	May 2003	4.750% – 5.000%	2027	26,490	26,490
2002A	December 2002	5.000% – 5.125%	2029 – 2036	600,000	600,000
2002	May 17, 2002	4.000% – 5.750%	2011 – 2025	162,340	162,340
2000A	March 1, 2000	5.400% – 5.875%	2011 – 2020	30,690	30,690
2000B	March 1, 2000	5.250% – 5.750%	2011 – 2020	24,610	24,610
1998C	October 1997	4.400% – 5.250%	2009 – 2018	56,655	56,655
1997B	October 1997	5.000% – 5.125%	2006 – 2015	—	53,715
1996A	March 1996	5.750%	2011 – 2012	—	21,880
				1,725,535	1,583,445
Term bonds					
2008A	June 2008	5.250% – 5.500%	2033 – 2041	377,825	—
2007A	May 2007	5.000%	2040	322,195	322,195
2007B	May 2007	4.500% – 5.000%	2025 – 2029	16,070	16,070
2005A	November 2005	5.000%	2030 – 2035	35,400	35,400
2004A	March 2004	4.750% – 5.000%	2030 – 2036	210,830	210,830
2004B	March 2004	4.625% – 5.000%	2030 – 2037	153,695	153,695
2003A	May 2003	4.750% – 5.000%	2033 – 2035	264,910	264,910
2002	May 2002	5.375%	2027 – 2032	136,660	136,660
2000A	March 2000	6.000%	2024 – 2029	47,420	47,420
2000B	March 2000	5.750%	2024 – 2029	37,280	37,280
1998C	October 1998	5.000%	2023 – 2028	93,345	93,345
1997C	October 1997	5.125%	2027	63,170	63,170
1997B	October 1997	5.125%	2017 – 2022	—	58,345
1996A	March 1996	5.750%	2015 – 2026	—	245,535
1996B	March 1996	5.600%	2026	—	27,585
				1,758,800	1,712,440

Miami-Dade County Aviation Department Debt Reconciliation September 30, 2008 and 2007

Refunding bonds	Issue date	Rate	Maturity	2008	2007
2007C	December, 2007	5.000% – 5.250%	2008 – 2026	$ 367,700	—
2007D	December, 2007	4.000% – 5.250%	2008 – 2026	43,650	—
2005B	November, 2005	3.500% – 5.000%	2006 – 2021	165,890	177,890
2005C	November, 2005	3.500% – 5.000%	2006 – 2011	23,815	33,920
2003B	May, 2003	3.000% – 5.250%	2006 – 2022	33,060	33,060
2003C	May, 2003	2.000% – 5.250%	2006 – 2024	5,920	10,265
2003D	May, 2003	2.000% – 5.250%	2006 – 2024	78,665	80,165
2003E	March, 2008	5.250% – 5.375%	2010 – 2018	70,125	—
1998A	July, 1998	5.000% – 5.250%	2006 – 2024	31,595	58,880
1997A	June, 1997	5.375% – 6.000%	2006 – 2010	29,150	29,150
1996C	July, 1996	5.200% – 5.500%	2006 – 2009	—	10,755
1995E	August, 1995	6.000%	2009	6,370	6,370
				855,940	440,455
Term bonds					
2005C	November 2005	3.500% – 5.000%	2025	26,840	26,840
2003E	May 2008	5.125%	2024	69,575	—
2003E	May 2003	4.880%	2024	—	139,700
1998A	May 2002	5.000% – 5.250%	2018 – 2024	85,675	85,675
1996C	March 2000	5.300% – 5.500%	2011	—	9,005
				182,090	261,220
		Total		$ 4,522,365	3,997,560

(b) Maturities of Bonds Payable

The annual debt service requirements are as follows:

		Aviation revenue bonds principal		Interest
		(In thousands)		
Year ending September 30:				
2009	$	63,250		201,661
2010		55,370		226,955
2011		59,815		224,229
2012		58,520		221,296
2013		60,995		218,453
2014 – 2018		359,980		1,041,889
2019 – 2023		470,720		936,246
2024 – 2028		606,770		801,182
2029 – 2033		781,990		628,004
2034 – 2038		1,002,645		409,922
2039 – 2041		1,002,310		130,807
		4,522,365	$	5,040,644
Add:				
Unamortized premium		10,544		
Less:				
Deferred loss on defeased debt		(35,705)		
	$	4,497,204		

Bond premium is added and deferred loss on defeased debt is deducted from the face amount of bonds payable. They are amortized as additional interest expense on the bonds outstanding method, which approximates the interest method. Amortization of bond discount or premium and deferred loss on defeased debt was approximately $4,371,000 and $4,849,000 as of September 30, 2008 and 2007, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

Amortization of bond issuance cost was approximately $3,497,000 and $2,614,000 as of September 30, 2008 and 2007, respectively, and is included in interest expense in the accompanying statements of revenues, expenses, and changes in net assets.

(c) Sunshine State Governmental Financing Commission Commercial Paper Revenue Note

On August 16, 2005, the County closed on the $71,000,000 Sunshine State Governmental Financing Commission Commercial Paper Revenue Note (Miami-Dade County Program), Series I 2005. The Aviation Department’s pro rata share (12%) of the principal is $8,074,304, with interest at 5%, payable over five years. The proceeds provided funding for various County projects, including $7.9 million for the Aviation Department's Enterprise Resource Planning (ERP) Implementation. The outstanding balance at September 30, 2008 and 2007 was $3,095,000 and $4,710,000, respectively.

(d) State Infrastructure Bank Note

On February 6, 2007, the Board approved the construction of the N.W. 25th Street Viaduct Project (Viaduct Project) by the Florida Department of Transportation (FDOT) and approved a County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT will construct the Viaduct Project and closed on the loan on March 21, 2007. The loan is secured by a County covenant to annually budget and appropriate from the County legally available nonad valorem revenue funds sufficient to pay debt service costs. The debt service costs will be reimbursed to the County by the Aviation Department.

The funds are held in escrow by the FDOT State Infrastructure Bank for the construction of the project. As of September 30, 2008 cash held in escrow by agent totaled $29.8 million. During fiscal year 2008 there were drawdowns totaling $20.2 million. As of September 30, 2008, the outstanding loan balance was $50 million. The loan bears interest at 2% per annum. The maturity date of the loan is October 1, 2019 and the first scheduled payment of $5 million is due on October 1, 2009.

The annual debt service requirements are as follows:

		Principal	Interest
Year ending September 30:		(In thousands)	
2009	$	—	—
2010		3,776	1,224
2011		4,076	906
2012		4,157	924
2013 – 2017		22,065	2,872
2018 – 2020		15,926	673
	$	50,000	6,599

(e) Long-Term Liabilities

Changes in long-term liabilities, other than commercial paper, are as follows:

	Balance at September 30, 2007	Additions	Reductions	Total at September 30, 2008	Due within one year
			(In thousands)		
Revenue bonds	$ 3,997,560	1,011,350	(486,545)	4,522,365	63,250
Less deferred amounts:					
For issuance discount and refunding losses	(29,412)	(120)	4,371	(25,161)	—
State infrastructure bank loan	50,000	—	—	50,000	—
Sunshine state loan	4,710	—	(1,615)	3,095	1,480
Total bonds payable, net	4,022,858	1,011,230	(483,789)	4,550,299	64,730
Other liabilities:					
Compensated absences	24,803	13,394	(10,998)	27,199	7,313
Environmental remediation	105,401	—	(13,181)	92,220	7,365
Deferred revenues and rental credits	12,767	526	—	13,293	4,299
Other noncurrent liabilities	—	4,696	—	4,696	—
Total long-term liabilities	$ 4,165,829	1,029,846	(507,968)	4,687,707	83,707

	Balance at September 30, 2006	Additions	Reductions	Total at September 30, 2007	Due within one year
			(In thousands)		
Revenue bonds	$ 3,462,690	600,000	(65,130)	3,997,560	67,275
Less deferred amounts:					
For issuance discount and refunding losses	(52,077)	17,816	4,849	(29,412)	—
State infrastructure bank loan	—	50,000	—	50,000	—
Sunshine state loan	6,311	—	(1,601)	4,710	1,480
Total bonds payable, net	3,416,924	667,816	(61,882)	4,022,858	68,755
Other liabilities:					
Compensated absences	24,464	10,474	(10,135)	24,803	6,590
Environmental remediation	135,697	—	(30,296)	105,401	16,015
Deferred revenues and rental credits	13,422	—	(655)	12,767	3,056
Total long-term liabilities	$ 3,590,507	678,290	(102,968)	4,165,829	94,416

(f) Commercial Paper Notes

At September 30, 2008, the County had no outstanding Aviation Commercial Paper Notes. At September 30, 2007, the County had outstanding $70,006,000 of Aviation Commercial Paper Notes (Notes) plus accrued interest of $288,477. The effective interest rate paid on the Notes outstanding at September 30, 2007 ranges from 3.6% to 3.78%.

The proceeds of such Notes were used to finance certain airport and airport related improvements. The Notes and accrued interest are payable solely from proceeds of future Revenue Bonds and any unencumbered monies in the Improvement Fund. The Notes are secured by an irrevocable stand-by letter of credit. The letter of credit, in the amount of $400,000,000, was approved for the purpose of making funds readily available for the payment of principal and interest on the Notes. As of September 30, 2008, there were no amounts outstanding on the letter of credit. As of September 30, 2007, there was $71,735,000 outstanding on the letter of credit. The letter of credit expires on August 1, 2010.

The outstanding Notes and accrued interest have been excluded from current liabilities because the Aviation Department intends to refinance the commercial paper with long-term revenue bonds.

Following is a schedule of changes in commercial paper notes (in thousands):

Balance as of September 30, 2006	$	365,342
Additions		109,735
Deductions		(404,782)
Balance as of September 30, 2007		70,295
Additions		330,871
Deductions		(401,166)
Balance as of September 30, 2008	$	—

(g) Defeased Debt

The County had not defeased any debt during fiscal year 2008.

(7) Restricted Assets

A summary of restricted assets at September 30, 2008 and 2007 is as follows:

		2008	2007
		(In thousands)	
Construction account	$	397,089	422,689
Bond service and reserve account		273,408	241,348
Reserve maintenance		32,949	29,351
	$	703,446	693,388

(8) Management, Operating, Concession, and Lease Agreements

(a) Management Agreements

Certain properties are provided under management agreements with nationally recognized firms or local firms with expertise in their areas of service. Among these properties are public parking, newsstand facilities, gift shop facilities, pharmacy, sundries, special service lounges, fuel farm, the Airport hotel, and the Top of the Port restaurant. The Aviation Department receives all revenues. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee or fees based on percentages of revenues or operating profits of the facilities. While the Aviation Department generally looks toward the management companies for recommendations relative to operation of the facilities, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for growth and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as pricing, staffing, employee benefits, operating hours, facilities maintenance requirements, service levels, market selections, personnel policies, and marketing strategies. In the event the management firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such agreements. The management firms do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department, without prior approval, beyond the scope of what is required to run the day-to-day operations of the managed properties as established by the budget approved by the Aviation Department. The revenues and expenses generated from the operations of these facilities are recorded as revenues from management agreements and operating expenses under management agreements, respectively, in the accompanying statements of revenues, expenses, and changes in net assets.

(b) Operating Agreements

Certain other services are provided under operating agreements with nationally recognized firms or local firms with expertise in their areas of service. These agreements provide necessary services of employee shuttle transportation, janitorial services, and porter services to the Aviation Department. These agreements provide for reimbursement of approved budgeted operating expenses and a fixed management fee. While the Aviation Department generally looks toward the operating companies for recommendations relative to these operations, the Aviation Department does exercise complete budgetary control and establishes standards, guidelines, and goals for service and performance. Such actions are taken within the rights reserved to the Aviation Department under these agreements to control all aspects of the businesses. These include such matters as personnel policies, staffing, employee benefits, facilities maintenance requirements, and service levels. In the event the operating firm is not performing in accordance with the standards established by the Aviation Department, the Aviation Department has the authority to cancel such operating agreements. The operating firms do not act as general agents on behalf of the County and, therefore, cannot obligate or commit the Aviation Department beyond the scope of what is required to run the day-to-day operations of managed properties as established by the budget approved by the Aviation Department. The expenses associated with the operation of these facilities and services are recorded as operating expenses under operating agreements, in the accompanying statements of revenue, expenses, and changes in net assets.

(Continued)

(c) Concession Agreements

The Aviation Department has entered into concession agreements with retail stores and newsstands, duty-free merchandise shops, food and beverage facilities, various rent-a-car companies, aeronautical service companies, and other passenger services through 2012. The agreements consist of both cancelable and noncancelable agreements and provide for a minimum annual rental and a franchise fee based on a percentage of the gross revenue, whichever is greater. These agreements generated revenues of approximately $103,989,000 and $94,100,000 during fiscal years 2008 and 2007, respectively. Minimum future fees under such noncancelable concession agreements as of September 30, 2008 are as follows (in thousands):

Year ending September 30:		
2009	$	31,327
2010		30,661
2011		24,570
2012		21,562
2013		18,981
	$	127,101

(d) Lease Agreements

The leasing operations of the Aviation Department consist principally of the leasing of land, buildings, and office space. The lease agreements consist of both cancelable and noncancelable agreements and permit the Aviation Department to periodically adjust rents and maximize operational flexibility. Minimum future rentals under such noncancelable lease agreements as of September 30, 2008, are as follows (in thousands):

Year ending September 30:		
2009	$	33,620
2010		29,835
2011		25,979
2012		22,087
2013		20,254
2014 – 2018		59,254
2019 – 2023		32,294
2024 – 2028		21,329
2029 – 2033		7,148
2034 – 2038		5,660
2039 – 2043		3,133
2044 – 2048		1,804
2049 – 2051		962
	$	263,359

The Aviation Department recognized approximately $103,483,000 and $101,331,000 of rental income for the years ended September 30, 2008 and 2007, respectively.

(9) Insurance

The Aviation Department, along with most other County departments, participates in the self-insurance program of the County for workers' compensation insurance. The program is administered by the Risk Management Division of the General Services Administration Department of the County (Risk Management). Premiums on the self-insurance programs are based on historical loss experiences. The long-term estimated liability for claims payable, including incurred but not reported (IBNR), is recorded and retained at the County level. Therefore, such liability is not included in the accompanying financial statements. The Aviation Department's liability is estimated to be approximately $4,530,000 and $3,584,000 as of September 30, 2008 and 2007, respectively, based on an independent actuarial valuation. The short-term liability for claims payable in the amount of approximately $1,216,000 and $921,000 is included in due to County Agencies in the accompanying statements of net assets as of September 30, 2008 and 2007, respectively.

The Aviation Department also pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up insurance, and property insurance. The Airport liability coverage provides comprehensive general liability, contractual liability, and personal injury liability at all Airports. Coverage under the policy is limited to $500 million with a self-insured retention of $50,000 per occurrence for a total annual aggregate retention of $500,000. Coverage under the policy for personal injury is limited to $50 million per occurrence.

The construction wrap-up insurance program provides comprehensive general liability including contractual liability and personal injury liability. The limit of liability is $150 million with a $15,000 property damage deductible per occurrence. Coverage is also provided for on-site automobile liability in excess of $1 million. This program covers the County's contractors and other parties for occurrences arising out of designated construction projects at the airport.

With the exception of the South Terminal, the property of the Aviation Department is insured under a Countywide master program that covers most County properties subject to policy terms and conditions. The Aviation Department has been allocated a portion of the premium by the Risk Management Division based on the value of the property of the Aviation Department as a percentage of the total value of the property insured. The limit is $400 million countywide with a $5 million deductible per occurrence for most perils and a $200 million deductible for named windstorm. The sublimit for flood is $50 million. Terrorism is included in the program with a limit of $200 million. The Business Interruption limit for the Aviation Department is $192 million.

The South Terminal properties, including Concourse J, are covered by a separate property insurance policy with a total insured value of $660 million. The sublimits are $50 million per occurrence for Named Storm related perils, and $10 million per occurrence and aggregate for Flood. The deductible for most perils is $5 million per occurrence (including Non-Named Storms).

The amounts of insurance settlements during the past three fiscal years have not exceeded the Aviation Department's insurance coverage.

(10) Pension Plan

The Aviation Department, as a department of the County, participates in the Florida Retirement System (FRS or the System), a cost sharing, multi-employer retirement plan, which covers substantially all of the Aviation Department's full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees, as defined by the State, who were hired after 1970 and those employed prior to 1970 who elect to be enrolled are covered by the System. The System is administered by the Florida State Board of Administration, under the guidelines and rules of the Florida Legislature.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

Benefits under the plan vest after six years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The FRS also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by Florida Statutes.

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contributions rates are established by state law as a level percentage of payroll (Chapter 121.70, *Florida Statutes*). Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contributions are established by the Florida Legislature.

Pension costs for the Aviation Department as required and defined by the FRS ranged between 9.85% and 20.92% of gross salaries for fiscal years 2008, 2007, and 2006. For the fiscal years ended September 30, 2008, 2007, and 2006, the County contributed 100% of the annual required contributions. These contributions aggregated $281 million, $272 million, and $227 million, respectively, which represents 13.1%, 12.96%, and 11.25% of covered payroll, respectively, and 10.8%, 11.08%, and 10.3% of the total contributions required of all participating agencies for fiscal years 2008, 2007, and 2006.

Pension costs of the Aviation Department for the years ended September 30, 2008, 2007, and 2006, as required and defined by the System were $11,261,000, $10,716,000, and $9,366,000, respectively. These amounts are included in operating expenses in the accompanying statements of revenue and expenses and changes in fund net assets.

The complete financial report of the FRS may be obtained by writing Division of Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000; or by contacting Research & Education by e-mail at rep@dms.myflorida.com or by phone toll-free at 877-FRS-1FRS (877-377-1737), at 850-488-5706 in the Tallahassee local calling area, or at SUNCOM 278-5706.

(11) North Terminal Development Program (NTD)

In 1989, the Aviation Department agreed to allow a major carrier (collectively, the parties) to create an international passenger hub at MIA. The North Terminal Development Project (NTD or the Project) evolved out of this plan and commitment to improve the level and quality of services to passengers. The carrier worked with the Aviation Department to develop the concept plan for NTD and in October 1995, the parties entered into a Lease, Construction and Financing Agreement (the LCF Agreement), which authorized the carrier to design and construct the Project.

The LCF Agreement was approved by the Board in 1995 and provided for costs up to $974,900,000. In July 1999, the parties agreed to the First Amendment, which increased the scope of work and the costs to $1,304,900,000. In January 2002, the parties agreed to the Second Amendment, which eliminated the 250 flights per day requirement in the LCF Agreement. In April 2002, the parties entered into the Third Amendment, which increased the costs to $1,515,900,000.

Due to the complexity of the project, coordination and construction problems, along with insufficient project management and controls, the project encountered substantial delays, and significant cost overruns resulting in a series of unprocessed and unpaid claims from subcontractors and suppliers related to change orders and cost overruns. As a result of the aforementioned delays and issues, the Aviation Department assumed responsibility for the management and completion of the Project with the assistance of consultants.

A Fourth Amendment was entered into between the parties, which was approved by the Board on June 21, 2005. The Fourth Amendment primarily terminated the carrier's management of the Project and attempted to resolve the unprocessed and unpaid claims. Under the Fourth Amendment, the carrier agreed to contribute to the Project $105 million, payable in installments over a period of 10 years beginning in fiscal year 2005. The contribution shall be maintained in a claims reserve fund to pay such claims. Once all claims have been settled, any excess funds available are retained by the Aviation Department to be applied to construction of the Project. Payments in the amount of $10 million were received in fiscal years 2008 and 2007, respectively. They were recognized as other revenue in the accompanying statement of revenues, expenses, and changes in net assets. The Aviation Department's best estimate is an allowance for uncollectible amounts equal to 100% of the unpaid balance of $55 million.

Although it is probable that the Aviation Department will have to pay claims associated with the NTD Project; the total amount to be paid or accrued cannot be reasonably estimated. As of September 30, 2008 $62,495,000 of claims had been paid and none had been accrued and included in accounts payable and accrued expenses in the accompanying statements of net assets. As of September 30, 2007, $54,830,000 of claims had been paid and none had been accrued and included in accounts payable and accrued expenses in the accompanying statements of net assets.

(12) Commitments and Contingencies

(a) Environmental Matters

In August 1993, the Aviation Department and the Dade County Department of Environmental Resources Management (DERM) entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants' failure to comply with their environmental obligations at the Airport including those facilities previously occupied by Eastern Airlines (Eastern) and Pan Am Airlines (Pan Am). In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993.

In each subsequent year, the Aviation Department has received an updated study performed by MACTEC Engineering and Consulting (MACTEC), an independent engineering firm to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

As a result of the updated study and costs incurred in fiscal year 2008, the total cumulative estimate to correct such violations was $224.6 million. This estimate allows for uncertainties as to the nature and extent of environmental reparations and the methods, which must be employed for the remediation. The cumulative amount of environmental expenditures spent through September 30, 2008 approximated $132.4 million. The Aviation Department has also spent $55.5 million in other environmental related projects not part of any consent order.

During fiscal year 1998, a Consent Order (FDEP Consent Order) was signed with the State of Florida Department of Environmental Protection (FDEP). The FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at MIA that are contaminated as well as additional sites where contamination is suspected. The Aviation Department included other sites where contamination is suspected in the FDEP Consent Order under a Protective Filing. If contamination is documented at these sites, the State would be required to incur the costs of remediation. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at the sites is unknown, an accrual amount is not reflected in the Opinion of Cost report or in the accompanying financial statements.

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties (PRPs) and insurers to address recovery of past and future damages associated with the County's liability under the FDEP Consent Order. As of September 30, 2008, the Aviation Department has received approximately $50.5 million from the State, insurance companies, and PRPs.

The outstanding liability amount at September 30, 2008 and 2007 was $92,220,000 and $105,401,000, respectively, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by MACTEC. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities and the occurrence of any would not be material to the financial statements.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the

(Continued)

amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern and Pan Am. The studies estimate the cost to correct such damage related to all buildings were assessed at approximately $4.5 million. The Aviation Department has no intention of correcting all assessed damage related to asbestos in the near future as they pose no imminent danger to the public. Specifics issues will be addressed when and if the department decides to renovate or demolish related buildings. At such time, the department will obligate itself to the clean-up or asbestos abatement. As emergencies or containment issues may arise from this condition, they will be isolated and handled on a case-by-case basis as repair and maintenance. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no amounts are recorded as of September 30, 2008 and 2007.

(b) Other Commitments and Contingencies

As of September 30, 2008, the Aviation Department had approximately $2.1 billion of construction commitments outstanding.

A number of claims and lawsuits are pending against the County relating to the Aviation Department resulting from the normal course of conducting its operations. However, in the opinion of management and the County Attorney, the ultimate outcome of such actions will not have a material adverse effect on the financial position of the Aviation Department.

The Aviation Department receives grants from federal and state financial assistance programs, which are subject to audit and adjustment by the grantor agencies. It is the opinion of management that no material liabilities will result to the Aviation Department from any such audit.

The Florida Department of Transportation (FDOT), in cooperation with the County, has borrowed $433 million from the United States Department of Transportation (USDOT) under the Transportation Infrastructure Financing Innovation Act (TIFIA) loan program. Approximately $269 million of the loan proceeds will be used to construct the Miami Intermodal Center and approximately $164 million for a consolidated rental car facility (RCF) adjacent to the Airport. The $164 million was to be used by FDOT to purchase the land needed for the RCF and then design and construct the facility. The portion of the loan relating to the RCF will be repaid through the collection of the Customer Facility Charges (CFCs) from car rental company customers at the Airport. The remainder of the loan will be repaid by the State. The repayment of the TIFIA loan is not secured by revenues or any other revenues of the Aviation Department. On December 7, 1999 the County entered into a Memorandum of Understanding (MOU) with FDOT. The MOU provides that FDOT's portion of the TIFIA loan is $269 million and that MDAD's portion of the TIFIA loan is approximately $164 million. This funding of $164 million is expressly for the purpose of paying FDOT for the cost of the land underlying the RCF and the construction of the RCF. MDAD has agreed to purchase from FDOT all land acquired by FDOT for use in connection with the RCF site as part of the capital cost for the RCF. As of September 30, 2008, the purchase by MDAD from FDOT has not taken place, the purchase cannot occur until FDOT completes the construction of the

RCF. The negotiation and purchase of the land and the RCF are estimated to take place shortly after the RCF's current estimated completion date of December 2009. As such, as of September 30, 2008, MDAD has not recorded the loan payable in its accounting records.

On April 1, 2005, a security agreement was entered into among USDOT, FDOT, and the County regarding FDOT's loan agreement, for the TIFIA loan in an amount up to $170 million. Under the security agreement, the USDOT requires as a condition to loaning the TIFIA funds to FDOT that FDOT and the County pledge and assign to a fiscal agent a security interest in the Pledged Revenues, which includes the CFCs' collected by MDAD and any contingent rent that is imposed by the County on participating car rental companies in the event CFCs are not sufficient to meet the debt service requirements. As to the nature of the payment by MDAD to FDOT, MDAD is under no obligation to expend its own funds for the purchase. All payments to FDOT for the purchase of the land and the RCF will come exclusively from a pool of funds made of Customer Facility Charge proceeds (as well as any contingent rents that are imposed on the rental car companies).

On July 19, 2007, the Board of County Commissioners approved the First Amendment to the Rental Car Concession Agreement and Facility Lease Agreement (the RCCA). The RCCA was one of the contractual documents all rental car companies desiring to participate in the RCF were required to sign. Resolution No. R-910-07 approving the First Amendment also accepted FDOT's new estimate of $370 million for the design and construction costs of the RCF, and approved an increase in MDAD portion of the TIFIA loan from $164 million to $270 million, with the balance of the costs to be paid by the CFCs already collected from rental car company customers. The RCCA as amended confirmed that the debt service of the RCF portion of the TIFIA loan and additional RCF financing shall be paid solely from CFCs and contingent rent, if any. In no event shall MDAD be required to use general airport revenues for the payment of debt service on the RCF portion of the TIFIA loan or any additional RCF financing.

(13) Postemployment Benefits Other Than Pensions

Plan Description

Miami-Dade County (the County) administers a single-employer defined benefit healthcare plan (the Plan) that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners (the BCC), whose powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) and pay required contributions.

- Regular Class (All employees not identified as members of the Special Risk Class)
    - Eligibility for Unreduced Pension Benefits under FRS
        - Age 62 with 6 years of service
        - 30 years of service (no age requirement)

    - Eligibility for Reduced Pension Benefits under FRS

- Special Risk Class (Police Officers, Firefighters and Corrections Officers)
  - Eligibility for Unreduced Pension Benefits under FRS
    - Age 55 with six years of special risk service
    - 25 years of special risk service (no age requirement)
    - Age 52 and 25 years of creditable service, including special risk service and up to maximum of 4 years of active duty wartime military service credit,
    - Regular Class criteria
  - Eligibility for Reduced Pension Benefits under FRS
    - Six years of service (no age requirement)

Benefits:

The medical plans offered provide hospital, medical, and pharmacy coverage. Pre-65 retirees are able to select from five medical plans as follows.

- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option
- JMH HMO High Option
- JMH HMO Low Option

Post-65 retirees are able to select from five medical plans as follows. The County only contributes to post-65 retirees electing an AvMed Medicare Supplement Plan.

- AvMed Medicare Supplement Low Option
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX
- JMH HMO High Option
- JMH HMO Low Option

Funding Policy

The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the County explicitly contributed an average of 21% of the cost for the AvMed POS plan, 41% for the AvMed HMO High and AvMed HMO Low plans in fiscal year 2008. The JMH HMO plans receive no explicit contribution. However, it is the County's policy that after fiscal year 2008 its per capita contribution for retiree healthcare benefits will remain at the 2008 dollar level.

The pre-65 retirees also receive an implicit subsidy from the County since they are underwritten with the active employees. The implicit contribution is approximately 5% of the cost. The pre-65 cost is approximately 57% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier with the County contributing an average of 28% of the entire plan cost.

The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits. For fiscal year 2008, the Miami-Dade Aviation Department contributed $371,000 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The Department's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The Department's annual OPEB cost for the fiscal year 2008, the first year of implementation of GASB Statement No. 45, and the related information for each plan are as follows (dollar amounts in thousands):

Annual required contribution	$	1,050
Interest on net OPEB obligation		—
Adjustment to annual required contribution		—
Annual OPEB cost		1,050
Contribution made		371
Increase in net OPED obligation		679
Net OPEB obligation – beginning of year		—
Net OPEB obligation – end of year	$	679

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 were as follows (dollar amounts in thousands):

		Percentage	
Fiscal year ended	**Annual OPEB cost**	**Annual OPEB cost contributed**	**Net OPEB obligation**
09/30/2008	$ 1,050	35.3%	$ 679

Funded Status and Funding Progress

The schedule below shows the balance of the County's actuarial accrued liability (AAL), all of which was unfunded as of September 30, 2008 (dollar amounts in thousands).

Actuarial valuation date		10/1/2007
Actuarial value of assets	$	—
AAL		242,331
Unfunded AAL (UAAL)		242,331
Funded ratio		— %
Estimated covered payroll	$	1,483,072
UAAL as percentage of covered payroll		16%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

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

The actuarial cost method used in the valuation to determine the AAL and the Actuarial Required Contribution (ARC) was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal costs were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the plan.

Actuarial valuation date	1/1/2006
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.75%
Payroll growth assumption	3.00%
Healthcare cost trend rates	10.00% initial to 5.25% ultimate
Mortality table	RP 2000

Further, the valuation assumes that the County will continue to fund the liability on a pay-as-you-go basis and that the County's policy is that its per-capita contribution for retiree benefits will remain at the 2008 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed County contributions.

(14) Subsequent Events

(a) Aviation Revenue Bond Authorization Increase

On October 21, 2008, the Board of County Commissioners (Board) enacted an ordinance, which authorized the issuance of not to exceed $1.9 billion of additional Aviation Revenue Bonds, pursuant to the provisions of the Amended and Restated Trust Agreement for the purpose of financing, together with other funds of the Aviation Department, the balance of the Aviation Department's CIP at the approved expenditure level of $6.2 billion, and to secure and retire commercial paper notes issued for that purpose. Ordinances passed in 1995, 1996, and 1997, authorized the issuance of $4.3 billion in Aviation Revenue Bonds, of which $4.142 billion had been issued for capital project cost and financing costs, leaving $158 million available for funding the remaining cost of the capital improvement program (CIP).

(b) Commercial Paper Issuance

From December 10, 2008 through February 26, 2009, the Aviation Department has issued commercial paper to fund its CIP. As of February 26, 2009, $326.4 million has been issued at rates ranging from 1.0% to 2.5% with terms ranging from 7 to 155 days through May 29, 2009. The commercial paper is secured by an Irrevocable Stand-by Letter of Credit in the amount of $400 million. The commercial paper will continue to be renewed until such time the next bond offering is completed.

APPENDIX C

UNAUDITED FINANCIAL STATEMENTS OF THE AVIATION DEPARTMENT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

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MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2009 and 2008

(UNAUDITED)

(In thousands)

Assets	**2009**	**2008**
Current assets:		
Cash and cash equivalents (including restricted assets of $159,771 in 2009 and $165,615 in 2008)	$ 253,903	342,500
Investments, including interest receivable (including restricted assets of $237,823 in 2009 and $192,387 in 2008)	324,295	237,567
Accounts receivable, net of allowance for doubtful accounts of $15,541 in 2009 and $12,989 in 2008	37,549	37,133
Inventories, prepaid expenses, and deferred charges	7,140	6,005
Due from County Agencies	25,294	28,034
Total current assets	648,181	651,239
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	314,417	296,249
Cash held in escrow by agent	21,541	29,817
Government grants receivable	19,582	10,521
Passenger facility charges receivable	9,388	8,857
Total noncurrent restricted assets	364,928	345,444
Capital assets:		
Land	88,836	88,836
Construction in progress	2,443,149	1,783,441
Buildings, improvement, and systems	3,628,358	3,553,164
Infrastructure	1,146,389	1,097,364
Furniture, equipment, and machinery	347,194	341,120
Less accumulated depreciation	(1,849,962)	(1,715,756)
Capital assets, net	5,803,964	5,148,169
Other noncurrent assets	72,370	71,678
Total noncurrent assets	6,241,262	5,565,291
Total assets	$ 6,889,443	6,216,530

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MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Net Assets

September 30, 2009 and 2008

(UNAUDITED)

(In thousands)

Liabilities and Net Assets		2009	2008
Current liabilities payable from unrestricted assets:			
Accounts payable and accrued expenses	$	28,231	24,030
Security deposits		10,159	9,715
Environmental remediation liability		7,365	7,365
Compensated absences		7,555	7,313
Deferred revenues		3,561	4,299
Due to County Agencies		8,393	9,826
Total current liabilities payable from unrestricted assets		65,264	62,548
Current liabilities payable from restricted assets:			
Accounts and contracts payable and accrued expenses		209,276	185,307
Bonds payable within one year:			
Trust Agreement Aviation Revenue Bonds		61,049	64,730
Interest payable		127,269	107,965
Total current liabilities payable from restricted assets		397,594	358,002
Total current liabilities payable		462,858	420,550
Noncurrent liabilities:			
Trust Agreement Aviation Revenue Bonds payable after one year		5,017,813	4,485,569
Commercial paper notes		110,141	—
Deferred rental credits		8,252	8,994
Compensated absences, net of current portion		20,402	19,886
Environmental remediation liability, net of current portion		84,855	84,855
Other noncurrent liabilities		4,174	4,696
Total noncurrent liabilities		5,245,637	4,604,000
Total liabilities		5,708,495	5,024,550
Net assets:			
Invested in capital assets, net of related debt		466,734	597,870
Restricted		574,204	410,174
Unrestricted		140,010	183,936
Total net assets	$	1,180,948	1,191,980

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended September 30, 2009 and 2008

(UNAUDITED)

(In thousands)

	2009	2008
Operating revenue:		
Aviation fees	$ 238,938	262,888
Rentals	104,008	103,483
Commercial operations:		
Management agreements	66,970	72,250
Concessions	103,500	103,989
Other	5,559	6,149
Other – environmental remediation	—	13,181
Total operating revenue	518,975	561,940
Operating expenses:		
Operating expenses	254,445	260,093
Operating expenses – environmental remediation	457	2,223
Operating expenses under management agreements	24,755	24,447
Operating expenses under operating agreements	39,678	34,411
General and administrative expenses	62,011	61,750
Total operating expenses before depreciation and amortization	381,346	382,924
Operating income before depreciation and amortization	137,629	179,016
Depreciation and amortization	138,968	138,117
Operating income	(1,339)	40,899
Nonoperating revenue (expenses):		
Environmental cost recovery	1,077	1,902
Passenger facility charges	61,321	71,502
Interest expense	(155,947)	(154,575)
Investment income	5,981	18,138
Other revenue	13,086	11,221
Total nonoperating expenses	(74,482)	(51,812)
(Loss) income before capital contributions	(75,821)	(10,913)
Capital contributions	64,789	44,547
Change in net assets	(11,032)	33,634
Net assets, beginning of year	1,191,980	1,158,346
Net assets, end of year	$ 1,180,948	1,191,980

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2009 and 2008

(UNAUDITED)

(In thousands)

		2009	2008
Cash flows from operating activities:			
Cash received from customers and tenants	$	519,741	557,218
Cash paid to suppliers for goods and services		(236,003)	(207,279)
Cash paid to employees for services		(139,698)	(169,578)
Net cash provided by operating activities		144,040	180,361
Cash flows from capital and related financing activities:			
Proceeds from sale of revenue bonds and commercial paper		1,091,598	1,346,472
Principal paid on revenue bonds and commercial paper		(452,894)	(889,326)
Interest paid on revenue bonds		(230,541)	(201,427)
Payment of bond issue costs		(692)	(18,479)
Purchase and construction of capital assets, net		(671,874)	(520,727)
Capital contributed by federal and state governments		55,728	36,168
Passenger facility charges		60,790	67,531
Proceeds from environmental reimbursements		1,077	1,902
Proceeds from North Terminal Program Claims		10,000	10,000
Net cash used in capital and related financing activities		(136,808)	(167,886)
Cash flows from noncapital financing activity:			
Operating reimbursements received		3,086	1,221
Net cash provided by noncapital financing activity		3,086	1,221
Cash flows from investing activities:			
Purchase of investments		(1,128,539)	(980,767)
Proceeds from sales and maturities of investments		1,041,811	901,533
Interest and dividends on investments		5,981	20,328
Net cash (used in) provided by investing activities		(80,747)	(58,906)
Net (decrease) increase in cash and cash equivalents		(70,429)	(45,210)
Cash and cash equivalents, beginning of year		638,749	683,959
Cash and cash equivalents, end of year	$	568,320	638,749
Cash and cash equivalents reconciliation:			
Unrestricted assets	$	94,132	176,885
Restricted assets		474,188	461,864
Cash and cash equivalents	$	568,320	638,749

(Continued)

MIAMI-DADE COUNTY AVIATION DEPARTMENT

Statements of Cash Flows

Years ended September 30, 2009 and 2008

(UNAUDITED)

(In thousands)

	2009	2008
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ (1,339)	40,899
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	138,968	138,117
Provision for uncollectible accounts	2,552	(1,044)
Changes in operating assets and liabilities:		
Accounts receivable	(2,968)	3,856
Inventories, prepaid expenses, and deferred charges	(1,135)	473
Due from County Agencies	2,740	2,257
Accounts and contracts payable and accrued expenses	7,455	10,794
Security deposits	444	(1,153)
Due to County Agencies	(1,433)	(8,275)
Deferred revenues and rental credits	(1,480)	526
Other liabilities	236	(6,089)
Total adjustments	145,379	139,462
Net cash provided by operating activities	$ 144,040	180,361
Noncash investing, capital, and financing activities:		
(Decrease) increase in fair value of investments	$ (1,742)	(2,190)
Increase in construction in progress accrual	25,568	49,163
(Decrease) increase in cash held in escrow by agent	(8,276)	(20,183)

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APPENDIX D

GENERAL INFORMATION RELATING TO MIAMI-DADE COUNTY, FLORIDA

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GENERAL INFORMATION RELATIVE TO MIAMI-DADE COUNTY, FLORIDA

Economy

The County's economy has transitioned from mixed service and industrial in the 1970s to a knowledge-based economy. The shift to knowledge-based sectors, such as life sciences, aviation, financial services and IT/Telecom has diversified the local economy. Other important sectors include international trade, health services and the tourism industry, which remains one of the largest sectors in the local economy. Wholesale and retail trades are strong economic forces in the local economy, as well and are projected to continue, which is reflective of the County's position as a wholesale center in Southeast Florida, serving a large international market. The diversification of the economy creates a more stable economic base.

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 as well as Latin America and the Caribbean. Its proximity to the Caribbean, Mexico, Central America and South America makes it a natural center of commerce in the Americas. Approximately 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 County'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, 2009 there were 14 Edge Act Banks throughout the United States; five of those institutions were located in the County with over $11.6 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: Bancafe International, Banco Itau Europa International, Banco Santander International, HSBC Private Bank International and Standard Chartered Bank International America.

The County had the highest concentration of international bank agencies on the east coast south of New York City, with a total of 23 foreign chartered banks and over $8 billion on deposit as of September 30, 2009, 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 and retaining many national and international firms doing business in Latin America, the Caribbean, the United States and the rest of the world. Among these corporations with world or national headquarters in the County are: Burger King, Carnival Cruise Lines, Royal Caribbean Cruises, and Lennar. Those corporations with Latin American regional headquarters include: Federal Express Corporation, Kraft Foods International, Porsche Latin America, Telefonica, and Caterpillar.

Industrial Development Authority

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, has generated 439 applications through October 2009. From 1986 to November 2009, bonds for 216 company projects have been issued in an aggregate principal amount in excess of $1.5 billion. Approximately 9,409 new jobs have been generated by these projects. The IDA continues to manage approximately 54 outstanding Industrial Development Revenue Bond Issues, approximating $802 million in capital investment.

Other Authority 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. As of November 2009, the Health Facilities Authority has issued 24 series of bonds totaling over $1.9 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 November 2009, the EFA has issued 52 series of bonds totaling over $1.7 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 real property owned by low and moderate income persons residing in the County. Since its inception, the HFA has generated $1.18 billion in mortgage funds through the issuance of revenue bonds under the Single Family Mortgage Revenue Bond Program. As of November 2009, 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

Miami-Dade County's film and entertainment industry was challenged in 2009 with a declining economy and lack of production incentive funding from the State contributed to a downturn in the sector. Major motion pictures were almost entirely non-existent during the year, due to the lack of incentives. Television was the bright spot in Miami-Dade County's production economy at $55 million through the first 10 months, with USA Networks' "Burn Notice" filming its 13 episode third season entirely in South Florida, numerous reality series and the very active Spanish language television business contributing about $20 million to the bottom line during the period. This represents a decrease of approximately 38% from the previous year. In all, more than 800 productions will shoot on location in Miami-Dade County in 2009, spending an estimated $90-$100 million.

Surface Transportation

The County owns and operates through its Transit 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 18.2 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 8.1 million passenger trips annually throughout 21 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 30.5 million miles per year, interconnecting with all Metrorail stations and key Metromover stations, and providing over 75 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 Department 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. The final segment opened December 2007, bringing the total length of the South Miami-Dade Busway to twenty miles, connecting Florida City (SW 344th Street) with the Metrorail system, with connection to downtown Miami.

Airport

The County owns and operates the Miami International Airport (the "Airport"), the principal commercial airport serving Southeast Florida. The Airport also has the third highest international passenger traffic in the U.S. During Fiscal Year 2009, the Airport handled 33,875,470 passengers and 1,699,219 tons of air freight 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
2005-2009

Fiscal Year	Passengers (in thousands)	Cargo (in millions)	Total Landed Weight (million lbs.)
2005	30,912	1.96	31,148
2006	32,094	1.97	30,735
2007	33,278	2.10	31,420
2008	34,066	2.08	31,590
2009	33,875	1.70	30,172

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 over 4.1 million passengers for the Fiscal Year 2009. With the increase in activity from the Far-East markets and South and Central America, cargo tonnage transiting the Port amounted to over 6.8 million tons for the Fiscal Year 2009.

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

Passengers and Cargo Handled by Port
2005-2009

Fiscal Year	Cruise Passengers (in thousands)	Cargo Tonnage (in millions)
2005	3,605	9.47
2006	3,731	8.65
2007	3,787	7.83
2008	4,137	7.42
2009	4,110	6.83

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 domestic air travelers after Orlando according to the Florida Division of Tourism. It is also the principal port of entry in the State for international air travelers. During 2007, approximately 80% 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.

An estimated 12.1 million visitors spent at least one night in Greater Miami and the Beaches in 2008. The greatest growth came from international visitors, which saw a 5.4% increase in 2008, and made up 48% of overnight visitors. Domestic visitors, accounting for 52% of all overnight visitors, declined 2% in 2008.

While the majority of international visitors to Greater Miami Beach and the Beaches continue to originate from Latin America, visitors originating from Europe have steadily grown over time, with nearly 1.4 million in 2008. More visitors from Canada and Japan were also accounted for in 2008, with 704,000 visitors in total.

The following is a five-year summary 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
2004-2008

	Visitors (in thousands)			Estimated Economic Impact (in millions)		
	Domestic	**Int'l**	**Total**	**Domestic**	**Int'l**	**Total**
2004	5,727	5,235	10,962	$ 6,883	$ 6,875	$ 12,457
2005	6,029	5,273	11,302	7,863	8,124	13,935
2006	6,263	5,322	11,585	7,688	9,108	16,796
2007	6,473	5,493	11,966	7,146	10,759	17,905
2008	6,341	5,787	12,128	6,557	10,745	17,302

SOURCE: Greater Miami Convention and Visitors Bureau

International Visitors by Region
2004-2008
(in thousands)

	European	Caribbean	Latin American	Canada Japan/Other	Total
2004	1,246	676	2,628	686	5,236
2005	1,213	686	2,673	701	5,273
2006	1,224	665	2,778	655	5,322
2007	1,294	683	2,835	680	5,492
2008	1,361	702	3,020	704	5,787

SOURCE: Greater Miami Convention and Visitors Bureau

Employment

The following table illustrates 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
2007-2009

	September 2007	Percent	September 2008	Percent	September 2009	Percent
Goods Producing Sector						
Construction	56,200	5.3	45,800	4.4	39,100	3.9
Manufacturing	47,300	4.4	44,400	4.3	41,400	4.1
Mining & Natural Resources	600	0.1	500	0.0	400	0.0
Total Goods Producing Sector	104,100	9.8	90,700	8.7	80,900	8.0
Service Providing Sector						
Transportation, Warehousing and Utilities	61,400	5.8	60,300	5.8	59,000	5.8
Wholesale Trade	75,600	7.1	73,800	7.2	74,100	7.3
Retail Trade	128,500	12.1	125,700	12.1	120,300	11.9
Information	20,800	2.0	19,600	1.9	18,600	1.9
Financial Activities	74,800	7.0	72,600	7.0	70,800	7.0
Professional and Business Services	145,500	13.6	139,500	13.4	134,900	13.4
Education and Health Services	150,900	14.2	155,400	15.0	156,000	15.4
Leisure and Hospitality	103,700	9.7	102,000	9.8	101,100	10.0
Other Services	41,800	3.9	43,700	4.2	42,700	4.3
Government	157,500	14.8	155,000	14.9	151,800	15.0
Total Service Providing Sector	960,500	90.2	947,600	91.3	929,300	92.0
Total Non-Agricultural Employment	1,064,600	100%	1,038,300	100%	1,010,200	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, November 2009.

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	522,784	537,561	572,850	593,548	630,244	654,791
16-64	1,457,435	1,558,892	1,683,790	1,776,675	1,877,694	1,947,052	2,023,662
65 & Over	300,552	321,796	342,534	375,098	414,197	468,786	527,834
Total	2,253,362	2,403,472	2,563,885	2,724,623	2,885,439	3,046,082	3,206,287

SOURCES: U.S. Census Bureau, Decennial Census Report for 2000. Projections provided by Miami-Dade County, Department of Planning and Zoning, Research Section, November 2009.

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	1,087,033	1,202,189	2,289,222	1.6
2002	1,095,529	1,221,147	2,316,676	1.2
2003	1,127,234	1,216,799	2,344,033	1.2
2004	1,271,676	1,099,261	2,370,937	1.1
2005	1,298,454	1,105,018	2,403,472	1.4
2006	1,350,926	1,084,591	2,435,517	1.3
2007	1,372,281	1,095,302	2,467,583	1.3
2008	1,398,177	1,101,490	2,499,667	1.3
2009	1,418,558	1,113,211	2,531,769	1.2
Forecasts:				
2010	1,417,608	1,146,277	2,563,885	2.6
2015	1,506,519	1,218,104	2,724,623	6.3

SOURCES: U.S. Census Bureau, Decennial Census Reports for 1960-2000. Projections provided by Miami-Dade County, Department of Planning and Zoning, Research Section, November 2009.

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[2]	100%	24%	15%	62%
1975[2]	100	32	16	52
1980[2]	100	36	17	48
1985[2]	100	43	21	37
1990[2]	100	49	21	31
1995[2]	100	55	21	25
2000[2]	100	57	20	24
2005[2]	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, November 2009.

Notes:
(1) Persons of Hispanic origin may be of any race. Hispanic Blacks are counted as both Hispanic and 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	38,819
Miami-Dade County	29,000
U.S. Federal Government	19,900
Florida State Government	16,100
Jackson Health System	12,468
Florida International University	8,000
Miami-Dade Community College	5,798
City of Miami	4,400
VA Healthcare System	2,385
Homestead Air Force Base	2,056
City of Hialeah	2,000
City of Miami Beach	1,900
U.S. Southern Command	1,600
City of Coral Gables	828
City of North Miami Beach	689

Fifteen Largest Private Employers

Employers' Name	**Number of Employees**
University of Miami	12,000
Baptist Health Systems of South Florida	12,000
Publix Super Markets	11,625
American Airlines	9,000
University of Miami Health	7,025
United Parcel Service	4,982
BellSouth/AT&T.	4,100
Florida Power & Light Company	3,840
Winn Dixie Stores	3,500
Carnival Cruise Lines	3,500
Mount Sinai Medical Center	3,391
Royal Caribbean International/Celebrity Cruises	3,330
University of Miami Hospital	2,975
Miami Children's Hospital	2,900
Sedano's Supermarkets.	2,500

SOURCE: The Beacon Council/Miami-Dade County, Florida,
Miami Business Profile & Relocation Guide, January 2010

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

Unemployment Rates
2005-2009

Area	2005	2006	2007	2008	2009*
USA	5.1%	4.6%	4.6%	5.8%	9.7%
Florida	3.8	3.4	4.1	6.2	11.6
Miami-Dade County	4.6	4.1	4.4	5.8	11.3

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, December 2009.

*12 month average thru December.

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
2003 — 2007*

Year	USA	Southeastern	Florida	Miami-Dade
2003	$31,530	$28,380	$30,369	$27,908
2004	33,157	29,970	32,672	29,830
2005	34,690	31,324	34,709	31,863
2006	36,794	33,457	37,099	34,708
2007	38,615	34,859	38,417	36,081

* Note that this table contains the most current information available as of the date of this Official Statement.

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, November 2009.

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APPENDIX E

AUDITED FINANCIAL STATEMENTS OF MIAMI-DADE COUNTY, FLORIDA FOR THE YEAR ENDED SEPTEMBER 30, 2008

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KPMG LLP
Suite 2000
200 South Biscayne Boulevard
Miami, FL 33131

Independent Auditors' Report

The Honorable Mayor and Chairperson and
Members of the Board of County Commissioners
Miami-Dade County, Florida:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Miami-Dade County, Florida (the County), as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of (1) Miami-Dade Housing Finance Authority (a discretely presented component unit); (2) Jackson Memorial Foundation, Inc. (a discretely presented component unit); (3) Public Heath Trust of Miami-Dade County (a major enterprise fund); (4) Miami-Dade Water and Sewer Department (a major enterprise fund); (5) Miami-Dade Transit Department (a major enterprise fund); (6) Miami-Dade County Clerk of the Circuit and County Courts Special Revenue and Agency Funds (a nonmajor governmental fund and a nonmajor fund); (7) Miami-Dade Housing Agency – Other Housing Programs (a nonmajor governmental fund); (8) Miami-Dade Housing Agency – Section 8 Allocation Properties Fund (a nonmajor enterprise fund); (9) Miami-Dade County Mixed Income Properties Fund (a nonmajor enterprise fund); and (10) Pension Trust Fund (a nonmajor fund), which represent the percentage of assets and revenues as listed below:

	Percentage of	
	Total assets	Total revenues
Governmental activities:		
Miami-Dade Housing Agency – Other Housing Programs	4.57%	5.54%
Miami-Dade County Clerk of the Circuit and County Courts – Special Revenue Fund	0.06%	1.75%
	4.63%	7.29%
Business-type activities:		
Miami-Dade Water and Sewer Department	27.08%	15.67%
Public Health Trust of Miami-Dade County	9.01%	44.17%
Miami-Dade Transit Department	13.40%	7.18%
Miami-Dade Housing Agency – Section 8 Allocation Properties Fund	0.09%	0.12%
Miami-Dade County Mixed Income Properties Fund	0.15%	0.13%
	49.73%	67.27%
Discretely presented component units:		
Miami-Dade Housing Finance Authority	61.85%	17.98%
Jackson Memorial Foundation, Inc.	38.15%	82.02%
	100.00%	100.00%
Major funds:		
Miami-Dade Water and Sewer Department	100.00%	100.00%
Miami-Dade Transit Department	100.00%	100.00%
Public Health Trust of Miami-Dade County	100.00%	100.00%
Aggregate remaining fund information:		
Miami-Dade Housing Agency – Other Housing Programs	10.74%	8.99%
Miami-Dade Housing Agency – Section 8 Allocation Properties Fund	0.46%	0.16%
Miami-Dade County Mixed Income Properties Fund	0.78%	0.18%
Miami-Dade County Clerk of the Circuit and County Courts – Special Revenue Fund	0.14%	2.84%
Miami-Dade County Clerk of the Circuit and County Courts – Agency Fund	4.10%	—
Pension Trust Fund	7.84%	1.52%
	24.06%	13.69%

These financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the activities, component units, and funds indicated above, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Miami-Dade County Mixed Income Properties Fund and Jackson Memorial Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Miami-Dade County, Florida as of September 30, 2008 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in note 11 to the accompanying financial statements, the respective net assets and fund balances as of October 1, 2007 of the governmental activities, the business-type activities, and the aggregate remaining fund information have been restated.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, general fund budgetary comparison information, and schedule of employer contributions and schedule of funding progress on pages 5 through 22, pages 121 through 123, and pages 124 through 125, respectively, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As discussed in note 9, during the year ended September 30, 2008, the County adopted the provisions of the Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

KPMG LLP

May 20, 2009
Certified Public Accountants

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(UNAUDITED)

The following narrative provides an overview of Miami-Dade County's (the "County") financial activities for the fiscal year ended September 30, 2008. Comparative information is provided in this year's report. This narrative should be read in conjunction with the letter of transmittal at the front of this report and the financial statements and accompanying notes, which follow this section. Additional information is provided in this narrative and the accompanying notes to the financial statements.

The County's financial statements reflect the restatement of beginning balances as a result of the Miami-Dade Housing Agency (MDHA) audit. Refer to Note 11 for the detail of the adjustments.

On October 26, 2007, the United States Department of Housing and Urban Development (US HUD) took possession of the MDHA. On January 8, 2009, US HUD returned control of the MDHA to the County after 15 months in its possession. US HUD will continue to monitor progress as outlined in a Memorandum of Understanding (MOU), which has a term of two years. In the MOU, the MDHA will accomplish specific tasks and objectives with US HUD providing oversight. Refer to Note 2 for additional details related to the US HUD takeover.

Financial Highlights for Fiscal Year 2008

- At September 30, 2008, the County's assets exceeded its liabilities by $7.7 billion (net assets). Of this amount, $5.3 billion was invested in capital assets, net of related debt. Additionally, $2.1 billion was restricted by law, agreements, debt covenants or for capital projects. The County had unrestricted net assets of $277 million at September 30, 2008.

- During the fiscal year 2008, net assets decreased by $190 million. Of this decrease, $39 million was in business-type activities and the remaining decrease of $151 million was in governmental activities.

- Total long-term liabilities had a net increase of $712 million during the fiscal year. This was due to the issuance of $1.678 billion of Revenue Bonds; $99.6 million of General Obligation Bonds; $50.4 million of Special Obligation Bonds; $52 million of loans; offset by a net reduction of principal and other liabilities of $1.593 billion.

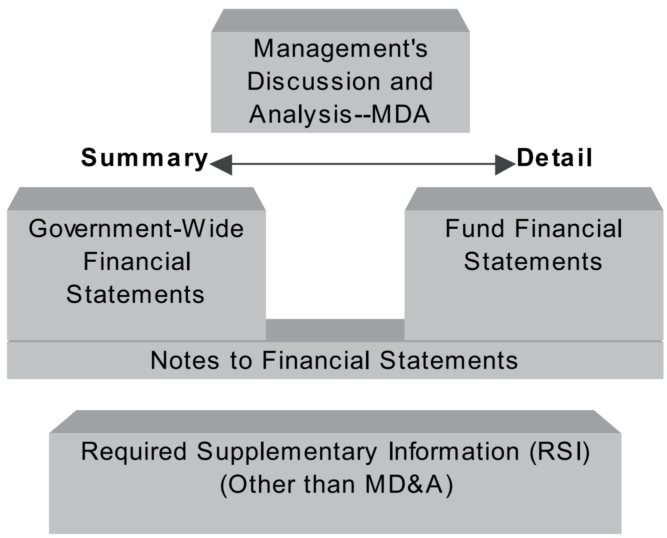
- At September 30, 2008, the County's governmental funds had fund balances totaling $1.892 billion. Of the total fund balance, approximately $1.043 billion or 55% was unreserved. The net change in governmental fund balances during the year was a decrease of $132 million.

- At September 30, 2008, the General Fund had a fund balance of $365.2 million, representing a decrease of approximately 10% from the previous year. Of the total fund balance, $124.7 million was unreserved.

Overview of the Financial Statements

This report has been prepared in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis-for State and Local Governments.* The Statement requires that the basic financial statements include: 1) *government-wide* statements, 2) *fund* financial statements, and 3) notes to the financial statements. Other supplementary information and statistical data is also included in the report. A graphical illustration is presented below—Chart 1.

Chart 1



The GASB Statement No. 34 reporting model focuses attention on the County as a whole (government-wide) and on the major individual funds. Both perspectives allow the user to address relevant questions, broaden the basis for comparison and enhance the County's accountability.

Government-wide statements. Two government-wide statements are presented: the *statement of net assets* and *the statement of activities*. These statements provide information on the County as a whole using the accrual basis of accounting similar to those of private-sector companies. The accrual basis of accounting recognizes increases or decreases in economic resources as soon as the underlying transaction takes place. Therefore, all of the current year's revenues and expenses are reported regardless of when cash is received or paid. The economic resources measurement focus is applied to all long-term and short-term *financial* assets and liabilities, as well as all *capital* assets. These statements include the County and its component units, except for funds that are fiduciary in nature.

The S*tatement of Net Assets* presents information for all of the County's governmental and business-type activities. Increases or decreases in net assets may be useful in assessing the County's financial position.

The S*tatement of Activities* presents the change in net assets over the fiscal year being reported. The format for this statement reports the *net (expense) revenue* of each of the County's functions (groups of related activities which provide a major service). It identifies the extent to which each function is either self-supporting or relies on general revenues of the County. The County's *general revenues*, such as taxes, shared revenues from the State of Florida, investment earnings, and transfers, are reported after the total net expense of the County functions.

In the government-wide statements, financial information is provided separately for:

- *Governmental activities.* Policy Formulation and General Government, Protection of People and Property, Culture and Recreation, and Physical Environment are examples of governmental activities. These activities are principally supported by general revenues, grants or contributions.

- *Business-type activities*. The operations of the Airport, the Seaport, the Water and Sewer Department, the Solid Waste Department, the Transit Department and the Public Health Trust are the County's major business-type activities. These activities are financed in whole or in part by fees charged to external users for goods and services.

- *Component units*. Component units are legally separate entities for which the County is financially accountable. The Miami-Dade Housing Finance Authority and the Jackson Memorial Foundation are the County's component units.

Fund financial statements. Fund financial statements have traditionally been presented in the Comprehensive Annual Financial Report (the "CAFR"). A *fund* is a set of self-balancing accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives, as required by special regulations, restrictions or limitations. The Miami-Dade County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- ***Governmental funds*.** Governmental funds account for most of the County's basic services, which are reported as governmental activities in the government-wide statements. Fund statements, however, use the modified accrual basis of accounting and current financial resources measurement focus. The aim of the statements is to report the near-term (current) inflows and outflows, and the balances of spendable financial resources at the end of the fiscal year. The statements provide a short-term view of the County's ability to finance its programs in the near future, in contrast to the long-term view provided by the government-wide statements. To facilitate comparison, reconciliations are presented for the governmental funds' balance sheets and statements of revenues, expenditures and changes in fund balance to the government-wide statements.

The governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance include separate columns for the County's major fund, the General Fund, and Other Governmental Funds in the aggregate. Individual fund statements for the Other Governmental Funds are included in the combining statements in the supplementary information section of the CAFR.

- ***Proprietary funds.*** Proprietary funds are those funds where the County charges a user fee in order to recover costs. The County's proprietary funds are enterprise funds and internal service funds.

  1. *Enterprise funds* are used to finance and account for the acquisition, operation and maintenance of facilities and services that are intended to be entirely or predominantly self-supporting through the collection of charges from external customers. Enterprise funds are used to report the same activities as the business-type activities in the government-wide financial statements. The County has six major enterprise funds.

  2. *Internal service funds* are used to report any activity that provides goods and services to other funds, departments, or agencies of the County, on a reimbursement basis. The County's Self-Insurance Fund is an internal service fund. In the statement of activities, any profit or loss in the Self-Insurance Fund is allocated back to the different functions that participated in the fund. Because the Self-Insurance Fund predominantly serves the government, assets and liabilities of the Self-Insurance Fund are included within the governmental activities in the statement of net assets.

- ***Fiduciary funds*.** Fiduciary funds are used to report assets held in a trustee or agency capacity for others. The County currently has funds held in an agency capacity for the Clerk of the Circuit and County Court and the Tax Collector, as well as other funds placed in escrow pending distributions. The County also has a Pension Trust Fund that accounts for the Public Health Trust Defined Benefit Retirement Plan. These funds cannot be used to support the County's own programs, and therefore, are *not* reflected in the government-wide financial statements.

Notes to the financial statements. The notes include various disclosures to ensure a complete picture is presented in the financial statements. They provide information useful in understanding the data presented in the government-wide and fund financial statements.

Other information. This report also includes as required supplementary information a schedule of revenues, expenditures and changes in fund balances – budget and actual, for the General Fund and additional disclosures for the Public Health Trust Pension Fund. Combining and individual fund statements and budget comparisons for nonmajor funds are located in the pages following the notes to the financial statements.
This decrease was mainly due to a decrease of $36 million in sheriff and police services revenue as a result of the termination of contracts for police services to certain municipalities.

Financial Analysis of the County as a Whole

The difference between a government's assets and its liabilities is its *net assets.* The County's net assets are summarized below:

Table 1
Miami-Dade County
Summary of Net Assets
(in millions)

	Governmental activities		Business-type activities		Total primary government		Total percentage change
	2007 (Restated)	2008	2007 (Restated)	2008	2007 (Restated)	2008	2007-2008
Current and other assets	$ 3,843	$ 2,934	$ 3,311	$ 3,358	$ 7,154	$ 6,292	-12.0%
Capital assets	3,569	3,682	10,462	11,064	$ 14,031	14,746	5.1%
Total assets	7,412	6,616	13,773	14,422	21,185	21,038	-0.7%
Long-term debt obligations	3,134	3,285	7,905	8,466	11,039	11,751	6.4%
Other liabilities	1,555	759	734	861	2,289	1,620	-29.2%
Total liabilities	4,689	4,044	8,639	9,327	13,328	13,371	0.3%
Net assets:							
Invested in capital assets, net of related debt	1,775	1,687	3,105	3,591	4,880	5,278	8.2%
Restricted	1,181	1,160	1,214	952	2,395	2,112	-11.8%
Unrestricted	(233)	(275)	815	552	582	277	-52.4%
Total net assets	$ 2,723	$ 2,572	$ 5,134	$ 5,095	$ 7,857	$ 7,667	-2.4%

Net assets may be used to assess the financial position of the County. The County's combined net assets as of September 30, 2008 were $7.667 billion. Approximately 69%, or $5.278 billion, of the County's net assets represent investment in capital assets, net of outstanding related debt. These assets include land, buildings, machinery and equipment, and infrastructure, and are not available for future spending. Additionally, $2.112 billion are restricted net assets and are subject to external restrictions on how they may be spent.

At September 30, 2008, the County had unrestricted net assets of $277 million. The governmental activities unrestricted deficit of $275 million is primarily due to the liability for County employees' compensated absences of $384 million and the Self-Insurance Fund's deficit of $23 million.

The decrease in net assets of business-type activities of $39 million is attributed to decreases in net assets of the Transit fund, Solid Waste and Water and Sewer, and offset by increases in net assets of the Seaport, Aviation, and the Public Health Trust. More detailed information on these changes may be found in the Financial Analysis of the County's Funds section of the MD&A.

Net assets reflect prior period adjustments that restate previous year balances of governmental activities by $27.715 million, related to the Housing programs, and previous year balances of business-type activities by $4.267 million, related to the Mixed Income Properties (Non Major Enterprise Fund). See Note 11 for details of adjustments.

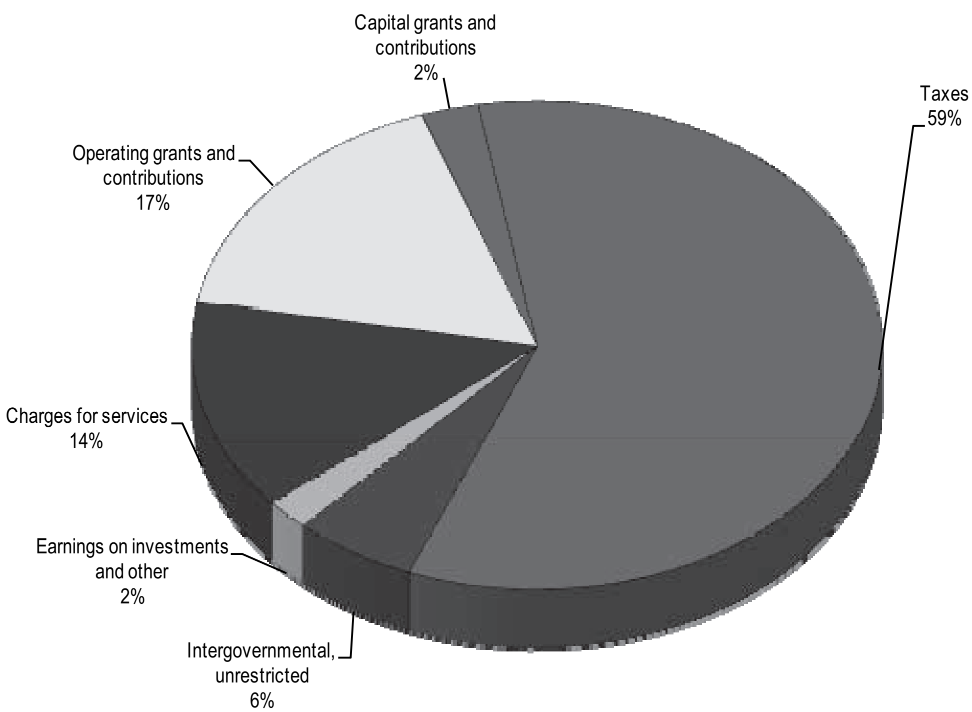
Table 2
Miami-Dade County, Florida
Changes in Net Assets
(in millions)

	Governmental activities		Business-type activities		Total primary government		Total %change
	2007	2008	2007	2008	2007	2008	2007-2008
Revenues:							
Program revenues:							
Charges for services	$ 612	$ 571	$ 2,749	$ 2,920	$ 3,361	$ 3,491	3.9%
Operating grants and contributions	709	680	164	98	873	778	-10.9%
Capital grants and contributions	108	109	200	278	308	387	25.6%
General revenues:							
Property taxes	1,759	1,700			1,759	1,700	-3.4%
County hospital 1/2% sales surtax	191	187			191	187	-2.1%
Transportation 1/2% sales surtax	191	187			191	187	-2.1%
Utility taxes	70	73			70	73	4.3%
Local option gas taxes	61	62			61	62	1.6%
Communication tax	53	51			53	51	-3.8%
Other taxes	136	131			136	131	-3.7%
Intergovernmental revenues, unrestricted	235	236			235	236	0.4%
Franchise fees	52	49			52	49	-5.8%
Earnings on investments	48	33	113	71	161	104	-35.4%
Miscellaneous	40	3	5	16	45	19	-57.8%
Total revenues	4,265	4,072	3,231	3,383	7,496	7,455	-0.5%
Expenses:							
Policy formulation and general government	561	540			561	540	-3.7%
Protection of people and property	1,363	1,402			1,363	1,402	2.9%
Physical environment	127	160			127	160	26.0%
Transportation	229	210			229	210	-8.3%
Health	60	72			60	72	20.0%
Human services	335	326			335	326	-2.7%
Socio-economic environment	365	378			365	378	3.6%
Culture and recreation	324	343			324	343	5.9%
Interest on long-term debt	114	116			114	116	1.8%
Mass transit			568	595	568	595	4.8%
Solid waste collection			71	108	71	108	52.1%
Solid waste disposal			169	183	169	183	8.3%
Seaport			120	101	120	101	-15.8%
Aviation			604	675	604	675	11.8%
Water			203	228	203	228	12.3%
Sewer			313	317	313	317	1.3%
Public health			1,698	1,869	1,698	1,869	10.1%
Other			22	22	22	22	0.0%
Total expenses	3,478	3,547	3,768	4,098	7,246	7,645	5.5%
Increase (decrease) in net assets before transfers	787	525	(537)	(715)	250	(190)	-176.0%
Transfers	(644)	(676)	644	676			
Increase (decrease) in net assets	143	(151)	107	(39)	250	(190)	-176.0%
Beginning net assets (Restated-Note 11) *	2,580	2,723	5,027	5,134	7,607	7,857	3.3%
Ending net assets	$ 2,723	$ 2,572	$ 5,134	$ 5,095	$ 7,857	$ 7,667	-2.4%

*Beginning 2007 net assets were adjusted since the prior period adjustments were not identifiable to any specific activity in FY 2007.

Governmental activities. Net assets of governmental activities decreased by $151 million in fiscal year 2008. Total revenues for the governmental activities were $4.072 billion. The largest source of revenue is taxes (59%), followed by operating grants and contributions (17%) and charges for services (14%). The County experienced a decrease in property tax revenues of $59 million or 3% in fiscal year 2008, as compared to fiscal year 2007. This decline is primarily due to a proprietary legislation implemented by the State. The County's millage rate of 7.1705 was lower than the 8.7100 rate adopted the previous year, and is below the 10 mill rate limit established by the State.

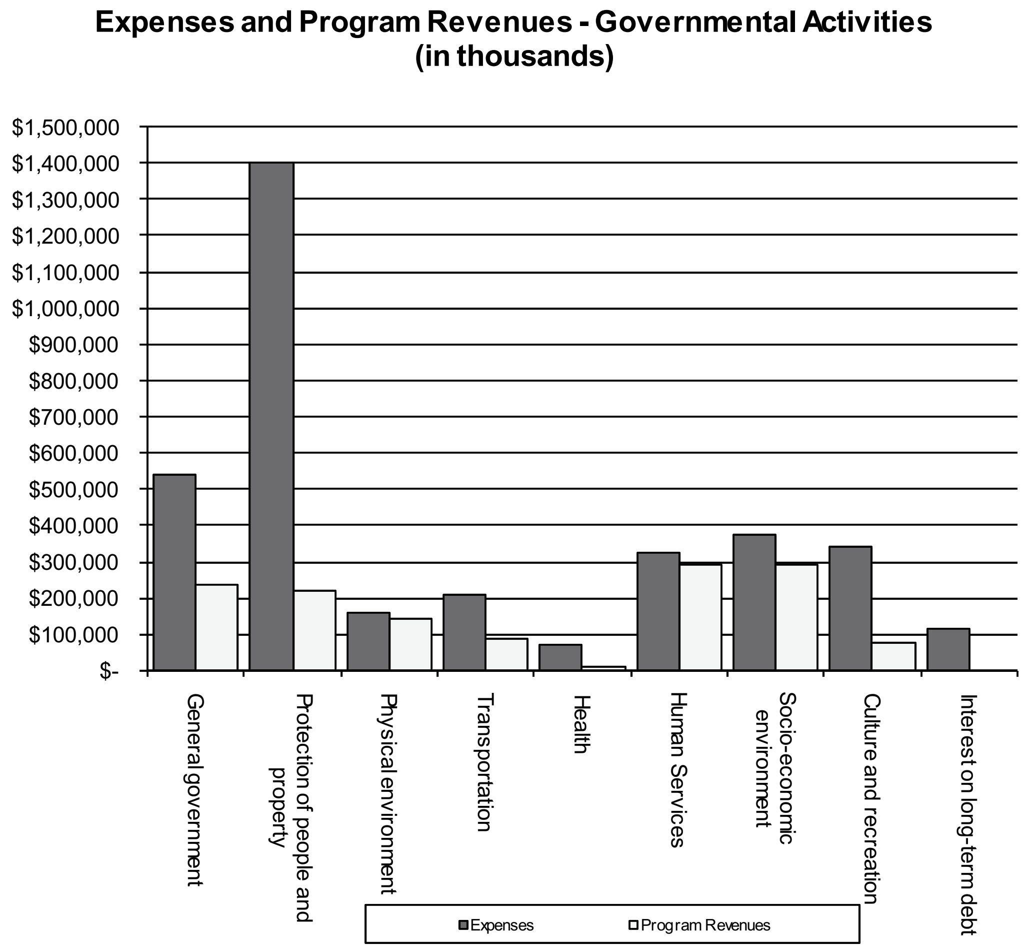
Revenues by Source--Governmental Activities



In addition, charges for services revenue decreased by $41 million or 7% over fiscal year 2007. This decrease was mainly due to a decrease of $20 million in sheriff and police services revenue in protection of people and property, as a result of the termination of contracts for police services to certain municipalities. Another $14 million was due to a decrease of recording fees under policy and formulation due to the continued decline in home sales.

Operating grants and contributions decreased by $29 million, mainly due to completion of some major grant-funded projects.

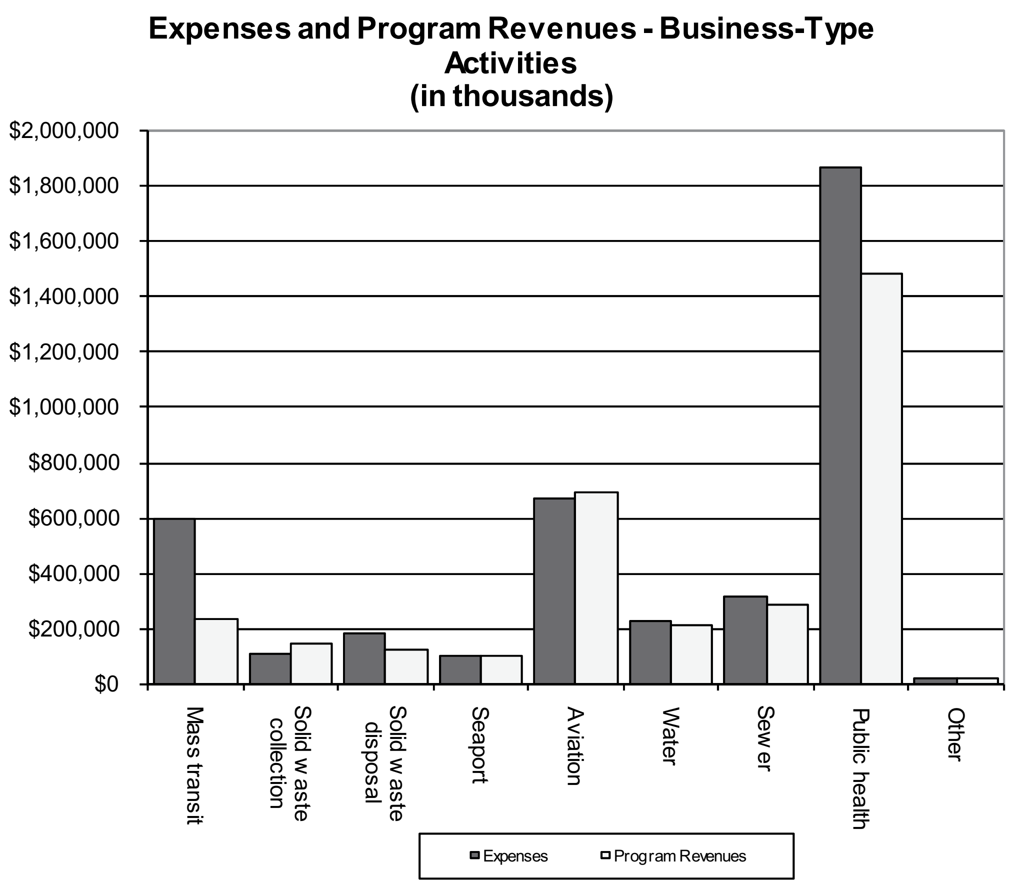
Total expenses for governmental activities were $3.547 billion. As can be seen in the chart below, the majority of these expenses were for Protection of People and Property. Net transfers to business-type activities were $676 million, including: $263 million to the Transit Agency, of which approximately $122.1 million was from the half-penny sales tax for transit related costs; $232.4 million of the half-penny Indigent Care sales tax to the Public Health Trust; and $178 million from the General Fund to the Public Health Trust.



Business-type activities. The County's major business-type activities include the following enterprise funds:

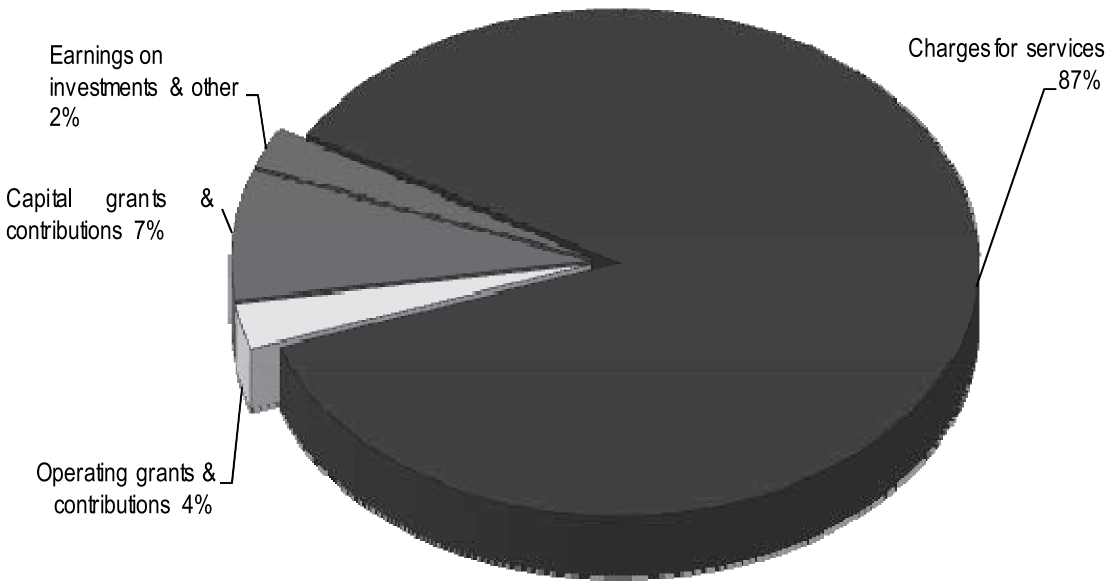
- Miami-Dade Transit Agency
- Solid Waste Collection and Disposal Department
- Seaport Department
- Miami-Dade Aviation Department
- Miami-Dade Water and Sewer Department, and
- Public Health Trust

Net assets of business-type activities decreased by $39 million. The bar graph below summarizes the expenses and program revenues of the business-type activities.



The pie chart below summarizes the revenues by source of the business-type activities.

Revenues by Source--Business-Type Activities



Financial Analysis of the County's Funds

Governmental Funds. The General Fund is the County's chief operating fund and is used to account for most of its governmental activities. The General Fund's fund balance at September 30, 2008, was $365.2 million. Of this amount $124.7 million, or approximately 34.1%, is unreserved. The remainder of fund balance has been reserved to pay for additional endangered land ($66 million), to pay for the enhancement of the stormwater drainage system ($59 million), to liquidate contracts and purchase orders outstanding at the end of fiscal year ($23 million) for inventories ($20 million) and for long-term advances receivables ($72 million). The unreserved fund balance represents approximately 7.6% of the total General Fund's expenditures. The General Fund's fund balance decreased by $39.7 million from the previous year.

Miami-Dade Housing Agency

The financial reporting entity for Miami-Dade County includes, among other programs, the combined operations of the Miami-Dade Housing Agency (MDHA), a department of Miami-Dade County. The MDHA activities are summarized in the County's CAFR in the Other Housing Programs Special Revenue Fund and are included in the County's governmental activities

US HUD Takeover of MDHA

On October 26, 2007, the United States Department of Housing and Urban Development (US HUD) took possession of the Miami-Dade Housing Agency (MDHA). On January 8, 2009, US HUD returned control of the MDHA to the County after 15 months in its possession. US HUD will continue to monitor progress as outlined in a Memorandum of Understanding (MOU), which has a term of two years. In the MOU, the MDHA will accomplish specific tasks and objectives with US HUD providing oversight. Refer to Note 2 for additional details related to the US HUD takeover.

Enterprise Funds. The proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

Miami-Dade Transit ("MDT") The MDT generated $97.5 million in operating revenues in fiscal year 2008, and reported a decrease in net assets of $89.7 million. Net assets for MDT totaled $826 million at September 30, 2008, including $997.9 million invested in capital assets, and a $171.8 million deficit in unrestricted net assets.

As of September 30, 2008, the Transit Agency had a cash deficit balance of approximately $128.4 million. These cash deficits are funded with cash advances from the General Fund. It is the County's practice to cover cash deficits with corresponding interfund receivables/payables in the appropriate fund. MDT reported the portion expected to be repaid within one year as current liabilities in Due to Other Funds in the amount of $74.6 million. The remaining portion is reflected as Long-Term Advances Due to Other Funds in the amount of $53.8 million.

In 2005 MDT borrowed $23.9 million ($6.8 million for operating expenses, $17.1 million for project funds) from the General Fund to cover the fiscal year 2001-02 existing shortfall. As of September 30, 2008, the outstanding balance of $18.2 million is recorded as a Long-term Advance Due to the General Fund. The General Fund recorded a reservation of fund balance of $72 million for the Long-term Advances Receivable.

MDT has borrowed $109.3 million from the Citizen's Independent Transportation Trust (CITT), of which $7 million has been repaid, leaving a balance due to CITT of $102.3 million. The long-term portion of $97.4 million is reported under Long-term Advances Due to Other Funds and the current portion of $4.9 million is recorded as Due to Other Funds.

Solid Waste Department ("SWD") The SWD had a decrease in net assets of $8.8 million, reflecting expenses in excess of revenues for the fiscal year ended September 30, 2008. Operating revenues decreased 2% from $274.4 million in fiscal year 2007 to $270.3 million in fiscal year 2008. This decrease primarily resulted from a decrease in Disposal Services Revenue as a result of lower equivalent revenue tons partially offset by higher disposal fees.

Seaport Department The Seaport Department's operating revenues for the 2008 fiscal year were $94.7 million, an increase of approximately 11.8% from the prior year. The increase in cruise wharfage and cruise dockage can be attributed to the increase of approximately 9.2% in cruise passengers and 10.7% in passenger ships over the prior year and increases in the corresponding tariff rates. The Seaport's net assets increased by $1.8 million from the prior year.

Aviation Department The Aviation Department had operating revenues of $561.9 million in fiscal year 2008, an increase of $7 million or 1.3% from the prior year. This increase is due primarily to additional activities in the commercial operations, particularly aviation fees through concourse user fees and baggage claim charges. Net assets of the Airport increased $33.6 million or 2.9%. This was primarily due to increases in capital contributions and passenger facility charges.

Water and Sewer Department ("WASD") Total net assets as of September 30, 2008 were $2.1 billion. The Department's net assets decreased by $13.9 million from the prior year. The decrease was primarily due to a decrease in interest income. Operating and maintenance expenses increased by $11.3 million, or by 3.6%, in 2008. The increase is due to increased level of employee compensation with related fringe benefits, and increased security services.

Public Health Trust ("PHT") During fiscal year 2008, PHT's net assets increased by $25.7 million. Operating revenues were $1.435 billion, an increase of $153 million from the prior year. Net patient services revenue increased by 11.1% or $118.2 million due mainly to the effects of a 7.39% rate increase. In addition, $31.4 million, or 16.9%, mainly reflects the additional JMH Health Plan revenue as a result of increased membership in the Plan. Grants increased $3.7 million or 13.3% due primarily to a $3.2 million grant from FEMA to cover the cost of hurricane shutters for numerous buildings. Operating expenses, including depreciation, were $1.862 billion, an increase of $155.0 million from prior year. The increase in expenses is mainly attributed to an increase in personnel and related costs, contractual and purchased services, and supplies expense.

General Fund Budgetary Highlights

During fiscal year 2008, the General Fund's budget was amended twice. These budget amendments or supplemental appropriations reflect the change in projected expenditures that occurred since the budget hearings were held in September 2007 and distribute allocated funds among various County agencies from appropriate reserves and from appropriate sources. One of the major amendments was a supplemental appropriation to the General Services Department of $17.337 million to cover additional costs for fuel, construction and building lease pass-through changes.

General Fund Budgeted Revenues Compared to Actual Revenues

During the year budgetary revenue estimates exceeded actual revenues by $29.5 million. The most significant changes occurred in the following:

- **Licenses and Permits** were $13.5 million under budget due to the continued decline in the housing industry, resulting in lower than anticipated permitting activity.

- **Charges for Services** were $29.1 million under budget. This decrease was mainly due to a decrease of $36 million in sheriff and police services revenue as a result of the termination of contracts for police services to certain municipalities. These decreases were offset by an increase of $10.3 million from tax collector fees of which $6.5 million was due to increased tax sales commission fees.

- **Investment Income** was $5.4 million under the budgeted amount as a result of lower than expected interest returns.

General Fund Budgeted Expenditures Compared to Actual Expenditures

The General Fund's expenditures were $1.645 billion, $220.3 million less than budgeted. This variance is primarily attributed to cost containment measures put in place to deal with lower charges for services revenue, and capital expenditures that did not occur during the year and were reestablished in the following year's budget.

The following are the functional areas that recognized the largest variations from the final budget:

- **Policy Formulation and General Government** had lower than anticipated expenditures of $146 million. The majority of the savings were due to postponement of capital expenditures and professional contract services, and lower than anticipated services and other commodities across various departments.

- **Protection of People and Property** expenditures were $53.5 million under budget. The Building Department, Building Code Compliance and Planning and Zoning Departments account for $19 million of these savings. These departments continued to reduce staffing and operating expenditures due to the continued weakening of the housing market and reduced construction activity, reporting a 24% reduction in building permits in fiscal year 2008 as compared to 2007 and 54% as compared to 2006. The remaining variance is due to the reduced police services as a result of certain municipalities ceasing contracts for local police services with Miami-Dade County.

Capital Asset and Debt Administration

Capital Assets. At September 30, 2008, the County's total investment in capital assets, net of accumulated depreciation, was $14.8 billion. This represents an increase of approximately 5.1% over the previous year. The following table summarizes the components of the County's investments in capital assets.

Miami-Dade County
Capital Assets as of September 30, 2008 and 2007
(net of depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2007 (Restated)	2008	2007 (Restated)	2008	2007 (Restated)	2008
Land	$ 623,107	$ 633,979	$ 627,220	$ 650,014	$ 1,250,327	$ 1,283,993
Construction in progress	269,469	336,094	1,852,255	2,493,006	2,121,724	2,829,100
Building and building improvements	1,527,657	1,503,668	3,975,476	3,826,216	5,503,133	5,329,884
Infrastructure	971,227	1,004,428	3,151,015	3,199,984	4,122,242	4,204,412
Machinery and equipment	177,969	203,590	856,413	894,448	1,034,382	1,098,038
Totals	$ 3,569,429	$ 3,681,759	$ 10,462,379	$ 11,063,668	$ 14,031,808	$ 14,745,427

Capital assets of governmental activities and business-type activities reflect a restatement of beginning balances of $(22.526) million and $4.267 million. Refer to Note 11 for details.

Governmental activities' major capital assets additions during the year included:

- $17.8 million expended in the construction of Metrozoo-Amazon PH IV Australia
- $11.7 million for the construction of the South Dade Performance Center
- $17.0 million expended in the improvement, widening and renovation of roads
- $5.2 million for the acquisition of land and building for the Department of Human Services
- $9.8 million invested to refurbish the bascule bridge of the Miami River
- $9.0 million expended for the construction of four new library branches located at Carfour/Villa Aurora, International Mall, Kendall Lakes, and Naranja Lakes
- $3.7 million expended in the improvement and installation of the Traffic Management System
- $6.9 million in the acquisition of 31 fire rescue ambulances for the Fire Department
- $9.5 million in the acquisition of new voting equipment for the Elections Department

Business-type activities' major capital assets additions during the year included:

Aviation Department:

- $579.9 million increase in construction in progress due to the ongoing construction of the North Terminal.

Water and Sewer Department:

- $37.6 million expended for various water projects, including treatment facilities
- $92.3 million expended for various wastewater projects

Solid Waste Department

- $2.3 million expended for facility improvements
- $94.4 thousand expended for the completion of Truck Wash Facilities, South Dade Landfill Home-Chemical Collection Center, North Dade Landfill Guardhouse Ramp, at the Resources Recovery Facility-Fire Safety and Waste Water Plant.

Transit Agency

- During fiscal year 2008 MDT placed 35 new full-size buses into service, for a total fleet of approximately 1000 vehicles.

Public Health Trust

- The Trust continues to expand and improve its facilities. Approximately $61.3 million was spent in fiscal year 2008 to expand and improve the Health facilities and internal software.

Seaport

- During fiscal year 2008 investment in capital assets increased $3.7 million and is attributed to projects in the Seaport Master Plan and acquisitions of other capital assets necessary for the ongoing operations.

Additional information on the County's capital assets can be found in Note 4.

Long-Term Liabilities. At September 30, 2008, the County had $11.8 billion in long-term liabilities, which are summarized in the schedule below. Additional information regarding long-term debt can be obtained in Note 8.

Miami-Dade County
Outstanding Long-term Liabilities as of September 30, 2008 and 2007
(in thousands)

	Governmental activities		Business-type activities		Total Primary Government	
	2007	2008	2007	2008	2007	2008
General obligation bonds	$ 472,236	$ 523,596	$ 138,510	$ 134,570	$ 610,746	$ 658,166
Special obligation bonds	1,761,161	1,766,873	41,460	35,415	1,802,621	1,802,288
Current year accretion of interest		26,344				26,344
Revenue bonds			6,146,050	6,860,647	6,146,050	6,860,647
Loans and notes payable	253,591	277,930	647,889	549,732	901,480	827,662
Other (i.e. unamortized premiums, discounts)	32,554	32,841	(44,700)	(3,875)	(12,146)	28,966
Commercial paper notes			70,295		70,295	
Sub-total Bonds, Notes and Loans	2,519,542	2,627,584	6,999,504	7,576,489	9,519,046	10,204,073
Compensated absences	360,774	384,155	201,181	222,936	561,955	607,091
Estimated insurance claims payable	208,012	206,747	40,332	34,776	248,344	241,523
Other postemployment benefits		10,168		5,485		15,653
Environmental remediation			107,839	95,366	107,839	95,366
costs			108,718	113,503	108,718	113,503
Lease agreements	11,149	10,858	393,887	354,466	405,036	365,324
Other	34,832	45,753	53,841	62,827	88,673	108,580
Totals	$ 3,134,309	$ 3,285,265	$ 7,905,302	$ 8,465,848	$ 11,039,611	$ 11,751,113

Bond Ratings

Miami-Dade County continues to meet its financial needs through prudent use of its revenues and effective debt financing programs. The County's financial strength and sound financial management practices are reflected in its general obligation bond (uninsured) investment ratings, which are among the highest levels attained by Florida counties. Following are the credit ratings assigned by the three primary credit rating agencies in the financial market, each carrying a "stable outlook":

Aa3	Moody's Investor Services
AA-	Standard & Poor's Corporation
AA-	Fitch IBCA, Inc.

At September 30, 2008, the County had $10.204 billion in bonds and loan agreements outstanding, other than commercial paper notes. This is a net increase (new debt issued less principal reductions) of $755 million or 8.0% from the previous year. During the year, the County issued approximately $1.880 billion of new debt, which is detailed in the chart below. Additional information on the County's debt can be obtained in Note 8.

BONDS AND LOANS ISSUED DURING THE YEAR

(in thousands)

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Original Amount Issued
BONDS:					
12/20/07	Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007C (AMT)	To refund Series 1996A, 1996B, 1996C, and 1997B bonds.	5.00-5.25%	10/1/26	$ 367,700,000
12/20/07	Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007D (NON-AMT)	To refund Series 1996A, 1996B, 1996C, and 1997B bonds.	4.00-5.25%	10/1/26	$ 43,650,000
4/30/08	Miami-Dade County, Florida General Obligation Bonds (Building Better Communities Program) Series 2008A	To finance partial contribution of the County's obligation to pay a portion of the cost of the Port Tunnel Project or to pay a portion of the cost of other bridges, public infrastructure and neighborhood improvements approved in the Infrastructure Authorizing Resolution	4.00-5.00%	7/1/38	$ 99,600,000
6/24/08	Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008	To pay all or a portion of the cost of certain transportation and transit projects, refund the outstanding Sunshine State Loan and pay the cost of issuance	4.75-5.00%	7/1/38	274,565,000
6/26/08	Miami-Dade County, Florida Aviation Revenue Bonds, Series 2008A (AMT)	Finance certain airport improvements associated with the Airport's Capital improvement Plan previously approved by the Board	5.25-5.50%	10/1/41	433,565,000
6/26/08	Miami-Dade County, Florida Aviation Revenue Bonds, Series 2008B (NON-AMT)	Finance certain airport improvements associated with the Airport's Capital Improvement Plan previously approved by the Board	4.00-5.00%	10/1/41	166,435,000
7/15/08	Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2008A	To pay the termination payment due in connection with the termination of the Interest Rate Swap Agreement associated with the Series 1994 Bonds	3.25-5.00%	10/1/22	68,300,000
7/15/08	Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2008B	To redeem all of the County's Water and Sewer System Revenue Bonds, Series 1994 and to pay issuance and surety costs	3.25-5.00%	10/1/22	374,555,000
LOANS:					
6/24/08	Sunshine State Governmental Financing Commission, Series L (Various Projects) - Loan #18	To pay or reimburse the County for the cost of acquiring certain capital equipment and/or constructing certain improvements for various County departments and to fund the required reserve funds	Variable	9/1/27	45,780,000
6/24/08	Sunshine State Governmental Financing Commission, Series L (Rickenbacker Causeway Projects)-Loan #18	To pay or reimburse the County for the cost of acquiring certain capital equipment and/or constructing certain improvements for various County departments and to fund the required reserve funds	Variable	9/1/27	6,220,000
Total long-term debt issued during the year					$ 1,880,370,000

Other Obligations. The County administers a self-insurance program for workers' compensation, tort liability, property, and group health and life insurance programs, subject to certain stop-loss provisions. Detailed information about the County's liability related to the self-insurance program is included in Note 7. Other obligations include compensated absences, post-retirement health insurance benefits, arbitrage liability and other contingencies.

Economic Factors and Other Significant Matters

The County's revenues and expenses and expenditures are affected by changes in international, national and local economic factors. Economic growth can be measured by various factors. Highlights of the economic factors that affected Miami-Dade County during the last fiscal year are depicted below.

- The unemployment rate for Miami-Dade County increased to approximately 5.3% from 3.6%, an increase of approximately 47.2% from prior year. (Source: Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics, Miami-Dade County Department of Planning and Zoning, Research Section).

- The occupancy rate for commercial real estate office market was 90%, a decrease of approximately 2.3% from the previous year. (Source: Beacon Council, Miami-Dade County, Florida)

- The number of visitors to Miami-Dade County was approximately 12.1 million. This represents an increase of approximately 1.4%. (Source: Greater Miami Convention and Visitors Bureau).

- The average sales price for existing single family homes decreased to $319,725, down by 16% from 2007 prices. Similarly, condominium prices decreased 4.6% from fiscal year 2007, with average prices being $260,025. (Source: Miami-Dade Department of Planning and Zoning).

- In 2008 tax roll increases were approximately 4.7% and a minus 0.09% to adjust for the impact of the January 29, 2008 constitutional property tax reform amendment. For year 2010 and 2011, the property tax roll growth is assumed to remain flat and grow 3% thereafter.

Requests for information

This financial report is designed to provide a general overview of Miami-Dade County's finances to our citizens, taxpayers, customers, investors, creditors, and others with an interest in the County's finances. Questions concerning this report or requests for additional financial information should be addressed to:

Miami-Dade County, Florida
Finance Department
Office of the Controller
111 NW 1st Street, Suite 2620
Miami, Florida 33128-1980

BASIC FINANCIAL STATEMENTS

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MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing Finance Authority	Jackson Memorial Foundation
ASSETS					
Cash and cash equivalents	$ 375,525	$ 679,737	$ 1,055,262	$ 9,147	$ 2,147
Investments	921,852	482,312	1,404,164	11,688	8,139
Cash collateral securities lending	351,705		351,705		
Receivables, net	38,172	426,853	465,025	2,232	7,919
Internal balances	242,411	(242,411)			
Due from primary government				1,000	
Due from other governments	251,756	68,879	320,635		
Mortgages and notes receivable, net	181,503		181,503	3,872	
Inventories	25,555	105,232	130,787		
Other assets	2,015	77,350	79,365	26	54
Capital assets, net of depreciation					
Land	633,979	650,014	1,283,993		
Buildings and building improvements, net	1,503,668	3,826,216	5,329,884		
Machinery and equipment, net	203,590	894,448	1,098,038	19	458
Infrastructure, net	1,004,428	3,199,984	4,204,412		
Construction in progress	336,094	2,493,006	2,829,100		
Total capital assets	3,681,759	11,063,668	14,745,427	19	458
Restricted cash and cash equivalents	96,897	391,820	488,717		
Restricted long-term investments	427,250	1,173,206	1,600,456		
Deferred charges	19,575	195,686	215,261	2,364	
Total assets	6,615,975	14,422,332	21,038,307	30,348	18,717
LIABILITIES					
Accounts payable and accrued liabilities	220,057	520,937	740,994	168	1,005
Accrued interest payable	36,938	158,549	195,487		
Due to other governments	37,887	92,546	130,433		
Due to component unit	1,000		1,000		
Unearned revenue	32,668	89,681	122,349		
Other liabilities	78,688		78,688		
Liability for cash collateral securities lending	351,705		351,705		
Long-term liabilities					
Due within one year	271,167	358,899	630,066	82	
Due in more than one year	3,014,098	8,106,949	11,121,047	256	
Total liabilities	4,044,208	9,327,561	13,371,769	506	1,005
NET ASSETS					
Invested in capital assets, net of related debt	1,686,757	3,591,546	5,278,303	18	
Restricted for:					
Capital projects	136,879	286,036	422,915		
Debt service	94,446	316,248	410,694		
Housing programs	213,774		213,774		
Fire and Rescue	54,161		54,161		
Transportation	169,679		169,679		
Public Library	70,027		70,027		
Community and Social Development	80,486		80,486		
Environmentally Endangered Lands	66,584		66,584		
Stormwater Utility	59,346		59,346		
Other purposes (expendable)	211,328	349,142	560,470	1,534	16,369
Other purposes (nonexpendable)	3,260		3,260		
Unrestricted	(274,960)	551,799	276,839	28,290	1,343
Total net assets	$ 2,571,767	$ 5,094,771	$ 7,666,538	$ 29,842	$ 17,712

The notes to the financial statement are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(in thousands)

		Program Revenues			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Primary government:					
Governmental activities:					
Policy formulation and general government	$ 539,678	$ 203,155	$ 13,433	$ 18,746	$ (304,344)
Protection of people and property	1,401,900	196,168	16,472	6,098	(1,183,162)
Physical environment	160,349	92,927	17,608	35,107	(14,707)
Transportation (streets and roads)	210,010	13,266	33,280	42,054	(121,410)
Health	72,049	8,571	2,559		(60,919)
Human services	325,808	1,043	292,681		(32,084)
Socio-economic environment	377,541	5,915	283,706		(87,920)
Culture and recreation	343,049	49,853	20,396	7,270	(265,530)
Interest on long-term debt	116,131				(116,131)
Total governmental activities	3,546,515	570,898	680,135	109,275	(2,186,207)
Business-type activities:					
Mass transit	595,205	97,560	40,411	95,118	(362,116)
Solid waste collection	107,776	144,044			36,268
Solid waste disposal	182,752	126,215		216	(56,321)
Seaport	100,918	94,698		7,212	992
Aviation	674,622	561,940	13,123	116,049	16,490
Water	227,931	190,544	103	21,032	(16,252)
Sewer	317,149	246,932	-	38,055	(32,162)
Public health	1,869,640	1,435,602	44,135		(389,903)
Other	22,100	21,969		412	281
Total business-type activities	4,098,093	2,919,504	97,772	278,094	(802,723)
Total primary government	$ 7,644,608	$ 3,490,402	$ 777,907	$ 387,369	$ (2,988,930)
Component units:					
Housing Finance Authority	$ 2,440	$ 1,209			$ (1,231)
Jackson Memorial Foundation	$ 11,577		$ 9,249		$ (2,328)

The notes to the financial statements are an integral part of this statement

MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

(in thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Housing Finance Authority	Jackson Memorial Foundation
Change in net assets:					
Net (expense) revenue (from previous page)	$ (2,186,207)	$ (802,723)	$ (2,988,930)	$ (1,231)	$ (2,328)
General revenues:					
Taxes:					
Property taxes, general	1,226,736		1,226,736		
Property taxes, for debt service	78,106		78,106		
Property taxes, for fire protection	313,524		313,524		
Property taxes, for libraries	81,663		81,663		
County hospital 1/2% sales surtax	187,408		187,408		
Transportation 1/2% sales surtax	186,501		186,501		
Utility taxes	73,274		73,274		
Local option gas taxes	61,953		61,953		
Communication tax	50,689		50,689		
Other taxes	131,198		131,198		
Intergovernmental revenues, unrestricted	235,618		235,618		
Franchise fees	48,668		48,668		
Earnings on investments	33,432	70,808	104,240	812	(1,707)
Miscellaneous	2,978	16,315	19,293	7	
Transfers--internal activities	(676,484)	676,484			
Total general revenues and transfers	2,035,264	763,607	2,798,871	819	(1,707)
Change in net assets	(150,943)	(39,116)	(190,059)	(412)	(4,035)
Net assets - beginning - restated (Note 11)	2,722,710	5,133,887	7,856,597	30,254	21,747
Net assets-ending	$ 2,571,767	$ 5,094,771	$ 7,666,538	$ 29,842	$ 17,712

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008
(in thousands)

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	$ 45,592	$ 390,417	$ 436,009
Investments	152,140	1,065,032	1,217,172
Receivables, net	11,808	25,166	36,974
Delinquent taxes receivable	34,350	12,524	46,874
Allowance for uncollected delinquent taxes	(34,350)	(12,524)	(46,874)
Due from other funds	156,468	14,707	171,175
Due from other governments	78,119	172,883	251,002
Mortgages and notes receivable, net		181,503	181,503
Inventories	19,777	5,778	25,555
Other assets		2,015	2,015
Long-term advances receivable	72,000	110,008	182,008
Total assets	$ 535,904	$ 1,967,509	$ 2,503,413
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable and accrued liabilities	$ 102,856	$ 101,626	$ 204,482
Retainage payable		14,231	14,231
Due to other funds	25,737	104,592	130,329
Due to other governments	9,279	28,608	37,887
Unearned revenue	32,845	112,839	145,684
Other liabilities		78,688	78,688
Total liabilities	170,717	440,584	611,301
Fund balances:			
Reserved for encumbrances	22,757	198,584	221,341
Reserved for inventories	19,777	5,778	25,555
Reserved for mortgages receivable		106,529	106,529
Reserved for long-term advances receivable	72,000	110,008	182,008
Reserved for other long-term assets		615	615
Reserved for housing assistance payments		52,439	52,439
Reserved for debt service		131,384	131,384
Reserved for permanent endowments		3,260	3,260
Reserved for environmentally endangered lands	66,584		66,584
Reserved for stormwater utility	59,346		59,346
Unreserved, reported in major funds	124,723		124,723
Unreserved, reported in nonmajor:			
Special revenue funds		419,910	419,910
Capital project funds		497,973	497,973
Permanent funds		445	445
Total fund balances	365,187	1,526,925	1,892,112
Total liabilities and fund balances	$ 535,904	$ 1,967,509	$ 2,503,413

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2008

(in thousands)

Total fund balances--governmental funds		$ 1,892,112
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Land	$ 633,979	
Buildings and building improvements	2,205,104	
Machinery and equipment	432,752	
Infrastructure	2,375,192	
Construction in progress	336,094	
Accumulated depreciation	(2,301,362)	
Total capital assets		3,681,759
The Internal Service Fund is used to charge the cost of self-insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities section of the Statement of Net Assets.		(22,906)
The Statement of Net Assets includes an adjustment to reflect an allocation of the internal service fund profit or loss to business-type activities. This adjustment increases the Internal Balances account of governmental activities.		4,667
Some liabilities are not due and payable in the current period and therefore are not reported in the fund statements. Those liabilities consist of:		
Bonds, loans, and notes payable	$ (2,627,584)	
Accrued interest payable	(36,938)	
Compensated absences	(384,155)	
Other postemployment benefits	(10,168)	
Accrued post-retirement health insurance benefits	(2,774)	
Arbitrage rebate liability	(2,890)	
Lease agreements	(10,858)	
Due to Housing Finance Authority	(1,000)	
Other liabilities	(40,089)	
Total long-term liabilities		(3,116,456)
Bond issuance costs are treated as expenditures in the governmental funds, but are deferred to future periods in the Statement of Net Assets (amortized over the life of the bonds).		19,575
Some unearned revenues have met the earned criteria for recognition in the Statement of Activities.		113,016
Net assets of governmental activities		$ 2,571,767

The notes to the financial statements are an integral part of this statement.

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MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

(in thousands)

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 1,416,578	$ 974,945	$ 2,391,523
Special tax assessments		41,226	41,226
Licenses and permits	112,950	617	113,567
Intergovernmental revenues	230,478	674,060	904,538
Charges for services	237,373	175,954	413,327
Fines and forfeitures	12,066	37,576	49,642
Investment income	20,627	63,512	84,139
Other	86,867	51,869	138,736
Total revenues	2,116,939	2,019,759	4,136,698
Expenditures:			
Current:			
Policy formulation and general government	423,505	133,293	556,798
Protection of people and property	933,452	429,982	1,363,434
Physical environment	73,025	85,713	158,738
Transportation	42,025	120,567	162,592
Health	31,653	39,723	71,376
Human services		326,523	326,523
Socio-economic environment	13,281	359,430	372,711
Culture and recreation	104,710	215,689	320,399
Debt service:			
Principal retirement		114,404	114,404
Interest		90,973	90,973
Other		903	903
Capital outlay	23,518	228,285	251,803
Total expenditures	1,645,169	2,145,485	3,790,654
Excess (deficiency) of revenues over expenditures	471,770	(125,726)	346,044
Other financing sources (uses):			
Long-term debt issued		195,815	195,815
Premium on long-term debt		3,027	3,027
Transfers in	13,569	321,032	334,601
Transfers out	(526,355)	(484,730)	(1,011,085)
Total other financing sources (uses)	(512,786)	35,144	(477,642)
Net change in fund balances	(41,016)	(90,582)	(131,598)
Increase in reserve for inventory	1,314	698	2,012
Fund balances -beginning - restated, Note 11	404,889	1,616,809	2,021,698
Fund balances--ending	$ 365,187	$ 1,526,925	$ 1,892,112

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(in thousands)

Net change in fund balances - total governmental funds		$ (131,598)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 251,803	
Depreciation expense	(138,124)	
Excess of capital outlay over depreciation expense		113,679
The issuance of long-term debt provides a source of current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, but these amounts are deferred and amortized in the Statement of Activities. In the current year, these amounts consist of:		
Bonds and notes issued, including premium of $3,027	$ (198,842)	
Bond issuance costs paid during the current year	2,998	
Amortization/reduction of bond premium and deferred charges on refunding	2,740	
Amortization/reduction of bond issuance costs	(864)	
Total bond proceeds and related transactions		(193,968)
The repayment of long-term debt is reported as a use of financial resources in governmental funds, but reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:		
Bond, loans and notes principal retirement		114,404
Some unearned revenues in the fund statements meet the recognition criteria in the statement of activities. In FY 2008 there was a decrease in the amount recognized.		(2,830)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Interest accreted on capital appreciation debt	$ (26,344)	
Increase in compensated absences	(23,381)	
Net increase in inventories	2,012	
Net increase in other long-term liabilities	(21,068)	
Total additional expenses		(68,781)

(continued)

MIAMI-DADE COUNTY, FLORIDA

RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(in thousands)

Interest expense in the Statement of Activities includes additional accrued interest calculated for bonds and notes payable. The fund statements report payments of interest expense related to prior periods, which has been eliminated in the Statement of Activities.	$	(1,554)
The Internal Service Fund is used by management to charge the costs of self-insurance to individual funds. The change in net assets of the fund was reported with the governmental activities in the Statement of Activities.		32,292
The amount of the Internal Service Fund's loss on transactions with business-type activities was eliminated from the governmental activities in the Statement of Activities.		(11,238)
Loss on the sale or disposal of capital assets is reported in the Statement of Activities, but is not reported in the fund financial statements.		(310)
Proceeds on the sale of capital assets are reported in the fund statements, but not reported in the Statement of Activities.		(1,039)
Change in net assets of governmental activities	$	(150,943)

The notes to the financial statements are an integral part of these statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Assets:				
Current assets:				
Cash and cash equivalents	$ 317	$ 29,526	$ 852	$ 176,885
Investments		104,187	268	45,180
Accounts receivable, net	345	13,020	9,372	37,133
Due from other funds	6,660	1,518		28,034
Due from other governments	23,403	378		
Inventories	39,327		3,840	1,846
Other current assets	2,020	9	592	4,159
Total unrestricted assets	72,072	148,638	14,924	293,237
Restricted assets:				
Cash and cash equivalents	316	13,595	7,502	165,615
Investments	26,351	320	14,678	192,387
Due from other governments			1,882	
Other restricted assets		8,210		49,195
Total restricted assets	26,667	22,125	24,062	407,197
Total current assets	98,739	170,763	38,986	700,434
Non current assets:				
Capital assets:				
Land	226,349	57,586	198,659	88,836
Buildings and building improvements, net	789,095	52,272	285,150	2,458,826
Machinery and equipment, net	262,442	91,489	25,135	147,178
Infrastructure, net		8,999	209,263	669,888
Construction in progress	173,749	10,387	15,185	1,783,441
Total capital assets, net	1,451,635	220,733	733,392	5,148,169
Other non current assets:				
Restricted cash and cash equivalents	64,654	20,991		296,249
Restricted long-term investments	310,440	114,557	2,292	
Deferred charges and other non-current assets	6,621	7,477	2,216	71,678
Total non current assets	1,833,350	363,758	737,900	5,516,096
Total assets	1,932,089	534,521	776,886	6,216,530

(Continued)

Business-type Activities - Enterprise Funds				Governmental Activities- Self-Insurance Internal Service Fund
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	
$ 24,487	$ 125,304	$ 5,179	$ 362,550	$ 36,413
55,327	24,308	13,689	242,959	131,930
83,818	282,005	1,160	426,853	1,198
5,353	48,029	25	89,619	14,890
5	43,211		66,997	754
29,433	30,752	34	105,232	
0	5,292	167	12,239	
198,423	558,901	20,254	1,306,449	185,185
109,633	16,805	3,721	317,187	
	5,617		239,353	
			1,882	
	6,081	1,625	65,111	
109,633	28,503	5,346	623,533	
308,056	587,404	25,600	1,929,982	185,185
37,671	36,635	4,278	650,014	
	209,738	31,135	3,826,216	
229,937	133,952	4,315	894,448	
2,280,524	9,863	21,447	3,199,984	
426,471	81,592	2,181	2,493,006	
2,974,603	471,780	63,356	11,063,668	
9,926			391,820	
514,561	231,356		1,173,206	
99,101	8,581	12	195,686	
3,598,191	711,717	63,368	12,824,380	
3,906,247	1,299,121	88,968	14,754,362	185,185

(Continued)

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Liabilities:				
Current liabilities payable from current assets:				
Accounts payable and accrued liabilities	36,917	17,506	3,142	24,030
Current portion of bonds, loans and notes payable	14,386		3,500	
Current portion of lease agreements			1,562	4,298
Accrued interest payable	5,200		856	
Compensated absences	13,087	3,811	1,546	7,313
Estimated claims payable				
Environmental remediation liability				7,365
Liability for closure and postclosure care costs		6,583		
Due to other funds	88,726	5,880	10,331	9,826
Due to other governments	427			
Unearned revenue and other current liabilities	2,238	582	83	9,716
Total current liabilities payable from current assets	160,981	34,362	21,020	62,548
Current liabilities payable from restricted assets:				
Accounts payable, accrued expenses and deferred credits	316	24	7,677	185,307
Current portion of bonds, loans and notes payable		17,987	7,595	64,730
Accrued interest payable		4,114	5,306	107,965
Estimated claims payable				
Lease agreements	26,351			
Unearned revenue			455	
Total current liabilities payable from restricted assets	26,667	22,125	21,033	358,002
Total current liabilities	187,648	56,487	42,053	420,550
Long-term liabilities:				
Bonds, loans and notes payable, net	403,110	196,666	515,870	4,485,568
Estimated claims payable				
Compensated absences	22,976	11,112	4,289	19,886
Environmental remediation liability			3,146	84,855
Liability for closure and postclosure care costs		106,920		
Lease agreements	310,440		2,821	8,994
Long-term advances due to other funds	169,408			
Other long-term liabilities	12,436	1,604	602	4,697
Total long-term liabilities	918,370	316,302	526,728	4,604,000
Total liabilities	1,106,018	372,789	568,781	5,024,550
Net Assets:				
Invested in capital assets, net of related debt	997,859	39,864	204,261	597,870
Restricted for:				
Debt service		16,831	19,078	165,340
Capital projects				
Grants and other purposes		102,104		244,834
Unrestricted (deficit)	(171,788)	2,933	(15,234)	183,936
Total net assets	$ 826,071	$ 161,732	$ 208,105	$ 1,191,980

The notes to the financial statements are an integral part of this statement.

(Continued)

Business-type Activities - Enterprise Funds				Governmental Activities-
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Self-Insurance Internal Service Fund
21,543	187,480	3,039	293,657	1,344
6,955	4,910	859	30,610	
			5,860	
	4,729	102	10,887	
11,688	101,920	372	139,737	
	5,870		5,870	63,376
			7,365	
			6,583	
9,748	33,444	0	157,955	
13,429	78,690	0	92,546	
30,199	40,296	1,626	84,740	
93,562	457,339	5,998	835,810	64,720
25,557	8,314	85	227,280	
43,468			133,780	
30,277			147,662	
1,474			1,474	
			26,351	
5,401		354	6,210	
106,177	8,314	439	542,757	
199,739	465,653	6,437	1,378,567	64,720
1,509,647	292,949	8,289	7,412,099	
2,185	25,247		27,432	143,371
23,919		1,017	83,199	
			88,001	
			106,920	
			322,255	
			169,408	
31,258	16,446		67,043	
1,567,009	334,642	9,306	8,276,357	143,371
1,766,748	800,295	15,743	9,654,924	208,091
1,396,153	301,329	54,210	3,591,546	
111,767		3,232	316,248	
286,036			286,036	
	530	1,674	349,142	
345,543	196,967	14,109	556,466	(22,906)
$ 2,139,499	$ 498,826	$ 73,225	5,099,438	$ (22,906)

Adjustment to reflect the allocation of internal service fund net revenue (expense) to business-type activities	(4,667)
Net assets of business-type activities	$ 5,094,771

(Concluded)

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	**Solid Waste Management**	**Seaport**	**Aviation Department**
Operating revenues:				
Charges for services	$ 97,560	$ 270,259	$ 94,698	$ 561,940
Operating expenses:				
Personnel costs	294,137	72,596	31,020	172,825
Contractual services	49,921	100,456	8,449	127,900
Material and supplies	89,422	14,470	2,521	15,948
Claims and policy payments				
Other	76,769	53,668	19,589	66,251
Operating expenses before depreciation and assumption of closure and postclosure care costs for inactive landfills	510,249	241,190	61,579	382,924
Depreciation expense	(71,940)	(35,284)	(19,863)	(138,117)
Assumption of closure and postclosure care costs for inactive landfills		(2,803)		
Operating income (loss)	(484,629)	(9,018)	13,256	40,899
Non-operating revenues (expenses):				
Investment income	1,427	8,971	960	18,138
Interest expense	(13,272)	(10,166)	(22,409)	(154,575)
Intergovernmental subsidies	40,411			
Other, net	8,169	(1,430)	2,733	84,625
Total non-operating revenues (expenses)	36,735	(2,625)	(18,716)	(51,812)
Income (loss) before transfers and contributions	(447,894)	(11,643)	(5,460)	(10,913)
Transfers in	263,099	2,582		
Capital contributions	95,118	216	7,212	44,547
Change in net assets	(89,677)	(8,845)	1,752	33,634
Total net assets (deficit) -- beginning, restated (Note 11)	915,748	170,577	206,353	1,158,346
Total net assets (deficit) -- ending	$ 826,071	$ 161,732	$ 208,105	$ 1,191,980

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				Governmental Activities-
Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Self-Insurance Internal Service Fund
$ 437,476	$ 1,435,602	$ 21,969	$ 2,919,504	$ 459,343
180,212	1,010,215	7,845	1,768,850	
70,274	499,131	8,191	864,322	
42,189	240,000	444	404,994	
0				432,021
29,289	62,095	2,290	309,951	
321,964	1,811,441	18,770	3,348,117	432,021
(154,881)	(50,447)	(3,142)	(473,674)	
			(2,803)	
(39,369)	(426,286)	57	(905,090)	27,322
28,489	12,391	432	70,808	4,970
(66,320)	(15,029)	(205)	(281,976)	
0		321	40,732	
36,517	44,135	85	174,834	
(1,314)	41,497	633	4,398	4,970
(40,683)	(384,789)	690	(900,692)	32,292
	410,468	335	676,484	
26,761			173,854	
(13,922)	25,679	1,025	(50,354)	32,292
2,153,421	473,147	72,200		(55,198)
$ 2,139,499	$ 498,826	$ 73,225		$ (22,906)

Adjustment to reflect the allocation of internal service fund net revenue (expense) to business-type activities	11,238
Change in net assets of business-type activities	$ (39,116)

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	**Solid Waste Management**	**Seaport**	**Aviation Department**
Cash flows from operating activities:				
Cash received from customers and tenants	$ 98,384	$ 274,780	$ 91,608	$ 557,218
Cash received for premiums				
Cash paid to suppliers	(213,405)	(118,748)	(8,524)	(134,128)
Cash paid to other County departments	(10,200)	(43,851)	(20,281)	(73,151)
Cash paid to employees for services	(289,727)	(70,733)	(29,623)	(169,578)
Cash paid for claims				
Cash paid for policies				
Net cash provided (used) by operating activities	(414,948)	41,448	33,180	180,361
Cash flows from non-capital financing activities:				
Operating grants received	164,467	(1,090)		11,221
Transfers in from other funds	263,099			
Net cash provided (used) by non-capital financing activities	427,566	(1,090)		11,221
Cash flows from capital and related financing activities:				
Issuance of long-term debt and commercial paper notes	222,915			1,346,472
Principal payments - bonds, loans, notes payable	(93,923)	(19,066)	(10,620)	(889,326)
Bond premium/(discount)				(18,479)
Interest paid	(14,269)	(8,898)	(25,321)	(201,427)
Proceeds from sale of assets	2,626	2,135		
Capital advances to other governments				
Proceeds from environmental reimbursements				1,902
Purchase of capital and intangible assets			(31,853)	(520,727)
Payments/receipts related to lease agreements	2,958			
Acquisition and construction	(101,803)	(5,990)	625	
Capital contributed by federal, state and local governments	16,863		5,727	36,168
Passenger facility charges				67,531
Net cash provided (used) by capital and related financing activities	35,367	(31,819)	(61,442)	(177,886)
Cash flows from investing activities:				
Purchase of investment securities		(219,064)	(17,291)	(980,767)
Proceeds from sale and maturities of investment securities		139,468	23,314	901,533
Interest and dividends on investments	1,427	8,971	1,014	20,328
Net cash provided (used) by investing activities	1,427	(70,625)	7,037	(58,906)
Net increase (decrease) in cash and cash equivalents	49,412	(62,086)	(21,225)	(45,210)
Cash and cash equivalents at beginning of year	15,875	126,198	29,579	683,959
Cash and cash equivalents at end of year	$ 65,287	$ 64,112	$ 8,354	$ 638,749

(Continued)

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				
Water and Sewer	**Public Health Trust**	**Other (Nonmajor) Enterprise Funds**	**Total Enterprise Funds**	**Governmental Activities- Self-Insurance Internal Service Fund**
$ 482,456	$ 1,430,170	$ 21,964	$ 2,956,580	
				$ 479,673
(80,601)	(786,248)	(8,456)	(1,350,110)	
(57,081)	(512)	0	(205,076)	
(180,582)	(987,312)	(8,498)	(1,736,053)	
				(233,412)
				(219,528)
164,192	(343,902)	5,010	(334,659)	26,733
103	29,135	412	204,248	
	410,468	335	673,902	
103	439,603	747	878,150	
442,855		6,214	2,018,456	
(464,228)	(4,745)	(1,009)	(1,482,917)	
24,464			5,985	
(150,381)	(14,419)	(223)	(414,938)	
347			5,108	
		(25)	(25)	
			1,902	
	(74,926)	(652)	(628,158)	
			2,958	
(162,104)		(1,812)	(271,084)	
0		0	58,758	
			67,531	
(309,047)	(94,090)	2,493	(636,424)	
(1,006,987)	(60,345)	(13,717)	(2,298,171)	(131,930)
1,065,697	98,940	4,778	2,233,730	70,358
34,173	12,391	432	78,736	4,970
92,883	50,986	(8,507)	14,295	(56,602)
(51,869)	52,597	(257)	(78,638)	(29,869)
195,915	89,512	9,157	1,150,195	66,282
$ 144,046	$ 142,109	$ 8,900	$ 1,071,557	$ 36,413

(Continued)

MIAMI-DADE COUNTY, FLORIDA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(in thousands)

	Business-type Activities - Enterprise Funds			
	Transit Agency	Solid Waste Management	Seaport	Aviation Department
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (484,629)	$ (9,018)	$ 13,256	$ 40,899
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	71,940	35,284	19,863	138,117
Provision for uncollectible accounts				(1,044)
Other - net		7,788		
(Increase) decrease in assets:				
Accounts receivable, net	824	4,342	(1,598)	3,856
Inventories	(2,947)			
Other current assets	186	467	(44)	473
Deferred charges and other assets		801		
Due from other funds				2,257
Due from other governments		683		
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	(6,471)	3,505	(2,364)	10,794
Due to other funds		(602)	2,686	(8,275)
Due to other governments				
Unearned revenue and other current liabilities		(23)	(80)	526
Compensated absences	5,877	811	1,271	
Estimated claims payable				(1,153)
Liability for closure and postclosure care costs		(3,003)		
Other long-term liabilities	272	413	190	(6,089)
Net cash provided (used) by operating activities	$ (414,948)	$ 41,448	$ 33,180	$ 180,361
Noncash Investing, Capital and Financing Activities:				
Deferred loss on loan refinancing			$ (2,160)	
Change in construction and related liabilities			10,885	
(Decrease) increase in the fair value of investments		$ 5		$ (2,190)
Increase in construction in progress accrual				49,163
(Decrease) increase in other restricted assets				(20,183)

(Continued)

The notes to the financial statements are an integral part of this statement.

Water and Sewer	Public Health Trust	Other (Nonmajor) Enterprise Funds	Total Enterprise Funds	Governmental Activities- Self-Insurance Internal Service Fund
Business-type Activities - Enterprise Funds				
$ (39,369)	$ (426,286)	$ 57	$ (905,090)	$ 27,322
154,881	50,447	3,142	473,674	
1,458	232,346		232,760	
38,795			46,583	
7,962	(258,888)	(134)	(243,636)	1,677
(2,713)	(5,796)	2	(11,454)	
10	(76)	(73)	943	
329			1,130	
	(2,365)	(3)	(111)	18,391
			683	262
(2,539)	40,250	1,545	44,720	(19,654)
	(8,064)		(14,255)	
	9,582		9,582	
	15,361	195	15,979	
2,568		279	10,806	
(421)	(5,112)		(6,686)	(1,265)
			(3,003)	
3,231	14,699		12,716	
$ 164,192	$ (343,902)	$ 5,010	$ (334,659)	$ 26,733

(Concluded)

MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2008
(in thousands)

	Pension Trust Fund	Agency Funds
Assets:		
Cash and cash equivalents	$ 21,458	$ 145,589
Investments, at fair value		120,005
Domestic investments:		
Equities	88,129	
Corporate debt securities	34,362	
Government and agency obligations	38,906	
Total domestic investments	161,397	
International investments:		
Mutual funds	30,787	
Equities	5,185	
Corporate debt securities	1,869	
Total international investments	37,841	
Delinquent taxes receivable		82,643
Allowance for uncollected delinquent taxes		(82,643)
Performance bonds		88,499
Other current assets		286
Total assets	220,696	$ 354,379
Liabilities:		
Due to other governments	2,126	$ 223,743
Assets held in trust		130,636
Total liabilities	$ 2,126	$ 354,379
Net Assets:		
Restricted net assets reserved for Public Health Trust employees' pension benefits	$ 218,570	

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

PUBLIC HEALTH TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(in thousands)

Net assets reserved for employees' pension benefits:	
Balance at beginning of year	$ 218,539
Additions:	
Pension contributions	38,068
Net realized and unrealized losses on pension trust fund investments	(37,218)
Total additions	850
Deductions:	
Participants benefits expense	819
Net increase in net assets reserved for employees' pension benefits	31
Balance at end of year	$ 218,570

The notes to the financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

1-A. Reporting Entity

Miami-Dade County, Florida (the "County") is an instrumentality of the State of Florida established by an amendment to the Florida State Constitution adopted May 21, 1957 as the Dade County Home Rule Charter, to carry on a centralized government.

On January 23, 2007, the electors of Miami-Dade approved an amendment to the Home Rule Charter which established a Strong Mayor form of government. This amendment expands the Mayor's powers over administrative matters. The County Manager who previously was chief administrator now reports directly to the Mayor who has the authority to hire, fire and set the salary of the County Manager. Under this new system, the Mayor also appoints all department heads.

The Board of County Commissioners (the "BCC") is the legislative body, consisting of 13 members elected from single-member districts. Members are elected to serve four-year terms, and elections of members are staggered. The Board chooses a Chairperson, who presides over the Commission, as well as appoints the members of its legislative committees. The Board has a wide array of powers to enact legislation, create departments, and regulate business operating within the County. It also has the power to override the Mayor's veto with a two-thirds vote.

On January 29, 2008, a charter amendment was approved to make the Property Appraiser an elected position. November 4, 2008 was the first election for a Property Appraiser in Miami-Dade County.

The financial reporting entity for which the accompanying financial statements are prepared includes the County (primary government) and its component units. Component units are legally separate organizations for which the County is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either 1) the County's ability to impose its will on the component unit's board, or 2) the possibility that the component unit will provide a financial benefit to or impose a financial burden to the County.

The financial position and result of operations of the following entities are blended with the primary government in the accompanying financial statements.

- ***Public Health Trust (the "PHT")***
  The PHT provides countywide healthcare services and is responsible for the operation, governance and maintenance of County health facilities. The PHT has its own governing board, which is appointed by the Commission. However, it is not considered to be legally separate from the County and is reported as an enterprise fund of the County.

- ***Clerk of the Circuit and County Courts (the "Clerk")***
  The Clerk is an elected official whose principal function is to provide support to the Courts (Civil, Criminal and Traffic) and perform the ex-officio duties of the County Auditor, Custodian of Public Funds and County Recorder. As a result of the budgetary control by the County and its financial dependency on the County, financial information for the Clerk is presented as a special revenue fund and has been blended with the Miami-Dade primary government

- ***Naranja Lakes Community Redevelopment Agency (the "NLCRA")***
  The NLCRA trust fund was created by the Miami-Dade County Board of County Commissioners on May 6, 2003 as a redevelopment trust fund to be funded with ad valorem tax increment revenues to finance or refinance proposed community redevelopment in the NLCRA area. Financial information for the NLCRA for the fiscal year ended September 30, 2008 has been blended with the Miami-Dade County primary government in this CAFR. Trust fund revenues and expenditures during the period were $2,498,674 and $3,077,156, respectively, with an ending fund balance of $4,848,068.

- ***7th Avenue Community Redevelopment Agency (the "7th Avenue CRA")***
  The 7th Avenue CRA trust fund was created by the BCC on June 22, 2004 as a redevelopment trust fund to be funded with ad valorem tax increment revenues to finance or refinance proposed community redevelopment in the 7th Avenue CRA area. Financial information for the 7th Avenue CRA for the fiscal year ended September 30, 2008 has been blended with the Miami-Dade County primary government in this CAFR. Trust fund revenues and expenditures during the period were $443,929, and $0, respectively, with an ending fund balance of $1,219,542.

- ***West Perrine Community Redevelopment Agency (the "WPCRA")***
  The WPCRA was created by the BCC on June 5, 2007 as a redevelopment trust fund to be funded with ad valorem tax increment revenues to finance or refinance proposed community redevelopment in the CRA area. Financial information for the WPCRA for the fiscal year ended September 30, 2008 has been blended with the Miami-Dade County primary government in this CAFR. Trust fund revenues and expenditures during the period were $684,995 and $117,246, respectively, with an ending fund balance of $567,749.

- ***Educational Facilities Authority (the "EFA")***
  The Miami-Dade Educational Facilities Authority was created by the BCC on October 22, 1969, pursuant to Chapter 69-345, Florida Statutes, empowering it to issue tax-exempt bonds for the purpose of enabling institutions of higher education to provide facilities and structures, including the refinancing of the same, pursuant to Chapter 243, Part II, Florida Statutes. Neither the notes, bonds nor any other obligation incurred by the EFA shall be deemed a pledge of the faith or credit of Miami-Dade County. Any expenditures incurred by the EFA shall be payable solely from funds provided under the authority of Chapter 69-345. The EFA had $0 (zero) revenues and $0 (zero) expenditures for the fiscal year ended September 30, 2008.

- ***Health Facilities Authority***
  The Miami-Dade County Health Facilities Authority was created by the BCC on October 16, 1979 pursuant to Section 154.207, Florida Statutes, empowering it to issue tax-exempt bonds for the purpose of assisting in the development and maintenance of the health facilities of Miami-Dade County. All bonds issued by the Health Facilities Authority shall not be deemed to constitute debt, liability or obligation of Miami-Dade County or a pledge of the faith and credit of Miami-Dade County. The Health Facilities Authority had $0 (zero) revenues and $0 (zero) expenditures for the year ended September 30, 2008.

The financial position and result of operations of the following entities are discretely presented in the accompanying financial statements:

- ***Housing Finance Authority (the "HFA")***
  The HFA was created by the Miami-Dade County Board of County Commissioners (the "BCC") on December 12, 1978. The HFA provides financing for residential housing to persons or families of moderate, middle or lesser income. The HFA is a component unit of the County since the BCC appoints the thirteen members of its governing board and has the ability to impose their will on the board. Financial information for the HFA is presented in a separate column in the County's government-wide financial statements.

  Complete financial statements of the HFA may be obtained directly from their administrative offices at: Housing Finance Authority of Miami-Dade County, 7300 NW 19th Street, Suite 501, Miami, Florida 33126. Telephone (305) 594-2518

- ***Jackson Memorial Foundation, Inc. (the "Foundation")***
  The Foundation is a legally separate, tax-exempt component unit of the County. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the County in support of its programs. The board of the Foundation is self-perpetuating and consists of community members. Although the County does not control the timing or amount of the

receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the County by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the County the Foundation is considered a component unit of the County. Financial information for the Foundation is presented in a separate column in the County's government-wide financial statements.

Complete financial statements for the Foundation can be obtained at: Jackson Memorial Foundation, Inc., Plaza Park East, 901 NW 17th Street, Suite G, Miami, Florida 33136. Telephone (305) 355-4999.

Related Organizations:

- ***Industrial Development Authority (the "IDA")***
  The Miami-Dade IDA was created by the BCC on March 21, 1978, pursuant to Chapter 159, Sections 159.44 through 159.53, Florida Statutes. The IDA develops and manages the Tax-Exempt Industrial Development Revenue Bond Program that serves as a financial incentive to support private sector business and industry expansion and location in Miami-Dade County. The Commission appoints the members of IDA's governing board. However, the County is not financially accountable for IDA because it cannot impose its will on the organization. IDA bonds are not obligations of the County. Its operations neither provide a financial benefit to nor impose a financial burden on the County and are not included in the financial statements of Miami-Dade County.

  Financial statements for the IDA may be obtained directly from their administrative offices at: Miami-Dade Industrial Development Authority, 80 SW 8th Street, Suite 2801, Miami, Florida 33130. Telephone (305) 579-0070

- ***Miami-Dade Expressway Authority (the "MDXA")***
  The MDXA is an agency of the State of Florida. It constructs, maintains and operates the expressway system located in Miami-Dade County. The Commission appoints a voting majority of the MDXA governing board. However, the County is not financially accountable for the MDXA, and the MDXA is therefore not included in the accompanying financial statements.

- ***MDHA Development Corporation (the "MDHADC")***
  The MDHADC was created by the Board of County Commissioners in July 2000, pursuant to Resolution R-903-00, as a Florida non-profit corporation to promote development of low- to moderate-income housing facilities for residents of Miami-Dade County. Currently, there are no County employees serving in the MDHADC's Board of Directors. The MDHADC is financially independent, and the County is not financially accountable for the MDHADC. The MDHADC is not included in the accompanying financial statements.

- ***Performing Arts Center Trust (the "PACT")***
  The PACT, a non-profit corporation, was created by the Board of County Commissioners in 1991 to oversee the planning, design, construction and operation of the Performing Arts Center. The Mayor of Miami-Dade County appoints the 32 trustees of the PACT, a majority of which is predetermined by ordinance or selected by others outside the County government; hence the Mayor's appointment authority is not substantive. The PACT is financially independent from the County, and Miami-Dade County is not entitled to, nor has the ability to otherwise access, the economic resources of the PACT. Therefore, the PACT is not included in the accompanying financial statements.

1-B. Measurement Focus, Basis of Accounting, Basis of Presentation

In addition to the government-wide statements, separate financial statements are presented for governmental funds, proprietary funds, and fiduciary funds. The financial statements may differ in terms of the measurement focus and basis of accounting used to prepare them, as discussed below.

The government-wide statements, proprietary fund and fiduciary fund financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. (Agency funds, however, report only assets and liabilities. Since an operating statement is not presented, agency funds have no measurement focus). Revenues are generally recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flow occurs. Property taxes are recorded as revenues in the year for which they are levied, and grants and other similar non-exchange transactions are recorded as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. For the purpose of revenue recognition, “available” means that the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. Major revenue sources that are susceptible to accrual under the above criteria include intergovernmental revenues and certain taxes. The County considers the availability for revenues susceptible to accrual to be ninety days, with the exception of expenditure driven (reimbursement) grants, for which the availability period is one year. When the primary eligibility requirement under a grant is incurring an eligible expenditure, the County recognizes revenue at the time the expenditure is incurred. Prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account. Other revenues that are not considered measurable or available are recognized when received by the County. Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt, expenditures related to compensated absences, claims and judgments, and other long-term obligations, which are recorded only when payment is due.

The above differences in measurement focus and basis of accounting result in differences in the amounts reported as net assets and changes in net assets in the government-wide statements from the amounts shown in the governmental fund statements. Those differences are briefly explained in the reconciliation statements included in the governmental fund statements.

Government-wide financial statements:

The accompanying financial statements include a government-wide statement of activities and a government-wide statement of net assets. These statements report information on the County as a whole and its component units. They do not include the fiduciary activities of the County.

In the government-wide statements, the primary government (the County) is reported separately from its component units (the Housing Finance Authority and the Jackson Memorial Foundation). Governmental activities and business-type activities of the County are presented separately. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities rely mostly on charges for services for support.

The statement of activities shows the extent to which the direct expenses of a given function or segment are offset by its program revenues. The direct expenses of a function are clearly identifiable with that function. The program revenues of a function include: (1) amounts charged to those who purchase, use, or directly benefit from goods or services provided by the function, (2) grants and contributions that are restricted to operational uses by the function, and (3) grants and contributions that are restricted to capital uses by the function. All revenues other than program revenues are considered to be general revenues and are shown in the bottom section of the statement of activities. They include all taxes (even those levied for a particular function), unrestricted intergovernmental revenues, unrestricted investment earnings and other miscellaneous non-program revenues.

The government-wide statement of net assets reports all financial and capital resources of the County, as well as its liabilities. The difference between assets and liabilities are reported as net assets. Net assets are displayed in three components:

Invested in capital assets, net of related debt: Capital assets, net of depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition or construction of those assets.

Restricted net assets: Net assets where constraints on their use are: (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets (deficit): All other assets and liabilities not part of the above categories. This amount represents the accumulated results of all past years' operations. The deficit in net assets of governmental activities is due to long-term liabilities, including compensated absences.

Fund financial statements:

The accompanying financial report includes separate financial statements for governmental funds, proprietary funds and fiduciary funds (though fiduciary funds are excluded from the government-wide statements). The fund financial statements present major individual funds in separate columns. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Major Governmental Funds

The following major governmental funds are included in the County's financial statements:

General Fund: The County's primary operating fund; also accounts for the financial resources of the general government, except those required to be accounted for in another fund.

Major Proprietary Funds

The following major enterprise funds are included in the County's financial statements:

Miami-Dade Transit Agency: Operates the County's mass transit rail system, bus system, downtown metro-mover loop, and special transportation services.

Miami-Dade Solid Waste Department: Provides solid waste collection and recycling services to the unincorporated area of Miami-Dade County and to some municipalities and also provides solid waste disposal services to 17 municipalities and operates a variety of facilities, including landfills, transfer stations and neighborhood trash and recycling centers.

Miami-Dade Seaport Department: Operates the Dante B. Fascell Port of Miami-Dade County.

Miami-Dade Aviation Department: Operates and develops the activities of the Miami International Airport, four other general aviation airports, and one training airport.

Miami-Dade Water and Sewer Department: Maintains and operates the County's water distribution system and wastewater collection and treatment system.

Public Health Trust (PHT): The PHT was created by a County ordinance in 1973 that provided for an independent governing body responsible for the operation, governance and maintenance of certain designated health facilities. The PHT operates the Jackson Memorial Hospital and Medical Towers, the North Dade Primary Health Care Facility, the Corrections Health Services Facility, the Liberty City Medical Facility, and other health facilities.

Internal Service Fund

The following internal service fund is included in the County's financial statements:

Self-Insurance Fund: Accounts for the County's insurance programs covering property, automobile, general liability, professional and workers' compensation. Also accounts for medical, dental, life, and disability insurance for County employees.

Fiduciary Funds

The following fiduciary funds are included in the County's financial statements:

Agency Funds:

Clerk of Circuit and County Court Funds: Accounts for funds received, maintained and distributed by the Clerk of the Circuit and County Courts in his capacity as custodian to the State and County judicial systems.

Tax Collector Fund: Accounts for the collection and distribution of ad-valorem taxes and personal property taxes to the appropriate taxing districts. Also accounts for the collection of motor vehicle registration fees and sales of other State of Florida licenses, the proceeds of which are remitted to the State.

Other Agency Funds: Accounts for various funds placed in escrow pending timed distributions.

Pension Trust Fund: The Pension Trust Fund accounts for assets held by Northern Trust Bank for the benefit of employees of the Public Health Trust who participate in the Public Health Trust Defined Benefit Retirement Plan.

Application of FASB Standards

Governmental Accounting Standards Board ("GASB") Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting,* offers the option of following all Financial Accounting Standards Board ("FASB") standards issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements, or not following FASB standards issued after such date. The County and its enterprise funds elected the option not to follow the FASB standards issued after November 30, 1989.

Proprietary Funds Operating vs. Nonoperating Items

The County's proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items in their statements of revenues, expenses and changes in fund net assets. In general, operating revenues result from charges to customers for the purchase or use of the proprietary fund's principal product or service. Operating expenses relate to the cost of providing those services or producing and delivering those goods, and also include administrative expenses, depreciation of capital assets, and closure and postclosure care costs for active and inactive landfills.

All other revenues and expenses that do not result from the fund's principal ongoing operations are considered to be *nonoperating.* Examples of other nonoperating items include investment earnings, interest expense, grants and contributions, and passenger facility charges.

Grants from Government Agencies

Certain operating grants under various federal and state programs are included in the Special Revenue Funds. Grant monies received are disbursed by these funds for goods and services as prescribed under the respective grant program or are transferred to other County funds for ultimate distribution under the terms of the grants. These programs are dependent on the continued financial assistance of the state or federal government.

Grants designated as operating subsidies to enterprise funds are recorded as nonoperating revenues upon compliance with the grant's eligibility requirements. Grant monies designated for use in acquiring property or equipment are recorded as capital contributions. Grant monies received but not earned are recorded as unearned revenues.

Interfund Activity
As a general rule the effect of interfund activity has been eliminated from the government-wide statements. An exception to this rule is that charges for services provided by the Water and Sewer Department and the Solid Waste Department have not been eliminated from the statement of activities. Elimination of these charges would understate the expenses of the user function and the program revenues of the function providing the services. Also, the General Fund charges certain funds an administrative cost overhead charge based on a cost allocation plan. An adjustment has been made to the government-wide statements to eliminate the revenue and expense reported in the General Fund so that the administrative expense is shown only by the funds/activities that were charged.

Flow Assumption for Restricted Assets
If both restricted and unrestricted assets are available for use for a certain purpose, it is the County's policy to use restricted assets first, and then use unrestricted assets as needed.

Use of Estimates
The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

1-C. Assets, Liabilities, and Net Assets or Fund Balances

Cash, Cash Equivalents and Investments
Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

The County adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which established accounting and financial reporting standards for all investments, including fair value standards. Non-participating investments, such as nonnegotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized cost. Participating investments are carried at fair value, and unrealized gains and losses due to variations in fair value are recognized for the year.

The provisions of GASB No. 31 also specify that the investment income of each fund be reported in the fund that is associated with the assets. If the investment income is assigned to another fund for other than legal or contractual reasons, the income has to be recognized in the fund that reports the investment, with an operating transfer to the recipient fund. The County has made the needed adjustments to the accompanying financial statements to ensure compliance with this provision.

Inventories
Inventories, consisting principally of materials and supplies held for use or consumption, are recorded at cost or weighted average for governmental funds and lower of cost (first-in, first-out method) or market for enterprise funds, except for the Transit Agency, Water and Sewer and Public Health Trust. These enterprise funds use the average cost method.

The purchases method of inventory accounting is used to report inventories in the governmental funds. Under this method, inventories are reported as expenditures when purchased. However, significant amounts of inventories are reported as assets and are offset by a reservation of fund balance to indicate they do not constitute resources available for appropriation. In the Statement of Net Assets, inventories are accounted for using the consumption method characteristic of full accrual accounting. Under this method, the recognition of an expense is deferred until such time when the inventories are actually consumed.

Mortgage and Notes Receivable
Mortgages and notes receivable arise from the County's housing development programs that provide low-income housing assistance to eligible applicants and developers. These receivables are collateralized by the property for which the mortgage has been issued. Mortgages and notes receivable total $562,130,000 and have an estimated allowance for uncollectible accounts of $380,627,000.

Accounts Receivables
Accounts receivable reported by the enterprise funds as of September 30, 2008 are net of an allowance for uncollectible accounts of $520,127,000.

Property Taxes
Property values are assessed as of January 1 of each year, at which time, according to the Florida Statute 197.122, taxes become an enforceable lien on property until discharged by payment or until barred under Chapter 95. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Capital Assets
Capital assets include land, buildings, furniture, fixtures, equipment, machinery, utility plant and systems, infrastructure (e.g., roads, bridges, sidewalks, and similar items) and construction work in progress with an estimated useful life in excess of one year. Capital assets used in the operation of governmental funds and those used in business-type activities are reported in the applicable columns in the government-wide financial statements.

Capital assets are recorded at cost if purchased or constructed. Contributed capital assets are recorded at estimated fair value at the date of contribution. The cost of maintenance, repairs and minor renewals and betterments are expensed as incurred, rather than capitalized (added to the cost of the asset). Major renewals and betterments are treated as capital asset additions.

Interest expense related to borrowings used for construction projects of business-type activities is capitalized, net of interest earned on the same funds. Interest capitalization ceases when the construction project is substantially complete. Net interest capitalized during fiscal year 2008 amounted to $77,076,000. Interest is not capitalized for construction projects of governmental funds.

Capital assets are depreciated over their useful lives unless they are inexhaustible (e.g., land, certain individual items or collections with historical or artistic value). Pursuant to Florida Statute, the County inventories all assets with a historical cost of $1,000 or more and a useful life of one year or greater. However, for financial reporting purposes, the County has established a capitalization threshold of $5,000 for its governmental activities and from $1,000 to $5,000 for its business-type activities. The County uses the straight-line method of depreciation to depreciate assets over their estimated useful lives, which range as follows:

Buildings and building improvements	5-50 years
Utility plant and systems	5-100 years
Infrastructure	10-50 years
Furniture, fixtures, machinery and equipment	3-30 years

The Solid Waste Management enterprise fund records depletion on landfill sites and the estimated cost of permanently capping and maintaining such landfills on the basis of capacity used.

Restricted Net Assets

Certain net assets have been identified as "restricted". These net assets have constraints as to their use externally imposed by creditors, through debt covenants, by grantors, or by enabling legislation. Restricted net assets are being reported for: Capital Projects, Debt Service, Housing Programs, Fire and Rescue, Transportation, Public Library, Community and Social Development, Environmentally Endangered Lands, Stormwater Utility, other purposes (expendable); and other purposes (nonexpendable).

Net assets restricted for "other purposes (expendable)" include the net assets of most of the other special revenue funds, including amounts for: Special Assessments; Wetlands Mitigation; Tourist and Convention Development taxes to be used for facilities such as convention centers, sports stadiums and arenas; and amounts from grants from the federal and state government. Net assets restricted for "other purposes (nonexpendable)" include permanent endowments for the Metrozoo and public libraries, and are reported in the permanent funds.

As of September 30, 2008, Miami-Dade County had $2.112 billion of restricted net assets, of which $828.5 million was restricted by enabling legislation.

Reservations of Fund Balances

Reservations of fund balances in governmental fund statements represent amounts that are not available for appropriation or are restricted by outside parties for use for a specific purpose.

Donor-restricted endowments

The permanent funds for the Metrozoo and public libraries report nonexpendable restricted assets of $2,781,000 and $479,000, respectively, and net appreciation of $414,000 and $31,000 respectively. Under the terms of the endowments and consistent with State statutes, the County is authorized based on a total-return policy to spend the net appreciation on those programs. Any amounts not spent during a particular fiscal year may be carried forward to be spent in future years.

Long-term Obligations

In the government-wide and proprietary type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts and deferral amounts on refunding are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if it does not differ materially from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferral amounts on refunding. Bond issuance costs are reported as deferred charges and amortized using the straight-line method over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and bond issuance costs during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

The County accounts for compensated absences by recording a liability for employees' compensation of future absences according to the guidelines set by GASB Statement No. 16, *Accounting for Compensated Absences.*

County policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. In the governmental funds, the cost of vacation and sick pay benefits is recognized when payments are made to employees. The government-wide statements and proprietary funds recognize a liability and expense in the period vacation and sick pay benefits are earned.

The government-wide statement of net assets for September 30, 2008 includes a liability for accumulated vacation and sick pay of $607,091,000. Of this amount an estimated $243,884,000 is payable within a year and the remaining balance of $363,207,000 is payable after one year.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, allows them to defer a portion of their salary to future years. The County's direct involvement in the Plan is limited to remitting the amounts withheld from employees to the Plan's administrator. The deferred compensation plan is not available to employees until termination, retirement, death or an unforeseeable emergency. The deferred compensation plan is not included in the County's financial statements.

Note 2 - Stewardship, Compliance and Accountability

Miami-Dade Housing Agency

The financial reporting entity for Miami-Dade County includes, among other programs, the combined operations of the Miami-Dade Housing Agency (MDHA), a department of Miami-Dade County. The MDHA activities are summarized in the County's CAFR in the Other Housing Programs Special Revenue Fund and are included in the County's governmental activities.

US HUD Takeover of MDHA

On August 7, 2007, the United States Department of Housing and Urban Development (US HUD) notified the County that it would take control of MDHA, citing the agency was in substantial default of its Public Housing Annual Contributions Contract by failing to maintain its books and records accurately and in accordance with GAAP. Additionally on August 7, 2007, US HUD declared the County in default of the Section 8 Consolidated Annual Contributions Contract, alleging failure to make progress in eliminating the backlog of annual reexaminations and failure to maintain books and records in accordance with US HUD requirements. The US HUD takeover action was authorized pursuant to the United States Housing Act of 1937.

On October 2, 2007, Miami-Dade County entered into a Settlement Agreement and Work Plan which enabled US HUD to take possession of MDHA effective on October 26, 2007. Under the Settlement Agreement, US HUD agreed to return possession of MDHA to the County upon the agency accomplishing specified tasks to improve operations.

On July 17, 2008, the County adopted Resolution 868-08, approving and authorizing execution of an amendment to the Settlement Agreement and Work Plan. The major points of the revised Settlement Agreement included reducing the control US HUD had over the MDHA and outsourcing the operations of the Section 8 Housing Choice Voucher program.

On January 8, 2009, US HUD returned control of the MDHA to the County after 15 months in its possession. US HUD will continue to monitor progress as outlined in a Memorandum of Understanding (MOU), which has a term of two years. In the MOU, the MDHA will accomplish specific tasks and objectives with US HUD providing oversight. In addition, the Miami-Dade Housing Agency is required to change its name to Miami-Dade Public Housing Agency.

Self-Insurance Net Assets Deficit

As of September 30, 2008, the Self-Insurance Internal Service Fund had a deficit in net assets of $22.906 million. The deficit is the result of estimated losses incurred but not reported (IBNR). The County currently partially funds the IBNR liability and has steadily increased such coverage in recent years. The premium rates charged to County departments for health insurance, workers compensation and general liability have been adjusted to reflect rising costs of insurance. As required by generally accepted accounting principles (GASB Codification C50.128), the County has implemented an action plan to eliminate the accumulated deficit over a reasonable period of time.

Legally Adopted Budgets

The County's General Fund, Debt Service Funds, Permanent Funds, and Special Revenue Funds, with the exception of the Clerk of Courts Operations Special Revenue Fund, have legally adopted annual budgets approved by the Board of County Commissioners. As dictated by Article V of the Florida Constitution, the Clerk of the Courts Operations Special Revenue Fund's budget is submitted to the State's Clerk of Court (COC) Operations Conference for their review and approval. The Clerk of the Court is accountable to the COC Operations Conference for court-related expenditures funded by the State. The General Fund's budget-to-actual comparison is presented in the Required Supplementary Information section. The remaining funds' budget-to-actual comparisons are presented in the Supplementary Information section of this report.

Note 3 - Cash, Cash Equivalents and Investments

Deposits and Investments:

Miami-Dade County ("the County") is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-1074-04 and its Investment Policy to make certain investments. The County pools substantially all cash, cash equivalents and investments, except for separate cash and investment accounts that are maintained in accordance with legal restrictions.

Each fund's equity share of the total pooled cash, cash equivalents and investments is included in the accompanying financial statements under the caption "Cash and cash equivalents" and "Investments."

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the County intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs as well as sales relating to swap transactions.

At September 30, 2008, the cash on hand of the primary government and fiduciary funds totaled $350,521,996, exclusive of cash in PHT's Pension Trust Fund (Note 9) and cash collateral for security lending transactions (Note 3). The carrying value of cash equivalents and investments of the primary Government and fiduciary funds, other than PHT's Pension Trust Fund, include the following (in thousands):

Investment Type	Fair Value
Federal Home Loan Mortgage Corporation	$ 279,760
Federal Home Loan Bank	1,163,018
Federal Farm Credit Bank	378,467
Fannie Mae	788,186
Federal Agricultural Mortgage Corporation	8,998
Time Deposits	148,381
Treasury Notes	414,528
Money Market	9,512
Commercial Paper	745,302
Municipal Bonds	85,899
Repurchase Agreements	385
Guaranteed Investment Contracts	441,232
	$ 4,463,669

Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: the State of Florida Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; Commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least one nationally recognized rating service; Bankers Acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating as provided for by at least one nationally recognized rating service, and are drawn on and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; Investments in Repurchase Agreements ("Repos") collateralized by securities authorized by this policy. Securities Lending - Securities or investments purchased or held under the provisions of this section may be loaned to securities dealers or financial institutions provided the loan is collateralized by cash or securities having a market value of at least 102% of the market value of the securities loaned upon initiation of the transaction. The credit ratings below were consistent among the three major rating agencies (Moody's, Standard and Poor's, and Fitch).

The table below summarizes the investments by credit rating at September 30, 2008.

Investment Type	Credit Rating (N/A = not rated)
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Federal National Mortgage Association	AAA
Federal Agricultural Mortgage Corporation	N/A
Time Deposits	N/A
Treasury Notes	N/A
Commercial Paper	A1/P1
Municipal Bonds	AA
Repurchase Agreements	N/A
Guaranteed Investment Contracts	N/A

Custodial Credit Risk

The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2008 all of the County's bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks.

The Policy requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities and shall be held for the credit of the County in an account separate and apart from the assets of the financial institution.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the State of Florida Local Government Surplus Trust Fund (the "Pool"), however, bond proceeds may be temporarily deposited in the Pool until other investments have been purchased; a maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in non-negotiable interest bearing time certificates of deposit or savings accounts with no more than 5% deposited with any one issuer; a maximum 75% of the total portfolio may be invested in federal agencies and instrumentalities with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio); a maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptance with a maximum of 10% with any one issuer; a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptance; a maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreements, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreements.

As of September 30, 2008 the following issuers held 5% or more of the investment portfolio:

Issuer	% of Portfolio
Federal Farm Credit Bank	9.41%
Federal Home Loan Bank	29.11%
Federal Home Loan Mortgage Corporation	6.97%
Fannie Mae	19.48%

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investment pools.

Interest Rate Risk

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than 1 year. Investments for bond reserves, construction funds and other non-operating fund shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of 5 years.

As of September 30, 2008 the County had the following investments with the respective weighted average maturity.

Investment Type	Weighted Average in Years
Federal Home Loan Mortgage Corporation	1.07
Federal Home Loan Bank	0.57
Federal Farm Credit Bank	1.32
Fannie Mae	0.62
Freddie Mac	0.06
Time Deposits	0.34
Treasury Notes	0.59
Commercial Paper	0.04
Municipal Bonds	2.22

Foreign Currency Risk

The Policy limits the County's foreign currency risk by excluding foreign investments as an investment option.

Cash Deficits

As of September 30, 2008, the Transit Agency, the Hurricane Funds and the Community and Social Development Funds had cash deficit balances of approximately $128.4 million, $9.1 million and $9.1 million, respectively. It is the County's practice to reclassify cash deficits with a corresponding interfund receivable/payable in the appropriate fund. These cash deficits are funded with cash advances from the County's General Fund.

Swaps

Swaps are made in accordance with the provisions of County Resolution R-311-05, "Master SWAP Policy." The Board must authorize the swap agreement and its provisions. Generally, the County will enter into transactions only with counterparties whose obligations are rated in the double-A category or better from at least one nationally recognized rating agency. In instances when the credit rating is lowered below the A rating the County requires the counterparty to collateralize its exposures or the County will exercise its right to terminate. The County's swap policy seeks to mitigate counterparty risk, termination risk, interest rate risk, basis risk, amortization risk, liquidity risk and pricing risk.

Securities Lending

Miami-Dade County ("the County") is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-1074-04 and its Investment Policy to lend its investment securities on a fully collateralized, temporary basis to approved broker-dealers and other counterparties ("Borrowers") pursuant to a Securities Lending Agreement ("Agreement") that provides for the return of identical securities in the future. The County has executed an Agreement with a bank acting as the County's securities lending agent ("Agent") in these transactions. There were no violations of legal or contractual provisions during the year.

While the County's investment policy does not restrict the types of securities on loan, during the year the County made only specific portfolios available for loan consisting of US Government securities. The Agent lends securities of the type on loan at year-end in exchange for collateral in the form of U.S. securities issued or guaranteed by the U.S. Government at 102% margin or cash at minimum of 100% margin, plus accrued interest, at the initiation of the transaction. Loan transactions are marked to market daily to ensure that adequate collateral is held at all times.

At September 30, 2008, the County had no credit risk exposure to borrowers because the value of the collateral held by the County's Agent exceeded the value of the securities on loan. In the event of a borrower default, the Agent has the authority to seize collateral on the County's behalf. The Agreement with the Agent requires it to indemnify the County against losses caused by the insolvency of a borrower. No losses were recognized because of default by counterparties. The County was not exposed to custodial credit risk since cash collateral was fully invested at all times. There was no interest rate risk involved in the securities lending transactions since the maturity of loans and investments made with cash collateral had identical maturities and repricing characteristics. There was no foreign currency risk involved in the County's securities lending activities as all transactions were negotiated in US dollars.

All securities loans can be terminated on demand by either the County or the borrower. The average term of the loans is one day. Cash collateral is reported as an asset of the County in the accompanying basic financial statements with an offsetting liability. Under the terms of the Agreement with borrowers, the County cannot pledge or sell securities that it receives as collateral unless the borrower defaults on its obligations. During the period, all loans were collateralized by cash. The Agreement authorizes the Agent to invest cash collateral in instruments approved by the County. During the period, cash collateral was invested in repurchase agreements and an SEC registered money market fund rated AAA by S&P. The Agent indemnifies the County against losses associated with investing cash collateral in repurchase agreements. As of September 30, 2008, the market value of securities on loan was $349,470,334 and the cash collateral received was $351,704,825. As of October 2008, the County discontinued the securities lending transactions. No losses were incurred as a result of these transactions.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2008 for the governmental activities, business-type activities and major proprietary funds was as follows (in thousands)

Governmental activities:	Beginning Balance As Previously Reported September 30, 2007	Prior Period Adjustment (Restated - Note 11)	Beginning Balance Restated September 30, 2007	Additions	Deletions	Ending Balance September 30, 2008
Capital assets, not being depreciated:						
Land	$ 592,079	$ 31,028	$ 623,107	$ 10,964	$ (92)	$ 633,979
Construction in progress	269,469		269,469	179,700	(113,075)	336,094
Total capital assets, not being depreciated	861,548	31,028	892,576	190,664	(113,167)	970,073
Capital assets, being depreciated:						
Building and building improvements	2,233,852	$ (53,554)	2,180,298	24,806		2,205,104
Infrastructure	2,292,328		2,292,328	82,864		2,375,192
Machinery and equipment	385,116		385,116	65,462	(17,826)	432,752
Total capital assets, being depreciated	4,911,296	(53,554)	4,857,742	173,132	(17,826)	5,013,048
Less accumulated depreciation for:						
Building and building improvements	(652,641)		(652,641)	(48,795)		(701,436)
Infrastructure	(1,321,101)		(1,321,101)	(49,663)		(1,370,764)
Machinery and equipment	(207,147)		(207,147)	(39,666)	17,651	(229,162)
Total accumulated depreciation	(2,180,889)		(2,180,889)	(138,124)	17,651	(2,301,362)
Total capital assets, being depreciated, net	2,730,407	(53,554)	2,676,853	35,008	(175)	2,711,686
Total governmental capital assets, net	$ 3,591,955	$ (22,526)	$ 3,569,429	$ 225,672	$ (113,342)	$ 3,681,759
Business-type activities:						
Capital assets, not being depreciated:						
Land	$ 627,220		$ 627,220	$ 26,516	$ (3,722)	$ 650,014
Construction in progress	1,852,255		1,852,255	980,310	(339,559)	2,493,006
Total non-depreciable assets	2,479,475		2,479,475	1,006,826	(343,281)	3,143,020
Capital assets, being depreciated:						
Building and building improvements	6,200,091	4,267	6,204,358	56,835	(14,881)	6,246,312
Infrastructure	4,925,958		4,925,958	185,071	(2,253)	5,108,776
Machinery and equipment	2,256,182		2,256,182	183,491	(45,932)	2,393,741
Total capital assets, being depreciated	13,382,231	4,267	13,386,498	425,397	(63,066)	13,748,829
Less accumulated depreciation for:						
Building and building improvements	(2,228,882)		(2,228,882)	(192,753)	1,539	(2,420,096)
Infrastructure	(1,774,943)		(1,774,943)	(136,186)	2,337	(1,908,792)
Machinery, and equipment	(1,399,769)		(1,399,769)	(145,094)	45,570	(1,499,293)
Total accumulated depreciation	(5,403,594)		(5,403,594)	(474,033)	49,446	(5,828,181)
Total capital assets, being depreciated, net	7,978,637	4,267	7,982,904	(48,636)	(13,620)	7,920,648
Total business-type capital assets, net	$ 10,458,112	$ 4,267	$ 10,462,379	$ 958,190	$ (356,901)	$ 11,063,668

MDT	Balance September 30, 2007	Additions	Deletions	Balance September 30, 2008
Capital assets, not being depreciated:				
Land	$ 202,639	$ 26,202	$ (2,492)	$ 226,349
Construction in progress	128,783	103,047	(58,081)	173,749
Total capital assets, not being depreciated	331,422	129,249	(60,573)	400,098
Capital assets, being depreciated:				
Buildings and building improvements	1,404,484	26		1,404,510
Machinery and equipment	616,280	34,383	(26,192)	624,471
Total capital assets, being depreciated	2,020,764	34,409	(26,192)	2,028,981
Less accumulated depreciation for:				
Buildings and building improvements	(580,303)	(35,112)		(615,415)
Machinery and equipment	(351,062)	(36,828)	25,861	(362,029)
Total accumulated depreciation	(931,365)	(71,940)	25,861	(977,444)
Total capital assets, being depreciated, net	1,089,399	(37,531)	(331)	1,051,537
Total MDT capital assets, net	$ 1,420,821	$ 91,718	$ (60,904)	$ 1,451,635

SOLID WASTE				
Capital assets, not being depreciated:				
Land	$ 57,686		$ (100)	$ 57,586
Construction in progress	13,632	$ 2,897	(6,142)	10,387
Total capital assets, not being depreciated	71,318	2,897	(6,242)	67,973
Capital assets, being depreciated:				
Buildings and building improvements	308,289	2,240		310,529
Infrastructure	134,201			134,201
Machinery and equipment	155,270	11,242	(6,226)	160,286
Total capital assets, being depreciated	597,760	13,482	(6,226)	605,016
Less accumulated depreciation for:				
Buildings and building improvements	(247,201)	(11,056)		(258,257)
Infrastructure	(116,391)	(8,811)		(125,202)
Machinery and equipment	(59,029)	(15,417)	5,649	(68,797)
Total accumulated depreciation	(422,621)	(35,284)	5,649	(452,256)
Total capital assets, being depreciated, net	175,139	(21,802)	(577)	152,760
Total Solid Waste capital assets, net	$ 246,457	$ (18,905)	$ (6,819)	$ 220,733

SEAPORT	**Balance September 30, 2007**	**Additions**	**Deletions**	**Balance September 30, 2008**
Capital assets, not being depreciated:				
Land	$ 198,872	$ 178	$ (391)	$ 198,659
Construction in progress	35,480	16,760	(37,055)	15,185
Total capital assets, not being depreciated	234,352	16,938	(37,446)	213,844
Capital assets, being depreciated:				
Buildings and building improvements	404,381	19,165		423,546
Infrastructure	260,697	18,788		279,485
Machinery and equipment	32,813	6,111		38,924
Total capital assets, being depreciated	697,891	44,064		741,955
Less accumulated depreciation for:				
Buildings and building improvements	(127,096)	(11,300)		(138,396)
Infrastructure	(63,744)	(6,478)		(70,222)
Machinery and equipment	(11,705)	(2,084)		(13,789)
Total accumulated depreciation	(202,545)	(19,862)		(222,407)
Total capital assets, being depreciated, net	495,346	24,202		519,548
Total Seaport capital assets, net	$ 729,698	$ 41,140	$ (37,446)	$ 733,392

AVIATION				
Capital assets, not being depreciated:				
Land	$ 88,836			$ 88,836
Construction in progress	1,203,589	$ 649,135	$ (69,283)	1,783,441
Total capital assets, not being depreciated	1,292,425	649,135	(69,283)	1,872,277
Capital assets, being depreciated:				
Buildings and building improvements	3,546,231	21,817	(14,884)	3,553,164
Infrastructure	1,097,202	162		1,097,364
Machinery and equipment	279,821	62,843	(1,544)	341,120
Total capital assets, being depreciated	4,923,254	84,822	(16,428)	4,991,648
Less accumulated depreciation for:				
Buildings and building improvements	(982,695)	(113,182)	1,539	(1,094,338)
Infrastructure	(419,663)	(7,813)		(427,476)
Machinery and equipment	(178,350)	(17,080)	1,488	(193,942)
Total accumulated depreciation	(1,580,708)	(138,075)	3,027	(1,715,756)
Total capital assets, being depreciated, net	3,342,546	(53,253)	(13,401)	3,275,892
Total Aviation capital assets, net	$ 4,634,971	$ 595,882	$ (82,684)	$ 5,148,169

WATER & SEWER	Balance September 30, 2007	Additions	Deletions	Balance September 30, 2008
Capital assets, not being depreciated:				
Land	$ 38,274	$ 136	$ (739)	$ 37,671
Construction in progress	404,010	183,860	(161,399)	426,471
Total capital assets, not being depreciated	442,284	183,996	(162,138)	464,142
Capital assets, being depreciated:				
Infrastructure	3,360,231	165,751	(2,338)	3,523,644
Machinery and equipment	823,017	23,010	(9,769)	836,258
Total capital assets, being depreciated	4,183,248	188,761	(12,107)	4,359,902
Less accumulated depreciation for:				
Infrastructure	(1,135,086)	(110,371)	2,337	(1,243,120)
Machinery and equipment	(571,502)	(44,712)	9,893	(606,321)
Total accumulated depreciation	(1,706,588)	(155,083)	12,230	(1,849,441)
Total capital assets, being depreciated, net	2,476,660	33,678	123	2,510,461
Total Water and Sewer capital assets, net	$ 2,918,944	$ 217,674	$ (162,015)	$ 2,974,603

PHT				
Capital assets, not being depreciated:				
Land	$ 36,635			$ 36,635
Construction in progress	64,426	$ 22,799	$ (5,633)	81,592
Total capital assets, not being depreciated	101,061	22,799	(5,633)	118,227
Capital assets, being depreciated:				
Buildings and building improvements	494,128	11,620	3	505,751
Infrastructure	29,445	370	85	29,900
Machinery and equipment	343,367	45,076	(1,872)	386,571
Total capital assets, being depreciated	866,940	57,066	(1,784)	922,222
Less accumulated depreciation for:				
Buildings and building improvements	(275,291)	(20,722)		(296,013)
Infrastructure	(18,879)	(1,158)		(20,037)
Machinery and equipment	(226,531)	(28,767)	2,679	(252,619)
Total accumulated depreciation	(520,701)	(50,647)	2,679	(568,669)
Total capital assets, being depreciated, net	346,239	6,419	895	353,553
Total PHT capital assets, net	$ 447,300	$ 29,218	$ (4,738)	$ 471,780

Depreciation expense was charged to the different functions of governmental activities as follows (in thousands):

Governmental Activities
Depreciation Expense by Function
(in thousands)

Function	Amount
Policy formulation and general government	$ 37,070
Protection of people and properties	22,672
Physical environment	1,084
Transportation	47,888
Health	805
Socio-economic environment	6,463
Culture and recreation	22,142
Total depreciation expense - governmental activities	$ 138,124

Depreciation expense was charged to the different functions of business-type activities as follows (in thousands):

Business-type Activities
Depreciation Expense by Function
(in thousands)

Function	Amount
Mass transit	$ 71,940
Solid waste collection	9,505
Solid waste disposal	25,779
Seaport	19,863
Aviation	138,117
Water	60,859
Sewer	94,022
Public health	50,447
Other	3,142
Total depreciation expense - business-type activities	$ 473,674

Note 5 – Leases

Lease Leaseback Transactions

General Segment - During fiscal year 1998, the County entered into a three party Lease/Sublease agreement with Dana Commercial Credit Corporation ("Dana") regarding the leasing rights of the Stephen P. Clark Center (the "Metro Center"). The terms of the Lease/Sublease agreement provide for the leasing of the County's leasing rights of the Metro Center to a third party, Wilmington Savings as trustee for Redade, a subsidiary of Dana, which in turn subleases the asset back to the County for a period of 29 years, commencing June 1, 1998. During this time period, the County retains title and control of the facility. The building facility is included in the capital assets of the County in the government-wide Statement of Net Assets.

At closing, the County received a total of $79 million, of which $3.7 million was considered an up-front payment and was recognized as revenue in fiscal year 1998. $57 million of the remaining $75.3 million was deposited with a financial institution and the proceeds will be used to meet the payment obligations by the County under the sublease agreement. The remaining $18 million will mature to an amount sufficient, approximately $49 million, to fully defease its sublease obligations and buy-out option, 17.5 years subsequent to the commencing date. There is a purchase option allowed under the agreement in the year 2015.

The total original minimum lease payments of approximately $125 million will be amortized on a straight-line basis over the life of the lease term. This Lease/Sublease agreement has been accounted for as a non-cancelable operating lease as part of the other nonmajor governmental funds. Refer to Note 14 – Subsequent Events, concerning this lease / leaseback agreement.

The future minimum lease payments are as follows (in thousands):

Year Ending September 30,	
2009	$ 4,896
2010	5,029
2011	5,171
2012	5,324
2013	5,488
2014-2018	64,851
	$ 90,759

Transit Agency - During fiscal year 1997, the County entered into a three party lease-in/lease-out arrangement ("Lease 1") with the Bank of New York Leasing Corporation for a total of 134 commuter rail cars. The agreements provide for the lease of the equipment owned by the County to a financial party lessee and the lessee, in turn, subleases such equipment back to the County for a period ranging from 22 to 24 years commencing May 1997. At the time of the transaction, the County received from the financial party lessee the total minimum rental payments required under the lease of approximately $95 million.

The County deposited $70,350,000 with a financial institution sufficient to meet all of its payment obligations under the terms of the sublease and acquired $17,583,000 in United States Treasury Strips that will mature to an amount sufficient to satisfy each agreement's purchase of the Head Lease Rights option. The funds on deposit and the United States Treasury Strips have been included as restricted assets in the accompanying financial statements.

In December 1998, the County entered into a second lease-in/lease-out arrangement (“Lease 2"). The agreement which was entered into with NationsBanc Leasing and Finance, provided for the lease of six different facilities owned by the County to a financial party lessee and the lessee, in turn, subleased the facilities back to the County for a period of 35 years. At the time of commencement, the County received from the financial party approximately $133 million.

The County deposited approximately $120.9 million with a financial institution sufficient to meet all its payment obligations under the terms of the sublease agreement and buy-out options, ranging from 19 to 20 years subsequent to the commencing date.

On August 14, 2002, a portion of the third lease-in/lease-out arrangement (QTE Lease) commenced. This agreement which was entered into with the Bank of America Leasing & Capital Group, provided for the lease of certain Qualified Technological Equipment owned by the County and consisted of the MDT control system. The agreement provided for the lease of the equipment to a financial party lessee and the sublease of such equipment back to the County for a period of 16 years.

At the time of commencement, the County received from the financial party a total of approximately $239 million. The County deposited approximately $229 million with a financial institution sufficient to meet all its payment obligations.

On April 7, 2008, MDT and Equity Trust entered into an early buyout and amendment agreement on the 134 rail cars lease agreement whereby the County and MDT exercised its purchase option and paid the purchase option price. In the purchase option, the County and MDT assumed all of the obligations of Lessor and headlessee thereby terminating the 1997 agreement. Upon the execution of the early buyout, all equity collateral was automatically released from the lien of the pledge and security agreement and the obligations of the Custodian (MDT) under the custody agreement were automatically terminated.

The balance in the Investment and the Capital lease payable of $36,521,000 were closed and the remaining unamortized upfront benefit of $4,592,000 was fully amortized to income. In addition, the purchase option provided for the County to receive $200,000 as termination fee.

Refer to Note 14 – Subsequent Events, concerning these lease / leaseback agreements.

Future minimum lease payments are as follows (in thousands):

Year Ending September 30,	
2009	$ 26,351
2010	26,495
2011	26,519
2012	26,584
2013	62,186
2014-2018	308,049
	476,184
Less amount representing interest	(139,393)
Present value of minumum sublease payments	$ 336,791

Operating Leases

General Segment – The County leases various facilities under noncancelable operating leases. Total cost for the leases was $16.6 million for the year ended September 30, 2008. The future minimum lease payments for these leases are as follows (in thousands):

Year Ending September 30,		
2009	$	14,410
2010		10,981
2011		7,632
2012		3,521
2013		1,699
2014-2018		3,717
2019-2023		3,717
2024-2028		3,709
2029-2033		2,800
2034-2038		375
	$	52,561

Public Health Trust – The Public Health Trust leases various equipment and facilities under operating leases. Rent expense for all operating leases was approximately $14.496 million in 2008. At September 30, 2008, future minimum lease payments by year under non-cancelable operating leases are as follows (in thousands):

Year Ending September 30,		
2009	$	9,690
2010		7,618
2011		7,033
2012		5,329
2013		5,329
	$	34,999

Aviation - The major portion of the Aviation Department's property, plant and equipment is held for lease. Substantial portions of the leases are cancelable and provide for periodic adjustment to rental rates to maximize operational flexibility. The non-cancelable lease agreements also provide for periodic adjustments to the rental rates. All leases are classified as operating leases. The Aviation Department recognized $103.483 million of rental income for the year ended September 30, 2008.

In addition, the Aviation Department leases certain properties under management and concession agreements. Certain of these leases provide for minimum rentals plus a specified percentage of the tenants' gross revenues. The agreements generated revenues of $103.989 million during the year ended September 30, 2008. At September 30, 2008 minimum rentals under such lease agreements are as follows (in thousands):

Year Ending September 30,	
2009	$ 64,947
2010	60,496
2011	50,549
2012	43,649
2013	39,235
2014-2018	59,254
2019-2023	32,294
2024-2028	21,329
2029-2033	7,148
2034-2038	5,660
2039-2043	3,133
2044-2048	1,804
2049-2053	962
	$ 390,460

Note 6 – Disaggregation of Accounts Receivable and Accounts Payable Balances

Accounts Receivable

Receivables are comprised of amounts owed to the County by customers, patients, carriers and others that conduct business with the County and are expected to be collected within a year. Receivables in the General Fund are 31% customer receivables, 39% utilities taxes for the month of September, and the remaining amount due from other entities. Receivables in the Other Governmental Funds are 82% from Fire Department transport fees, 12% from Miami Dade Housing Department's tenants and others, and 6% from miscellaneous charges. Net receivables in the Business-type Activities are 66% due from patients and carriers, 19% due from water and sewer customers, 9% due from airlines and concessionaires, 3% from solid waste disposal and collection customers, 2% from water ports and terminal charges, and the remaining 1% from transit fees and rental facility fees.

	Accounts	Allowance for uncollectible accounts	Total Net Receivables
Governmental activities:			
General Fund	$ 13,944	$ (2,136)	$ 11,808
Internal Service Fund	1,198		1,198
Other Governmental Funds	79,860	(54,694)	25,166
Total - governmental activities	$ 95,002	$ (56,830)	$ 38,172
Business-type activities:			
Public Health Trust	$ 756,437	$ (474,432)	$ 282,005
Water and Sewer Department	108,229	(24,411)	83,818
Aviation Department	50,122	(12,989)	37,133
Miami-Dade Transit	2,462	(2,117)	345
Seaport Department	14,229	(4,857)	9,372
Solid Waste Department	14,341	(1,321)	13,020
Other Non-major proprietary	1,160		1,160
Total - business-type activities	$ 946,980	$ (520,127)	$ 426,853

Accounts Payable

Accounts payable and accrued expenses at September 30, 2008, were as follows (in thousands):

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General	$ 69,603	$ 33,253	$ 102,856
Other non-major governmental	110,525	5,332	115,857
Internal Service Fund	1,344		1,344
Total - governmental activities	$ 181,472	$ 38,585	$ 220,057
Business-type activities:			
Miami-Dade Transit	$ 30,449	$ 6,784	$ 37,233
Solid Waste Department	15,918	1,612	17,530
Seaport Department	10,080	739	10,819
Aviation Department	205,150	4,187	209,337
Water and Sewer Department	41,499	5,601	47,100
Public Health Trust	164,832	30,962	195,794
Other Non-major proprietary	2,945	179	3,124
Total - business-type activities	$ 470,873	$ 50,064	$ 520,937

Note 7 - Self-Insurance Program

The County's Risk Management Division (RMD) administers workers' compensation and general liability self-insurance programs. A large portion of the group medical insurance program is also self-insured and is managed by an independent third party administrator. The County continues to offer one fully insured HMO program. The County purchases commercial property insurance for County-owned properties, but maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. The County purchases commercial insurance in certain instances due to exposure to loss and/or contractual obligations.

The estimated liability for reported and unreported claims of the self-insurance programs administered by RMD is determined annually based on the estimated ultimate costs of settling claims, past experience adjusted for current trends, and other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and application of historical experience. The estimate of incurred but not reported losses is based on historical experience and is performed by an independent actuary.

The Risk Management Division also administers the self-insurance program for the Enterprise Funds. Water and Sewer only participates in the workers' compensation and certain group health self-insurance programs. Water and Sewer has established a self-insurance program for general and automobile liability exposures. RMD administers the claims on their behalf. The Public Health Trust (the Trust) maintains its own self-insurance programs for general and professional liability claims. Until 1/1/08, the County acted as the servicing agent for the Trust's self-insurance worker's compensation program. The Trust participates in the County's benefit programs, including the self insured medical plan and the fully insured dental and life insurance programs. The RMD places and administers a commercial property insurance program for Trust properties.

The Aviation Department pays premiums to commercial insurance carriers for airport liability insurance, construction wrap-up insurance and participates in the County's property insurance program. The airport liability coverage provides comprehensive general liability, contractual liability, personal injury and on-site automobile liability at all airports.

The County's Self-Insurance Internal Service Fund has an accumulated deficit of approximately $22.9 million for various self-insurance programs administered by the County. The County has implemented an action plan in an effort to reduce the accumulated deficit. County management believes that the deficit will be made up over a reasonable period of time.

Changes in the Internal Service Fund estimated liability amount for fiscal years 2007 and 2008 are as follows (in thousands):

	Workers Compensation	General, Auto, and Police Liability	Group Health	Other	Total
Balance as of October 1, 2006	$ 123,044	$ 33,819	$ 17,942		$ 174,805
Claims paid	(54,715)	(40,910)	(128,685)	$ (3,723)	(228,033)
Claims and changes in estimates	95,241	30,751	131,525	3,723	261,240
Liabilities as of September 30, 2007	$ 163,570	$ 23,660	$ 20,782		$ 208,012
Claims paid	(69,145)	(40,749)	(119,197)	$ (4,321)	(233,412)
Claims and changes in estimates	60,369	45,206	122,251	4,321	232,147
Liabilities as of September 30, 2008	$ 154,794	$ 28,117	$ 23,836		$ 206,747

Changes in estimated liabilities for the Water and Sewer Department and the Public Health Trust for fiscal years 2007 and 2008 are as follows (in thousands):

	Water & Sewer Department	Public Health Trust	Total
Balance as of October 1, 2006	$ 3,537	$ 35,183	$ 38,720
Claims paid	(609)	(2,493)	(3,102)
Claims and changes in estimates	1,175	3,539	4,714
Liabilities as of September 30, 2007	$ 4,103	$ 36,229	$ 40,332
Balance as of October 1, 2007	$ 4,103	$ 36,229	$ 40,332
Claims paid	(484)	(13,535)	(14,019)
Claims and changes in estimates	40	8,423	8,463
Liabilities as of September 30, 2008	$ 3,659	$ 31,117	$ 34,776

Note 8 – Long-Term Debt

LONG-TERM LIABILITY ACTIVITY

Changes in long-term liabilities for the year ended September 30, 2008 are as follows (amounts in thousands):

	Beginning Balance September 30, 2007	Additions	Reductions	Ending Balance September 30, 2008	Due Within One Year
Governmental Activities					
Bonds, loans and notes payable:					
General obligation bonds	$ 472,236	99,600	$ (48,240)	$ 523,596	$ 8,400
Special obligation bonds	1,761,161	$ 50,435	(44,723)	1,766,873	68,990
Current year accretions of interest		26,344		26,344	
Loans and notes payable	253,591	45,780	(21,441)	277,930	22,233
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	32,554	3,027	(2,740)	32,841	
Total bonds, loans and notes payable	2,519,542	225,186	(117,144)	2,627,584	99,623
Other liabilities:					
Compensated absences	360,774	166,402	(143,021)	384,155	104,147
Estimated insurance claims payable	208,012	232,147	(233,412)	206,747	63,376
Other postemployment benefits		15,397	(5,229)	10,168	
Departure Incentive Plan	3,316		(542)	2,774	643
Arbitrage rebate liability	3,098	(208)		2,890	
Capital Lease	11,149		(291)	10,858	310
Other	28,418	15,132	(3,461)	40,089	3,068
Total governmental activity long-term liabilities	$ 3,134,309	$ 654,056	$ (503,100)	$ 3,285,265	$ 271,167
Business-type Activities					
Bonds, loans, and notes payable:					
Revenue bonds	$ 6,146,050	$ 1,678,335	$ (963,738)	$ 6,860,647	$ 131,953
General obligation bonds	138,510		(3,940)	134,570	4,200
Special obligation bonds	41,460		(6,045)	35,415	6,305
Current year accretions of interest	3,950	1,740		5,690	
Loans and notes payable	647,889	6,220	(104,377)	549,732	21,932
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(48,650)	32,306	6,779	(9,565)	
Commercial paper notes	70,295	330,871	(401,166)		
Total bonds, loans and notes payable	6,999,504	2,049,472	(1,472,487)	7,576,489	164,390
Other liabilities:					
Estimated insurance claims payable	40,332	8,463	(14,019)	34,776	7,344
Compensated absences	201,181	96,133	(74,378)	222,936	139,737
Other postemployment benefits		5,485		5,485	
Environmental remediation liability	107,839	731	(13,204)	95,366	7,365
Liability for landfill closure/post closure care costs	108,718	14,467	(9,682)	113,503	6,583
Lease agreements	393,887	526	(39,946)	354,467	32,211
Other	53,841	17,677	(8,692)	62,826	1,269
Total business-type activities long-term liabilities	$ 7,905,302	$ 2,192,954	$ (1,632,408)	$ 8,465,848	$ 358,899

Changes in long-term liabilities for the County's major enterprise funds are as follows (in thousands):

	Beginning Balance September 30, 2007	Additions	Reductions	Ending Balance September 30, 2008	Due Within One Year
Miami-Dade Transit Agency (MDTA)					
Bonds and loans payable:					
Revenue bonds	$ 132,192	$ 224,130	$ (2,142)	$ 354,180	$ 5,128
Special obligation bonds	25,205		(3,760)	21,445	3,915
Loans payable	119,980		(88,021)	31,959	5,343
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	6,448	3,501	(37)	9,912	
Total bonds and loans payable	283,825	227,631	(93,960)	417,496	14,386
Other liabilities:					
Compensated absences	33,523	21,989	(19,449)	36,063	13,087
Other postemployment benefits		1,870		1,870	
Lease agreements	375,326		(38,535)	336,791	26,351
Other	17,631		(5,829)	11,802	1,236
Total long-term liabilities - MDTA	$ 710,305	$ 251,490	$ (157,773)	$ 804,022	$ 55,060
Solid Waste Department					
Bonds and loans payable:					
Revenue bonds	$ 196,231		$ (11,924)	$ 184,307	$ 14,384
Special obligation bonds	16,255		(2,285)	13,970	2,390
Current year accretions of interest	3,950	$ 1,740		5,690	
Loans and notes payable	10117		(1,206)	8,911	1,213
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	1,634		141	1,775	
Total bonds and loans payable	228,187	1,740	(15,274)	214,653	17,987
Other liabilities:					
Compensated absences	14,112	9,700	(8,889)	14,923	3,811
Other postemployment benefits		501		501	
Liability for landfill closure/postclosure care costs	108,718	14,467	(9,682)	113,503	6,583
Other	1,191	75	(163)	1,103	
Total long-term liabilities - Solid Waste	$ 352,208	$ 26,483	$ (34,008)	$ 344,683	$ 28,381

	Beginning Balance September 30, 2007	Additions	Reductions	Ending Balance September 30, 2008	Due Within One Year
Seaport					
Bonds and loans payable:					
Revenue bonds	$ 64,575		$ (3,180)	$ 61,395	$ 3,395
General obligation bonds	138,510		(3,940)	134,570	4,200
Loans payable	345,306		(3,500)	341,806	3,500
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(9,450)	$ (2,134)	778	(10,806)	
Total bonds and loans payable	538,941	(2,134)	(9,842)	526,965	11,095
Other liabilities:					
Compensated absences	4,779	2,979	(1,923)	5,835	1,546
Other postemployment benefits		215		215	
Environmental remediation liability	2,438	731	(23)	3,146	
Lease agreements	5,794		(1,411)	4,383	1,562
Other	1,337	8	(925)	420	33
Total long-term liabilities - Seaport	$ 553,289	$ 1,799	$ (14,124)	$ 540,964	$ 14,236
Aviation					
Bonds, loans, and notes payable:					
Revenue bonds	$ 3,997,560	$ 1,011,350	$ (486,545)	$ 4,522,365	$ 63,250
Loans payable	54,710		(1,615)	53,095	1,480
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(29,412)	(120)	4,370	(25,162)	
Commercial paper notes	70,295	330,871	(401,166)		
Total bonds, loans and notes payable	4,093,153	1,342,101	(884,956)	4,550,298	64,730
Other liabilities:					
Compensated absences	24,803	13,394	(10,998)	27,199	7,313
Other postemployment benefits		679		679	
Environmental remediation liability	105,401		(13,181)	92,220	7,365
Lease agreements	12,767	526		13,293	4,298
Other		4,017		4,017	
Total long-term liabilities - Aviation	$ 4,236,124	$ 1,360,717	$ (909,135)	$ 4,687,706	$ 83,706

	Beginning Balance September 30, 2007	Additions	Reductions	Ending Balance September 30, 2008	Due Within One Year
Water and Sewer Department					
Bonds and loans payable:					
Revenue bonds	$ 1,451,555	$ 442,855	$ (454,395)	$ 1,440,015	$ 40,236
Loans payable	117,776		(9,833)	107,943	10,187
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	(19,960)	30,545	1,527	12,112	
Total bonds and loans payable	1,549,371	473,400	(462,701)	1,560,070	50,423
Other liabilities:					
Estimated insurance claims payable	4,103	40	(484)	3,659	1,474
Compensated absences	33,039	35,607	(33,039)	35,607	11,688
Other postemployment benefits		1,098		1,098	
Other	31,935		(1,775)	30,160	
Total long-term liabilities - Water and Sewer Dept.	$ 1,618,448	$ 510,145	$ (497,999)	$ 1,630,594	$ 63,585
Public Health Trust (PHT)					
Bonds and loans payable:					
Revenue bonds	$ 300,000		$ (4,745)	$ 295,255	$ 4,910
Add/subtract deferred amounts:					
For bond issuance premiums/discounts/refundings	2,090	$ 514		2,604	
Total bonds and loans payable	302,090	514	(4,745)	297,859	4,910
Other liabilities:					
Estimated insurance claims payable	36,229	8,423	(13,535)	31,117	5,870
Compensated absences	89,735	12,185		101,920	101,920
Other postemployment benefits		1,122		1,122	
Other	1,747	13,577		15,324	
Total long-term liabilities - Public Health Trust	$ 429,801	$ 35,821	$ (18,280)	$ 447,342	$ 112,700

Compensated absences have typically been liquidated in the General Fund, other governmental funds and enterprise funds. Liabilities for landfill and postclosure care costs have been liquidated in the Solid Waste enterprise fund. Legal contingencies have typically been liquidated in the General Fund. Insurance claims liabilities have typically been liquidated in the Self-Insurance Internal Service Fund and in the enterprise funds. The Self-Insurance Internal Service Fund predominantly serves the governmental funds. When an internal service fund predominantly serves governmental funds the residual balances of the internal service fund should be reported as part of governmental activities. Therefore, the long-term liabilities of the fund are included in the above totals for governmental activities.

Demand Bonds

At September 30, 2008, the County had $1,100,000 of Capital Asset Acquisition Floating / Fixed Rate Special Obligation Bonds, Series 1990 (the “Bonds”) that were due within seven days of demand by the holder at a price equal to principal plus accrued interest. The County’s remarketing agent is authorized to use its best efforts to sell the repurchased bonds at par by adjusting the interest rate.

Under a standby bond purchase agreement (the “Agreement”) issued by a bank, the fiscal agent can draw amounts sufficient to repurchase the Bonds if they cannot be resold by the remarketing agent. In the absence of monies available under the Agreement, the monies will be drawn under an irrevocable letter of credit. The letter of credit has a stated termination date of November 1, 2012. There was $200,000 outstanding under the letter of credit at September 30, 2008.

Long-Term Debt -- Governmental Activities

Long-term debt of the County's governmental activities include general and special obligation bonds, installment purchase contracts and loan agreements that are payable from property tax levies and specific revenue sources. General obligation bonds are payable from unlimited ad valorem taxes on all taxable real and tangible personal property of the County, and are backed by the full faith, credit and taxing power of the County. Special obligation bonds are limited obligations of the County, payable solely from and secured by pledged non-ad valorem revenues of the County. Neither the full faith and credit nor the taxing power of the County is pledged to the payment of the special obligation bonds. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days. Debt service requirements for interest on variable-rate debt was calculated using the rates in effect as of September 30, 2008.

Annual debt service requirements to maturity are as follows (in thousands):

Long-Term Bonded Debt, Governmental Activities
(amounts in thousands)

Maturing in	General Obligation Bonds		Special Obligation Bonds		Loans and Notes Payable	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 8,400	$ 28,263	$ 68,990	$ 58,304	$ 22,233	$ 12,337
2010	8,835	27,701	55,644	59,066	23,585	11,398
2011	9,300	27,107	72,078	59,818	23,883	10,389
2012	9,780	26,474	61,178	58,352	24,531	9,364
2013	9,955	25,812	62,646	57,253	23,246	8,308
2014-2018	53,896	117,796	352,677	303,985	94,808	26,908
2019-2023	73,505	98,202	337,458	294,733	41,437	10,697
2024-2028	116,275	74,521	392,113	304,373	24,207	2,097
2029-2033	147,040	43,747	520,226	343,983		
2034-2038	86,610	8,724	478,178	236,423		
2039-2043			53,329	91,285		
	523,596	478,347	2,454,517	1,867,575	277,930	91,498
Less:						
Unaccreted value			(661,300)			
Accretions to date				(175,664)		
Add:						
Unamortized premium / discount and deferred charges on bond refundings			32,841			
Total	$ 523,596	$ 478,347	$ 1,826,058	$ 1,691,911	$ 277,930	$ 91,498

Long-Term Debt – Business-type Activities

Long-term debt of business-type activities includes revenue bonds, special obligation bonds and loans payable from specified revenues of the County's enterprise funds. Also included are general obligation bonds issued on behalf of the Seaport Department, which will be paid from Seaport revenues and, to the extent those revenues are insufficient, from ad valorem taxes. Interest on variable-rate bonds, currently in an auction rate mode, is based on the BMA index and is currently reset every 28 days. Debt service requirements for interest on variable-rate debt was calculated using the rates in effect as of September 30, 2008.

Annual debt service requirements to maturity are as follows (in thousands):

Maturing in Fiscal Year	Revenue Bonds Principal	Revenue Bonds Interest	General Obligation Bonds Principal	General Obligation Bonds Interest	Special Obligation Bonds Principal	Special Obligation Bonds Interest	Loans and Notes Payable Principal	Loans and Notes Payable Interest
2009	$ 131,953	$ 309,146	$ 4,200	$ 6,945	$ 6,305	$ 1,707	$ 21,932	$ 15,705
2010	130,530	337,468	4,470	6,663	6,560	1,440	26,431	16,047
2011	140,035	331,171	4,755	6,363	6,875	1,117	26,229	14,824
2012	139,044	326,398	5,070	6,079	7,255	778	26,957	13,971
2013	144,598	320,311	5,330	5,812	7,605	416	39,619	15,016
2014-2018	812,865	1,495,660	31,030	24,562	815	78	115,063	50,824
2019-2023	987,665	1,257,537	39,840	15,527			82,753	36,413
2024-2028	1,169,354	978,753	39,875	4,214			89,027	25,528
2029-2033	1,042,387	697,475					105,720	9,955
2034-2038	1,172,180	433,653					16,001	577
2039-2043	1,002,310	130,807						
	6,872,921	6,618,379	134,570	76,165	35,415	5,536	549,732	198,860
Less:								
Unaccreted value	(6,584)							
Accretions to date		(5,690)						
Unamortized discount and deferred amounts	(26,010)		(7,749)				(2,134)	
Add:								
Unamortized bond premium	25,072				1,256			
Total	$ 6,865,399	$ 6,612,689	$ 126,821	$ 76,165	$ 36,671	$ 5,536	$ 547,598	$ 198,860

Public Health Trust Bonds Payable

The Series 2005 Bonds (the Bonds) are secured by the gross revenues of the Public Health Trust (the Trust). The Bonds are subject to certain covenants included in Ordinance No. 05-49 (the Ordinance), together with certain ordinances and Series resolutions, which authorize and issue the Bonds by and between the Trust and the County. In addition, the Trust must comply with certain covenants included in the Bond insurance agreements.

The Ordinance contains significant restrictive covenants including, among other items, the requirement to maintain a minimum long-term debt service coverage ratio, to make scheduled monthly deposits to the debt service fund, maintenance of insurance on the Trust's facilities and limitations on the incurrence of additional debt. In general, the bond insurance agreement contains the same covenants as the Ordinance.

Commercial Paper Notes (Short-term Debt to be Refinanced on a Long-Term Basis)
On September 30, 2008, the County had no outstanding Aviation Commercial Paper Notes.

State Infrastructure Bank Note
On February 6, 2007, the Board of County Commissioners approved the construction of the N.W. 25th Street Viaduct Project (Viaduct Project) by the Florida Department of Transportation (FDOT) and approved a County loan in the amount of $50 million from the FDOT State Infrastructure Bank to fund the County's share of the total cost of the Viaduct Project. FDOT and the County subsequently entered into a joint participation agreement on March 12, 2007 whereby FDOT will construct the Viaduct Project and closed on the loan on March 21, 2007. The loan is secured by a County covenant to annually budget and appropriate from County legally available non-ad valorem revenue funds sufficient to pay debt service costs.

The funds are held in escrow by the FDOT State Infrastructure Bank for the construction of the project. As of September 30, 2008, cash held in escrow by agent totaled $29.8 million (included in "Other Restricted Assets").During fiscal year 2008 there were drawdowns totaling $20.2 million.As of September 30, 2008, the outstanding loan balance was $50 million. The loan bears interest at 2% per annum. The maturity date of the loan is October 1, 2019 and the first scheduled payment of $5 million is due on October 1, 2009.

Long-Term Debt Issued During the Year

The table below describes bonds and loans that were issued during the year (other than commercial paper) for governmental and business-type activities (in thousands):

Date Issued	Description	Purpose	Interest Rate Range	Final Maturity Date	Original Amount Issued
BONDS:					
12/20/07	Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007C (AMT)	To refund Series 1996A, 1996B, 1996C, and 1997B bonds.	5.00-5.25%	10/1/26	$ 367,700,000
12/20/07	Miami-Dade County, Florida Aviation Revenue Refunding Bonds, Series 2007D (NON-AMT)	To refund Series 1996A, 1996B, 1996C, and 1997B bonds.	4.00-5.25%	10/1/26	$ 43,650,000
4/30/08	Miami-Dade County, Florida General Obligation Bonds (Building Better Communities Program) Series 2008A	To finance partial contribution of the County's obligation to pay a portion of the cost of the Port Tunnel Project or to pay a portion of the cost of other bridges, public infrastructure and neighborhood improvements approved in the Infrastructure Authorizing Resolution	4.00-5.00%	7/1/38	$ 99,600,000
6/24/08	Miami-Dade County, Florida Transit System Sales Surtax Revenue Bonds, Series 2008	To pay all or a portion of the cost of certain transportation and transit projects, refund the outstanding Sunshine State Loan and pay the cost of issuance	4.75-5.00%	7/1/38	274,565,000
6/26/08	Miami-Dade County, Florida Aviation Revenue Bonds, Series 2008A (AMT)	Finance certain airport improvements associated with the Airport's Capital improvement Plan previously approved by the Board	5.25-5.50%	10/1/41	433,565,000
6/26/08	Miami-Dade County, Florida Aviation Revenue Bonds, Series 2008B (NON-AMT)	Finance certain airport improvements associated with the Airport's Capital Improvement Plan previously approved by the Board	4.00-5.00%	10/1/41	166,435,000
7/15/08	Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2008A	To pay the termination payment due in connection with the termination of the Interest Rate Swap Agreement associated with the Series 1994 Bonds	3.25-5.00%	10/1/22	68,300,000
7/15/08	Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2008B	To redeem all of the County's Water and Sewer System Revenue Bonds, Series 1994 and to pay issuance and surety costs	3.25-5.00%	10/1/22	374,555,000
LOANS:					
6/24/08	Sunshine State Governmental Financing Commission, Series L (Various Projects) - Loan #18	To pay or reimburse the County for the cost of acquiring certain capital equipment and/or constructing certain improvements for various County departments and to fund the required reserve funds	Variable	9/1/27	45,780,000
6/24/08	Sunshine State Governmental Financing Commission, Series L (Rickenbacker Causeway Projects)-Loan #18	To pay or reimburse the County for the cost of acquiring certain capital equipment and/or constructing certain improvements for various County departments and to fund the required reserve funds	Variable	9/1/27	6,220,000
Total long-term debt issued during the year					$ 1,880,370,000

Current Refundings and Restructured Debt

In March 2008, the County remarketed $139,700,000 of Auction Rate Aviation Revenue Refunding Bonds, Series 2003E to Fixed Rate Bonds. The Series 2003E bonds bear stated interest rates ranging from 5.125% to 5.375%, with $70,125,000 serial bonds due October 1, 2010 to 2018 and $69,575,000 term bonds due October 1, 2024. As a result of this transaction, the Aviation Department increased its aggregate debt service payments over the next 17 fiscal years and incurred an economic loss of approximately $4,443,105. This projected economic loss is computed using prevailing interest rates at the time of refunding. However, market conditions were deteriorating and the market for auction rate securities was disappearing. Had a failed auction scenario occurred prior to the refunding, the interest rate would have defaulted to 13%. By refunding in March 2008, the Aviation Department avoided paying the default rate.

On April 10, 2008, the County refunded $11,275,000 of Capital Asset Acquisition Auction Rate Special Obligation Bonds, Series 2002B, and $17,450,000 of Capital Asset Acquisition Auction Rate Special Obligation Bonds, Series 2007B, with $11,275,000 Refunding Special Obligation Notes, Series 2008A and $17,250,000 Refunding Special Obligation Notes, Series 2008B, respectively. The Notes bear fixed interest rates, but the principal payment terms remain the same as the Bonds. The Notes are limited special obligations of the County and will be payable solely from legally available non-ad valorem revenues of the County budgeted and appropriated annually, The Series 2002B and 2007B Bonds were redeemed on May 30, 2008 and May 23, 2008, respectively. The refunding of the Bonds was undertaken as a result of the volatility in the market for auction rates securities.

In June 2008, the Sunshine State Governmental Financing Commission restructured the Miami-Dade Sunshine State Loans under the Commercial Paper Program in the original amount of $530,638,000 into the new Sunshine State Governmental Financing Commission Loans, Series 2008L, with the substitution of DEPFA as the letter of credit provider to Dexia Credit Local. Dexia has provided a three-year letter of credit which expires on June 2, 2011. The major difference between the old debt agreements and the new debt agreements was the acquisition of a letter of credit. The Letter of Credit is for a three year period (June 2, 2008 through June 2, 2011). Pursuant to the terms of the loan agreements, in the event that the credit facility provider does not extend the term of the credit facility and the County and the Sunshine State Governmental Financing Commission are unable to provide an alternate credit facility, the County shall prepay the loan in full by paying the then allocable optional prepayment price on or before 60 days prior to the expiration of the credit facility. The restructuring had no effect on the terms, principal payments or amortization of the loans. The Series 2008L loan balance as of September 30, 2008 was $512,978,000.

In July 2008, the County issued $374,555,000 of Series 2008B Miami-Dade County Water and Sewer System Revenue Refunding Bonds to redeem all of the County's Water and Sewer System Revenue Bonds, Series 1994, and to pay issuance and surety costs. Although the refunding resulted in a deferred charge of $1.4 million, the Water and Sewer Department reduced its aggregate debt service payments by $13.7 million. The refunding of the Series 1994 Bonds "triggered" the termination of the Interest Swap Agreement associated with the Series 1994 Bonds, which resulted in a termination payment in the amount of $76,400,000. The County issued $68,300,000 of Water and Sewer System Revenue Bonds, Series 2008A, to partially fund the termination payment. The Series 2008A and Series 2008B Bonds were issued as fixed rate bonds, with final maturity on 2022.

In September 2008, the County remarketed and converted $45,850,000 of Juvenile Courthouse Auction Rate Bonds, Series 2003B, to Variable Rate Demand Bonds (VRDBs) in a weekly mode. The liquidity for the Series 2003B Bonds is being provided by an irrevocable direct-pay letter of credit issued by a financial institution. The letter of credit is subject to renewal on September 1, 2011. Prior to this action, the Series 2003B Bonds were Auction Rate Bonds, for which there was no market. The conversion and remarketing of these Auction Rate Bonds to VRDBs in a weekly mode resulted in cost savings due to favorable interest rates achieved in the short-term market. There was no change in the original structure of the Series 2003B Bonds, which remained term bonds with final maturity on April 1, 2023.

Defeased Debt – Advance Refundings

In December 2007, the County issued $367,700,000 of Series 2007C Aviation Revenue Bonds and $43,650,000 of Series 2007D Aviation Revenue Bonds, all of which remains outstanding as of September 30, 2008. The Series 2007C and 2007D were issued to refund Series 1996A, 1996B, 1996C, and 1997B. The Series 2007C bonds bear stated interest rates ranging from 5.00% to 5.25%, with $367,000,000 serial bonds due October 1, 2008 to 2026. The Series 2007D bonds bear stated interest rates ranging from 4.00% to 5.25%, with $43,650,000 serial term bonds due October 1, 2008 to 2026. The advance refunding of Series 1996A, 1996B, 1996C, and 1997B resulted in a deferred accounting loss of approximately $19,594,097 for the fiscal year ended September 30, 2008. As a result of this transaction, the Aviation Department decreased its aggregate debt service payments by $36,640,646 over the next 18 years and realized an economic gain of $23,069,106.

In prior years, the County defeased certain debt as listed in the table below (in thousands), by placing the proceeds of new bond issues in an irrevocable trust to provide for all future debt service payments of the defeased debt. Such proceeds are invested in direct obligations of the U.S. government, and in the opinion of the County and its Bond Counsel, will provide for all future debt service payments on the defeased debt. Accordingly, the trust account's assets and the liability for the defeased debt are not included in the accompanying financial statements.

Type	Series	Date of Defeasance	Call Date	Final Maturity Defeased	Principal Amount Defeased	Principal Outstanding, September 30, 2008
Special Obligation Bonds:						
Sports Franchise Facilities Tax	1992B	07/09/98	10/01/11	10/01/22	$ 59,609	$ 7,500
Sports Franchise Facilities Tax	1995	07/09/98	10/01/30	10/01/30	30,162	29,256
Special Obligation (CDT)	1996B	12/18/97	10/01/08	10/01/33	75,120	69,766
Total Special Obligation Bonds Defeased					$ 164,891	$ 106,522
Revenue Bonds and Loans:						
Rickenbacker Causeway	1983	08/29/85	10/01/08	10/01/08	$ 5,225	$ 2,420
Total Revenue Bonds and Loans Defeased					$ 5,225	$ 2,420

Interest Rate Swap Agreements

As a debt management tool, the County has entered into several swap transactions.

The Fair Value of Swap is determined at September 30, 2008 based on the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipates future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Below is a recap in chart form of the swaps in effect as of September 30, 2008.

Water and Sewer

Objective
To obtain a lower fixed rate than what was available in the Bond Market and to obtain the lower cost of borrowing.

	Date of Execution	Notional Amount	Termination Date (1)	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Paid Termination Value 7/15/08
1	2/4/94	$416,075,000 amortizing in step with the Bonds.	10/5/22	W&S Series 94	Fixed – 5.28%	Variable – Bond Rate	Aa2, AA, AA	($76,400,000)

(1) The swap was terminated on July 15, 2008.

In July 2008, $374,555,000 of Series 2008B Miami-Dade County Water and Sewer System Revenue Refunding Bonds were issued to redeem all of the County's Water and Sewer System Revenue Bonds, Series 1994, and to pay issuance and surety costs. In conjunction with the refunding of the County's Water and Sewer System Revenue Bonds, Series 1994, the County terminated a swap associated with these bonds. The County issued Water and Sewer System Revenue Bonds, Series 2008A, in the amount of $68,300,000 to partially pay the termination value of $76,400,000.

	Date of Execution	Notional Amount	Termination Date [1]	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/08
2	10/1/05	$295,240,000 amortizing in step with the Bonds.	10/1/25	W&S Series 2005	Fixed – 5.27%	SIFMA	Aaa, AA+, AA	($53,042,681)

[1] The swap was terminated on November 19, 2008.

Using rates as of September 30, 2008 debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows [1].

Fiscal Year Ending 09/30	Variable Rate Bonds Principal	Interest [2]	Interest Rate Swap Net Payments [3]	Total
2009	$0	$14,213	$795	$15,008
2010	0	14,213	519	14,732
2011	0	14,213	225	14,438
2012	0	14,213	(86)	14,127
2013	5,460	14,213	(397)	19,276
2014-2018	32,135	68,945	(2,019)	99,061
2019-2023	42,145	64,625	(2,258)	104,512
2024-2026	215,500	24,773	(6,422)	233,851
Total	$295,240	$229,408	($9,643)	$515,005

[1] In thousands.

[2] Interest rate on the Bonds on September 30, 2008 was 2.40707%.

[3] The rate is calculated as the difference between the variable rate paid by the counterparty to the County (2.40707%) and the fixed rate paid by County to the counterparty (5.27%) as of September 30, 2008 (2.40707% - 5.27%= -2.86293%).

	Execution Date	Notional Amount	Termination Date [(1)]	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Termination Value Paid 6/15/08
3	12/15/93	$215,000,000 amortizing in step with the Bonds commencing 9/25/15.	6/15/20 with option to terminate 6/15/08 [(1)]	W&S Series 07	SIFMA – after 6/15/08, to 6/15/20	Fixed – 4.902%	A1, A+, A+	$0

(1) The swap was terminated on June 15, 2008. Option to terminate was embedded in the fixed rate of the Swap at time option was purchased. The County recognized the benefit of the option in a higher fixed receiver rate on the Swap. No payment by either party at termination.

	Execution Date	Notional Amount [1]	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/08
4	8/27/98	$200,000,000	10/1/26	W&S Series 07	SIFMA	Variable SIFMA plus (USD-LIBOR-BBA plus 1.455%) minus (SIFMA divided by 0.604)	Baa1, A, Rating Withdrawn [2]	($7,776,279)

(1) Amortizing in the following manner:

	Notional amount balance
10/1/21	$ 186,245,000
10/1/22	$ 167,090,000
10/1/23	$ 146,930,000
10/1/24	$ 125,715,000
10/1/25	$ 103,380,000

(2) The Counterparty is not rated by the rating agencies and was backed by an "AAA" guarantor at the time the swap was entered. The swap's rating is based on the rating of the guarantor. The guarantor was downgraded from "Aaa" to "Aa3" on 6/19/08 and then again on 11/5/08 to "Baa1" by Moodys; downgraded from "AAA" to "AA" on 6/5/08 and then again on 11/19/08 to "A" by S&P, and had its "AAA" rating withdrawn on 6/26/08 by Fitch.

Using rates as of September 30, 2008, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. [1] As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swap	
Ending 09/30	Principal	Interest [2]	Net Receipts [3]	Total
2009	$190	$16,418	$522	$16,086
2010	380	16,406	522	16,264
2011	10,715	16,151	522	26,344
2012	11,200	15,657	522	26,335
2013	11,695	15,176	522	26,349
2014 - 2018	66,155	68,003	2,610	131,548
2019 - 2023	82,520	50,971	2,574	130,917
2024 - 2027	161,835	22,419	1,418	182,836
Total	$344,690	$221,201	$9,212	$556,679

(1) In thousands.
(2) Interest rate on the Bonds is the actual fixed rate on the Bonds.
(3) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (2.407%+((2.407%/.604)-(2.791%+1.455%))= 2.1461% and the tax-exempt variable rate paid by County to the Counterparty 2.40707% as of September 30, 2008 (2.1461% - 2.4071%= 0. 2610%).

	Execution Date	Notional Amount (1)	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/08
5	3/6/06	$205,070,000	10/1/29	W&S Series 2007 and after the final maturity of the Series 2007 Bonds, the Series 1999A Bonds	SIFMA	Variable SIFMA plus (USD-LIBOR-BBA plus 1.580%) minus (SIFMA divided by 0.604)	Aaa, AA-, AA (2)	($3,102,286)

(1) Amortizing in the following manner:

		Notional amount balance
10/1/22	$	150,000,000
10/1/27	$	102,420,000
10/1/28	$	2,460,000

(2) The Counterparty is not rated by the rating agencies and is backed by an "Aaa" guarantor. The swap's rating is based on the rating of the guarantor.

Using rates as of September 30, 2008, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. (1) As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swap	
Ending 09/30	Principal	Interest (2)	Net Receipts (3)	Total
2009	$190	$16,418	$4,045	$12,563
2010	380	16,406	4,045	12,741
2011	10,715	16,151	4,045	22,821
2012	11,200	15,657	4,045	22,812
2013	11,695	15,176	4,045	22,826
2014 - 2018	66,155	68,003	20,227	113,931
2019 - 2023	82,520	50,971	20,227	113,264
2024 - 2028	209,415	28,730	14,795	223,350
2029 - 2030	102,420	5,184	3,055	104,549
Total	$494,690	$232,696	$78,529	$648,857

(1) In thousands.
(2) Interest rate on the Series 2007 Bonds on September 30, 2008 was 2.11728%. Interest rate on the Series 1999A Bonds is the actual fixed rate on the Bonds.
(3) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County ((90.15%*4.324%+1.5800%) = 5.47809%) and the tax-exempt variable rate paid by County to the Counterparty (2.11728%/.604=3.50543%) as of September 30, 2008 (5.47809% - 3.50543%= 1.97266%).

Special Obligation Bonds and Subordinate Special Obligation Bonds

Objective
To lower the County's overall cost of borrowing.

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/08
1	5/12/00	$77,014,295 amortizing in step with the Bonds commencing 10/1/00.	10/1/22	SOB Series 1996B	SIFMA divided by 0.604	Libor plus a constant of 1.65343%	Baa1, A, Rating Withdrawn (1)	($228,062)
2	7/21/04	$6,344,802 amortizing in step with the Bonds commencing 10/1/04.	10/1/10	SOB Series 1996B	SIFMA divided by 0.604	Libor plus a constant of 1.770%	Baa1, A, Rating Withdrawn (1)	$57,925

(1) The Counterparty is not rated by the rating agencies and was backed by an "AAA" guarantor at the time the swap was entered. The swap's rating is based on the rating of the guarantor. The guarantor was downgraded from "Aaa" to "Aa3" on 6/19/08 and then on 11/5/08 the guarantor was further downgraded to "Baa1" by Moodys, from "AAA" to "AA" on 6/5/08 and then on 11/19/08 the guarantor was further downgraded to "A" by S&P and had its "AAA" rating withdrawn on 6/26/08 by Fitch.

Using rates as of September 30, 2008, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. [1] As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swap Net Receipts		
Ending 09/30	Principal	Interest [2]	Swap 1 [3]	Swap 2 [4]	Total
2009	$2,064	$4,862	$444	$44	$6,438
2010	2,135	5,201	432	6	6,898
2011	3,696	7,270	419	0	10,547
2012	3,669	7,821	398	0	11,092
2013	3,541	8,275	377	0	11,439
2014 - 2018	0	15,478	1,783	0	13,695
2019 - 2023	0	15,478	1,427	0	14,051
2024 - 2028	0	15,478	0	0	15,478
2029 - 2034	0	18,573	0	0	18,573
2035 - 2036	61,910	3,165	0	0	65,075
Total	$77,015	$101,601	$5,280	$50	$173,286

[1] In thousands.
[2] Interest rate on the Bonds is the actual fixed rate on the Bonds.
[3] The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (2.79130% + 1.6534% = 4.4447%) and the tax-exempt variable rate paid by County to the Counterparty (2.40707%/.604 = 3.9852%) as of September 30, 2008 (4.4447% - 3.9852%= 0.4595%).
[4] The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (2.79130% + 1.7700% = 4.5613%) and the tax-exempt variable rate paid by County to the Counterparty (2.40707%/.604 = 3.9852%) as of September 30, 2008 (4.5613% - 3.9852%= 0.5761%).

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/08
3	5/12/00	$275,297,755 amortizing in step with the Bonds commencing 10/1/00.	10/1/22	Subordinate SOB Series 1997A, B & C	SIFMA divided by 0.604	Libor plus a constant of 1.65343 %	Baa1, A, Rating Withdrawn (1)	($833,019)
4	7/21/04	$127,449,502 amortizing in step with the Bonds commencing 10/1/04.	10/1/22	Subordinate SOB Series 1997A,B & C	SIFMA divided by 0.604	Libor plus a constant of 1.7700%	Baa1, A, Rating Withdrawn (1)	$150,661

(1) The Counterparty is not rated by the rating agencies and was backed by an "AAA" guarantor at the time the swap was entered. The swap's rating is based on the rating of the guarantor. The guarantor was downgraded from "Aaa" to "Aa3" on 6/19/08 and then on 11/5/08 the guarantor was further downgraded to "Baa1" by Moodys, from "AAA" to "AA" on 6/5/08 and then on 11/19/08 the guarantor was further downgraded to "A" by S&P and had its "AAA" rating withdrawn on 6/26/08 by Fitch.

Using rates as of September 30, 2008, debt service requirements of the fixed-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. (1) As rates vary, fixed-rate bond interest payments remain the same and net swap payments may vary.

Fiscal Year	Variable Rate Bonds		Interest Rate Swap Net Receipts		
Ending 09/30	Principal	Interest (2)	Swap 1 (3)	Swap 2 (4)	Total
2009	$222	$6,001	$1,586	$883	$3,754
2010	209	6,014	1,585	937	3,701
2011	745	6,543	1,583	974	4,731
2012	965	6,863	1,579	1,006	5,243
2013	1,152	7,206	1,573	1,038	5,747
2014 - 2018	28,385	75,278	7,516	5,771	90,376
2019 - 2023	33,456	113,778	5,403	5,372	136,459
2024 - 2028	37,241	166,333	0	0	203,574
2029 - 2034	47,271	288,654	0	0	335,925
2035 - 2036	125,651	83,400	0	0	209,051
Total	$275,297	$760,070	$20,825	$15,981	$998,561

(1) In thousands.
(2) Interest rate on the Bonds is the actual fixed rate on the Bonds.
(3) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (2.79130% + 1.6534% = 4.4447%) and the tax-exempt variable rate paid by County to the Counterparty (2.40707%/.604 = 3.9852%) as of September 30, 2008 (4.4447% - 3.9852%= 0.4595%).
(4) The rate is calculated as the difference between the taxable variable rate paid by the Counterparty to the County (2.79130% + 1.7700% = 4.5613%) and the tax-exempt variable rate paid by County to the Counterparty (2.40707%/.604 = 3.9852%) as of September 30, 2008 (4.5613% - 3.9852%= 0.5761%).

Special Obligation Bonds (Capital Asset Acquisition Floating Rate (CPI-MUNI))

Objective
To lower the County's overall cost of borrowing.

	Execution Date	Notional Amount	Termination Date	Associated Bonds	County Payment	Counter-party Payment	Counter-party Credit Rating	Fair Value at 9/30/08
1	4/16/04 – Effective 4/27/04	$50,000,000 amortizing in step with the Bonds commencing 4/1/05.	4/1/14	SOB Series 2004A Capital Asset Acquisition (MUNI-CPI)	SIFMA plus 0.235%	CPI plus premium[1]	Aaa, AA, AA	$36,504

(1) The premium on the $15 million, 4/1/09 maturity is 0.20%; on the $10 million, 4/1/12 maturity is 0.50% and on the $25 million, 4/1/14 maturity is 0.70%

Using rates as of September 30, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows [1]. As rates vary, variable-rate bond interest payments will vary and net swap payments may vary.

Fiscal Year Ending 09/30	Variable Rate Bonds Principal	Interest [2]	Interest Rate Swap Net Receipts [3]	Total
2009	$15,000	$4,464	$3,148	$22,612
2010	0	3,125	2,204	5,329
2011	10,000	3,125	2,204	15,329
2012	0	2,232	1,574	3,806
2013	0	2,232	1,574	3,806
2014	25,000	2,232	1,574	28,806
Total	$50,000	$17,410	$12,278	$79,688

(1) In thousands.
(2) Interest rate on the Bonds is the CPI Index plus 20 basis points of interest (bpi) on the Bonds maturing on 4/1/09, 50 bpi on the bonds maturing on 4/1/11 and 70 bpi on the Bonds maturing on 4/1/14.
(3) The rate is calculated as the difference between the variable rate (CPI plus premium) paid by the Counterparty to the County (8.418% + 0.51% = 8.928%) and the variable rate (SIFMA) plus premium paid by County to the Counterparty (2.397% + 0.235% = 2.6320%) as of September 30, 2008 (8.928% - 2.632%= 6.296%).

Risk Disclosure:

***Credit Risk*.** The maximum amount of potential credit risk loss is $65.0 million. (On November 19, 2008 the County terminated the $295,240,000 swap which had a termination value included in credit risk loss of $53 million; after November 19, 2008, the credit risk loss dropped to $13 million.). Because all of the County's swaps rely upon the performance of the third parties who serve as swap counterparties, the County is exposed to credit risk, or the risk that the counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown in the columns labeled Fair Value in the tables above. All Fair Values have been calculated using the Zero Coupon Method. To mitigate credit risk, the County maintains strict credit standards for swap counterparties. As of September 30, 2008, all swap counterparties for longer term swaps were rated at least in the double-A category by both Moody's and Standard & Poor's. To further mitigate credit risk, the County's swap documents require counterparties to post collateral for the County's benefit if they are downgraded below a designated threshold. Since September 30, 2008, AMBAC, the guarantor for five of the County's swaps, has been downgraded. The County is in the process of requiring the counterparty to replace AMBAC with a double-A category rate successor guarantor or post collateral satisfactory to the County, and if unable or unwilling to do either of these two options, the County would replace the counterparty.

***Basis Risk*.** Many of the County's swaps expose the County to basis risk. Should the relationship between the variable rate the County receives on the swap fall short of the variable rate on the associated bonds, the expected savings may not be realized. As of September 30, 2008, the SIFMA rate was 2.40707% and the LIBOR rate was 2.90782%.

Termination Risk. The County's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards the County or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time of the termination, a swap has a negative value, the County would be liable to the counterparty for a payment equal to the fair value of such swap unless the counterparty is the defaulting party.

***Rollover Risk*.** With the exception of the swaps on the Special Obligation Bonds and the Subordinate Special Obligation Bonds, the County is not exposed to rollover risk. Because the swaps for the Special Obligation Bonds and the Subordinate Special Obligation Bonds terminate prior to the maturity of such bonds, the County is exposed to rollover risk. Upon the termination of the swap, the County will no longer realize the synthetic rate on the bonds and will be exposed to the full fixed rate on the underlying bonds if no new swap is put in place.

Contingent Liability / Loan Guarantee

The County's General Fund is contingently liable for the payment of certain obligations from available non ad valorem taxes, and has pledged to budget and appropriate annually for the debt service payments in the event revenues from the benefiting enterprise operations are not sufficient to meet the debt service requirements. These instances are delineated below.

Series	**Department**	**Original Amount**	**Principal Outstanding at 9/30/2008**	**Final Maturity**
Sunshine State Governmental Financing Commission, Series 1986 Program	Seaport	$50,000,000	$34,745,000	June 30, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program	Parks	$2,000,000	$1,147,937	October 1, 2014
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2004	Naranja Lakes CRA	$5,000,000	$5,000,000	July 1, 2016
Sunshine State Governmental Financing Commission, Series 1986 Program, Issued 2006	Naranja Lakes CRA	$5,000,000	$4,000,000	July 1, 2016
Sunshine State Governmental Financing Commission, Series 2005	Seaport	$75,000,000	$75,000,000	September 1, 2035
Sunshine State Governmental Financing Commission, Series 2006	Seaport	$232,060,000	$232,060,000	September 30, 2032
Sunshine State Governmental Financing Commission, Series 2008	Various	$223,578,000	$205,918,000	September 1,2026
Industrial Development Revenue Bonds-BAC Funding Project Series 2000A and 2000B	Various	$21,775,000	$18,980,000	October 1, 2030

Miami-Dade County entered into a lease agreement whereby BAC is the developer of an office-building complex pursuant to an installment sales agreement. Miami-Dade County will lease the entire building and the lease payments are pledged to the bondholders. Additionally, the County has unconditionally guaranteed to budget and appropriate any shortfalls in pledged revenues from non ad valorem taxes.

Debt Authorized, but Unissued

As of September 30, 2008, the County has authorized but not issued the following:

a) $1,280,000 of general obligation bonds for general public improvements;

b) $247,500,000 of general obligation bonds for capital improvements for County airports to be paid by Aviation net revenues, if issued;

c) $156,300,000 Equipment Floating/Fixed Rates Special Obligation Bond to finance cost of capital equipment for various County departments;

d) $35,700,000 Equipment Floating/Fixed Rate Special Obligation Bonds;

e) $131,474,000 of general obligation bonds for capital improvements to the County's water and sewer system, to be paid by Water and Sewer net revenues, if issued;

f) $2,301,608 Professional Sports Franchise Facilities Tax Revenue Bonds;

g) $158,485,000 Aviation Revenue Bonds for improvements to airport facilities (the "1997 Authorization");

h) $329,705,55 Aviation Bond Anticipation Notes to pay costs for improvements to airport facilities;

i) $15,985,000 Water and Sewer System Revenue Bonds to finance the cost of capital improvements to the water and sewer systems of the County;

j) $50,000,000 Solid Waste System Bond Anticipation Notes to pay the costs of improvements to, and new capital project for, the Solid Waste System of the County;

k) $49,605,000 Solid Waste System Revenue Bonds to pay the outstanding Solid Waste System Bond Anticipation Notes and any additional improvements to, and new capital project for, the Solid Waste System of the County;

l) $18,880,000 Capital Acquisition Special Obligation Bonds;

m) $29,545,000 Special Obligation Bonds (Juvenile Courthouse Project) to fund the acquisition, construction and equipping of the Juvenile Courthouse Project;

n) $6,000,000 Special Obligation Bonds (Correction Facility Project) to fund a portion of the cost of acquisition, construction and equipping of a new holding facility;

o) $77,275,000 Special Obligation Bonds (Capital Asset Acquisition) to fund the acquisition, renovation, improvement, construction or purchase of capital assets;

p) $16,493,417 Solid Waste System Revenue Bonds to pay the cost of improvements to, and new capital projects for, the County's Solid Waste System;

q) $25,687,752 Special Obligation Bonds (Convention Development Tax) to pay the cost of various visitor related capital facilities;

r) $2,576,150,000 General Obligation Bonds to fund the projects under the "Building Better Communities" Bond Program;

s) $39,000,000 Transit System Sales Surtax Bonds to fund the projects of the People's Transportation Plan;

t) $4,215,000 Special Obligation Bonds to fund UMSA Public Improvements; and

u) $197,280,000 Special Obligation Bonds (Capital Acquisition) to acquire, construct, improve or renovate certain capital assets.

Note 9 - Pension Plans and Other Postemployment Benefits

Florida Retirement System

The County participates in the Florida Retirement System (the “System”), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of its full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees (as defined by the State) who were hired after 1970 and those employed prior to 1970 who elect to be enrolled, are covered by the System. Benefits under the plan vest after six years of service. Benefit provisions are established under Chapter 121, Florida Statutes, which may be amended by the Florida Legislature.

The System is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code, with defined contribution options. Under the defined benefit option, employees who retire at or after age 62 with six years of credited service (vesting period), are entitled to an annual retirement benefit payable monthly for life. The System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

Summary of Florida Retirement System ("FRS") Contributions, Covered Payroll and Percentage of Covered Payroll for the County (in thousands)

	2008	2007	2006
Covered Payroll	$ 2,145,709	$ 2,099,613	$ 2,016,853
Contributions	$ 281,048	$ 272,101	$ 227,044
% of Covered Payroll	13.1%	13.0%	11.3%

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contributions rates are established by state law as a level percentage of payroll (Chapter 121.70 Florida Statutes). Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature. Pension costs for the County ranged from 9.85% to 20.92% of gross salaries for fiscal year 2008. For the fiscal years ended September 30, 2008, 2007 and 2006, the County contributed 100% of the required contributions.

A copy of the System’s annual report for the year ended June 30, 2008 can be obtained by writing to the Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling toll-free (877) 377-1737, or by visiting their website at http://FRS.myFlorida.com.

Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan

The Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan (the Plan) was created in 1996. The Plan is a single-employer, defined benefit pension plan and is an employee-noncontributory plan administered by the Public Health Trust (PHT). The Plan does not issue stand-alone financial statements. This report includes a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets for the Plan for the year ended September 30, 2008.

All PHT employees working in a full-time or part-time regularly established position who were hired after January 1, 1996 are covered by the Plan. Benefits under the Plan vest after six years of service. Employees who retire at or after age 62 with six years credited service are entitled to an annual retirement benefit payable monthly for life. The Plan also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are set forth in the Plan document. Benefits increase by approximately 2.5% per year for cost of living adjustments. The Board of Trustees of the PHT (the Board) reserves the right to modify, alter or amend the Plan subject to certain limitations.

Membership of the Plan consisted of the following at January 1, 2008, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	72
Terminated plan members entitled to but not yet receiving benefits	628
Active plan members	6,637
Total	7,337
Number of participating employers	1

The contribution rate for normal cost is determined using the aggregate actuarial cost method. Under this method, the excess of the present value of projected benefits over the actuarial value of assets is spread evenly over the expected future salaries of the active participants presently under Normal Retirement Age. This method does not identify or separately amortize unfunded actuarial liabilities. Gains and losses resulting from fluctuations in Plan experience are similarly amortized as part of normal cost. The significant assumptions used to compute the annual required contribution include an 8% rate of return on investment, projected salary increase of 7% in the first 10 years of service and 6% after 10 years of service. The rate of return on investments and the projected salary increase rate include projected inflation of 2.5%.

The PHT’s funding policy provides for actuarially determined rates deemed sufficient to pay benefits as due. The assumptions used to compute the contribution requirement are the same as those used to compute pension benefits earned. The PHT’s funding policy is to make contributions based on a percentage of payroll.

Contributions to the Plan for the fiscal year ended September 30, 2008, 2007 and 2006 were approximately $38,068,000, $33,432,000, and $26,169,000, respectively. The PHT's most recent actuarial report as of January 1, 2008 determined the annual pension cost to be approximately $42,996,000, $24,137,000 and $31,379,000 which represent 8.62%, 8.79% and 8.84% of payroll for the Plan years ended December 31, 2009, 2008, and 2007, respectively. The PHT has contributed 100% of the annual cost for all of the years.

Deposits and Investments

The Plan's investment authority is derived from the authorization of the Board and is in accordance with the Florida Statute 215.47 (the Statute) and the Employment Retirement Income Security Act of 1974 (ERISA).

The following is a summary of the fair value (based on quoted market prices) of assets held in the pension trust fund at September 30, 2008: (in thousands)

Cash and short-term investments	$ 21,458
Investments, at fair value	
Domestic investments:	
Equities	88,129
Corporate debt securities	34,362
Government and agency obligations	38,906
Total domestic investments	161,397
International investments:	
Mutual funds	30,787
Equities	5,185
Corporate debt securities	1,869
Total international investments	37,841
Total	$ 220,696

Custodial Credit Risk

GASB 40 requires governments to disclose deposits and investments exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of September 30, 2008, the Plan's investment portfolio was held with a single third-party custodian.

Credit Risk

The Plan's investment policy (the Investment Policy) is designed to minimize credit risk by restricting authorized investments to only those investments permitted by the Statute, subject to certain additional limitations. These additional limitations consist of prohibitions against investments in derivative securities, options, futures or short positions; however the Investment Policy allows for investments in mortgage pass-through securities. Generally, the Statute permits investments in the Florida State Board of Administration Pooled Investment account (the SBA Pool), U.S. Government and agency securities, common and preferred stock of domestic and foreign corporations, repurchase agreements, commercial paper and other corporate obligations, bankers acceptances, state or local government taxable or tax exempt debt, real estate and real estate securities, and money market funds. With the exception of obligations directly issued or guaranteed by the U.S. Government, investments in the SBA Pool, and certain state and local government debt instruments, the Statute provides limits as to the maximum portion of the Plan's portfolio which can be invested in any one investment category or issuer.

At September 30, 2008, the Plan's investment securities had the following credit ratings: (in thousands)

	Fair Market Value	Credit Rating	
Money market accounts	$ 21,458	Not rated	
Domestic investments:			
U.S. Government agency securities, by issuer			
Federal Home Loan Mortgage Corporation	30,502	AAA	*
U.S. Treasury notes	8,404	AAA	*
Equities - common stock	87,686	Not rated	
Collateralized mortgage obligations	443	AAA	*
Corporate debt securities:			
Corporate bonds	454	BBB+	*
Corporate bonds	4,360	A1-A3	**
Corporate bonds	2,878	A/A+/A-	*
Corporate bonds	906	AA/AA-	*
Corporate bonds	207	AAA	*
Corporate bonds	2,926	Aa1-Aa3/Aaa	**
Corporate bonds	428	B1-B3	**
Corporate bonds	262	BB+-BB	*
Corporate bonds	2,833	BBB/BBB+/BBB-	*
Corporate bonds	363	Ba2-Ba3	**
Corporate bonds	5,521	Baa1-Baa3	**
Corporate bonds	11,554	Not rated	
Convertible bonds:			
Convertible bonds - Victory	830	A1-Aa3	**
Convertible bonds - Victory	450	BB+-BB	*
Convertible bonds - Victory	463	BBB/BBB+/BBB-	*
Convertible bonds - Victory	382	Not rated	
International investments:			
Equities	35,971	Not rated	
Corporate debt securities:			**
International Bonds	129	A+	
International Bonds	288	A1-A3	
International Bonds	132	B2	
International Bonds	866	Baa1-Baa3	
Total	$ 220,696		

* Standards & Poor's ratings
** Moody's Investor Services ratings

Concentration of Credit Risk

The Investment Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Investment Policy provides that a maximum of 25% be invested in bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of the State of Florida; a maximum of 80% be invested in common stock, preferred stock, and interest-bearing obligations of a corporation having an option to convert into common stock; a maximum of 75% be invested in internally managed common stock; a maximum of 80% be invested in interest-bearing obligations with a fixed maturity of any corporation or commercial entity within the United States; a maximum of 20% be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entity having its principal office located in any country other than the United

States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange; a maximum of 5% be invested in private equity through participation in limited partnerships and limited liability companies.

At September 30, 2008, the composition of the Plan's investments by investment type as a percentage of total investments was as follows:

	Percentage of Portfolio
Cash and short-term investments	9.7%
Domestic investments:	
Equities	39.9%
Corporate debt securities	15.6%
Government and agency obligations	17.6%
International investments:	
Mutual funds	13.9%
Equities	2.3%
Corporate debt securities	0.8%

The following represents individual investments whose fair value (based on quoted market prices) exceeded 5% of the Plan's net assets at September 30, 2008 (in thousands):

Julius Baer International Equity Fund – Class I	$ 14,713
Brandes/ING	16,073
MFO PIMCO/FDS PAC Invt. Mgmt.	11,552
Total	$ 42,338

Interest Rate Risk

The Plan manages its exposure to rising interest rate risk in fair value by forecasting cash outflows and inflows. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. As of September 30, 2008 the Plan had the following investments with the respective weighted average maturity in years.

	Weighted Average Maturity
Cash and short-term investments	N/A
Domestic investments:	
Equities	N/A
Corporate debt securities	
Corporate bonds	13.97
Corporate bond mutual funds	N/A
Government and agency obligations	
Federal Home Loan Bank	7.74
Federal National Mortgage Association	24.55
Federal Home Loan Mortgage Corporation	21.69
U.S. Treasury bills	6.30
International investments:	
Mutual funds	N/A
Equities	N/A
Corporate debt securities	16.31

Foreign Currency Risk

GASB 40 requires governments to disclose deposits or investments exposed to foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan's exposure to foreign currency risk at September 30, 2008 was as follows: (in thousands)

	Currency	Fair Market Value (in U.S. dollars)
International equities:		
Common stock	Canadian Dollars	$ 2,332
Common stock	Swiss Franc	318
Common stock	Japanese Yen	154
Common stock	British Pounds	731
Common stock	Chinese Yuan Renminbi	1,198
Common stock	Indian Rupee	85
Common stock	Russian Rouble	367
		$ 5,185
International corporate debt securities:		
Corporate bonds	Canadian Dollars	$ 314
Corporate bonds	Euros	309
Corporate bonds	Israeli New Shekel	188
Corporate bonds	Caymanian Dollar	266
Corporate bonds	Brazillian Real	223
Corporate bonds	British Pounds	569
		$ 1,869

In addition, at September 30, 2008, the Plan's investments include approximately $38,786,000 in mutual funds which principally invest in international stocks and other international securities. Although these mutual funds are United States dollar-denominated and United States exchange-traded, the underlying investments expose the Plan to an additional degree of foreign currency risk.

Postemployment Benefits Other Than Pensions

Plan Description. Miami-Dade County ("the County") administers a single-employer defined benefit healthcare plan ("the Plan") that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners ("the BCC"), whose powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) or the Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan and pay required contributions.

- Regular Class (All employees not identified as members of the Special Risk Class)
  - Eligibility for Unreduced Pension Benefits under FRS
    - Age 62 with 6 years of service
    - 30 years of service (no age requirement)

- Special Risk Class (Police Officers, Firefighters and Corrections Officers)
  - Eligibility for Unreduced Pension Benefits under FRS
    - Age 55 with 6 years of special risk service
    - 25 years of special risk service (no age requirement)
    - Age 52 and 25 years of creditable service, including special risk service and up to maximum of 4 years of active duty wartime military service credit,
    - Regular Class criteria

  - Eligibility for Reduced Pension Benefits under FRS
    - 6 years of service (no age requirement)

Benefits: The medical plans offered provide hospital, medical and pharmacy coverage. Pre-65 retirees are able to select from five medical plans as follows.

- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option
- JMH HMO High Option
- JMH HMO Low Option

Post-65 retirees are able to select from five medical plans as follows. The County only contributes to post-65 retirees electing an AvMed Medicare Supplement Plan.

- AvMed Medicare Supplement Low Option
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX
- JMH HMO High Option
- JMH HMO Low Option

Number of Covered Participants:

Actives	37,121
Retirees under age 65	1,640
Eligible spouses under age 65	808
Retirees age 65 and over	1,873
Eligible spouses age 65 and over	379
Total	41,821

Funding Policy. The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the County explicitly contributed an average of 21% of the cost for the AvMed POS plan, 41% for the AvMed HMO High and AvMed HMO Low plans in fiscal year 2008. The JMH HMO plans receive no explicit contribution. However, it is the County's policy that after fiscal year 2008 its per capita contribution for retiree health care benefits will remain at the 2008 dollar level.

The pre-65 retirees also receive an implicit subsidy from the County since they are underwritten with the active employees. The implicit contribution is approximately 5% of the cost. The pre-65 cost is approximately 57% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier with the County contributing an average of 28% of the entire plan cost.

For fiscal year 2008, the County contributed $11,344,000 to the plan.

The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County's annual OPEB cost for the fiscal year 2008, the first year of implementation of GASB Statement 45, and the related information for each plan are as follows (dollar amounts in thousands):

Annual required contribution	$ 26,997
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	26,997
Contributions made	11,344
Increase in net OPEB obligation	15,653
Net OPEB obligation—beginning of year	-
Net OPEB obligation—end of year	$ 15,653

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2008 were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2008	$ 26,997	42.0%	$15,653

Funded Status and Funding Progress. The schedule below shows the balance of the actuarial accrued liability (AAL), all of which was unfunded as of September 30, 2008 (dollar amounts in thousands).

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2007	$0	$284,024	$284,024	0%	$2,048,371	14%

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

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

The actuarial cost method used in the valuation to determine the Actuarial Accrued Liability (AAL) and the Actuarial Required Contribution (ARC) was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal cost were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the plan.

Actuarial valuation date	01/01/2006
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Discount rate	4.75%
Payroll growth assumption	3.00%
Health care cost trend rates	10% initial to 5.25% ultimate
Mortality table	RP 2000

Further, the valuation assumes that the County will continue to fund the liability on a pay-as-you-go basis and that the County's policy is that its per-capita contribution for retiree benefits will remain as the 2008 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed County contributions.

The Actuarial Accrued Liability (AAL) for Other Postemployment Benefits, Annual Required Contribution (ARC) and contributions made during Fiscal Year 2008 were allocated as follows:

	AAL	ARC	Contribution	OPEB liability @ 9/30/08
General Government	$ 161,472	$ 14,973	$ 5,079	$ 9,894
Miami-Dade Public Housing Agency	4,572	424	150	274
Solid Waste Department	8,347	774	273	501
Aviation Department	11,323	1,050	371	679
Seaport Department	3,580	332	117	215
Miami-Dade Transit Agency	31,188	2,892	1,022	1,870
Water and Sewer Department	21,849	2,026	928	1,098
Public Health Trust	41,693	4,526	3,404	1,122
Total	$ 284,024	$ 26,997	$ 11,344	$ 15,653

Note 10 - Contingencies and Commitments

North Terminal Development Program (NTD)
In 1989, the Aviation Department agreed to allow a major carrier (collectively, the parties) to create an international passenger hub at MIA. The North Terminal Development Project (NTD or the Project) evolved out of this plan and commitment to improve the level and quality of services to passengers. The carrier worked with the Aviation Department to develop the concept plan for NTD and in October 1995, the parties entered into a Lease, Construction and Financing Agreement (the LCF Agreement), which authorized the carrier to design and construct the Project.

The LCF Agreement was approved by the Board in 1995 and provided for costs up to $974.9 million. In July 1999, the parties agreed to the First Amendment which increased the scope of work and the costs to $1.3 billion. In January 2002, the parties agreed to the Second Amendment which eliminated the 250 flights per day requirement in the LCF Agreement. In April 2002, the parties entered into the Third Amendment which increased the costs to $1.5 billion.

Due to the complexity of the project, coordination and construction problems, along with insufficient project management and controls, the project encountered substantial delays and significant cost overruns resulting in a series of unprocessed and unpaid claims from subcontractors and suppliers related to change orders and cost overruns. As a result of the aforementioned delays and issues, the Aviation Department assumed responsibility for the management and completion of the Project with the assistance of consultants.

A Fourth Amendment was entered into between the parties, which was approved by the Board on June 21, 2005. The Fourth Amendment primarily terminated the carrier’s management of the Project and attempted to resolve the unprocessed and unpaid claims. Under the Fourth Amendment, the carrier has agreed to contribute to the Project $105 million, payable in installments over a period of ten years beginning in fiscal year 2005. The contribution shall be maintained in a claims reserve fund to pay such claims. Once all claims have been settled, any excess funds available are retained by the Aviation Department to be applied to construction of the Project. Payments in the amount of $10 million were received in fiscal years 2008 and 2007, respectively. They were recognized as other revenue in the statement of revenues, expenses, and change in net assets of the Aviation Department. The Aviation Department’s best estimate is an allowance for uncollectible amounts equal to 100% of the unpaid balance of $55 million.

Although it is probable that the Aviation Department will have to pay claims associated with the NTD Project, the total amount to be paid or accrued cannot be reasonably estimated. As of September 30, 2008, $62.5 million of claims had been paid and none had been accrued and included in accounts payable and accrued liabilities in the statements of net assets of the Aviation Department.

Environmental Matters
In August 1993, the Miami-Dade County Aviation Department (“MDAD” or “Aviation Department”) and the Dade County Department of Environmental Resources Management (DERM) entered into a Consent Order. Under the Consent Order, the Aviation Department was required to correct environmental violations resulting from various tenants’ failure to comply with their environmental obligations at the Airport including those facilities previously occupied by Eastern Airlines and Pan Am Airlines. In addition, the Aviation Department had a preliminary study performed by an independent engineering firm to estimate the cost to correct the environmental violations noted in the Consent Order. This study was used as a basis to record the environmental remediation liability as of September 30, 1993. In each subsequent year, the Aviation Department has received an updated study performed by MACTEC Engineering and Consulting (MACTEC), an independent engineering firm to further update the estimated costs to correct the environmental violations noted in the Consent Order based on additional information and further refinement of estimated costs to be incurred.

As a result of the updated study and costs incurred in fiscal year 2008, the total cumulative estimate to correct such violations was $224.6 million. This estimate allows for uncertainties as to the nature and extent of environmental reparations and the methods, which must be employed for the remediation. The cumulative amount of environmental expenditures spent through September 30, 2008 approximated $132.4 million. The Aviation Department has also spent $55.5 million in other environmental related projects not part of any consent order.

During fiscal year 1998, a Consent Order ("FDEP Consent Order") was signed with the State of Florida Department of Environmental Protection ("FDEP"). The new FDEP Consent Order encompasses and replaces the DERM agreement and includes additional locations. The FDEP Consent Order includes all locations at the Miami International Airport (MIA) that are contaminated as well as additional sites where contamination is suspected. The Aviation Department included other sites where contamination is suspected in the FDEP Consent Order under a "Protective Filing". If contamination is documented at these sites, the State would be required to incur the costs of remediation. Because the State will be required to pay for remediation of sites filed in the Protective Filing and because the contamination at the sites is unknown, an accrual amount is not reflected in the Opinion of Cost report.

Currently, the County has several pending lawsuits in State Court against the Potentially Responsible Parties ("PRPs") and insurers to address recovery of past and future damages associated with the County's liability under the FDEP Consent Order. As of September 30, 2008, the Aviation Department has received approximately $50.5 million from the State, insurance companies and PRP's.

The Aviation Department has recorded a liability of $92.2 million at September 30, 2008, representing the unexpended environmental remediation costs based on the Opinion of Cost performed by MACTEC. Management has allocated a portion of bond proceeds to fund this obligation and believes that the remaining amount can be funded from recoveries and the operations of the Aviation Department. The liability recorded by the Aviation Department does not include an estimate of any environmental violations at the three general aviation airports or at the two training airports. Management is not aware of any such liabilities and the occurrence of any would not be material to the financial statements.

In addition to the studies conducted to determine the environmental damage to the sites occupied by Eastern and Pan Am, the Aviation Department caused studies to be performed to determine the amount required to remove or otherwise contain the asbestos in certain buildings occupied by the airlines. The Aviation Department has also estimated the amount required to remove or otherwise contain the asbestos in buildings other than those formerly occupied by Eastern and Pan Am. The studies estimate the cost to correct such damage related to all buildings were assessed at approximately $4.5 million. The Aviation Department has no intention of correcting all assessed damage related to asbestos in the near future as they pose no imminent danger to the public. Specifics issues will be addressed when and if the department decides to renovate or demolish related buildings. At such time, the department will obligate itself to the clean-up or asbestos abatement. As emergencies or containment issues may arise from this condition, they will be isolated and handled on a case-by-case basis as repair and maintenance. Such amounts do not represent a liability of the Aviation Department until such time as a decision is made by the Aviation Department's management to make certain modifications to the buildings, which would require the Aviation Department to correct such matters. As such, no liability was recorded at September 30, 2008.

Settlement Agreement
In 1993, the County entered into a settlement agreement with the Florida Department of Environmental Protection ("FDEP") resulting in very limited restrictions on new sewer construction in certain areas of the County until adequate capacity becomes available in the wastewater system. Subsequently, in 1994 and 1995, two consent decrees were entered into with the U.S. Environmental Protection Agency ("EPA") whereby the County accelerated its improvement program of the wastewater system, subject to a schedule of stipulated penalties if certain established completion dates are not met. The Department continues to be in compliance with all provisions and through fiscal year 2008 has not incurred any penalties for not completing tasks within deadlines.

On April 29, 2004, the Consent Order, OGC File No. 03-1376, was entered into between the State of Florida Department of Environment Protection and Miami-Dade County. It requires the County to provide high level disinfection for the effluent prior to injection. The total project cost of these improvements is approximately $600 million and completion is anticipated in 2013.

On November 15, 2007, the South Florida Water Management District (the District) issued a consolidated 20-year Water Use Permit, which sets limits on the use of the Biscayne Aquifer and the Floridian Aquifer. In addition, the permit includes a schedule for the construction of the alternative water supply projects needed to meet demand. The plan developed by the Department and submitted to the District includes the use of the Biscayne Aquifer to meet current demands and also for future growth, but also provides that additional amounts will be offset by providing ground water replenishment with highly treated reclaimed water. The plan also includes the use of the Floridian Aquifer to be treated with reverse osmosis.

Closure and Postclosure Care Costs
Current laws and regulations require the County to place final covers on landfill cells as they are closed and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as “closure and postclosure care” costs. The County was in compliance with these requirements as of September 30, 2008.

At September 30, 2008, the County’s total liability for landfill closure and postclosure care costs was approximately $113.5 million. Of this amount, $79.3 million relates to active landfills and approximately $34.2 million relates to inactive landfills.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No. 18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (the “Statement”). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the statement of net assets, (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology, (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period, even though the majority of the costs will not be disbursed until the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste be recognized entirely in the period of the change.

Expenses for closure and postclosure care are funded from bond proceeds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the “Code”). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater.

Active Landfills - Active landfills consist of the North Dade Landfill, the South Dade Landfill, and the Resources Recovery Ashfill.

The liability balance of $79.3 million as of September 30, 2008 represents an increase of approximately $4.6 million when compared to the preceding year. This increase resulted from the combined effects of (1) amortization of approximately $5 million in the current period to adjust the recorded liability to the amount required to be recognized based on the current estimates for closure and postclosure care costs and the use of approximately 86.5% of the existing landfill capacity, and (2) reductions of approximately $422 thousand for amounts paid or due to vendors actually performing closure or postclosure work during the current period on closed “cells” of active landfills.

Unrecognized costs of approximately $19.2 million as of September 30, 2008 will be recognized on a current basis as the existing estimated capacity of approximately 4.7 million tons at September 30, 2008 is used. This estimated capacity is expected to last until 2013 based on current waste flows.

Inactive Landfills - Inactive landfills consist of the Main Landfill at 58th Street, the Ojus Landfill, and the Old South Dade Landfill.

The liability balance of the inactive landfills as of September 30, 2008 is approximately $34.2 million. When compared to the preceding year, the liability balance increased approximately $200 thousand reflecting the offsetting effects of (1) expenses recognized in the current period of approximately $2.8 million and (2) reductions of approximately $2.6 million for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Construction Commitments

As of September 30, 2008, the County's enterprise funds had contracts and commitments totaling $2.885 billion, as follows:

- Miami-Dade Transit, $90.9 million;
- Miami-Dade Water and Sewer Department, $277.8 million;
- Public Health Trust, $316.8 million;
- Aviation Department, $2.1 billion;
- Solid Waste Department, $1.7 million; and
- Miami-Dade Seaport Department, $97.9 million.

The Reserve for Encumbrances at September 30, 2008, for the Capital Project Funds reflect construction commitments entered into by the County. The following table sets forth these commitments by program classification (in thousands):

Street and Safety Improvements	$	64,805
Recreational Facilities and Cultural Improvements		37,251
Public Safety Facilities		3,909
Judicial and Correctional Facilities		3,430
Physical Environment		23,107
Health		7,299
General Governmental Facilities		23,966
Total	$	163,767

Gantry Cranes Operating Agreement

The Seaport's gantry crane operation had been maintained by a private company (the "Operating Company") under a restated and amended operating agreement dated November 1, 1988. During 1997, certain activities of the Operating Company came under investigation by local, state and federal authorities to determine whether user fees belonging to the County were spent by the Operating Company for improper or illegal purposes. In addition, County investigation indicates that shipping companies may not have been billed or were under billed for gantry crane services. This contract was terminated by the County on May 19, 1998.

During the term of the Restated and Amended Agreement, the County received approximately $3.9 million (cumulatively) from the Operating Company for user fees in excess of the amounts retained. In addition, the County believes the Operating Company has an obligation to repay certain operating advances and ground lease rentals of approximately $11.5 million that carried forward from the previous agreement, plus accrued interest thereon. This obligation has not been reflected in the accompanying financial statements due to uncertainty of receipt. Such balances accrue simple interest at an annual rate of 7.8% and are reduced by excess usage fees paid by the Operating Company. The Seaport has received approximately $500 thousand (cumulatively) from the Operating Company for excess usage fees. The County believes that collection of any amounts owed by the Operating Company pursuant to the Agreement is doubtful due to the negative net worth of the Operating Company.

The County has filed a claim against the Operating Company for breach of contract, breach of fiduciary duty, civil theft, and declaratory relief, among others. The County believes it has a claim against the Operating Company for recovery of improper expenditures. The full amount has not been determined. The County has concluded at this time that it is not possible to determine the amount, if any, that may be collectible from the Operating Company, if it is determined that amounts were spent improperly. Therefore, no amounts have been recorded in the accompanying financial statements.

The Operating Company has filed a counterclaim against the County alleging that Seaport officials required them to pay for expenses that were not related to gantry crane activities; therefore, creating deficits that could have been used to reduce amounts owed to the Seaport. Management does not believe this will have an adverse effect on the financial statements of the Seaport.

On May 19, 1998, pursuant to Resolutions R-456-98 and R-514-98, the County terminated the Agreement with the Operating Company and entered into an Interim Gantry Crane Management Agreement (the “Interim Agreement”) with a company (the “Interim Operator”) to take over the maintenance of the gantry cranes.

On June 6, 1999, the Board of County Commissioners adopted Resolution R-671-99 adopting in principle the Crane Maintenance Company Business Plan proposed by the Seaport and recommended by the County Manager. This plan provided for the creation of a not-for profit-company, Port of Miami Crane Management, Inc. (“Crane Management”), to replace the Interim Operator. On August 5, 2002, the County and Crane Management entered into an Agreement for maintenance and management of the container handling cranes and cargo handling equipment at the Port. The term of the Agreement is for a period of five years with a renewal option for another five years at the County’s sole discretion. Crane Management became fully operational in October 2002 and took over the maintenance of the Port’s gantry cranes. Crane Management is responsible to a board of directors appointed by the Board of County Commissioners, the County Manager, the Port Director, and Port users. Container crane user revenues and operating expenses for fiscal year 2008 totaled $7.9 million and $7.6 million, respectively.

Consent Order

During fiscal year 2002, the Miami-Dade County Board of County Commissioners authorized the County Manager to execute a Consent Order between the State of Florida Department of Environmental Protection ("FDEP") and Miami-Dade County for settlement of Miami Harbor dredging permit violations committed by the Seaport's former dredging contractor. Accordingly, the Seaport recognized an expense and related liability for the fiscal year 2002 in the amount of $2.5 million, which was the amount estimated to satisfy the Consent Order. As of September 30, 2008, $3.1 million was the remaining balance. The County is pursuing potential reimbursement opportunities through the United States Corps of Engineers Miami Federal Harbor Project.

Building Lease/Terminal Usage Agreements

The Seaport entered into an office building lease agreement (the “Agreement”) with one of its cruise line customers (the “Lessee”) to finance and construct an office building and related improvements (the “Building”) at the Seaport. The Building was to be occupied and used by the Lessee. The Seaport would assume any financing, up to a maximum of $16.6 million, enter into an agreement for the Lessee to finance the construction of the Building and would possess fee simple title to the Building. Under terms of the Agreement, the Lessee is to pay base rent of an amount per year equal to the debt service payments on the financing assumed by the Seaport.

The construction of the Building has been completed; however, the Seaport and the Lessee are currently in dispute over certain terms and conditions of the Agreement. As a result, the Seaport has neither assumed any financing which may have been entered into by the Lessee to finance the construction of the Building nor possesses fee simple title to the Building. Until the Seaport obtains title to the building and assumes any debt and any other uncertainties regarding the contract are resolved, the County has not included such asset and related liability, if any, in its financial statements.

Interlocal Agreement

The County entered into an interlocal agreement (the "Interlocal Agreement") with the City of Miami Beach, Florida (the "City") in 1996 regarding the use and disposition of the two-thirds (2/3) portion of the Convention Development Tax (the "Tax"). The Tax is imposed by the County, pursuant to Section 212.0305(4)(b) of the Florida Statutes, on the leasing or letting of transient rental accommodations. Prior to this agreement, the Tax proceeds were collected by the County and remitted to the City of Miami Beach as security for the payment of debt service on any bonds secured by the Tax. The Interlocal Agreement provides that the tax proceeds be held by the County for projects permitted by State law and distributed after debt service is paid on the Miami-Dade County Special Obligation and Refunding Bonds Taxable Series 1996A and Series 1996B (the "1996 Senior Lien Bonds") and an annual operating subsidy payment of $1.5 million (the "Operating Subsidy") is remitted to the City for the Miami Beach Convention Center Complex (the "Complex").

During fiscal year 1998, the County issued three series of bonds (the "1997 Subordinate Bonds") at one time. The 1997 Subordinate Bonds were comprised of the Subordinate Special Obligation Refunding Series 1997A, in the amount of $86.6 million, Subordinate Special Obligation Bonds, Series 1997B, in the amount of $170.0 million and Subordinate Special Obligation Bonds, Series 1997C in the amount of $42.0 million. The 1997 bond proceeds were used to refund a portion of the 1996 Senior Lien Bonds, to provide additional funds for the construction of the performing arts center (the "Downtown PAC"), to renovate and construct other cultural facilities and to acquire real property for the construction of a new multi-purpose professional sports facility in the City of Miami (the "Arena Project"). The 1996 Senior Lien Bonds and the Operating Subsidy have a first lien on the Tax that is superior to the lien on the Tax in favor of the 1997 Subordinate Bonds.

In 2001, the City and the County amended the Interlocal Agreement to provide, among other matters, for an increase in the Operating Subsidy to $3 million for April 1, 2002 and to $4.5 million on each April 1 thereafter until the end of the term of the Agreement. It also provided that the County and the City would share in any Tax proceeds that exceed a certain growth factor for each year commencing in 2004. Moreover, the County agreed to fund $15 million of capital improvements for the Complex from the next bond transaction in which the Tax is pledged and to pay an additional $50 million in available tax proceeds to the City if the Tax is not pledged to a new baseball stadium by December 2003. The County Commission prior to the December 2003 deadline pledged the revenues for a new baseball stadium. The additional payments to the City agreed to in the amendment to the Interlocal Agreement are payable from Tax proceeds only and are subordinate to the lien on the Tax in favor of the 1996 Senior Bonds, the original $1.5 million Operating Subsidy and the 1997 Subordinate Bonds.

Agreement with Florida Department of Transportation

The Florida Department of Transportation (FDOT), in cooperation with the County, has borrowed $433 million from the United States Department of Transportation (USDOT) under the Transportation Infrastructure Financing Innovation Act (TIFIA) loan program. Approximately $269 million of the loan proceeds will be used to construct the Miami Intermodal Center and approximately $164 million for a consolidated rental car facility (RCF) adjacent to the Airport. The $164 million was to be used by FDOT to purchase the land needed for the RCF and then design and construct the facility. The portion of the loan relating to the RCF will be repaid through the collection of the Customer Facility Charges (CFCs) from car rental company customers at the Airport. The remainder of the loan will be repaid by the State. The repayment of the TIFIA loan is not secured by revenues or any other revenues of the Aviation

Department. On December 7, 1999 the County entered into a Memorandum of Understanding (MOU) with FDOT. The MOU provides that FDOT's portion of the TIFIA loan is $269 million and that MDAD's portion of the TIFIA loan is approximately $164 million. This funding of $164 million is expressly for the purpose of paying FDOT for the cost of the land underlying the RCF and the construction of the RCF. MDAD has agreed to purchase from FDOT all land acquired by FDOT for use in connection with the RCF site as part of the capital cost for the RCF. As of September 30, 2008 the purchase by MDAD from FDOT has not taken place, the purchase cannot occur until FDOT completes the construction of the RCF. The negotiation and purchase of the land and the RCF are estimated to take place shortly after the RCF's current estimated completion date of December 2009. As such, as of September 30, 2008, MDAD has not recorded the loan payable in its accounting records.

On April 1, 2005, a security agreement was entered into among USDOT, FDOT, and the County regarding FDOT's loan agreement for the TIFIA loan in an amount up to $170 million. Under the security agreement, the USDOT requires as a condition to loaning the TIFIA funds to FDOT that FDOT and the County pledge and assign to a fiscal agent a security interest in the Pledged Revenues, which includes the CFC's collected by MDAD and any contingent rent that is imposed by the County on participating car rental companies in the event CFCs are not sufficient to meet the debt service requirements. As to the nature of the payment by MDAD to FDOT, MDAD is under no obligation to expend its own funds for the purchase. All payments to FDOT for the purchase of the land and the RCF will come exclusively from a pool of funds made of Customer Facility Charge proceeds (as well as any contingent rents that are imposed on the rental car companies).

On July 19, 2007 the Board of County Commissioners approved the First Amendment to the Rental Car Concession Agreement and Facility Lease Agreement (the RCCA). The RCCA was one of the contractual documents all rental car companies desiring to participate in the RCF were required to sign. Resolution No. R-910-07 approving the First Amendment also accepted FDOT's new estimate of $370 million for the design and construction costs of the RCF, and approved an increase in MDAD portion of the TIFIA loan from $164 million to $270 million, with the balance of the costs to be paid by the CFCs already collected from rental car company customers. The RCCA as amended confirmed that the debt service of the RCF portion of the TIFIA loan and additional RCF financing shall be paid solely from CFCs and contingent rent, if any. In no event shall MDAD be required to use general airport revenues for the payment of debt service on the RCF portion of the TIFIA loan or any additional RCF financing.

Other Commitments

Legal Contingencies
The County is a defendant to other legal proceedings that occur in the normal course of operations. In the opinion of the County Attorney, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the County or the affected funds.

Departure Incentive Program
The County offered a Departure Incentive Program (the "Program") to employees with ten years of continuous service who were eligible for an unreduced Florida Retirement System benefit on or before January 31, 1996, and to employees who completed 20 years or more of continuous service, regardless of age, on or before January 31, 1996. The Program offered single health insurance coverage in a County approved group health plan or a $300 a month cash payment for a minimum of eight years or until the employee becomes eligible for Medicare. The total estimated cost of the Program, discounted at 5%, is approximately $2.8 as of September 30, 2008 million and is recorded in long-term debt.

Arbitrage Rebates
At September 30, 2008, the County recorded obligations to rebate arbitrage interest earnings on certain General Obligation and Special Obligation Refunding and Equipment Floating Bonds (the "Bonds") issued after the passage of the Tax Reform Act of 1986. The proceeds of the bonds were used to refund existing debt and to finance certain capital projects and acquisitions accounted for within the governmental and proprietary fund types of the County.

The rebate to the Federal Government, required to be paid within five years from the date of issuance and each five years thereafter, is estimated to be approximately $4.4 million as of September 30, 2008. The liability related to governmental activities, not expected to be paid with available financial resources, is $2.9 million and is recorded in long-term debt. The liability related to the enterprise funds at September 30, 2008 amounted to $1.5 million, and is also included in long-term debt. The ultimate amount of the County's obligation will be determined based on actual interest earned.

Federal and State Grants

Federal grant awards are audited in accordance with OMB Circular A-133 and state grants are audited in accordance with Florida Rules of the Auditor General, Section 10.550 and the State of Florida Single Audit Act to determine that the terms and conditions of the grant awards have been complied with. Amounts received or receivable from grantor agencies are subject to audit adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. It is the County management's opinion that no material liabilities will result from any such audits.

On March 20, 2003, the U.S. Department of Transportation, Office of the Inspector General (OIG) issued Report No. AV-2003-030 entitled Oversight of Airport Revenue in connection with their audit of amounts paid to Miami-Dade County by the Miami-Dade Aviation Department (MDAD). The OIG reported Miami-Dade County diverted MDAD revenues of approximately $38 million from 1995 to 2000. On August 9, 2005, upon receiving additional information from MDAD, the OIG agreed to adjust the finding to $8.1 million, plus interest. The Oversight of Airport Revenue report was then updated to include the years 2001 through 2005, and the total diversion of revenues was increased to $12 million, plus interest of $2.3 million for a total of $14.3 million. Miami-Dade County repaid MDAD $1 million annually during fiscal years 2004 through 2006. During fiscal year 2007 and 2008 the County repaid MDAD $2.3 million each year leaving an unpaid balance of $6.7 million as of September 30, 2008. The $6.7 million unpaid balance will be repaid by the County in quarterly installments of $564.3 thousand over the next three fiscal years.

Annual Operating Agreement

In accordance with the annual operating agreement between the Public Health Trust (the "Trust") and the University of Miami (the "University"), the Trust pays certain amounts for staff and services to be provided by the University. Under the annual operating agreement, costs incurred by the Trust for the year ended September 30, 2008 were approximately $137.2 million. At September 30, 2008 the Trust had a liability to the University of approximately $24 million.

Note 11 – Restatements - Prior Period Adjustments

Fund statements

Beginning fund balance / net assets reflect prior period adjustments to restate amounts in previous year statements. The prior period adjustments took place in the Other Housing Programs Special Revenue Fund and the Mixed Income Properties (Non-Major) Enterprise Fund. The effect of restatement of fund balance / net assets in the fund statements is as follows (in thousands):

	Other Governmental Funds	Other (Non-Major) Enterprise Funds
At September 30, 2007:		
Fund Balance/Net Assets - as previously reported	$ 1,622,268	$ 67,933
Adjustments:		
(1) To adjust various accounts of the Other Housing Programs Special Revenue Fund	(5,459)	
(2) To adjust capital assets of the Mixed Income Properties (Non-Major) Enterprise Fund		4,267
Total prior period adjustments	(5,459)	4,267
Fund Balance/Net Assets - restated	$ 1,616,809	$ 72,200

Government-wide statements

Beginning net assets reflect prior period adjustments to restate amounts in previous year statements. The prior period adjustments took place in the Other Housing Programs Special Revenue Fund and the Mixed Income Properties (Non-Major) Enterprise Fund. The effect in the government-wide statements is as follows (in thousands):

At September 30, 2007:	Governmental Activities	Business-type Activities
Net Assets - as previously reported	$ 2,750,425	$ 5,129,620
Adjustments:		
(1) To adjust various accounts of the Other Housing Programs Special Revenue Fund	(5,459)	
(2) To adjust capital assets of the Miami-Dade Public Housing Agency	(22,526)	
(3) Other	270	
(4) To adjust capital assets of the Mixed Income Properties (Non-Major) Enterprise Fund		4,267
Total adjustments	(27,715)	4,267
Net Assets - restated	$ 2,722,710	$ 5,133,887

The above adjustments were not identifiable to any specific activity in FY 2007.

Note 12 - Interfund Transfers and Balances

(in thousands)

		TRANSFER FROM			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Management
T	General Fund		$ 13,569		
R	Nonmajor Governmental	$ 206,996	114,036		
A	Miami-Dade Transit Department	140,964	122,135		
N.	Public Health Trust	178,060	232,408		
	Solid Waste Management		2,582		
	All Others	335			
T					
O	Total Transfers Out	$ 526,355	$ 484,730		

The General Fund transfer out of $526.4 million includes: $140.9 million to the Miami-Dade Transit Department (MDT) to support its operations in accordance with the Maintenance of Effort Agreement (MOE); $178 million to Public Health Trust from ad valorem taxes to support its operations; $30.7 million to the Debt Service Fund to make debt service payments as they become due; $74 million to the Capital Projects Fund to fund capital projects as per the approved budget; and $42.4 million to the Community and Social Development Fund to finance its programs in accordance with the approved budget.

The Nonmajor Governmental transfer out of $483.7 million includes $122.1 million to Miami-Dade Transit from the People's Transportation Plan (half penny transit system sales surtax), and $232.4 million to the Public Health Trust from the Health Development Fund (half penny indigent sales surtax).

		DUE FROM			
		General Fund	Nonmajor Governmental	Miami-Dade Transit	Solid Waste Management
D	General Fund		$ 23,260	$ 146,548	$ 4,222
U	Nonmajor Governmental		17,624	104,735	
E	Internal Service Fund		43	6,851	1,658
	Miami-Dade Transit Department		6,660		
	Solid Waste Management		1,518		
T	Aviation Department	$ 22,400	5,634		
O	Water and Sewer Management		5,136		
	Public Health Trust	3,337	44,692		
	All Others		25		
	Total Due to Other Funds	$ 25,737	$ 104,592	$ 258,134	$ 5,880

The General Fund balance of $146.5 million due from Miami-DadeTransit includes a Long-term Advance Receivable of $72 million not scheduled to be collected in the subsequent year (an increase of $27.3 million from fiscal year 2007), and $74.5 million recorded as Due from Other Funds. The Nonmajor Governmental Funds balance of $104.7 million due from Miami-Dade Transit includes a Long-term Advance Receivable of $97.4 million not scheduled to be collected in the subsequent year and a Short-term Advance Receivable of $4.9 million due to the People's Transportation Fund (PTP) ($102.3 million total due to PTP), and $2.4 million due to other nonmajor governmental funds. During fiscal year 2008, Solid Waste obtained a new equipment loan from GSA in the amount of $4.6 million and made payments in the amount of $3.7 million towards another existing loan and the new loan, leaving a remaining balance of $4.2 million at September 30, 2008.

(Continued)

TRANSFER FROM

Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	Internal Service Fund	Total Transfer In
					$ 13,569
					321,032
					263,099
					410,468
					2,582
					335
					$ 1,011,085

DUE FROM

Seaport Department	Aviation Department	Water and Sewer Department	Public Health Trust	Internal Service Fund	Total Due to Other Funds
$ 10,020	$ 6,965	$ 6,936	$ 30,517		$ 228,468
	1,403	870	83		124,715
311	1,241	1,942	2,844		14,890
					6,660
					1,518
					28,034
	217				5,353
					48,029
					25
$ 10,331	$ 9,826	$ 9,748	$ 33,444		$ 457,692

Note 13 – New Accounting Pronouncements

In November 2006, the Governmental Accounting Standards Board issued Statement No. 49, *"Accounting and Financial Reporting for Pollution Remediation Obligations"* (GASB 49) which is effective for fiscal periods beginning after December 15, 2007. GASB 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. The County will implement the requirements of GASB 49 beginning with fiscal year 2009.

In June 2007, the Governmental Accounting Standards Board issued Statement No. 51, *"Accounting and Financial Reporting for Intangible Assets"* (GASB 51) which is effective for fiscal periods beginning after June 15, 2009. GASB 51 establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The County will implement the requirements of GASB 51 beginning with fiscal year 2010.

In June 2008, the Governmental Accounting Standards Board issued Statement No. 53, *"Accounting and Financial Reporting for Derivative Instruments"* (GASB 53) which is effective for fiscal periods beginning after June 15, 2009. A key provision of GASB 53 is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, be reported at fair value. The County will implement the requirements of GASB 53 beginning with fiscal year 2010.

In March 2009, the Governmental Accounting Standards Board issued Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"* (GASB 52) which is effective for fiscal periods beginning after June 15, 2010. GASB 52 provides new fund balance classifications and clarifies the existing governmental fund type definitions. The County will implement the requirements of GASB 54 beginning with fiscal year 2011.

Note 14 – Subsequent Events

On November 19, 2008, the County terminated a $295,200,000 notional amount, variable to fixed rate swap with the bank, related to Series 2005 Water and Sewer Revenue Bonds. The termination was a result of the County's inability to replace the standby bond purchase agreement that was scheduled to expire in December 2008. The termination value was $69.1 million, which the County paid from legally available funds of the Miami Dade Water and Sewer Department. The County does not believe that such payment will have an adverse effect on the operations of the Water and Sewer Department.

On December 18, 2008, the County issued $146,200,000 Miami Dade County General Obligation Bonds (Building Better Communities Program (BBC) Series 2008B. The proceeds from the Series 2008B Bonds will be used to pay costs of various capital projects defined under the BBC Program. The bonds pay interest ranging from 2.25%-6.48%, with a final maturity in 2028.

On December 19, 2008, the County issued $306,800,000 of Miami Dade Water and Sewer Systems Revenue Refunding Bonds, Series 2008C to refund all of the outstanding Miami Dade Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2005.

On March 19, 2009, the County issued $203,800,000 Miami Dade County General Obligation Bonds (Building Better Communities Program (BBC)) Series 2008B-1. The proceeds from the Series 2008B-1 Bonds will be used to pay costs of various capital projects defined under the BBC Program. The bonds pay interest ranging from 2.5%-5.88%, with a final maturity in 2038.

On May 7, 2009, the County issued $600,000,000 Miami-Dade Aviation Revenue Bonds, Series 2009A and 2009B. The proceeds will be used to pay for airport capital improvements, portions of which were initially financed on a short-term basis by commercial paper notes.

Lease / Leaseback Transactions

Over a six-year period (1997-2002), Miami-Dade County participated in four Lease Leaseback Transactions, commonly known as LILO (lease-in lease –out) transactions, with fifteen tranches. Fourteen tranches involved assets of the Miami-Dade Transit Agency, including Metro Rail Cars, Transit Maintenance and Parking Facilities, and Qualified Technological Equipment (QTEs). The other tranche involved the Stephen P. Clark Center, an administrative office building for various County departments. These transactions are summarized below and are further explained in Note 5 – Leases.

Lease #	Asset	Equity	Guarantor	Equity Payment Undertaking	Equity Payment Undertaking Provider	Early Buy-Out Date
1	Metro Rail Cars	Bank of NY	AMBAC	Strips	AMBAC	Mutually terminated Apri 2008
2	Stephen P. Clark Center	Mirasol Business Trust - Rabo Bank	AMBAC	GIC	AMBAC	January 2015
3	Transit Maintenance and Parking Facilities	Bank of America Leasing (4 tranches); Norlease Leasing (2 tranches)	AIG	GIC	AIG	Bank of America tranches - January 2018; Norlease tranches - terminated March 31, 2009
4	Qualified Technological Equipment (QTEs)	PNC Leasing (1 tranche); Bank of Hawaii (1 tranche); Bank of America Leasing (5 tranches)	AIG	GIC	AIG	January 2018 (all tranches)

At the time of closing of these transactions, part of the funds received by the County (Equity Payment Undertaking) were deposited with a “AAA” rated Guarantor, who in turn purchased a Guaranteed Investment Contract (GIC) made up of securities that would grow to equal the lease value at the expected Early Buy-Out dates from 2015-2018. The value of the securities would fluctuate with the market. The Guarantor deposited the GIC with a Trustee that would hold the GIC until directed by the County to sell and disburse the maturity amount in payment of lease on the Early Buy-Out date. The GIC would be used to pay a portion of the termination value if the County were to default. The Guarantor has guaranteed that the GIC will equal the lease value at the Early Buy-Out date. If the Guarantor was downgraded below AA-/AA3, the County, upon request by the counterparty (Equity), would be required to direct the Guarantor to post additional collateral equal to the difference between the market value of the securities and the carrying value of the GIC. Upon the downgrade below AA-/AA3, the County may also be required to terminate the Guarantor’s guarantee and procure another guarantee from a “AAA” guarantor. The County’s failure to direct the Guarantor to post collateral, or the Guarantor’s failure to post collateral, or the County’s failure to replace the Guarantor is an event of default.

In September 2008, AIG, the Guarantor on thirteen of the County’s existing (Transit) tranches was downgraded to below A-/A3. In October 2008, AMBAC, the Guarantor on the other County tranche, was also downgraded below A-/A3. In October 2008, Bank of America, Bank of Hawaii, and PNC Leasing requested that AIG be asked to collateralize the Equity Payment Undertaking and the County replace them as the guarantor. In November 2008, Rabo Bank asked the County to have AMBAC collateralize the Equity Payment Undertaking and be replaced.

The County has been in negotiations with each of the equity providers and to date is exploring various options which include: 1) an option for the County to post collateral equal to the difference between the present value of the Early Buy-Out amount and the market value of the GIC; 2) providing a surety that would guarantee the difference between the market value of the GIC and the lease value; or 3) pay a mutually agreeable price to terminate the transaction.

The US House of Representatives has passed a bill that would guarantee LILOs that have been federally approved. The Senate has failed to hear the House Bill and as of May 2009, the Senate has not proposed any similar Bill. All the County LILOs are federally approved by the Federal Transportation Authority.

On March 31, 2009, the County terminated the two leases with Norlease Leasing. Norlease Leasing was willing to accept the liquidated GIC value as of March 31, 2009 as termination payment.

REQUIRED SUPPLEMENTARY INFORMATION

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MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes				
General property taxes	$ 1,218,624	$ 1,218,624	$ 1,223,371	$ 4,747
Utility taxes	69,664	69,664	73,275	3,611
Communication taxes	47,524	47,524	50,689	3,165
Local option gas tax	56,263	56,263	58,403	2,140
Occupational license tax	8,571	8,571	10,840	2,269
Total	1,400,646	1,400,646	1,416,578	15,932
Licenses and permits				
Building	58,476	58,476	46,940	(11,536)
Franchise fees	49,148	49,148	48,668	(480)
Other licenses	18,856	18,856	17,342	(1,514)
Total	126,480	126,480	112,950	(13,530)
Intergovernmental revenues				
State sales tax	126,541	126,541	134,017	7,476
State revenue sharing	80,132	80,132	79,655	(477)
Gasoline and motor fuel tax	13,454	13,454	14,849	1,395
Alcoholic beverages license	850	850	948	98
Other	1,311	1,311	1,009	(302)
Total	222,288	222,288	230,478	8,190
Charges for services				
Clerk of Circuit and County Court	10,122	10,122	11,405	1,283
Tax Collector fees	28,452	28,452	38,738	10,286
Merchandise sales & recreational fees	30,608	31,591	32,840	1,249
Sheriff and police services	73,245	74,662	38,078	(36,584)
Other	121,699	121,699	116,312	(5,387)
Total	264,126	266,526	237,373	(29,153)
Fines and forfeitures				
Clerk of Circuit and County Court	14,500	14,500	12,066	(2,434)
Investment income	26,124	26,124	20,627	(5,497)
Other	89,936	89,936	86,867	(3,069)
Total revenues	2,144,100	2,146,500	2,116,939	(29,561)
Expenditures:				
Policy formulation and general government				
Office of the Mayor	9,211	9,211	8,991	220
County Commission	17,702	22,257	18,025	4,232
Strategic Business Management	6,579	6,579	6,131	448

See accompanying independent auditors' report.

The notes to the required supplementary information are an integral part of this statement.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

(in thousands)

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Policy formulation and general government (continued)				
Personnel	11,644	11,644	10,071	1,573
Finance	31,832	31,832	28,351	3,481
Audit and Management Services	6,901	6,901	5,980	921
Property Appraiser	25,103	25,103	23,213	1,890
Clerk of Circuit and County Court	20,199	20,199	16,488	3,711
Procurement Management	10,478	10,478	9,902	576
Office of Sustainability	590	590	355	235
Enterprise Technology Services Department	57,582	57,582	57,123	459
Elections	22,239	28,163	28,132	31
Fair Employment Practices	884	884	817	67
Law	19,495	19,845	19,845	
Planning and zoning	4,660	4,660	4,368	292
Judicial Administration	29,473	32,552	32,164	388
Agenda Coordination	1,312	1,312	1,148	164
Office of the Inspector General	1,019	1,019	828	191
Commission on Ethics	2,222	2,222	1,964	258
General Service Administration	25,881	43,218	12,373	30,845
Government Information Center	17,821	17,821	15,899	1,922
General government costs	235,367	215,599	121,337	94,262
Total	558,194	569,671	423,505	146,166
Protection of people and property				
Police	544,462	559,877	535,470	24,407
Corrections and rehabilitation	305,478	305,478	300,033	5,445
Building code compliance	16,841	16,841	10,717	6,124
Consumer services	12,164	12,164	10,271	1,893
Building	42,347	42,347	31,087	11,260
Planning and zoning	11,949	11,949	10,171	1,778
Team Metro	19,590	19,590	17,659	1,931
Juvenile assessment	8,563	8,563	8,121	442
Emergency Management	2,821	2,821	2,566	255
General government costs	7,357	7,357	7,357	
Total	971,572	986,987	933,452	53,535

The notes to the required supplementary information are an integral part of this statement.

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Physical environment				
Environmentally Endangered Lands	2,197	2,197	2,197	
Public Works	23,158	23,158	20,478	2,680
Environmental Resources	53,704	53,704	49,153	4,551
Non-departmental	1,197	1,197	1,197	
General government costs	469	469		469
Total	80,725	80,725	73,025	7,700
Transportation				
Public Works	45,301	45,301	40,002	5,299
General Service Administration	3,076	3,076	2,023	1,053
Total	48,377	48,377	42,025	6,352
Health				
Public Works	3,192	3,192	2,446	746
Animal Services	10,427	10,427	9,280	1,147
General government costs	22,900	22,900	19,927	2,973
Total	36,519	36,519	31,653	4,866
Socio-economic environment				
General Service Administration				
Community Advocacy	2,601	2,601	2,595	6
Welfare	7,936	7,936	7,429	507
Metro Miami Action Plan	774	774	681	93
Office of ADA Coordination	1,064	1,064	752	312
General government costs	2,303	2,303	1,824	479
Total	14,678	14,678	13,281	1,397
Culture and Recreation				
Cultural Affairs Coordination	3,991	3,991	3,959	32
Park and Recreation	98,932	101,015	100,681	334
Team Metro	70	70	70	
Total	102,993	105,076	104,710	366
Capital outlay	23,518	23,518	23,518	
Total expenditures	1,836,576	1,865,551	1,645,169	220,382
Excess of revenues over expenditures	307,524	280,949	471,770	190,821
Other financing sources (uses):				
Transfers in	12,189	12,437	13,569	1,132
Transfers out	(541,052)	(551,712)	(526,355)	25,357
Reserve for future expenditures:				
Physical environment	(119,519)	(119,519)		119,519
Total other financing sources (uses)	(648,382)	(658,794)	(512,786)	146,008
Net change in fund balances	(340,858)	(377,845)	(41,016)	336,829
Fund balance - beginning	340,858	377,845	404,889	27,044
Increase in reserve for inventories			1,314	1,314
Fund balance - ending			$ 365,187	$ 365,187

The notes to the required supplementary information are an integral part of this statement.

(Concluded)

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC HEALTH TRUST PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(UNAUDITED)

Year Ended December 31	Annual Required (a) Contribution	Percentage Contributed
2002	$ 12,711,107	100%
2003	$ 17,740,441	100%
2004	$ 25,470,445	100%
2005	$ 24,353,498	100%
2006	$ 27,173,609	100%
2007	$ 34,956,333	100%

(a) The actuarily determined contribution requirements for the Trust's fiscal year ended September 30, 2008 are based on actuarial valuations as of January 1, 2008.

See accompanying independent auditors' report.
The notes to the required supplementary information are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS
FOR THE MIAMI-DADE COUNTY RETIREE HEALTH PLAN
(UNAUDITED)
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2007	$0	$284,024	$284,024	0%	$2,048,371	14%

See accompanying independent auditors' report.
The notes to the required supplementary information are an integral part of this statement.

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Notes to the Required Supplementary Information - (Unaudited)

Chapter 129, Florida Statutes, requires that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy of taxes and the expenditure of money for County purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The County budgets are prepared on a modified-accrual basis or accrual basis of accounting in accordance with generally accepted accounting principles.

The County's budgets have to be approved by the Board of County Commissioners. Every September the County holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of budget ordinances. Most funds have annually appropriated budgets, meaning that their budgets are established annually. Capital project funds and certain grant funds, however, have budgets that extend over the duration of the project or grant, which may be several years. At the end of the fiscal year, the appropriations of annually adopted budgets lapse, but the appropriations of project-length budgets continue until the end of the capital project or grant.

The adopted budgets are either appropriated or non-appropriated in nature. Funds that have appropriated budgets cannot legally exceed their appropriations. The budgetary control over funds that have non-appropriated budgets are dependent on other enabling ordinances, such as bond ordinances, in which expenditure authority extends over several years into the future.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require County Commissioners' approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between fund/departments require County Commissioners' approval as well. Estimated fund balances are considered in the budgetary process.

Encumbrance accounting is used in the County's governmental funds. Encumbrances are commitments for future expenditures, based on purchase orders or contracts issued, where the goods or services have been ordered but have not been received. Encumbrances do not constitute expenditures or liabilities to the County since no resources are expended until the goods or services are received. They are used to help ensure that actual expenditures and commitments for future expenditures do not exceed authorized appropriations. Encumbrances outstanding at year-end are reported as reservations of fund balance in the balance sheets of the governmental funds since they will be carried over and reappropriated in the following year.

A budget and actual comparison for the General Fund is presented in the Required Supplementary Information section of this report. Budget and actual comparisons for other funds are reflected in the Other Supplementary section.

Notes to the Required Supplementary Information (continued)

PUBLIC HEALTH TRUST - PENSION DISCLOSURE

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2008
Actuarial cost method	Aggregate**
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return:	8%
Projected salary increase	
In the first 10 years of service	7%
Service after 10 years	6%
Cost of living increase for all years	2.5%

** The actuarial cost method used does not identify or separately amortize unfunded actuarial liabilities.

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APPENDIX F

UNAUDITED GENERAL FUND FINANCIAL STATEMENTS (A MAJOR GOVERNMENTAL FUND OF MIAMI-DADE COUNTY) FOR THE FISCAL YEAR ENDED SEPTEMBER 30,2009

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MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
FINANCIAL STATEMENTS
UNAUDITED

(a major governmental fund of Miami-Dade County)

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2009

MIAMI-DADE COUNTY, FLORIDA
General Fund Financial Statements - Unaudited
For the Fiscal Year Ended September 30, 2009

TABLE OF CONTENTS

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2009
(UNAUDITED)
(in thousands)

Assets:	
Cash and cash equivalents	$ 31,816
Investments	158,078
Accounts receivable, net	21,919
Delinquent taxes receivable	58,836
Allowance for uncollected delinquent taxes	(58,836)
Due from other funds	161,949
Due from other governments	45,090
Inventories	21,804
Long-term advances receivable	42,380
Total assets	$ 483,036
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable and accrued expenditures	$ 97,408
Due to other funds	20,143
Due to other governments	60,777
Unearned (deferred) revenues	5,500
Total liabilities	183,828
Fund Balances:	
Reserved for encumbrances	22,885
Reserved for inventories	21,804
Reserved for long-term advances receivable	42,380
Reserved for stormwater utility	57,115
Reserved for endangered lands	61,391
Unreserved fund balance	93,633
Total fund balances	299,208
Total liabilities and fund balances	$ 483,036

The notes to the financial statements are an integral part of this statement.

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SUPPLEMENTAL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2009
(UNAUDITED)
(in thousands)

Revenues:	
Taxes	
General property taxes	$1,262,973
Utility taxes	68,150
Communication taxes	44,028
Local option gas tax	52,669
Occupational license tax	10,636
Total	1,438,456
Licenses and permits	
Building	41,816
Franchise fees	44,241
Other licenses	20,160
Total	106,217
Intergovernmental revenues	
State sales tax	113,916
State revenue sharing	75,963
Gasoline and motor fuel tax	12,738
Alcoholic beverages license	955
Other	1,063
Total	204,635
Charges for services	
Clerk of Circuit and County Court	11,556
Tax Collector fees	37,158
Merchandise sales and recreation fees	31,721
Sheriff and police services	48,215
Other	104,957
Total	233,607
Fines and forfeitures	
Clerk of Circuit and County Court	11,877
Investment income	9,092
Other	
Administrative	49,785
Rentals	3,551
Reimbursements and other	35,366
Total	88,702
Total revenues	2,092,586

(Continued)

GENERAL FUND
SUPPLEMENTAL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2009
(UNAUDITED)
(in thousands)

Expenditures:	
Policy formulation and general government	
Financial administration	126,995
Judicial	48,113
Executive	9,028
Legislative	19,521
Other general government	173,541
Total	377,198
Protection of people and property	
Police and crime control	543,097
Corrections and rehabilitation	306,421
Protective services and inspection	69,682
Total	919,200
Physical environment	79,344
Transportation	38,634
Health	33,142
Social services	90,608
Culture and recreation	99,434
Total expenditures	1,637,560
Excess of revenues over expenditures	455,026
Other financing sources (uses):	
Transfers in	17,693
Transfers out	(540,725)
Total other financing (uses)	(523,032)
Net change in fund balances	(68,006)
Fund balance - beginning	365,187
Increase in reserve for inventories	2,027
Fund balance - ending	$ 299,208

(Concluded)

Note 1- Organization

Miami-Dade County, Florida (the "County") is an instrumentality of the State of Florida established by an amendment to the Florida State Constitution adopted May 21, 1957 as the Dade County Home Rule Charter, to carry on a centralized government.

On January 23, 2007, the electors of Miami-Dade approved an amendment to the Home Rule Charter which established a Strong Mayor form of government. This amendment expands the Mayor's powers over administrative matters. The County Manager who previously was chief administrator now reports directly to the Mayor who has the authority to hire, fire and set the salary of the County Manager. Under this new system, the Mayor also appoints all department heads. On January 29, 2008, a charter amendment was approved to make the Property Appraiser an elected position. November 4, 2008 was the first election for a Property Appraiser in Miami-Dade County.

The Board of County Commissioners is the legislative body, consisting of 13 members elected from single-member districts. Members are elected to serve four-year terms, and elections of members are staggered. The Board chooses a Chairperson, who presides over the Commission, as well as appoints the members of its legislative committees. The Board has a wide array of powers to enact legislation, create departments, and regulate business operating within the County. It also has the power to override the Mayor's veto with a two-thirds vote.

The General Fund is the primary operating fund of Miami-Dade County, Florida (the "County") and is included as a major fund in the County's comprehensive annual financial report. The accompanying financial statements present only the General Fund and are not intended to present fairly the financial position and the changes in financial position of the County in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, Basis of Presentation

The General Fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. For the purpose of revenue recognition, "available" means that the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. Major revenue sources that are susceptible to accrual under the above criteria include intergovernmental revenues and certain taxes. The County considers the availability for revenues susceptible to accruals to be ninety days, with the exception of expenditure driven (reimbursement) grants, for which the availability period is one year. Prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account. Other revenues that are not considered measurable or available are recognized when received by the County. Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and expenses related to compensated absences, claims and judgments and other long-term obligations, which are recorded only when payment is due.

Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Investments

Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

The County adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, and GASB 40, *Deposit and Investment Risk Disclosures,* which established accounting and financial reporting standards for all investments, including fair value standards. Non-participating investments, such as nonnegotiable certificates of deposit with redemption values that do not consider market rates are reported at amortized cost. Participating investments are carried at fair value, and unrealized gains and losses due to variations in fair value are recognized for the year.

The provisions of GASB No. 31 also specify that the investment income of each fund be reported in the fund that is associated with the assets. If the investment income is assigned to another fund for other than legal or contractual reasons, the income has to be recognized in the fund that reports the investment, with an operating transfer to the recipient fund. The County has made the needed adjustments to the accompanying financial statements to ensure compliance with this provision.

Due to/from other Funds

These balances are a result of a timing difference between the date(s) the interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between the funds are made. Please see note 7 for detail of funds owed to and from the General Fund as well as interfund transfers.

Inventories

Inventories, consisting principally of materials and supplies held for use or consumption, are recorded at cost or weighted average. The purchases method of inventory accounting is used to report inventories in the General Fund. Under this method, inventories are reported as expenditures when purchased. However, significant amounts of inventories are reported as assets and are offset by a reservation of fund balance to indicate they do not constitute resources available for appropriation.

Property Taxes

Property values are assessed as of January 1 of each year, at which time, according to the Florida Statute 197.122, taxes become an enforceable lien on property until discharged by payment or until barred under Chapter 95. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by the sale of interest-bearing tax certificates and the seizure of personal property to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment. Current and prior year property taxes billed but uncollected as of the end of the fiscal year are reflected as delinquent taxes receivable with an offsetting allowance account.

Transfers from the General Fund

Transfers from the General Fund are used to: move revenues to the fund that the legislation or budget requires to expend them; move receipts to the debt service fund as debt service payments become due; move unrestricted funds to finance various programs accounted for in other funds in accordance with budgetary authorizations; and move funds to subsidize programs and services in other funds.

Reservations of Fund Balance
Reservations of fund balances in the General Fund represent amounts that are not available for appropriation or are restricted by outside parties for use for a specific purpose. The reservation for long-term advances receivable represents amounts not scheduled to be collected within the following year.

The reservation for endangered lands represents the equity of the Environmentally Endangered Land ("EEL") sub-fund of the General Fund. An environmentally endangered land is land which contains natural forest, wetland or native plant communities, rare and endangered plants and animals, endemic species, endangered species habitat, a diversity of species, outstanding geologic or other natural features, or land which functions as an integral and sustaining component of an existing eco-system. Pursuant to County Ordinance the funds collected in the EEL sub-fund can only be used for the program. The reservation for stormwater utility represents funds to be used exclusively for stormwater projects.

Encumbrances
Encumbrances are commitments for future expenditures, based on purchase orders or contracts issued, where goods or services have been ordered but have not been received. Encumbrances do not constitute expenditures or liabilities to the County since no resources are expended until the goods or services have been received. They are used to help insure that actual expenditures and commitments for future expenditures do not exceed authorized appropriations. Encumbrances outstanding at year-end are reported as a reservation of fund balance in the balance sheet of the General Fund since they will be carried over and reappropriated in the following year.

Budget
Chapter 129, Florida Statutes, requires that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budgets control the levy of taxes and the expenditure of money for County purposes for the ensuing fiscal year. The budgeting process is based on estimates of revenues and expenditures. The General Fund budget is prepared on a modified-accrual basis of accounting in accordance with generally accepted accounting principles.

The General Fund budget has to be approved by the Board of County Commissioners. Every September the County holds two public hearings and adopts the annual budgets for substantially all County funds through the enactment of budget ordinances. The General Fund has an annually appropriated budget, meaning that the budget is established annually. The appropriation of the annually adopted budget lapses at the end of the fiscal year.

Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget at fund/department level require County Commissioners' approval. Department directors are authorized to make transfers of appropriations within their fund/department. Transfers of appropriations between fund/departments require County Commissioners' approval as well. Estimated fund balances are considered in the budgetary process.

Compensated Absences
The County accounts for compensated absences by recording a liability for employees' compensation of future absences according to the guidelines set by GASB Statement No. 16, *Accounting for Compensated Absences.*

County policy permits employees to accumulate unused vacation and sick pay benefits that will be paid to them upon separation from service. In the General Fund, the cost of vacation and sick pay benefits is recognized when payments are made to employees. A liability is recognized in the government-wide statements in the period vacation and sick pay benefits are earned.

Disaggregation of Receivables and Payable Balances

Receivable balances in the General Fund at September 30, 2009, were as follows (in thousands):

Accounts	Allowance for uncollectible accounts	Total
$ 29,619	$ (7,700)	$ 21,919

Accounts payable and accrued expenditures in the General Fund at September 30, 2009, were as follows (in thousands):

Vendors	Salaries and Benefits	Total
$ 64,024	$ 33,384	$ 97,408

Note 3 - Cash, Cash Equivalents and Investments

Miami-Dade County is authorized through Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-31-09 and its Investment Policy to make certain investments. The Investment Policy was updated and adopted on January 22, 2009 in response to current and possible uncertainties in the domestic and international financial markets. The County's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds and maximizing investment income.

The County pools substantially all cash, cash equivalents and investments, except for separate cash and investment accounts that are maintained in accordance with legal restrictions. The General Fund's equity share of the total pooled cash, cash equivalents and investments is included in the accompanying financial statements under the caption "Cash and cash equivalents" and "Investments."

As of September 30, 2009, the General Fund cash equivalents and investments included the following (non pooled cash accounts are not included):

Investment Type	Fair Value (in thousands)
Federal Home Loan Mortgage Corporation	$ 35,042
Federal Home Loan Bank	34,746
Federal Farm Credit Bank	35,496
Federal National Mortgage Association	39,225
Time Deposits	629
Treasury Notes	14,997
Wachovia Interest Bearing Accounts	27,649
Total	$ 187,784

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the County intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs.

Credit Risk

The County's Investment Policy (the Policy), minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits or savings accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings bank, or savings association organized under the laws of the United States with an office in the State of Florida that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating from at least two rating agencies which are Standard & Poor's (A1), Moody's (P1), or Fitch (F1); bankers acceptances which have a stated maturity of 180 days or less from the date of its issuance, and have the highest letter and numerical rating from at least two rating agencies (as noted for commercial paper above) and are drawn and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank; investments in repurchase agreements ("Repos") collateralized by securities authorized within this policy. All Repos shall be governed by a standard SIFMA Master Repurchase Agreement; municipal securities issued by U.S. state or local governments, having at time of purchase, a stand-alone credit rating of AA or better assigned by two or more recognized credit rating agencies or a short-term credit rating of A1/P1 or equivalent from one or more recognized credit rating agencies.

Securities Lending - Securities or investments purchased or held under the provisions of this section may be loaned to securities dealers or financial institutions provided the loan is collateralized by cash or securities having a market value of at least 102% of the market value of the securities loaned upon initiation of the transaction.

The General Fund investments as of September 30, 2009, had credit ratings as follows:

Investment Type	Credit Rating (N/A = not rated)
Federal Home Loan Mortgage Corporation	AAA
Federal Home Loan Bank	AAA
Federal Farm Credit Bank	AAA
Federal National Mortgage Association	AAA
Time Deposits	N/A
Treasury Notes	N/A
Wachovia Interest Bearing Accounts	N/A

Custodial Credit Risk

The County's investment authority is derived from Florida Statutes §218.415 and County Ordinance 84-47. The Policy requires that time deposits made in banks and savings and loan associations must be made with qualified public depositories in accordance with Chapter 280, Florida Statutes. The County deposits funds only in qualified public depositories, pursuant to Florida Statutes 280.02, which are defined as banks, savings banks, or savings associations organized under the laws of the United States with an office in the State of Florida that is authorized to receive deposits, and has deposit insurance under the provisions of the FDIC. At September 30, 2009 all of the County's bank deposits were in qualified public depositories and as such the deposits are not exposed to custodial credit risks.

Securities may be purchased only through financial institutions that are state-certified public depositories. For third-party custodial agreements, the County will execute a Custodial Safekeeping Agreement with a commercial bank. All securities purchased and/or collateral obtained by the County shall be the property of the County and be held apart from the assets of the financial institution.

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the State of Florida Local Government Surplus Trust Fund (the "Pool"); however, bond proceeds may be temporarily deposited in the Pool until alternative investments have been purchased. Prior to any investment in the Pool, approval must be received from the Board of County Commissioners. A maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund. A maximum of 20% of the portfolio may be invested in interest bearing time deposits or demand accounts with no more than 5% deposited with any one issuer. There is no limit on the percent of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies and instrumentalities, with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of the total portfolio). A maximum of 5% of the portfolio may be invested in open-end or closed-end funds. A maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer. A maximum of 25% of the portfolio may be invested in bankers acceptances with a maximum of 10% with any one issuer, but a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptances. A maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreements, with a maximum of 10% of the portfolio in any one institution or dealer with the exception of one (1) business day agreements. Investments in derivative products shall be prohibited by Miami-Dade County. A maximum of 25% of the portfolio may be directly invested in municipal obligations, up to 5% with any one municipal issuer.

As of September 30, 2009 the following issuers held 5% or more of the General Fund investments:

Concentration of Credit Risk Over 5%

Federal Home Loan Mortgage Corporation	18.66%
Federal Home Loan Bank	18.50%
Federal Farm Credit Bank	18.90%
Federal National Mortgage Association	20.89%

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investments pools.

Interest Rate Risk

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than twelve (12) months. Investments for bond reserves, construction funds and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of a single investment in the portfolio to a maximum of five (5) years.

As of September 30, 2009 the General Fund had the following investments with the respective weighted average maturity.

Investment Type	Weighted Average in Years
Federal Home Loan Mortgage Corporation	1.01
Federal Home Loan Bank	0.79
Federal Farm Credit Bank	1.56
Federal National Mortgage Association	0.67
Time Deposits	0.42
Treasury Notes	0.62

Foreign Currency Risk

The Policy limits the County's foreign currency risk by excluding foreign investments as an investment option.

Swaps

Swaps are made in accordance with the provisions of County Resolution R-311-05, "Master SWAP Policy." The Board must authorize the swap agreement and its provisions. Generally, the County will enter into transactions only with counterparties whose obligations are rated in the double-A category or better from at least one nationally recognized rating agency. In instances when the credit rating is lowered below the double-A rating the County requires the counterparty to collateralize its exposures or the County will exercise its right to terminate. The County's swap policy seeks to mitigate counterparty risk, termination risk, interest rate risk, basis risk, amortization risk, liquidity risk and pricing risk.

Cash Deficits

As of September 30, 2009, the Transit Agency, the Hurricane Funds, and the Community and Social Development Fund had cash deficit balances of approximately $42.4 million, $7.2 million, and $2.7 million respectively. It is the County's practice to reclassify cash deficits with a corresponding interfund receivable/payable in the appropriate fund. These cash deficits are funded with cash advances from the County's General Fund.

Note 4 - Pension Plan

Florida Retirement System

The County participates in the Florida Retirement System (the "System"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of its full-time and part-time employees. The System was created in 1970 by consolidating several employee retirement systems. All eligible employees (as defined by the State) that were hired after 1970 and those employed prior to 1970 that elect to be enrolled, are covered by the System. Benefits under the plan vest after six years of service. Benefit provisions are established under Chapter 121, Florida Statutes, which may be amended by the Florida Legislature.

The System is a defined benefit plan, qualified under section 401(a) of the Internal Revenue Code, with defined contribution options. Under the defined benefit option, employees who retire at or after age 62 with six years of credited service (vesting period), are entitled to an annual retirement benefit payable monthly for life. The System also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

Summary of Florida Retirement System ("FRS") Contributions, Covered Payroll and Percentage of Covered Payroll for the (in thousands)

	2009	2008	2007
Covered Payroll	$ 2,197,064	$ 2,145,709	$ 2,099,613
Contributions	$ 284,429	$ 281,048	$ 272,101
% of Covered Payroll	12.9%	13.1%	13.0%

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contributions rates are established by state law as a level percentage of payroll (Chapter 121.70 Florida Statutes). Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature. Pension costs for the County ranged from 9.85% to 20.92% of gross salaries for fiscal year 2009. For the fiscal years ended September 30, 2009, 2008 and 2007, the County contributed 100% of the required contributions.

A copy of the System's annual report for the year ended June 30, 2009 can be obtained by writing to the Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling toll-free (877) 377-1737, or by visiting their website at http://FRS.myFlorida.com.

Note 5 - Self-Insurance Program

The County's Risk Management Division (RMD) administers workers' compensation and general liability self-insurance programs. A large portion of the group medical insurance program is also self-insured and is managed by an independent third party administrator. The County continues to offer one fully insured HMO program. The County purchases commercial property insurance for County-owned properties, but maintains no excess coverage with independent insurance carriers for the workers' compensation and general liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. The County purchases commercial insurance in certain instances due to exposure to loss and/or contractual obligations.

The County's Self-Insurance Internal Service Fund has an accumulated deficit of approximately $19.4 million for various self-insurance programs administered by the County. The County has implemented an action plan in an effort to reduce the accumulated deficit. County management believes that the deficit will be made up over a reasonable period of time.

Note 7 - Interfund Transfers and Balances (in thousands)

TRANSFER FROM GENERAL FUND TO:		TRANSFER TO GENERAL FUND FROM:	
Nonmajor Governmental	$ 216,208	Nonmajor Governmental	$ 17,693
Transit Agency	145,576		
Public Health Trust	177,870		
Solid Waste	1,071		
Total	$ 540,725	Total	$ 17,693

General Fund transfers to other funds include: $146 million to the Miami-Dade Transit Department to support its operations in accordance with the Maintenance of Effort Agreement; $178 million to the Public Health Trust from ad valorem taxes to support its operations; $66 million to fund capital projects as per the approved budget; $39 million to the Community and Social Development Fund to finance its programs in acordance with the approved budget; $32 million to the Debt Service Fund to make debt service payments as they become due, and $79 million to various other funds.

GENERAL FUND DUE FROM OTHER FUNDS		GENERAL FUND DUE TO OTHER FUNDS	
Nonmajor Governmental	$ 10,599	Aviation Department	$ 20,143
Transit Agency	146,615		
Seaport	2,344		
Aviation Department	4,677		
Water and Sewer	2,944		
Public Health Trust	31,057		
Miami-Dade Housing Agency	6,093		
Total	$ 204,329	Total	$ 20,143

The balance of $204,329 includes a long-term advance receivable of $42,380 from Miami-Dade Transit.

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
(UNAUDITED)

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes				
General property taxes	$ 1,275,287	$ 1,275,287	$ 1,262,973	$ (12,314)
Utility taxes	65,273	65,273	68,150	2,877
Communication taxes	49,355	49,355	44,028	(5,327)
Local option gas tax	54,500	54,500	52,669	(1,831)
Occupational license tax	9,071	9,071	10,636	1,565
Total	1,453,486	1,453,486	1,438,456	(15,030)
Licenses and permits				
Building	51,810	51,810	41,816	(9,994)
Franchise fees	51,799	51,799	44,241	(7,558)
Other licenses	19,425	19,425	20,160	735
Total	123,034	123,034	106,217	(16,817)
Intergovernmental revenues				
State sales tax	121,548	121,548	113,916	(7,632)
State revenue sharing	78,560	78,560	75,963	(2,597)
Gasoline and motor fuel tax	13,629	13,629	12,738	(891)
Alcoholic beverages license	851	851	955	104
Other	1,761	1,761	1,063	(698)
Total	216,349	216,349	204,635	(11,714)
Charges for services				
Clerk of Circuit and County Court	10,108	10,108	11,556	1,448
Tax Collector fees	33,073	33,073	37,158	4,085
Merchandise sales & recreational fees	37,619	37,619	31,721	(5,898)
Sheriff and police services	38,072	38,072	48,215	10,143
Other	117,791	117,791	104,957	(12,834)
Total	236,663	236,663	233,607	(3,056)
Fines and forfeitures				
Clerk of Circuit and County Court	12,866	12,866	11,877	(989)
Investment income	22,747	22,747	9,092	(13,655)
Other	89,883	89,883	88,702	(1,181)
Total revenues	2,155,028	2,155,028	2,092,586	(62,442)
Expenditures:				
Policy formulation and general government				
Office of the Mayor	9,118	9,118	9,028	90
County Commission	20,042	24,287	19,521	4,766
Strategic Business Management	5,773	5,773	5,241	532

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
(UNAUDITED)
(in thousands)
(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Policy formulation and general government (continued)				
Personnel	11,459	11,459	9,688	1,771
Finance	37,997	37,997	30,530	7,467
Audit and Management Services	7,212	7,212	6,594	618
Property Appraiser	28,269	28,269	25,988	2,281
Clerk of Circuit and County Court	22,005	22,005	15,488	6,517
Procurement Management	16,686	16,686	11,461	5,225
Office of Sustainability	543	543	515	28
Enterprise Technology Services Department	61,051	61,051	57,114	3,937
Elections	21,684	27,745	27,697	48
Fair Employment Practices	1,257	1,257	943	314
Law	20,799	20,799	20,197	602
Planning and zoning	7,970	7,970	6,525	1,445
Judicial Administration	35,768	35,768	32,939	2,829
Agenda Coordination	1,145	1,145	1,060	85
Office of the Inspector General	363	363	56	307
Commission on Ethics	2,343	2,343	2,024	319
General Service Administration	37,853	37,853	31,593	6,260
Government Information Center	19,749	19,749	18,417	1,332
Office of Grants Coordination	4,305	4,305	3,712	593
General government costs	150,582	130,225	40,867	89,358
Total	523,973	513,922	377,198	136,724
Protection of people and property				
Police	543,680	543,680	534,171	9,509
Corrections and rehabilitation	315,837	315,837	306,421	9,416
Building code compliance	15,313	15,313	10,794	4,519
Consumer services	12,912	12,912	10,254	2,658
Building	27,564	27,564	24,758	2,806
Planning and zoning	7,511	7,511	6,979	532
Neighborhood Compliance	12,031	15,862	14,266	1,596
Juvenile assessment	8,911	8,911	8,400	511
Emergency Management/Homeland Security	3,103	3,103	2,631	472
General government costs	528	528	526	2
Total	947,390	951,221	919,200	32,021

(Continued)

MIAMI-DADE COUNTY, FLORIDA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
(UNAUDITED)
(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Physical environment				
Environmentally Endangered Lands	11,417	11,417	11,417	
Public Works	24,437	24,437	17,312	7,125
Environmental Resources	54,273	54,273	50,129	4,144
Non-departmental	49	49	49	
General government costs	469	469	437	32
Total	90,645	90,645	79,344	11,301
Transportation				
Public Works	42,380	43,283	37,665	5,618
General Service Administration	3,418	3,418	969	2,449
Total	45,798	46,701	38,634	8,067
Health				
Public Works	2,259	2,259	2,096	163
Animal Services	10,075	10,075	9,950	125
Countywide Health/Planning and Zoning	677	677	570	107
General government costs	21,300	21,300	20,526	774
Total	34,311	34,311	33,142	1,169
Socio-economic environment				
Office of Economic Development	979	979	635	344
Community Advocacy	5,043	5,043	2,322	2,721
Metro Miami Action Plan	997	997	687	310
Office of ADA Coordination	1,047	1,047	771	276
Office of Grants Coordination	1,829	1,829	1,823	6
General government costs	85,948	85,948	84,370	1,578
Total	95,843	95,843	90,608	5,235
Culture and Recreation				
Cultural Affairs Coordination	3,991	3,991	3,991	
Park and Recreation	100,839	100,839	93,667	7,172
Planning and Zoning	173	173	172	1
General government costs	1,604	1,604	1,604	
Total	106,607	106,607	99,434	7,173
Total expenditures	1,844,567	1,839,250	1,637,560	201,690
Excess of revenues over expenditures	310,461	315,778	455,026	139,248
Other financing sources (uses):				
Transfers in	1,058	1,058	17,693	16,635
Transfers out	(553,433)	(558,750)	(540,725)	18,025
Reserve for future expenditures:				
Physical environment	(98,472)	(98,472)		98,472
Total other financing sources (uses)	(650,847)	(656,164)	(523,032)	133,132
Net change in fund balances	(340,386)	(340,386)	(68,006)	272,380
Fund balance - beginning	340,386	340,386	365,187	24,801
Increase in reserve for inventories			2,027	2,027
Fund balance - ending			$ 299,208	$ 299,208

(Concluded)

APPENDIX G

THE 2010 RESOLUTION

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Approved ______ Mayor

Veto ______

Override ______

RESOLUTION NO. R-1346-09

RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED $247,500,000 DOUBLE-BARRELED AVIATION BONDS (GENERAL OBLIGATION), SERIES 2010, IN ONE OR MORE TRANCHES, FOR PURPOSE OF PAYING COSTS OF CAPITAL IMPROVEMENTS FOR COUNTY AIRPORTS; APPROVING ISSUANCE AFTER PUBLIC HEARING AS REQUIRED BY SECTION 147(F) OF INTERNAL REVENUE CODE OF 1986, AS AMENDED; AMENDING DESCRIPTION OF CAPITAL IMPROVEMENTS TO BE FINANCED WITH BOND PROCEEDS; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE, WITHIN CERTAIN LIMITATIONS AND RESTRICTIONS, TO FINALIZE TERMS AND OTHER PROVISIONS OF BONDS; PROVIDING CERTAIN COVENANTS AND OTHER REQUIREMENTS; FINDING NECESSITY FOR AND AUTHORIZING NEGOTIATED SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF RELATED AGREEMENTS, WITHIN CERTAIN PARAMETERS, INCLUDING DISTRIBUTION AND USE OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS; APPOINTING PAYING AGENT AND REGISTRAR; AUTHORIZING COUNTY OFFICIALS TO TAKE ALL NECESSARY ACTIONS IN CONNECTION WITH ISSUANCE, SALE, AND DELIVERY OF BONDS; AND PROVIDING FOR SEVERABILITY

WHEREAS, on September 2, 1986 the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County") adopted Resolution No. R-1122-86 calling for a special election (the "Special Election"), to be held in conjunction with the general election on November 4, 1986, for the purpose of submitting to the electors of the County the question of whether general obligations bonds of the County in an amount not to exceed $247,500,000 shall be authorized to be issued for the purpose of financing various facility improvements to the County owned and operated airport facilities in the County, including Miami International Airport ("MIA"), Opa-locka Airport, Opa-locka West Airport, Kendall-Tamiami Executive Airport, Homestead General Aviation Airport and Dade-Collier Training and Transition Airport, and such additional County owned and operated general aviation and helicopter airports as may hereinafter be established by the County (all such airports collectively being herein called the "County Airports") and to refund certain indebtedness previously issued therefor; and

WHEREAS, on October 14, 1986 the Board enacted Ordinance No. 86-75 (the "Ordinance"), authorizing the issuance, subject to the approval of the electorate pursuant to the Special Election, of general obligations bonds of the County, in one or more series, in an aggregate principal amount not to exceed $247,500,000 for the purpose of (i) financing the acquisition and installation of various facility improvements for the County Airports, as such improvements are generally described in Exhibit A to the Ordinance, and as may be revised, amended or substituted by subsequent ordinance or resolution, or for such other aviation purposes as may be determined by the Board by subsequent resolution, (ii) refunding certain indebtedness previously issued to finance prior improvements or issued to finance the improvements mentioned in clause (i) immediately preceding, and (iii) paying costs of issuance of said bonds; and

WHEREAS, the Ordinance requires that such bonds be payable from revenues derived by the County from its ownership or operation of the County Airports, after payment from such revenues of all obligations of the County pertaining to County Airports which are payable pursuant to indenture, trust agreement or contract, and subject to the restrictions of said indentures, trust agreements or contracts, and, if necessary, from unlimited ad valorem taxes levied on all taxable property in the County without limit as to rate or amount, the full faith and credit of the County being pledged to the payment of principal of, premium, if any, and interest on such bonds; and

WHEREAS, pursuant to the Special Election, the electors of the County approved the issuance of general obligation bonds of the County in an amount not to exceed $247,500,000 for the purpose of financing capital improvements for the County Airports and to refund indebtedness previously issued therefor; and

WHEREAS, pursuant to the Ordinance, the Board desires to authorize the issuance of the County's Double-Barreled Aviation Bonds (General Obligation), Series 2010 (the "Bonds"), in one or more Tranches, in an aggregate principal amount not to exceed $247,500,000, as more particularly described in Article IV; and

WHEREAS, the Board desires to amend the description of the facility improvements for the County Airports set forth in Exhibit A to the Ordinance to be financed from the proceeds of the Bonds to include the capital improvements set forth in Exhibit "A" to this 2010 Resolution; and

WHEREAS, First Southwest Company and Frasca & Associates, L.L.C. (collectively, the "Financial Advisor"), financial advisors to the County and the Miami-Dade County Aviation Department (the "Aviation Department") with respect to the Bonds, has recommended to the County and the Aviation Department that a negotiated sale of the Bonds, in one or more Tranches, is in the best interest of the County and the Aviation Department for the reasons set forth in Section 2.03(C) of this resolution (the "2010 Resolution"); and

WHEREAS, the Board, on this date, conducted a public hearing with respect to the issuance of the Bonds in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), and having the benefit of the hearing, the Board desires to approve the issuance of the Bonds as required by Section 147(f) of the Code; and

WHEREAS, the Board wishes to authorize the Finance Director of the County as the County Mayor's designee (the "Finance Director") to: (i) determine the terms of the Bonds within the limitations specified in this 2010 Resolution, (ii) designate a Paying Agent, Registrar and, as necessary, any other agents; (iii) secure Credit Facilities and/or Reserve Facilities for the Bonds, if deemed advisable; (iv) negotiate and execute certain agreements, instruments and certificates in connection with the Bonds, including, without limitation, the Bond Purchase Agreement and Registrar and Paying Agent Agreement; and (v) take all action and to make such further designations necessary in connection with the issuance and sale of the Bonds, all subject to the limitations contained in this 2010 Resolution; and

WHEREAS, the Board wishes to authorize the execution and delivery of one or more Bond Purchase Agreements (collectively, the "Bond Purchase Agreement"), as the case may be, with Morgan Stanley & Co., Incorporated, as representative, acting on behalf of itself and the other underwriters named

in the Bond Purchase Agreement (collectively, the "Underwriters"), in substantially the form on file at the Clerk's Office as Exhibit "C" to this 2010 Resolution; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the "County Manager's Memorandum"), a copy of which is incorporated in this 2010 Resolution by reference,

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

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. In addition to words and terms defined in the Ordinance or elsewhere defined in this 2010 Resolution, the following words and terms as used in this 2010 Resolution shall have the following meanings, unless some other meaning is plainly intended:

"Acquisition Account" means the account within the Acquisition Fund created and so designated by Section 7.01.

"Acquisition Fund" means the Double-Barreled Aviation Bonds (General Obligation), Series 2010 Acquisition Fund, a fund created and designated by Section 7.01.

"Act" means, collectively, the Constitution of the State of Florida, Chapters 125 and 166, Florida Statutes, as amended, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, the Code of Miami-Dade County, Florida, as amended, and other applicable provisions of law.

"Ad Valorem Tax Revenues" means all revenues from the assessment, levy and collection of an ad valorem tax, without limitation as to rate or amount, as provided in Section 8.03 of this 2010 Resolution, on all taxable property within the corporate limits of the County (excluding exemptions provided by applicable law), for the payment of the Principal and Interest Requirements on the Bonds.

"Authorized Denominations" means (a) with respect to Tax-Exempt Bonds, $5,000 or any integral multiple of $5,000 and (b) with respect to Taxable Bonds, $1,000 or any integral multiple of $1,000 unless otherwise provided in the Omnibus Certificate.

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association.

"Aviation Director" means the Director of the Aviation Department, the acting Director of the Aviation Department, or, in either case, her or his designee.

"Beneficial Owner", whether or not used in capitalized form, means the purchaser of a beneficial ownership interest in Bonds, recorded through book entries on the records of DTC or DTC Participants.

"Bond Counsel" means a lawyer or firm of lawyers recognized for expertise in municipal bond law selected by the County to act as Bond Counsel under this 2010 Resolution.

"Bondholder" or "Holder" or "Owner" or "Registered Owner", whether or not used in capitalized form, means the registered owner of Bonds at the time issued and outstanding under this 2010 Resolution as shown on the Bond Register.

"Bond Register" means the list of Owners of the Bonds maintained by the Registrar and Paying Agent.

"Bonds" means the County's Double-Barreled Aviation Bonds (General Obligation), Series 2010, as authorized pursuant to the Ordinance and this 2010 Resolution and containing such terms and provisions as set forth in this 2010 Resolution and in the Omnibus Certificate.

"Bond Year" means the annual period beginning on the first day of July of each year and ending on the last day of June of the following year; provided that when such term is used to described the period during which deposits are to be made to pay or amortize principal of and interest on the Bonds, at maturity or as a result of Sinking Fund Installments, principal and interest maturing or becoming due on July 1 of any Bond Year shall be deemed to mature or become due on the last day of the preceding Bond Year.

"Book-Entry Only System" means a Book-Entry Only registration system for the Bonds, which with respect to the "Book-Entry Only System" maintained by DTC, shall be subject to the procedures set forth in Section 4.05.

"Build America Bonds (Direct Payment)" shall have the meaning ascribed thereto in IRS Notice 2009-26 published in Internal Revenue Bulletin 2009-16 dated April 20, 2009.

"Business Day" means a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the principal corporate trust office of the Registrar and Paying Agent is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Capital Improvements" means the capital improvements specified on Exhibit "A" to this 2010 Resolution, as such exhibit may be amended, modified or supplemented from time to time by a certificate executed by the County Manager together with an opinion of Bond Counsel to the effect that such amendment will not adversely affect (i) the excludability from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds, or (ii) the eligibility of the County to receive the Interest Subsidy Payments in respect of Taxable Bonds issued as Build America Bonds (Direct Payment).

"Consulting Engineer" means the independent engineer or engineering firm or corporation at the time employed by the County under the provisions of Section 705 of the Trust Agreement to perform and carry out the duties imposed on the Consulting Engineers by the Trust Agreement, or such other independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in aviation facility construction matters.

"Cost", as applied to the Project, shall consist of the cost of the Project and all obligations and expenses and all items of cost which are set forth in Section 7.03 of this 2010 Resolution.

"Cost of Issuance Account" means the account within the Acquisition Fund created and so designated by Section 7.01.

"County Attorney" means the Office of the Miami-Dade County Attorney.

"County Clerk" or "Clerk" means the Clerk of the Board or his or her designee or the officer succeeding to his or her principal functions.

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

"County Mayor" means the Mayor of the County.

"CP Notes" means the Miami-Dade County, Florida Aviation Commercial Paper Notes, Series B (NON-AMT).

"Credit Facility" means, with respect to any Bonds, each and every municipal bond insurance policy, surety bond, guaranty, purchase agreement, letter of credit, credit agreement or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on such Bonds when due.

"Credit Facility Agreement" means an agreement as may be entered into from time to time between the County and a Credit Facility Provider, pursuant to which the Credit Facility Provider has issued a Credit Facility with respect to any Bonds, as such agreement may from time to time be amended or supplemented.

"Credit Facility Provider" means, with respect to any Bonds, the issuer of any Credit Facility for such Bonds from time to time.

"Debt Service Account" means the account created and so designated by Section 9.01.

"Depository" means DTC as securities depository for the Bonds until a successor depository is appointed pursuant to Section 4.05 hereafter and thereafter means the successor securities depository appointed pursuant to this 2010 Resolution.

"Disclosure Counsel" means a lawyer or firm of lawyers recognized for expertise in the application of the federal securities laws to municipal bond offerings selected by the County to act as Disclosure Counsel under this 2010 Resolution.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Bonds, or any successor Depository for any Bonds.

"DTC Participant" means (i) any institution for which, from time to time, DTC effectuates book-entry transfers and pledges of securities pursuant to the Book-Entry Only System or (ii) any securities broker or dealer, bank, trust company or other institution that clears through or maintains a custodial relationship with an institution referred to in clause (i).

"Finance Director" means the Finance Director of the County or the officer succeeding to his principal functions.

"Financial Advisor" means, collectively, First Southwest Company and Frasca & Associates, L.L.C., their successors and assigns, acting as financial advisor to the County and the Aviation Department with respect to the Bonds, or any other financial advisory firm or firms selected by the County, and not unacceptable to the Aviation Department, to serve in such capacity.

"Fiscal Year" means the period commencing on the first day of October of a given year and ending on the last day of September of the following year as the same may be amended from time to time to conform to the fiscal year of the County.

"Fitch" means Fitch Ratings, and its successors and assigns.

"Government Obligations" means, to the extent permitted by law, (i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America, (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (iv) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

"Improvement Fund" shall mean the special fund designated as the "Dade County Port Authority Improvement Fund" created pursuant to Section 506 of the Trust Agreement.

"Interest Payment Date" means each January 1 and July 1, with the first such date for each Tranche to be as set forth in the Omnibus Certificate for such Tranche.

"Interest Subsidy Payments" means the subsidy payments received by the County from the United States Department of the Treasury pursuant to the provisions of Sections 6431(b) and 1400U-2 of the Code in an amount equal to thirty-five percent (35%) of the interest payable by the County on any Taxable Bonds issued as Build America Bonds (Direct Payment).

"Investment Obligations" means any of the following to the extent the same are at the time legal for investment by the County pursuant to applicable law and consistent with the investment policy of the County in effect from time to time and any other investment securities approved by the Credit Facility Provider:

(i) Government Obligations;

(ii) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and credit facility-backed issues of the Federal Home Loan Banks or the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMAs"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMAs"); guaranteed participation certificates and guaranteed pool certificates of

the Small Business Administration; debt obligations and credit facility-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; and Resolution Funding Corporation securities;

(iii) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A2" or better by Moody's and "A" or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A2" or better by Moody's and "A" or better by S&P;

(iv) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's and "A-1" or better by S&P;

(v) Federal funds, unsecured certificates of deposit, time deposits or bankers' acceptances (in each case having maturities of not more than 365 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P and "P-1" by Moody's;

(vi) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least $15 million;

(vii) Investments in money market funds rated "AAAm" or "AAAm-G" by S&P;

(viii) Repurchase agreements collateralized by Government Obligations, GNMAs, FNMAs or FHLMCs with any registered broker-dealer subject to Securities Investor Protection Corporation jurisdiction or any commercial bank insured by the Federal Deposit Insurance Corporation, if such broker-dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's and "A-1" or "A-" or better by S&P, provided:

(a) a master repurchase agreement or specific written repurchase agreement governs the transaction;

(b) the securities are held free and clear of any lien by an independent third party acting solely as agent ("Agent") for the County, and such third party is (A) a Federal Reserve Bank, (B) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $50 million, or (C) a bank approved in writing for such purpose by the Credit Facility Provider, and the County shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the County;

(c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the County;

(d) the repurchase agreement has a term of 180 days or less, and the County or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

(e) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%;

(ix) Investment agreements, the form and substance of which are specifically approved by any Credit Facility Provider; and

(x) The Local Government Surplus Funds Trust Fund administered by the State Board of Administration of Florida.

"Maturity Date" means, with respect to any Bonds, the maturity date or dates for such Bonds set forth in the Omnibus Certificate with respect to such Bonds.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"Net Available Airport Revenues" shall mean any unencumbered funds held for the credit of the Improvement Fund after the payment of all obligations of the County pertaining to the County Airports which are payable pursuant to, and subject to the restrictions of: (i) the Trust Agreement, (ii) any Airline Use Agreement then in effect or (iii) any other indenture, trust agreement or contract.

"Omnibus Certificate" means a certificate, executed by the Finance Director, the Aviation Director and a Deputy Clerk, dated the date of the original issuance and delivery of each Tranche of the Bonds, setting forth the information required to be included in such Certificate by this 2010 Resolution and complying with the applicable terms and conditions of Article V.

"Opinion of Bond Counsel" means an opinion of Bond Counsel addressed to the County to the effect, subject to customary limitations in similar types of opinions, that the action proposed to be taken (i) will not, in and of itself, cause interest on the Tax-Exempt Bonds to be includable in the gross income of the owners of such Bonds for purposes of federal income taxation or adversely affect the eligibility of the County to receive the Interest Subsidy Payments in respect of Taxable Bonds issued as Build America Bonds (Direct Payment), and (ii) is authorized or permitted by this 2010 Resolution and has been taken in accordance with this 2010 Resolution.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds that have been duly authenticated and delivered by the Registrar and Paying Agent under this 2010 Resolution, except: (i) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity; (ii) Bonds, the lien of this 2010 Resolution in favor of which has been defeased, released and terminated in accordance with Article XV; (iii) Bonds in lieu of which others have been authenticated under Section 4.06 or 4.07; and (iv) for the purpose of all consents, approvals, waivers and notices required to be obtained or given under this 2010 Resolution, Bonds held or owned by the County.

"Pledged Revenues" means, collectively, the Net Available Airport Revenues and Ad Valorem Tax Revenues actually deposited into the Debt Service Account or the Reserve Account pursuant to the provisions of Section 9.02.

"Port Authority Properties" shall have the meaning ascribed to it in the Trust Agreement.

"Principal and Interest Requirements" means the respective amounts that are required in each Fiscal Year to provide:

(A) for the payment of interest on all Bonds then Outstanding which is payable on each Interest Payment Date in such Fiscal Year;

(B) for the payment of principal of all serial Bonds then Outstanding which is payable upon the maturity of serial Bonds in such Fiscal Year; and

(C) for the payment of Sinking Fund Installments, if any, for all term Bonds then Outstanding for such Fiscal Year.

For purposes of computing (A), (B) and (C) above, any principal, interest or Sinking Fund Installments due on the first day of a Fiscal Year shall be deemed due in the preceding Fiscal Year.

For purposes of determining the amount of the Principal and Interest Requirements for any Fiscal Year, if interest on any Bonds is payable from capitalized interest or from other amounts set aside irrevocably for such purpose at the time such Bonds are issued, or if principal, interest or Sinking Fund Installments are payable in whole or in part from investment earnings retained, or moneys from any source deposited, in the Debt Service Account in accordance with Article IX of this 2010 Resolution, interest, principal and Sinking Fund Installments on such Bonds shall be included in Principal and Interest Requirements only to the extent of the amount of interest, principal and Sinking Fund Installments payable in a Fiscal Year from amounts other than amounts actually on deposit in the applicable account on and as of the date of calculation.

"Project" means, collectively, the acquisition, construction, improvement and/or installation of the Capital Improvements.

"Rating Agency" means Moody's, S&P and Fitch, and any other nationally recognized rating service which, at the request of the County, shall have provided a rating on any Outstanding Bonds.

"Rating Category" means one of the general rating categories of Moody's, S&P or Fitch, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, taking into account all permitted credits, all as provided in the Income Tax Regulations implementing Section 148 of the Code.

"Redemption Price" means, with respect to the Bonds, the principal amount of Bonds to be redeemed plus the applicable premium, if any, payable upon redemption thereof pursuant to this 2010 Resolution.

"Record Date" means with respect to each Interest Payment Date, the close of business on the fifteenth (15th) calendar day, whether or not a Business Day, of the month immediately preceding such Interest Payment Date.

"Registrar" or "Paying Agent" means the Registrar and Paying Agent appointed and acting from time to time pursuant to Section 12.02.

"Registrar and Paying Agent Agreement" means, initially, the Registrar and Paying Agent Agreement to be entered into by and between the County and the Registrar and Paying Agent, and all modifications, alterations, amendments and supplements thereto.

"Representation Letter" means the Blanket Issuer Letter of Representations from the County to DTC.

"Reserve Account" means the account created and so designated by Section 9.01.

"Reserve Account Requirement" means, with respect to each Tranche of the Bonds, the amount, if any, as designated by the Finance Director in the Omnibus Certificate, in consultation with the Aviation Director, the Financial Advisor and Bond Counsel, that is to be deposited into the Reserve Account (in cash or with a Reserve Facility, or a combination thereof) concurrently with the issuance of such Tranche of the Bonds.

"Reserve Facility" shall have the meaning ascribed to it in Section 9.02.

"Resolution" means this 2010 Resolution as the same may be amended from time to time.

"Revenue Fund" means the special fund designated as the "Dade County Port Authority Revenue Fund" created pursuant to Section 502 of the Trust Agreement.

"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.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., and its successors and assigns.

"Sinking Fund Installment" means, with respect to term Bonds, the principal amount fixed to be redeemed, or otherwise retired, on July 1 of a Fiscal Year.

"State" means the State of Florida.

"Tax Certificate" means a certificate dated the date of original issuance of each Tranche of the Bonds executed by the Finance Director and the Aviation Director regarding, among other things, restrictions related to rebate of arbitrage earnings to the United States of America and (i) with respect to Tax-Exempt Bonds, the restrictions prescribed by the Code in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes, and (ii) with respect to Taxable Bonds issued as Build America Bonds (Direct Payment), the restrictions prescribed by the Code in order for the County to receive the Interest Subsidy Payments.

"Tax-Exempt Bonds" means Bonds the interest on which is intended on the date of issuance thereof to be excludable from gross income of the holders thereof for federal income tax purposes.

"Taxable Bonds" means Bonds the interest on which is intended on the date of issuance thereof to be included in gross income of the holders thereof for federal income tax purposes, including, without limitation Build America Bonds (Direct Payment).

"Traffic Engineer" means the independent engineer or engineering firm or corporation at the time employed by the County under the provisions of Section 705 of the Trust Agreement to perform and carry

out the duties imposed on the Traffic Engineers by the Trust Agreement, or such other independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in aviation management consulting.

"Tranche" means a subseries of the Bonds designated in accordance with Section 3.02 of this 2010 Resolution which may or may not be sold or issued at the same time as other subseries of the Bonds so designated.

"Trust Agreement" means the Amended and Restated Trust Agreement dated as of December 15, 2002 by and among the County, The Bank of New York Mellon (successor in interest to JPMorgan Chase Bank), as trustee, and U.S. Bank National Association (as successor in interest to Wachovia Bank, National Association), as co-trustee, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

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

Section 1.02 Rules of Construction. Words of the masculine or feminine gender shall be deemed and construed to include correlative words of the feminine or masculine and neuter genders. Unless the context shall otherwise indicate, the words "Beneficial Owner", "Bond", "Bondholder", "Holder", "Owner", "Registered Owner", "person", "firm" and "corporation" shall include the plural as well as the singular number, and the word "person" shall include corporations, firms, associations and public bodies, as well as natural persons.

Terms used which are relevant to the provisions of the Code but which are not defined in this 2010 Resolution shall have the meanings given to them in the Code, unless the context indicates another meaning.

ARTICLE II

AUTHORITY, RECITALS AND FINDINGS

Section 2.01 Authority. This Resolution is adopted pursuant to the provisions of the Act and the Ordinance.

Section 2.02 Recitals. The recitals contained in the "WHEREAS" clauses are incorporated in this 2010 Resolution as findings and the attached County Manager's Memorandum is approved and incorporated in this 2010 Resolution.

Section 2.03 Findings. The Board, in accordance with the Act and Section 218.385, Florida Statutes, as amended, finds, determines and declares as follows:

(A) A public hearing was held by the Board at the time this 2010 Resolution was considered concerning the issuance of the Bonds by the County for the purpose of (i) financing all or a part of the Cost of the Project, (ii) making a deposit to the Reserve Account for the Bonds, including the deposit of a Reserve Facility or Facilities, if any; and (iii) paying the costs of issuance the Bonds. The time and location of the public hearing was published in *The Miami Herald*, a newspaper of general circulation in the County, as evidenced by the affidavit of publication on file at the Clerk's Office as Exhibit "E" to this 2010 Resolution. At the hearing, comments and discussion were requested concerning the Project and the proposed issuance of the Bonds. A reasonable opportunity to be heard was afforded to all persons present at the hearing. By adoption of this 2010 Resolution, the Board approves, within the meaning of Section 147(f) of the Code, the issuance of the Bonds.

(B) It is necessary, desirable and in the best interest of the County that all or a portion of the CP Notes outstanding at the time or times the Bonds are issued, if any, issued to fund all or a portion of the cost of the Project be refinanced with the Bonds as contemplated in this 2010 Resolution. It is also necessary, desirable and in the best interest of the County that the Capital Improvements be acquired, constructed, improved and/or installed and the Project be financed as contemplated in this 2010 Resolution.

(C) The Financial Advisor has recommended to the County that the Bonds be issued through a negotiated sale, given the current volatility in the municipal bond market and the significant contraction of available credit from banks and other institutional lenders and investors,

to allow time for the investment community to comprehend a number of relevant items, including: (i) the financial volatility of the airline industry and the impact of global economic weakness as well as geopolitical events such as September 11, 2001, (ii) the size and complexity of the Aviation Department's capital improvement program, (iii) the report of the Traffic Engineers, which forecasts passenger and revenue growth trends, (iv) the Aviation Department's ability to generate sufficient revenues to operate effectively and service its outstanding debt and (v) the County's ability to budget for or use revenues for ad valorem taxes, if needed. Based upon the recommendation of the Financial Advisor, the County Manager has determined that the negotiated sale of the Bonds in one or more Tranches to the Underwriters is in the best interest of the County and has recommended to the Board that the County sell the Bonds in one or more Tranches by negotiated sale. The Board accepts the recommendation of the County Manager.

(D) The sale and issuance of the Bonds and the use of the proceeds of the Bonds, as provided in this 2010 Resolution, serve a proper public purpose.

(E) The Board has determined that it is in the best interest of the County to accept the offer of the Underwriters to purchase the Bonds in one or more Tranches at a negotiated sale but only upon the terms and conditions set forth in this 2010 Resolution or as may be determined by the Finance Director in accordance with the terms of this 2010 Resolution and set forth in the Bond Purchase Agreement and the Omnibus Certificate.

(F) The authority granted to the Finance Director with regard to the issuance of the Bonds as provided in this 2010 Resolution is necessary to the proper and efficient implementation of the provisions of this 2010 Resolution in order to achieve the maximum flexibility in the marketplace.

ARTICLE III

AUTHORIZATION OF THE PROJECT AND BONDS

Section 3.01 Description of Capital Improvements. The description of the facility improvements for the County Airports to be financed with Bond proceeds set forth in Exhibit A to the Ordinance is hereby amended to include the capital improvements set forth in Exhibit "A" to this 2010 Resolution.

Section 3.02 Authorization of Project. The financing of the Project is hereby authorized.

Section 3.03 Authorization of Issuance of Bonds. Subject and pursuant to the provisions of this 2010 Resolution, the Ordinance and the County Manager's Memorandum, the Board authorizes the issuance of the Bonds to be designated as "Miami-Dade County, Florida Double-Barreled Aviation Bonds (General Obligation), Series 2010_", in one or more Tranches, each in such original aggregate principal amount and with such Tranche designations as shall be determined by the Finance Director after consultation with the Aviation Director, the Financial Advisor and Bond Counsel, and set forth in the Omnibus Certificate; provided that the aggregate principal amount of Bonds that may be issued is expressly limited to $247,500,000. The Bonds shall be issued for the purposes of providing funds, together with any other legally available funds of the Aviation Department, to (i) finance all or a part of the Cost of the Project; (ii) retiring at maturity all or a portion of the then outstanding CP Notes, if any, issued to fund all or a portion of the cost of the Project; (iii) make a deposit to the Reserve Account for the Bonds, including the deposit of a Reserve Facility or Facilities, if any; (iv) pay costs of issuance relating to the Bonds, including premiums for any Credit Facilities and/or Reserve Facilities, if advisable; and (v) pay capitalized interest, if any, on all or a portion of the Bonds. Notwithstanding anything in this 2010 Resolution to the contrary, the Bonds shall not be issued and delivered until the conditions specified in Sections 4.01 and 5.01 below, as applicable, have been satisfied.

ARTICLE IV

TERMS AND FORM OF BONDS

Section 4.01 Terms of Bonds. The Bonds shall be dated as of the date of their original issuance and delivery, shall bear interest from such date, at the rates and shall mature on the Maturity Dates, set forth in the Bond Purchase Agreement and in the Omnibus Certificate for such Tranche, as approved by the Finance Director, after consultation with the Aviation Director and the Financial Advisor, in accordance with this 2010 Resolution. Such Omnibus Certificate shall also designate and irrevocably elect which of the Bonds of such Tranche, if any, shall be issued as Build America Bonds (Direct Payment). In making any such designation and irrevocable election, the Finance Director, after consultation with the Aviation Director and the Financial Advisor, shall demonstrate in the Omnibus Certificate that there is an economic benefit to the County to making such designation and irrevocable election. The Bonds shall be issued in Authorized Denominations.

Each Tranche of the Bonds shall be numbered from one upward preceded by the letter "R" prefixed to the number. Principal of and premium, if any, on the Bonds shall be payable upon presentation and surrender at the principal corporate trust office of the Registrar and Paying Agent. Interest on the Bonds shall be paid by check or draft drawn upon the Paying Agent and mailed to the registered owners of the Bonds at the addresses as they appear on the registration books held by the Registrar and Paying Agent at the close of business on the Record Date, irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such interest payment date; provided, however, that (i) so long as the ownership of such 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 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 Bonds delivered to the Registrar and Paying Agent at least fifteen (15) days prior to an Interest Payment Date, interest may be paid when due by wire in immediately available funds to the bank account number of a bank within the continental United States designated in writing by such Bondholder to the Paying Agent, on a form acceptable to it. Any such written election may state that it will apply to all subsequent payments due with respect to the Bonds held by such registered owner until a subsequent written notice is filed. 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 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 Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose name the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

The Aviation Department shall appoint such registrars, paying agents, transfer agents, depositaries or other agents as shall be necessary to cause the registration, registration of transfer and reissuance of Bonds within a commercially reasonable time according to the then current industry standards.

The registered owner of any Bond shall be deemed and regarded as the absolute owner of the Bonds for all purposes of this 2010 Resolution. Payment of or on account of the debt service on any 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 this 2010 Resolution shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest on that Bond, to the extent of the amount or amounts so paid.

The principal of, premium, if any, and interest on the Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The payment of the principal of, premium, if any, and interest on the Bonds shall be secured equally and ratably only by a pledge of and lien on the Pledged Revenues and the funds and accounts created under this 2010 Resolution, all in the manner and to the extent provided in this 2010 Resolution.

Section 4.02 Execution of Bonds. The Bonds shall be executed for and on behalf of the County by the facsimile or manual signature of the County 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 Bonds shall also be authenticated as provided in Section 4.03 of this 2010 Resolution. In case any officer whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such 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 Bonds may be signed and sealed on behalf of the County by such person who at the actual time of the execution of such Bonds shall hold the proper office with the County, although on the date of adoption of this 2010 Resolution such person may not have held such office or may not have been so authorized. The execution and delivery of the 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.

Section 4.03 Authentication of Bonds.

(A) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this 2010 Resolution unless and until a certificate of authentication (a "Certificate of Authentication") on such Bond substantially in the form set forth in Exhibit B shall have been duly executed by the Registrar and Paying Agent, and such executed certificate of the Registrar and Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this 2010 Resolution. The Certificate of Authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Registrar and Paying Agent, but it shall not be necessary that the same

officer sign the Certificate of Authentication on all of the Bonds issued under this 2010 Resolution.

(B) The Registrar and Paying Agent is authorized and directed, upon receipt of instructions from the Finance Director, to execute the Certificate of Authentication on each of the Bonds and to deliver such bonds to or upon the order of the Underwriters named in the Bond Purchase Agreement, upon payment of the purchase price for the Bonds and upon compliance with the other requirements for delivery of bonds set forth herein.

(C) Before any Bonds shall be authenticated and delivered by the Registrar and Paying Agent there shall be filed with such Registrar and Paying Agent and the County the following:

(i) a certificate, signed by the Aviation Director and dated on the date of the original issuance and delivery of each Tranche of the Bonds, (a) setting forth the amount of the Principal and Interest Requirements for each succeeding Fiscal Year on account of all Bonds theretofore issued and Outstanding under the provisions of this 2010 Resolution and the Tranche of Bonds proposed to be issued and delivered on such date, (b) if interest on the Tranche of Bonds proposed to be issued and delivered on such date is to be paid from proceeds of such Bonds, setting forth the last date on which interest on such Bonds is expected to be paid from proceeds of such Bonds and (c) concluding that, based on the information set forth by the Aviation Director pursuant to clauses (a) and (b) of this Section 4.03(C)(i) and the forecasted Net Available Airport Revenues provided by the Traffic Engineer in accordance with Section 4.03(C)(ii) below, the forecasted Net Available Airport Revenues for each of the immediately following eight (8) Fiscal Years is at least equal to one hundred percent (100%) of the Principal and Interest Requirements for each of the immediately following eight (8) Fiscal Years on account of all Bonds

theretofore issued and Outstanding under the provisions of this 2010 Resolution and the Tranche of Bonds proposed to be issued and delivered on such date; and

(ii) a statement, signed by the Traffic Engineer and dated the date of the original issuance and delivery of each Tranche of the Bonds, forecasting (taking into account the information provided by the Aviation Director pursuant to 4.03(C)(i) above) the amount of annual Net Available Airport Revenues in each of the eight (8) Fiscal Years immediately following the date of said statement.

Section 4.04 Form of Bonds and Temporary Bonds. The Bonds shall be substantially in the forms set forth in Exhibit "B" hereto with such appropriate variations, omissions and insertions as are permitted or required by this 2010 Resolution or deemed necessary by the County, after consultation with Bond Counsel and the County Attorney.

Each Tranche of the Bonds may be initially issued in temporary form exchangeable for definitive Bonds of such Tranche when ready for delivery. The temporary Bonds shall be of such denomination or denominations as may be determined by the County, and may contain such reference to any of the provisions of this 2010 Resolution as may be appropriate. Every temporary Bond shall be executed by the County and shall be authenticated by the Registrar and Paying Agent upon the same conditions and in substantially the same manner as the definitive Bonds. If the County issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the principal corporate trust office of the Registrar and Paying Agent and the Registrar and Paying Agent shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations of the same Tranche as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this 2010 Resolution as definitive Bonds authenticated and delivered under this 2010 Resolution.

Section 4.05 Book-Entry Bonds.

(A) Except as provided in subsection (C) below, the Holder of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Bond registered in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the Interest Payment Date for the Bonds at the address indicated for Cede & Co. in the registration books of the County kept by the Registrar.

(B) The Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each interest rate and maturity of each Tranche of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books of the County kept by the Registrar in the name of Cede & Co., as nominee of DTC. The County, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive Holder of the Bonds registered in its name for the purposes of payment of the principal of, Redemption Price or interest on the Bonds; any notice permitted or required to be given to Bondholders under this 2010 Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Holders of the Bonds and for all other purposes whatsoever; and neither the County, the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Neither the Registrar, the Paying Agent nor the County shall have any responsibility or obligation to any DTC Participant (the "Participant"), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal, Sinking Fund Installments or Redemption Price of or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this 2010 Resolution or any other documents; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other

action taken by DTC as Bondholder. The Registrar shall pay all principal of, and redemption premium, if any, and interest on the Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in Florida), and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of, and redemption premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (iii) below, no person other than DTC shall receive an authenticated Bond certificate evidencing the obligation of the County to make payments of principal of, Sinking Fund Installments and redemption premium, if any, and interest pursuant to this 2010 Resolution. 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 & Co., and subject to the provisions of this 2010 Resolution with respect to transfers of Bonds, the word "Cede & Co." in this 2010 Resolution shall refer to such new nominee of DTC.

(C) In the event the County determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the County may notify DTC and the Registrar, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event, the County shall prepare and shall execute and the Registrar shall authenticate, transfer and exchange Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this 2010 Resolution. DTC may determine to discontinue providing its services with respect to the 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 Bond certificates as described herein. In the event Bond certificates are issued, the provisions of this 2010 Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, redemption premium, if any, 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 Bonds to any DTC Participant having Bonds credited to its DTC account; or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(D) NEITHER THE COUNTY, THE REGISTRAR NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENT FOR, REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO. AS THE NOMINEE OF DTC, AS REGISTERED OWNER.

SO LONG AS CEDE & CO IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Section 4.06 Mutilated, Lost, Stolen and Destroyed Bonds. In the event any temporary or definitive Bond is mutilated, lost, stolen or destroyed, the County may execute and the Registrar and Paying Agent may authenticate a new Bond of like Tranche, form, date and denomination as that

mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the County, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the County and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the County and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond the County may pay the same without surrender of such Bond. The County and the Registrar and Paying Agent may charge the Holder or owner of such Bond with their reasonable fees and expenses in this connection.

Section 4.07 Transfer and Exchange of Bonds; Persons Treated as Owners. The County shall cause the Bond Register to be kept at a corporate trust office of the Registrar and Paying Agent, as Registrar, which is hereby constituted and appointed the registrar of the County. Upon surrender for transfer of any Bond at a corporate trust office of the Registrar and Paying Agent, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and Paying Agent and duly executed by, the registered owner or the attorney of such owner duly authorized in writing with signature guaranteed by a member firm of STAMP, SEMP or MSP signature guaranty medallion program, the County shall execute and the Registrar and Paying Agent shall authenticate, date and deliver in the name of the transferee or transferees a new Bond or Bonds of the same Tranche and maturity, of Authorized Denominations, for the same aggregate principal amount and of like tenor. Any Bond or Bonds may be exchanged at said office of the Registrar and Paying Agent for the same aggregate principal amount of Bonds of the same Tranche and maturity of other Authorized Denominations and of like tenor. The execution by the County of any Bond shall constitute full and due authorization of such Bond and the Registrar and Paying Agent shall thereby be authorized to authenticate, date and deliver such Bond.

The Registrar and Paying Agent shall not be required to register the transfer of or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption has occurred as provided in this 2010 Resolution, or during the period of fifteen days next preceding the giving of notice calling any Bonds for redemption.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner of such Bond for the purpose of receiving payment of or on account of principal of such Bond and premium, if any, thereon and interest due thereon and for all other purposes and neither the County, any Credit Facility Provider nor the Registrar and Paying Agent shall be affected by any notice to the contrary, but such registration may be changed as in this 2010 Resolution provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond surrendered for the purpose of payment or retirement or for exchange or transfer or for replacement pursuant to Section 4.03 or 6.06, shall be canceled upon surrender of such Bond to the Registrar and Paying Agent. Certification of Bonds canceled by the Registrar and Paying Agent shall be made to the County. Canceled Bonds may be destroyed by the Registrar and Paying Agent unless written instructions to the contrary are received from the County.

The County and the Registrar and Paying Agent may charge each Bondholder requesting an exchange, change in registration or registration of transfer a sum not exceeding the actual cost of any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer, except in the case of the issuance of a definitive Bond for a temporary Bond and except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption pursuant to the provisions of Section 6.06.

Section 4.08 Use of Proceeds of the Bonds. Subject to the provisions of the Ordinance, the proceeds received from the sale of each Tranche of the Bonds shall be applied as follows, all as set forth in the Omnibus Certificate for such Tranche:

(A) The amount which, together with any funds provided by the Aviation Department, shall be necessary to make the funds on deposit in the Reserve Account equal the

Reserve Account Requirement, shall be deposited in the Reserve Account; provided, however, that if a Reserve Facility is provided to satisfy the Reserve Account Requirement, in lieu of making such deposit, proceeds from the sale of the Bonds or any legally available funds provided by the Aviation Department shall be used to pay the premium on such Reserve Facility.

(B) The amount as designated by the Finance Director and the Aviation Director in the Omnibus Certificate as needed to pay the cost of the Project shall be deposited into the Acquisition Account (including any subaccounts therein created pursuant to the Omnibus Certificate) and shall be used and applied in accordance with Section 7.03 hereof.

(C) The balance of the proceeds from the sale of the Bonds shall be deposited in the Cost of Issuance Account created pursuant to Section 7.01 (including any subaccounts therein created pursuant to the Omnibus Certificate) and disbursed by the Aviation Department upon receipt of appropriate invoices, with any surplus remaining therein after all costs of issuance have been paid being transferred to the Acquisition Account.

ARTICLE V

AWARD OF BONDS; CERTAIN DOCUMENTS

Section 5.01 Award of Bonds. The Finance Director is authorized, after consultation with the Aviation Director, the Financial Advisor, the County Attorney and Bond Counsel, to approve the terms of each Tranche of the Bonds not set forth in this 2010 Resolution, such approval to be evidenced by the terms and provisions set forth in the Omnibus Certificate for such Tranche, including, without limitation, the aggregate principal amount of the Bonds, whether the Bonds shall be issued as Tax-Exempt and/or Taxable Bonds, the number of Tranches of Bonds to be issued and the Tranche designations, the dated date of the Bonds, the first interest payment date, the interest rate or rates, the purchase price, the optional and mandatory redemption terms of the Bonds, whether the Bonds shall be serial Bonds or term Bonds or any combination thereof, the maturity dates of the Bonds, the maturity amounts as to serial Bonds and the Sinking Fund Installments as to term Bonds, provided, however, that in no event shall: (i) the sum of the

aggregate principal amount of the Bonds plus net original issue premium, if any, exceed $247,500,000; (ii) any Tranche or Tranches of the Bonds sold to the Underwriters at one time be sold to the Underwriters at a purchase price less than 96.0% of the original aggregate principal amount of such Tranche or Tranches of Bonds (excluding original issue discount and original issue premium); (iii) the true interest cost rate (the "TIC") on Tax-Exempt Bonds and Taxable Bonds of any Tranche or Tranches sold to the Underwriters at one time exceed 7.0% and 7.0%, respectively, provided that with respect to Taxable Bonds the TIC shall be calculated net of the Interest Subsidy Payments, or (iv) the final maturity of the Bonds exceed forty (40) years from the dated date of the Bonds. Such Omnibus Certificate shall also designate and irrevocably elect which of the Bonds of such Tranche, if any, shall be issued as Build America Bonds (Direct Payment). In making any such designation and irrevocable election, the Finance Director and the Aviation Director, after consultation with the Financial Advisor, shall demonstrate in the Omnibus Certificate that there is an economic benefit to the County to making such designation and irrevocable election.

Section 5.02 Approval of Bond Purchase Agreement and Authorization to Award the Sale of the Bonds. The Board approves the Bond Purchase Agreement in substantially the form filed with the Clerk's Office as Exhibit C to this 2010 Resolution, with such variations, omissions, insertions and filling in of blanks as the Finance Director, after consultation with the Aviation Director, the Financial Advisor, Bond Counsel and the County Attorney, shall deem necessary and approve in accordance with the terms of this 2010 Resolution. Upon compliance by the Underwriters with the requirements of Section 218.385, Florida Statutes, as amended, the Finance Director after consultation with the Aviation Director is authorized and directed to finalize the terms of, execute and deliver to the Underwriters the Bond Purchase Agreement. The Board approves the negotiated sale of the Bonds to the Underwriters upon the final terms and conditions in this 2010 Resolution and as set forth in the Bond Purchase Agreement. The aggregate principal amounts, maturities, interest rates, prices, redemption provisions and other terms of the Bonds, as more fully described in the Bond Purchase Agreement, shall be established by the Finance

Director, after consultation with the Aviation Director, within the parameters set forth in Section 5.01. 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 variations, omissions, insertions and filling in of blanks.

Section 5.03 Approval of the Preliminary Official Statement and Official Statement. The Preliminary Official Statement in connection with the issuance of each Tranche of the Bonds substantially in the form of the Preliminary Official Statement attached as Exhibit "D" to this 2010 Resolution, and its distribution, with such changes, modifications, insertions and omissions as are needed to conform such Preliminary Official Statement for use in connection with the offering and sale of the Bonds (including, without limitation, the addition of language describing or relevant to the Net Available Airport Revenues, the Pledged Revenues and the general obligation pledge of the County securing the Bonds), as may be deemed necessary by the Finance Director, with the approval of the County Attorney, Bond Counsel and Disclosure Counsel and after consultation with the Aviation Director and the Financial Advisor, is approved. The Finance Director, after consultation with Disclosure Counsel, is authorized to deem the Preliminary Official Statement "final" for the purposes of the Rule. The Finance Director is authorized and directed to deliver the final Official Statement (the "Official Statement") in connection with the offering and sale of the Bonds in the name and on behalf of the County. The final Official Statement shall be substantially in the form of the Preliminary Official Statement, with such changes, modifications, insertions and omissions as may be determined by the Finance Director, with the approval of the County Attorney, Bond Counsel and Disclosure Counsel and after consultation with the Aviation Director and the Financial Advisor, with the delivery of the Official Statement by the Finance Director, on behalf of the County, being conclusive evidence of the Board's approval of any such changes, modifications, insertions and omissions and authorization of its use and distribution. The Finance Director and the Aviation Director, after consultation with Bond Counsel, Disclosure Counsel and the County Attorney, are authorized to make any necessary or appropriate certifications to the Underwriters regarding a near final or deemed final Official Statement, if and to the extent required by the Rule. The use and distribution by the Underwriters of the Preliminary Official Statement and Official Statement in connection with the offering and sale of the Bonds is authorized. If the Bonds are offered in two or more Tranches to be sold at different times, the Preliminary Official Statement and the Official Statement for each Tranche offered after the initial offering shall be in substantially the form utilized for the initial offering with such changes, insertions and deletions as may be necessary and approved by the Finance Director, after consultation as described above, and provided further that the Finance Director may approve the use of Preliminary Official Statements and Final Official Statements that include as an exhibit thereto the Official Statement for a prior offering if the Finance Director determines that such an approach results in the most efficient offering and sale of multiple Tranches consistent with good disclosure practices.

Section 5.04 Credit Facilities and Reserve Facilities. If the Finance Director demonstrates, after consultation with the Aviation Director and the Financial Advisor, that there is an economic benefit to the County to obtain and pay for one or more Credit Facilities and/or Reserve Facilities, the Finance Director is authorized to secure one or more Credit Facilities and/or Reserve Facilities with respect to any or all of the Bonds and to execute and deliver any agreements, instruments or certificates for or on behalf of the County as may be necessary to secure such Credit Facilities and/or Reserve Facilities, with the Finance Director's execution of any such agreements, instruments or certificates to be conclusive evidence of their approval by the Board. Any such agreements, instruments or certificates shall supplement and be in addition to the provisions of this 2010 Resolution. The Finance Director, after consultation with the Aviation Director, is authorized to provide for the payment of any premiums on or fees for such Credit Facilities and/or Reserve Facilities from the proceeds of the issuance of the Bonds.

ARTICLE VI

REDEMPTION OF BONDS

Section 6.01 Optional Redemption. The Bonds shall be subject to redemption prior to maturity at the election or direction of the County in such manner and at such times as set forth in the Omnibus Certificate.

Section 6.02 Mandatory Sinking Fund Redemption; Credits. The Bonds shall be subject to redemption, in part, through application of such Sinking Fund Installments as may be required in the Omnibus Certificate delivered to the Registrar and Paying Agent at the Redemption Price of one hundred percent (100%) of the principal amount of each Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption.

There shall be credited against and in satisfaction of any Sinking Fund Installment payable on any date for the Bonds the principal amount of the Bonds entitled to such Sinking Fund Installment: (A) purchased with moneys in the Debt Service Account and cancelled by the Registrar and Paying Agent; (B) redeemed at the option of the County pursuant to Section 6.01 of this 2010 Resolution; (C) purchased by the County and delivered to the Registrar and Paying Agent for cancellation and (D) deemed to have been paid in accordance with Article XV. Bonds redeemed at the option of the County, purchased by the County or deemed to have been paid in accordance with Article XV shall be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments payable with respect to such Bonds on such dates as the County shall specify in a written direction delivered to the Registrar and Paying Agent at least fifteen (15) days prior to the earliest date on which notice of redemption of such Bonds entitled to such Sinking Fund Installment may be given by the Registrar and Paying Agent and the Sinking Fund Installment payable with respect to such Bonds on each date specified in such direction shall be reduced by the principal amount of the Bonds so purchased, redeemed or deemed to have been paid in accordance with Article XV to be applied in satisfaction of such Sinking Fund Installment as set forth in such direction.

Section 6.03 Selection of Bonds to be Redeemed. In the case of redemptions of Bonds pursuant to Section 6.01 of this 2010 Resolution, the County shall select the Tranche of the Bonds to be redeemed and, unless otherwise provided in the Omnibus Certificate, the maturities of the Bonds of such Tranche to be redeemed. If less than all of the Outstanding Bonds of like Tranche and maturity are to be redeemed pursuant to Section 6.02 of this 2010 Resolution, such Bonds shall be selected by the Registrar

and Paying Agent by lot, using such method of selection as the Registrar and Paying Agent shall consider proper in its discretion.

Section 6.04 Notice of Redemption. So long as a Book-Entry Only System with DTC is used for determining beneficial ownership of the Bonds, notices of redemption shall be provided to Cede & Co. in accordance with DTC procedures. In the event that a Book Entry Only System with DTC is not used for determining beneficial ownership of the Bonds, the following provisions shall apply:

(A) The Registrar and Paying Agent shall provide notice of the call for any redemption required under this 2010 Resolution, identifying the Bonds to be redeemed, by first class mail, postage prepaid, to the registered owners of Bonds to be redeemed at their addresses as shown on the Bond Register not less than fifteen (15) days prior to the redemption date.

(B) Each such notice of redemption shall state the date fixed for redemption, the name and address of the Registrar and Paying Agent, the Redemption Price to be paid, and, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers of the Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount of the Bonds to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that, on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

(C) In the case of an optional redemption pursuant to Section 6.01 of this 2010 Resolution, unless the County shall have paid or caused to be paid to the Paying Agent an amount which, in addition to other amounts legally available for such purpose and held by the Paying Agent, is sufficient to redeem all of the Bonds to be redeemed on the redemption date at the Redemption Price (which amounts shall either be held uninvested by the Paying Agent or be invested at the written direction of the County 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), the notice of redemption shall be captioned "Conditional Notice of Redemption" and shall state that: (i) the redemption is conditioned on the receipt of moneys for such redemption by the Paying Agent on or prior to the redemption date, (ii) the County retains the right to rescind such notice on or prior to the scheduled redemption date and (iii) 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 Section 6.04(C). 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, and the Paying Agent shall give notice of such rescission to the affected Bondholders no later than the second Business Day following its receipt of said written direction from the County. In the event that a conditional notice of redemption is given and (i) the redemption has been rescinded, or (ii) moneys sufficient to pay the Redemption Price are not timely received by the Paying Agent, then the redemption for which such notice was given shall not be undertaken and the related Bonds 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 Paying Agent shall give immediate notice to the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

(D) Failure to give notice in the manner prescribed under this 2010 Resolution with respect to any Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Registrar and Paying Agent on the applicable redemption date to pay the Redemption Price, the Bonds thus called shall not after the applicable redemption date bear interest, be protected by this 2010 Resolution or be deemed to be Outstanding under the provisions of this 2010 Resolution. The Registrar and Paying Agent shall redeem, in the manner provided in this Article VI, such an aggregate principal amount of such Bonds at the applicable Redemption Price as will exhaust as nearly as practicable such funds. At the direction of the County, such funds may be invested in Government Obligations until needed for redemption payout.

(E) If any Bond is transferred or exchanged on the Bond Register by the Registrar after notice has been given calling such Bond for redemption, the Registrar will attach a copy of such notice to the Bond issued in connection with such transfer.

Section 6.05 Effect of Calling for Redemption. On the date so designated for redemption, notice having been given in the manner provided in Section 6.04, the Bonds so called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds on such date, and moneys for payment of the Redemption Price being held in a separate account of the Paying Agent in trust for the Holders of the Bonds to be redeemed, all as provided in this 2010 Resolution, interest on the Bonds so called for redemption shall cease to accrue, such Bonds shall not be deemed Outstanding for purposes of this 2010 Resolution and shall cease to be entitled to any lien, benefit or security under this 2010 Resolution, and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof.

Section 6.06 Cancellation. All Bonds which have been redeemed shall be canceled and cremated or otherwise destroyed by the Registrar and Paying Agent and shall not be reissued and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Registrar and Paying Agent to the County; provided, however, that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the Holder thereof.

ARTICLE VII

ACQUISITION FUND

Section 7.01 Establishment of the Acquisition Fund. There is hereby established and created with the Aviation Department the "Miami-Dade County, Florida Double-Barreled Aviation Bonds

(General Obligation), Series 2010, Acquisition Fund" (the "Acquisition Fund"). Within the Acquisition Fund, there shall be established two accounts: (i) the Acquisition Account and (ii) the Cost of Issuance Account.

Section 7.02 Cost of Issuance Account. The Cost of Issuance Account shall be held by the Aviation Department. The Aviation Director may create separate subaccounts within the Cost of Issuance Account with respect to Tax-Exempt Bonds and Taxable Bonds. There shall be deposited in the Cost of Issuance Account the amounts determined pursuant to Section 4.08. The moneys held in the Cost of Issuance Account shall be held in trust and applied to payment of the costs of issuance of the Bonds as specified in Section 4.08 and pending such application, shall be subject to a lien and charge in favor of the Holders of Bonds issued and Outstanding under this 2010 Resolution and for the further security of such Holders until paid as in this 2010 Resolution provided. Moneys in the Cost of Issuance Account shall be disbursed subject to such controls and procedures as the Aviation Department may from time to time institute in connection with the disbursement of Aviation Department funds for paying the cost of issuance of Bonds issued to pay the Cost of the Project. Any amounts remaining in the Cost of Issuance Account after payment of all the costs of issuance of the Bonds shall be transferred by the Aviation Director to the Acquisition Account.

Section 7.03 Acquisition Account.

(A) The Acquisition Account shall be held by the Aviation Department and there shall be deposited therein the amounts determined pursuant to Section 4.08. The Aviation Director may create separate subaccounts within the Acquisition Account with respect to Tax-Exempt Bonds and Taxable Bonds. The moneys in the Acquisition Account shall be held in trust and applied to the payment of the Cost of the Project and, pending such application, shall be subject to a lien and charge in favor of the holders of the Bonds Outstanding under this 2010 Resolution and for the further security of such holders until paid out as herein provided.

(B) Payment of the Cost of the Project shall be made from the Acquisition Account as provided in this 2010 Resolution. All such payment shall be subject to the provisions and restrictions set forth in this Article and the County covenants that it will not cause or permit to be paid from the Acquisition Account any sums except in accordance with such provisions and restrictions. Moneys in the Acquisition Account shall be disbursed subject to such controls and procedures as the Aviation Department may from time to time institute in connection with the disbursement of Aviation Department funds for payment of the cost of capital projects.

(C) For the purposes of this Section 7.03, the Cost of the Project shall include, without intending thereby to limit or to restrict or to extend any proper definition of such Cost under the provisions of this 2010 Resolution, the following:

(i) the cost of the Project;

(ii) capital costs of administration properly chargeable to the Project under generally accepted accounting principles, and all other items of expense not elsewhere specified in this 2010 Resolution incident to the completion of the Project and the placing of the same in operation;

(iii) interest accruing upon the Bonds prior to the completion of the Project; and

(iv) any amounts advanced by the Aviation Department for any of the foregoing purposes and any obligation or expense incurred by the Aviation Department for any of the foregoing purposes in anticipation of being reimbursed from the proceeds of the Bonds, including the cost of materials, supplies or equipment furnished by the Aviation Department in connection with the Project and paid for by the Aviation Department out of funds other than moneys in the Acquisition Fund.

Any funds on deposit in the Acquisition Account that, in the opinion of the Aviation Department, are not immediately necessary for expenditure, as hereinabove provided, shall be held and may be

invested, in the manner provided by law, in Investment Obligations pursuant to Section 10.02 below. All income derived from investment of funds in the Acquisition Account shall be deposited in the Acquisition Account and used for the purposes contemplated in this Article VII.

Upon completion of the acquisition, construction, improvement and/or installation of the Capital Improvements, amounts then remaining in the Acquisition Account and not reserved by the Aviation Department for the payment of any remaining part of the cost thereof, shall be applied as follows: FIRST, to cure any deficiency in the Reserve Account to the extent such use will not adversely affect (i) the excludability from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds or (ii) the eligibility of the County to receive the Interest Subsidy Payments in respect of any Taxable Bonds issued as Build America Bonds (Direct Payment), and SECOND, to redeem Bonds.

ARTICLE VIII

SECURITY; GENERAL COVENANTS

Section 8.01 2010 Resolution to Constitute Contract. In consideration of the acceptance of the Bonds authorized to be issued by those who shall hold the same from time to time, this 2010 Resolution shall be deemed to be and shall constitute a contract between the County, such Bondholders, Credit Facility Providers and credit support providers. The covenants and agreements herein set forth to be performed by the County shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds (and for Credit Facility Providers and credit support providers), all of which shall be of equal rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

Section 8.02 Rate Covenant. The County covenants that it will at all times fix, charge and collect rates and charges for the use of and for the services and facilities furnished by the Port Authority Properties, and that from time to time, and as often as it shall appear necessary, it will revise such rates and charges as may be necessary or proper, in order that the Net Available Airport Revenues will at all times be sufficient to satisfy the deposit requirements for the Debt Service Account and Reserve Account set forth in Section 9.02 of this 2010 Resolution and all other financial obligations of the County under this Resolution.

Section 8.03 Levy of Ad Valorem Tax; General Obligations. Under authority of the Ordinance, the Bonds shall constitute general obligations of the County. The Bonds shall be payable primarily from the Net Available Airport Revenues and, to the extent that Net Available Airport Revenues are insufficient, are additionally secured by the full faith, credit and taxing power of the County, which full faith, credit and taxing power of the County are hereby irrevocably pledged to the punctual payment of the Principal and Interest Requirements with respect to the Bonds as the same shall become due and payable.

Although the Bonds shall be secured by the full faith, credit and taxing power of the County, the County intends that the Net Available Airport Revenues will be sufficient to pay the Principal and Interest Requirements with respect to the Bonds as the same shall become due and payable, without the use of revenues from ad valorem taxation.

In each Fiscal Year while any of the Bonds are Outstanding, but only to the extent that the amounts on deposit in the Debt Service Account and the Reserve Account are insufficient on July 1 of such Fiscal Year to pay the Principal and Interest Requirements on the Bonds through the end of the next succeeding Fiscal Year as the same shall become due and payable, there shall be assessed, levied and collected an ad valorem tax, without limitation as to rate or amount, on all taxable property within the corporate limits of the County (excluding exemptions as provided by applicable law), in addition to all other taxes, in an amount sufficient, when combined with the amounts on deposit in the Debt Service Account and the Reserve Account, to pay the Principal and Interest Requirements on the Bonds as the same shall become due and payable through the end of the next succeeding Fiscal Year. The ad valorem tax pledged to the payment of the Bonds shall be assessed, levied and collected in the same manner and at the same time as other taxes are assessed, levied and collected and the proceeds of said ad valorem tax shall be applied solely to the payment of the Principal and Interest Requirements on the Bonds or to

restore funds withdrawn from the Reserve Account and used to pay the Principal and Interest Requirements on the Bonds. The County will diligently enforce its right to receive Ad Valorem Tax Revenues and will diligently enforce and collect such ad valorem taxes. The County will not take any action that will impair or adversely affect its rights to levy, collect and receive said ad valorem tax, or impair or adversely affect in any manner the pledge made in this 2010 Resolution or the rights of the Bondholders.

Section 8.04 Pledge of Pledged Revenues. The County pledges and grants a lien on the Pledged Revenues to equally and ratably secure the payment of the principal of, premium, if any, and interest on the Bonds. Nothing contained herein gives or shall be deemed to give the Bondholders a claim on the Net Available Airport Revenues until they are actually deposited in the accounts created hereunder.

Section 8.05 Payment of Principal, Premium, if any, and Interest. The County covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this 2010 Resolution at the place, on the dates and in the manner provided in this 2010 Resolution and in said Bond according to the true intent and meaning of this 2010 Resolution.

Section 8.06 Disposition of Interest Subsidy Payment Revenues. The County covenants and agrees to deposit all Interest Subsidy Payment revenues into the Revenue Fund promptly upon receipt thereof.

Section 8.07 Books and Records. The County covenants that, so long as any Bonds are Outstanding and unpaid, it will keep, or cause to be kept, proper books of record and account with respect to the Net Available Airport Revenues and Ad Valorem Tax Revenues, as applicable. Such books shall at all times be open for any lawful purpose to the inspection of each Credit Facility Provider and each provider of a Reserve Facility.

Section 8.08 List of Bondholders. The Registrar will keep on file at its office the Bond Register, indicating the names and addresses of the Holders of the Bonds and the serial numbers of such Bonds held by each of such Holders. At reasonable times and under reasonable regulations established by

the Registrar, the Bond Register may be inspected and copied by the County, each Credit Facility Provider, each provider of a Reserve Facility or by the authorized representative of any Holder or Holders of ten percent (10%) or more in Outstanding aggregate principal amount of the Bonds, such ownership and the authority of any such designated representatives to be evidenced to the satisfaction of the Registrar.

ARTICLE IX

CREATION AND USE OF ACCOUNTS; DISPOSITION OF REVENUES

Section 9.01 Creation of Accounts. There are hereby created and established the "Double-Barreled Aviation Bonds (General Obligation), Series 2010, Debt Service Account" (the "Debt Service Account") and the "Double-Barreled Aviation Bonds (General Obligation), Series 2010, Reserve Account" (the "Reserve Account"). The Debt Service Account and the Reserve Account shall constitute trust funds for the purposes herein provided, shall be delivered to and held by the Aviation Department in an Authorized Depository designated by the Aviation Director, in trust for the benefit of, and shall be subject to a lien and charge in favor of, the Registered Owners of the Bonds, and shall at all times be kept separate and distinct from all other funds of the County and used only as herein provided. The Aviation Director may create separate subaccounts within the Reserve Account with respect to Tax-Exempt Bonds and Taxable Bonds, provided that the creation of separate subaccounts shall have no impact on the use of the funds on deposit in the Reserve Account for the benefit of all Bonds issued hereunder as provided in Section 9.04 hereof.

Section 9.02 Application of Net Available Airport Revenues and Ad Valorem Tax Revenues.

(A) On the last Business Day of every month, the County shall deposit Net Available Airport Revenues into the Debt Service Account and the Reserve Account to the extent needed to satisfy the cumulative deposit requirements described in clauses (i) and (ii) below:

(i) first, to the credit of the Debt Service Account until the amounts on deposit in the Debt Service Account equal the Principal and Interest Requirements on the Bonds for such Fiscal Year; and

(ii) second, to the credit of the Reserve Account, until the amounts on deposit therein (including amounts available under any Reserve Facility) are equal to the Reserve Account Requirement.

If the County shall determine, or be required, to fund a Reserve Account with respect to the Bonds, notwithstanding the foregoing, the County may, in lieu of cash funding such reserve, substitute a Reserve Facility issued by a Credit Facility Provider in an amount equal to the Reserve Account Requirement with respect to such Bonds. Such Reserve Facility as provided above must provide that if a deficiency exists in the Debt Service Account with respect to the principal of or interest due on the Bonds which cannot be cured by funds in any other account held pursuant to this 2010 Resolution and available for such purpose, the provider of such Reserve Facility shall pay such deficiency to the Registrar and Paying Agent for the benefit of the Bondholders, who shall be named as the beneficiary of such Reserve Facility. If a disbursement is made from a Reserve Facility as provided above, the County shall be obligated, in accordance with clause (ii) of this Section 9.02, to either (x) reinstate the maximum limits of such Reserve Facility following such disbursement, (y) replace such Reserve Facility by depositing Net Available Airport Revenues available for deposit in accordance with clause (ii) of this Section 9.02 into the Reserve Account in the maximum amount originally payable under such Reserve Facility, plus amounts necessary to reimburse the Credit Facility Provider for previous disbursements made pursuant to such Reserve Facility, or (z) undertake a combination of such alternatives. Amounts drawn or paid under a Reserve Facility shall be reimbursed to the Credit Facility Provider thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such facility entered into between the County and such Credit Facility Provider.

After the deposit requirements described in clauses (i) and (ii) above have been satisfied, the County may deposit Net Available Airport Revenues in the Debt Service Account to be used for the redemption of Bonds pursuant to this 2010 Resolution.

(B) Ad Valorem Tax Revenues shall be deposited as follows: FIRST, in the Debt Service Account until the amounts on deposit in the Debt Service Account, after taking into account all moneys on deposit therein prior to the deposit of the Ad Valorem Tax Revenues, equal the Principal and Interest Requirements on the Bonds for such Fiscal Year, and SECOND, following a draw on the Reserve Account to cure a deficiency in the Debt Service Account with respect to the Bonds, in the Reserve Account.

Section 9.03 Use of Moneys in the Debt Service Account.

(A) Moneys on deposit in the Debt Service Account shall be used solely for the payment of principal of, interest on and any redemption premiums required with respect to the Bonds.

(B) At the maturity date of each Bond and at the due date of each Sinking Fund Installment and installment of interest on each Bond, the County shall transfer from the Debt Service Account to the Paying Agent for such Bonds sufficient moneys to pay all principal of, premium, if any, and interest then due and payable with respect to such Bonds. Interest accruing with respect to any fully registered Bond shall be paid by check, draft or wire of the Paying Agent to the Registered Owner thereof in accordance with Section 4.01.

(C) Moneys deposited in the Debt Service Account for the redemption of Bonds shall be applied to the retirement of Bonds issued under the provisions of this 2010 Resolution and then outstanding in the following order:

(ii) The County shall first endeavor to purchase outstanding term Bonds redeemable from Sinking Fund Installments, and pro rata (based on the principal amount of the Sinking Fund Installments due in such Bond Year for each such term Bonds) among all such Bonds, or if no such term Bonds are outstanding, serial Bonds, whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are legally available therefor, at the most advantageous price obtainable, such price not to exceed the principal of such Bonds plus accrued interest, but no such purchase shall be made by the County within a period of thirty days next preceding any Interest Payment Date on which such Bonds are subject to call for redemption under the provisions of this 2010 Resolution;

(iii) Then, to the extent moneys remain on deposit in the Debt Service Account that are held for the redemption of Bonds, the County shall call for redemption on each Interest Payment Date on which Bonds are subject to redemption, with or without premium, from such moneys, such amount of term Bonds subject to the Sinking Fund Installments for such Bond Year that have not been purchased pursuant to clause (i) above; and

(iv) Then, to the extent moneys remain on deposit in the Debt Service Account that were deposited therein pursuant to this 2010 Resolution for the purpose of redeeming Bonds, the County shall call any remaining term Bonds then subject to redemption, in such order and by such selection method as the County, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

If term Bonds are purchased or redeemed pursuant to this Section in excess of the Sinking Fund Installments for such Bond Year, such excess principal amount of such term Bonds so purchased or

redeemed shall be credited against subsequent Sinking Fund Installments for the Bonds in such Bond Year or Years as the County may determine and as may be reflected in the County's records.

Section 9.04 Application of Moneys in the Reserve Account. Funds on deposit in the Reserve Account, if any, shall be used for the purpose of curing deficiencies in the Debt Service Account with respect to the Bonds after application of funds otherwise available therefor. If funds on deposit in the Reserve Account exceed, in the aggregate, the Reserve Account Requirement with respect to the Bonds (other than due to the substitution of a Reserve Facility pursuant to Section 9.02(ii) above), the excess funds shall be deposited into the Debt Service Account for the benefit of all Bonds issued hereunder.

ARTICLE X

DEPOSITORIES, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS; TAX COVENANTS

Section 10.01 Deposits Constitute Trust Funds. All funds or other property which at any time may be owned or held in the possession of or deposited with the County in the Acquisition Fund, the Debt Service Account or the Reserve Account under the provisions of this 2010 Resolution shall be held in trust and applied only in accordance with the provisions of this 2010 Resolution, and shall not be subject to lien or attachment by any creditor of the County.

All funds or other property which at any time may be owned or held in the possession of or deposited with the County pursuant to this 2010 Resolution shall be continuously secured, for the benefit of the County and the Bondholders, either (a) by lodging with an Authorized Depository, as custodian, collateral security consisting of obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as permitted hereunder and as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including, without limitation, the provisions of Chapter 280, Florida Statutes, as from time to time amended.

All moneys deposited with each Authorized Depository shall be credited to the particular Fund or Account to which such moneys belong.

The designation and establishment of the various funds and accounts in and by this 2010 Resolution shall not be construed to require the establishment of completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as provided herein.

Section 10.02 Investment of Moneys. Moneys held for the credit of the Funds and Accounts created hereunder shall be invested and reinvested by the County in Investment Obligations. Such investments or reinvestments shall mature not later than the respective dates, as estimated by the County, that the moneys held for the credit of said Funds or Accounts will be needed for the purposes of such Funds or Accounts.

The Investment Obligations purchased with the moneys in each Fund or Account shall be deemed a part of such Fund or Account. The investments in each of such Funds and Accounts shall, at all times, for purposes of this 2010 Resolution, be valued annually as of each September 30 at the market value thereof on the date of valuation, as determined by the County. The interest, including gains on obligations purchased at a discount and gains realized upon the sale of such obligations, received on all such obligations (after deduction for accrued interest, commissions, if any, and premium paid from such fund at the time of purchase) shall first be applied to cure any deficiency in the Fund or Account in which such investment is held and (except with respect to such interest and gains with respect to obligations held to the credit of the Acquisition Fund which shall be held therein until the Project is completed or until amounts on deposit in the Acquisition Account are sufficient to pay the remaining costs of the Project, as certified by the County) shall then be deposited to the credit of the Debt Service Account. If at any time it shall become necessary that some or all of the securities purchased with the moneys in any such Fund or Account be redeemed or sold in order to raise moneys necessary to comply with the provisions of this

2010 Resolution, the County shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same.

Section 10.03 Tax Covenants.

(A) It is the intention of the County that the interest on the Tax-Exempt Bonds issued hereunder be and remain excludable from gross income for federal income tax purposes, and to this end the County hereby represents to and covenants with the Holders of the Tax-Exempt Bonds that it will comply with the requirements applicable to it contained in Sections 103 and 141 through 150 of the Code to the extent necessary to preserve the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(B) It is the intention of the County that the County will receive the Interest Subsidy Payments in respect of all Taxable Bonds issued as Build America Bonds (Direct Payment). The Code imposes requirements on the County with respect to Taxable Bonds issued as Build America Bonds (Direct Payment) that the County must continue to meet after such Taxable Bonds issued as Build America Bonds (Direct Payment) are issued in order for the County to receive such Interest Subsidy Payments, and to this end the County hereby represents to and covenants with the Holders of any Taxable Bonds issued as Build America Bonds (Direct Payment) that it will comply with such requirements contained in the Code to the extent necessary for the County to receive such Interest Subsidy Payments.

(C) Specifically, without intending to limit in any way the generality of the foregoing, the County covenants and agrees with respect to Tax-Exempt Bonds and Taxable Bonds issued as Build America Bonds (Direct Payment):

(i) to make or cause to be made all necessary determinations and calculations of the Rebate Amount and required payments of the Rebate Amount;

(ii) to set aside sufficient moneys, from Net Available Airport Revenues or other legally available funds of the Aviation Department, to timely pay the Rebate Amount to the United States of America;

(iii) to pay the Rebate Amount to the United States of America from Net Available Airport Revenues or from any other legally available funds of the Aviation Department, at the times and to the extent required pursuant to Section 148(f) of the Code;

(iv) to maintain and retain all records pertaining to the Rebate Amount with respect to Tax-Exempt Bonds and Taxable Bonds issued as Build America Bonds (Direct Payment), and required payments of the Rebate Amount with respect to each Tranche of the Tax-Exempt Bonds and Taxable Bonds issued as Build America Bonds (Direct Payment) for at least six years after the final maturity thereof or such other period as shall be necessary to comply with the Code;

(v) to refrain from using proceeds of any Tax-Exempt Bonds that are not issued with the intent that they constitute private activity bonds under Section 141(a) of the Code and any Taxable Bonds issued as Build America Bonds (Direct Payment) in a manner that might cause any such Bonds to be classified as private activity bonds under Section 141(a) of the Code;

(vi) to refrain from taking any action that would cause the Tax-Exempt Bonds and Taxable Bonds issued as Build America Bonds (Direct Payment) to become arbitrage bonds under Section 148 of the Code; and

(vii) to comply with and take all actions required of it by the Tax Certificate.

(D) The County understands that the foregoing covenants impose continuing obligations on it that will exist as long as the requirements of Sections 103 and 141 through 150

of the Code are applicable to Tax-Exempt Bonds and Taxable Bonds issued as Build America Bonds (Direct Payment).

(E) Notwithstanding any other provision of this 2010 Resolution, including, in particular, Article XV hereof, the obligation of the County to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 10.03 hereof shall survive the defeasance or payment in full of the Bonds.

ARTICLE XI

EVENTS OF DEFAULT; REMEDIES

Section 11.01 Events of Default. If any of the following events occur, it is hereby declared to constitute an Event of Default:

(A) failure to pay principal or Redemption Price of, or interest on, any Bond after such payment has become due and payable; or

(B) upon receipt of notice from any Credit Facility Provider of the occurrence of any event of default under the related Credit Facility Agreement and the failure to cure the same during the time provided therein; or

(C) if the County admits in writing its inability to pay its debts payable under this 2010 Resolution as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(D) if the County is adjudged insolvent by a court of competent jurisdiction, or it be adjudged bankrupt on a petition in bankruptcy filed against the County, or an order, judgment or decree be entered by a court of competent jurisdiction appointing, without the consent of the County, a receiver or trustee of the County or of the whole or any part of its property and any if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(E) if the County shall file a petition or answer seeking reorganization of any arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(F) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or

(G) the County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this 2010 Resolution on the part of the County to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the County by any Credit Facility Provider or Holders of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding; provided, however, that the County shall not be deemed in default under this clause (G) if such default can be cured within a reasonable time and if the County in good faith institutes appropriate curative action and diligently pursues such action until the default has been cured.

If on the date payment of principal of or interest on the Bonds is due, sufficient moneys are not available to make such payment, the Paying Agent shall give immediate notice by telephone, facsimile or other electronic means, promptly confirmed in writing, of such insufficiency to the Credit Facility Provider, if any, and the Reserve Facility Provider, if any. The Paying Agent and County shall do all other things necessary to effectuate the terms and provisions of any Credit Facility and any Reserve Facility.

Section 11.02 Remedies. Upon the happening and continuance of any Event of Default, any Holder of Bonds issued under the provisions of this 2010 Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this 2010 Resolution, and may enforce and compel the performance of all duties required by this 2010 Resolution or by any applicable statutes to be performed by the County or by any officer thereof. Notwithstanding the foregoing, however, nothing herein shall permit an acceleration of the Bonds.

The Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, by a duly executed certificate in writing, may appoint any state bank, national bank, trust company or national banking association, qualified to transact business in the State and having a combined capital, surplus and undivided profits of at least $100,000,000, to serve as trustee for the benefit of the Holders of all Bonds issued pursuant to this 2010 Resolution and then Outstanding with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and the trust instrument under which such trustee shall have agreed to serve shall be filed with the County and such trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first such trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time. In case any proceeding taken by such trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to such trustee or such Bondholder, then and in every such case, the County, such trustee and the Bondholder shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the trustee shall continue as though no such proceeding had been taken.

Section 11.03 Directions to Trustee as to Remedial Proceedings. Upon the happening and continuance of any Event of Default, subject to the provisions of Section 11.06 below, the Holders of a majority in principal amount of the Bonds then Outstanding have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Bonds owned by such Bondholders or insured by such Credit Facility Provider, provided that such direction shall not be otherwise than in accordance with law or the provisions of this 2010 Resolution, and that the trustee shall have the right to decline to follow any such direction which in the reasonable opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

Section 11.04 Pro Rata Application of Funds. Anything in this 2010 Resolution to the contrary notwithstanding, if at any time the moneys in the Debt Service Account and the Reserve Account shall not be sufficient to pay the principal of or the interest on the Bonds as the same become due and payable, such moneys together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(A) Unless the principal of all the Bonds shall have been become due and payable, all such moneys shall be applied

FIRST: to the payment of the persons entitled thereto of all installments of interest then due and payable, in the order in which such installments become due and payable, and, if the amount available shall not be sufficient to pay in full, any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

SECOND: to the payment of the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for

redemption for the payment of which sufficient moneys are held pursuant to the provisions of this 2010 Resolution), in the order of their due dates, with interest upon such Bonds at the respective rates specified therein from the respective dates upon which they became due, and, if the amount receivable shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

THIRD: to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article VI of this 2010 Resolution.

(B) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Whenever moneys are to be applied by the Aviation Department pursuant to the provisions of this Section, such moneys shall be applied by the Aviation Department at such times, and from time to time, as the Finance Director, in his or her sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent, or otherwise setting

aside such moneys, in trust for the proper purpose, shall constitute proper application by the County; and the County shall incur no liability whatsoever to any Bondholder or to any other person for any delay in applying any such funds, so long as the County acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this 2010 Resolution as may be applicable at the time of application. Whenever the Finance Director shall exercise such discretion in applying such funds, he or she shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Finance Director shall give such notice as he or she may deem appropriate of the fixing of any such date.

Section 11.05 Effect of Discontinuance of Proceedings. In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the County and the Bondholder shall be restored to their former positions and rights thereunder, respectively, and all rights and remedies of the Bondholders shall continue as though no such proceeding had been taken.

Section 11.06 Credit Facility Provider's Rights under this Article; Owners' Rights to Direct Proceedings. Notwithstanding anything in this 2010 Resolution to the contrary, following an Event of Default, a Credit Facility Provider that has not defaulted on its obligations under a Credit Facility to make payments on the Bonds shall be entitled to exercise the rights of the Owners of such Bonds for the purposes of this Article.

Subject only to the preceding paragraph, while an Event of Default has occurred and is continuing, the Owners of a majority in principal amount of the Bonds then Outstanding shall have the right, by an instrument in writing executed and delivered to the County, to direct the time and method of conducting all proceedings available under this 2010 Resolution or exercising any trust or power conferred by this 2010 Resolution in accordance with the provisions of this 2010 Resolution.

Section 11.07 Restriction on Individual Bondholder Actions. No Holder of any of the Bonds hereby secured shall have any right in any manner whatever by its action to affect, disturb or prejudice the security of this 2010 Resolution, or to enforce any, right under this 2010 Resolution except in the manner in this 2010 Resolution provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Holders of such Bonds.

Section 11.08 Remedy Exclusive. No remedy in this 2010 Resolution conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies in this 2010 Resolution provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this 2010 Resolution.

Section 11.09 Delay Not a Waiver. No delay or omission of a Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Bondholders may be exercised from time to time and as often as may be deemed expedient.

Section 11.10 Right to Enforce Payment of Bonds. Nothing in this Article shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on its Bond, or the obligation of the County to pay the principal of and interest on each Bond to the Holder thereof at the time and place in said Bond expressed.

ARTICLE XII

REGISTRAR AND PAYING AGENT

Section 12.01 Notice by Registrar and Paying Agent if Default Occurs. The Registrar and Paying Agent shall not be required to take notice or be deemed to have notice of any default under this 2010 Resolution except failure by the County to cause to be made any of the payments to the Registrar and Paying Agent required to be made by this 2010 Resolution unless the Registrar and Paying Agent shall be specifically notified in writing of such default by the County or by the Holders of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, and all notices or

other instruments required by this 2010 Resolution to be delivered to the Registrar and Paying Agent must, in order to be effective, be delivered at a corporate trust office of the Registrar and Paying Agent, and in the absence of such notice so delivered, the Registrar and Paying Agent may conclusively assume there is no default except as aforesaid.

If a default occurs of which the Registrar and Paying Agent is by this Section 12.01 required to take notice or if notice of default be given as provided in the preceding paragraph, then the Registrar and Paying Agent shall give written notice thereof by mail to the County, each Credit Facility Provider, the provider of any Reserve Facility and the registered owners of all Bonds then Outstanding.

Section 12.02 Registrar and Paying Agent; Appointment and Acceptance of Duties; Removal.

(A) U.S. Bank National Association is hereby appointed as initial Paying Agent and Registrar under this 2010 Resolution. The Finance Director, after consultation with the Aviation Director, is authorized and directed to execute and deliver a Registrar and Paying Agent Agreement in which the initial Paying Agent and Registrar shall signify its acceptance of its obligations under this 2010 Resolution, and any other agreements that may be required by any potential Registrar and Paying Agent, with such terms, covenants, provisions and agreements as may be deemed necessary and approved by the Finance Director after consultation with the Aviation Director, the Financial Advisor, the County Attorney and Bond Counsel. The execution of such Registrar and Paying Agent Agreement and other agreements for and on behalf of the County by the Finance Director shall be conclusive evidence of their approval by the Board.

(B) The County, after consultation with the Aviation Department, may appoint one or more additional Paying Agents for the Bonds which may include the Registrar. Any such Paying Agent shall be a commercial bank or trust company organized under the laws of the United States of America or one of the States thereof. Each Paying Agent other than the Registrar and Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this 2010

Resolution by executing and delivering to the County and the Registrar and Paying Agent a written acceptance of this 2010 Resolution.

(C) The County may remove any Paying Agent or the Registrar and Paying Agent and any successors thereto, and may appoint a successor or successors thereto; provided that the Registrar and Paying Agent or any other such Paying Agent designated by the County shall continue to function as such until the designation of a successor and acceptance by such successor of the duties and obligations imposed upon it by this 2010 Resolution. The Registrar and Paying Agent and each other Paying Agent is hereby authorized to pay or redeem Bonds from money on deposit in the respective funds and accounts hereunder when duly presented to it for payment or redemption.

ARTICLE XIII

CONTINUING DISCLOSURE

Section 13.01 Continuing Disclosure Commitment.

(A) The County agrees, in accordance with the provisions of, and to the degree necessary to comply with, the continuing disclosure requirements of the Rule to provide or cause to be provided for the benefit of the Beneficial Owners of the Bonds to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable legislation, from time to time (each such information repository, a "MSIR"), the following annual financial information (the "Annual Information"), commencing with the Fiscal Year ended September 30, 2009:

(i) Revenues and Net Available Airport Revenues of the Aviation Department and operating information for the prior Fiscal Year of the type and in a form which is generally consistent with the presentation of such information in the Official Statement

for the Bonds, and such additional operating information as may be determined by the Aviation Department;

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

(iii) The County's Comprehensive Annual Financial Report utilizing generally accepted accounting principles applicable to local governments.

The information in clauses (i), (ii) and (iii) above will be available on or before June 1 of each year for the preceding Fiscal Year, commencing June 1, 2010, and will be made available, in addition to each MSIR, to each Beneficial Owner of the Bonds who requests such information in writing. The County's Comprehensive Annual Financial Report referred to in paragraph (ii) above is expected to be available separately from the information in paragraph (i) above and shall be provided by the County as soon as practical after acceptance of the County's audited financial statements from the auditors by the County. The County's Comprehensive Annual Financial Report is 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 each MSIR in the appropriate format required by law or applicable regulation, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit facility providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(vii) modifications to rights of holders of the Bonds;

(viii) Bond calls;

(ix) defeasances;

(x) release, substitution or sale of any property securing repayment of the Bonds; and

(xi) rating changes.

(C) The County agrees to provide or cause to be provided, in a timely manner, to each MSIR, in the appropriate format required by law or applicable regulation, 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 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 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 Bonds and shall be enforceable by such Beneficial Owners if the County fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided that any such Beneficial Owner's right to 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 under this Section 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 Bonds.

(F) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Bonds, the County shall, if the County is

notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the County shall not constitute breach of this covenant.

(G) The requirements of subsection (A) above do not necessitate the preparation of any separate annual report addressing only the 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 MSIR or included in any final Official Statement of the County, provided such final Official Statement is filed with the MSRB.

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

(I) 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 shall be done in a manner consistent with the Rule.

(J) Except to cure any ambiguity, inconsistency or formal defect or omission in the provisions of this Section, the County agreements as to continuing disclosure (the "Covenants") may only be amended if:

(i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the 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 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 Disclosure Counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations; or

(ii) all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the adoption of this 2010 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.

(K) 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 prior to the issuance of the Bonds as he or she shall deem necessary in consultation with the County Attorney, Bond Counsel and Disclosure Counsel. The delivery of the Official Statement containing any such additions, deletions and modifications for and on behalf of the County shall be conclusive evidence of the Board's approval of any such additions, deletions and modifications.

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

For purposes of this subsection (L), "Obligated Person" means, with respect to the Bonds, the County and any airline or other entity using the Port Authority Properties pursuant to a lease or use agreement, which lease or use agreement has a non-cancelable (by either party) term of one year or more from the date in question, and which includes bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or entity has paid amounts equal to at least 20% of the Revenues for the prior two fiscal years of the County.

ARTICLE XIV

SUPPLEMENTAL RESOLUTIONS

Section 14.01 Supplemental Resolution Without Bondholder Consent. The Board, from time to time and at any time may adopt such supplemental resolutions which are compatible with the terms and provisions of this 2010 Resolution, in order to:

(i) cure any ambiguity or formal defect or omission or to correct any provisions in this 2010 Resolution or in any supplemental resolution, or

(ii) grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or

(iii) add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this 2010 Resolution other conditions, limitations and restrictions thereafter to be observed, or

(iv) add to the covenants and agreements of the County this 2010 Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power in this 2010 Resolution reserved to or conferred upon the County, or

(v) to make other changes or modifications to the provisions of this 2010 Resolution which are not adverse to the interests of the Bondholders or any provider of a Reserve Facility or any Credit Facility Provider; or

(vi) to make any changes required by a provider of a Reserve Facility or Credit Facility Provider in order for it to issue its Reserve Facility or Credit Facility, as the case may be, with respect to any Bonds, so long as the same does not materially adversely affect the rights of the Registered Owners of any Outstanding Bonds or any other provider of a Reserve Facility or Credit Facility Provider.

Section 14.02 Supplemental Resolutions With Bondholders' Consent. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, anything contained in this 2010 Resolution to the contrary notwithstanding, to consent to and approve the adoption of such supplemental resolution or resolutions as shall be deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this 2010 Resolution or in any supplemental resolution; provided, however, that nothing in this Section shall permit, or be construed as permitting, without the consent of the Holders of all Bonds Outstanding, (a) an extension of the maturity of the principal of or the interest on any Bonds, or (b) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Bonds, or (c) the creation of a lien upon or a pledge of any of the funds or accounts established under or pursuant to this 2010 Resolution other than a lien and pledge created by this 2010 Resolution, or (d) a preference or priority of any Bond or Bonds over any other Bond other Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing in this Section, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental resolution as authorized in Section 14.01.

If the Registered Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such supplemental resolution shall have consented to and approved its adoption, no Registered Owner of any Bond, Credit Facility Provider or provider of a Reserve Facility shall have any right to object to the adoption of such supplemental resolution, or to

object to any of its terms and provisions, or in any manner to question the propriety of its adoption, or enjoin or restrain the Board from adopting the same or from taking any action pursuant to its provisions.

Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this 2010 Resolution shall be modified and amended in accordance with such supplemental resolution, and the respective rights, duties and obligations under this 2010 Resolution of the County and all Registered Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this 2010 Resolution as so modified and amended.

Section 14.03 Rights of Credit Facility Providers. In the event that a Credit Facility is in full force and effect as to the Bonds and the Credit Facility Provider is not insolvent and no default under the Credit Facility exists on the part of the Credit Facility Provider, the Credit Facility Provider, in place of the Registered Owners of such Bonds, shall have the power and authority to give any consents and exercise any and all other rights that the Registered Owners of the Bonds would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article XI, and the giving of consents to supplemental resolutions when required by Section 14.02, and such consent shall be deemed to constitute the consent of the Registered Owners of all of those Bonds which are secured by such Credit Facility.

Section 14.04 Supplemental Resolutions Part of Resolution. Any supplemental resolution adopted in accordance with the provisions of this Article and approved as to legality by the County Attorney shall thereafter form a part of this 2010 Resolution, and all of the terms and conditions contained in any such supplemental resolution shall be part of the terms and conditions of this 2010 Resolution for any and all purposes. Express reference to any supplemental resolution may be made in the text of any Bonds issued after its adoption, if deemed necessary or desirable by the County.

Section 14.05 Notice of Supplemental Resolutions. The County shall give to the Rating Agencies advance notice of the proposed adoption of any supplemental resolution, which notice shall include the substantial form of such supplemental resolution.

ARTICLE XV

DEFEASANCE

Section 15.01 Defeasance. If, at any time, the County shall have paid or shall have made provision for the payment of the principal, interest and redemption premiums, if any, with respect to the Bonds or any portion of such Bonds, then, the pledge of and lien on the Pledged Revenues as provided in this 2010 Resolution in favor of the Bondholders of such Bonds, or portion thereof, shall no longer be in effect with respect to such Bonds or portion thereof and such Bonds or portion thereof shall no longer be deemed Outstanding under this 2010 Resolution. For purposes of the preceding sentence, the deposit of cash, Government Obligations or bank certificates of deposit fully secured as to principal and interest by Government Obligations (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) in irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, in an aggregate principal amount which, together with interest to accrue thereon, will be sufficient to make timely payment of the principal, interest, and redemption premiums, if any, on said Bonds, shall be considered "provision for payment".

Notwithstanding the foregoing, "provision for payment" shall not be deemed to have been made if such Bonds are to be redeemed before their maturity, unless notice of such redemption shall have been given according to the requirements of this 2010 Resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all Bonds at such redemption dates shall have been given to the Paying Agent.

If, at any time after the date of issuance of the Bonds, (a) all Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this 2010 Resolution, or shall have been duly called for redemption, or the County gives the Paying Agent irrevocable instructions directing the payment of the principal of, premium, if any, and interest on all Bonds at maturity or at any earlier redemption date scheduled by the County, or any combination thereof, (b) the

whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds then Outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Paying Agent or escrow agents in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby) which, when invested in Government Obligations maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on all such Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, and (c) provisions shall also be made for paying all other sums payable hereunder by the County, including all amounts due or to become due to Credit Facility Providers, then and in that case the right, title and interest of such Bondholders and Credit Facilities Providers hereunder and the pledge of and lien on the moneys deposited in the funds and accounts created hereunder and the covenants of the County pursuant to Sections 8.01, 8.02, 8.03 and 8.04 hereof, with respect to such Bondholders and Credit Facility Providers shall thereupon cease, determine and become void and all balances remaining in any other funds or accounts created by this 2010 Resolution other than moneys held for redemption or payment of Bonds and the payment of Credit Facility Providers, and to pay all other sums payable by the County hereunder, shall be distributed to the County for any lawful purpose; otherwise this 2010 Resolution shall be, continue and remain in full force and effect.

Notwithstanding any other provision of this 2010 Resolution, the obligation to comply with all covenants and agreements by the County to preserve the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds and the eligibility of the County to receive Interest Subsidy Payments in respect of Taxable Bonds issued as Build America Bonds (Direct Payment) shall survive the defeasance or payment in full of such Bonds.

ARTICLE XVI

MANNER OF EVIDENCING OWNERSHIP OF BONDS

Section 16.01 Proof of Ownership. Any request, direction, consent or other instrument provided by this 2010 Resolution to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this 2010 Resolution and shall be conclusive in favor of the Registrar and Paying Agent and the County, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(A) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(B) The ownership of Bonds and the amounts and numbers of such Bonds and the date of holding the same shall be proved by the Bond Register.

Any action taken or suffered by the Registrar and Paying Agent pursuant to any provision of this 2010 Resolution, upon the request or with the assent of any person who at the time is the registered owner of any Bond or Bonds shall be conclusive and binding upon all future owners of the same Bond or Bonds. In determining whether the owners of the required principal amount of Bonds Outstanding have taken any action under this 2010 Resolution, Bonds owned by the County or any person controlling, controlled by or under common control with the County (unless the County or such other person own all Bonds which are then Outstanding, determined without regard to this Section 16.01) shall be disregarded and deemed not to be Outstanding, except that for the purpose of determining whether the Registrar and Paying Agent shall be protected in relying on any such action, only such Bonds which the Registrar and Paying Agent

has actual knowledge are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Registrar and Paying Agent the pledgee's right so to act with respect to such Bonds and that the pledgee is not any person directly or indirectly controlling or controlled by or under direct or indirect common control with the County. In case of a dispute as to such right, any decision by the Registrar and Paying Agent taken upon the advice of Bond Counsel shall be full protection to the Registrar and Paying Agent, as the case may be.

ARTICLE XVII

MISCELLANEOUS

Section 17.01 Limitation of Rights. With the exception of rights in this 2010 Resolution expressly conferred, nothing expressed or mentioned in or to be implied from this 2010 Resolution or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Registrar and Paying Agent, each Credit Facility Provider, each provider of a Reserve Facility and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this 2010 Resolution or any covenants, conditions and provisions in this 2010 Resolution contained; this 2010 Resolution and all of the covenants, conditions and provisions of this 2010 Resolution being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registrar and Paying Agent, each Credit Facility Provider, each provider of a Reserve Facility and the Holders of the Bonds as in this 2010 Resolution provided.

Each Credit Facility Provider is an express third party beneficiary of this 2010 Resolution and is entitled to enforce this 2010 Resolution as if it were a party hereto to the extent provided in this 2010 Resolution.

Section 17.02 Unclaimed Moneys. Any moneys deposited the Registrar and Paying Agent by the County in accordance with the terms and covenants of this 2010 Resolution, in order to redeem or pay any Bond in accordance with the provisions of this 2010 Resolution, and remaining

unclaimed by the registered owner of the Bond for four (4) years after the date fixed for redemption or of maturity, as the case may be, shall, if the County is not at the time to the actual knowledge of the Registrar and Paying Agent in default with respect to any of the terms and conditions of this 2010 Resolution, be repaid by the Registrar and Paying Agent to the County; and thereafter the registered owner of the Bond shall be entitled to look only to the County for payment of such amount, provided, however, that the Registrar and Paying Agent, before being required to make any such repayment, shall, at the expense of the County, mail to the registered owner of such Bond at its address, as the same shall last appear on the Bond Register, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be returned to the County. If the County makes arrangements satisfactory to the Registrar and Paying Agent to indemnify the Registrar and Paying Agent for any costs which it may incur due to the unavailability of moneys due to such investment, such moneys may be invested in accordance with Section 10.02. Investment income on any such unclaimed moneys received by the Registrar and Paying Agent shall be deposited as provided in Section 10.02 until the final maturity or redemption date of the Bonds. Any such income generated after such date shall be deemed to be unclaimed moneys of the type referred to in the first sentence of this Section and shall be disposed of in accordance with such sentence. The County must covenant and agree, as a condition to it receiving such funds, to indemnify and save the Registrar and Paying Agent harmless from any and all loss, costs, liability and expense suffered or incurred by the Registrar and Paying Agent by reason of having returned any such moneys to the County as in this 2010 Resolution provided.

Section 17.03 Notices. Except as otherwise provided in this 2010 Resolution, all notices, certificates or other communications under this 2010 Resolution shall be sufficiently given and shall be deemed given when in writing and mailed by first class mail, postage prepaid, or facsimile, with proper address as indicated below. Any of such parties may, by written notice given by such party to the others, designate any address or addresses to which notices, certificates or other communications to them

shall be sent when required as contemplated by this 2010 Resolution. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the County:	Miami-Dade County, Florida Finance Department 111 N.W. First Street, Suite 2550 Miami, Florida 33128 Attention: Finance Director Telephone: (305) 375-5245 Facsimile: (305) 375-5659
With copies to:	Miami-Dade County Aviation Department Miami International Airport 4200 NW 21st St. Concourse E, Fifth Floor Miami, Florida 33122 Attention: Aviation Director Telephone: (305) 876-7077 Facsimile: (305) 876-0946
To Moody's:	Moody's Investors Service 7 World Trade Center 250 Greenwich Street, 23rd Floor New York, New York 10007 Attention: Municipal Structured Finance Group Telephone: (212) 553-1619 Facsimile: (212) 553-1066 Email: MSPGSurveillance@moodys.com
To S&P:	Standard and Poor's Ratings Service 55 Water Street, 38th Floor New York, New York 10041 Attention: Municipal Structured Surveillance Telephone: (212) 438-2021 Facsimile: (212) 438-2151 E-mail: pubfin_structured@sandp.com
To Fitch:	Fitch Ratings Municipal Structured Finance One State Street Plaza New York, New York 10004 Attention: U.S. Public Finance Telephone: (212) 908-1796 Facsimile: (212) 558-2662

The Registrar and Paying Agent agrees to give notices to each Credit Facility Provider in accordance with the applicable Credit Facility Agreement and to each provider of a Reserve Facility in accordance with the agreement pursuant to which such Reserve Facility is issued.

Section 17.04 No Recourse Against County's Officers. All covenants, stipulations, obligations and agreements of the County contained in this 2010 Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the County in his individual capacity, and neither the members of the County nor any official executing the Bonds shall be liable personally on the Bonds or this 2010 Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the County or such members thereof.

Section 17.05 Action Required on Non-Business Day. Notwithstanding anything to the contrary in this 2010 Resolution, in the event that any payment, action or notice required by this 2010 Resolution is required or scheduled for a day which is not a Business Day, except as otherwise provided in this 2010 Resolution, such payment, action or notice shall take place on the next succeeding Business Day with the same effect as if made on the required or scheduled date, and no Event of Default shall exist solely because of the failure to make such payment, take such action or give such notice on such required or scheduled date.

Section 17.06 Severability. In case any one or more of the provisions of this 2010 Resolution or any document approved by this 2010 Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this 2010 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 2010 Resolution or such document. All or any part of

any resolutions or proceedings in conflict with the provisions of this 2010 Resolution are to the extent of such conflict repealed or amended to the extent of such inconsistency.

Section 17.07 Further Acts. The County Mayor, the County Manager, the Finance Director, the Aviation 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 Bonds and otherwise to carry out, give effect to and comply with the terms and intent of this 2010 Resolution, the Bonds and the documents described in this 2010 Resolution. In the event that the County Mayor, the County Manager, the Finance Director, the Aviation Director, the Clerk or the County Attorney is unable to execute and deliver the documents contemplated in this 2010 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 17.08 Successorship of County Officers. In the event that the office of County Mayor, the County Manager, the Finance Director, the Aviation Director or Clerk of the County shall be abolished, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his or her office by reason of sickness, absence or otherwise, all, powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law or by the County.

Section 17.09 Headings Not Part of Resolution. Any heading preceding the text of the several articles of this 2010 Resolution, and any table of contents or marginal notes appended to copies of this 2010 Resolution, shall be solely for convenience of reference and shall not constitute a part of this 2010 Resolution, nor shall they affect its meaning, construction or effect.

Section 17.10 Governing Law; Venue. The Bonds are to be issued and this 2010 Resolution is adopted and the Bond Purchase Agreement and such other instruments necessary for the issuance of the 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. Venue shall lie in Miami-Dade County, Florida.

Section 17.11 Waiver. The provisions of Resolution R-130-06, as amended from time to time, requiring that any contracts of the County with third parties be executed and finalized prior to their placement on the committee agenda are hereby waived at the request of the County Manager for the reasons set forth in the County Manager's Memorandum.

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Resolution No. R-1346-09

The foregoing resolution was offered by Commissioner **Joe A. Martinez**, who moved its adoption. The motion was seconded by Commissioner **Carlos A. Gimenez** and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman **aye**
Jose "Pepe" Diaz, Vice-Chairman **aye**

Bruno A. Barreiro	**aye**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**absent**
Barbara J. Jordan	**aye**	Joe A. Martinez	**aye**
Dorrin D. Rolle	**aye**	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 1st day of December, 2009. 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: **DIANE COLLINS**
Deputy Clerk

Approved by County Attorney as to form and legal sufficiency.

Prepared by Bond Counsel: Greenberg Traurig, P.A.
Edwards & Associates, P.A.

APPENDIX H

SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR TRUST AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR TRUST AGREEMENT

The following summaries and statements are brief outlines of certain provisions of the Amended and Restated Trust Agreement dated as of December 15, 2002, by and among the County and The Bank of New York Mellon, as successor in interest to JPMorgan Chase Bank, as Trustee, and U.S. Bank National Association (successor in interest to Wachovia Bank, National Association), as Co-Trustee (the "Trust Agreement"). Such outlines do not purport to be complete, and reference is made to the Trust Agreement, copies of which are on file and available for examination at the offices of the Aviation Department, the Trustee and the Co-Trustee, for the complete terms thereof. Terms not defined below or in the Official Statement shall have the meanings set forth in the Trust Agreement.

The Trust Agreement authorizes the issuance, from time to time, in one or more Series, of revenue bonds of the County subject to the conditions set forth in the Trust Agreement. The provisions and covenants of the Trust Agreement are for the equal and proportionate benefit and security of the holders of all of the revenue bonds issued thereunder, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction as to lien or otherwise of any of the revenue bonds over any other thereof, except as otherwise expressly provided in the Trust Agreement.

Defined Terms

The following are certain defined words and terms used by the Trust Agreement:

"Accreted Value" means, as of any date of computation with respect to any capital appreciation bond, an amount equal to the principal amount of such capital appreciation bond at its initial offering plus the interest accrued on such capital appreciation bond from the date of delivery to the original purchasers thereof to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date plus, with respect to matters related to the payment upon redemption or acceleration of the capital appreciation bond, if such date of computation shall not be a Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Compounding Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of thirty days each. Interest shall accrue on any capital appreciation bond and be compounded periodically at such rate and at such times as provided in, or pursuant to, the resolution authorizing the issuance of said capital appreciation bond.

"Amortization Requirement" means for any fiscal year, as applied to the term bonds of any Series, the principal amount fixed for such fiscal year by resolution of the Board prior to the delivery of such bonds for the retirement of such term bonds by purchase or redemption.

"Annual Budget" means the budget adopted or in effect for each fiscal year.

"Appreciated Value" means, with respect to any capital appreciation and income bond: (a) as of any date of computation prior to the Interest Commencement Date, an amount equal to the principal amount thereof on the date of original issuance plus the interest accrued on such capital appreciation and income bond from the date of original issuance of such capital appreciation and income bond to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to compound periodically at the times and at the rate provided in, or pursuant to, the resolution authorizing the issuance of said capital appreciation and income bond, plus, if such date of computation shall not be a Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Compounding Date (or the date of original issuance if the date of computation is prior to the first Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Compounding Date, calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of thirty days each; and (b) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Authorized Investments” include: (i) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America (“Government Obligations”), (ii) bonds, debentures or notes issued by any of the following Federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association, Federal Land Banks or the Federal National Mortgage Association (including participation certificates issued by such Association), (iii) all other obligations issued or unconditionally guaranteed as to principal and interest by an agency or persons controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress, (iv) repurchase agreements with financial institutions fully secured by Government Obligations, (v) all other obligations which are permitted investments of public funds under Florida law, (vi) time deposits, certificates of deposits or similar arrangements with any bank or trust company which is a member of the Federal Deposit Insurance Corporation and any Federal or State of Florida savings and loan association which is a member of the Savings Association Insurance Fund and which are secured in the manner provided in the Trust Agreement, and (vii) any obligations as directed by Section 218.415, Florida Statutes, unless otherwise authorized by state law or by county ordinance, in which event or events any obligations so authorized by such law or ordinance.

“bond,” “bonds,” “revenue bond” or “revenue bonds” means any bond or bonds or all of the bonds, as the case may be, issued under the provisions of the Trust Agreement. For purposes of the Trust Agreement, bonds issued under the provisions of the Trust Agreement include bonds issued under the provisions of the Prior Agreement.

“capital appreciation bonds” means any bonds as to which interest is compounded periodically on each Compounding Date and which are payable in an amount equal to the then current Accreted Value only at maturity, earlier redemption or other payment date therefor, all as designated by, or pursuant to, the resolution authorizing the issuance of such bonds, and which may be either serial bonds or term bonds.

“capital appreciation and income bonds” means any bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in, or pursuant to, the resolution authorizing the issuance of such bonds and with respect to which, until such Interest Commencement Date, the Appreciated Value is compounded periodically on each Compounding Date, and which may be either serial bonds or term bonds.

“Compounding Date” means, with respect to any capital appreciation bond or capital appreciation and income bond, the dates on which interest shall compound, as specified in the resolutions authorizing the issuance of such bond.

“convertible bonds” means bonds which are convertible, at the option of the County, into a type of bonds permitted by the Trust Agreement other than the type of such bonds at the time they were issued.

“Counterparty” means a financial institution who enters into a Hedge Agreement with the County in connection with any bonds issued under the Trust Agreement and whose senior long-term debt obligations, or whose payment obligations under such Hedge Agreement are guaranteed by an entity whose senior long-term debt obligations, are rated on the date the Hedge Agreement is entered into in one of the three highest rating categories (without regard to any gradations within such categories) of a nationally recognized rating agency.

“Credit Facility” means each and every irrevocable letter of credit, policy of municipal bond insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on bonds when due.

“Current Expenses” means the County’s reasonable and necessary current expenses of maintenance, repair and operation of the Port Authority Properties and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, all administrative expenses and any reasonable payments to pension or retirement funds properly chargeable to the Port Authority Properties, insurance premiums, engineering expenses relating to maintenance, repair and operation, fees and expenses of the Trustee, the Co-Trustee and the Paying Agents, legal expenses, fees of consultants, fees, expenses and other amounts payable to any bank or other financial institution for the issuance of a Credit Facility, Liquidity Facility or Reserve Facility, and to any indexing agent, depository, remarketing agent, tender agent or any other person or institution whose services are required with respect to the issuance of bonds of any Series, any taxes which may be lawfully imposed on the Port Authority Properties or the income therefrom and reserves for such taxes, and any other expenses required to be paid by the County under the provisions of the Trust Agreement or by law, but shall not include any reserves for extraordinary maintenance or repair, or any allowance for depreciation, or any Hedge Obligations or Hedge Charges, or any deposits to the credit of the Sinking Fund, the Reserve Maintenance Fund and the Improvement Fund.

"Director" means the person employed by the County to supervise the operation of the Port Authority Properties and to perform the duties imposed on the Director by the Trust Agreement.

"Effective Date" means December 15, 2002.

"fiscal year" means the period commencing on the first day of October and ending on the last day of September of the following year.

"Hedge Agreement" means an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the bonds, entered into between the County and a Counterparty; provided that such arrangement shall be specifically designated in a certificate of the Director and the County's Finance Director as a "Hedge Agreement" for purposes of the Trust Agreement.

"Hedge Charges" means charges payable by the County to a Counterparty upon the execution, renewal or termination of any Hedge Agreement, any periodic fee payable by the County to keep such Hedge Agreement in effect and all other payments required under such Hedge Agreement, including, to the extent permitted by law, indemnification payments, tax-gross up payments and default related payments, but excluding Hedge Obligations.

"Hedge Obligations" means net payments required to be made by the County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment, but not including Hedge Charges.

"Hedge Receipts" means net payments received by the County from a Counterparty under a Hedge Agreement.

"Improvements" means such buildings, structures and equipment and such renewals, replacements, additions, extensions and betterments, other than ordinary maintenance and repairs, as may be deemed necessary by the County to place or to maintain any Project in proper condition for its safe, efficient and economic operation, or to preserve, extend, increase or improve the service rendered by it, including any property acquired therefor.

"Interest Commencement Date" means, with respect to any particular capital appreciation and income bonds, the date specified in, or pursuant to, the resolution authorizing the issuance of such bonds (which date must be prior to the maturity date for such bonds) after which interest accruing on such bonds shall be payable on a periodic basis, with the first such payment date being the applicable interest payment date immediately succeeding such Interest Commencement Date.

"Liquidity Facility" means a letter of credit, policy of insurance, surety bond, guaranty, purchase agreement, credit agreement or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of, or agrees to purchase, put bonds upon their tender by the holders thereof, and which facility is acceptable to the provider of any Credit Facility issued in connection with such put bonds.

"Net Revenues" for any particular period means the amount of the excess of the Revenues of the Port Authority Properties over the total of the Current Expenses.

"Outstanding" when used with reference to bonds means, as of a particular date and unless otherwise provided in, or pursuant to, a resolution authorizing a particular Series of bonds, all bonds theretofore issued under the Trust Agreement, except:

(1) bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) bonds for the payment of which money, Government Obligations, or a combination of money and Government Obligations, in an amount sufficient to pay on the date when such bonds are to be paid or redeemed the principal or redemption price of, and the interest accruing to such date on, the bonds to be paid or redeemed, have been deposited with the Trustee in trust for the holders of such bonds; Government Obligations, shall be deemed to be sufficient to pay or redeem bonds on a specified date if the principal of and interest on such Government Obligations, when due, will be sufficient to pay on such date the principal or redemption price of, and the interest accruing on, such bonds to such date;

(3) bonds to be redeemed and deemed to be not Outstanding in accordance with the Trust Agreement; and

(4) bonds in exchange for or in lieu of which other bonds have been issued; provided, that in determining whether the holders of the requisite Outstanding bonds have given any request, demand, authorization, direction, notice, consent or waiver under the Trust Agreement bonds owned by the County or any affiliate of the County shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only bonds that an authorized officer of the Trustee either actually knows to be so owned or has received written notice thereof shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such bonds and that the pledgee is not the County or any affiliate of the County.

In determining whether bonds are not "Outstanding" under clauses (2) and (3) above:

(a) in the case of variable rate bonds, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such variable rate bonds; provided, however, that if on any date, as a result of such variable rate bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and/or Government Obligations on deposit for the payment of interest on such variable rate bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such variable rate bonds in order to fully pay the principal or redemption price of, and the interest accruing on, such bonds, and so long as no event of default or other event, which with the passage of time or the giving of notice, or both, would become an event of default with respect to such variable rate bonds has occurred and is continuing, the County may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said variable rate bonds or otherwise existing under the Trust Agreement; and

(b) in the case of put bonds, either the principal or redemption price of, and the interest accruing on, said bonds shall have been paid as they became due and payable or there shall have been deposited moneys and/or Government Obligations which shall be sufficient at the time of such deposit to pay when due the maximum amount of principal or redemption price of, and interest accruing on, such put bonds which could become payable to the holders of such bonds, including upon the exercise of any tender options provided to the holders of such bonds; provided, however, that if, at the time a deposit is made, the tender options originally exercisable on the put bonds are no longer exercisable, such bonds shall not be considered put bonds for these purposes.

"Passenger Facilities Charges" means any fees which the United States Secretary of Transportation may grant the County authority to impose upon passengers of air carriers enplaned at airports controlled by the County in order to finance eligible airport-related projects pursuant to 49 U.S.C. § 40117, as amended, including investment earnings thereon, or any similar fee or charge authorized by any amendment thereto or by any successor federal law.

"Port Authority Properties" means Miami International Airport, the airports owned and/or operated by the County known as Homestead General Aviation Airport, Kendall-Tamiami Executive Airport, Opa-locka Airport, Opa-locka West Airport and the Training and Transition Airport, and such other Projects as shall be financed or refinanced under the provisions of the Trust Agreement together with all improvements thereof (excluding any buildings, structures or other facilities constructed at Miami International Airport or other airports of the County and financed by obligations not issued under the provisions of the Trust Agreement) and any other airport or airport related properties or facilities (including any facilities financed by obligations not issued under the provisions of the Trust Agreement) that may be added to the Port Authority Properties under the provisions of the Trust Agreement.

"Principal and Interest Requirements" for any fiscal year, as applied to the bonds of any Series, means the sum of:

(a) the amount required to pay the interest on all bonds of such Series, both serial and term, then Outstanding which is payable from October 2 in such fiscal year through October 1 in the next succeeding fiscal year,

(b) the amount required to pay the principal of all serial bonds of such Series then Outstanding which is payable from October 2 in such fiscal year through October 1 in the next succeeding fiscal year, and

(c) the Amortization Requirement for the term bonds of such Series for such fiscal year.

In computing "Principal and Interest Requirements," for any fiscal year, the following rules shall apply:

(i) in the case of variable rate bonds, interest shall be computed at the average rate of interest which was payable on such bonds in the last 12 months during which such bonds were Outstanding or the actual number of months that such bonds were Outstanding if less than 12, except that (i) with respect to any variable rate bonds which are being issued on the date of computation, interest shall be computed at the estimated initial rate of interest of such bonds upon issuance thereof, as set forth in a certificate of the principal underwriters with respect to such bonds delivered to the Trustee and the Co-Trustee, and (ii) with respect to deposits to the Reserve Account, interest on any Outstanding variable rate bonds shall be computed (A) with respect to such bonds which were Outstanding in the preceding fiscal year or portion thereof, at the average rate of interest which was payable on such bonds in the preceding fiscal year or portion thereof and (B) with respect to such bonds which were not Outstanding in the preceding fiscal year or portion thereof, at the initial rate of interest on such bonds upon issuance thereof;

(ii) in the case of put bonds, the date or dates on which the holders of such put bonds may elect or be required to tender such bonds for payment or purchase shall be ignored and the stated dates for Amortization Requirements and principal payments thereof shall be used for purposes of this calculation so long as the source for said payment or purchase is a Liquidity Facility and the provider of such facility maintains a rating in one of the three highest short-term rating categories (without regard to any gradations within such categories) of a nationally recognized rating agency; provided, however, that notwithstanding the foregoing or the provisions of clause (i) above, during any period of time after the provider of a Liquidity Facility has advanced funds under a Liquidity Facility and before such amount is repaid, Principal and Interest Requirements shall include the principal amount so advanced and interest thereon, in accordance with the principal repayment schedule and interest rate or rates specified in the reimbursement or other similar agreement relating to such Liquidity Facility;

(iii) in the case of capital appreciation bonds, the principal and interest portions of the Accreted Value becoming due at maturity or by virtue of an Amortization Requirement shall be included when due and payable;

(iv) in the case of capital appreciation and income bonds, the principal and interest portions of the Appreciated Value becoming due at maturity or by virtue of an Amortization Requirement shall be included when due and payable;

(v) in the case of convertible bonds, the calculations shall be based on the type of the bonds as of the time of the calculation without regard to any unexercised conversion feature;

(vi) if all or a portion of the principal or Amortization Requirement of or interest on bonds is payable from funds set aside or deposited for such purpose (other than funds on deposit in the Reserve Account), including funds deposited to the credit of the Construction Fund as provided in the Trust Agreement, together with projected earnings thereon, such principal, Amortization Requirement or interest shall not be included in computing Principal and Interest Requirements if such funds, together with the investment earnings thereon, will provide sufficient moneys to pay when due such principal, Amortization Requirement or interest, as applicable; and

(vii) to the extent that the County has entered into a Hedge Agreement with respect to any bonds and notwithstanding the provisions of clauses (i) through (vi) above, while the Hedge Agreement is in effect and so long as the Counterparty has not defaulted thereunder and so long as the senior-long term debt obligations of the Counterparty or of any entity guaranteeing the payment obligations of the Counterparty under the Hedge Agreement are rated in one of the three highest rating categories (without regard to any gradations within such categories) of three nationally recognized rating agencies (or such lesser number of nationally recognized rating agencies as are then in existence), for the purpose of determining the Principal and Interest Requirements the interest rate with respect to the principal amount of such bonds equal to the "notional" amount specified in the Hedge Agreement shall be assumed to be (A) if the County's Hedge Obligations under the Hedge Agreement are computed based upon a fixed rate of interest, the actual rate of interest upon which the County's Hedge Obligations are computed under such Hedge Agreement, and (B) if the County's Hedge Obligations under the Hedge Agreement are computed based upon a variable rate of interest, the average rate of interest for the County's Hedge Obligations under the Hedge Agreement for the prior fiscal year or portion thereof while the Hedge Agreement was in effect or if the Hedge Agreement was not in effect during such prior fiscal year, then the lesser of (X) the initial rate of interest for the County's Hedge Obligations under the Hedge Agreement and (Y) the average rate of interest for the prior fiscal year under a published variable interest rate index selected by the County which is generally consistent with the formula which shall be used to determine the County's Hedge Obligations; "average rate" with respect to the County's Hedge Obligations for the prior fiscal year means the rate determined by dividing the total annualized amount paid by the County under the Hedge Agreement in such fiscal year or portion thereof (without taking into account Hedge Receipts during such prior fiscal year or portion thereof) by the "notional" amount specified in the Hedge Agreement for such fiscal year.

"Project" means any project which shall be financed or refinanced under the provisions of the Trust Agreement, including, without limitation, any project permitted under Chapter 125, Florida Statutes, or Chapter 166, Florida Statutes.

"put bonds" means all bonds which in accordance with, or pursuant to, the resolution authorizing the issuance of a Series of bonds, may be tendered for payment or purchase by or on behalf of the County prior to the stated maturities thereof.

"Reserve Account Requirement" means, as of any date of calculation, one half (1/2) of the maximum amount of Principal and Interest Requirements for any fiscal year thereafter on account of all bonds then Outstanding.

"Reserve Facility" means any insurance policy, surety bond, irrevocable letter of credit or other credit agreement or similar facility maintained by the County in lieu of or in substitution for cash or securities on deposit in the Reserve Account, which is issued by a provider rated on the date of deposit of such facility into the Reserve Account created in the Sinking Fund in one of the two highest rating categories (without regard to any gradations within such categories) of a nationally recognized rating agency, including in every case the nationally recognized rating agency which rated the bonds on account of which such facility is obtained.

"Revenues" means all moneys received or earned by the County for the use of, and for the services and facilities furnished by, the Port Authority Properties and all other income derived by the County from the operation or ownership of said Properties, including any ground rentals paid for land on which buildings or structures may be constructed, whether such buildings or structures shall be financed by bonds issued under the provisions of the Trust Agreement or otherwise, and Hedge Receipts, but shall not include any moneys received as a grant or gift from the United States of America or the State of Florida or any department or agency of either thereof or any moneys received from the sale of property under the provisions of the Trust Agreement or, unless otherwise provided by resolution of the Board, any Passenger Facilities Charges. The County may select whether to use a cash or accrual basis of accounting, but if it chooses a method that is different than the method then being used, it may only make a change to the extent such change is presented retroactively for each year as if it had been in effect for the last five years.

"variable rate bonds" means bonds issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue and which may be convertible to a fixed interest rate.

Application of Bond Proceeds

The Trust Agreement provides for the creation of the Construction Fund held by the Co-Trustee to the credit of which shall be deposited the proceeds of any bonds issued for Projects or Improvements. Separate Series Accounts are required to be created in the Construction Fund with respect to each Series of bonds issued. The moneys in the Construction Fund shall be disbursed to pay the cost of Improvements or Projects upon submission by the County to the Co-Trustee of requisitions therefor or to pay interest on bonds as provided in, or pursuant to, the resolution authorizing such bonds. Moneys in the Construction Fund shall be subject to a lien and charge in favor of the holders of the bonds until paid out or transferred.

Collection and Disposition of Revenues

Revenue Fund, Annual Budget and Payment of Current Expenses

The Trust Agreement provides for all Revenues to be deposited with the Co-Trustee in the Revenue Fund and to be disbursed only in accordance with the terms of the Trust Agreement. Funds in the Revenue Fund are to be applied first to the payment of Current Expenses as the same become due and payable. Moneys on deposit to the credit of the Revenue Fund shall be invested by the Co-Trustee, at the direction of the County, in Authorized Investments having such maturities as specified by the County.

The Trust Agreement requires the preparation and adoption by the County of an Annual Budget of Current Expenses and Capital Expenditures for each fiscal year. The Trust Agreement provides that all expenditures for Current Expenses shall be made only upon the filing with the Co-Trustee of the requisitions required by the Trust Agreement. The County may requisition from the Co-Trustee, at one time or from time to time, a sum or sums aggregating not more than $100,000 (exclusive of reimbursement) to be used as a revolving fund for the payment of Current Expenses as cannot conveniently otherwise be paid. The County covenants that it will at all times maintain and operate the Port Authority Properties in an efficient and economical manner and keep the same in good repair and sound operating condition and make all necessary repairs, renewals and replacements. The County covenants that the Current Expenses incurred in any fiscal year will not exceed the reasonable and necessary amount thereof.

In addition to the Revenue Fund, the Trust Agreement creates three other funds: the Sinking Fund (and three accounts therein — the Bond Service Account, the Reserve Account and the Redemption Account), the Reserve Maintenance Fund and the Improvement Fund. After reserving in the Revenue Fund as of the end of each month an amount up to 20% of the Current Expenses for the current fiscal year as shown by the Annual Budget, the Co-Trustee shall remit to the Trustee the balance of the moneys in the Revenue Fund. The Trustee shall deposit the money so received to the credit of the following Accounts or Funds in the order set forth below:

Bond Service Account

There is required to be deposited to the credit of the Bond Service Account in the Sinking Fund an amount equal to 1/6 of the amount of the next interest payment on all bonds Outstanding and (beginning with the twelfth month preceding the first maturity of any serial bonds of a Series) an amount equal to 1/12 of the amount of the next principal payment on account of any such serial bonds.

This requirement shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Account in each month thereafter until such time as such deficiency shall be made up.

The Trustee shall from time to time withdraw sufficient moneys from the Bond Service Account to pay the interest on all Outstanding bonds and the principal of all serial bonds as the same become due.

Redemption Account

From the moneys remaining after making the required deposit to the Bond Service Account, there is required to be deposited to the credit of the Redemption Account in the Sinking Fund an amount equal to 1/12 of the Amortization Requirement, if any, for such fiscal year for any term bonds then Outstanding, plus an amount equal to 1/12 of the premium, if any, which shall be payable on the redemption date with respect to such Amortization Requirement if such principal amount of bonds should be redeemed on such date from moneys in the Sinking Fund.

This requirement shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Account in each month thereafter until such time as such deficiency shall be made up.

Moneys held for the credit of the Redemption Account shall be used to retire bonds issued under the Trust Agreement as follows:

(a) Subject to paragraph (c) below, the Trustee shall endeavor to purchase bonds, whether or not such bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having due regard to interest rate and price, such price not to exceed the principal and premium, if any, which would be payable on the next redemption date with respect to such bonds. (Accrued interest on such bonds shall be paid from the Bond Service Account, with the purchase price payable from the Redemption Account.)

(b) Subject to the provisions of the Trust Agreement relating to the redemption of bonds and to paragraph (c) below, the Trustee shall call for redemption on each interest payment date on which bonds are subject to redemption from moneys in the Sinking Fund such amount of bonds then subject to redemption as, with the redemption premium, if any, will as nearly as possible exhaust the Redemption Account, provided that not less than $50,000 principal amount of bonds shall be called at any one time.

(c) Moneys in the Redemption Account shall be applied to the purchase or redemption of bonds in the following order:

First, term bonds of each Series, if any, in the order of their issuance, to the extent of the Amortization Requirement, if any, of the then current fiscal year for such term bonds plus the applicable premium, if any, and any deficiency in preceding fiscal years in the purchase or redemption of such term bonds; provided, however, that if none of the term bonds of a Series shall be subject to redemption from moneys in the Sinking Fund and if the Trustee shall at any time be unable to exhaust the moneys applicable to the bonds of any such Series in the purchase of such bonds under the provisions of paragraph (a) above, such moneys or the balance of such moneys, as the case may be, shall be retained in the Redemption Account and, as soon as it is feasible, applied to the retirement of the term bonds of such Series;

Second**,** to the purchase of any bonds secured under the provisions of the Trust Agreement and then Outstanding, whether or not such bonds shall be subject to redemption, in accordance with the provisions of paragraph (a) above;

*Third***,** term bonds of each Series in proportion (as nearly as practicable) to the aggregate principal amount of the bonds of each such Series originally issued; and

Fourth, after the retirement of all Outstanding term bonds, serial bonds issued under the provisions of the Trust Agreement in the inverse order of their maturities and, to the extent the serial bonds of different Series mature on the same date, in proportion (as nearly as practicable) to the principal amount of the bonds of each Series maturing on such date.

Reserve Account

From the moneys remaining in the Revenue Fund after making the required monthly deposits to the Bond Service Account and Redemption Account described above, there shall be deposited to the credit of the Reserve Account in the Sinking Fund an amount equal to 1/60 of the Reserve Account Requirement under the Trust Agreement until the amount to the credit of the Reserve Account (including amounts available under any Reserve Facilities) shall be equal to the Reserve Account Requirement; provided, however, that if the required deposit to the Reserve Account is being satisfied by the reinstatement of any amount drawn under a Reserve Facility, there shall be paid to the provider thereof such amount as shall be required to cause the provider to reinstate no less than the required deposit for such month.

This requirement shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Account in each month thereafter until such time as such deficiency shall be made up.

Moneys in the Reserve Account shall be used by the Trustee to pay the interest due on the Outstanding bonds and maturing principal of serial bonds whenever and to the extent that the moneys held for the credit of the Bond Service Account are insufficient for such purpose, and, immediately following the use of such moneys for the payment of such interest and principal for the purpose of making up any prior deficiencies in deposits to the credit of the Redemption Account whenever the moneys in the Revenue Fund are insufficient for such purpose. If at any time the balance in the Reserve Account shall exceed the Reserve Account Requirement, such excess shall be transferred to the credit of the Redemption Account or withdrawn by the Trustee and deposited with the Co-Trustee to the credit of the Improvement Fund as may be specified by the County.

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

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

Reserve Maintenance Fund

From the moneys remaining in the Revenue Fund after making the required deposits to the Bond Service Account, Redemption Account and Reserve Account described above, there shall be deposited with the Co-Trustee to the credit of the Reserve Maintenance Fund the amount required to make the amount deposited during such fiscal year equal to the amount recommended by the Consulting Engineers in a report prepared after an annual inspection of the Port Authority Properties by the Consulting Engineers or such greater amount as may from time to time be directed by the Director in writing to the Co-Trustee, such amount to be increased or decreased in accordance with any amendments to the Annual Budget of Capital Expenditures.

Moneys held for the credit of the Reserve Maintenance Fund shall be used only for paying all or part of the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, the cost of replacing equipment, and premiums on insurance required by the Trust Agreement; provided, however, that moneys in said Fund may also be disbursed:

(a) To meet an emergency caused by some extraordinary occurrence, so characterized by a certificate signed by the Consulting Engineers and filed with the Co-Trustee and accompanied by a certificate from the Director stating that funds to the credit of the Revenue Fund are insufficient to meet such emergency,

(b) To pay interest due on the Outstanding bonds and the principal on serial bonds, or the deposits required to be made to the credit of the Redemption Account, in the event the moneys to the credit of the Bond Service Account and the Reserve Account are insufficient for such purpose, and

(c) To pay any additional amount necessary to repair, replace or reconstruct damaged or destroyed property over and above any proceeds of insurance covering such damaged or destroyed property.

Moneys may also be transferred from the Reserve Maintenance Fund to the Revenue Fund if the County shall direct the same by resolution and the Consulting Engineers shall certify that the amount to be transferred is not required for the purposes for which the Reserve Maintenance Fund was created.

Improvement Fund

The balance of any moneys remaining in the Revenue Fund after making the required deposits to the Bond Service Account, the Redemption Account, the Reserve Account and the Reserve Maintenance Fund described above shall be deposited with the Co-Trustee to the credit of the Improvement Fund; provided, however, that the County may by resolution direct the Trustee to deposit all or part of such balance from the Revenue Fund to the credit of the Redemption Account.

Moneys held for the credit of the Improvement Fund may be disbursed by the County from time to time for any airport or airport-related purpose, and for the retirement of any bonds issued under the provisions of the Trust Agreement or may be pledged by the County to the payment of any bonds or other obligations issued or assumed by it. Unencumbered funds in the Improvement Fund shall be used to make up a deficiency in any Series Account in the Construction Fund in the amount required to complete payment of the cost of any Improvements or Project payable from such Series Account.

There may also be deposited to the credit of the Improvement Fund any moneys received by the County from any property or facilities owned or operated by it which do not constitute a part of the Port Authority Properties.

Alternate Provisions for Certain Bonds and Hedge Agreements

A resolution authorizing the issuance of a particular Series of bonds may provide alternative provisions relating to the payment of the principal of and interest on such bonds, in which event deposits to the credit of the Bond Service Account, the Redemption Account and the Reserve Account on account of the bonds of such Series, shall, if and to the extent provided in, or pursuant to, such resolution, be made at such times and in such amounts, and may be set aside and held for the account of and disposition by the County, all as shall be provided in such resolution.

The County may authorize, by resolution, a Hedge Agreement with respect to any Series of bonds, including any Outstanding bonds and any bonds thereafter issued under the Trust Agreement. Such resolution may provide for deposits to the credit of the Bond Service Account under the Trust Agreement for the payment of Hedge Obligations (but not Hedge Charges) to be made at such time and in such amounts, and to be set aside and held for the account of and for the disposition by the County all as shall be provided in such resolution; provided, however, that the Counterparty shall under no circumstances be granted a lien upon or pledge of Net Revenues ranking prior to or on a parity with the lien or pledge created by the Trust Agreement; and provided further, however, that Hedge Charges shall only be payable from the Improvement Fund.

Investment of Funds

Moneys on deposit to the credit of any funds and accounts held under the Trust Agreement, including the Construction Fund, shall as nearly as may be practicable, be invested and reinvested, at the direction of the County, in Authorized Investments. Moneys on deposit to the credit of the Reserve Account shall, as nearly as practicable, be invested and reinvested by the Trustee, at the direction of the County, in Authorized Investments which shall mature or which shall be subject to redemption at the option of the holder not later than fifteen (15) ***years*** after the date of such investment.

Moneys on deposit to the credit of the Revenue Fund, the Reserve Maintenance Fund and the Improvement Fund shall be invested by the Co-Trustee, at the direction of the County, in Authorized Investments having such maturities as specified in a certificate of the County.

Temporary Financing

The County may at any time or times issue its notes or other obligations to finance temporarily any of the Improvements or Projects for which it may issue additional bonds under the Trust Agreement, payable not from Revenues, but solely from the proceeds of such bonds or from any unencumbered moneys in the Improvement Fund. If additional bonds are issued under the Trust Agreement to pay such notes or obligations, the Improvements or Project financed with such notes or other obligations shall then constitute a part of the Port Authority Properties.

Issuance of Additional Bonds

The County may issue additional bonds payable on a parity with the bonds under the Trust Agreement (the "Additional Bonds") at any time or times for the purpose of paying all or part of the cost of any additional Improvements or Project or any portions thereof, including the payment of any notes or other obligations of the County or the repayment of any advances made from any source to temporarily finance such cost, and for making a deposit to the Reserve Account in an amount not to exceed the increase in the Reserve Account Requirement related to the issuance of such Series of bonds. Such bonds shall not be authenticated by the Trustee, in accordance with the then-current form of the Trust Agreement, until the following documents, among others, have been received and the following conditions have been met:

(a) A copy of the resolution authorizing the issuance of the Additional Bonds.

(b) If not provided in the resolution under (a) above, a copy of the resolution awarding such Additional Bonds and directing the authentication and delivery of such Additional Bonds to or upon the order of the principal underwriters upon payment of the purchase price therefor.

(c) A statement, signed by the Consulting Engineers certifying that the construction or acquisition of the Improvements or Project described in the resolution authorizing the issuance of such Additional Bonds is, in their opinion, necessary to place or maintain the Port Authority Properties in proper condition for their safe, efficient and economic operation or to preserve, extend, increase or improve the service rendered by the Port Authority Properties, and giving their estimate of the total cost of the Improvements or Project or portions thereof (including a reserve for contingencies), to be financed in whole or in part by the issuance of such Additional Bonds.

(d) To the extent necessary for purposes of (h)(ii) below, a statement, signed by the Traffic Engineers, giving their estimates (taking into account the information contained in item (iv) of the certificate of the Director mentioned in (e) below) of:

(i) The amounts of the Current Expenses in each of the five fiscal years immediately following the date of said statement or, if interest on the Additional Bonds is to be paid from proceeds of such Additional Bonds, in each of the five fiscal years immediately following the last date on which interest on such Additional Bonds is to be paid from proceeds of such Additional Bonds, and

(ii) The amount of annual Net Revenues in each of the five fiscal years immediately following the date of said statement or, if interest on the Additional Bonds is to be paid from proceeds of such Additional Bonds, in each of the five fiscal years immediately following the last date on which interest on such Additional Bonds it to be paid from proceeds of such Additional Bonds.

(e) A certificate, signed by the Director (and approved by the Trustee as to item (i) below and by the Traffic Engineers as to any adjustments described in item (iii) below), setting forth:

(i) The amount of the Principal and Interest Requirements for each succeeding fiscal year on account of all bonds then Outstanding and the Additional Bonds,

(ii) The amount, if any, which is then available or will be made available for paying the cost of such Improvements or Project or portions thereof and the source or sources from which such amount has been or will be received,

(iii) To the extent necessary for purposes of (h)(ii) below, the amount of Net Revenues for any period of twelve consecutive calendar months selected by the County out of the eighteen calendar months immediately preceding the date of said certificate (the "Computation Period"); provided, however, that if the rates and charges for the use of, and for the services and facilities furnished by, the Port Authority Properties shall have been revised prior to the date of such certificate, the Net Revenues for the Computation Period may be adjusted to reflect the amounts which would have been received had such rates and charges been in effect throughout the Computation Period, and

(iv) If interest on the Additional Bonds is to be paid from proceeds of such Additional Bonds, the last date on which interest on such Additional Bonds is expected to be paid from proceeds of such Additional Bonds.

(f) A certificate of the Director stating that the County is not in default under any provisions of the Trust Agreement.

(g) An opinion of the County Attorney stating that the proposed Additional Bonds have been duly authorized and all conditions to their delivery have been met.

(h) The Trustee has determined that:

(i) The proceeds (excluding accrued interest) of such Additional Bonds to be applied to the costs of the Improvements or Project or portions thereof to be financed in whole or in part by the Additional Bonds, together with any other funds made available therefor, shall be not less than the estimated total cost of the Improvements or Project or portions thereof to be financed in whole or in part by the Additional Bonds;

(ii) Either: (a) the percentage derived by dividing the amount of Net Revenues shown in item (iii) of the certificate of the Director mentioned in (e) above by the largest amount of Principal and Interest Requirements shown for any fiscal year in item (i) of said certificate mentioned in (e) above shall not be less then 120%, or (b) the percentages derived by dividing the amount of Net Revenues for each of the fiscal years shown in item (ii) of the statement of the Traffic Engineers mentioned in (d) above by the amount of Principal and Interest Requirements shown for the corresponding fiscal years in item (i) of the certificate of the Director mentioned in (e) above shall not be less than 120%; and

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

The proceeds of any such Additional Bonds, exclusive of accrued interest, are to be deposited in the Reserve Account to the extent necessary and the balance is to be deposited with the Co-Trustee to the credit of the related Series Account in the Construction Fund.

The Trust Agreement also provides an alternative for the issuance of Additional Bonds for completion of any Improvements or a Project in the event that the bonds initially issued for such Improvements or Project are insufficient to complete that Improvement or Project. Such Additional Bonds may be issued without meeting the requirements set forth in (a) through (h) above in order to provide additional funds for completion of Improvements or Projects, as shown by a resolution of the Board and a statement of the Consulting Engineers. Such Additional Bonds shall constitute a part of the same Series of the bonds as the bonds initially issued for the uncompleted Improvement or Project. Such Additional Bonds shall bear the same date as the bonds initially issued for such Improvements or Projects, but may be made subject to redemption at different times and prices. If the bonds initially issued were serial bonds, then the Additional Bonds shall be serial bonds maturing in annual installments beginning not earlier than one year after their delivery and ending in the year of the latest stated maturity of the bonds initially issued, and the annual installments shall be in such amounts that the Principal and Interest Requirements of such Additional Bonds shall be as nearly equal as the County deems practicable. If the bonds initially issued shall consist of term bonds or both serial bonds and term bonds, then the Additional Bonds shall be term bonds maturing on the same date as the term bonds initially issued, and the resolution authorizing the Additional Bonds shall fix, or provide for the fixing of, the Amortization Requirements for such Additional Bonds, beginning not earlier than one year after the date of delivery of such Additional Bonds and being that percentage, as nearly as practicable, of the Amortization Requirements for the term bonds initially issued which is derived by dividing the principal amount of the Additional Bonds by the principal amount of the term bonds initially issued. If an issue of Additional Bonds meets the requirements set forth in (a) through (h) above, such Additional Bonds do not have to meet the requirements set forth in this paragraph.

Issuance of Refunding Bonds

The County may issue revenue refunding bonds payable on a parity with the bonds under the Trust Agreement (the "Refunding Bonds") to:

(a) Refund at their maturity all or any portion of the Outstanding bonds of any Series which mature within 3 months thereafter. Such Refunding Bonds shall mature in a year not earlier than the year of the latest stated maturity of any bonds then Outstanding under the Trust Agreement.

(b) Redeem prior to or paying at their maturity all or any portion of the Outstanding bonds of any Series issued under the provisions of the Trust Agreement, including the payment of any redemption premium thereon and interest to accrue thereon to the date fixed for their redemption or maturity, as applicable, paying costs of issuance with respect thereto and making a deposit to the Reserve Account in an amount not to exceed the increase, if any, in the Reserve Account Requirement relating to the issuance of such Series Refunding Bonds.

(c) Refund all or any portion of obligations then outstanding which have not been issued under the provisions of the Trust Agreement for the payment of which there are pledged revenues of any airport or airport-related project or projects.

Refunding Bonds may be issued only if there shall be filed with the Trustee (i) a copy of the resolution authorizing such Refunding Bonds, (ii) if not provided in the resolution under (i) above, a copy of the resolution awarding such Refunding Bonds and directing the authentication and delivery of such Refunding Bonds, (iii) an opinion of the County Attorney stating that the issuance of such Refunding Bonds has been duly authorized and all conditions precedent thereto have been fulfilled and (iv) if such Refunding Bonds are to be issued for the purpose of redeeming bonds of any Series prior to their stated maturity, such documents as shall be required by the Trustee to show that provision has been duly made in accordance with the Trust Agreement for the redemption of all bonds to be refunded which are to be redeemed prior to their stated maturity.

Refunding Bonds may only be issued for the purpose described in (b) above if, among other conditions described in the Trust Agreement, either (A) the total Principal and Interest Requirements for the Refunding Bonds during their term is less than the total Principal and Interest Requirements for the bonds to be refunded during their term, (B) the percentage derived by dividing (i) the Net Revenues for the Computation Period by (ii) the maximum amount of Principal and Interest Requirements for any succeeding fiscal year on account of all bonds theretofore issued under the provisions of the Trust Agreement and then Outstanding (other than the refunded bonds) and the proposed Refunding Bonds, as set forth in a certificate of the Director, approved by the Traffic Engineers as to (i) above to the extent of any adjustments to Net Revenues and approved by the Trustee as to item (ii) above, shall not be less than 120%, or (C) the percentages derived by dividing (i) the estimated amount of annual Net Revenues in each of the five fiscal years immediately following delivery of the Refunding Bonds (such Net Revenues to be determined from the Revenues and Current Expenses as estimated by the Traffic Engineers in a statement signed by the Traffic Engineers) by (ii) the amount of the Principal and Interest Requirements for each of such five fiscal years on account of all bonds theretofore issued under the provisions of the Trust Agreement and then Outstanding (other than the refunded bonds) and the proposed Refunding Bonds, as set forth in a certificate of the Director, shall not, in each such year, be less than 120%.

Issuance of Refunding Bonds for the purpose described in (c) above may be undertaken only if, among other conditions described in the Trust Agreement, (A) the percentages derived by dividing the estimated amount of annual Net Revenues of the Port Authority Properties, including the project or projects financed with the obligations to be refunded, in each of the five fiscal years immediately following delivery of such Refunding Bonds, as estimated by the Traffic Engineers in accordance with the terms of the Trust Agreement, by the amount of the Principal and Interest Requirements for the corresponding fiscal years for all bonds then Outstanding and the proposed Refunding Bonds shall not, in each such year, be less than 120%, and (B) the County is not then in default under the Trust Agreement and there is no deficiency in the Reserve Account in the Sinking Fund.

Refunding Bonds issued for any of the above purposes shall mature not later than forty years from their date and may be subject to redemption prior to maturity (including from Amortization Requirements for any term bonds).

Other Types of Bonds, Credit Enhancement and Hedge Agreements

The County may (i) provide that any bonds authorized to be issued under the Trust Agreement may be issued as capital appreciation bonds, capital appreciation and income bonds, convertible bonds, put bonds, variable rate bonds or such other types of bonds as may be marketable from time to time, or any combination thereof, (ii) provide that such bonds shall be additionally secured by a Credit Facility and/or Liquidity Facility, (iii) enter into agreements with any bank, dealer in tax exempt bonds or other institution for the remarketing of bonds which have been tendered for payment, (iv) enter into agreements with any bank or other financial institution providing a Credit Facility or Liquidity Facility for the reimbursement of funds advanced under such Credit Facility or Liquidity Facility, and (v) enter into Hedge Agreements.

For purposes of determining the principal amount of a capital appreciation bond or a capital appreciation and income bond for redemption, acceleration or computation of the amount of bonds held by the holder thereof in giving any notice, consent, request or demand pursuant to the Trust Agreement for any purpose whatsoever, the principal amount of a capital appreciation bond shall be deemed to be its Accreted Value and the principal amount of a capital appreciation and income bond shall be deemed to be its Appreciated Value.

Use of Port Authority Properties

The County covenants that it will establish and enforce reasonable rules and regulations governing the use of the Port Authority Properties and the operation thereof, that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Port Authority Properties will be reasonable, that no more persons will be employed by it than are necessary, and that it will maintain and operate the Port Authority Properties in an efficient and economical manner, that it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements.

Disposal of Port Authority Properties

The County covenants that except as otherwise permitted in the Trust Agreement it will not sell or otherwise dispose of or encumber the Port Authority Properties or any part thereof and will not create or permit to be created any charge or lien on the Revenues thereof ranking equally with or prior to the charge or lien on such Revenues of the bonds issued under and secured by the Trust Agreement; provided, however, that the County may, from time to time, sell or otherwise dispose of property forming part of the Port Authority Properties, if the Director shall determine that such property is no longer needed or is no longer useful in connection with the construction or operation and maintenance of the Port Authority Properties (with any proceeds thereof to be applied to the replacement of the property so sold or disposed of or deposited to the credit of the Redemption Account in the Sinking Fund, the Reserve Maintenance Fund or the Revenue Fund as the Board shall determine by resolution).

Bonds Secured Otherwise Than by the Trust Agreement

Nothing in the Trust Agreement is to be construed as preventing the issuance by the County of obligations secured by other than the revenues pledged as security for the bonds issued under the provisions of the Trust Agreement. The County covenants, however, that: (1) none of the Revenues of the Port Authority Properties will be used for any purpose other than as provided in the Trust Agreement, (2) it will not construct or consent to the construction of any project (including any building or structure at Miami International Airport) other than such projects as shall be financed by Additional Bonds under the Trust Agreement unless there shall be filed with the Clerk of the Board (a) a statement, signed by the Traffic Engineers, certifying that in their opinion, the operation of such project will not affect the County's compliance with the rate covenant set forth in the Trust Agreement and (b) a statement, signed by the Consulting Engineers, certifying that the operation of such project will not impair the operating efficiency of the Port Authority Properties, and (3) no contracts will be entered into or any action taken that would impair or diminish the rights of the Trustee, the Co-Trustee, and the bondholders. An airport or airport-related project financed by obligations not issued under the Trust Agreement may be added to the Port Authority Properties by resolution of the Board if the amount of the annual Net Revenues of the Port Authority Properties including such project in each of the five fiscal years immediately following the inclusion of such project in the Port Authority Properties, as estimated by the Traffic Engineers in accordance with the terms of the Trust Agreement, after deducting the amount of the average annual deposits estimated by the Consulting Engineers to be required to be made to the credit of the Reserve Maintenance Fund in such five fiscal years, will, in each such fiscal year, be not less than 120% of the Principal and Interest Requirements for such fiscal year on account of all bonds then Outstanding under the Trust Agreement.

Insurance

The County covenants that it will maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the Director determines, with the approval of an independent risk management consultant having a nationwide and favorable repute for skill and experience in such work selected by the County, will afford adequate protection against loss caused by damage to or destruction of the Port Authority Properties or any part thereof and also such comprehensive public liability insurance on the Port Authority Properties for bodily injury and property damage and in such amounts as may be approved by such independent risk management consultant.

All such insurance policies shall be carried in a responsible insurance company or companies authorized and qualified under the laws of the State of Florida to assume the risks thereof.

The proceeds of all such insurance covering damage to or destruction of Port Authority Properties shall be deposited with the Co-Trustee and shall be available for and shall, to the extent necessary and in the opinion of the Consulting Engineers desirable, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner provided in the Trust Agreement for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Reserve Maintenance Fund. If such proceeds shall be insufficient for such purpose, the deficiency shall be supplied out of any moneys in the Reserve Maintenance Fund.

Engineers

The County covenants to employ an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in such work for the purpose of carrying out the duties imposed on the Consulting Engineers as detailed in the Trust Agreement, and to employ an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in such work to perform the duties imposed on the Traffic Engineers by the Trust Agreement.

Audits and Reports

The County covenants to keep accurate records and accounts of the Revenues of the Port Authority Properties, of the application of such Revenues and of all items of costs and expenditures relating to the Port Authority Properties. Such records and accounts shall be open to the inspection of all interested persons.

The County also covenants to file monthly with the Trustee and Co-Trustee and mail to the Consulting Engineers and each bondholder who has filed his name and address with the County for such purpose, any revisions of the rates and charges for the Port Authority Properties made during the preceding calendar month and a report of the preceding calendar month setting forth the Revenues and Current Expenses of the Port Authority Properties, the deposits to, and withdrawals from, each special fund and account created under the Trust Agreement, the details of all bonds issued, paid, purchased or redeemed, a balance sheet as of the end of such month, the balance in each fund and account and the details of investments thereof and the proceeds received from any sales of property.

The County further covenants that it will cause an audit of its books and accounts to be made annually by an independent firm of certified public accountants of recognized ability and standing, and that it will cause an annual report of the operations of the Port Authority Properties covering matters usually contained in annual reports for similar properties, to be prepared and filed with the County, the Consulting Engineers, the Trustee, the Co-Trustee, each provider of a Credit Facility and each bondholder who shall have filed his name and address with the County for such purposes. Such annual reports shall be open to the inspection of all interested persons.

Defeasance

If, in addition to any requirements set forth in any resolution authorizing the issuance of a particular Series of bonds, when the bonds secured under the Trust Agreement shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the bonds for redemption shall have been given by the County to the Trustee, the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the bonds and coupons then Outstanding shall be paid or sufficient moneys, Government Obligations, or a combination of moneys and Government Obligations, shall be held by the Trustee or the Paying Agents for such purpose, and provision shall also be made for paying all other sums payable under the Trust Agreement by the County, then and in that case the right, title and interest of the Trustee and of the Co-Trustee shall thereupon cease, determine and become void, and the Trustee and the Co-Trustee in such case, on demand of the County, shall release the Trust Agreement and shall execute such documents to evidence such release as may be reasonably required by the County, and shall turn over to the County or to such officer, board or body as may then be entitled by law to receive the same any surplus in any account in the Sinking Fund and all balances remaining in any other funds or accounts other than moneys held for redemption or payment of bonds or coupons; otherwise the Trust Agreement shall be, continue and remain in full force and effect.

For purposes of the above paragraph, Government Obligations shall be deemed sufficient to pay or redeem bonds if the principal of and interest on such Government Obligations, when due, will be sufficient to pay the principal and the interest and the redemption premium, if any, due on the bonds.

Amendments or Modifications

Any of the provisions of the Trust Agreement may be modified or amended from time to time by supplemental agreements entered into by the County and Trustees upon the consent of the holders of not less than two-thirds in an aggregate principal amount of the bonds then Outstanding, provided that any such modification or amendment will not permit (a) extension of the maturity of the principal of or the interest on any bond, (b) a reduction of the principal amount of any bond or the redemption premium or the rate of interest of any bond, (c) the creation of a lien or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by the Trust Agreement, (d) a preference or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental agreements.

The County and the Trustees may, without the consent of the bondholders, enter into supplemental agreements to cure any ambiguity, formal defect or omission in the Trust Agreement or any supplemental agreement or to grant to or confer upon the Trustees or either of them for the benefit of the bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders or the Trustees or either of them.

So long as the provider of a Credit Facility has not defaulted in its obligations thereunder, such provider will be deemed the holder of all bonds secured by such Credit Facility for purposes of any required consents and approvals to such supplemental agreements from the holders of bonds.

The holders of any Series of bonds to be issued under the Trust Agreement shall be deemed to have consented to a supplemental agreement if the principal underwriters of such Series of bonds shall consent in writing to such supplemental agreement and the nature of such supplemental agreement is disclosed in any offering document pursuant to which such Series of bonds is being offered for sale.

Remedies of Bondholders

The Trust Agreement defines events of default as (i) the failure to pay the principal of and any redemption premium on any of the bonds and, if provided in, or pursuant to, the resolution authorizing the issuance of a particular Series of bonds, payment of the purchase price thereof, when the same shall become due and payable, whether at maturity, pursuant to optional or mandatory tender or upon call for redemption or otherwise, (ii) the failure to pay interest within 10 days after the same shall become due and payable, (iii) the failure to deposit to the credit of the Redemption Account in any fiscal year an amount equal to the Amortization Requirement for such fiscal year for the term bonds of each Series then Outstanding, (iv) the County shall for any reason be rendered incapable of fulfilling its obligations under the Trust Agreement, (v) a final judgment for the payment of money shall be rendered against the County as a result of the ownership, control or operation of the Port Authority Properties and not discharged, appealed or stayed within 60 days from the entry thereof, (vi) a receiver of the Port Authority Properties or the Revenues shall have been appointed and, if such appointment was without the consent or acquiescence of the County, shall not have been vacated, stayed, or discharged within 60 days after the entry of an order or decree appointing said receiver, (vii) any proceeding shall be instituted with the consent and acquiescence of the County, for the purpose of effecting a composition or adjustment of claims between the County and creditors pursuant to any federal or state statute, if such claims are payable out of Revenues, and (viii) the default by the County, after 30 days' notice thereof by the Trustee, in the due and punctual performance of any of the covenants or provisions in the bonds or in the Trust Agreement, provided that if such default shall be of a type which can be remedied but not within 30 days, it shall not constitute an event of default if the County in good faith begins and diligently pursues to remedy such default within such 30-day period.

The Trust Agreement provides that failure to meet the minimum requirements, set forth in subparagraphs (ii) and (iii) under the caption "SECURITY FOR THE SERIES 2010A BONDS – Rate Covenant" in the main body of the Official Statement, in any fiscal year, of the Reserve Maintenance Fund or the Sinking Fund does not in itself constitute an event of default if the County shall comply with all recommendations of the Traffic Engineers as to rates and charges; however, the Trustee or the holders of not less than 15%, or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of bonds Outstanding may, or upon the request of not less than ten percent (10%), or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of bonds Outstanding, and upon being indemnified to its satisfaction, the Trustee shall institute appropriate action to compel the County to revise the rates and changes.

In the event of default, the Trustee may, and upon the request of the holders of not less than 20%, or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of the Outstanding bonds shall, declare the principal of all Outstanding bonds to be due and payable immediately. The Trustee may, and upon the request of the holders of not less than ten percent (10%), or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of the Outstanding bonds shall, proceed to protect and enforce its rights and the rights of the bondholders by such suits, actions or special proceedings in equity or at law as the Trustee being advised by counsel shall deem most effectual to protect and enforce such rights. Anything in the Trust Agreement to the contrary notwithstanding, the holders of a majority in principal amount of bonds then Outstanding shall have the right, subject to the obligation to indemnify the Trustee pursuant to the terms of the Trust Agreement, to direct the method and place of conducting all remedial proceedings, to the extent lawful and in the opinion of the Trustee not unjustly prejudicial to other bondholders not parties to such directions. No remedy is intended to be exclusive of any other remedy or remedies, and each and every remedy is cumulative and is in addition to every other remedy given under the Trust Agreement or existing at law.

No holder of any of the bonds, except as described above, shall have any right to institute any suit, action, mandamus or other proceedings in equity or at law for the enforcement of any right under the Trust Agreement or the laws of Florida, unless such holder previously shall have given to the Trustee written notice of the event of default or breach of trust or duty on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than ten percent (10%), or after none of the bonds issued prior to the Effective Date are Outstanding, the holders of not less than a majority, in principal amount of the Outstanding bonds shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to exercise its granted powers or to institute such action, suit or proceedings, and unless there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

So long as the provider of a Credit Facility has not defaulted in its obligations thereunder, such provider will be deemed the holder of all bonds secured by such Credit Facility for purposes of exercising the rights of the holders of bonds upon the occurrence of any event of default.

APPENDIX I

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AGREEMENT

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The following is a summary of certain provisions of the Airline Use Agreement and does not purport to be complete. Reference is made to the Airline Use Agreement, a copy of which is on file and available at the office of the Aviation Department, for a review of its complete terms. Terms not defined in this Summary or in this Official Statement shall have meanings set forth in the Airline Use Agreement.

The Airline Use Agreement ("AUA") sets forth the operating privileges and responsibilities at Miami International Airport ("MIA" or the "Airport") for an airline operating at MIA (a "Signatory Airline"). The AUA does not lease or convey any property interest to the Signatory Airline and is effective as to any successor governing authority of the Airport.

The term of the AUA is for fifteen years from its effective date, which is defined as being May 1, 2002. All AUAs, no matter when actually executed by the airline, bear the effective date of May 1, 2002. Each Signatory Airline agrees that its obligations to pay Landing Fees and charges, whether incurred for operations at MIA or any other airport within the County's Airport System, shall continue beyond any expiration of the agreement for so long as the Signatory Airline operates at MIA or such other airport and bonds are outstanding under the Senior Trust Agreement or any successor trust indenture. Conversely, if the Signatory Airline discontinues its operations at a County airport, the Signatory Airline has no further obligation to the airport at which it operated other than for payment of incurred charges.

The Signatory Airline agrees to whatever Landing Fee Rates and charges are established by the County from time to time, and agrees that (1) the Landing Fee Rate may be based on a residual method of calculating Landing Fees set forth in Tab G of the AUA and discussed below, and (2) Terminal Building fees may be based on the cost-based equalized rate-setting methodology described in Tab H of the AUA. The County may modify such methodologies in order to comply with its requirements under the Senior Trust Agreement or under federal law, or as a result of a Board-approved modification resulting from consultation with the Airlines at MIA and consented to by the Trustee.

Each Signatory Airline agrees that the Passenger Facility Charge revenue belongs to the Airport and not the airline and that it will (1) comply with all rules and regulations of the Airport, (2) indemnify and reimburse the County for any failure to so comply, (3) comply with all applicable noise abatement regulations, (4) obtain appropriate airline operating certificates and liability insurance, (5) comply with all security requirements and directives, (6) not discriminate in violation of applicable law, and (7) control its employees in the use of the Airport. The Signatory Airline acknowledges the primacy of the Senior Trust Agreement.

Each Signatory Airline agrees that the Miami Airport Affairs Committee (the "MAAC") shall represent the interests of all airlines at MIA for voting on matters on which the AUA requires a decision and that any Majority-In-Interest ("MII") decision by the MAAC required by the AUA shall be binding on the Signatory Airline. MIIs consist of those airlines on the MAAC that are not less than 51% of existing MAAC members and that collectively with their non-signatory Affiliated Airlines represent more than 25% of total landed weight for which Landing Fees were paid during the previous Fiscal Year by all MAAC airlines and their non-signatory Affiliated Airlines. An "Affiliated Airline" is defined to be any airline of a designated relationship to the Signatory Airline that is shown on Tab F of the AUA as being an airline for which the Signatory Airline agrees to be financially responsible.

The Aviation Department may incur costs without MII approval to design and construct any capital project that (1) is a Non-Port Authority Properties facility provided it will cause no increase in Airline Costs Per Enplaned Passenger, (2) has net costs (i.e., project costs less equity sources such as grants or PFC revenue) that do not exceed $15 million, (3) is financed by special facility revenue bonds not payable from Airport System funds, (4) is financed by a tenant or third-party source and not subject to reimbursement, (5) is in connection with the reclassification to Port Authority Properties, (6) is required under the Senior Trust Agreement as certified by the Consulting Engineers, (7) is required to comply with a rule, regulation, order or requirement of any federal, state or governmental agency, (8) is necessary to settle lawful claims, satisfy judgments or comply with judicial orders against the County by reason of its ownership, operation, maintenance or use of the Port Authority Properties or parts thereof, (9) is needed as a result of an emergency, (10) is needed to repair or replace casualty damage, (11) is a capital project previously approved by the MIIs, although if the scope materially changes and the revised construction estimate increases by more than 25% of the approved construction cost the MIIs may review the increment in construction costs; and (12) is part of the approved CIP listed in Exhibit A of the AUA, with MIIs, however, having the right to review any increase in estimates of project costs, if such costs at the program level are more than 25% of original estimated program costs.

MII review of all other projects is based on whether projected costs per enplaned passenger ("CEP") are above a stated level, as expressed in all cases in 1998 dollars.

(a) If the projected CEP does not exceed $30 (in 1998 dollars) in five (5) or more years of the ten (10) year projection period, then a project is deemed approved by the MIIs unless the Aviation Department receives written responses from the MIIs that they disapprove the project within forty-five (45) days of the request for approval. If disapproval occurs, the Aviation Department must defer the project for one hundred eighty (180) days and then re-submit the project to the MIIs for the same review process. Each such re-submitted project shall be deemed to be approved unless the Aviation Department receives written responses from the MIIs that they disapprove the project within forty-five (45) days of the re-submission. After one hundred eighty (180) days following resubmission, the Aviation Department may proceed with any such project that was disapproved by the MIIs on re-submission.

(b) If the projected CEP exceeds $30 (in 1998 dollars) but does not exceed $35 (in 1998 dollars) in six (6) or more years of the ten (10) year projection period, then the project is not deemed approved unless the MIIs signify their approval in writing within forty-five (45) days. Late responses and non-responses are deemed to signify approval of such project. If non-approval occurs, the Aviation Department must defer the project for one hundred eighty (180) days and then re-submit the project to the MIIs for the same review process within forty-five (45) days of the request for approval. No re-submitted project shall be deemed approved by the MIIs unless the MIIs provide written approval thereof within forty-five (45) days of resubmission. Late responses and non-responses are deemed to signify approval of such project. If construction of such project is not approved by the MIIs, the Aviation Department may still construct the project upon approval thereof by the Board of County Commissioners.

(c) If the CEP exceeds $35 (in 1998 dollars) in six (6) or more years of the 10-year projection period, a construction moratorium occurs during the next Fiscal Year except for those twelve categories of projects listed above. However, the Aviation Department may present capital projects during such time period, and if it obtains MII approval then the Aviation Department may construct such projects.

The AUA permits each Signatory Airline to participate in the Aviation User Credit Program ("AUCP"). The Aviation Department is entitled to collect all fees applicable thereto in cash each time an airline uses the Airport. To avoid the administrative inconvenience to the Aviation Department and the airline of collecting such cash payments at the time of use, the Aviation Department permits the Signatory Airline to participate in the AUCP under which the airline self-reports and self-pays the designated Aviation Activity fees by the 10th day of the month following the month in which the fees were incurred.

The AUA provides that an airline operating at MIA may be obligated to pay 100%, 105% or 150% of the Landing Fee Rate and certain aviation use fees (collectively, the "Aviation Activities" fees). An airline that both signs the AUA and participates in the AUCP pays only 100% of the established Aviation Activities fees. An airline that does not sign the AUA but participates in the AUCP pays 105% of such fees, and an airline that fails to participate in the AUCP must pay 150% of such fees, even if the airline signs the AUA.

The Aviation Department calculates the Landing Fee Rate to be effective as of October 1 of each year based upon the annual budget for the Port Authority Properties and estimates of Total Landed Weight. The Landing Fee Rate may be adjusted semi-annually effective April 1. If the County is required because of emergency conditions to adjust the Landing Fee Rate effective at a time other than October 1 or April 1, the Aviation Department after proper notification of the MIA air carriers, may adjust the Landing Fee Rate. Promptly upon the cessation of the emergency conditions requiring any such adjustment, the Aviation Department will notify the air carriers to the adjustment that can be made because of the cessation of such conditions and the effective date upon which the adjustment will take effect.

For the use of the airfield at the Airport, each airline shall pay the County monthly Landing Fees determined by multiplying its Total Landed Weight during the month by the then-current Landing Fee Rate. Landing Fees are calculated by determining the difference between anticipated Revenue Credits and the total Revenue Requirement for the forthcoming year. The Revenue Requirement for the period of the fee calculation is estimated on a cash basis by totaling the following amounts:

(i) Estimated Principal and Interest Requirements on Bonds issued under the Senior Trust Agreement then outstanding and on Bonds to be issued during the period of the fee calculation;

(ii) A coverage margin calculated as 20% of the estimated Principal and Interest Requirements;

(iii) Estimated Current Expenses;

(iv) Estimated change in the operating reserve for Current Expenses, which reserve is calculated as a percentage (not to exceed 20%) of estimated Current Expenses;

(v) Estimated deposit, if any, from Revenues to the Bond Reserve Account required to meet the reserve requirement;

(vi) Deposit to the Reserve Maintenance Fund in the amount recommended by the Consulting Engineers;

(vii) Estimated debt service payable from Revenues on commercial paper then outstanding and on commercial paper to be issued during the period of the fee calculation, including amounts necessary to make hedge or termination payments;

(viii) Estimated debt service and revenue covenant requirements payable from Revenues on other indebtedness (including, for example, subordinate debt, Passenger Facility Charge debt, or general obligation bonds) then outstanding and on other indebtedness to be issued during the period of the fee calculation;

(ix) Estimated deposits to funds and accounts payable from Revenues that may be required in connection with commercial paper or other indebtedness; and

(x) Costs of Prior Aviation Development Facilities ("Prior ADF"), if any, that may be payable from Revenues pursuant to a merger of the Port Authority Properties and Prior ADF, net of Prior ADF revenues related to such costs.

The total Revenue Credits for the period of the Landing Fee calculation is estimated on a cash basis by totaling the following amounts:

(i) Revenues to be received during the period of the fee calculation from all sources, including the transfer from the Improvement Fund and Revenues from the Non-Signatory Differential, but exclusive of Revenues from (a) Landing Fees, (b) interest earnings on moneys in the Reserve Maintenance Fund, and (c) interest earnings on moneys in the Improvement Fund; and

(ii) Revenues to be received from landing fees for aircraft landings conducted prior to the effective date of the revised Landing Fee Rate (which, for example, includes Revenues received in October for landings conducted in September when computing the October 1 Landing Fee Rate).

The resulting differential between Revenue Requirement and Revenue Credits is then divided by estimated Total Landed Weight for the period to determine the Landing Fee Rate per one thousand (1,000) pounds of aircraft weight. (When computing the October 1 Landing Fee Rate, Total Landed Weight covers the 11-month period October through August.)

In the AUA, the Signatory Airline acknowledges that the County (1) may deduct from the moneys remaining in the Improvement Fund at the end of each Fiscal Year the sum of $5 million to be deposited into the Retainage Sub-account up to a cumulative maximum balance of $15 million, to be used by the Airport for any lawful airport purpose, (both of these dollar amounts are subject to an annual percentage adjustment, up or down, as defined in the AUA) and (2) may deposit to the Performance Sub-account 50% of the revenue amounts that exceed the break-even costs of the Cargo and Commercial Aviation Support Facilities. No maximum cumulative amount applies to the amounts in this sub-account, and moneys in this sub-account may be used for any lawful purpose.

APPENDIX J

PROPOSED FORM OF BOND COUNSEL OPINION

On the date of issuance of the Series 2010 Bonds in definitive form, Greenberg Traurig, P.A., and Edwards & Associates, P.A., Bond Counsel, propose to render their opinion in substantially the following form:

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March 4, 2010

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

Re: $239,755,000 Miami-Dade County, Florida Double-Barreled Aviation Bonds (General Obligation), Series 2010

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by Miami-Dade County, Florida (the "County") of its $239,755,000 original aggregate principal amount of Double-Barreled Aviation Bonds (General Obligation), Series 2010 (the "Bonds") dated of even date herewith. The Bonds are being issued pursuant to the authority of the Constitution and laws of the State of Florida, including particularly Chapters 125 and 166, Florida Statutes, as amended, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, the Code of Miami-Dade County, as amended (collectively, the "Act"), Resolution No. R-1122-86 adopted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on September 2, 1986 (the "1986 Resolution"), Ordinance No. 86-75 enacted by the Board on October 14, 1986 (the "Ordinance") and Resolution No. R-1346-09 adopted by the Board on December 1, 2009 (the "2010 Resolution" and collectively with the 1986 Resolution and the Ordinance, the "Bond Ordinance"). All capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Bond Ordinance.

Pursuant to the Bond Ordinance, the Bonds are payable primarily from the Net Available Airport Revenues and, to the extent that Net Available Airport Revenues are insufficient, are general obligations of the County payable from ad valorem taxes on all taxable property within the County (excluding exempt property as provided by applicable law), and the full faith, credit and taxing power of the County are pledged to the punctual payment of the Principal and Interest Requirements with respect to the Bonds as the same shall become due and payable.

The description of the Bonds in this opinion and other statements concerning the terms and conditions of the issuance of the Bonds do not purport to set forth all of the terms and conditions of the Bonds or of any other document relating to the issuance of the Bonds, but are intended only to identify the Bonds and to describe briefly certain features thereof. This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the Bonds.

In rendering this opinion we have examined certified copies of the Bond Ordinance, certain other documentation and information submitted to us relative to the issuance and sale by the County of the Bonds, and such other documents as we have deemed necessary to render this opinion. In addition to the foregoing, we have examined and relied upon the opinion of the Office of Miami-Dade County Attorney as to the validity of the election held on November 4, 1986 and the results thereof related to the issuance of general obligation bonds of the County in an amount not to exceed $247,500,000 to finance the acquisition, construction, improvement and/or installation of the Capital Improvements. We have relied on such other agreements, certificates, documents and opinions, including certificates and representations of public officials and other officers and representatives of the various parties participating in this transaction, as we have deemed relevant and necessary to render this opinion.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on the foregoing, we are of the opinion that:

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 Bonds.

2. The Bond Ordinance has been duly enacted or adopted by the Board and constitutes a valid and legally binding obligation of the County, enforceable in accordance with its terms.

3. The Bonds constitute a valid and binding obligation of the County, payable from the Net Available Airport Revenues and, to the extent that Net Available Airport Revenues are insufficient, are additionally secured by the full faith, credit and taxing power of the County, which full faith, credit, and taxing power of the County is irrevocably pledged to the punctual payment of the Principal and Interest Requirements with respect to the Bonds as the same shall become due and payable. All the taxable property within the County (excluding exempt property as provided by applicable law) is subject to the levy of an ad valorem tax, without limitation as to rate or amount, for the payment of the Principal and Interest Requirements on the Bonds.

4. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated in the following paragraph, interest on the Bonds is excludable from gross income for federal income tax purposes. Moreover, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and such interest is not taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

In rendering the opinion in the preceding paragraph, we have assumed continuing compliance by the County with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met after the issuance of the Bonds in order that interest on the Bonds be, and continue to be, excludable from gross income for federal income tax purposes. The County has covenanted in the 2010 Resolution to comply with the requirements of the Code in order to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. The failure by the County to meet certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

5. The Bonds and the income thereon are not subject to taxation under the laws of the State, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

Except as stated in paragraphs 4 and 5 above, we express no opinion as to any other tax consequences regarding the Bonds.

This opinion is qualified to the extent that the enforceability of the Bonds and the Bond Ordinance, respectively, may be limited by general principles of equity which may permit the exercise of judicial discretion, and by bankruptcy, insolvency, moratorium, reorganization or similar laws relating to the enforcement of creditors' rights generally, now or hereafter in effect.

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 have not been engaged nor have we undertaken to review or verify and therefore express no opinion as to the accuracy, adequacy, fairness or completeness of any official statement or other offering materials relating to the Bonds, except as may be otherwise set forth in our supplemental opinion delivered to the initial purchaser of the Bonds. In addition, other than as expressly set forth herein, we have not passed upon and therefore express no opinion as to the compliance by the County or any other party involved in this financing, or the necessity of such parties complying, with any federal or state registration requirements or security statutes, regulations or rulings with respect to the offer and sale of the Bonds.

We express no opinion with respect to any other document or agreement entered into by the County or by any other person in connection with the Bonds, other than as expressed herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

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APPENDIX K

PROPOSED FORM OF DISCLOSURE COUNSEL OPINION

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APPENDIX K

PROPOSED FORM OF DISCLOSURE COUNSEL OPINION

March __, 2010

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

$___________
Miami-Dade County, Florida
Double-Barreled Aviation Bonds (General Obligation)
Series 2010

Ladies and Gentlemen:

We have served as Disclosure Counsel to Miami-Dade County, Florida (the "County") in connection with the issuance by the County of its $___________ Double-Barreled Aviation Bonds (General Obligation), Series 2010 (the "Bonds").

In this capacity, we have examined an executed copy of the Official Statement of the County dated January __, 2010 (the "Official Statement"), relating to the Bonds. We have reviewed the Official Statement generally and have discussed certain information and statements therein with representatives of the County from the Finance Department, the County Attorney's Office and the Aviation Department of Miami-Dade County, Florida; First Southwest Company and Frasca & Associates, L.L.C., Financial Advisors to the Aviation Department; Jacobs Consultancy, Inc., Traffic Engineers for the Aviation Department; and Greenberg Traurig, P.A. and Edwards & Associates, P.A., Bond Counsel.

In Resolution No. R-1346-09 (the "Series 2010 Resolution") adopted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on December 1, 2009, the County covenanted to comply with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12.

We also have examined certain proceedings of the County and originals or copies identified to our satisfaction of such agreements, instruments, opinions, certificates and other documents as we have deemed necessary for purposes of the advice contained in this letter. We have assumed the genuineness of signatures on documents submitted to us as originals, the authenticity thereof and the conformity with the originals of any documents submitted to us as copies or specimens. We also have assumed the accuracy of the opinion of Bond Counsel.

On the basis of the foregoing, we advise you as follows:

1. We have not verified and are not passing upon, and we do not assume any responsibility for, the accuracy or completeness of the statements contained in the Official Statement. Nothing, however, has come to our attention during the course of our review and discussion of the Official Statement that would cause us to believe that the Official Statement, on

the date thereof or on this date, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2. Our advice in paragraph 1 does not apply to the financial statements and financial or statistical data contained or incorporated by reference in the Official Statement, including the Appendices.

3. In our opinion, with respect to the issuance of the Bonds, the continuing disclosure undertaking of the County complies as to form in all material respects with the requirements for such an agreement in paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12.

4. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Series 2010 Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

Very truly yours,

MIAMI-DADE COUNTY, FLORIDA • Double-Barreled Aviation Bonds (General Obligation), Series 2010

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