NEW ISSUES - BOOK-ENTRY ONLY

Insured Ratings: *Fitch: AAA*
Moody's: Aaa
S&P: AAA
(See "RATINGS" herein)

$241,400,000
MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
Toll System Revenue Bonds, Series 2005A through Series 2005E
(Auction Rate Securities)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The Miami-Dade County Expressway Authority Toll System Revenue Bonds, Series 2005A through Series 2005E (collectively, the "Series 2005 Bonds"), consisting of five separate Series as more fully described on the inside cover, will be issued by the Miami-Dade County Expressway Authority (the "Authority") in fully registered form. When issued, each Series of Series 2005 Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2005 Bonds. Series 2005 Bonds will be available to purchasers initially only under the book-entry system maintained by DTC. Purchasers of the Series 2005 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal and interest on the Series 2005 Bonds will be made to DTC. See "DESCRIPTION OF THE SERIES 2005 BONDS - Book-Entry Only System" herein.

Each Series of Series 2005 Bonds will be initially issued in the form of Dutch Auction Rate bonds and while bearing interest at Dutch Auction Rates will be issuable in denominations of $25,000 and integral multiples thereof. Interest on each Series of Series 2005 Bonds will accrue from the date of delivery of the Series 2005 Bonds for the initial Auction Period at rates established by the Underwriters for such Series prior to the delivery of the Series 2005 Bonds. After each initial Auction Period, each Series of Series 2005 Bonds will accrue interest for each subsequent Auction Period (initially each Auction Period is 7 days) at the Dutch Auction Rate for such Auction Period determined pursuant to the Dutch Auction Procedures described in Appendix H hereto. Prospective purchasers of the Series 2005 Bonds should carefully review the Dutch Auction Procedures. Beneficial interests in Series 2005 Bonds may be transferred only through a Broker-Dealer or pursuant to a Bid or Sell Order placed in an Auction.

Each Series of Series 2005 Bonds shall be subject to redemption prior to maturity as described herein. Each Series of Series 2005 Bonds shall also be subject to mandatory tender for purchase upon conversion to another Interest Mode from the Dutch Auction Mode.

The Series 2005 Bonds are being issued by the Authority pursuant to the provisions of an Amended and Restated Trust Indenture dated as of June 15, 2002 from the Authority to The Bank of New York Trust Company, N.A., as successor in trust to The Bank of New York, as trustee (the "Trustee"), as previously supplemented and as supplemented by a Fourth Supplemental Trust Indenture to Amended and Restated Trust Indenture dated as of February 1, 2005 from the Authority to the Trustee (collectively, the "Indenture"). The Series 2005 Bonds are being issued to provide funds to (1) pay a portion of the Cost of certain Improvements to the System included in the Five-Year Work Program (as described herein) of the Authority in effect from time to time, including capitalized interest on the Series 2005 Bonds through July 1, 2007, and (2) pay costs and expenses relating to the issuance of the Series 2005 Bonds, including premiums for the Policy and a Reserve Facility.

The Series 2005 Bonds are parity Bonds payable from and secured by a pledge of and lien on the Revenues of the System and the moneys on deposit from time to time in certain of the Funds, Accounts and Subaccounts established under the Indenture, all as described herein.

The principal of and interest on the Series 2005 Bonds are payable solely from the Revenues which are pledged to the payment thereof and the moneys on deposit from time to time in the Funds, Accounts and Subaccounts, in the manner and to the extent specified in the Indenture, and nothing in the Series 2005 Bonds or in the Indenture shall be construed as obligating the Authority to pay the principal thereof or the interest thereon except from the Revenues and the moneys on deposit from time to time in said Funds, Accounts and Subaccounts. The Authority has no taxing power. The Series 2005 Bonds do not constitute an indebtedness of Miami-Dade County, Florida (the "County"), the State of Florida (the "State") or any other political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation. No Owner of any of the Series 2005 Bonds shall ever have the right to compel the exercise of the taxing power of the County or the State or any political subdivision or agency thereof, or the application of any funds other than funds pledged under the Indenture to the payment of the Series 2005 Bonds.

Payment of principal of and interest on each Series of Series 2005 Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Series 2005 Bonds. See "FINANCIAL GUARANTY INSURANCE" herein.

Ambac

This Official Statement only describes the Series 2005 Bonds while such Series 2005 Bonds are Auction Rate Bonds. Investors should look to subsequent disclosure documents upon conversion of the Series 2005 Bonds to another Interest Mode.

Various initial details and the initial Broker-Dealers with respect to each Series of the Series 2005 Bonds are set forth on the inside cover page of this Official Statement.

In the opinion of Co-Bond Counsel, assuming continuing compliance by the Authority with certain tax covenants and the accuracy of certain representations of the Authority, interest on the Series 2005 Bonds will be excludable from gross income for federal income tax purposes and will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals under existing statutes, regulations, rulings and court decisions. Co-Bond Counsel are further of the opinion that the Series 2005 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220. See "TAX MATTERS" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2005 Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to the approving legal opinions of Greenberg Traurig, P.A., Miami, Florida, and Edwards & Associates, P.A., Miami, Florida, Co-Bond Counsel. Certain legal matters will be passed upon for the Authority by its co-counsel, Greenberg Traurig, P.A., Miami, Florida, and Edwards & Associates, P.A., Miami, Florida, and for the Underwriters by their co-counsel, Squire, Sanders & Dempsey L.L.P., Miami, Florida and The Knox Firm, Miami, Florida. First Southwest Company, Miami, Florida, is acting as Financial Advisor to the Authority. It is expected that the Series 2005 Bonds in definitive form will be available for delivery through the facilities of DTC in New York, New York on or about March 1, 2005.

Citigroup

Bear, Stearns & Co. Inc. **UBS Financial Services Inc.**

M•R•BEAL & COMPANY **Estrada Hinojosa & Company, Inc.** **Jackson Securities**

JPMorgan **Morgan Stanley** **Ramirez & Co., Inc.** **Raymond James**

Morgan Stanley & Co. Incorporated

Dated: February 14, 2005

$241,400,000
MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
Toll System Revenue Bonds, Series 2005A through Series 2005E
(Auction Rate Securities)

Price: 100%

Series 2005	Final Maturity (July 1)	Par Amount	Auction Day Generally	Length of Initial Period	Initial Auction Date	Initial Interest Payment Date	Interest Payment Date Generally	Initial CUSIP No.	Initial Broker-Dealers[1]
A	2026	$54,800,000	Monday	7-Days	03/07/05	03/08/05	Tuesday	59334 KDE5	Citi, Bear, JPMorgan
B	2029	54,800,000	Tuesday	8-Days	03/08/05	03/09/05	Wednesday	59334 KDF2	Citi, UBS, Morgan Stanley
C	2032	54,800,000	Wednesday	9-Days	03/09/05	03/10/05	Thursday	59334 KDG0	Citi, Bear, Raymond James
D	2033	38,500,000	Thursday	10-Days	03/10/05	03/11/05	Friday	59334 KDH8	Citi, UBS
E	2034	38,500,000	Friday	13-Days	03/11/05	03/14/05	Monday	59334 KDJ4	Citi, MR Beal

(1) Citigroup Global Markets Inc. ("Citi")
Bear, Stearns & Co. Inc. ("Bear")
UBS Financial Services Inc. ("UBS")
J.P. Morgan Securities Inc. ("JPMorgan")
Morgan Stanley & Co. Incorporated ("Morgan Stanley")
Raymond James & Associates, Inc. ("Raymond James")
M.R. Beal & Company ("MR Beal")

Each Series of the Series 2005 Bonds will bear interest from the date of original delivery for the applicable initial period set forth above at the applicable rate for that Series established by the applicable underwriters for such Series 2005 Bonds prior to the date of delivery. Thereafter, each Series of the Series 2005 Bonds will bear interest at the applicable Dutch Auction Rate for their respective Auction Periods, until conversion, if any, to a Daily Mode, a Weekly Mode, a Flexible Mode or a Fixed Mode as described herein. Interest will be payable on the initial interest payment date set forth above and thereafter on the Business Day following the end of each Auction Period for the applicable Series of Series 2005 Bonds while the Series 2005 Bonds are in a seven day Auction Period.

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY

Darryl K. Sharpton, CPA/ABV, Chair
Roymi V. Membiela, Vice Chair
Thomas Gene Prescott, Treasurer
Allen C. Harper, Member
Albert Huston, Jr., Member
Cesareo E. Llano, Member
John Martinez, Member
Arthur Noriega, V. Member
Oscar Rivero, Esq., Member
Gonzalo Sanabria, Member

EXECUTIVE DIRECTOR

Servando M. Parapar, P.E.

DIRECTOR OF FINANCE AND ADMINISTRATION/ CHIEF FINANCIAL OFFICER

David A. O'Neal, C.P.A.

FINANCIAL ADVISOR

First Southwest Company
Miami Lakes, Florida

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Edwards & Associates, P.A.
Miami, Florida

GENERAL ENGINEERING CONSULTANT

Dade Transportation Consultants
Miami, Florida

TRAFFIC AND REVENUE CONSULTANT

Wilbur Smith Associates
New Haven, Connecticut

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

KPMG LLP
Miami, Florida

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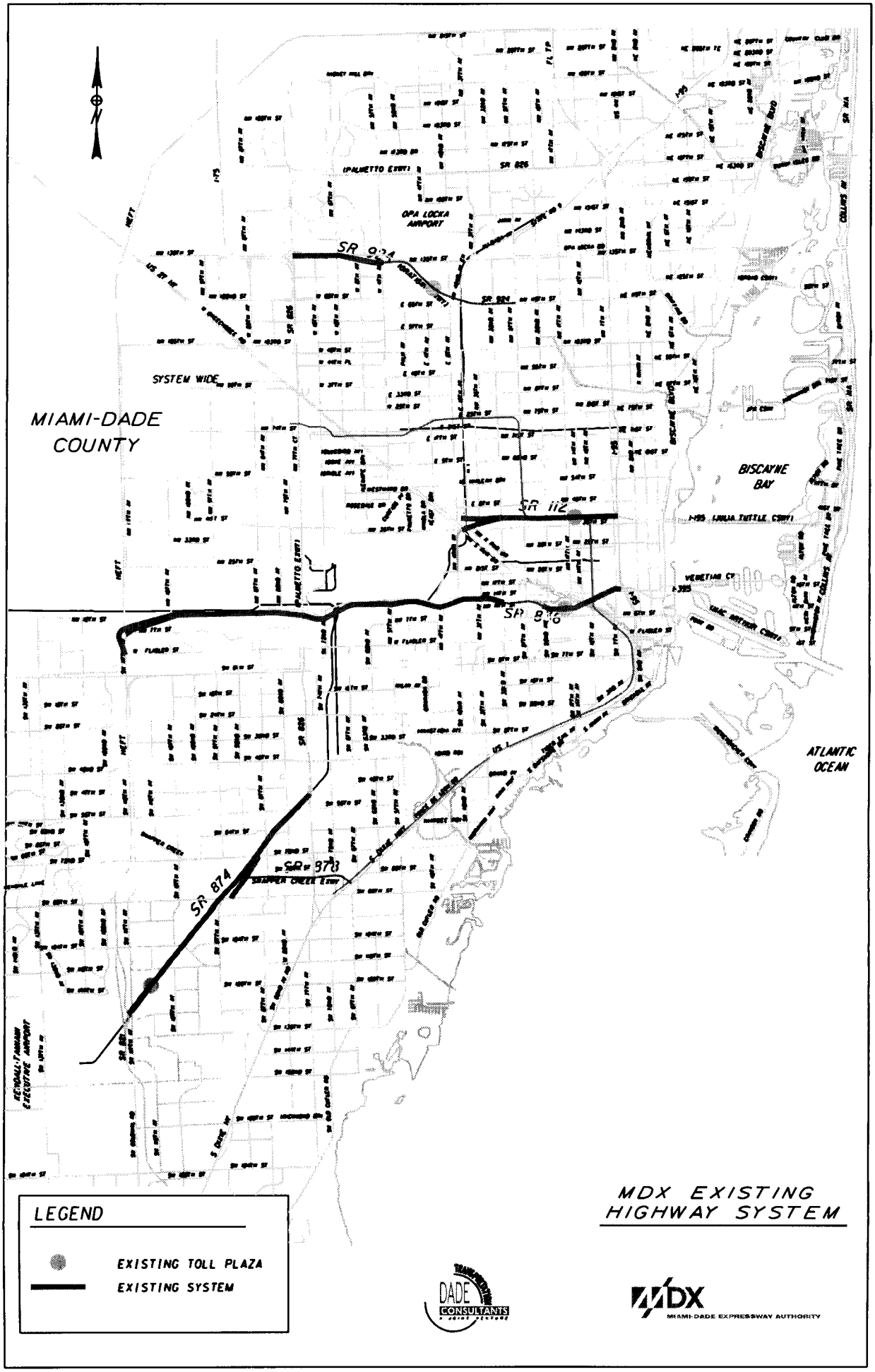
SYSTEM WIDE
MIAMI-DADE COUNTY
OPA LOCKA AIRPORT
SR 924
SR 826
SR 112
SR 836
SR 874
SR 878
BISCAYNE BAY
ATLANTIC OCEAN
HOMESTEAD EXECUTIVE AIRPORT
LEGEND
EXISTING TOLL PLAZA
EXISTING SYSTEM
MDX EXISTING HIGHWAY SYSTEM
DADE CONSULTANTS
MDX
MIAMI-DADE EXPRESSWAY AUTHORITY

No dealer, broker, salesman or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. 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 2005 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale.

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 part of, their respective 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.

Any statements made in this Official Statement involving matters of opinion, forecasts or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the forecasts or estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof.

The Series 2005 Bonds have not been registered under the Securities Act of 1933 nor has the Indenture been qualified under the Trust Indenture Act of 1939, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2005 Bonds under the securities laws of the jurisdictions in which they have been registered or qualified, if any, shall not be regarded as a recommendation thereof. Neither these jurisdictions nor any of their agencies have passed upon the merits of the Series 2005 Bonds or the accuracy or completeness of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2005 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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OFFICIAL STATEMENT
relating to

$241,400,000
MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
Toll System Revenue Bonds, Series 2005A through Series 2005E
(Auction Rate Securities)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information in connection with the sale by the Miami-Dade County Expressway Authority (the "Authority") of $241,400,000 aggregate principal amount of its Miami-Dade County Expressway Authority Toll System Revenue Bonds, Series 2005A through Series 2005E (collectively, the "Series 2005 Bonds"), consisting of five (5) separate Series of Bonds. The Series 2005 Bonds are being issued pursuant to Chapter 348, Part I, Florida Statutes, as amended (together with any successor provisions of law, the "Act"), and under and pursuant to an Amended and Restated Trust Indenture dated as of June 15, 2002 (the "Amended and Restated Indenture"), from the Authority to The Bank of New York Trust Company, N.A., as successor in trust to The Bank of New York, as trustee (the "Trustee"), as previously supplemented and as supplemented by a Fourth Supplemental Trust Indenture to Amended and Restated Trust Indenture dated as of February 1, 2005, from the Authority to the Trustee (collectively, the "Indenture"). The Bank of New York Trust Company, N.A., will also act as Bond Registrar and Paying Agent for the Series 2005 Bonds. Capitalized terms used but not defined herein have the same meaning as ascribed thereto in the Indenture unless the context would clearly otherwise indicate. See "APPENDIX E - The Amended and Restated Indenture" herein. As used in this Official Statement, the term "Fiscal Year" followed by a year designation shall mean the Fiscal Year commencing on July 1 of the previous year and ending on June 30 of such year.

The Authority has previously issued under the Indenture (i) $80,000,000 Dade County Expressway Authority (Florida) Toll System Revenue Bonds, Series 1996 (Taxable) (the "Series 1996 Bonds"), (ii) $10,000,000 Miami-Dade County Expressway Authority (Florida) Toll System Revenue Bond, Series 1999 (the "Series 1999 Bond"), (iii) $150,000,000 Miami-Dade County Expressway Authority (Florida) Toll System Revenue Bonds, Series 2000 (the "Series 2000 Bonds"), (iv) $89,345,000 Miami-Dade County Expressway Authority (Florida) Toll System Refunding Revenue Bonds, Series 2001A (the "Series 2001A Bonds"), (v) $34,650,000 Miami-Dade County Expressway Authority (Florida) Toll System Refunding Revenue Bonds, Series 2002 (the "Series 2002 Bonds"), (vi) $68,200,000 Miami-Dade County Expressway Authority Toll System Refunding Revenue Bonds, Series 2004A (Auction Rate Securities) (the "Series 2004A Bonds"), and (vii) $175,000,000 Miami-Dade County Expressway Authority Toll System Revenue Bonds, Series 2004B (the "Series 2004B Bonds" and, together with the Series 2004A Bonds, the "Series 2004 Bonds"). The Series 2004A Bonds refunded all of the previously outstanding Series 1996 Bonds. The currently Outstanding portions of the Series 1999 Bond, the Series 2000 Bonds, the Series 2001A Bonds, the Series 2002 Bonds and the Series 2004 Bonds are hereinafter collectively referred to as the "Currently Outstanding Bonds".

As of December 1, 2004, $411,348,332 aggregate principal amount of the Currently Outstanding Bonds were Outstanding.

The Indenture permits the issuance of Additional Bonds, Completion Bonds and Refunding Bonds to be secured and payable on a parity with the Currently Outstanding Bonds (together with the Currently Outstanding Bonds and the Series 2005 Bonds, the "Bonds") upon the satisfaction of certain conditions. The Series 2005 Bonds are being issued as Additional Bonds under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2005 BONDS" herein.

The Series 2005 Bonds are being issued to provide funds to (1) pay a portion of the Cost of certain Improvements to the System included in the Five-Year Work Program (as described herein) of the Authority in effect from time to time (the "Series 2005 Project"), including capitalized interest on the Series 2005 Bonds through July 1, 2007, and (2) pay costs and expenses relating to the issuance of the Series 2005 Bonds, including premiums for the Policy (hereinafter defined) and a Reserve Facility. See "PLAN OF FINANCE" herein.

The State of Florida Department of Transportation (the "Department") transferred operational and financial control of the System in perpetuity to the Authority on December 10, 1996, the date the Series 1996 Bonds were issued, upon the terms and conditions set forth in that certain Transfer Agreement dated December 10, 1996, as amended (the "Transfer Agreement"), entered into between the Department and the Authority. See "THE SYSTEM" herein.

The Series 2005 Bonds are payable from and secured by a pledge of and lien on the Revenues of the System and the moneys on deposit from time to time in certain of the Funds, Accounts and Subaccounts established under the Indenture on a parity with all other Bonds Outstanding from time to time under the Indenture. While no Event of Default has occurred and is continuing under the Indenture, Revenues are required to be applied to the payment of Operation and Maintenance Expenses prior to their application to the payment of the Bonds. "Revenues" is defined in the Indenture as all Tolls, revenues, rates, fees, charges and rentals received by or accrued to the Authority in connection with or as a result of its ownership or operation of the System, including any Hedge Receipts, any revenues (including revenues that may be derived from taxes) pledged as part of the Trust Estate at any time after the date of the Indenture and any investment income derived from monies held on deposit in the Funds or Accounts (other than the Rebate Fund) created under the Indenture; and, except for the purpose of calculating Revenues in connection with certain certifications to be given with respect to the issuance of Additional Bonds under the Indenture, any amounts transferred or to be transferred from the Rate Stabilization Account to the Revenue Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2005 BONDS" herein.

The Authority also has certain other outstanding obligations payable from Revenues, including annual payment obligations to the Department in connection with the System and Hedge Agreements. In anticipation of the issuance of the Series 2005 Bonds, the Authority has also entered into three (3) separate "forward starting" interest rate swap agreements (collectively, the "Forward Swaps") with UBS AG, Bear Stearns Capital Markets Inc. and Citibank, N.A. (collectively, the "Forward Swap Providers"). See "SECURITY AND SOURCES OF

PAYMENT FOR THE SERIES 2005 BONDS – Other Indebtedness and – Interest Rate Swaps" and "THE SYSTEM" herein.

The payment of principal of and interest on each Series of Series 2005 Bonds when due will be insured by a financial guaranty insurance policy (the "Policy") to be issued simultaneously with the delivery of the Series 2005 Bonds by Ambac Assurance Corporation ("Ambac Assurance"). The Policy constitutes a Credit Facility under the Indenture. See "FINANCIAL GUARANTY INSURANCE" and "APPENDIX I – Specimen Financial Guaranty Insurance Policy" herein.

Complete descriptions of the terms and conditions of the Series 2005 Bonds are set forth in the Indenture. A copy of the Amended and Restated Indenture is attached hereto as Appendix E. The descriptions of the Authority, the Series 2005 Bonds, the Indenture, the Policy and any other matters or documents contained herein are not comprehensive or definitive. All references herein to such documents and statements are qualified by the entire, actual content of such documents and statements. Copies of such documents and statements referred to herein that are not included in their entirety in this Official Statement may be obtained as described under "MISCELLANEOUS" herein.

PLAN OF FINANCE

The Series 2005 Bonds are being issued to provide funds to (1) pay the Cost of the Series 2005 Project, including capitalized interest on the Series 2005 Bonds through July 1, 2007, and (2) pay costs and expenses relating to the issuance of the Series 2005 Bonds, including premiums for the Policy and a Reserve Facility. See "THE SERIES 2005 PROJECT" herein. For a description of Five-Year Work Program, a portion of which comprises the Series 2005 Project, see "APPENDIX B – Report of General Engineering Consultant" herein.

See also "ESTIMATED SOURCES AND USES OF FUNDS" herein.

DESCRIPTION OF THE SERIES 2005 BONDS

The following is a summary of certain provisions of the Series 2005 Bonds and applies to the Series 2005 Bonds only while they bear interest at Dutch Auction Rates. Reference is made to the Series 2005 Bonds themselves for the complete text thereof and to the Indenture, and the discussion herein is qualified by such references. For a more complete description of the Dutch Auction Procedures, see "APPENDIX H – Dutch Auction Procedures". The following descriptions and the application of the Dutch Auction Procedures apply to each Series of Series 2005 Bonds separately.

Dutch Auction Rate Securities

Each Series of Series 2005 Bonds will initially be issued in the form of Dutch Auction Rate bonds bearing interest at a Dutch Auction Rate but each Series individually may be converted at the option of the Authority, subject to certain restrictions, to Series 2005 Bonds which bear interest at different rates including a Daily Rate, Weekly Rate, Flexible Rate or Fixed Rate. On the date of any such conversion, such Series 2005 Bonds will be subject to mandatory

tender at a purchase price equal to 100% of the principal amount thereof, plus accrued interest; provided, however, that in the event of a failed conversion, such Series 2005 Bonds will not be subject to mandatory tender, will be returned to their owners, will continue to bear interest in the current Auction Period, but will bear interest at the Maximum Dutch Auction Rate for such Auction Period.

Each Series of Series 2005 Bonds will be dated their date of delivery and after the initial Auction Period for such Series, will be in an Auction Period of seven days, subject to conversion in whole only to another Auction Period or to another Interest Mode as the Authority shall determine. The Series 2005A Bonds will mature on July 1, 2026, the Series 2005B Bonds will mature on July 1, 2029, the Series 2005C Bonds will mature on July 1, 2032, the Series 2005D Bonds will mature on July 1, 2033, and the Series 2005E Bonds will mature on July 1, 2034. Each Series of Series 2005 Bonds will be issued in registered form in denominations of $25,000 and integral multiples thereof while in a Dutch Auction Mode under the book-entry only system described below.

Interest on the Series 2005 Bonds in a Dutch Auction Mode will be computed on the basis of a 360-day year for the actual number of days elapsed.

The initial Dutch Auction Rate for each Series of the Series 2005 Bonds for the period from the date of delivery of such Series 2005 Bonds through and including the day immediately preceding their respective first Interest Payment Dates will be determined by the Underwriters for such Series prior to delivery of each Series 2005 Bonds. During any Auction Period for a Series of Series 2005 Bonds, such Series 2005 Bonds will bear interest at the Dutch Auction Rate. Except as otherwise provided in the Indenture, the "Dutch Auction Rate" will be the rate of interest per annum that results from implementation of the Dutch Auction Procedures as set forth in Appendix H hereto; provided that such interest rate will not exceed the Maximum Dutch Auction Rate.

The Dutch Auction Rate for the next succeeding Auction Period with respect to each Series of Series 2005 Bonds will be determined as follows:

(A) if Sufficient Clearing Bids exist for such Series, then the Dutch Auction Rate for the next succeeding Auction Period therefor will be equal to the Winning Bid Rate so determined;

(B) if Sufficient Clearing Bids do not exist for such Series (other than because all of the Series 2005 Bonds of such Series are the subject of Submitted Hold Orders), then the Dutch Auction Rate for the next succeeding Auction Period therefor will be equal to the Maximum Dutch Auction Rate; and

(C) if all of the Series 2005 Bonds of a Series are subject to Submitted Hold Orders, then the Dutch Auction Rate for the next succeeding Auction Period therefor will be equal to the All Hold Rate.

Determination of the Dutch Auction Rate pursuant to the Dutch Auction Procedures shall be suspended upon the occurrence of an Event of Default consisting of the failure to pay principal or interest on the Series 2005 Bonds. Upon the occurrence of such an Event of Default

and until cured, no Auction will be held on any Auction Date and the Dutch Auction Rate shall be equal to the Maximum Dutch Auction Rate as determined on and as of the immediately preceding Auction Date for each Series of Series 2005 Bonds for each Auction Period, commencing after the occurrence of such Event of Default, to and including the Auction Period during which the Event of Default is cured.

Except as described above or as otherwise set forth in Appendix H hereto, in the event the Auction Agent shall fail to calculate or, for any reason, fails to provide the Dutch Auction Rate for any Series of Series 2005 Bonds for any Auction Period, (i) if the preceding Auction Period for such Series was a period of 35 days or less, the new Auction Period for such Series shall be the same as the preceding Auction Period and the Dutch Auction Rate for such Series for the new Auction Period shall be the same as the Dutch Auction Rate for the preceding Auction Period, and (ii) if the preceding Auction Period for such Series was a period of greater than 35 days, the preceding Auction Period for such Series shall be extended to the next seventh day following the day that would have been the last day of such Auction Period had it not been extended (or if such seventh day is not followed by a Business Day then to the next succeeding day which is followed by a Business Day) and the Dutch Auction Rate for such Series in effect for the preceding Auction Period will continue in effect for the Auction Period as so extended. In the event the Auction Period is extended as set forth in clause (ii) of the preceding sentence, an Auction shall be held for such Series on the last Business Day of the Auction Period as so extended, to take effect for an Auction Period beginning on the Business Day immediately following the last day of the Auction Period for such Series as extended which Auction Period will end on the date it would otherwise have ended on had the prior Auction Period not been extended.

"Auction Date" means with respect to each Series of Series 2005 Bonds the initial auction date set forth on the inside cover page of this Official Statement and for each Auction Period thereafter the Business Day next preceding the first day of each Auction Period, other than (i) each Auction Period commencing after the ownership of such Series 2005 Bonds are no longer maintained in book-entry form by a Securities Depository, (ii) each Auction Period commencing after the occurrence of an Event of Default consisting of the failure to pay principal or interest on the Series 2005 Bonds or (iii) any Auction Period commencing less than two (2) Business Days after the cure or waiver of such Event of Default.

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

Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (D) a period, generally of seven days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day) or (E) a period, generally of seven days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), and (ii) with respect to Auction Rate Bonds in a 35-day Auction Period, any of (A) a period, generally of 35 days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the fifth Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of 35 days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the fifth Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (C) a period, generally of 35 days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the fifth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (D) a period, generally of 35 days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the fifth Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day) or (E) a period, generally of 35 days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the fifth Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day); provided, however, that the initial Auction Period with respect to a Series of Series 2005 Bonds shall begin on and include the Closing Date, and that in the event of a Conversion of a Series of the Series 2005 Bonds from another Interest Mode to a Dutch Auction Mode the initial Auction Period following such Conversion shall begin on and include the Conversion Date.

"Interest Payment Date" means for each Series of Series 2005 Bonds, the date shown on the inside cover page of this Official Statement as the initial Interest Payment Date and, as to any Series of Series 2005 Bond in a Dutch Auction Mode, (i) for an Auction Period of 91 days or less, the Business Day immediately succeeding the last day of such Auction Period and (ii) for an Auction Period of more than 91 days, each 13th Monday (or if such day is not a Business Day, the next succeeding Business Day) after the first day of such Auction Period and the Business Day immediately succeeding the last day of such Auction Period. The Interest Payment Dates for any Series of Series 2005 Bonds will be the Business Day immediately succeeding the last

day of each Auction Period while the Series 2005 Bonds are in seven-day or 35-day Auction Periods.

Auction Agent. The Authority will enter into an Auction Agent Agreement with Deutsche Bank Trust Company Americas and the Trustee, pursuant to which Deutsche Bank Trust Company Americas, as agent for the Authority, will perform the duties of Auction Agent. The Auction Agent Agreement will provide, among other things, that the Auction Agent will determine the Dutch Auction Rate for each Auction in accordance with the Dutch Auction Procedures.

Orders of Existing Owners and Potential Owners. The Owner of a Series 2005 Bond bearing interest at the Dutch Auction Rate may sell, transfer or dispose of such Series 2005 Bond only pursuant to a Bid or Sell Order in accordance with the Dutch Auction Procedures or through a Broker-Dealer. The initial Broker-Dealers for each Series of Series 2005 Bonds are shown on the inside cover page of this Official Statement (each, an "Initial Broker-Dealer"). The procedure for submitting Orders prior to the Submission Deadline on each Auction Date is described in Appendix H, as are the particulars with regard to the determination of the Dutch Auction Rate and the allocation of each Series of Series 2005 Bonds bearing interest at Dutch Auction Rates. The ability of any Owners of any Series 2005 Bonds, while bearing interest at the Dutch Auction Rate, to sell such Series 2005 Bonds in any Auction is directly contingent upon the Auction Agent's receipt of Sufficient Clearing Bids for such Series. If Sufficient Clearing Bids for such Series are not received, Submitted Orders shall be accepted or rejected as summarized in Appendix H hereto, and an Owner of a Series 2005 Bond who submits a Sell Order may be required to continue to hold such Series 2005 Bond.

So long as the Series 2005 Bonds are Auction Rate Bonds, the beneficial owner of a Series 2005 Bond may sell, transfer or dispose of a Series 2005 Bond only pursuant to a Bid or Sell Order in accordance with the Dutch Auction Procedures or through a Broker-Dealer for the applicable Series of Series 2005 Bonds. See "APPENDIX H – SUMMARY OF CERTAIN PROVISIONS RELATING TO THE AUCTION RATE SECURITIES – Description of Auction." **The ability to sell an Auction Rate Bond in an Auction may be adversely affected *if there are not* sufficient buyers willing to purchase all of the Auction Rate Bonds an interest rate equal to or less than the Dutch Auction Maximum Rate.** The Broker-Dealers have advised the Authority that they intend to make a market in the Auction Rate Bonds of a Series of Series 2005 Bonds between Auctions; however, the Broker-Dealers are not obligated to make such markets, and no assurance can be given that secondary markets therefor will develop.

The Series 2005 Bonds will not be supported by a liquidity facility. If, for example, an Existing Owner were to submit a Sell Order or a Bid Order subject to an interest rate that is determined to be greater than the Dutch Auction Maximum Rate for such Auction Date, and Sufficient Clearing Bids are not obtained on such Auction Date, such Existing Owner will not have its Series 2005 Bonds purchased through the Dutch Auction Procedures on such Auction Date. In such event, no assurance can be given that a Broker-Dealer will purchase or will otherwise be able to locate a purchaser or that Sufficient Clearing Bids will be obtained on any succeeding Auction Date.

A Broker-Dealer may submit Orders in Auctions for its own account. Any Broker-Dealer submitting an Order for its own account in any Auction could have an advantage over other Potential Owners in that it would have knowledge of other Orders placed through it in that Auction. A Broker Dealer would not, however, have knowledge of Orders submitted by other Broker-Dealers, if any. As a result of bidding by the Broker-Dealer in an Auction, the Dutch Auction Rate may be higher or lower than the rate that would have prevailed had the Broker-Dealer not bid. A Broker-Dealer may also bid in an Auction in order to prevent what would otherwise be (1) a failed Auction, (2) an "all-hold" Auction, or (3) the implementation of a Dutch Auction Rate that the Broker-Dealer believes, in its sole judgment, does not reflect the market for such securities at the time of the Auction. Broker-Dealers may, but are not obligated to, advise holders of the Series 2005 Bonds that the rate that will apply in an "all hold" auction is often a lower rate than would apply if holders submit bids, and such advice, if given, may facilitate the submission of bids by Existing Owners that would avoid the occurrence of an "all hold" auction. In the Broker-Dealer Agreement, the Broker-Dealer agrees to handle customers' orders in accordance with its duties under applicable securities laws and rules.

According to published news reports, the Securities and Exchange Commission (the "Commission") has requested information from a number of broker-dealers regarding certain of their practices in connection with auction rate securities, such as the practices described in the preceding paragraph. Such published news reports also indicate that the Commission has requested that each broker-dealer receiving the request for information voluntarily conduct an investigation regarding its practices and procedures in auction rate securities markets. Citigroup Global Markets Inc. ("Citigroup"), Bear, Stearns & Co. Inc. ("Bear Stearns"), UBS Financial Services Inc. ("UBS"), J.P. Morgan Securities Inc. ("JPMorgan") and Morgan Stanley & Co. Incorporated ("Morgan Stanley") have respectively advised the Authority that they and certain other participants in the auction rate securities markets, including both taxable and tax-exempt markets, have received the request for information from the Commission described above. Raymond James & Associates, Inc., and M.R. Beal & Company have respectively advised the Authority that they have not been requested by the Commission to provide any information. Citigroup, Bear Stearns, UBS, JPMorgan and Morgan Stanley are cooperating with the Commission in providing the requested information. No assurance can be given as to whether the results of this process will affect the market for the Series 2005 Bonds or the auctions therefor.

Each Initial Broker-Dealer has advised the Authority that it intends initially to make a market for their respective Series of Series 2005 Bonds between Auctions, while bearing interest at the Dutch Auction Rate; however, the Initial Broker-Dealers are not obligated to make such a market, and no assurance can be given that a secondary market therefor will develop.

Any ratings on the Series 2005 Bonds do not address the likelihood that any Auction will be successful or that an Owner will be able to sell his or her Series 2005 Bonds in any Auction. Any reduction in ratings may affect the ability of Owners of Series 2005 Bonds to sell such Series 2005 Bonds in an Auction.

Change of Auction Period. The Authority may change the length of an Auction Period for any or all Series of Series 2005 Bonds. The length of an Auction Period may not be changed pursuant to the Indenture unless Sufficient Clearing Bids for such Series existed at both the

Auction immediately preceding the date the notice of such change was given and the Auction immediately preceding such changed Auction Period.

Book-Entry Only System

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Series 2005 Bonds. The Series 2005 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 security certificate will be issued for each Series of the Series 2005 Bonds, in the aggregate principal amount of such Series 2005 Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that its 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, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and by members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2005 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2005 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2005 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, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2005 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2005 Bonds, except in the event that use of the book-entry system for the Series 2005 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2005 Bonds deposited by Direct Participants with DTC are registered in the name of DTC' s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2005 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2005 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2005 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 the Series 2005 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2005 Bonds, such as redemptions, tenders, defaults and proposed amendments to the documents securing the Series 2005 Bonds. For example, Beneficial Owners of the Series 2005 Bonds may wish to ascertain that the nominee holding the Series 2005 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 Bond Registrar and request that copies of notices are provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a Series of Series 2005 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such Series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2005 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2005 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2005 Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, the Authority, or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the redemption price,

principal and interest to DTC is the responsibility of the Authority or the Paying Agent, and disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

NEITHER THE AUTHORITY NOR THE TRUSTEE 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 OF OR INTEREST ON THE SERIES 2005 BONDS, (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE TERMS OF THE INDENTURE, OR (4) 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 SERIES 2005 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2005 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2005 BONDS.

DTC may discontinue providing its services as securities depository with respect to the Series 2005 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2005 Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2005 Bond certificates will be printed and delivered to DTC. Thereafter, Series 2005 Bond certificates may be transferred and exchanged as described in the Indenture.

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

Redemption of Series 2005 Bonds

Optional Redemption. The Series 2005 Bonds bearing interest at a Dutch Auction Rate are subject to redemption prior to their stated maturity, at the option of the Authority, in whole or in part, and if in part by lot, on any Interest Payment Date, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, without premium.

Optional Redemption Procedures. Prior to notice being given to the Owners of the Series 2005 Bonds of any optional redemption of Series 2005 Bonds, either (A) there shall be deposited with the Trustee an amount sufficient to pay the principal amount of the Series 2005 Bonds subject to redemption, plus accrued interest to the redemption date, or (B) such notice shall state

that the redemption is conditioned on the receipt of moneys for such redemption by the Trustee on or prior to the redemption date. In the event that a conditional notice of redemption is given and such moneys are not timely received, the redemption for which such notice was given shall not be undertaken. Amounts deposited as described in clause (A) above shall be kept by the Trustee in a separate account in the Sinking Fund (which the Trustee is authorized and directed to create under the Indenture) and segregated from all other moneys deposited under the Indenture and shall be held uninvested unless invested at the direction of an Authorized Officer only in Government Obligations that mature on or before the redemption date.

Mandatory Redemption of Series 2005A Bonds. The Series 2005A Bonds are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, by application by the Trustee of funds on deposit to the credit of the Sinking Fund, on July 1 (if any such July 1 is not an Interest Payment Date, then on the next Interest Payment Date) in the years and in the principal amounts as follows:

Year	Amount	Year	Amount
2016	$3,000,000	2022	$9,600,000
2017	3,000,000	2023	5,000,000
2018	3,500,000	2024	5,000,000
2019	3,500,000	2025	5,000,000
2020	5,000,000	2026*	3,150,000
2021	9,050,000		

*Final Maturity

Mandatory Redemption of Series 2005B Bonds. The Series 2005B Bonds are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, by application by the Trustee of funds on deposit to the credit of the Sinking Fund, on July 1 (if any such July 1 is not an Interest Payment Date, then on the next Interest Payment Date) in the years and in the principal amounts as follows:

Year	Amount	Year	Amount
2026	$ 1,850,000	2028	$20,175,000
2027	19,175,000	2029*	13,600,000

*Maturity Date

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Mandatory Redemption of Series 2005C Bonds. The Series 2005C Bonds are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, by application by the Trustee of funds on deposit to the credit of the Sinking Fund, on July 1 (if any such July 1 is not an Interest Payment Date, then on the next Interest Payment Date) in the years and in the principal amounts as follows:

Year	Amount	Year	Amount
2029	$ 7,650,000	2031	$23,525,000
2030	22,350,000	2032*	1,275,000

*Maturity Date

Mandatory Redemption of Series 2005D Bonds. The Series 2005D Bonds are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, by application by the Trustee of funds on deposit to the credit of the Sinking Fund, on July 1 (if any such July 1 is not an Interest Payment Date, then on the next Interest Payment Date) in the years and in the principal amounts as follows:

Year	Amount	Year	Amount
2032	$23,500,000	2033*	$15,000,000

*Maturity Date

Mandatory Redemption of Series 2005E Bonds. The Series 2005E Bonds are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, by application by the Trustee of funds on deposit to the credit of the Sinking Fund, on July 1 (if any such July 1 is not an Interest Payment Date, then on the next Interest Payment Date) in the years and in the principal amounts as follows:

Year	Amount	Year	Amount
2033	$11,075,000	2034*	$27,425,000

*Maturity Date

Redemption Upon the Occurrence of Certain Events. The Series 2005 Bonds may be redeemed in whole or in part in such amounts and of such maturities as the Authority shall direct at any time at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date upon receipt by the Trustee of a written notice from the Authority stating that either of the following events has occurred: (1) all or substantially all of the System has been damaged or destroyed and the Authority shall determine that it is not practicable or desirable to rebuild, repair and restore the same; or (2) all or substantially all of the System has been condemned or such use or control thereof has been taken by eminent domain as to render the same unsatisfactory to the Authority for continued operation.

Notice of Redemption of Series 2005 Bonds. While the Series 2005 Bonds bear interest at the Dutch Auction Rate, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2005 Bonds by mailing a copy of such notice, postage prepaid, not less than 15 days before the redemption date to the registered Owners of any Series 2005 Bonds or portions of Series 2005 Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books of the Authority, but receipt of such notice shall not be a condition precedent to such redemption and failure to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2005 Bonds as to which proper mailing was made. No notice of redemption need be given if the Owners of all Series 2005 Bonds to be called for redemption waive notice thereof in writing, and such waiver shall be filed with the Trustee not later than twenty-five (25) days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owner actually receives the notice.

Each such notice of redemption shall specify the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2005 Bonds of a Series are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2005 Bonds so to be redeemed, and, in the case of Series 2005 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such redemption date there shall become due and payable upon each Series 2005 Bond to be redeemed, the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Series 2005 Bonds to be redeemed in part only and that from and after such date interest on each Series 2005 Bond to be redeemed shall cease to accrue and be payable.

In the event of redemption of less than all of a Series of the Outstanding Series 2005 Bonds, the Trustee shall assign to each such Outstanding Series 2005 Bond to be redeemed a distinctive number for each unit of the principal amount of such Series 2005 Bond equal to the minimum Authorized Denomination and shall select the particular Series 2005 Bonds or portions thereof to be redeemed using such method of selection as it shall, in its discretion, deem fair and appropriate; provided, however, the portion of such Series of Series 2005 Bonds to be redeemed and the portion of such Series 2005 Bonds to be retained by the Owner thereof shall be in the principal amount of an Authorized Denomination for the Rate Period to which such Series 2005 Bonds are then subject, and, provided, further, that if the Series 2005 Bonds are subject to two or more different Rate Periods at the time of the redemption of less than all of the Series of Series 2005 Bonds, the Trustee shall select from such Series the Series 2005 Bonds to be redeemed which are subject to different Rate Periods in the order of priority specified by the Authority, but shall choose the particular Series 2005 Bonds or portions of Series 2005 Bonds subject to a particular Rate Period in such manner as the Trustee in its discretion may determine. New Series 2005 Bonds representing the unredeemed balance of the principal amount of any such Series 2005 Bond shall be issued to the registered Owner thereof, without charge therefor. Any new Series 2005 Bond or Series 2005 Bonds issued pursuant to this paragraph shall be executed by the Authority and authenticated by the Trustee and shall be in any Authorized Denominations in an aggregate unpaid principal amount equal to the unredeemed portion of the Series 2005 Bond surrendered.

WHILE THE SERIES 2005 BONDS ARE HELD UNDER THE BOOK-ENTRY ONLY SYSTEM DESCRIBED ABOVE, NOTICES OF REDEMPTION WILL BE MAILED SOLELY TO CEDE & CO., AS THE OWNER OF THE SERIES 2005 BONDS.

Effect of Calling for Redemption. If money or Escrow Securities, or a combination of both sufficient to pay the redemption price of the Series 2005 Bonds to be redeemed are held by the Trustee in trust for the Owners of Series 2005 Bonds to be redeemed on the dated fixed for redemption, then interest on the Series 2005 Bonds called for redemption will cease to accrue; such Series 2005 Bonds will cease to be entitled to any benefits or security under the Indenture or to be deemed Outstanding, and the Owners of such Series 2005 Bonds will have no rights in respect thereof except to receive payment of the redemption price. Series 2005 Bonds and portions of Series 2005 Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the redemption date have been given to the Trustee in form satisfactory to it will not thereafter be deemed to be Outstanding under the Indenture and will cease to be entitled to the security of or any rights under the Indenture, other than rights to receive payment of the redemption price thereof, to be given notice of redemption in the manner provided in the Indenture, and, to the extent provided in the Indenture, to receive Series 2005 Bonds for any unredeemed portions of Series 2005 Bonds, if money or Escrow Securities, or a combination of both, sufficient to pay the redemption price of such Series 2005 Bonds or portions thereof, are held in separate accounts by the Trustee in trust for the Owners of such Series 2005 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2005 BONDS

Pledge of Revenues

In order to provide for the acquisition, construction, installation, equipping, operation and maintenance of the System and to secure the payment of the principal of, premium, if any, and interest on all Bonds issued under the Indenture, and to reimburse any Credit Provider, any Liquidity Provider and any Reserve Facility Provider for amounts owed them, but subject to the limitations of the Indenture, the Authority has assigned, pledged and granted pursuant to the Indenture a lien upon and a security interest in all of its right, title and interest in the following described property, rights and interests (collectively, the "Trust Estate") to the Trustee:

(a) the Revenues;

(b) the Transfer Agreement; provided, that such assignment made shall not impair or diminish any obligation of the Authority under the provisions of the Transfer Agreement;

(c) all Funds, Accounts and Subaccounts established pursuant to the Indenture (other than the Rebate Fund) and all moneys and securities and earnings in such funds, accounts and subaccounts; and

(d) any and all other contracts, instruments, moneys, revenues or sources of revenues (including, without limitation, pledged tax receipts of any type and from any source), securities and property furnished from time to time to the Trustee by the Authority or on behalf of the Authority or by any other persons to be held by the Trustee as part of the Trust Estate under the

terms of the Indenture, which may be pledged at the time of issuance of any Series of Bonds for the payment of all Bonds or specific Series of Bonds. No such other contracts, instruments, moneys, revenues or sources of revenues have been pledged prior to the issuance of the Series 2005 Bonds or are being pledged at the time of issuance of the Series 2005 Bonds.

The principal and interest on the Series 2005 Bonds are payable solely from the Revenues which are pledged to the payment thereof and the moneys on deposit from time to time in the Funds, Accounts and Subaccounts, in the manner and to the extent specified in the Indenture, and nothing in the Series 2005 Bonds or in the Indenture shall be construed as obligating the Authority to pay the principal and the interest thereon except from the Revenues and the moneys on deposit from time to time in said Funds, Accounts and Subaccounts. The Authority has no taxing power. The Series 2005 Bonds do not constitute an indebtedness of the County, the State of Florida (the "State") or any other political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation. No Owner of any of the Series 2005 Bonds shall ever have the right to compel the exercise of the taxing power of the County or the State or any political subdivision or agency thereof, or the application of any funds other than the funds pledged under the Indenture to the payment of the Series 2005 Bonds.

The Series 2005 Bonds are secured under the Indenture on a parity with all other Bonds Outstanding from time to time under the Indenture.

Toll Covenant

"Tolls" are defined as all tolls, fares, incomes, receipts, rents, franchises, charges and all returns or monies of an income nature derived by or for the benefit of the Authority from users of the System.

The Authority has covenanted in the Indenture:

(a) that it will continue in effect the present schedule of Tolls for traffic using the System until such schedule shall be increased, decreased, or otherwise changed, revised or reconfigured as provided in the Indenture,

(b) that it will maintain (x) any recurring revenue stream pledged pursuant to clause (d) of the Trust Estate (as described above) with respect to all Bonds or a particular Series of Bonds and (y) the Tolls for traffic using the System, in each case, at such lawful levels, as shall, in the opinion of the Consulting Engineer from time to time, result in producing Revenues sufficient in each Fiscal Year to provide an amount of Net Revenues in each Fiscal Year equal to not less than the greater of (i) one hundred twenty per centum (120%) of the Principal and Interest Requirements for such Fiscal Year on account of all Bonds then Outstanding and (ii) one hundred percent (100%) of the sum in such Fiscal Year of (A) any deficiency in the Debt Service Reserve Fund Requirement applicable to all Bonds then Outstanding and any amount scheduled to become due and payable to a Reserve Facility Provider in such Fiscal Year as a result of a draw or claim upon a Reserve Facility issued by such Reserve Facility Provider, (B) the Principal and Interest Requirements for such Fiscal Year on account of all Bonds Outstanding, (C) the deposits to the Renewal and Replacement Fund for such Fiscal Year required by the provisions

of the Indenture, and (D) the amount required to pay any current or past due Annual Repayment Requirements due the Department under the Indenture and the Transfer Agreement. Notwithstanding the foregoing, Net Revenues in each such Fiscal Year, without regard to any amounts transferred or to be transferred from the Rate Stabilization Account to the Revenue Fund, shall be equal to not less than one hundred per centum (100%) of the Principal and Interest Requirements for such Fiscal Year on account of all Bonds then Outstanding, and

(c) that on or before January 1 and July 1 of each Fiscal Year, it will review its financial condition and estimate and determine whether Net Revenues for such year are reasonably expected to be sufficient to enable the Authority to comply with clause (b) above and file with the Trustee a copy of its resolution making such determination ("Determination"). If the Determination evidences the Authority's determination that Net Revenues are or are anticipated to be inadequate to comply with clause (b) above, the Authority will forthwith request the Consulting Engineer to make its recommendations to the Authority, in writing, with a copy to the Trustee, as to a revision of the schedule of Tolls, rates, fees rentals and other charges and any changes in methods of operation to provide sufficient Net Revenues to enable the Authority to comply with clause (b) above.

Anything in the Indenture to the contrary notwithstanding, if the Authority shall comply with all recommendations of the Consulting Engineer on or before the expiration of eight months from the date of filing the Determination with the Trustee, the failure to meet the requirements of said clause (b) in any Fiscal Year shall not, in and of itself, constitute an Event of Default.

Notwithstanding anything in the Indenture to the contrary, (i) the Authority may remove Tolls when necessary for public safety or otherwise in an emergency situation; and (ii) the Authority may relocate Toll collection facilities and may replace two-way Tolls with one-way Tolls so long as it remains in compliance with the provisions of the Indenture, including the above covenants with respect to Tolls.

Notwithstanding any of the foregoing provisions, agreements and contracts for the operation and maintenance of the System in effect on the date of the Indenture shall not be subject to revisions except in accordance with their terms, and the Authority may enter into new agreements or contracts for the operation and maintenance of the System on such terms and for such periods of time as it shall determine to be proper.

"Net Revenues" are defined, for any period, as the amount of the excess of Revenues over the amounts paid from the Revenue Fund for Operation and Maintenance Expenses during such period.

"Operation and Maintenance Expenses" shall mean the reasonable and necessary Administrative Expenses (but only to the extent the same otherwise constitute Operation and Maintenance Expenses within the meaning of this definition), Department Operation and Maintenance Expenses (but only to the extent the same otherwise constitute Operation and Maintenance Expenses within the meaning of this definition) and the reasonable and necessary expenses of maintenance, repair and operation of the System and its toll facilities, including, without limitation, all ordinary and usual expenses of maintenance and repair, insurance premiums, engineering expenses, legal expenses, the costs of collecting and accounting for Tolls,

employee bond premiums, payments in satisfaction of the obligations of the Authority with respect to rebate due the United States of America, amounts due in respect of fees and expenses under an agreement to be entered into with the Initial Liquidity Provider or any similar agreement with respect to a Credit or Liquidity Facility, and any other similar expenses required to be paid with respect to the System under the provisions of the Indenture or by law, as such expenses are determined to have been incurred in accordance with the method of accounting used in the annual financial statements of the Authority, including, to the extent so determined, expenses not annually recurring, but excluding: (i) any reserves for extraordinary maintenance or repair; (ii) any allowance for depreciation or amortization; and (iii) any deposits or transfers to the credit of the Funds and Accounts.

"Principal and Interest Requirements" shall mean the respective amounts which are required in each Fiscal Year to provide:

(a) for paying the interest on all Bonds then Outstanding which is payable on each Interest Payment Date in such Fiscal Year (the "Interest Requirement");

(b) for paying the principal of all Serial Bonds then Outstanding which is payable upon the maturity of Serial Bonds in such Fiscal Year (together with clause (c) immediately below, the "Principal Requirement"); and

(c) for paying the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year (together with clause (b) immediately above, the "Principal Requirement").

For purpose of computing (a), (b) and (c) above, any principal, interest or Amortization Requirements due on the first day of a Fiscal Year shall be deemed due in the preceding Fiscal Year.

The Indenture contains certain conventions to be applied in determining the amount of Principal and Interest Requirements for any Fiscal Year. See the definition of "Principal and Interest Requirements" in Article I of the Indenture included herein as Appendix E.

For a description of the Annual Repayment Requirements due the Department under the Indenture and the Transfer Agreement, see "THE SYSTEM - Transfer Agreement" and "APPENDIX E - The Amended and Restated Indenture" herein.

Debt Service Reserve Fund

As additional security for the Bonds, the Indenture establishes the "Miami-Dade County Expressway Authority Debt Service Reserve Fund" (the "Debt Service Reserve Fund"). The Indenture requires that there be on deposit in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement, which may be satisfied with cash and/or one or more Reserve Facilities as described in the Indenture. See "APPENDIX E - The Amended and Restated Indenture" herein for a description of the provisions which must be fulfilled in the use of a Reserve Facility.

The "Debt Service Reserve Fund Requirement" means, as of any date of calculation, an amount equal to the least of (i) maximum Principal and Interest Requirements on the Bonds in the current or any future Fiscal Year for the Bonds; (ii) 125% of the Average Annual Debt Service Requirement for the Bonds or (iii) 10% of the proceeds of the Bonds. Upon issuance of the Series 2005 Bonds, the Debt Service Reserve Fund Requirement will be $53,047,311.65. The Debt Service Reserve Fund Requirement will be satisfied with (1) invested cash currently on deposit in the Debt Service Reserve Fund, (2) a Reserve Facility on deposit in the Debt Service Reserve Fund issued by Financial Guaranty Insurance Company ("Financial Guaranty") on the date of issuance of the Series 1996 Bonds in the amount of $4,000,000 (the "1996 Reserve Policy"), (3) a Reserve Facility on deposit in the Debt Service Reserve Fund issued by Financial Guaranty on the date of issuance of the Series 2004B Bonds in the amount of $13,630,973.96 (the "2004 Reserve Policy"), and (4) an additional Reserve Facility to be deposited in the Debt Service Reserve Fund to be issued by Ambac Assurance in the amount of $20,150,661.40 (the "2005 Reserve Policy").

As security for the obligations of the Authority under the Series 1996 Debt Service Reserve Fund Policy Agreement entered into between the Authority and Financial Guaranty with respect to the 1996 Reserve Policy and as security for the obligations of the Authority under the Series 2004 Debt Service Reserve Fund Policy Agreement entered into between the Authority and Financial Guaranty with respect to the 2004 Reserve Policy, the Authority granted to Financial Guaranty, and as security for the obligations of the Authority under a Series 2005 Debt Service Reserve Fund Policy Agreement to be entered into between the Authority and Ambac Assurance with respect to the 2005 Reserve Policy, the Authority will grant to Ambac Assurance, pursuant to the Indenture, a lien on and security interest in the Net Revenues subordinate only to the funding requirements with respect to the Principal and Interest Requirements on Bonds under the Indenture. See "APPENDIX E - The Amended and Restated Indenture" herein.

Moneys held for the credit of the Debt Service Reserve Fund shall be transferred to the credit of the Sinking Fund and used for the purpose of paying the principal and interest of all Bonds whenever and to the extent that the moneys held for the credit of the Sinking Fund and available moneys held for the credit of the General Fund and the Renewal and Replacement Fund shall be insufficient for such purpose. If the amount transferred from the Debt Service Reserve Fund to the Sinking Fund shall be less than the amount required to be transferred thereunder, any amount thereafter deposited to the credit of the Debt Service Reserve Fund shall be immediately transferred to the Sinking Fund as and to the extent required to make up such deficiency.

If on the Deposit Day immediately preceding each Interest Payment Date and/or principal payment date in each Fiscal Year the moneys held for the credit of the Debt Service Reserve Fund shall exceed an amount equal to the Debt Service Reserve Fund Requirement, the Trustee shall transfer such excess to the credit of the Sinking Fund.

Whenever the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Trustee shall notify the Authority of the amount of the deficiency. Upon such notification, the Trustee shall transfer from moneys held to the credit of the Revenue Fund on the Deposit Day in each month thereafter, to the credit of the Debt Service

Reserve Fund an amount not less than the Debt Service Reserve Fund Deposit Requirement until such deficiency is remedied.

"Debt Service Reserve Fund Deposit Requirement" shall mean an amount in each of the twelve successive months beginning with the month following any month in which any amount shall have been withdrawn from the Debt Service Reserve Fund (or drawn under a Reserve Facility) or a deficiency is determined to exist upon valuation of the Debt Service Reserve Fund pursuant to the Indenture, equal to one-twelfth of the deficiency created by such withdrawal (or draw under a Reserve Facility) or resulting from such valuation until such deficiency is made up. In the case of draws under the 1996 Reserve Policy, the 2004 Reserve Policy and the 2005 Reserve Policy, such deficiency shall include repayment of draws, expenses and interest then due and owing under the Series 1996 Debt Service Reserve Fund Policy Agreement, the Series 2004 Debt Service Reserve Fund Policy Agreement and the Series 2005 Debt Service Reserve Fund Policy Agreement, respectively.

Additional Bonds

Pursuant to the Indenture, Additional Bonds payable on a parity under the Indenture with any Bonds then Outstanding may be issued, from time to time, (i) for the purposes of paying all or a portion of the Costs of a Project, making deposits to the Funds and Accounts established under the Indenture and paying costs and expenses related thereto or (ii) to finance Hedge Charges including, without limitation, termination payments relating to Hedge Agreements.

Before any such Additional Bonds may be issued certain items must be filed with the Trustee, including, but not limited to, the following (which must also be filed with the Department):

(1) A copy of a certificate signed by an Authorized Officer of the Authority stating the amount of Test Period Revenues (as defined below) projected to be received by the Authority during the current Fiscal Year and each full Fiscal Year to and including the fifth full Fiscal Year following the projected date when the Project to be financed from the proceeds of such Additional Bonds will be placed in service (the "Test Period"). "Test Period Revenues" means the Net Revenues during the Test Period, as determined by the Authorized Officer, further adjusted by the Authorized Officer to reflect 100% of the additional Revenues which, in the opinion of the Consulting Engineer, would be received from increases in Tolls, rates, fees, rentals and other charges relating to the System scheduled to take effect during the Test Period (provided that such increases must be adopted as of the date the certification is made and such increases must be effective on, or scheduled to become effective no later than eighteen months from, the date on which such certificate is made and must remain in effect for the entirety of the Test Period);

(2) A written opinion of the Consulting Engineer stating that (A) the projections of Test Period Revenues set forth in the certificate of the Authorized Officer delivered pursuant to clause (l) above are reasonable, and (B) the Test Period Revenues are sufficient to enable the Authority to comply with all of the requirements of the covenant as to Tolls described under "Toll Covenant" above over the entirety of the Test Period, taking into account the additional Principal and Interest Requirements of the Additional Bonds proposed to be issued; and

(3) Either (A) a certificate of the Department stating that, at the time the Additional Bonds are to be issued, (1) the Authority is current in the payment to the Department of any unpaid Non-contingent Portion of Annual Repayment Requirements, (2) there is not any unpaid Contingent Portion of Annual Repayment Requirements, and (3) the Department acknowledges that Revenues, based on the opinion of the Consulting Engineer, are projected to be sufficient to pay when due the Annual Repayment Requirements after taking into account the debt service requirements of the Additional Bonds, or (B) if, at the time the Additional Bonds are to be issued (1) the Authority is not current in the payment to the Department of any unpaid Non-contingent Portion of Annual Repayment Requirements, (2) there shall be any unpaid Contingent Portion of Annual Repayment Requirements, or (3) Revenues, based on the opinion of the Consulting Engineer, are projected to be insufficient to pay when due the Annual Repayment Requirements after taking into account the debt service requirements of the Additional Bonds, a written consent from the Department to the issuance of such Bonds. For a description of the Annual Repayment Requirements due the Department, see "THE SYSTEM - Transfer Agreement" and "APPENDIX E - The Amended and Restated Indenture" herein.

The Series 1999 Bond, the Series 2000 Bonds and the Series 2004B Bonds were issued, and the Series 2005 Bonds are being issued as Additional Bonds under the Indenture.

Completion Bonds

The Indenture provides for the issuance of Completion Bonds, from time to time, on a parity with any Bonds then Outstanding. Completion Bonds may be issued in an aggregate principal amount not to exceed ten percent of the original estimated Cost of any Project financed from the proceeds of Bonds at the time of issuance of such Bonds. Completion Bonds may be issued for the purpose of providing funds to pay all or part of the Cost of completing the Project financed from the proceeds of such Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses related thereto. Prior to the issuance of Completion Bonds, the Trustee must be provided with certain items, including a certificate from the Consulting Engineer stating that the original estimated cost of the Project to be completed at the time of issuance of the Bonds originally issued to finance such Project will be exceeded and that the proceeds of the proposed Completion Bonds, together with any other funds which are available or reasonably expected to become available, will be sufficient to pay the Cost of completing such Project.

Refunding Bonds

In addition to the Series 1996 Bonds, Additional Bonds and Completion Bonds, the Indenture allows for the issuance of Refunding Bonds, from time to time, on a parity with any Bonds then Outstanding for the purpose of refunding all or any portion of the Bonds then Outstanding, making deposits to the Funds and Accounts and paying other costs of issuance and expenses related thereto.

Before any Refunding Bonds may be issued certain items must be filed with the Trustee, including, but not limited to, either (A) a certificate signed by an Authorized Officer, confirming that the annual Principal and Interest Requirements for each Fiscal Year in which the Bonds to be refunded would be Outstanding but for such refunding for all Bonds Outstanding following

issuance of the Refunding Bonds with respect to which the certificate is made (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the annual Principal and Interest Requirements for each Fiscal Year for all Bonds Outstanding prior to issuance of such Refunding Bonds, or (B) in lieu thereof, the certificate and opinion described above under "Additional Bonds", each prepared as though the Refunding Bonds constitute a Series of Additional Bonds and as though the Test Period shall commence on the date of issuance of such Refunding Bonds and, under the circumstances set forth above under "Additional Bonds," the written consent of the Department described therein.

The Series 2001A Bonds, the Series 2002 Bonds and the Series 2004A Bonds were issued as Refunding Bonds under the Indenture.

Other Indebtedness

Nothing in the Indenture shall be construed as in any way prohibiting or limiting the power of the Authority to enter into agreements, including interest rate swaps, incur obligations, undertake indebtedness or otherwise enter into any financing transactions to the extent such agreements, obligations, indebtedness or financing transactions do not impose any lien upon the Revenues and are payable from sources other than Revenues. The foregoing shall include bond or revenue anticipation notes, including notes anticipated to be paid from proceeds of Bonds issued under the Indenture, and any other obligations of the Authority that are payable from funds other than Revenues.

The Authority is obligated to pay Annual Repayment Requirements due the Department in accordance with the provisions of the Indenture and the Transfer Agreement as more particularly described under "THE SYSTEM – Transfer Agreement" herein. In addition, as of December 1, 2004, the Authority had $2,500,000 principal amount of outstanding obligations under the Toll Facilities Revolving Trust Fund, as authorized by Section 338.251, Florida Statutes. Pursuant to a Memorandum of Agreement dated May 26, 1998 between the Department and the Authority, three advances in an aggregate amount of $1,000,000 were made by the Department to the Authority on June 3, 1998, August 24, 1998 and November 11, 1998 and pursuant to a Memorandum of Agreement dated November 24, 2004 between the Department and the Authority, an advance of $1,500,000 was made by the Department to the Authority on March 16, 2004. The Authority has elected to repay these obligations beginning no later than seven (7) years from the date of the respective advance, provided that repayment shall be completed no later than twelve (12) years after the date of the respective advance. These obligations are unsecured and payable from Revenues of the System on a basis subordinate to its obligations under the Indenture with respect to the Bonds.

The Authority also has outstanding non-interest bearing loans (the "Outstanding SIB Loans") from the State Infrastructure Bank administered by the Department approved in an aggregate principal amount of $50,000,000, of which $37,500,000 has been disbursed as of December 1, 2004. In addition, on November 2, 2004, the Authority executed an additional loan agreement from the State Infrastructure Bank (together with the Outstanding SIB Loans, the "SIB Loans") in the principal amount of $11,613,000 at an interest rate of 2.50%. The Authority intends to apply proceeds of the SIB Loans over a period of approximately four years to fund several projects within the Five-Year Work Program. The repayment of the SIB Loans is

secured solely by, and the SIB Loans are repayable solely from, amounts credited to the Authority Account of the General Fund established pursuant to the Indenture. The obligation of the Authority to repay the SIB Loans is subordinate in all respects to its obligations under the Indenture with respect to the Bonds.

The Authority previously issued $80,000,000 aggregate principal amount of Miami-Dade County Expressway Authority (Florida) Toll System Commercial Paper Notes (the "2004 CP Notes") in anticipation of the issuance of the Series 2004 Bonds. The 2004 CP Notes were paid at maturity from a portion of the proceeds of the Series 2004 Bonds. The 2004 CP Notes were issued by the Authority pursuant to the Act and Resolution Nos. 04-09 and 04-10 of the Authority adopted on February 24, 2004 and March 23, 2004 (collectively, the "CP Note Resolutions"). The CP Note Resolutions authorize up to $105,000,000 aggregate principal amount of notes to be outstanding under the CP Note Resolutions at any one time (the "CP Notes"). Although there are no CP Notes currently outstanding under the CP Note Resolutions, the Authority intends to issue CP Notes from time to time. The principal of and interest on the CP Notes are payable solely from funds drawn under separate irrevocable direct-pay letters of credit (collectively, the "CP Letter of Credit") issued by WestLB AG, acting through its New York Branch, and JPMorgan Chase Bank, National Association (formerly known as JPMorgan Chase Bank) (collectively, the "Letter of Credit Bank"). The Authority's reimbursement obligations under that certain Letter of Credit and Reimbursement Agreement dated as of September 24, 2004 (the "Reimbursement Agreement") entered into between the Authority and the Letter of Credit Bank in connection with the issuance of the CP Letter of Credit are payable from the proceeds of Bonds subsequently issued by the Authority under the Indenture for such purpose, from the proceeds of subsequent borrowings by the Authority, whether in the form of additional or rollover CP Notes issued under the CP Resolutions, and from certain unencumbered moneys held for the credit of the Authority Account as and to the extent described below.

The obligations of the Authority under the Reimbursement Agreement are secured by a pledge and lien on the Trust Estate as defined in the Indenture, provided however, that such pledge and lien is subordinate to (i) the lien provided in the Indenture securing all Bonds Outstanding from time to time under the Indenture and (ii) the deposit of funds into the General Fund in the order established pursuant to the Indenture. With respect to the assets on deposit in the Authority Account, the Authority's obligations under the Reimbursement Agreement are payable on a basis that is senior to all other payment obligations of the Authority to be made from the Authority Account, except for payments to be made by the Authority under that certain Alternative Variable Rate Swap Agreement effective August 12, 2002 (the "RFPC Swap") between the Authority and RFPC, LLC ("RFPC"), which payments from the Authority Account with respect to the RFPC Swap are on a parity with the obligations of the Authority under the Reimbursement Agreement.

Interest Rate Swaps

In addition to the RFPC Swap referred to above, on February 1, 1999 the Authority entered into an interest rate swap agreement with Salomon Brothers Holding Company, Inc. ("SBHC"), which was amended and restated by the Authority and Citigroup Financial Products Inc. ("CFPI"), as successor to SBHC, effective July 29, 2004 (as amended and restated, the "CFPI Swap"). For information on the CFPI Swap and the RFPC Swap, see Note 7 and Note 10

in "APPENDIX D - Audited Financial Statements of the Authority Fiscal Years Ended June 30, 2004 and 2003" hereto.

On October 28, 2004, the Authority entered into the Forward Swaps (collectively with the RFPC Swap and the CFPI Swap, the "Swaps") with the Forward Swap Providers (collectively with RFPC and CFPI, the "Swap Providers"), in connection with the proposed issuance of the Series 2005 Bonds. For more information on the Forward Swaps, see Note 10 in "APPENDIX D – Audited Financial Statements of the Authority Fiscal Years Ended June 30, 2004 and 2003" hereto.

Pursuant to the Swaps, only the net amount due to either the Authority or the Swap Providers will be paid. The payments by the Authority under the Swaps (other than termination payments) constitute Hedge Obligations under the Indenture and will be made from the Sinking Fund pursuant to the Indenture. Any payments to be made by the Authority, if any, in connection with the termination of the Swaps constitute Hedge Charges under the Indenture and will be made from the Authority Account. The Swaps contain certain termination provisions, which could create an obligation of the Authority to pay significant Hedge Charges.

Flow of Funds

Establishment of Funds. Pursuant to the Indenture, the Authority has established the following Funds:

(1) The "Miami-Dade County Expressway Authority Construction Fund" (the "Construction Fund").

(2) The "Miami-Dade County Expressway Authority Revenue Fund" (the "Revenue Fund").

(3) The "Miami-Dade County Expressway Authority Sinking Fund" (the "Sinking Fund").

(4) The Debt Service Reserve Fund.

(5) The "Miami-Dade County Expressway Authority Renewal and Replacement Fund" (the "Renewal and Replacement Fund").

(6) The "Miami-Dade County Expressway Authority General Fund" (the "General Fund") and the "General Account," the "Rate Stabilization Account," and the "Authority Account" therein.

(7) The "Miami-Dade County Expressway Authority Rebate Fund" (the "Rebate Fund").

Deposit of Revenues. Pursuant to the Indenture, the Authority has covenanted that it shall, to the extent practicable, deposit the portion of the Revenues comprised of cash Toll receipts daily into one or more special trust funds designated the "Miami-Dade County Expressway System Toll Collection Account" (the "Collection Account"). The Collection

Account is established pursuant to a deposit trust agreement and maintained in one or more banks or trust companies designated by the Authority and eligible under the laws of the State to receive deposits of public funds. Expenses of administration incurred by the banks or trust companies maintaining the Collection Account are offset in part from time to time from investment earnings on amounts credited to the Collection Account. The Authority is required to transfer or cause to be transferred all amounts credited to the Collection Account weekly, to the extent practicable, but not less often than once every two weeks, to the Trustee for deposit to the credit of the Revenue Fund. The Authority has further covenanted that, except as provided in the Indenture with respect to investment earnings on the Sinking Fund and as otherwise provided in the Indenture, all Revenues collected by the Authority other than cash Toll receipts will be deposited daily, to the extent practicable, but not less often than once every two weeks, with the Trustee for deposit to the credit of the Revenue Fund. The lien of the Indenture upon moneys and revenues that constitute part of the Trust Estate attaches as soon as such moneys and revenues are collected by or on behalf of the Authority.

It shall be the duty of the Trustee, on or before the 25th day of each month and/or on such other Deposit Day as may be required pursuant to a Supplemental Indenture, to withdraw from the Revenue Fund and transfer an amount equal to the amount of all moneys held for the credit of the Revenue Fund on the last day of the preceding month less an amount (to be held as a reserve for Operation and Maintenance Expenses) not in excess of eight and thirty-three hundredths per centum (8.33%) of the amount shown by the Annual Budget to be necessary for Operation and Maintenance Expenses for the current Fiscal Year (or any percentage less than eight and thirty-three hundredths per centum (8.33%) as may be determined by the Authority by resolution from time to time filed with the Trustee) to the credit of the following Funds in the following order:

(a) first, deposit to the credit of the Sinking Fund, such amount thereof (or the entire sum so withdrawn if less than the required amount) as shall equal to the sum of

(i) an amount that, together with an equal amount assumed to be deposited on one Deposit Day of each succeeding calendar month prior to the next Interest Payment Date, shall equal the Interest Requirements of the Bonds payable on the next Interest Payment Date, and

(ii) an amount that, together with an equal amount assumed to be deposited on one Deposit Day of each succeeding calendar month prior to the next principal payment date (including any date established for the payment of Amortization Requirements) for the Bonds occurring within one year of the date of such deposit, shall equal the Principal Requirements of the Bonds payable on such next principal payment date (or date established for the payment of Amortization Requirements);

provided that in making such transfer, the Trustee shall take into account any accrued interest deposited from the proceeds of a Series of Bonds and any amounts specified in a certificate of an Authorized Officer delivered to the Trustee prior to such Deposit Day as credited to the Sinking Fund or a special Account in the Construction Fund, dedicated to pay capitalized interest on Bonds and anticipated to be available to pay interest on Bonds on the next Interest Payment Date; provided further, that in making such transfer, the Trustee shall take into account any

investment income realized by the Authority from the investment of moneys to the credit of the Sinking Fund and the Debt Service Reserve Fund (or any other excess in the Debt Service Reserve Fund transferred or then transferable to the Sinking Fund pursuant to the Indenture) since the Deposit Day next preceding the Interest Payment Date last occurring prior to such Deposit Day; and provided further that, in the event the Authority has entered into any Hedge Agreement pursuant to the provisions of the Indenture, amounts shall be deposited in the Sinking Fund at such other times and/or in such other amounts or transferred to such other parties as necessary to pay the Hedge Obligations due under the Hedge Agreement on a parity with interest due on the Bonds, all in the manner described in the Supplemental Indenture authorizing the issuance of any Series of Bonds where Hedge Obligations may become payable under a Hedge Agreement. Notwithstanding the foregoing, the Authority shall remain obligated to cure any deficiency in the amount so deposited for the payment of interest on Variable Rate Bonds on or prior to the applicable Interest Payment Date, and the Trustee shall transfer from the Revenue Fund, to the extent that moneys are available therein, the amount necessary to cure any such deficiency on or prior to such Interest Payment Date.

(b) second, deposit to the credit of the Debt Service Reserve Fund, such amount, if any, remaining after the deposits under clause (a) above (or the entire balance if less than the required amount) as shall equal the Debt Service Reserve Fund Deposit Requirement;

(c) third, deposit to the credit of the Renewal and Replacement Fund an amount equal to such amount, if any, as may be necessary to make the total amount to the credit of such Fund equal to the total amount budgeted for expenditure in the then current Fiscal Year by the Authority in its Annual Budget; and

(d) finally, deposit to the credit of the General Account within the General Fund, the balance, if any, remaining after making the deposits under clauses (a), (b) and (c) above.

For a further description of the deposits required to be made to the above Funds and Accounts and the application of the moneys deposited therein, including the application of moneys deposited to the General Account within the General Fund to the payment of the Annual Repayment Requirements due the Department, see "APPENDIX E - The Amended and Restated Indenture" herein.

Investments

Monies held for the credit of the Construction Fund, the Revenue Fund, the Sinking Fund, the Debt Service Reserve Fund, the Renewal and Replacement Fund, the General Fund and the Rebate Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee, only upon written direction or telephonic direction promptly followed by written direction of an Authorized Officer of the Authority to the Trustee, in Investment Securities which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when monies held for the credit of said Funds will be estimated by an Authorized Officer to be required for the purposes intended (which Investment Securities, in the case of the Debt Service Reserve Fund, shall not mature later than five years after the date of purchase). All such investments shall be valued in

accordance with the terms of the Indenture. See "APPENDIX E - The Amended and Restated Indenture" herein.

Any and all income received from the investment of monies in the Revenue Fund and the General Fund shall be deposited upon receipt thereof in the Revenue Fund. Any and all income received from the investment of monies in the Accounts and Subaccounts in the Sinking Fund shall be retained in the Accounts and Subaccounts in which they are earned. Any and all income earned on investments in the Debt Service Reserve Fund shall be transferred to the Sinking Fund; provided, however, such income in the Debt Service Reserve Fund shall be retained in the Debt Service Reserve Fund in the event that amounts on deposit therein are less than the Debt Service Reserve Fund Requirement.

Any income received from the investment of monies in the Construction Fund shall remain therein until completion of the Project for which such monies were deposited in the Construction Fund and, to the extent any excess income remains at the end of the Project, the same shall be applied in the manner set forth in the Indenture. See "APPENDIX E - The Amended and Restated Indenture."

Any income received from the investment of moneys in the Rebate Fund shall remain therein.

Other Covenants of the Authority

The Authority has made several covenants in the Indenture including, but not limited to, covenants to establish and enforce reasonable rules with respect to the operation of the System, to retain a Consulting Engineer and Accountants as needed or required, to prepare an Annual Budget, to maintain or cause to be maintained various insurance with respect to the System, to keep adequate books and records, to diligently enforce the collection of Tolls, to prohibit the sale or disposal of any portion of the System except under certain circumstances and to inspect or cause the inspection of the System on a regular basis. See "APPENDIX E - The Amended and Restated Indenture" herein.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table presents the estimated sources and uses of funds in connection with the issuance of the Series 2005 Bonds:

SOURCES OF FUNDS	
Principal Amount of Series 2005 Bonds	$241,400,000.00
Total Sources of Funds	$241,400,000.00
USES OF FUNDS	
Deposit to the Series 2005 Account of the Construction Fund[1]	$236,426,321.16
Underwriters' Discount	1,091,048.50
Costs of Issuance[2]	3,882,630.34
Total Uses of Funds	$241,400,000.00

(1) Includes $13,304,881.54 of capitalized interest on the Series 2005 Bonds through July 1,2007.

(2) Includes premiums for the Policy and the 2005 Reserve Policy, financial advisory fees, legal fees and other expenses incurred in the issuance of the Series 2005 Bonds.

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ESTIMATED DEBT SERVICE SCHEDULE

The following table sets forth the estimated annual debt service schedule for the Currently Outstanding Bonds and the Series 2005 Bonds:

Year Ending July 1,	Currently Outstanding Bonds	Series 2005 Bonds			Total Debt Service[2]
		Principal	Interest[1]	Total[2]	
2005	$ 15,942,831	$ -	$ 3,441,606	$ 3,441,606	$ 19,384,437
2006	27,481,906	-	10,527,266	10,527,266	38,009,172
2007	27,486,635	-	10,527,266	10,527,266	38,013,901
2008	27,496,369	-	10,729,714	10,729,714	38,226,082
2009	27,468,555	-	10,527,266	10,527,266	37,995,822
2010	27,454,948	-	10,527,266	10,527,266	37,982,215
2011	27,517,824	-	10,527,266	10,527,266	38,045,090
2012	27,886,725	-	10,527,266	10,527,266	38,413,992
2013	28,005,870	-	10,527,266	10,527,266	38,533,137
2014	33,347,814	-	10,729,714	10,729,714	44,077,528
2015	33,252,381	-	10,527,266	10,527,266	43,779,647
2016	32,796,665	3,000,000	10,528,345	13,528,345	46,325,009
2017	32,685,195	3,000,000	10,397,876	13,397,876	46,083,072
2018	32,880,255	3,500,000	10,267,708	13,767,708	46,647,963
2019	32,933,476	3,500,000	10,115,495	13,615,495	46,548,971
2020	25,859,656	5,000,000	10,152,491	15,152,491	41,012,147
2021	25,970,906	9,050,000	9,744,469	18,794,469	44,765,375
2022	25,967,656	9,600,000	9,351,087	18,951,087	44,918,744
2023	25,971,888	5,000,000	8,931,385	13,931,385	39,903,272
2024	25,974,675	5,000,000	8,714,536	13,714,536	39,689,211
2025	25,969,813	5,000,000	8,656,221	13,656,221	39,626,034
2026	25,967,194	5,000,000	8,275,449	13,275,449	39,242,643
2027	25,970,556	19,175,000	8,061,399	27,236,399	53,206,955
2028	25,967,044	20,175,000	7,230,266	27,405,266	53,372,309
2029	25,970,619	21,250,000	6,353,511	27,603,511	53,574,129
2030	14,099,500	22,350,000	5,430,151	27,780,151	41,879,651
2031	14,099,500	23,525,000	4,524,792	28,049,792	42,149,292
2032	14,095,500	24,775,000	3,419,448	28,194,448	42,289,984
2033	14,096,250	26,075,000	2,342,465	28,417,465	42,513,715
2034	-	27,425,000	1,209,126	28,634,126	28,634,126
Total[2]	$750,618,205	$241,400,000	$252,825,384	$494,225,384	$1,244,843,589

(1) Interest Rate of 4.313% based on Forward Swaps.
(2) Totals may not add due to rounding.

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FINANCIAL GUARANTY INSURANCE

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue the Policy relating to the Series 2005 Bonds effective as of the date of issuance of the Series 2005 Bonds. Under the terms of the Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Series 2005 Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment (as such terms are defined in the Policy) by the Authority. Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Paying Agent. The insurance will extend for the term of the Series 2005 Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Policy will insure payment only on stated maturity dates, in the case of principal, and on stated dates for payment, in the case of interest. In the event of any acceleration of the principal of the Series 2005 Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Paying Agent has notice that any payment of principal of or interest on a Series 2005 Bond which has become Due for Payment and which is made to an Owner by or on behalf of the Authority has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Policy does not insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Policy does not cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.

2. payment of any redemption, prepayment or acceleration premium.

3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee, Paying Agent or Registrar, if any.

If it becomes necessary to call upon the Policy, payment of principal requires surrender of the Series 2005 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such the Series 2005 Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Policy. Payment of interest pursuant to the Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Owner's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Series 2005 Bonds, appurtenant coupon, if any, or right to payment of principal or interest on such Series 2005 Bonds and will be fully subrogated to the surrendering Owner's rights to payment.

The Policy does not insure against loss relating to payments made in connection with the sale of the Series 2005 Bonds at Auctions or losses suffered as a result of an Owner's inability to sell the Series 2005 Bonds.

The insurance provided by the Policy is not covered by the Florida Insurance Guaranty Association.

Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately $8,069,000,000 (unaudited) and statutory capital of approximately $5,015,000,000 (unaudited) as of September 30, 2004. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Authority of the Series 2005 Bonds.

Ambac Assurance makes no representation regarding the Series 2005 Bonds or the advisability of investing in the Series 2005 Bonds and makes no representation regarding, nor has it participated in the preparation of, this Official Statement other than the information supplied by Ambac Assurance and presented under the heading "FINANCIAL GUARANTY INSURANCE".

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements and

other information regarding companies that file electronically with the SEC, including the Company . These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed on March 15, 2004;

2. The Company's Current Report on Form 8-K dated April 21, 2004 and filed on April 22, 2004;

3. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2004 and filed on May 10, 2004;

4. The Company's Current Report on Form 8-K dated July 21, 2004 and filed on July 22, 2004;

5. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2004 and filed on August 9, 2004;

6. The Company's Current Report on Form 8-K dated August 19, 2004 and filed on August 20, 2004;

7. The Company's Current Report on Form 8-K dated October 20, 2004 and filed on October 20, 2004;

8. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2004 and filed on November 9, 2004;

9. The Company's Current Report on Form 8-K dated November 12, 2004 and filed on November 12, 2004; and

10. The Company's Current Report on Form 8-K dated January 26, 2005 and filed on January 26, 2005.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information".

THE AUTHORITY

The Authority was formed in 1994 as a body politic and corporate, a public instrumentality and agency of the State under the provisions of the Act by Ordinance No. 94-215 enacted by the Board of County Commissioners of the County (the "Commission") on December 13, 1994, as amended by Ordinance No. 96-119 enacted by the Commission on July 18, 1996. The Authority's purposes and powers include, among others, the power to (1) acquire, hold, construct, improve, maintain, operate, own and lease an expressway system; (2) fix, alter, change, establish, and collect tolls, rates, fees, rentals, and other charges for the services and facilities of its expressway system; (3) utilize surplus revenues to finance or refinance the planning, design, acquisition, construction, maintenance or improvement of a public transportation facility or facilities located in the County or any programs or projects that will improve the levels of service on an expressway system; and (4) borrow money, make and issue negotiable notes, bonds, refunding bonds and other evidence of indebtedness to finance an expressway system.

The governing body of the Authority (the "Board") consists of thirteen members, each of whom, except for the District Secretary of District Six of the Department, must at all times during his or her term of office be a resident of the County. The members consist of (a) five members appointed by the Governor of the State, (b) seven members appointed by the Commission, and (c) the District Secretary of District Six of the Department as an ex-officio voting member. There are currently three vacancies on the Board. Members serve without compensation.

The Authority's Fiscal Year commences on July 1 and ends on June 30 of the following calendar year.

Members

The Authority's current members and terms of office are as follows:

Darryl K. Sharpton, CPA/ABV (Chair). Mr. Sharpton is the President of Sharpton, Brunson & Company, P.A., one of South Florida's largest non-national CPA firms. He worked as a consultant at Price Waterhouse before starting his firm in 1984 and heads the firm's Consulting and Litigation Support practices. Mr. Sharpton is affiliated with numerous professional and civic organizations in Miami. Mr. Sharpton is a graduate of Florida State University. He was appointed to the Authority by the Governor of Florida and his term expires on April 6, 2005.

Roymi V. Membiela (Vice-Chair). Ms. Membiela is President of Roymi Membiela & Associates, a consulting firm. Prior to starting her consulting firm, she served as senior vice president of Kelly Swofford Roy, a Coral Gables communications firm. Previously Ms. Membiela worked at The Miami Herald newspaper, where she was instrumental in managing the paper's expansion to Latin America and the conceptualization of El Nuevo Herald, now one of the nation's leading Spanish-language publications. She was appointed to the Authority by the Commission and her term expires on February 7, 2008.

Thomas Gene Prescott (Treasurer). Mr. Prescott is the principal shareholder of Seaway Biltmore Corporation, Seaway Hotel Corp. and their affiliates. He holds a Masters degree from Carnegie Mellon University and is a Certified Public Accountant. He was reappointed to the Authority by the Commission, his term expired on February 7, 2005 and he continues to serve pending reappointment or appointment of a successor.

Allen C. Harper. Mr. Harper is Chairman of Esslinger Wooten Maxwell, Realtors, a residential and commercial real estate brokerage and management firm in Coral Gables, Florida. Mr. Harper is also a director of the Tri-County Rail Authority, a state-owned commuter railroad, and was Chairman of the Board for two terms. He also served as a Director of the Florida East Coast Industries, Inc., a railroad, real estate, and telecommunications' company based in St. Augustine, Florida. Mr. Harper received a Bachelor of Arts degree in Business and Sociology from Principia College in Illinois and attended the University of Missouri for his post-graduate studies in Finance. He was appointed to the Authority by the Governor of Florida and his term expires on April 6, 2005.

Albert Huston, Jr. Mr. Huston is a 30 year member of the Laborers' International Union Local 478 and current President, a position he has held since 1981. He also serves as the Secretary/Treasurer of Local 478 and President of the Southeast Florida Laborers' District Council which has jurisdiction from Palm Beach to Key West. He was reappointed to the Authority by the Commission, his term expired on February 7, 2005 and he continues to serve pending reappointment or appointment of a successor.

Cesareo E. Llano. Mr. Llano has been Vice President of Century Homebuilders, LLC since March of 1999. Mr. Llano had previously worked for Excel Development Corporation, Stortford, N.V. and Arc-tec Associates and has extensive experience in development and construction of residential housing developments and condominiums. Mr. Llano has a Master of Architecture I from Tulane University. He is a member of the South Florida Builders Association, a director of the Latin Builders Association and is a licensed general contractor of the State of Florida. He was appointed to the Authority by the Governor of Florida and his term expires on April 6, 2008.

John Martinez. Appointed District Six Secretary of the Florida Department of Transportation in May of 2003. He is responsible for all roadway and bridge planning design, construction and maintenance on the State highway system for Miami-Dade and Monroe Counties. Mr. Martinez received a Bachelor's degree in Civil Engineering from the University of Miami. He serves as an ex-officio member of the Authority.

Arthur Noriega, V. Mr. Noriega is currently the Executive Director of the Miami Parking Authority ("MPA"). Mr. Noriega began his career in South Florida overseeing the development, management and leasing of multifamily housing with the Cornerstone Group/Clinton International Group. Mr. Noriega previously was Director of Planning and Development with the MPA and returned as Executive Director of the MPA after holding the position of Vice President of Development at The Carlisle Group. He received a Bachelor of Arts degree in Economics from the University of South Florida. He was appointed to the Authority by the Commission and his term expires on February 7, 2008.

Oscar Rivero, Esq. Mr. Rivero is an attorney and real estate executive, founder of Miami-based Rivero Law Firm and principal of Rivers Development Group. Mr. Rivero has a long history of civic involvement in the Miami community. He currently serves as a board member and Finance Chairman of the Miami Parking Authority and a board member of the Miami-Dade County Housing Finance Authority. Mr. Rivero has also served as board member of the Miami-Dade County Industrial Development Authority, and was a founder and Chairman of IMPACT Miami. Mr. Rivero is a graduate of Florida International University where he received a double major in finance and international business and he received his law degree from Florida State University. Mr. Rivero was appointed to the Authority by the Governor of Florida and his term expires on April 6, 2006.

Gonzalo Sanabria. Mr. Sanabria is a real estate developer and President of Real Estate Works, Inc. He has developed numerous commercial and residential sites in both Miami-Dade and Broward counties. Mr. Sanabria also is a founding member of Century Partners and Century Home Builders, Inc., and is past-chairman of the Miami-Dade County Planning Advisory Board. Mr. Sanabria was appointed to the Authority by the Governor of Florida and his term expires on April 6, 2006.

Staff

The staff of the Authority is comprised of twenty-six employees including an Executive Director, a Director of Finance and Administration/Chief Financial Officer, a Director of Engineering, a Director of Toll Operations and a Director of Communications, Marketing and Public Affairs. The Authority operates under a management philosophy which provides for a qualified administrative staff of limited size and reliance upon contracted consultant assistance for specific tasks.

Executive Director. Servando M. Parapar, P.E., was selected by the Board to serve as the first Executive Director of the Authority, commencing on April 5, 1996. Mr. Parapar holds a Bachelors degree in Architectural Engineering from the University of Miami and a Masters degree in Civil Engineering from the University of Florida. Mr. Parapar serves on the Board of Directors of the Intelligent Transportation Society (ITS) of Florida and was recently appointed to the Board of Directors of the International Bridge, Tunnel and Turnpike Association (IBTTA).

Mr. Parapar has over 29 years of experience in traffic analysis, systems design, project management, transportation planning, toll operations and program management. Mr. Parapar previously worked for the Department for almost 12 years, 9 of those as the Director of Planning & Programs for District Six. While holding such position, Mr. Parapar proposed and promoted the concept of multi-modal links and inter-modal transportation centers for the County. He led the implementation of these concepts as they became the East-West Corridor and the Miami Intermodal Center Studies. His duties included developing the Department's five year work program in Miami-Dade and Monroe counties. He identified Department funding levels for public transportation and airport expansion programs and was chief liaison with the Miami Dade Metropolitan Planning Organization and Monroe County planning officials. Prior to joining the Department in 1984, Mr. Parapar worked as a traffic engineer for the Unisys Corporation and for the County.

Director of Finance and Administration/Chief Financial Officer. David A. O'Neal, C.P.A., was selected by the Board as Director of Finance and Administration/Chief Financial Officer effective January 7, 2001. Mr. O'Neal holds a Bachelor of Business Administration degree in Accounting from the University of Miami.

Mr. O'Neal has over 26 years of experience in finance, accounting and auditing, including 10 years as the Assistant Director-Finance for the Miami-Dade Water and Sewer Department. While at the Water and Sewer Department, Mr. O'Neal was responsible for all financial-related activities including financial reporting, debt administration, cash management and management information systems. During his tenure, Mr. O'Neal was involved in implementing a $1 billion dollar capital improvement program for the Water and Sewer Department and in furtherance of such program, was involved in the issuance of $1.2 billion in bonds issued on behalf of the Water and Sewer Department.

Director of Engineering. Alfred Lurigados, P.E., became the Director of Engineering in November 2004, responsible for the production, construction, maintenance and management of the Authority's planning, design and construction of projects. Prior to accepting this position, Mr. Lurigados served as program manager of production at the Authority, which required him to oversee the coordination of individual work programs with respect to design, budgets and their impact on the Five-Year Work Program. Mr. Lurigados has a Bachelor of Science degree in Civil Engineering from Florida International University ("FIU") and is currently working on his Masters Degree at FIU. He has over 10 years of experience working with engineering companies in Miami for the Department as well as the Authority.

Director of Toll Operations. Stephan P. Andriuk has served as Director of Toll Operations for the Authority since the inception of this position in March 2003. Mr. Andriuk is a graduate of George Mason University with a Bachelor of Science degree in Business Administration. His primary duties are to oversee all aspects of Toll operations and provide liaison between the Toll operations and the Authority staff on highway maintenance and operations, design and construction of Toll plaza capital improvements, audit of Toll revenue, and public communications. Mr. Andriuk's responsibilities encompass the operations and maintenance of the newly integrated Toll collections system, violation enforcement components, and management oversight of the Toll operation and maintenance contracts. Additional responsibilities include long range planning, design, construction and integration of new Toll plazas and equipment, and as a direct advisor to the Executive Director on innovative technologies in the tolling industry. Mr. Andriuk currently sits as the Chairperson of TEAM Florida's Toll Operations Committee.

Previously, Mr. Andriuk was the Administrator of the Chesapeake Expressway in Chesapeake, Virginia. He has over 20 years of management experience, including over 11 years in toll operations. His tenure in Virginia included the procurement, installation, testing, integration and oversight of four different toll projects.

Director of Communications, Marketing and Public Affairs. Margaret Pulles Machado joined the Authority in April 2004. She is responsible for the development and execution of the Authority's communications, marketing and public affairs plans. Ms. Pulles has degrees from the

Instituto Tecnológico de Estudios Superiores de Monterrey in Humanities and the Universidad Ibero-Americana in International Relations.

Ms. Pulles has over 17 years of experience in communications. Prior to joining the Authority, she was Vice-President for Strategic Development and Communications of the Miami Museum of Science. Ms. Pulles also spent nearly 9 years at the Smithsonian Institution.

THE SYSTEM

The System consists of five major expressway facilities located in the County and known as the Airport Expressway (State Road 112), the East-West (Dolphin) Expressway (State Road 836), the South Dade (Don Shula) Expressway (State Road 874), the Snapper Creek Expressway (State Road 878) and the Gratigny Parkway (State Road 924). Each of the System's expressway facilities other than the Snapper Creek Expressway is a Toll facility. A map of the existing System appears in the front of this Official Statement. For a more complete description of the System, see "APPENDIX B – Report of General Engineering Consultant" herein.

The Expressways

Airport Expressway. The Airport Expressway originally opened in 1961 and extends for approximately 4.1 miles from Miami International Airport (the "Airport") on the west to I-95 on the east and contains 27.4 lane miles. It provides access from the Airport to downtown Miami, the beaches as well as northern Miami-Dade County and Broward County. The Toll plaza is situated across the eastbound lanes only. There are two manual lanes, two automatic coin machine lanes and two lanes dedicated to the electronic Toll collection system which utilizes an automatic vehicle identification concept and is known as "SunPass"™. One of the manual lanes also has SunPass™ to provide for mixed usage.

East-West (Dolphin) Expressway. The East-West (Dolphin) Expressway opened originally in 1965 and extends west to east for approximately 11.8 miles providing access from the western suburban area of the County to the Airport, downtown Miami and the beaches and contains 87.4 lane miles. There is one main Toll plaza located just west of N.W. 17th Avenue interchange, collecting Tolls in the east bound direction only. On October 29, 2003, the Authority completed construction of a replacement Toll facility. The new replacement facility includes dual high-speed electronic SunPass™ lanes and six manual Toll collection lanes separated by a barrier wall. The expressway also has a separate ramp with its own four lane Toll plaza to N.W. 17th Avenue, in which two lanes are dedicated to SunPass™.

South Dade (Don Shula) Expressway. The South Dade (Don Shula) Expressway opened in 1974. It extends southwest to northeast for 7.2 miles connecting the southwest suburban area of the County from the Homestead extension of the Florida Turnpike to the Palmetto Expressway and contains a total of 45 lane miles. The Toll plaza is located just north of the interchange with the Florida Turnpike at the southern terminus. The Toll plaza has a total of twelve lanes, six lanes in each direction. There are a total of four dedicated SunPass™ lanes, four automatic coin machine lanes and four manual lanes. Two of the automatic coin machine lanes and two of the manual lanes are also equipped with SunPass™ to provide mixed usage.

Snapper Creek Expressway. The Snapper Creek Expressway opened in 1974 and extends west to east for 2.7 miles connecting the South Dade Expressway and the southwest suburban area of the County to U.S. 1 and the southern terminus of Metrorail, the County's rapid rail system and contains 11.3 lane miles. There are no Toll plazas on this expressway.

Gratigny Parkway. The Gratigny Parkway opened in 1991 and extends west to east for approximately 5.4 miles providing access from Broward County through I-75 and from the Palmetto Expressway in northwest Miami-Dade County to major arterials in northern Miami-Dade County which connect to I-95 and contains a total of 35.7 lane miles. The seventeen lane Toll plaza is located west of the interchange with LeJeune Road. The Toll plaza is configured with an east-west orientation, commonly configured with four manual lanes, six automatic coin machine lanes, and four SunPass™ dedicated lanes. To provide for mixed use, all four of the manual lanes and two of the automatic coin lanes are also equipped with SunPass™. The center three lanes are reversible and have been closed to traffic temporarily for use as future express lanes.

Transfer Agreement

Pursuant to the Transfer Agreement, the Department transferred operational and financial control of the System to the Authority on December 10, 1996. In addition, the Department conveyed certain physical assets of the System (other than the roadways) such as buildings, Toll equipment, other additions and permanent attachments and tangible personal property and caused to be transferred to the Authority all applicable balances in the funds and accounts established under the resolution pursuant to which the State Bonds were issued. The System continues to be part of the National Highway System and the State Highway System, except that the Snapper Creek Expressway is not part of the National Highway System.

Under the provisions of the Transfer Agreement, the Authority agreed to pay to the Department as part of the Annual Repayment Requirements certain financial obligations in connection with the transfer of operational and financial control of the System in the approximate amount of $12.1 million (the "Net Liabilities") in accordance with an annual payment schedule set forth in the Transfer Agreement. The Authority agreed to reimburse to the Department the Annual Repayment Requirements from Revenues deposited in the General Account within the General Fund under the Indenture on a basis subordinate to the payment of debt service on the Bonds.

The "Annual Repayment Requirements" mean, for any Fiscal Year, the total of the following: (i) the Net Liabilities payable by the Authority for such Fiscal Year as set forth in the Transfer Agreement, if any, (ii) the cost of acquisition, installation and initial deployment of an electronic Toll collection system at all of the Toll plazas on the System (the "SunPass™ Facilities") payable by the Authority to the Department for such Fiscal Year, if any, (iii) certain environmental liabilities payable by the Authority to the Department for such Fiscal Year pursuant to the Transfer Agreement, if any, and (iv) Overruns (as defined below under "Operation and Maintenance Agreements"), if any. Clauses (i) and (ii) above constitute the "Non-contingent Portion of the Annual Repayment Requirements" and clauses (iii) and (iv) above constitute the "Contingent Portion of the Annual Repayment Requirements".

The Authority has the right to prepay, without premium or penalty, at any time after the transfer of operational and financial control of the System to the Authority, all or a portion of the Annual Repayment Requirements. In the event the Authority is unable to pay the Annual Repayment Requirements when due in full on account of a lack of available Revenues, such deficiency shall be cumulative and the deficient amount of any payment shall be added to the amount of Annual Repayment Requirements required to be paid in each installment due thereafter until such time as all such deficiencies have been made up.

Under the Transfer Agreement, the Department is required to pay or cause to be paid certain environmental liabilities that may arise with respect to the System when due. The Authority agrees to reimburse the Department for such payments of environmental liabilities as part of the Annual Repayment Requirements, except that any environmental liabilities of $200,000 or less shall be reimbursed by the Authority to the Department as part of Operations and Maintenance Expenses from Revenues prior to the application of Revenues to the payment of debt service on the Bonds. In addition, the Department is required to pay or cause to be paid certain tort liabilities that are made, levied or assessed against the Department (that are not environmental liabilities) with respect to the System and the Authority is required to reimburse the Department for such payments of tort liabilities as part of Operations and Maintenance Expenses from Revenues prior to the application of Revenues to the payment of debt service on the Bonds.

As of December 1, 2004, the Authority owed the Department approximately $4.9 million, which includes the outstanding balance of the Net Liabilities, costs related to the acquisition, installation and initial deployment of the SunPass™ Facilities and System operating costs related to the SunPass™ Facilities paid by the Department on behalf of the Authority through June 30, 2002.

Operation and Maintenance Agreements

Concurrently with the execution of the Transfer Agreement, the Department and the Authority entered into (a) the Toll Operations and Maintenance Agreement dated December 10, 1996 (the "Toll Operations and Maintenance Agreement"), (b) the Roadway Operations and Maintenance Agreement dated December 10, 1996 (the "Roadway Operations and Maintenance Agreement") and (c) the SunPass™ Agreement dated December 10, 1996 (the "SunPass™ Agreement") (such agreements, together with the Transfer Agreement, referred to herein as the "Department Agreements"), providing for the continued operation and maintenance of the Toll plazas, Toll collection booths, roadways and bridges of the System and the facilities incidental thereto by the Department and the installation of SunPass™ Facilities for the System.

During the Fiscal Year ended June 30, 2001, the Authority and the Department began a process to transition operational and maintenance responsibilities for the System to the Authority. As part of this process, the Authority assumed contractual responsibility for Toll plaza personnel as well as for certain Toll plaza-related services under the Toll Operations and Maintenance Agreement on July 1, 2001 and assumed all plaza-related responsibilities thereunder, except for the Toll collection system, on July 1, 2002. The Authority assumed most of the operation and maintenance responsibilities for the Toll collection system on July 1, 2003. The Authority also assumed most of the operation and maintenance responsibilities for roadways

under the Roadway Operations and Maintenance Agreement as of July 1, 2002. The Authority has awarded third party vendor contracts through a competitive procurement process which provides for the continued operation and maintenance of the System. For a description of such contracts, see "APPENDIX B – Report of General Engineering Consultant".

The Authority is working with the Department to amend the Toll Operations and Maintenance Agreement's terms and conditions to reflect the termination of the operation and maintenance responsibilities of the Department thereunder. In similar fashion, the Authority anticipates that the Roadway Operations and Maintenance Agreement and the SunPass™ Agreement will be amended substantially or rewritten to reflect the reduced role of the Department in the operation and maintenance of the System.

Toll Operations and Maintenance Agreement. The following describes the terms of the Toll Operations and Maintenance Agreement. However, as described under "THE SYSTEM -- Operation and Maintenance Agreements" above, the Authority has assumed most of the operation and maintenance responsibilities for the Toll operations.

Currently, under the Toll Operations and Maintenance Agreement, the Department is required to prepare an annual budget of the total estimated expenses to be incurred by the Department in the performance of its obligations thereunder, carry certain insurance with respect to the Toll plazas and Toll collection booths of the System and the facilities incidental thereto (collectively, the "Toll Facilities"), maintain records of its operation and maintenance of the System, including records of all Tolls collected, and provide certain reports to the Authority. The primary remaining operations and maintenance responsibility of the Department under the Toll Operations and Maintenance Agreement is for the establishment, maintenance, resolution and reconciliation of accounts with respect to Toll revenues collected through SunPass™ Facilities.

The Authority is required to cause the Trustee to pay to the Department, on or before the 25th of each month thereafter during the terms of the Toll Operations and Maintenance Agreement, from amounts credited to the Revenue Fund under the Indenture one-twelfth (1/12th) of the amount set forth in the annual budget covering the month following such payment as the total estimated expenses of the Department for the performance of its obligations thereunder. Such amounts are payable as Operations and Maintenance Expenses from Revenues prior to the application of Revenues to the payment of debt service on the Bonds except for the portion thereof constituting Overruns, which is included in the Annual Repayment Requirements and paid from the General Account within the General Fund under the Indenture.

As used in each of the Toll Operations and Maintenance Agreement and the Roadway Operations and Maintenance Agreement, "Overruns" mean the portions of any increases in the expenditures of the Department in the performance of its obligations under such agreements which exceed the sum of any excess in such expenditures for the Fiscal Year most recently ended over the amount set forth in the combined annual budgets under such agreements for such Fiscal Year attributable to an amendment of such annual budgets undertaken to fulfill a mandate imposed by State law plus ten percent (10%) of such combined annual budgets for the preceding Fiscal Year.

Roadway Operations and Maintenance Agreement. The following describes the terms of the Roadway Operations and Maintenance Agreement. However, as described under "THE SYSTEM -- Operation and Maintenance Agreements" above, the Authority has assumed most of the operation and maintenance responsibilities for the roadways and bridges of the System and the facilities incidental thereto (the "Roadway Facilities"). These responsibilities include routine maintenance; incident and emergency response; issuance of permits (excluding outdoor advertising and vehicle wide load permits); maintenance and inspection of bridges, overhead sign structures and high mast lighting, and roadway lighting components. Other functions that continue to be the responsibility of the Department include the review and approval of outdoor advertising and vehicle wide load permits; monitoring, management and oversight of the service (roving) patrol services; monitoring, permitting and inventorying of the National Pollutant Discharge Elimination System (NPDES); and management and oversight of the statewide Advisory Travel Information Services (ATIS) contract. The Authority continues to participate in the Department's contract for service (roving) patrol services. The Roadway Operations and Maintenance Agreement will be amended substantially or rewritten to reflect the reduced role of the Department in the operation and maintenance of the Roadway Facilities.

The Authority is required to cause the Trustee to pay to the Department, on or before the 25th of each month thereafter during the terms of the Roadway Operations and Maintenance Agreement, from amounts credited to the Revenue Fund under the Indenture one-twelfth (1/12th) of the amount set forth in the annual budget covering the month following such payment as the total estimated expenses of the Department for the performance of its obligations thereunder. Such amounts are payable as Operations and Maintenance Expenses from Revenues prior to the application of Revenues to the payment of debt service on the Bonds except for the portion thereof constituting Overruns, which is included in the Annual Repayment Requirements and paid from the General Account within the General Fund under the Indenture.

SunPass™ Agreement. Pursuant to the SunPass™ Agreement, the Department agreed to acquire, install and initially deploy the SunPass™ Facilities. The SunPass™ Facilities were deployed in June, 1999. The total cost of the SunPass™ Facilities was $4.6 million. The Authority agreed in the SunPass™ Agreement to reimburse the Department for such cost by including the same as part of the Annual Repayment Requirements payable by the Authority out of Revenues credited to the General Account within the General Fund under the Indenture. In accordance with the terms of the SunPass™ Agreement, the Department applies Authority payments of the Non-contingent Portion of Annual Repayment Requirements first toward the payment of the costs of the SunPass™ Facilities.

The Department deems the Authority to be the owner of the SunPass™ Facilities that are installed in the lanes and plazas comprising the System. The Department shall be deemed the owner of all other SunPass™ Facilities at all times.

So long as the Toll Operations and Maintenance Agreement remains in effect, the Authority shall pay to the Department the operation and maintenance costs of the SunPass™ Facilities and the Department shall operate the SunPass™ Facilities in accordance with such agreement. If the Toll Operations and Maintenance Agreement is terminated, the Authority will reimburse such operation and maintenance costs pursuant to an agreement to be entered into between the Department and the Authority prior to such termination. Such agreement shall also

set forth the continuing rights and obligations of the Department and the Authority with respect to the operation of the SunPass™ Facilities upon the termination of the Toll Operations and Maintenance Agreement. As described above under "THE SYSTEM – Operation and Maintenance Agreements," the Authority anticipates that, as a result of the assumption by the Authority from the Department of much of the operations and maintenance responsibilities for the System by July 1, 2003, the SunPass™ Agreement will be amended substantially or rewritten to reflect the reduced role of the Department in the operation and maintenance of the System.

Physical Condition of the System

The Indenture requires that the Consulting Engineer perform an annual inspection of the System and issue an annual inspection report setting forth its findings and recommendations (the "Annual Inspection Report"). The most recent Annual Inspection Report for Fiscal Year 2005 was issued by Dade Transportation Consultants, as Consulting Engineer, in December 2004. The Consulting Engineer determined that the System's roadways and Toll facilities are in good condition. Bridges are inspected every two years. The last inspection report was issued by Virginia Maintenance Systems, Inc. ("VMS") in December 2004 for Fiscal Year 2004 and generally rated the bridges in good condition. See "APPENDIX B – Report of General Engineering Consultant" for a detailed description of the most recent Annual Inspection Report.

Summary of Level of Service for the System

The following table summarizes the level of service at which the System operates. Estimated daily roadway capacity was derived from the Florida Highway System Plan Level of Service Standard and Guidelines Manual.

Existing System Level of Service (LOS) Summary

	Existing Conditions			Generalized Level of Service	
Roadway/Location[1]	No. of Lanes (mainline)	Estimated Daily Capacity (Veh/Day)	2004 AADT[2]	Volume to Capacity Ratio	LOS
East-West Expressway	6	120,200	151,300	1.26	F
Airport Expressway	6	120,200	78,500	0.65	C
Don Shula Expressway	5	76,500	72,900	0.95	E
Gratigny Parkway	6	120,200	41,000	0.34	B
Snapper Creek Expressway	4	76,500	53,300	0.70	D

(1) All data presented in this table pertains to mainline sections of the designated roadways in the vicinity of each Toll plaza, except for the Snapper Creek Expressway which has no Toll plaza.
(2) Annual average daily traffic volume.

Source: Report of General Engineering Consultant.

The concept of level of service (LOS) uses qualitative measures that characterize operational conditions within a traffic stream and their perception by motorists and passengers. The descriptions of individual levels of service characterize these conditions in terms of such factors as speed and travel time, freedom to maneuver, traffic interruptions and comfort and convenience. Six levels of service are defined for each type of facility for which analysis procedures are available. They are given letter designations, from A to F, with LOS A

representing the best operating conditions and LOS F the worst. Each level of service represents a range of operating conditions. The acceptable LOS threshold for the existing System is LOS D, which is in accordance with the Department's designated minimum level of service standards for expressways within an urban area of over 500,000 residents. See "APPENDIX B – Report of General Engineering Consultant" herein for a more detailed description.

The most heavily traveled portion of the System is the six lane East-West (Dolphin) Expressway with an AADT for 2004 of 151,300 vehicles. At the Toll plaza, this expressway exceeds acceptable capacity by about twenty-six percent (26%) throughout the day and is one of the major focal points addressed in the Five-Year Work Program described below under "Capital Improvement Program".

Capital Improvement Program

Long Range Plan. In Fiscal Year 1998, the Authority adopted an initial Long Range Master Transportation Plan to address a portion of the transportation improvement needs of the Miami-Dade County urban area through Fiscal Year 2020 (the "2020 Master Transportation Plan"). The 2020 Master Transportation Plan identifies potential projects, including improvements to the existing System, Toll collection improvements and new expansion projects. The 2020 Master Transportation Plan is in the process of being updated to include transportation projects through Fiscal Year 2025.

Five-Year Work Program. The Authority's five year work program identifies projects which the Authority anticipates funding over the next five years (the "Five-Year Work Program"). The Five-Year Work Program is changed as priorities are reevaluated, projects are completed, new projects are identified and the financial capabilities of the Authority evolve. The current Five-Year Work Program covers the five year period from Fiscal Year 2005 to Fiscal Year 2009 and includes forty-three projects with a combined total estimated cost of approximately $857 million. The projects contained in the Five-Year Work Program have been grouped into one of four categories as shown in the following table.

Five-Year Work Program – Category Summary

	Project Cost ($000s) Fiscal Year					
Category	2005	2006	2007	2008	2009	Total
Existing System Improvements	$130,709	$ 49,467	$ 71,571	$123,941	$ 45,253	$420,941
System Expansion Projects	72,212	113,069	102,146	77,184	60,047	424,658
New Toll Expressways[1]	1,557	-	-	-	-	1,557
Facilities Improvements	8,042	1,461	21	369	-	9,893
Totals	$212,520	$163,997	$173,738	$201,494	$105,300	$857,049

Source: Authority.
(1) The Authority expects to remove this project from the Five-Year Work Program.

For a more detailed description of the Five-Year Work Program, including a description of major projects included in the Five-Year Work Program, see "APPENDIX B – Report of General Engineering Consultant" herein. See also "FUTURE PLANS" for a discussion of potential changes in the Five-Year Work Program.

THE SERIES 2005 PROJECT

The Series 2005 Project consists of various activities for the several projects which are included in the Five-Year Work Program of the Authority as in effect from time to time.

The estimated cost of the Series 2005 Project is approximately $236 million. For a more detailed description of the Five-Year Work Program, see "APPENDIX B – Report of General Engineering Consultant."

HISTORICAL AND FORECASTED FINANCIAL INFORMATION

Toll Rates

The Authority has the exclusive right to determine, fix, impose and collect Tolls for the use of the System. There is no other State of Florida executive, administrative or regulatory body with the authority to limit or restrict such rates and charges.

The table below sets forth the historical Toll rates paid by various classes of motor vehicles since the Department transferred operational and financial control of the System to the Authority on December 10, 1996:

Historical Toll Rates by Vehicle Class
1989 to 2004

	1989-1999[1]	1999-2001[2]	2001-2004[3]
Motor Vehicles with two axles	$ .25	$ .50	$ .75
Motor Vehicles with three axles	.50	.75	1.00
Motor Vehicles with four axles	.75	1.00	1.25
Motor Vehicles with five axles	1.00	1.25	1.50
Each additional axle	.25	.25	.25

(1) Effective May 1, 1989 for the Airport Expressway; the East-West (Dolphin) Expressway; the South Dade (Don Shula) Expressway; and January 6, 1992 for the Gratigny Parkway.
(2) Effective July 11, 1999 for the System; SunPass™ users receive a 10% discount from the Toll rates provided.
(3) Effective July 1, 2001; not applicable to Airport Expressway; SunPass™ users receive a 10% discount from the Toll rates provided.
Source: State of Florida, Department of Transportation, Office of the Comptroller; Authority.

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The table below sets forth the currently effective Toll rates paid by various classes of motor vehicles:

Toll Rates by Vehicle Class
(Effective March 7, 2004)

	All Expressways except Airport		Airport Expressway	
	Cash	SunPass™	Cash	SunPass™
Motor vehicles with two axles	$1.00	$ .75	$ .75	$ .50
Motor vehicles with three axles	2.00	1.50	1.50	1.00
Motor vehicles with four axles	3.00	2.25	2.25	1.50
Motor vehicles with five axles	4.00	3.00	3.00	2.00
Each additional axle	1.00	0.75	0.75	0.50

Source: Authority.

The table below sets forth the Toll rates to be effective on July 3, 2005 to be paid by various classes of motor vehicles:

Toll Rates by Vehicle Class
(Effective on July 3, 2005)

	All Expressways	
	Cash	SunPass™
Motor vehicle with 2 axles	$1.25	$1.00
Motor vehicle with 3 axles	2.50	2.00
Motor vehicle with 4 axles	3.75	3.00
Motor vehicle with 5 axles	5.00	4.00
Each additional axle	1.25	1.00

Source: Authority.

Historical, Budgeted and Forecasted Revenues, Expenses and Debt Service Coverage

In connection with the issuance of the Series 2004 Bonds, Wilbur Smith Associates (the "Traffic Consultant") was retained by the Authority to develop traffic and Toll revenue forecasts for the System. Forecasts of traffic and Toll revenue for the System were prepared by the Traffic Consultant for Fiscal Years 2004 through 2031 and included in a report dated July 1, 2004 (the "Series 2004 Report"). In connection with the issuance of the Series 2005 Bonds, the Traffic Consultant was asked by the Authority to review and update, if necessary, such forecasts. The Series 2004 Report and an update letter of the Traffic Consultant dated February 14, 2005 are included herein in "APPENDIX C – Traffic and Toll Revenue Update Study" and should be read in their entirety.

Presented in the table below is a summary of historical, budgeted and forecasted Revenues and Operation and Maintenance Expenses as well as Toll covenant coverage ratios for Fiscal Years 2004 through 2020. The table assumes no Additional Bonds being issued after the issuance of the Series 2005 Bonds. Toll revenue forecast includes the July 2005 adopted Toll increase and Toll revenues for existing Toll facilities and future Toll facilities, the construction of which are included in the Five-Year Work Program. The issuance of any such Additional Bonds may require additional sources of revenues, including increases in Toll rates. The forecasts represent estimates only and there can be no assurance that such estimates will be realized.

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Historical, Budgeted and Forecasted Operating Summaries
Fiscal Years Ending June 30, 2003 through 2020
(dollars in thousands)

	Actual	Budgeted	Forecasted														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues																	
Toll Revenues	$49,411	$56,853	$70,953	$74,090	$110,251	$114,348	$125,854	$129,874	$133,566	$136,391	$139,759	$142,716	$146,073	$148,245	$150,736	$153,297	$155,909
Interest Income & Misc. Income	2,183	6,341	5,243	4,598	7,195	1,723	3,664	3,463	4,973	6,771	8,803	10,877	13,104	15,461	17,746	20,474	23,510
Total Revenues	$51,594	$63,194	$76,196	$78,688	$117,446	$116,071	$129,518	$133,337	$138,539	$143,162	$148,562	$153,593	$159,177	$163,706	$168,482	$173,771	$179,419
Operation and Maintenance Expenses[1]																	
Operations	$ 7,844	$ 8,879	$11,501	$11,898	$15,071	$16,149	$16,724	$17,552	$18,175	$18,793	$19,433	$20,095	$20,930	$21,691	$22,428	$23,192	$23,983
Maintenance	4,743	5,620	6,022	6,392	7,373	7,343	7,615	8,481	8,820	9,095	8,803	9,167	10,136	10,452	10,857	10,533	10,885
Administrative	5,070	8,295	7,261	7,531	7,852	7,897	8,035	8,241	8,516	8,821	9,138	9,467	9,808	10,161	10,528	10,905	11,305
Total Operation and Maintenance Expenses	$17,657	$22,794	$24,784	$25,822	$30,296	$31,389	$32,374	$34,274	$35,512	$36,709	$37,374	$38,730	$40,874	$42,304	$43,813	$44,630	$46,172
Net Revenues	$33,937	$40,400	$51,411	$52,867	$87,150	$84,682	$97,144	$99,063	$103,027	$106,453	$111,188	$114,864	$118,303	$121,402	$124,669	$129,141	$133,247
Net Debt Service Requirement[2]	$18,431	$26,480	$33,589	$34,634	$56,280	$56,252	$62,836	$62,899	$63,268	$63,387	$68,729	$68,633	$71,178	$70,928	$73,650	$73,542	$67,805
Debt Service Coverage[3]	1.84	1.53	1.53	1.53	1.55	1.51	1.55	1.57	1.63	1.68	1.62	1.67	1.66	1.71	1.69	1.76	1.97
Other Fund Requirements[4]	$2,000	$3,270	$4,656	$11,790	$8,790	$6,290	$7,290	$9,493	$4,290	$3,949	$2,466	$4,021	$2,611	$2,686	$7,232	$0	$807
Coverage of Debt Service and Other Fund Requirements[5]	1.66	1.36	1.34	1.14	1.34	1.35	1.39	1.37	1.53	1.58	1.56	1.58	1.60	1.65	1.54	1.76	1.94

Source: Forecasted Toll Revenues from Traffic and Toll Revenue Update Study, Appendix C. Remainder from Authority.

(1) Projection of Operation and Maintenance Expenses beyond Fiscal Year 2005 reflects an inflationary adjustment of 3.6% per annum.

(2) For Fiscal Year 2005, Net Debt Service Requirement includes budgeted debt service for proposed Additional Bonds and for Fiscal Years thereafter, Net Debt Service Requirement takes into account such Additional Bonds and future Additional Bonds. See "FUTURE PLANS" herein.

(3) Requirement equals 1.20x.

(4) These disbursements reflect deposits into the Renewal and Replacement Fund and payments to the State of Florida pursuant to various agreements. They may be adjusted through managerial actions and agreement with the State, respectively, to accommodate cash flow needs.

(5) Requirement equals 1.00x.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Introduction

During Fiscal Year 1997, the Authority and its Executive Director completed their internal staffing requirements and issued the Series 1996 Bonds to pay the costs of acquiring operational and financial control of the System. At that time, the Authority also repaid the County monies advanced to the Authority for start-up costs. Also during Fiscal Year 1997, the Authority engaged a multi-disciplinary team of consultants to assist with assessment of the County's mobility infrastructure requirements through the year 2020. To that end, during Fiscal Year 1998, the Authority completed the 2020 Master Transportation Plan, which defined the Authority's role as an implementation agency for identified transportation needs under its jurisdiction. The 2020 Master Transportation Plan represents a combined effort of the Authority and its team of architects, engineers, professional planners, financial strategists and urban consultants. The 2020 Master Transportation Plan includes a financing plan to fund the projected costs of the identified capital improvement projects. The financing plan identifies future Toll rate increases necessary to fund the program. The Authority is in the process of updating the 2020 Master Transportation Plan to include projects through Fiscal Year 2025.

In addition to the 2020 Master Transportation Plan, the Authority also adopted its first Five-Year Work Program during Fiscal Year 1998. The Five-Year Work Program has evolved annually, and the Authority currently has an adopted Five-Year Work Program that encompasses Fiscal Years 2005-2009 and is estimated to cost approximately $857 million. To fund a portion of the cost of the current Five-Year Work Program, the Authority issued the 2004 CP Notes, the Series 2004B Bonds and is issuing the Series 2005 Bonds.

On February 24, 2004, the Authority approved two Toll rate increases. The Authority implemented the first on March 7, 2004, which included an increase of $0.25 for two-axle cash customers (but not for SunPass™ users), the elimination of the 10% SunPass discount and the implementation of a new rate structure for multi-axle vehicles. The second Toll rate change will increase the base Toll rate by $0.25 for all customers on the East-West (Dolphin) Expressway, the South Dade (Don Shula) Expressway and the Gratigny Parkway on or about July 1, 2005. The base rate Toll increase on the Airport Expressway will be $0.50.

Results of Operations: Fiscal Years 2002 through 2004

The following is an overview of the financial results of operations for Fiscal Years 2002 through 2004.

Toll Revenues – Toll revenues increased 8.3% from approximately $45.6 million in Fiscal Year 2002 to approximately $49.4 million in Fiscal Year 2004. From Fiscal Year 2003 to Fiscal Year 2004 there was a decrease in Toll Revenues of approximately $1.3 million due primarily to a decrease in traffic to and from Miami International Airport, which affects two of the expressways; continued construction activity on various expressways; the integration of the new Toll collection system on the East-West (Dolphin) Expressway and the South Dade (Don Shula) Expressway causing a diversion of traffic; the implementation of SunPass™ only lanes, which caused an increase in Toll violations from customers going through SunPass™ only lanes;

and the delay in the integration of the first phase of the violation enforcement system which began in April 2004. From Fiscal Year 2003 to Fiscal Year 2004 there was an increase of approximately $5.2 million in Toll Revenues due primarily to the Toll rate increase effective March 7, 2004.

Toll Operations Expense – Toll operations expenses decreased 17.2% from approximately $9.5 million in Fiscal Year 2002 to approximately $7.8 million in Fiscal Year 2004. This decrease in Toll operations expenses was due primarily to a decrease in Toll operations costs related to more efficient use of Toll plaza personnel beginning in January 2003, when the Authority assumed from the Department the staffing of such personnel.

Road Maintenance and Operations Expense – Road maintenance and operations expenses decreased 1.9% from approximately $4.8 million in Fiscal Year 2002 to approximately $4.7 million in Fiscal Year 2004. This slight decrease was due primarily to the Authority's contribution to the Advanced Traveler Information System ("ATIS") being reduced by $1 million.

Administration and Consultants Expenses – Administration and consultants expenses decreased 71.1% from approximately $6.1 million in Fiscal Year 2002 to approximately $3.5 million in Fiscal Year 2004. The decrease was due to the capitalization of approximately $2.7 million in expenses incurred in the acquisition, design and construction of capital assets in Fiscal Year 2003 and approximately $2.1 million in Fiscal Year 2004. The decrease was partially offset by costs related to the hiring of additional personnel.

Debt Service Requirement – In Fiscal Year 2002, the debt service requirement was approximately $16.1 million consisting of principal and interest related to the Series 1996 Bonds, the Series 1999 Bond, the Series 2000 Bonds and the Series 2001A Bonds. The Authority also paid an annual installment of $2 million on a non-interest bearing loan payable to the Department. Payment of debt service on this loan is subordinated to payment of debt service on the Bonds. By Fiscal Year 2004, the debt service requirement increased to $18.4 million due primarily to an increase in principal due on the Series 1996 Bonds and the Series 2000 Bonds and, an increase in the rate of interest on the interest rate swap related to the Series 1996 Bonds. These increases were partially offset by interest savings achieved by refunding portions of the Series 2000 Bonds with the Series 2001A Bonds and the Series 2002 Bonds. In addition, the Authority paid an annual installment of $2 million on the Department loan in Fiscal Year 2004.

Fiscal Year 2005 Budget

From Fiscal Year 2004 to Fiscal Year 2005, the Authority has budgeted Toll Revenues to increase approximately 15.5% from approximately $49.2 million to approximately $56.9 million. This increase is due primarily to additional revenue generated by the March 7, 2004 Toll rate increase.

From Fiscal Year 2004 to Fiscal Year 2005, Toll operations expenses are budgeted to decrease approximately 4.0% from $9.3 million to $8.9 million. This decrease is primarily due to expense reductions in personnel costs under the newly implemented operation and

maintenance contract for Toll facilities between the Authority and Washington Group International Inc. ("WGI"), which replaced the agreement with the Department.

For the same period, roadway maintenance expenses are budgeted to increase approximately 12.7% from $4.9 million to $5.5 million. This increase is due to increase in costs of the new service patrol provider ($250,000); support costs for the Authority's Infrastructure Assets Management Inventory System ($100,000); costs associated with the National Pollutant Discharge Elimination System joint participation agreement with the County ($100,000); and costs associated with ATIS ($100,000).

Administration and consultants expense in Fiscal Year 2005 are budgeted to increase by approximately 17.1% from approximately $6.9 million to approximately $8.1 million from Fiscal Year 2004. These expenses are shown prior to the capitalization of certain expenses incurred in the acquisition, design and construction of capital assets which will occur at Fiscal Year end. This increase is primarily due to an increase in salary-related expenses for additional positions and annual merit/cost-of-living increases ($800,000); support costs related to communications, security equipment, network management and financial management systems and data security tools ($300,000); and public relations/public affairs and community awareness costs related to the scheduled July 2005 Toll increase ($250,000).

Results of Operations Fiscal Year 2005 (5 Months)

For the 5-month period ended November 30, 2004, Toll Revenues were approximately $22.8 million, a $925,000 or 3.9% decrease from budgeted revenues for such period. This decrease is attributable to the suspension of Tolls during August and September due to Hurricanes Charley (August), Frances and Jeanne (September). Such revenue loss was estimated at $1.03 million. Without this revenue loss, the revenues would have been approximately $100,000 above the budgeted revenues for such period.

For the same period, Toll operations expenses were approximately $3.4 million, a $250,000 or 7.1% decrease from budgeted Toll operations for such period. This decrease is primarily due to the Toll operation and maintenance contract with WGI.

For the 5-month period ended November 30, 2004, roadway maintenance expenses were approximately $2.0 million, a $350,000 or 14.6% decrease from budgeted roadway maintenance expenses. This decrease is due to the reevaluation of certain non-routine repairs and upgrades to bridges of the System.

For the 5-month period ended November 30, 2004, administration and consultants expenses were approximately $2.5 million, a $700,000 or 21.2% decrease from budgeted administration and consultants expenses for such period. This decrease is due to salary and benefit decreases ($250,000) due to delays in filling several vacant positions; public communications decreases ($250,000) due to delays in implementing certain programs and general engineering consultant decreases ($100,000) due to a delay in certain projects (the annual inspection and updated Five-Year Work Program) which are scheduled later in the Fiscal Year.

FUTURE PLANS

The Authority has adopted its current (2005-2009) Five-Year Work Program, which is estimated to cost approximately $857 million. The Authority will utilize the net proceeds from the Series 2005 Bonds to partially fund the Authority's Five-Year Work Program. The Authority anticipates that it will utilize other legally available funds and the net proceeds of Additional Bonds to fund the remainder of the Five-Year Work Program. The Authority can offer no assurance that it can raise the amounts necessary to fund the remainder of the Five-Year Work Program.

The Authority updates its Five-Year Work Program annually. The Authority is in the process of developing its 2006-2010 Five-Year Work Program, which will become effective on July 1, 2005. The Authority expects a number of factors to affect the development of the new Five-Year Work Program, including, without limitation, SunPass™ penetration rates, potential cost sharing with other transportation agencies, the potential development of managed lanes and migration toward open-road tolling, price increases for construction materials, inflation generally and evolving County, regional, state and federal transportation priorities. In developing the new Five-Year Work Program and future Five-Year Work Programs, the Authority will be guided by its policies of maintaining satisfactory debt service coverage ratios, prioritizing revenue producing projects and maintaining flexibility.

The future operating results forecasted by the Traffic Consultant in the Traffic and Toll Revenue Study, included as Appendix C hereto, assumed that no additional Revenues would accrue to the Authority as a result of future Toll rate increases other than the Toll rate increase scheduled to be implemented on July 3, 2005. Achievement of the operating results forecasted by the Traffic Consultant is dependent on, among other factors, the same factors that affect development of the Five-Year Work Program.

CONTINUING DISCLOSURE

The Authority has agreed for the benefit of the Owners and the Beneficial Owners of the Series 2005 Bonds to provide certain financial information and operating data relating to it and the Series 2005 Bonds in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. Such agreements shall only apply so long as the Series 2005 Bonds remain outstanding under the Indenture. The Annual Report will be provided by the Authority to The Bank of New York, as its dissemination agent (the "Dissemination Agent"), which Dissemination Agent shall provide such Annual Report to each NRMSIR described in the Form of the Continuing Disclosure Agreement attached as Appendix F hereto, and any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be provided by the Dissemination Agent, upon the instructions of the Authority, to the Municipal Securities Rulemaking Board and the SID. The Continuing Disclosure Agreement permits such filings to be made by transmitting them to the Texas Municipal Advisory Council as provided at http://www.disclosureusa.org. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX F - The Continuing Disclosure Agreement," which shall be executed between the Authority and the Dissemination Agent at the time of issuance of

the Series 2005 Bonds. With respect to the Series 2005 Bonds, no party other than the Authority is obligated to provide, nor is expected to provide, any continuing disclosure information.

The Authority is presently in compliance with its prior continuing disclosure undertakings entered into pursuant to SEC Rule 15c2-12; however, as a result of an administrative oversight, the report for Fiscal Year 2000 was filed approximately one month late and due to the implementation of GASB 34, the report for Fiscal Year 2003 was filed approximately 1 month late.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened, seeking to restrain or enjoin the issuance or delivery of the Series 2005 Bonds or the refunding of the Refunded Series 1996 Bonds or the operation and financial control of the System by the Authority or questioning or affecting the validity of the Series 2005 Bonds or the refunding of the Refunded Series 1996 Bonds or the proceedings and authority under which the Series 2005 Bonds are to be issued and the Refunded Series 1996 Bonds are to be refunded. Neither the creation, organization or existence, nor the title of the present members of or other officers of the Authority to their respective offices is being contested. There is no litigation pending which in any manner questions the enforceability of the Act, the Indenture, the Department Agreements, the collection of the Tolls, the receipt of Revenues, or the pledge and use thereof for the payment of the principal of and interest on the Series 2005 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the Series 2005 Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2005 Bonds will be qualified, as to enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LEGALITY

Certain legal matters incident to the validity of the Series 2005 Bonds are subject to the approval of Greenberg Traurig, P.A., Miami, Florida, and Edwards & Associates, P.A., Miami, Florida, Co-Bond Counsel, whose approving opinions, the proposed form of which is attached hereto as Appendix G, will be delivered at the time of issuance of the Series 2005 Bonds. Certain legal matters will be passed upon for the Authority by its co-counsel, Greenberg Traurig, P.A., Miami, Florida, and Edwards & Associates, P.A., Miami, Florida, and for the Underwriters by their co-counsel, Squire, Sanders & Dempsey L.L.P., Miami, Florida and The Knox Firm, Miami, Florida.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Authority must continue to meet after the issuance of the Series 2005 Bonds in order that interest on the Series 2005 Bonds be and remain excludable from gross income for federal income tax purposes. The failure by the Authority to meet these requirements may cause interest on the Series 2005 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance. The Authority has covenanted in the Indenture to comply with the requirements of the Code in order to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2005 Bonds.

In the opinion of Co-Bond Counsel, assuming continuing compliance by the Authority with the tax covenant referred to above and the certifications and representations of the Authority under existing statutes, regulations, rulings and court decisions, interest on the Series 2005 Bonds will be excludable from gross income for federal income tax purposes. Interest on the Series 2005 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2005 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. Co-Bond Counsel are further of the opinion that the Series 2005 Bonds and the income thereon will be exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein.

Except as described herein, Co-Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on or disposition of the Series 2005 Bonds. Prospective purchasers of Series 2005 Bonds should be aware that the ownership of Series 2005 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2005 Bonds or, in the case of a financial institution, that portion of the owner's interest expense allocable to interest on a Series 2005 Bond, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on the Series 2005 Bonds, (iii) the inclusion of interest on the Series 2005 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on the Series 2005 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the Series 2005 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits.

RATINGS

Fitch Ratings ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. ("S&P") shall assign their ratings of "AAA," "Aaa" and "AAA," respectively, to the Series 2005 Bonds based on the issuance of the Policy concurrently with the issuance of the Series 2005 Bonds. Fitch, Moody's and S&P have assigned underlying ratings of "A," "A3" and "A," respectively, to the Series

2005 Bonds. Such ratings reflect the views of such rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. There is no assurance that such ratings will be in effect for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the Series 2005 Bonds.

DISCLOSURE PURSUANT TO SECTION 517.051, FLORIDA STATUTES

Pursuant to Section 517.051, Florida Statutes, no person may directly or indirectly offer or sell securities of the Authority except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Banking and Finance Department"). Pursuant to Rule 3E-400.003, Florida Administrative Code, the Banking and Finance Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the Authority, and certain additional information, unless the Authority believes in good faith that such information would not be considered material by a reasonable investor. The Authority has not defaulted as to principal of and interest on any of its obligations.

UNDERWRITING

The Underwriters listed on the cover page of this Official Statement will, subject to certain conditions, purchase their respective Series of Series 2005 Bonds from the Authority at an original aggregate purchase price of $240,308,951.50 (representing the total original principal amount of $241,400,000 less Underwriters' discount of $1,091,048.50). The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of their respective Series of the Series 2005 Bonds if any Series 2005 Bonds are purchased. The Series 2005 Bonds may be offered or sold to certain dealers (including dealers depositing such Series 2005 Bonds into investment trusts, including investment trusts managed by the Underwriters) at a price lower than the public offering price, and such public offering price may be changed from time to time by the Underwriters.

PROFESSIONAL CONSULTANTS

Financial Advisor

First Southwest Company, Miami Lakes, Florida is serving as Financial Advisor to the Authority with respect to the sale of the Series 2005. The Financial Advisor assisted in matters relating to the planning, structuring and issuance of the Series 2005 Bonds and provided other advice. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2005 Bonds.

Accountants

The Financial Statements of the Authority as of and for the Fiscal Years ended June 30, 2004 and 2003 included in Appendix D have been audited by KPMG LLP, independent auditors, as stated in their report appearing in Appendix D. KPMG LLP has not participated in the preparation of or review of this Official Statement. Such financial statements have been included as a matter of public record. Such financial statements speak only as of June 30, 2004 and June 30, 2003, respectively. KPMG LLP has not examined, compiled or applied agreed-upon procedures to the projected and/or forecasted data contained herein and, therefore, assumes no responsibility for such data. The consent of KPMG LLP for the use of the financial statements herein has not been sought.

General Engineering Consultant; Traffic Consultant

Dade Transportation Consultants serves as the Authority's General Engineering Consultant and Wilbur Smith Associates serves as the Authority's Traffic and Revenue Consultant. Dade Transportation Consultants and Wilbur Smith Associates are each a Consulting Engineer for purposes of the Indenture.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2005 Bonds, the security for and the source for repayment for the Series 2005 Bonds and the rights and obligations of the holders thereof. Copies of such documents may be obtained from the Authority by writing or calling the Miami-Dade County Expressway Authority, 3790 N.W. 21st Street, Miami, Florida 33142, Telephone No. (305) 637-3277.

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AUTHORIZATION OF OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the governing body of the Authority. At the time of delivery of the Series 2005 Bonds, the Chairman of the Authority will furnish a certificate to the effect that nothing has come to his attention which would lead him to believe that the Official Statement, as of its date and as of the date of delivery of the Series 2005 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY

By: */s/ Darryl K. Sharpton*
Chair

APPENDIX A

GENERAL INFORMATION RELATING TO MIAMI-DADE COUNTY, FLORIDA

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GENERAL INFORMATION RELATING TO MIAMI-DADE COUNTY, FLORIDA

Set forth below is certain general information concerning Miami-Dade County, Florida (the "County").

History

The County is the largest county in the southeastern United States in terms of land area and population. The County currently covers 2,209 square miles located in the southeastern corner of the State of Florida (the "State"), and includes, among other municipalities, the cities of Miami, Miami Beach, Coral Gables and Hialeah. In 2004, the population of the County was estimated to have been 2,372,000.

The County was created on January 18, 1836 under the Territorial Act of the United States. It included the land area now contained in Palm Beach County and Broward County, together with the land area of the present County. In 1909, Palm Beach County was formed from the northern portion of what was then the County, and 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.

Economy

The County's economy has been transitioning from mixed service and industrial in the 1970's to one dominated by services in the late 1990's. The shift to services is led by expansion within international trade, the tourism industry, and health services. Wholesale trade and retail trade have, and are projected to, become stronger economic forces in the local economy. This reflects the County's position as a wholesale center in Southeast Florida, which is serving a large international market. The tourism industry remains one of the largest sectors in the local economy.

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

International Commerce

The Greater Miami area is the center for international commerce in the southeastern United States. Its proximity to the Caribbean, Mexico, Central America and South America makes it a natural center of trade to and from North America. In addition, the international background of many of its residents is an essential labor force characteristic for multinational companies which must operate across language and cultural differences.

Trade with Latin America, Europe and countries in the Caribbean, during the past several years, has caused substantial growth in the number of financial institutions conducting business in the County. The large Spanish-speaking labor force, as well as the State's proximity to Latin America, have also contributed to the growth of the banking industry in the County. As of

September 2004, there were 24 Edge Act Banks throughout the United States; 7 of those institutions were located in the County with $5.4 billion on deposit as of September 30, 2004, according to the Federal Reserve Bank of Atlanta. Edge Act Banks are federally chartered organizations offering a wide range of banking services, but limited to foreign or international transactions only. Among these banking institutions are: American Express Bank International; HSBC Private International Bank; Citibank International and Banco Santander International.

The County had the highest concentration of foreign bank agencies on the east coast south of New York City with a total of 34 foreign chartered banks and over $17.1 billion on deposit as of September 30, 2004 according to the Florida Division of Banking.

Corporate Expansion

The favorable geographic location of the County, the trained commercial labor force and the favorable transportation facilities have caused the economic base of the County to expand by attracting many national and international firms doing business in Latin America. Among these corporations are: BF Goodrich Aerospace, General Electric Company, Federal Express Corporation, Panasonic and IBM Corporation.

Significant strides have been made in the location of non-manufacturing firms in the County. Other national firms which established international operations or office locations in the County are: Ryder Systems, Burger King, The Gap, Ericsson, 3M, Black & Decker (US), Inc., Caterpillar, Inc., Oracle Corporation and Lennar.

Industrial Development

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

IDA's principal program, tax-exempt industrial development revenue bond program, has generated 411 applications through December 31, 2004. Bonds for 203 company projects have been issued for a total aggregate volume in excess of $1.2 billion. Approximately 9,184 new jobs have been generated by these projects. The IDA continues to manage approximately 58 outstanding industrial development revenue bond issues, approximating $631 million in capital investment.

In addition, between 1979 and the creation of the Beacon Council in 1986, the IDA has also 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.

Other Developmental Activities

In October, 1979, the Miami-Dade County Health Facilities Authority (the "Health Authority") was formed to assist not-for-profit health care corporations through the issuance of

tax-exempt bonds or notes to acquire, construct, improve or refinance health care projects located in the County. Since its inception, the Health Authority has issued 23 series of revenue bonds for 16 projects and 16 advance refundings. As of December 31, 2004, the total amount of revenue bonds issued by the Health Authority was $1,220,180,000.

In October, 1969, the Board created the Miami-Dade County Educational Facilities Authority (the "EFA") for the purpose of assisting institutions of higher learning within the County with an additional means to provide facilities and structures needed to maintain and expand learning opportunities and intellectual development. As of December 31, 2004, the EFA has issued 37 series of revenue bonds for 25 projects and 22 advance refundings, totaling $967,985,000.

Since the inception of the Housing Finance Authority of Miami-Dade County (Florida) (the "HFA") in December 1978 and through December 31, 2004, the HFA has generated $1,102,421,000 of mortgage funds through the issuance of revenue bonds under the Single Family Mortgage Revenue Bond Program benefitting approximately 12,000 families in the County. The purpose of issuing these bonds is 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.

Under the HFA's Multi-Family Mortgage Revenue Bond Program, as of December 31, 2004 revenue bonds aggregating $911,780,385 have been issued for new construction or rehabilitation of 16.752 units.

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

Film Industry

The County's film and entertainment industry continues as the third largest production center in the U.S., lagging only behind Los Angeles and New York City. The County hosted over 3,500 film, television and commercial advertising shoots in 2004, which contributed more than $208 million in direct expenditures to the local economy. Location filming exceeded previous year totals by more than 25%, with high profile productions such as MTV's Video Music Awards show and CBS' CSI: Miami, feature films from Luc Besson (Transporter II) and Paris Hilton (National Lampoon's Pledge This) and more than 120 commercials filmed in this area. Production of Spanish language television from broadcast giants Telemundo and Univision and dozens of Latin cable networks also continued on an upward trend in Miami, with thousands of hours of programming produced during 2004. The strength of the Euro against the dollar contributed to a robust year for European still photo and commercial advertising shoots, with production companies from the U.K., Germany and Spain in particular returning in numbers not seen since the 1990's.

Surface Transportation

The County owns and operates through its Transit Agency (a County department) a unified multi-modal public transportation system. Operating in a fully integrated configuration,

the County's Transit Agency provides public transportation services through: (i) Metrorail - a 22.4-mile, 22-station elevated electric rail line connecting South Miami-Dade and the City of Hialeah with the Downtown and Civic Center areas providing 15.5 million passenger trips annually; (ii) Metromover - a fully automated, driverless 4.25-mile elevated electric double-loop people-mover system interfaced with Metrorail and completing approximately 8.2 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 33 million miles per year, interconnecting with all Metrorail stations and key Metromover stations, and providing over 97 million passenger trips annually.

Additionally, the County provides paratransit service to qualified elderly and handicapped riders through its Special Transportation Service which supplies over 1,300,000 passenger trips per year in a demand-response environment.

Airport

The County owns and operates the Airport, the principal commercial airport serving Southeast Florida. The Airport is currently handling approximately 30,244,119 passengers and 1,942,119 tons of air freight annually and is classified by the Federal Aviation Administration as a large hub airport, the highest classification given by that organization. The Airport is also one of the principal maintenance and overhaul bases, as well as a principal training center for the airline industry in the United States, Central and South America and the Caribbean.

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

Passengers and Cargo Handled by
Miami International Airport
2000-2004

Fiscal Year Ended September 30,	Passengers	Cargo (in tons)
2000	33,743,000	1,799,225
2001	33,048,741	1,840,936
2002	29,349,913	1,763,292
2003	29,532,547	1,775,087
2004	30,244,119	1,942,119

Source: Miami-Dade County Aviation Department

Seaport

The Port, which covers 525 acres, is owned by the County and operated by the Seaport Department. It is the world's largest passenger port. Embarkations and debarkations on cruise ships totaled 3,499,584 for the Fiscal Year ended September 30, 2004. With the increase in activity from the recovering economies of the Caribbean Basin Nations and of South and Central

America, cargo tonnage amounted to 8,620,356 tons at the Port for the Fiscal Year ended September 30, 2004.

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

Passengers and Cargo Handled by Port
2000-2004

Fiscal Year Ended September 30,	Cruise Passengers	Cargo (in tons)
2000	3,364,643	7,804,946
2001	3,391,091	8,247,004
2002	3,642,990	8,681,735
2003	3,960,614	9,002,359
2004	3,499,584	8,620,356

Source: Miami-Dade County Seaport Department

Tourism

The Greater Miami area is a leading center for tourism in the State. Miami was the primary destination for more nonresidential air travelers behind Orlando according to the Florida Division of Tourism of the Department of Commerce. It is also the principal port of entry in the State for international air travelers. During 2003, 88.6% of international air travelers (excluding travelers from Canada and Mexico) entering the State arrived through the Airport, according to statistics compiled by the U.S. Department of Transportation.

It is reported that the visitors market in the County is shifting away from the traditional tourist market to a "convention group market." This is reflected in the expansion and renovation of lodging facilities as well as in the marketing efforts of South Florida hoteliers, including the expansion and remodeling by the City of Miami Beach, with the assistance of the County, of the Miami Beach Convention Center, the largest existing convention center in the County, from 250,000 to 500,000 square feet of exhibition space. The convention group market is generally less sensitive to fluctuations in disposable personal income.

The following is a five-year schedule of domestic and international visitors and the estimated economic impact produced by those visitors:

Tourism Statistics
1999-2003

	Visitors (in thousands)			Estimated Economic Impact (in thousands)		
	Domestic	Int'l	Total	Domestic	Int'l	Total
1999	4,426	5,470	9,896	4,700,000	8,000,000	12,700,000
2000	4,462	5,639	10,101	4,800,000	8,600,000	13,400,000
2001	5,264	5,246	10,510	7,159,000	6,840,000	13,999,000
2002	5,316	4,915	10,231	6,196,000	5,614,000	11,810,000
2003	5,640	4,805	10,445	5,740,000	4,117,000	9,857,000

International Visitors by Region
1999-2003
(in thousands)

	European	Caribbean	Latin American	Canada Japan/Other	Total
1999	1,401	744	2,557	768	5,470
2000	1,444	763	2,627	805	5,639
2001	1,221	701	2,581	743	5,246
2002	1,124	684	2,424	683	4,915
2003	1,097	639	2,401	668	4,805

Source: Greater Miami Convention and Visitors Bureau.

Employment

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

ESTIMATED EMPLOYMENT
IN NON-AGRICULTURAL ESTABLISHMENTS
2001-2003

	Sept. 2002	Percent	Sept. 2003	Percent	Sept. 2004	Percent
Goods Producing Sector						
Contract Construction	40,900	3.9%	41,800	4.0%	44,000	4.3%
Manufacturing	58,000	5.7	56,300	5.5	50,500	5.0
Mining	500	0.1	500	0.1	400	0.0
Total Goods-Producing	99,400	9.7	98,600	9.6	94,900	9.4
Service Producing Sector						
Transportation & PU	66,600	6.5	63,800	6.2	63,200	6.2
Wholesale Trade	70,400	6.9	71,200	6.9	72,300	7.1
Retail Trade	119,600	11.7	119,500	11.7	116,800	11.5
Information	30,200	3.0	29,600	2.9	27,300	2.7
Finance Activities	65,400	6.4	65,800	6.4	69,500	6.9
Professional and Business Services	159,500	15.6	163,900	16.0	151,000	14.9
Education and Health Services	127,000	12.4	129,500	12.6	132,700	13.1
Leisure and Hospitality	90,100	8.8	91,200	8.9	91,300	9.0
Other Services	41,300	4.1	38,500	3.8	42,800	4.2
Government	151,600	14.9	153,800	15.0	152,100	15.0
Total Services	921,700	90.3	926,800	90.4	919,000	90.6
Total	1,021,100	100.0	1,025,400	100.0	1,013,900	100.0

Source: State of Florida Department of Labor and Employment Security. Miami-Dade County, Department of Planning and Zoning, Research Section, September 2004.

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

Age Group	2000	2005	2010	2015	2020	2025	2030
Under 5	145,752	164,644	168,009	175,015	183,774	194,415	209,296
05-09	157,871	153,255	170,529	175,324	182,337	193,563	197,048
10-14	160,754	170,412	159,986	183,579	182,600	197,200	202,414
15-19	154,989	172,686	181,976	172,049	196,161	198,140	211,280
20-24	144,721	166,514	183,530	195,614	183,794	212,975	213,179
25-29	163,859	158,147	177,426	198,820	208,833	199,826	229,294
30-34	173,574	174,071	170,467	186,244	213,105	219,492	215,541
35-39	191,834	178,047	183,093	174,505	194,029	216,428	229,635
40-44	170,132	195,093	181,278	186,577	177,206	195,428	219,434
45-49	150,878	171,680	197,054	184,636	188,229	179,319	196,655
50-54	131,888	148,010	172,180	195,378	186,055	185,865	181,306
55-59	109,141	127,118	144,316	167,402	191,729	180,822	183,415
60-64	97,417	102,476	120,591	135,837	160,052	181,586	174,506
65-69	84,496	89,564	95,529	109,879	126,951	146,785	171,861
70-74	77,761	74,799	81,448	84,311	99,100	111,834	133,859
75-79	59,856	63,914	64,969	67,282	72,940	81,299	97,033
80-84	39,971	46,972	50,074	54,306	53,017	60,409	63,841
85 & Over	38,468	46,364	48,834	56,364	58,277	64,414	58,195
Total	2,255,362	2,405,771	2,553,299	2,705,137	2,860,209	3,021,825	3,189,822
Under 16	495,375	552,848	534,919	568,328	587,943	624,806	651,014
16-64	1,457,435	1,559,305	1,675,516	1,762,652	1,859,961	1,930,253	2,011,989
65 & Over	300,552	321,613	340,854	372,142	410,285	464,741	524,789
Total	2,253,362	2,433,766	2,551,289	2,703,122	2,858,189	3,019,800	3,187,792

Source: Miami-Dade Department of Planning and Zoning, Research Section, 2004.

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

Year	Population in Incorporated Areas	Population in Unincorporated Areas	Total	Percentage Growth in Population
Trends:				
1960	582,713	352,334	935,047	N/A
1970	730,425	537,367	1,267,792	36.5%
1980	829,881	795,900	1,625,781	28.2
1990	909,371	1,027,723	1,937,094	19.1
1995	973,912	1,110,293	2,084,205	7.6
2000	1,049,074	1,204,288	2,253,362	8.1
2001	1,078,455	1,204,864	2,283,319	1.3
2002	1,080,909	1,222,138	2,303,047	1.3
2003	1,100,442	1,242,297	2,342,739	1.3
2004	1,265,077	1,107,341	2,372,418	1.3
Forecast:				
2005	1,276,571	1,125,534	2,402,105	2.5
2010	1,331,318	1,219,966	2,551,284	6.2
2015	1,382,536	1,320,578	2,703,114	6.0

Source: U.S. Census Bureau and Miami-Dade County, Department of Planning and Zoning, Research Section, 2004.

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

Year	Total	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]	2,402	1,455	497	483
2010[2]	2,551	1,621	526	442
2015[2]	2,703	1,794	554	395
2020[2]	2,858	1,972	583	347
		(In Percentages)		
1970	100%	24%	15%	62%
1975	100%	32%	16%	52%
1980	100%	36%	17%	48%
1985	100%	43%	21%	37%
1990	100%	49%	21%	31%
1995	100%	55%	21%	25%
2000	100%	57%	20%	24%
2005[2]	100%	61%	21%	20%
2010[2]	100%	64%	21%	17%
2015[2]	100%	66%	21%	15%
2020[2]	100%	69%	20%	12%

Note: (1) Persons of Hispanic origin may be of any race. Hispanic Blacks are counted as both Hispanic and as Black. Other Non-Hispanics are grouped with Non-Hispanic White category. Sum of components exceeds total.
(2) Projections

Source: U.S. Bureau of the Census, Census of population, 1950-2000. Miami-Dade County Department of Planning and Zoning, Research Section, 2003.

The following tables set forth the leading twenty County employers:

Twenty Largest Public and Private Employers

Employers' Name	Number of Employees
Miami-Dade County Public Schools	54,387
Miami-Dade County	32,265
Federal Government	20,100
State of Florida	18,900
Jackson Memorial Hospital Public Health Trust	11,700
Baptist Health Systems of South	10,300
University of Miami	9,367
American Airlines	9,000
Miami - Dade Community College	7,500
Florida International University	5,000
United Parcel Service	5,000
Bell South	4,800
Winn-Dixie Stores	4,616
Precision Response Corporation	4,196
Publix Super Markets	4,000
City of Miami	3,954
Florida Power & Light Company	3,665
Burdines Macy's	3,368
VA Medical Center	2,400
City of Miami Beach	1,839

Source: The Beacon Council/Miami-Dade County, Florida, *Miami Business Profile 2004/2005*

The following table sets forth the unemployment rates within the County:

UNEMPLOYMENT RATES
2000-2004

Area	2000	2001	2002	2003	2004
USA	4.0%	4.8%	5.7%	6.0%	5.6%*
Florida	3.6	4.8	5.4	5.3	4.7
Miami-Dade County	5.3	6.9	7.5	7.5	6.5

*Annual Avg. through September, 2004

Source: Florida Agency for Workplace Innovation, Office of Workforce Information Services, Labor Market Statistics and Miami-Dade County, Department of Planning and Zoning, Research Section, 2004.

PER CAPITA INCOME
1998 - 2002

Year	USA	Southeastern	Florida	Miami-Dade
1998	$27,321	$24,783	$26,931	$23,972
1999	28,546	25,743	27,781	24,733
2000	29,469	26,194	27,764	25,320
2001	30,413	27,169	29,048	26,594
2002	30,906	27,837	29,758	26,780

Source: 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, 2004.

APPENDIX B

REPORT OF GENERAL ENGINEERING CONSULTANT

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MIAMI-DADE EXPRESSWAY AUTHORITY

Fiscal Year 2005-2009 Projects

Consulting Engineer's Report

TRANSPORTATION DADE CONSULTANTS A JOINT VENTURE

February 2005

FINAL

REPORT OF THE GENERAL ENGINEERING CONSULTANT
FISCAL YEARS 2005 – 2009 PROJECTS

February 14, 2005

Prepared for

MIAMI-DADE COUNTY
EXPRESSWAY AUTHORITY

Prepared by

Dade Transportation Consultants

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EXECUTIVE SUMMARY

The purpose of this document is to provide a report from the General Engineering Consultant on (i) the physical condition of the existing Miami-Dade County Expressway Authority (MDX) System, and (ii) ongoing projects, including the adopted MDX Five-Year Work Program, which covers Fiscal Years (FY) 2005–2009. This report also documents the estimated costs associated with the projects included within the adopted MDX Five-Year Work Program, and provides commentary on other ongoing MDX developments relative to its operations and maintenance activities.

In July of 1998, MDX adopted its first Long-Range Master Transportation Plan (LRMTP). The LRMTP consists of numerous transportation improvement projects through FY 2020. The adopted Five-Year Work Program (FY 2005–2009) reflects progress made on projects initially identified in the current LRMTP. The projects are classified as new toll facilities, new expansion projects or improvements to the existing system. The FY 2005-2009 Five Year Work Program estimate of probable cost is $857 million. MDX is in the process of updating its LRMTP to include transportation projects through FY 2025.

MDX's Administrative, Maintenance, Toll Operations, and Renewal and Replacement and Capital Improvement costs are calculated through a collaborative process among MDX management, MDX staff and Dade Transportation Consultants (DTC) staff. Costs are estimated for capital and operating requirements, with assumptions clearly documented and coordinated with MDX management. The original cost estimates are adjusted by a 3.6% annual growth factor to allow for inflation. The right-of-way cost estimates are adjusted by an 8% annual growth factor to reflect the anticipated increase in acquisition costs. Opening dates of future transportation improvement projects directly reflect the toll revenue opening dates to ensure that future revenue corresponds to the associated future costs.

The General Engineering Consultant has estimated an implementation schedule and probable implementation cost for each project through the end of the Five-Year Work Program. These estimates include timing and funds required for project development, Preliminary Design and

Environmental (PD&E), final design, right-of-way acquisition, design/build and construction. Based on the General Engineering Consultant's review, both the estimate of probable cost and the schedule appear reasonable.

MDX has adopted the Florida Department of Transportation's (FDOT) Maintenance Rating Program (MRP) to evaluate and measure system conditions. Since implementation of this program in FY 2002, the expressways' operational condition has shown constant improvement corresponding to an increased level of patron service. The MDX system roadway and toll facilities are in good condition.

MDX has undertaken a program to upgrade its roadway and toll collection facilities. MDX has deployed the Miami Toll System (MTS) and implemented dual Electronic Toll Collection (ETC) lanes at the SR 874, SR 112 and SR 924 toll plazas, and two high-speed express ETC lanes at the SR 836 toll plaza. The system is fully compatible with the FDOT system, and enhances MDX's revenue stream through increased operational efficiency and compliance. MDX has initiated several major transportation improvement projects that will provide increased mobility and expand the total lane miles within the system.

Section 1
MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY

1.1 EXPRESSWAY AUTHORITY MISSION

In 1994, the Florida Legislature amended Florida Statutes, Chapter 348, Part 1, enabling the creation of the MDX. On December 13, 1994, through Ordinance 94-215, the Board of County Commissioners ("County Commission") of Miami-Dade County created MDX. The intent behind the formation of MDX was to establish a responsive additional funding source to address transportation needs in Miami-Dade County (the "County"). The MDX Governing Board (the "Board") has formally adopted the following mission statement:

"*It is the mission of the Miami-Dade County Expressway Authority to be an innovative transportation agency dedicated to the enhancement of mobility in Miami-Dade County.*"

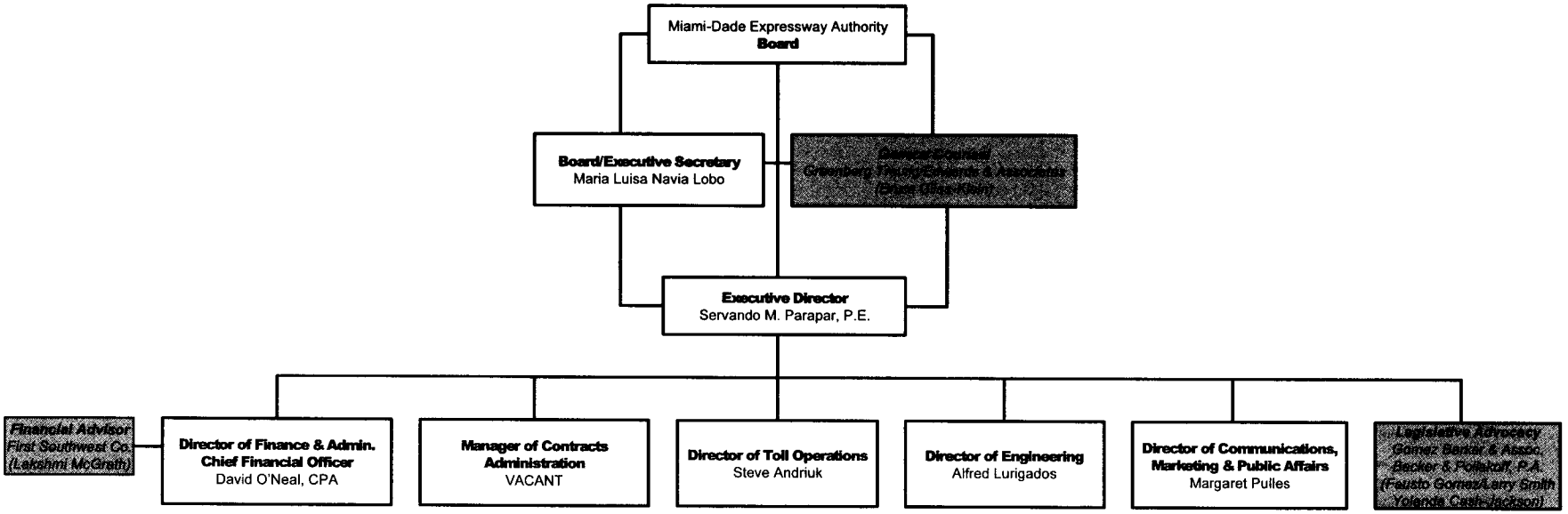
1.2 GOVERNANCE

MDX is governed by a thirteen-member volunteer Board consisting of business and civic leaders, all of whom must reside in the County. Florida's Governor appoints five members of the Board, while the County Commission appoints seven. The thirteenth member, the Florida Department of Transportation District Six Secretary, serves as an ex-officio member. Board members serve four-year terms without compensation.

MDX operates under a management philosophy that provides for a qualified administrative staff of limited size, with reliance on contracted consultant assistance for specific tasks. Key management positions currently retained by MDX include the following: Executive Director, Director of Finance and Administration/Chief Financial Officer, Engineering Director, Director of Toll Operations, and Director of Communications Marketing and Public Relations. The current staff organization is shown in Figure 1-1.

MIAMI-DADE EXPRESSWAY AUTHORITY

FISCAL YEARS 2005 – 2009
CONSULTING ENGINEER'S REPORT



TRANSPORTATION DADE CONSULTANTS A JOINT VENTURE

MDX Organization Chart

Figure 1-1

The Executive Director reports to the Board on expressway planning, engineering, construction, financing and operating activities. The Board provides overall policy direction to the Executive Director for implementation of MDX activities. The Executive Director, Servando M. Parapar, P.E., has more than 30 years of experience in transportation planning, toll operations, financing and administration. Prior to becoming the MDX's first Executive Director in 1996, Mr. Parapar held the position of District Director of Planning for the Florida Department of Transportation (FDOT) in Miami.

In FY 2003, MDX commissioned a study to make recommendations on adjustments to the MDX organizational structure to facilitate implementation of the MDX Five-Year Work Program. The State of Florida had imposed mandatory staff reductions proposed by the Governor at that time. This move affected MDX by forcing the accelerated transition of toll operations from the control of the Florida Department of Transportation (FDOT) to MDX, which assumed direct management and control of all roadway and toll collection operations and maintenance. The study, performed by BearingPoint (formerly known as KPMG), was designed to identify options available to MDX to effect the necessary privatization in the following functional areas:

- Toll Operations (in-house and contract staff)
- Highway Maintenance and Operations

The study was also designed to identify improvements in selected administrative functions related to these two functional areas, evaluate options for providing in-house legal counsel and deputy executive management at MDX.

The study concluded with the following recommendations per functional area:
Finance and General Accounting: Create the following new positions: Controller to direct MDX's external and internal audit functions; Accounting supervisor; and an additional Staff Accountant. Rename the existing "Account Clerk" position to "Staff Accountant."
Purchasing: Augment MDX's Procurement Office staff to meet the Authority's current workload and anticipated growth in consultant and construction contract work.

BearingPoint recommended that MDX create and fill two new positions to address these needs: a Contract Specialist and a Purchasing Clerk.

Human Resources: Create a new position entitled Manager, Human Resources that would incorporate all Human Resources functions. Eliminate the existing Human Resource Generalist position.

Office Management: Create and fill a new Office Manager position.

Communications, Marketing and Public Affairs: Fill the vacant Director of Communications, Marketing and Public Affairs position as approved by the MDX Board.

Governmental Relations: Before MDX hires additional staff to transcend the current level of intergovernmental involvement, its Board should develop a consensus for the need to establish an overarching strategy, i.e., a framework for guiding the Authority's advocacy efforts and relationships at the regional, state and federal level.

Other miscellaneous recommendations: BearingPoint's recommendations for improving MDX's in-house staffing capabilities in finance and accounting are based on the following assumptions concerning the Authority's new financial management system: a) MDX will implement the MUNIS financial management software suite in the following modules: general ledger, budgeting, accounts payable, project accounting, fixed assets, purchase orders and requisitions; b) it is assumed that MDX staff members will be appropriately trained and reasonably proficient in using the above MUNIS application; c) MDX will review and re-engineer its finance and accounting work processes as required to maximize the benefit of its investment in MUNIS; d) MDX will create a formal set of approved policies and procedures to guide staff in acceptable methods for performing finance and accounting activities, and e) staff will be appropriately trained/educated to correctly follow or apply these principles.

MDX is currently in the process of implementing the recommendations outlined in the BearingPoint study to increase the efficiency of its operations and to respond to the growing Five-Year Work Program with its associated demands on MDX staff.

MDX and FDOT mutually cancelled the roadway and toll operations agreements that were put in place earlier. This cancellation led to the transfer of operational authority for toll collections, violation auditing and maintenance of equipment to MDX. Since the

publication of the last Consulting Engineer's Report, MDX successfully deployed, as part of the Miami Toll System, the violation enforcement and processing system including integration with the Florida Department of Law Enforcement to initiate the issuance of citations to toll violators. The Miami Toll System replaced hardware and software components of the toll collection system previously operated by FDOT.

MDX management staff is supported by multi-disciplined consulting firms, all of which have extensive experience in their respective fields. Table 1-1 details the key supporting firms under contract to MDX.

Table 1-1

MDX CONSULTANTS

Area of Expertise	Firm Name/Firm Type	Participants
General Counsel	Greenberg Traurig - Joint Venture	Greenberg Traurig, P.A. Edwards & Associates, P.A.
General Engineering Consultant	Dade Transportation Consultants - Joint Venture	PBS&J, Inc. Bermello-Ajamil & Partners, Inc. EAC Consulting, Inc.
Financial Advisor	Prime Consultant	First Southwest Company
Public Communications	Prime Consultant	Pantin / Beber Silverstein Sonshine Communications
Traffic and Revenue Consultant	Prime Consultant	Wilbur Smith Associates
Auditor	Prime Consultant	KPMG, L.L.P.
Legislative Advocacy	Joint Venture	Gomez Barker Associates Lawrence J. Smith Becker & Poliakoff, P.A.
Roadway Maintenance	Prime Contractor	Virginia Maintenance Systems, Inc. (VMS)
Toll Operations	Prime Contractor	Washington Group International, Inc. (WGI)

In addition to the firms indicated in Table 1-1, MDX is supported by a number of additional firms in various areas such as design, construction engineering and inspection, materials testing, property appraisal, environmental, eminent domain counsel, operations personnel, risk management and construction.

1.3 TRANSFER AGREEMENT

In December 1996, the FDOT transferred operational and financial control of five expressway facilities in the County to MDX. These facilities make up the existing MDX system. At this time, MDX also entered into separate agreements with FDOT for the operation and maintenance of the five expressways. The agreements covered toll collection and toll facility maintenance and roadway and bridge maintenance and operations. Since that time, MDX has fully assumed direct management of both roadway operations and maintenance, and toll collections and operations. The Annual Budget includes line items for all contracts executed by MDX for the various aspects of operations and maintenance. A more detailed discussion on the maintenance and operational aspects of the MDX System is included in Sections 2.4.2 and 2.4.3.

1.4 TRANSPORTATION PLAN

The current MDX LRMTP, covers transportation needs and includes projects through FY 2020. The adopted Five-Year Work Program (FY 2005–2009) shows the status of all projects that are ongoing. The LRMTP is in the process of being updated to include transportation projects through FY 2025.

Section 2
THE EXPRESSWAY SYSTEM

2.1 OVERVIEW OF THE MDX SYSTEM

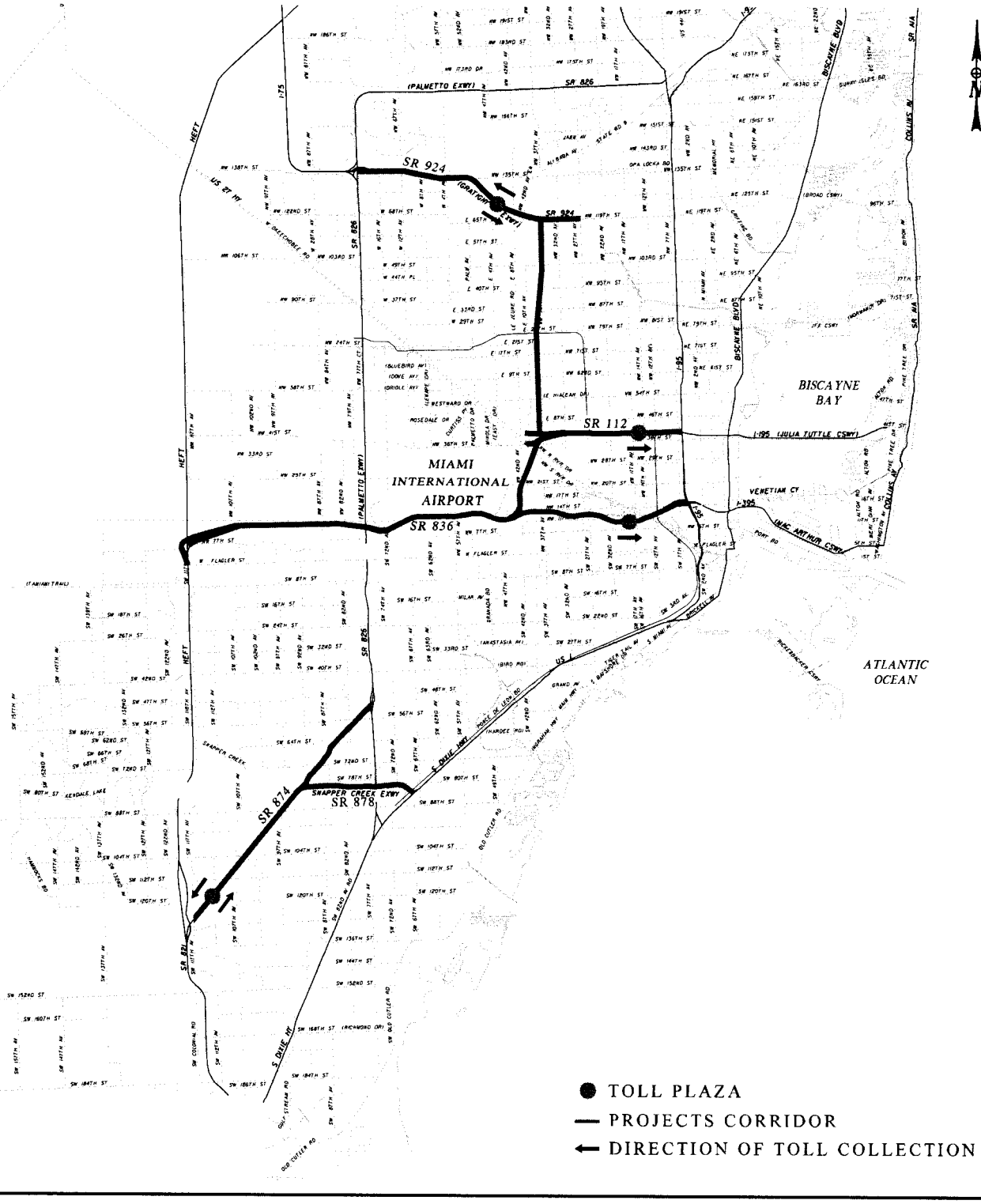
The existing MDX System, shown in Figure 2-1, consists of the five primary roadways noted below. The existing system contains 31.2 centerline miles of highway, 209.22 lane-miles, 4 mainline toll plazas, 120 bridges and various other structures along the following expressways.

- Airport Expressway (SR 112) from LeJeune Road & NW 21st Street to I-95
- East-West Expressway (SR 836) from Florida's Turnpike to I-95
- South Dade Expressway (SR 874) from Florida's Turnpike to SR 826
- Snapper Creek Expressway (SR 878) from SR 874 to US 1
- Gratigny Parkway (SR 924) from SR 826 to NW 27th Avenue

A summary of the historic traffic volumes at the mainline toll plazas is shown in Table 2-1. As summarized in the table, daily traffic volumes on all the existing expressways have fluctuated over the previous ten-year period.

The existing expressway system is discussed in more detail in the following sections that include:

- A description of the facilities;
- A description of the overall expressway system's physical condition; and
- A summary of the FY 2005-2009 Five-Year Work Program.



TRANSPORTATION DADE CONSULTANTS

EXISTING SYSTEM

FIGURE 2-1

Table 2-1
Historical Average Annual Daily Traffic Volumes (AADT)
Existing MDX System

Calendar Year	East-West Expressway (1)	Airport Expressway (2)	Don Shula Expressway (3)	Gratigny Expressway (4)	Snapper Creek Expressway (5)
2004	151,300[6]	78,500[7]	72,900[8]	41,000[8]	53,300[9]
2003	122,800[10]	85,000[10]	70,500[11]	39,000[11]	52,500[12]
2002	138,500[13]	90,500	70,500	40,000	51,500[14]
2001	123,130	102,900	67,760	41,140	52,990
2000 [15]	150,360	102,700	76,570	42,860	41,300[16]
1999 [17]	146,500	107,000	70,500	33,500	51,000
1998	144,000	91,000	75,000	38,500	43,500

Source: FDOT Systems Planning Office
AADT refers to Average Annual Daily Traffic volumes

Notes:
(1) – Data collected at mainline toll plaza.
(2) – Data collected East of NW 17th Avenue.
(3) – North of Toll Plaza, south of Killian Parkway ramps.
(4) – West of Le Jeune Road.
(5) – ADT recorded on mainline east of SW 87th Avenue. Snapper Creek Expressway has no mainline toll plaza.
(6) – Total AADT for the eastbound and westbound direction combined was obtained by adding the eastbound AADT calculated from data provided by the Toll Plaza Operations Office for the week of March 2, 2004 to March 4, 2004 with the westbound AADT calculated from the 72-Hour vehicles volume counts performed during the week of March 2, 2004 to March 4, 2004.
(7) – Total AADT for the eastbound and westbound direction combined was obtained by adding the eastbound AADT calculated from data provided by the Toll Plaza Operations Office for the week of March 23, 2004 to March 26, 2004 with the westbound AADT calculated from the 24-Hour vehicles volume counts performed on March 23, 2004. Technical difficulties in the field did not allow the completion of the 72-Hour counts.
(8) – AADT obtained from data obtained from the Toll Plaza Operations Office from January 2004 to April 2004.
(9) – Total AADT was obtained from the 72-Hour vehicles volume counts performed during the week of March 2, 2004 to March 4, 2004.
(10) –AADT for the eastbound and westbound direction combined was obtained by adding the eastbound AADT calculated from the data provided by the Toll Plaza Operations Office for the period of September 2003 to December 2003 with the westbound AADT calculated from the 48-Hour vehicle volume count performed from April 8, 2003 to April 9, 2003.
(11) – Total AADT calculated from the data obtained from Toll Plaza Operations Office from September 2003 to December 2003.
(12) - AADT obtained from the FDOT Traffic Information Database for the year 2003.
(13) – Data collected East of NW 27 Avenue.
(14) - AADT obtained from the FDOT Traffic Information Database for the year 2002.
(15) – Volumes from traffic counts by WSA collected in November 2000.
(16) – Data was collected west of 87th Avenue.
(17) – Volumes from FDOT 1999 Database.

2.2 EXISTING SYSTEM DESCRIPTION

The existing expressway System is discussed in more detail below.

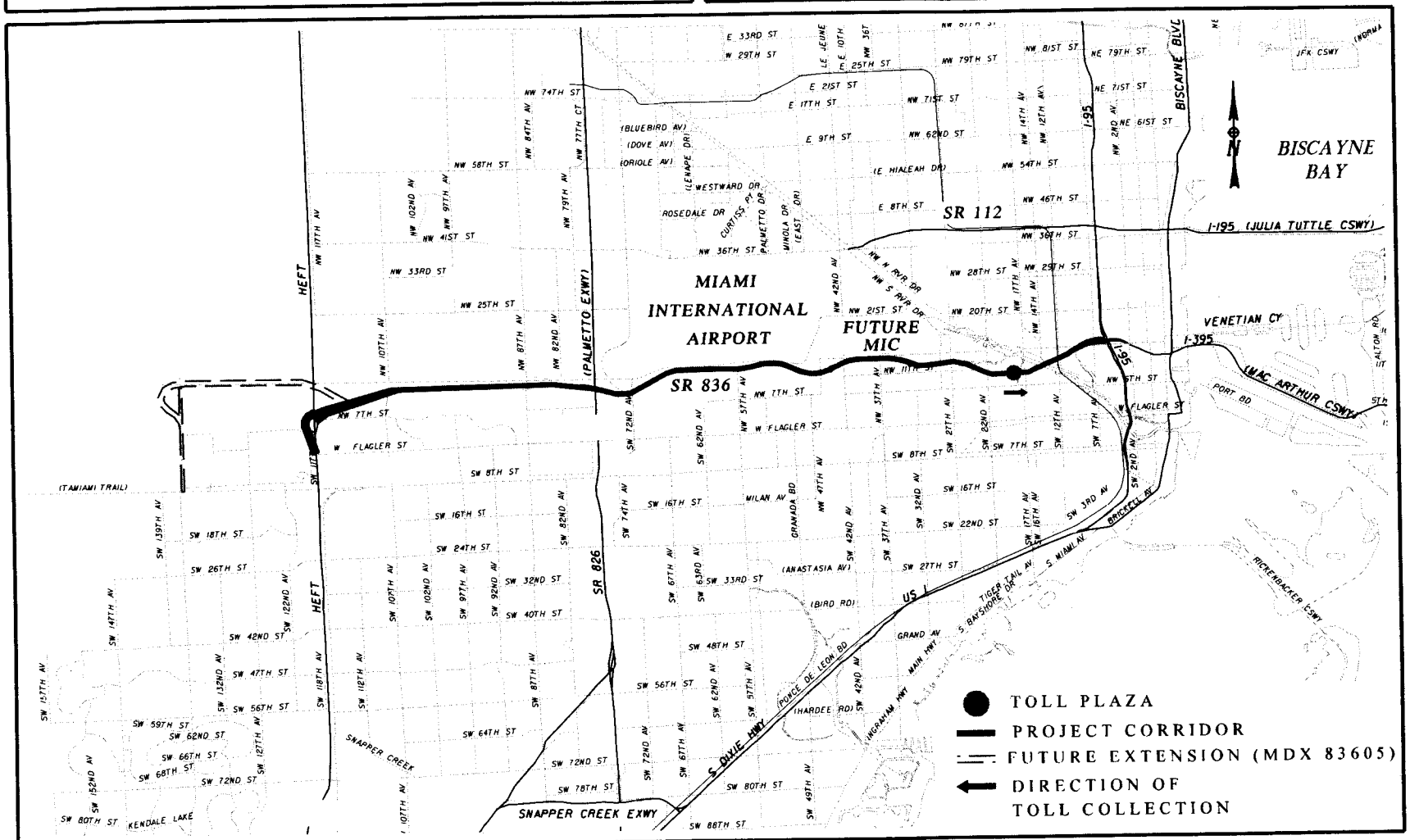
The East-West Expressway (SR 836), also known as the Dolphin Expressway (see Figure 2-2), is a six-lane facility, oriented in the east-west direction serving as the main expressway link between downtown Miami, the central and western areas of the County, and the Miami International Airport (MIA). The highway is 11.756 miles in length, contains a total of 87.36 lane miles, and extends from an interchange with the Homestead Extension of Florida's Turnpike (HEFT) to an interchange with I-95 near downtown Miami.

There is one mainline toll plaza located just west of the NW 17th Avenue interchange, collecting tolls in the eastbound direction only. MDX recently completed reconstruction of this toll facility with a mainline plaza with six conventional toll lanes, two Express electronic toll collection (ETC) lanes and, a separate ramp with its own four-lane toll plaza to NW 17th Avenue. Two of the lanes in the new ramp plaza are dedicated ETC lanes. The ramp and toll plaza to NW 17th Avenue were opened to traffic on June 3, 2002 and the mainline plaza was opened to traffic on November 20, 2003. MDX Project No. 30002 completed resurfacing of SR 836 from NW 87th Avenue to NW 37th Avenue including installation of an opaque visual barrier along the existing median barrier wall. This project was completed during FY 2003.

The Airport Expressway (SR 112) is a six-lane toll road that serves east-west commuter traffic in eastern Miami-Dade County, providing access to and from MIA on the west, and to I-95 on the east (see Figure 2-3). The highway is 4.132 miles in length, contains 27.4 lane miles, and extends from LeJeune Road & NW 21st Street to an interchange with I-95. The toll plaza is situated across the eastbound lanes only, and is located east of NW 17th Avenue. There are two dedicated ETC lanes, two manual lanes, and two automatic coin machine lanes serving the three eastbound through lanes. One of the manual lanes also has ETC equipment to provide for mixed usage.

MDX
MIAMI-DADE EXPRESSWAY AUTHORITY

FISCAL YEARS 2005-2009
CONSULTING ENGINEER'S REPORT



DOLPHIN (EAST-WEST) EXPRESSWAY (SR 836)

FIGURE 2-2

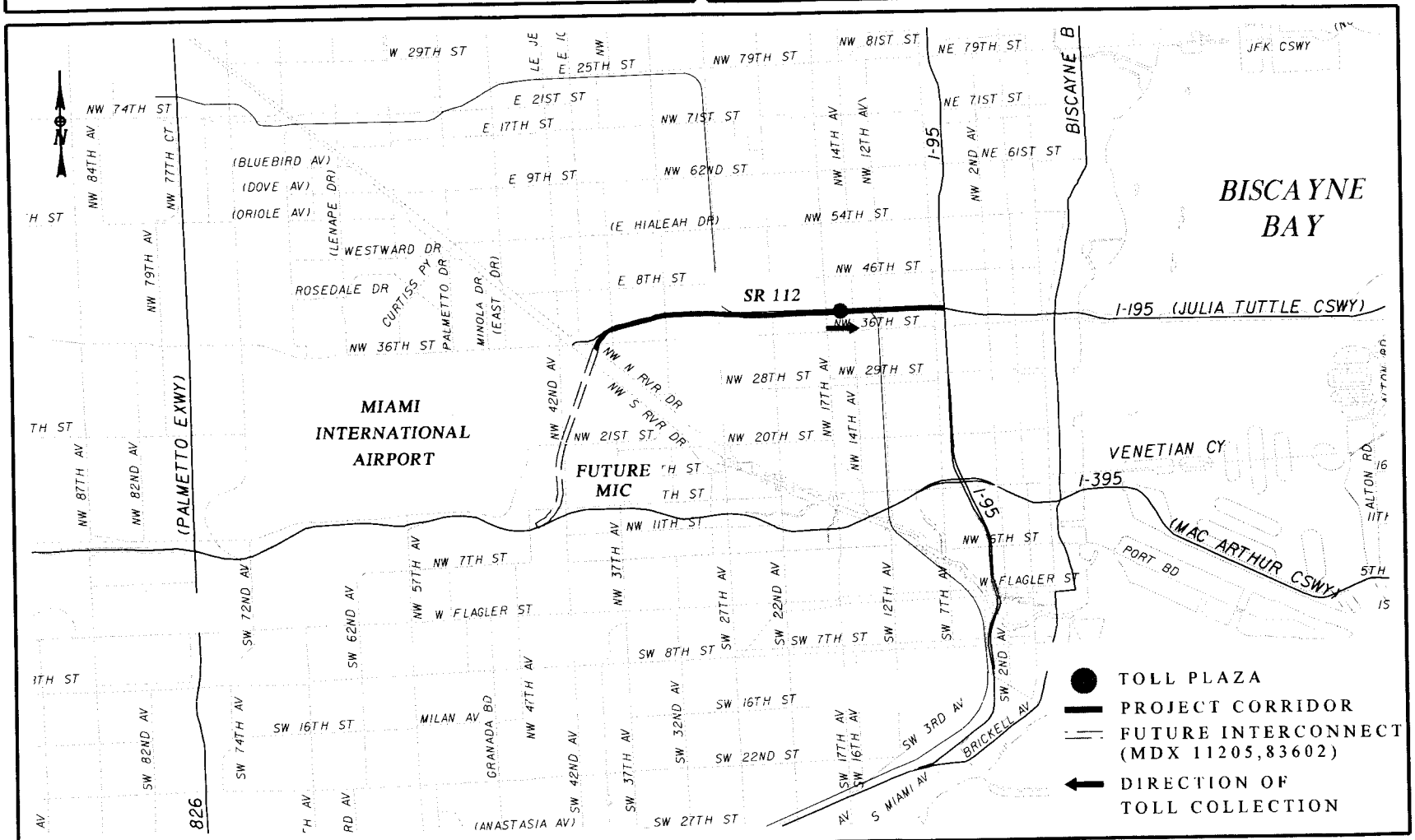
The **South Dade Expressway (SR 874)**, also known as the Don Shula Expressway (see Figure 2-4), serves commuter traffic traveling from the southwest area of the County. This highway has three lanes northbound, and two lanes southbound approaching the existing toll plaza. The expressway is 7.2 miles long, contains a total of 45.66 lane miles, and extends from an interchange with the HEFT to an interchange with the Palmetto Expressway (SR 826). The expressway's only toll plaza is located just north of the interchange with the HEFT at the southern terminus of SR 874. The toll plaza has a total of twelve lanes. The lane arrangement at the toll plaza is as follows: four dedicated ETC lanes, four automatic coin machine lanes and four manual lanes. Two of the manual lanes are also equipped with ETC to provide for mixed usage.

Gratigny Parkway (SR 924) is a six-lane divided toll road located in northern Miami-Dade County (see Figure 2-5). The roadway is 5.378 miles in length, contains a total of 37.5 lane miles, and extends from an interchange with I-75 and the Palmetto Expressway to approximately NW 32nd Avenue, at which point it transitions into NW 119th Street. The toll plaza has a total of 17 lanes and is located west of the interchange of SR 924 with LeJeune/Douglas Connector Road. The toll plaza includes three reversible lanes which have been closed to traffic for future express lanes, four lanes are manual, four lanes are dedicated SunPass® and six lanes have automatic coin machines. To provide for mixed use, all four of the manual and two of the coin-operated lanes are also equipped with SunPass®. In accordance with the MDX objective to have a minimum of two dedicated SunPass® lanes in each toll plaza, by May 2001, one dedicated SunPass® lane in each direction was added to the toll facility. Noise mitigation walls and landscaping were also provided in order to improve the noise conditions of the neighboring area.

Snapper Creek Expressway (SR 878) is located between the South Dade Expressway (SR 874) and US 1 (see Figure 2-4). This is a four-lane divided expressway with two lanes in each direction. The roadway is 2.7 miles in length, and contains a total of 11.3 lanes miles. There are no toll plazas on this expressway.

MDX
MIAMI-DADE EXPRESSWAY AUTHORITY

FISCAL YEARS 2005-2009
CONSULTING ENGINEER'S REPORT

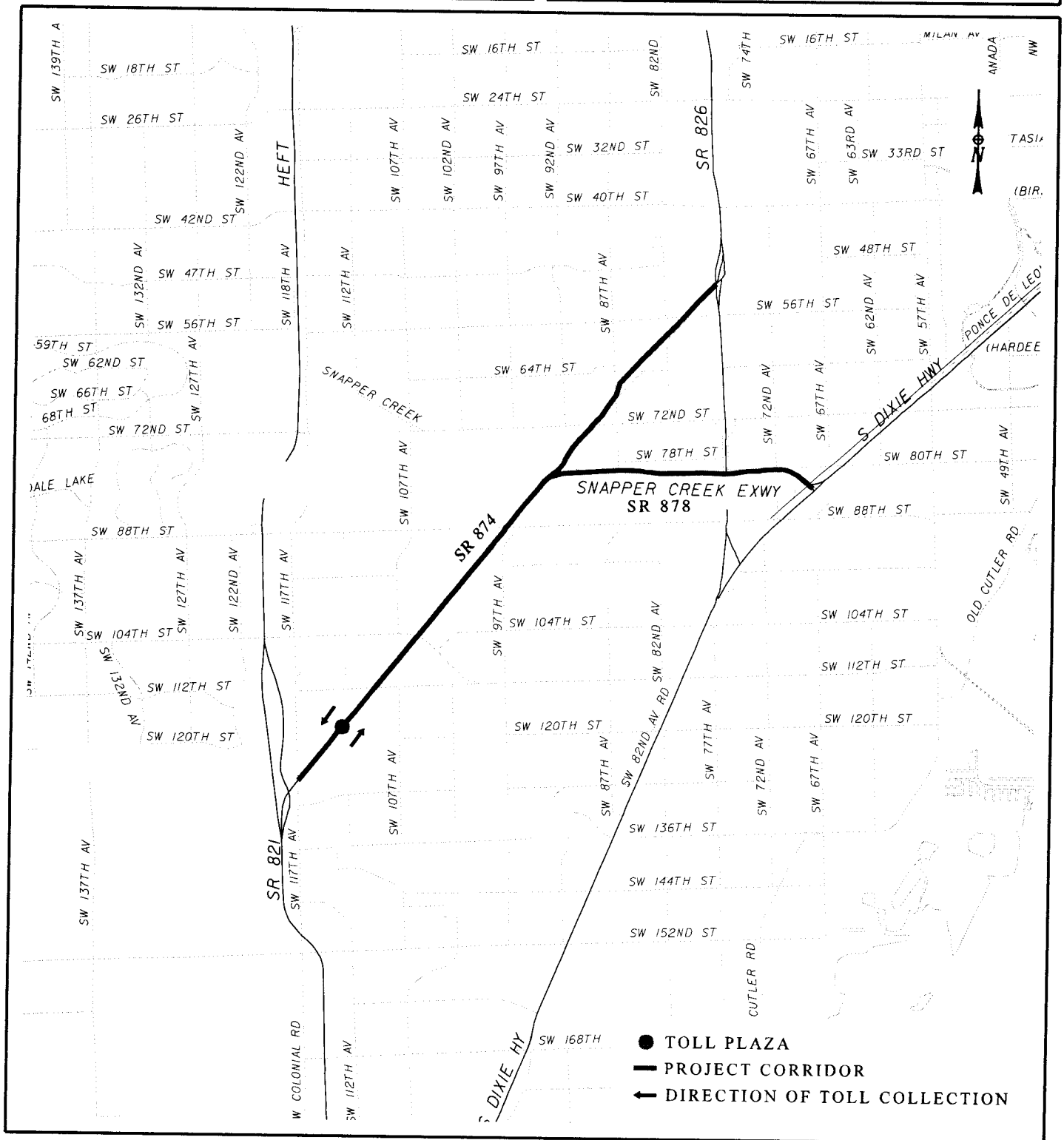


AIRPORT EXPRESSWAY (SR 112)

FIGURE 2-3

MIAMI-DADE EXPRESSWAY AUTHORITY

FISCAL YEARS 2005-2009
CONSULTING ENGINEER'S REPORT

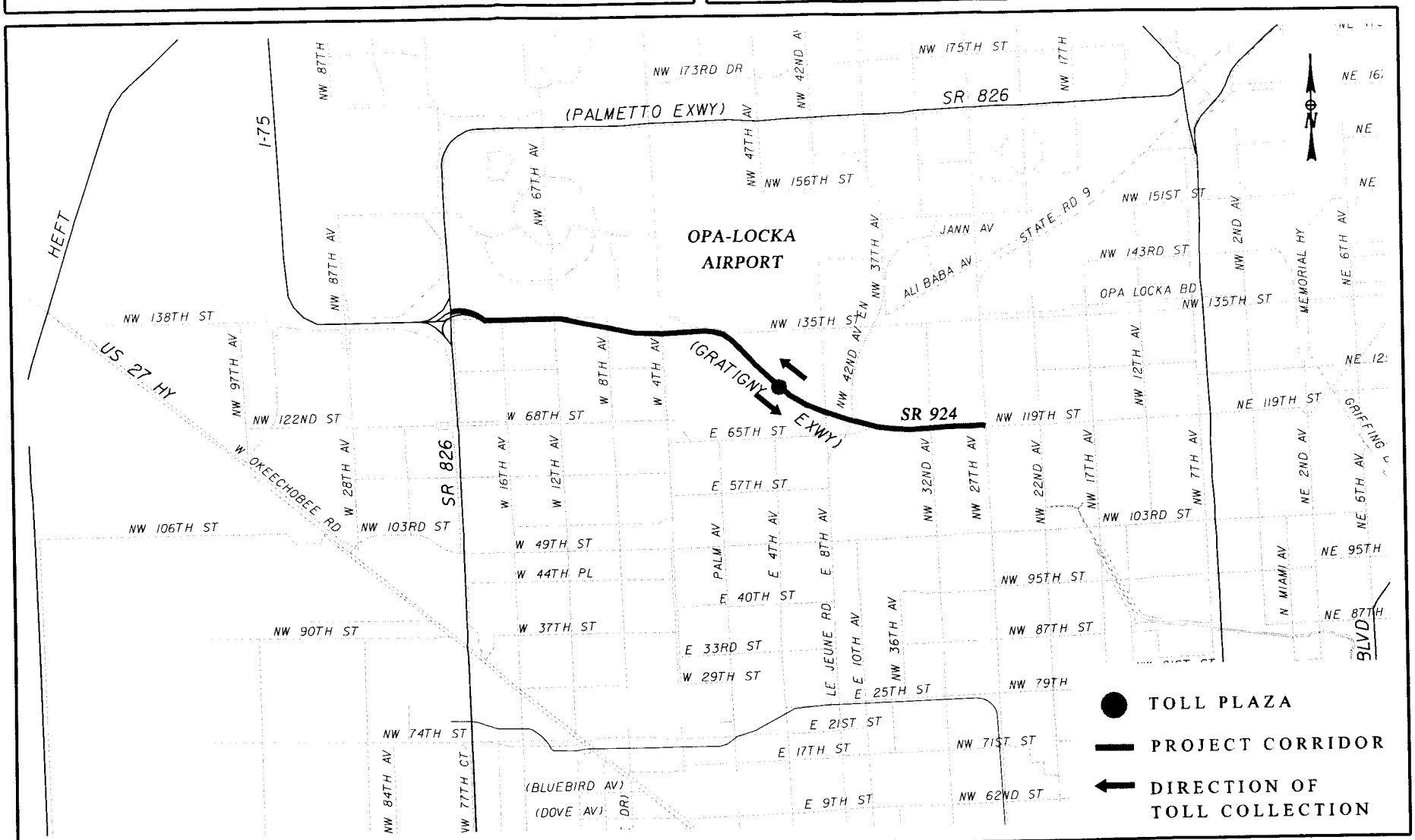


SOUTH DADE EXPRESSWAY (SR874)
SNAPPER CREEK EXPRESSWAY (SR878)

FIGURE 2-4

MIAMI-DADE EXPRESSWAY AUTHORITY

FISCAL YEARS 2005-2009
CONSULTING ENGINEER'S REPORT



GRATIGNY PARKWAY (SR 924)

FIGURE 2-5

2.2.1 Planned Improvements by Corridor

The East-West Expressway (SR 836)

MDX has undertaken a program to upgrade its roadway and toll collection facilities. MDX has deployed the Miami Toll System (MTS) and implemented dual ETC lanes at the SR 874, SR 112 and SR 924 toll plazas, and two high speed express ETC lanes at the SR 836 toll plaza. The System is fully compatible with the FDOT SunPass® system, and enhances MDX's revenue stream through increased operational efficiency and compliance. MDX has initiated several major transportation improvement projects that will provide increased mobility and add additional lane miles within the system.

MDX Project No. 83602 will provide for the reconstruction of the SR 836 mainline, as well as expressway connections to the MIA, Miami Intermodal Center (MIC) and the LeJeune Road Corridor. MDX is in the process of preparing the Request for Proposals (RFP) for a Final Design Consultant. The currently funded 30% final design is scheduled for completion in 2006-2007.

MDX Project Nos. 83605, 83612 and 83614 address the four-lane extension of SR 836 from NW 87th Avenue to W 137th Avenue, and construction of a new bi-directional toll plaza east of NW 107th Avenue, respectively. MDX Project No. 83612 will shift the current alignment of the trumpet interchange with Florida's Turnpike to facilitate construction of the extension. This project includes construction of a new bridge crossing NW 107th Avenue, replacement of the bridge crossing eastbound SR 836 and replacement of the westbound bridge connecting to the southbound turnpike. This project is ongoing and scheduled to be completed in July 2005.

MDX Project No. 83605 will extend SR 836 from NW 107th Avenue to W 137th Avenue including reconstruction of 137th Avenue from NW 12th Street to SW 8th Street. This project will include two paved lanes in each direction and provide embankment, drainage and bridges for a three-lane section to facilitate future widening. This expansion project will add 3.82 centerline miles to SR 836 and 1.6 centerline miles to West 137th Avenue.

MDX issued notice to proceed to the Design-Build consultant in April 2004; this project is scheduled to be open to traffic in July 2007.

MDX Project No. 83614 will provide for the reconstruction SR 836 from west of NW 87th Avenue to NW 107th Avenue. This project includes construction of a bi-directional toll plaza. The toll facility will give priority to SunPass® users in preparation for deployment of Open Road Tolling (ORT) technology in the future. This project is in the procurement phase and has been advertised as a modified design-build contract, with notice to proceed scheduled for the third quarter of FY 2005.

MDX Project Nos. 83615 and 83619 alleviate congestion and enhance mobility along a heavily traveled segment of SR 836 between NW 45th Avenue and the Palmetto Expressway. These projects include construction of an auxiliary lane from west of NW 57th Avenue to the Palmetto Expressway, construction of a new bridge crossing the CSX Transportation (CSXT) and Florida East Coast (FEC) railroads, as well as the Venetian Canal and Airport outlet Canal. The existing bridge structure and westbound exit ramp at the NW 57th Avenue interchange will be widened and improved. This interim improvement will be a safety enhancement and connect an existing auxiliary lane from east of the interchange to the new auxiliary lanes. The interchange will be reconstructed under MDX Project No. 83602. MDX Project No. 83615 is expected to begin in the third quarter of FY 2005 and is expected to be completed in the fourth quarter of FY 2006. MDX Project No. 83619 is expected to begin in the third quarter of FY 2005 and is expected to be completed during the third quarter of FY 2006.

The Airport Expressway (SR 112)

The SR 112 Master Plan, formerly MDX Project No. 112-003 and renamed MDX 11203, was completed in November 2002. The Master Plan involved the evaluation of improvement alternatives for the entire SR 112 corridor. Recommended improvements have been incorporated into Projects 11204, 11205 and 11208.

MDX Project No. 11204, completed in July 2004, is an interim traffic operations improvement project that consists of a physically separated westbound off-ramp to Okeechobee Road, with an auxiliary lane to NW 32nd Avenue and was opened to traffic in April 2004. The project is the first construction component resulting from the MDX Project No. 11203 (SR 112 Master Plan), and also the first construction phase of MDX Project 11205. These improvements eliminate weaving movements and unsafe traffic operations in the vicinity of exits to NW 36th Street and Okeechobee Road. As a result, congestion on SR 112 will be reduced. This project includes the installation of a visual barrier to separate the expressway from an adjacent residential community. MDX Project No. 11208 consists of landscaping between NW 32nd Avenue and Okeechobee Road, and is scheduled to be completed during the third quarter of FY 2005.

MDX Project No. 11205 consists of the reconstruction of the SR 112/NW 36th Street/Le Jeune Road Interchange, one of the most severely congested interchanges in the County. The project includes right-of-way acquisition to accommodate projects construction, as well as improvements to SR 112 between NW 27th Avenue and NW 17th Avenue, which were identified in the SR 112 Master Plan. MDX is in the process of procuring professional services for the final design for this project. Notice to proceed for final design is scheduled to be issued by the fourth quarter of FY 2005.

Upon completion, MDX Project No. 11205 will connect to the FDOT's MIC roadway projects in the vicinity of the MIA Interchange. It will also provide a connection with MDX Project No. 83602 (as previously described in the SR 836 Corridor Improvements). The ultimate build-out of MDX Project No. 11205 requires the construction of a new northbound and southbound collector-distributor ramps from Central Boulevard/MIA to SR 112; reconstruction of the SR 112/NW 36th Street/Le Jeune Road Interchange (Iron Triangle Interchange); improvements to SR 112, including construction of a new toll plaza on eastbound SR 112 in the vicinity of NW 37th Avenue; demolition and removal of the existing toll plaza located on SR 112 east of NW 17th Avenue, and the installation of electronic toll collection facilities at the eastbound on-ramps at NW 27th, NW 22nd, and NW 17th Avenues to SR 112.

South Dade Expressway (SR 874)

The SR 874 Master Plan (MDX Project No. 87401) study began in FY 2000, and ended with Board approval of a State Environmental Impact Report (SEIR) in January 2003. The Master Plan identified the current traffic needs of the corridor, as well as future improvements to meet anticipated travel demand for the next 20 years.

Projects identified as a result of the State Environmental Impact Report (SEIR) study are: MDX Project Nos. 87404, 87405, 87406, 87407, 87408 and 87409.

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These are summarized in the following table:

SR 874 MASTER PLAN SUMMARY		
Project No.	**Project Limits**	**Brief Description**
87404, 87406	SR 874 from north of SW 117th Avenue to south of the Kendall Drive bridge including the Killian Parkway Interchange (Subsequently rolled into the 87404 Project).	• Construction of a new southbound toll plaza in the vicinity of the existing plaza and the removal of the existing plaza. The new southbound toll plaza will provide two Manual lanes, two Automatic Exact Change lanes and three Express SunPass® lanes. The new plaza will also provide for wider toll lanes than existing lanes and higher processing rates. The new plaza is expected to handle approximately 25 percent more vehicles per hour than the current plaza, and therefore improve traffic flow and meet projected demand through the toll plaza. • Improvements to the Killian Interchange, to Killian Parkway from south Kendall Boulevard to the Miami Dade College (MDC) entrance and at the intersection with SW 107th Avenue to alleviate congestion. • Construction of a new northbound toll plaza and auxiliary lanes between Killian Parkway and Kendall Drive. The new northbound toll plaza will provide for two Manual lanes, two Automatic Exact Change lanes with SunPass® and four Express SunPass® lanes. • Replacement of the SR 874 parallel bridges over the C-100 Canal.
87405	SR 874 from south of the Kendall Drive bridge to south of the SW 72nd Street bridge including the SR 874 / SR 878 Interchange.	• Widening, milling, resurfacing and partial reconstruction of the mainline of SR 874/SR 878 interchange area to open up the median for possible future lane additions and to improve geometric and operational conditions. • Reconstruction of the SR 878 bridge over SR 874. • Reconstruction of the southbound collector-distributor road from SR 878 to Kendall Drive and the southbound exit ramp from southbound SR 874 to Kendall Drive. • Widening of parallel bridges over the Snapper Creek Canal. • Widening of the parallel bridges over Kendall Drive.
87407	Northbound ramp from Kendall Drive to SR 874. The limits of this project are from the intersection of Kendall Drive and the Snapper Creek/SR 878 ramp to the south of the SR 874 bridge over SW 72nd Street to the north.	• Construction of a new ramp connecting Kendall Drive to SR 874 northbound. This project requires a new bridge over the SR 874 to SR 878 connection ramp and a new bridge over the Snapper Creek Canal.
87408	SR 874 at SW 117th Avenue Interchange.	• Construction of a new half-diamond interchange connecting SR 874 to SW 117th Avenue.
87409	SR 874 from south of the SW 72nd Street bridge to south of SR 826 (Palmetto Expressway. (Subsequently rolled into the 87405 Project).	• Widening, milling and resurfacing of the SR 874 expressway to provide for three lanes in each direction. • Widening of SR 874 parallel bridges over SW 72nd Street, SW 87th Avenue, CSX Railroad, and SW 56th Street

MDX issued notice to proceed to the selected final design consultant in April 27, 2004 for MDX Project No. 87404; design schedule is estimated at 22 months; construction is estimated at 3 years.

MDX Project No. 87406 was consolidated with the MDX Project No. 87404. Notice to proceed for 87404 was issued to the selected final design consultant April 2004. Construction is scheduled for completion in FY 2009. MDX Project No. 87408 will be evaluated further with a future long-range plan project that will consider a southwest extension of SR 874.

MDX Project No. 87409 requires coordination with the schedule of reconstruction of the adjacent section of SR 826, which is being constructed by FDOT, in order to provide continuity from one expressway to the next. Currently this project has been placed beyond the Five-Year Work Program window.

2.3 SYSTEM CAPACITY

Table 2-2 provides a general summary of the level of service (LOS) at which the existing MDX System is operating. The basis for this LOS analysis is the generalized daily roadway capacity for expressways derived from the Florida Highway System Plan Level of Service Standards and Guidelines Manual by FDOT.

The concept of LOS uses qualitative measures that characterize operational conditions within a traffic stream and their perception by motorists and passengers. The descriptions of individual levels of service characterize these conditions in terms of such factors as speed and travel time, freedom to maneuver, traffic interruptions, and comfort and convenience.

Six LOS categories are defined for each type of expressway. They are given letter designations, from A to F, with LOS A representing the best operating conditions and LOS F the worst. Each LOS represents a range of operating conditions. The acceptable LOS

threshold for the existing MDX system is LOS D, which is in accordance with FDOT's designated minimum level of service standards for expressways within an urban area of over 500,000 residents.

The following definitions reflect the general qualitative measure for each level of service.

- LOS A – Completely free flow conditions with operation of vehicles virtually unaffected by the presence of other vehicles.
- LOS B – Free flow, with presence of other vehicles becoming noticeable and average travel speeds slightly diminished from LOS A.
- LOS C – Influence of traffic density on operations is apparent, with ability to maneuver within the traffic stream clearly affected by the presence of other vehicles.
- LOS D – Bordering on unstable flow, with speeds and ability to maneuver severely restricted because of traffic congestion.
- LOS E – Operations at or near capacity, with unstable conditions. This is the minimum traffic spacing (approximately 80 ft.) at which uniform flow can be maintained.
- LOS F – Forced or breakdown flow, where vehicles arriving at the facility at a rate greater than that at which they are discharged, forcing queues to form on the facility. In this LOS, demand on the facility exceeds the capacity.

Table 2-2

Existing System Level of Service (LOS) Summary

Roadway/Location[1]	Existing Conditions: No. of Lanes (mainline)	Existing Conditions: Estimated Daily Capacity (Veh/Day)	2004 AADT[2]	Generalized Level of Service: Volume to Capacity Ratio	Generalized Level of Service: LOS
East-West Expressway	6	120,200	151,300[3]	1.26	F
Airport Expressway	6	120,200	78,500[4]	0.65	C
Don Shula Expressway	5	76,500	72,900[5]	0.95	E
Gratigny Parkway	6	120,200	41,000[5]	0.34	B
Snapper Creek Expressway	4	76,500	53,300[6]	0.70	D

Source: Capacity taken from Quality/Level of Service Handbook 2002, for the State of Florida Department of Transportation.

(1) All data presented in this table pertain to mainline sections of the designated roadways in the vicinity of each Toll plaza, except for the Snapper Creek Expressway, which has no Toll plaza.
(2) Annual Average Daily Traffic Volume for calendar year 2004.
(3) Total AADT for the eastbound and westbound direction combined was obtained by adding the eastbound AADT calculated from data provided by the Toll Plaza Operations Office for the period of March 2, 2004 to March 4, 2004 with the westbound AADT calculated from the 72-Hour vehicles volume counts performed during the period of March 2, 2004 to March 4, 2004.
(4) Total AADT for the eastbound and westbound direction combined was obtained by adding the eastbound AADT calculated from data provided by the Toll Plaza Operations Office for the period of March 23, 2004 to March 26, 2004 with the westbound AADT calculated from the 24-Hour vehicles volume counts performed on March 23, 2004. Technical difficulties in the field did not allow the completion of the 72-Hour counts.
(5) AADT obtained from data obtained from the Toll Plaza Operations Office from January 2004 to April 2004.
(6) Total AADT was obtained from the 72-Hour vehicles volume counts performed during the period of March 2, 2004 to March 4, 2004.

By far the most heavily traveled portion of the MDX system is the East-West Expressway with an Annual Average Daily Traffic (AADT) for the calendar year 2004 of 151,300 vehicles. The AADT volumes vary significantly on each segment, and exceed the total number of transactions at the toll plazas by a significant amount, as tolls are collected only in one direction, and not at the most congested sections of the expressways. Segments of this corridor adjacent to the MIA experience higher AADT volumes. At the toll plaza this expressway exceeds acceptable capacity by about twenty-six percent throughout the day, and is one of the major focal points addressed in the Five-Year Work Program, detailed in Section 3.

2.4 EXPRESSWAY SYSTEM ANNUAL INSPECTION REPORT

2.4.1 Overview

In accordance with Trust Indenture requirements, the General Consulting Engineer for MDX is required to perform an annual inspection of the facilities and submit a report of the inspection and condition of the system. The Annual Inspection Report summarizes the findings of the inspection by category as follows:

- Roadway,
- Bridges,
- Buildings.

The annual inspection of the MDX system was performed by DTC serving as the MDX General Engineering Consultant, and included a system-wide visual inspection of conditions throughout the roadway system and at the toll plaza facilities. The results of the inspection were documented in the Annual Inspection Report for FY 2005, dated December of 2004.

Bridges are inspected on a 2-year cycle. The last inspection was conducted by VMS using certified bridge inspectors under a contract with MDX for facilities and roadway maintenance. The report resulting from this scheduled inspection was submitted in December of 2004. Preliminary results from the inspection do not indicate significant changes from previous inspections. MDX initiated Project Numbers 30003 and 30008 to provide phased replacement of deteriorated bridge joints and VMS is completing other miscellaneous bridge repairs identified during this inspection cycle.

2.4.2 MDX Maintenance Program

The transfer of operations and maintenance responsibilities to MDX from FDOT is complete. The following contracts have been entered into between MDX and private

industry for the toll collections and operation, and roadway maintenance of its five expressways.

- Facility and Roadway Maintenance – VMS - This contract was executed on October 2001 and has a 5-year term with a one 2-year renewal option. This is a performance based contract where the key responsibility of the contractor is to ensure that all of the components of the MDX System, including, but not limited to buildings, asphalt, guardrail, attenuators, signs, landscaping, lighting and drainage structures; are kept at or above certain performance levels set forth by MDX on the contract documents. MDX determined that the Maintenance Rating Program (MRP) rating would be used to grade performance of the maintenance contractor and established an MRP rating of 80 as the minimum acceptable rating. VMS is required to conduct MRP ratings every four months, as prescribed in the latest FDOT MRP Handbook of July 2000. This rating of 80 points is required to be maintained during the first two years of the contract and increased by an additional 5 points after the initial two years of the contract, i.e, to an overall score of 85. The contractor is required to obtain an additional five points (i.e, to a score of 90) at the end of the fourth contract year. The contractor is required to maintain the overall annual MRP score at 90 for the remainder of the contract. The last MRP rating conducted by FDOT, before VMS assumed the responsibility of maintenance, was at 85.46. The first rating VMS conducted was in July 2002 at 87.0 and is the baseline used by VMS for its internal Quality Control function.

  The last rating that VMS conducted was on October of 2004. The average rating of the MRP for FY 2004 for the MDX Roadway System is 89.1. This is calculated as the running average rating for the last 2 Fiscal Years. The MRP rating meets the mandatory contract requirement for this year.

The MRP ratings indicate continuous improvement of the maintenance condition that corresponds to an increased level of patron service.

- Toll Collection System Design, Development, Integration and Installation (Primary Contract) – United Toll Systems, LLC (UTS) – This is a two-phased contract that included research, development, design and documentation of a new toll collection system during phase 1 and integration with FDOT's SunPass® system and testing, implementation and training of the MTS system at the existing MDX toll plazas during phase 2. MDX began deploying the MTS system August 1, 2001 and completed field installation during the fourth quarter of FY 2003, including integration of the MDX's MTS with SunPass®. Full deployment of the violation enforcement module was completed during the first quarter of FY 2005.

- Toll Collection System Software Licensing & Maintenance – UTS – This contract was executed on October 26, 2001 as a complement to the primary contract discussed above. Key components include the licensing by UTS to MDX of certain software and documentation and the provision of software maintenance and technical support services in relation to the toll management and collection system.

- Toll Collection System Hardware Maintenance – WGI - This contract was executed on January 9, 2004 as a competitive procurement. This contract will include the maintenance, repair and replacement of all equipment that is part of the toll collection system as well as the maintenance of inventory parts and monitoring of Maintenance On-line Management System (MOMS) among other duties.

- Toll Collections (personnel) – WGI - This contract was executed on October 1, 2003. The contract supports MDX with the management and administration of the toll plazas. Since MDX has assumed these functions, this line item has been eliminated. Although budgets remain on par for prior expenditures for FDOT operations and maintenance, MDX has benefited from increased operational efficiency and enhanced revenue.

The budget allocation for Florida Highway Patrol (FHP) Enhanced Enforcement has been eliminated. Implementation of express toll lanes has eliminated the need for this service.

The MDX forecast for FY 2005 expenditures for toll collection operations and roadway maintenance are shown in Table 2-4.

2.4.3 Summary of Annual Inspection Report

Rating Methodology

This section contains a summary of the inspection assessment contained in the FY 2005 Annual Inspection Report prepared by DTC. The condition of MDX roadways and facilities is evaluated by the maintenance contractor under the MRP and by the consulting engineer during the annual inspection. The MRP is conducted on a quarterly basis at randomly selected locations to provide an in-depth quality assurance assessment of services provided by the maintenance contractor. The rating program adopted the general procedures of FDOT. The annual inspection is conducted on a system-wide basis as a wrap-up of operational tests, maintenance work order and reports provided by operations and maintenance personnel. Analysis of data assembled during the annual inspections assists in compiling the Capital Improvement component of the Five-Year Work Program.

The MRP program was initiated with a "Pass-Fail" criterion for the different elements. MDX determined it desirable to harmonize the rating systems utilized to perform the MRP and Annual Inspection. Utilization of a common rating system facilitated efficient exchange of accurate information. A numerical rating system facilitates an objective method of tracking improvement of the MRP. MDX has implemented the following grading system:

Numerical Grade	Nomenclature	Condition
5	Excellent	No problems noted
4	Good	Routine maintenance to improve appearance
3	Fair	Increase maintenance to protect system
2	Poor	Repair immediately to protect public
1	Emergency	Repair immediately to protect system

The rating scale (Excellent, Good, Fair, Poor, Emergency and Not Applicable) considers roadway characteristics for each expressway, grouped in five categories (Roadway/Pavement, Roadside, Traffic Services, Drainage and Vegetation/Aesthetics) that were surveyed in the field.

The assessment of the facilities' operations and conditions is based on the inspection inventory collected and categorized by roadway facility for each of the following areas: roadway features, toll plazas and administration buildings.

The inspection assessment classifies the information and identifies deficiencies to be rated, quantified, and managed further to develop a maintenance replacement program. The assessment of roadway assets and facilities are reported in the following categories: roadway (including interchanges); architectural and structural; mechanical; and electrical.

Inspection Results

The system roadways are in good condition. At SR 924 (Gratigny Parkway) and SR 836 (East-West Expressway) the toll facilities, i.e., the toll plaza administration building and toll lanes, are also in good condition. The SR 112 toll plaza was built in the early 1960s and because of its age, it has needed periodic repairs and renovation to ensure continued compliance with current public safety regulations. The SR 874 toll plaza was built in the early 1970s, and also has been subject to necessary period repairs and renovation. Both these facilities are ranked in good condition. The ranking of these plazas improved during FY 2005 due to these repairs.

2.4.3.1 Roadway

The inspection of the roadway and interchange areas of the MDX system reported overall good conditions, with normal wear from vehicular usage. The roadway surface of all facilities is asphalt concrete flexible pavement. On each of the existing facilities, various guardrail sections have been damaged due to vehicular collisions, and there are also sections of roadside fencing that are missing or damaged.

The roadway light fixtures are in fair to good condition. Previous inspections noted a number of light poles along the corridors that have missing or damaged base covers, which has allowed the wiring to become exposed. During FY 2005, VMS repaired these conditions.

A number of drainage structures and culverts are filled with debris and/or vegetation impeding flow, which may cause roadway ponding in some areas.

Based on the results of the 2000 Pavement Condition Report prepared by FDOT, certain sections of the system have been resurfaced through the use of Renewal and Replacement funds. These areas include:

- SR 874 from SW 117th Avenue to SR 826.
- SR 878 from SR 874 to 87th Avenue.
- SR 112 from NW 17th Avenue to toll plaza.
- SR 836 from NW 87th Avenue to NW 45th Avenue.

Table 2-3 summarizes the general condition of the MDX system.

Table 2-3

EXISTING EXPRESSWAY SYSTEM
ROADWAY CONDITION RATING

	East-West Expressway	Airport Expressway	Don Shula Expressway	Gratigny Expressway	Snapper Creek Expressway
Roadway/ Pavement	Good	Good	Good	Good	Good
Roadside	Good	Good	Good	Good	Good
Traffic Services	Fair	Fair	Good	Good	Good
Drainage	Fair	Fair	Good	Good	Good
Vegetation/ Aesthetics	Good	Good	Good	Good	Good

Source: FY 2005 Annual Inspection Report.

The condition rating for traffic services was changed from good to fair to reflect an increased backlog of guardrail repairs. The backlog is attributable to temporary reallocation of management personnel by VMS to hurricane relief efforts in central Florida. MDX responded to conditions noted in the annual inspection by issuing a directive work order to VMS. This directive work order requires correction of all deficiencies within sixty 60 days and provides for retained earnings if all work is not completed within the stipulated time frame.

2.4.3.2 Architectural and Structural

The administration buildings system-wide are generally in good condition. Aesthetically, the features, materials and appliances are outdated and worn. The windows of the buildings are in fair condition; except for SR 112 toll plaza where exterior windows require resealing.

The terrazzo floors throughout the interior of SR 112 building display cracks and sporadic concrete patches. The vinyl tile floors were replaced in FY 2004. The interior walls of this facility were also renovated and are in good condition. The doors throughout the facility

were repainted during renovation. Project Nos. 40010, 40013 and 40014 included replacement of A/C units and electrical renovations on this facility.

The exterior walls of the buildings need to be maintained / repaired. They exhibit cracks in the stucco and brick facades, typically located at the roof slab line. The paint displays mildew and rust stains from the metal security bars. The paint covering the stucco façade is peeling. The sidewalks, doors and windows are in fair condition. The roofs at each location appear to be in good condition; although water stains on the interior ceiling tiles was noted in some of the buildings.

The tunnel at SR 924 from the administration building to the toll islands is architecturally and structurally in good to fair condition. The concrete walls have minor cracks. The tunnel slab is in fair to good condition but exhibits minor cracks.

The sign structures mounted on the toll plaza canopy were painted with anti-corrosion paint during FY 2004. The sign panels attached to these structures are mostly in good or better condition.

The roof supports / columns for the canopy generally exhibit some degree of corrosion. The tollbooths of all plaza facilities are in fair condition. The structural framing of the booths is old and worn with some cases of damage due to collisions. The concrete curb and pavement slabs within the booth areas have minor cracks and deterioration.

Noticeable improvements from FY 2004 include the repairs completed within the trailer facility and painting of the main plaza. New handicap access ramps were constructed; new HVAC and wiring were installed at the facilities. The maintenance contractor continues to improve the facilities on a daily basis through the Expanded Labor Services agreement with MDX.

2.4.3.3 Mechanical

The mechanical systems in the administration buildings for SR 112, SR 874 and SR 924 are generally in good condition. Most of the HVAC hardware (i.e. grills and outlets) need cleaning and general routine maintenance. The plumbing fixtures and drains for the toilet rooms and kitchens are also in fair condition. The facilities were found to be functional at best. The administration buildings have poor ventilation, with either no exhaust fans or the existing fans not functioning properly. In order to improve performance, Project No. 40014 was created to include the installation of new A/C units at the SR 112 toll plaza computer room, SR 874 administration and employee lounge as well as a the installation of a new HVAC unit to serve the tunnel at the SR 924 toll plaza.

The canopies of the toll plazas exhibit fair to good roof drainage. There is some ponding on the roof around drains. On the interior of the tollbooths, the heating and cooling units and their controls are in fair condition. Booths have been equipped with portable heaters.

The fuel systems for the standby generators are generally in good condition. The generators at the facilities are old but functional with sufficient capacity. The generator mufflers/exhaust systems are not adequately insulated, and show sign of corrosion.

2.4.3.4 Electrical

The electrical inspections of the administration buildings reveal overall fair to good conditions. The lighting fixtures are in fair to good condition. Previous notations of missing or inoperable receptacle covers, exit signs and fluorescent lighting have been corrected during FY 2004. Some panel boards found in the electrical room are missing directories and have exposed bus bars. The lighting conditions and illumination levels seem to be low in some facilities, but there are numerous fixtures in fair condition for the tunnel and toll island areas. The lighting and power supplies for the signs on the canopy and the booths are in fair to good condition.

2.4.3.5 Operations and Maintenance Projections

MDX's Administrative, Maintenance, Toll Operations, Renewal and Replacement, and Capital Improvement costs are calculated through a collaborative process between MDX staff directors and DTC staff. Each line item within MDX's most recent budget is discussed in order to determine how to project the cost into the future. Opening dates of future transportation improvement projects directly reflect the toll revenue opening dates to ensure that future revenue corresponds to the associated future costs. Table 2-4 contains 20-year projected Operations and Maintenance costs for the MDX system. The latest approved budget was used as a baseline for projecting costs based on the implementation of the Five-Year Work Program.

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Table 2-4

Summary of Administrative, Maintenance and Operations Expense Projections Based on Implementation of MDX 2005-2009 Five-Year Work Program (in $000s)

FY	ADMINISTRATIVE	MAINTENANCE	OPERATIONS	TOTAL
2005	$7,051	$5,377	$8,879	$21,307
2006	$7,261	$6,022	$11,501	$24,784
2007	$7,531	$6,392	$11,898	$25,822
2008	$7,852	$7,373	$15,071	$30,296
2009	$7,897	$7,343	$16,149	$31,389
2010	$8,035	$7,615	$16,724	$32,374
2011	$8,241	$8,481	$17,552	$34,274
2012	$8,516	$8,820	$18,175	$35,512
2013	$8,821	$9,095	$18,793	$36,709
2014	$9,138	$8,803	$19,433	$37,374
2015	$9,467	$9,167	$20,095	$38,730
2016	$9,808	$10,136	$20,930	$40,874
2017	$10,161	$10,452	$21,691	$42,304
2018	$10,528	$10,857	$22,428	$43,813
2019	$10,905	$10,533	$23,192	$44,630
2020	$11,305	$10,885	$23,983	$46,172
2021	$11,711	$12,099	$24,979	$48,788
2022	$12,126	$12,476	$25,887	$50,489
2023	$12,564	$12,867	$26,766	$52,198
2024	$13,015	$12,603	$27,678	$53,296
2025	$13,484	$13,023	$28,622	$55,128
2026	$13,969	$14,338	$29,811	$58,118
2027	$14,472	$14,894	$30,894	$60,260
2028	$14,994	$15,361	$31,944	$62,299
2029	$15,532	$14,964	$33,031	$63,528
2030	$16,092	$15,582	$34,158	$65,833
2031	$16,671	$17,116	$35,577	$69,364
2032	$17,271	$17,653	$36,870	$71,795
2033	$17,895	$18,341	$38,123	$74,359
2034	$18,537	$17,904	$39,421	$75,861
2035	$19,225	$18,501	$40,765	$78,492

Source: DTC.

Section 3

FISCAL YEARS 2005 - 2009 PROJECTS

3.1 FIVE-YEAR WORK PROGRAM

The basis for the Five-Year Work Program is the MDX 2020 LRMTP. The Five-Year Work Program is intended to be a "living" document that reflects and prioritizes the needs of MDX. As such, it can be expected that changes will be made as priorities are re-evaluated, projects are completed, new projects are identified, and the financial capabilities of MDX evolve.

The Five-Year Work Program is an important tool used by MDX to effectively manage its program of system improvements, enhancements, and rehabilitation. It identifies projects that MDX anticipates funding during the next five years, from project inception through construction. The current FY 2005-2009 Five-Year Work Program includes forty-three (43) projects with a combined total estimated project cost of approximately $857 million. A summary of the current Five-Year Work Program is shown in Table 3-1. Project descriptions are also included in Table 3-1. Preparation of the FY 2006-2010 Five-Year Work Program began in the third quarter of FY 2005.

The Five-Year Work Program projects are identified and tracked through a control system to monitor funding and project levels, budgets, schedules, cash flow, and funding sources. Funding strategies are based on financial analyses performed during the Five-Year Work Program development process, which includes an annual analysis of availability of funds, project schedules and projected cash draw down requirements on a quarterly basis, and ultimately, financial feasibility.

The MDX Five-Year Work Program consists of two aspects of infrastructure construction:

- Five-Year Transportation Improvement Program – Improvements to the MDX highway system, including implementation of intelligent transportation systems.
- Five-Year Capital Improvements Program – Capital improvements to other MDX assets other than highway facilities, including the toll collection system employed at the toll plazas.

The FY 2005 - 2009 Five-Year Work Transportation Improvement Program was approved and adopted by the MDX Board in March 2004. The FY 2005 - 2009 Five-Year Work Capital Improvement Program was approved and adopted by the MDX Board in June 2004. Amendments to the Five-Year Work Program are only made when significant changes occur to the adopted Five-Year Work Program. This section of this report presents a brief project description, schedule, and an estimate of capital requirements.

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Table 3-1

MDX Five-Year Work Program

FY 2005-2009

Transportation Improvement Program				
Project Number/Project Category	**Project Name** / **Description**	**In Service Date (FY)**	**Activity**	**Project Cost FY 2005 - 2009 ($000s)**
11204	**SR 112 Westbound Off-Ramp to Okeechobee Road**			
Existing System Improvements	New dedicated westbound ramp from SR112 to Okeechobee Road.	2005	Design / Build	$600
11205	**Interconnector Ramps from MIA to SR 112**			
System Expansion	Reconstruct SR 112/NW 36th Street/Le Jeune Road Interchange. Provide new ramps to and from SR 112 to Miami International Airport. Acquire right-of-way for future Interconnector from NW 25th Street to SR 112/NW 27th Ave. Improvements to SR 112 between NW 27th Avenue and NW 17th Avenue.	2012	Project Development	$239
			Final Design	$9,837
			Right-of-Way	$99,684
			Construction	$71,273
11207	**SR 112 / NW 36th Street Interchange**			
Existing System Improvements	Coordinate reconstruction of WB SR112/NW 36th St. ramp and bridge with FDOT-6.	TBD	Project Development	$100
11208	**SR 112 Landscaping**			
Existing System Improvements	Landscaping Contract for 11204.	2005	Construction	$466
83601	**SR 836 Eastbound Toll Plaza**			
Existing System Improvements	Reconstruct eastbound Mainline toll plaza and construct new toll plaza on eastbound ramp to NW 17th Avenue.	2005	Construction	$125
83602	**SR 836 Mainline Reconstruction and Connections to MIA**			
Existing System Improvements	Reconstruction of the mainline to include express lanes. Reconstruction of interchanges at NW 57th Avenue, LeJeune Road.	2006*	Project Development	$416
			Final Design	$5,707
83603	**SR 836 / Interconnector**			
System Expansion	Acquisition of ROW by FDOT for future Interconnector from SR 836 to Central Boulevard. Design and construction by FDOT of C-D roads to access MIC and MIA from SR 836 with provisions for connections to SR 836 Value Pricing Lanes.	2010**	Project Development	$162
			MIC Implementation	$56,900
83605	**SR 836 Extension from NW 137th Avenue to NW 107th Avenue**			
System Expansion	Construction of a new 4 lane expressway extension on SR 836. Construction of portion of W 137th Avenue, from SW 8th Street to NW 12th Street.	2008	Right-of-way	$13,536
			Design / Build	$173,027
83608	**SR 836 Express Lanes**			
Existing System Improvements	Provide four-lane divided express lanes in the median of SR 836 connecting to MIC, MIA, HEFT (south) and SR 826 (south). Lanes to operate as fully automatic congestion pricing lanes. Potential for inclusion of future JPA w/ FDOT as partial funds for SR 826/SR 836 Interchange.	2009**	Project Development	$1,250
			Final Design	$4,933
			Right-of-way	$71,753
			Construction	$73,191
83611	**SR 836 / I-95 Interchange**			
Existing System Improvements	Coordination of operational improvements to SR 836 from NW 17th Avenue to I-95 Interchange with City of Miami, FDOT-6, and others.	TBD	Project Development	$100
83612	**SR 836 Westbound to Southbound HEFT Connection**			
Existing System Improvements	Reconstruct existing westbound SR 836 to southbound HEFT connection to provide an additional lane and improved roadway geometry.	2006	Design / Build	$18,625
83614	**SR 836 Extension - Toll Plaza Section**			
Existing System Improvements	Provide improvements from NW 107th Avenue to NW 87th Avenue, including a new bi-directional mainline toll plaza.	2008	Project Development	$320
			Final Design	$3,119
			Construction	$52,312
83615	**SR 836 Westbound Auxiliary Lane - NW 57th Avenue to SR 826**			
Existing System Improvements	Add auxiliary lane in westbound direction. Includes Section 5 (FDOT) westbound CD road bridge with interim connections.	2007	Construction	$12,985
83617	**SR 836 Landscaping**			
Existing System Improvements	Landscaping Contract for Projects Nos. 83605, 83612, and 83614.	2009	Project Development	$65
			Final Design	$442
			Construction	$8,024
83619	**SR 836 / NW 57th Ave. WB Ramp Improvements**			
Existing System Improvements	Provide operational improvements to interchange and westbound exit ramp.	2006	Construction	$1,852

* Only a portion of the Final Design is currently programmed. No project completion date available.

** JPA contribution and agency coordination.

Table 3-1

MDX Five-Year Work Program

FY 2005-2009

Transportation Improvement Program				
Project Number/Project Category	**Project Name / Description**	**In Service Date (FY)**	**Activity**	**Project Cost FY 2005 - 2009 ($000s)**
87404	**SR 874 / Killian Parkway Interchange**			
Existing System Improvements	Modification of Killian Parkway Interchange and provision of new northbound and southbound mainline toll plazas, northbound ramp plaza to Killian Drive. Includes removal of existing northbound and southbound toll plazas.	2009		$0
			Final Design	$6,591
			Right-of-way	$324
			Construction	$111,730
87407	**SR 874 NB On-Ramp from Kendall Drive**			
Existing System Improvements	Northbound ramp from Kendall Drive to SR 874, with Electronic Tolling for connection to SR 874.	2008		
			Final Design	$1,637
			Construction	$28,703
87408	**SR 874 / SW 117th Avenue Interchange**			
Existing System Improvements	Provide southbound off-ramp and northbound on-ramp at SW 117th Avenue and install noise attenuation walls.	TBD	Project Development	$90
20001	**Central Parkway PD&E and Section 1*** **			
New Toll Expressway Projects	Project development for new expressway connecting SR 836, SR 112 and SR 924. Includes system interchanges with SR 112 and SR 924 and potential service interchanges with NW 54th Street, NW 79th Street and NW 103rd Street with connectors to NW 37th Avenue.	2005	Project Development	$1,557
10002	**SR 836 Communications and Incident Mgmt. /Surveillance**			
Existing System Improvements	Install communications system, integrating FDOT with the MDX system. Provide incident management, traffic surveillance and highway advisory radio to SR 836.	2005	Design / Build	$1,578
10005	**ITS Accident Investigation Sites and Reference Markers**			
Existing System Improvements	Construction of two Accident Investigation (AI) sites on SR 874. Install Location Reference Markers and "Move-It" signs systemwide.	2005	Construction	$71
10006	**MDX Transportation Management Center**			
Existing System Improvements	Construction of the MDX Transportation Management Center (TMC) at MDX Headquarters. Procure and install hardware equipment and ITS freeway management software for the TMC.	2007	Project Development	$13
			Design / Build	$4,041
10007	**SR 112 Communications and Incident Mgmt. /Surveillance**			
Existing System Improvements	Install communications system integrating FDOT and Miami-Dade County systems with MDX system. Install incident management and traffic surveillance equipment to SR 112.	2006	Project Development	$5
			Design / Build	$2,909
10008	**SR 874 Incident Mgmt. /Surveillance**			
Existing System Improvements	Install incident management and traffic surveillance equipment to SR 874.	2006	Project Development	$5
			Design / Build	$1,048
10009	**SR 924 Communications and Incident Mgmt. /Surveillance**			
Existing System Improvements	Install communications system integrating FDOT system with MDX system. Install incident management and traffic surveillance equipment to SR 924.	2006	Project Development	$5
			Design / Build	$3,607
10010	**SR 878 Communications and Incident Mgmt. /Surveillance**			
Existing System Improvements	Install communications system integrating SR 878 to Miami-Dade County system along U.S. 1. Install incident management and traffic surveillance equipment to SR 878.	2006	Project Development	$5
			Design / Build	$2,184
10011	**SR 874 Communications and Incident Mgmt. /Surveillance**			
Existing System Improvements	Install communications system integrating Florida's Turnpike and FDOT systems with MDX system. Install incident management and traffic surveillance equipment to SR 874.	2012	Project Development	$10
			Design / Build	$0
		Transportation Improvement Program Totals		**$847,156**

*** Removed from the Work Program at the end of May 2004.

Table 3-1

MDX Five-Year Work Program

FY 2005-2009

Capital Improvement Program				
Project Number	**Project Name** **Description**	**In Service Date (FY)**	**Activity**	**Project Cost FY 2005 - 2009 ($000s)**
40006	**Financial Management System**			
Facility Improvements	New financial management system for MDX.	2005	Construction	$400
40011	**Toll Operations Transition**			
Facility Improvements	Upgrade of toll plaza equipment, installation of a toll operations center and the communications infrastructure.	2005	Construction	$996
40012	**Landscaping for SR 112 and SR 836**			
Facility Improvements	Landscaping improvements for SR 836 and SR 112 corridors.	2005	Final Design	$8
			Construction	$127
40013	**Facility Renovations**			
Facility Improvements	Handicap access ramp at SR 112 and SR 874 in order to comply with American Disabilities Act (ADA) guidelines. Modify walkway to include accessible service ramp.	2005	Construction	$20
40014	**Miscellaneous Toll Facility Repairs**			
Facility Improvements	Includes HVAC at SR 112, SR 874, and SR 924. Electrical repairs at toll facilities.	2008	Final Design	$21
			Construction	$501
40015	**Miscellaneous Structural Improvements**			
Facility Improvements	Includes coating of slopes, abutments, columns and column caps. Also includes pressure washing and steel bridge painting.	2006	Construction	$2,216
40016	**Steel Bridge Painting (Phase I)**			
Facility Improvements	Includes lead abatements, corrosion prevention and painting of steel bridges.	2006	Construction	$1,604
40017	**Steel Bridge Painting (Phase II)**			
Facility Improvements	Includes lead abatements, corrosion prevention and painting of steel bridges.	2006	Final Design	$85
			Construction	$1,461
40018	**Signs and Paving**			
Facility Improvements	Miscellaneous improvements at SR 112 toll plaza. Signage systemwide.	2006	Construction	$203
40020	**Impact Attenuators at SR 924**			
Facility Improvements	Installation of (2) Impact Attenuators at the NW 57th Ave. off-ramp, eastbound and westbound on SR 924.	2005	Construction	$90
40021	**LRTP Concept Studies**			
Facility Improvements	Conceptual analysis of four LRTP projects for inclusion in MPO LRTP.	2005	Project Development	$249
40022	**Toll Plaza Enhancements**			
Facility Improvements	Conversion of existing coin machine lanes to toll booth and enhancement of SunPass dedicated lanes.	2006	Final Design	$56
			Construction	$285
40023	**SR 874 Toll Plaza**			
Facility Improvements	Conversion of existing coin machine lanes to toll booth and enhancement of SunPass dedicated lanes.	2005	Final Design	$44
			Construction	$270
40024	**SR 924 Toll Plaza**			
Facility Improvements	Conversion of existing coin machine lanes to toll booth and enhancement of SunPass dedicated lanes.	2006	Final Design	$56
			Construction	$307
40025	**Contract Administration Module**			
Facility Improvements	Procurement and implementation of a Contract Administration Software for MDX.	2005	Construction	$200
40026	**Asset Management Program**			
Facility Improvements	Systemwide deployment of an Asset Management Program (MIAMIS).	2005	Construction	$694
	Capital Improvement Program Totals			**$9,893**

The projects contained in the Five-Year Work Program have been grouped into one of the four categories as shown in Table 3.2. Project category groupings have been organized within the following definitions. **Existing System Improvement** projects include any widening or reconstruction within an existing roadway segment. **System Expansion** projects include all construction of new roadway segments on the existing system that will increase the total centerline miles of the system. **New Toll Expressway** projects include construction of new alignments of designated State Roads that will be added to the system. **Facility Improvement** projects designate all non-routine maintenance and minor roadway and toll plaza projects throughout the system.

Table 3-2

FY 2005-2009 Five-Year Work Program Categories

Program Category	Number of Projects	Estimated Project Cost ($000s)
Existing System Improvements	23	$420,941
System Expansion Projects	3	$424,658
Facility Improvements	16	$9,893
New Toll Expressways [1]	1	$1,557
Total	**43**	**$857,049**

Note: All costs are Fiscal Year-of-expenditure costs.

[1] This represents the Central Parkway project study. On May 27, 2004, the Miami-Dade County Metropolitan Planning Organization (MPO) removed this project from the region's five-year and 20-year transportation plans. MDX will delete this project from its Five-Year Work Program during the next Five-Year Work Program cycle to ensure consistency.

As part of the Five-Year Work Program control system, four types of reports are prepared: Category Summary, Fund Summary, 2020 LRMTP Summary, and Project Information. These reports are structured to communicate, summarize and document project information that can be used at all levels of management.

The Category Summary Report contains a total of the projected cash expenditures, expressed in thousands, for each individual category for each of the Fiscal Years encompassed by the Five-Year Work Program (see Table 3-3). These figures are then totaled for each category and each Fiscal Year.

Major projects included in the current Five-Year Work Program are highlighted in Table 3-1.

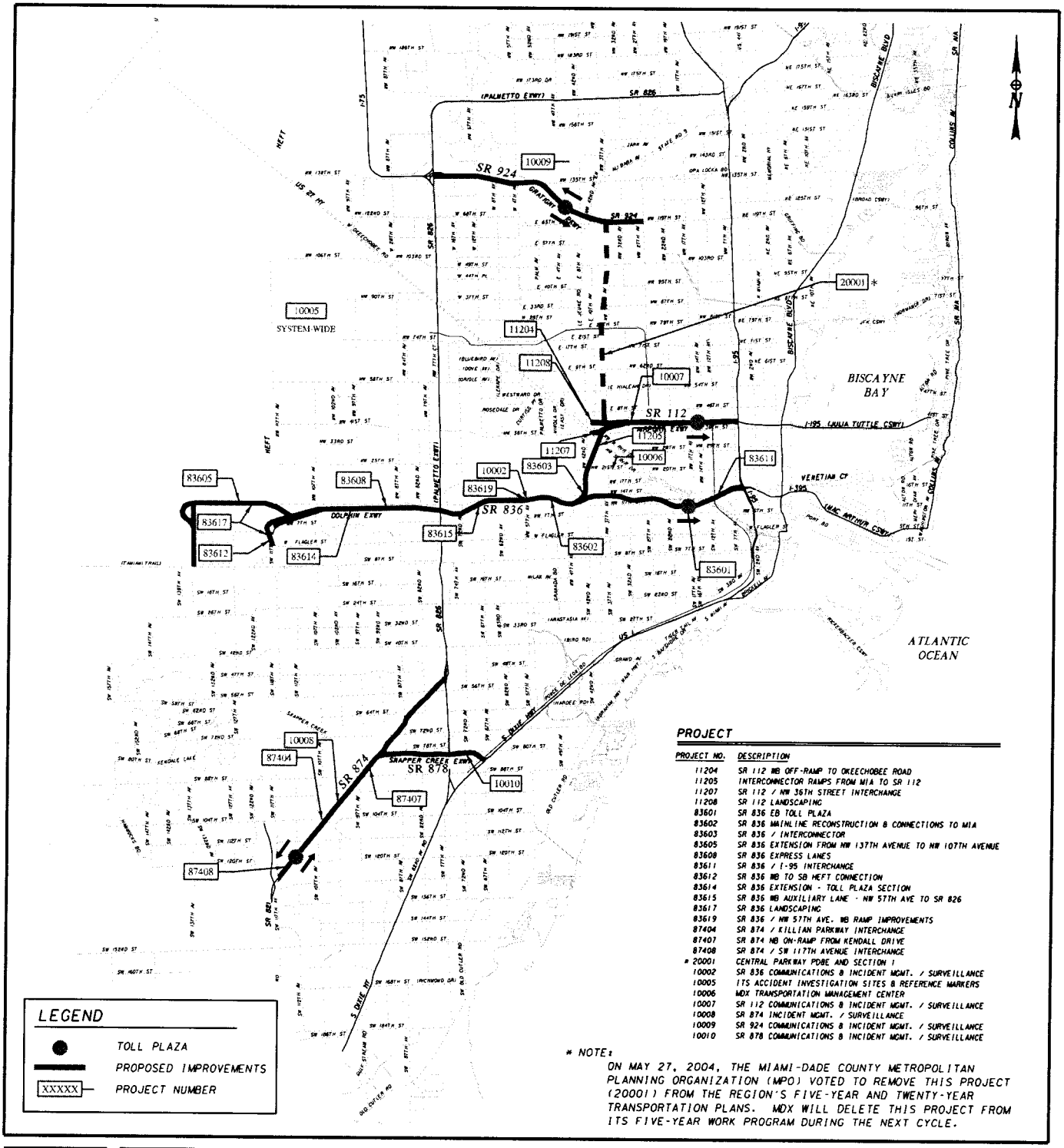
Table 3-3
FY 2005-2009 Five-Year Work Program – Category Summary

Category	Project Cost ($000s)[1]					Total
	Fiscal Year					
	2005	2006	2007	2008	2009	
Existing System Improvements	$130,709	$49,467	$71,571	$123,941	$45,253	$420,941
System Expansion Projects	$72,212	$113,069	$102,146	$77,184	$60,047	$424,658
New Toll Expressways[2]	$1,557	0	0	0	0	$1,557
Facilities Improvements	$8,042	$1,461	$21	$369	0	$9,893
Totals	**$212,520**	**$163,997**	**$173,738**	**$201,494**	**$105,300**	**$857,049**

[1] Right-of-Way costs escalated at 8% per year. All other costs escalated at 3.6% per year.
[2] This represents the Central Parkway project study. On May 27, 2004, the Miami-Dade County MPO removed this project from the region's five-year and 20-year transportation plans. MDX will delete this project from its Five-Year Work Program during the next Five-Year Work Program cycle to ensure consistency.

MIAMI-DADE EXPRESSWAY AUTHORITY

FISCAL YEARS 2005-2009
CONSULTING ENGINEER'S REPORT



PROJECT

PROJECT NO.	DESCRIPTION
11204	SR 112 WB OFF-RAMP TO OKEECHOBEE ROAD
11205	INTERCONNECTOR RAMPS FROM MIA TO SR 112
11207	SR 112 / NW 36TH STREET INTERCHANGE
11208	SR 112 LANDSCAPING
83601	SR 836 EB TOLL PLAZA
83602	SR 836 MAINLINE RECONSTRUCTION & CONNECTIONS TO MIA
83603	SR 836 / INTERCONNECTOR
83605	SR 836 EXTENSION FROM NW 137TH AVENUE TO NW 107TH AVENUE
83608	SR 836 EXPRESS LANES
83611	SR 836 / I-95 INTERCHANGE
83612	SR 836 WB TO SB HEFT CONNECTION
83614	SR 836 EXTENSION - TOLL PLAZA SECTION
83615	SR 836 WB AUXILIARY LANE - NW 57TH AVE TO SR 826
83617	SR 836 LANDSCAPING
83619	SR 836 / NW 57TH AVE. WB RAMP IMPROVEMENTS
87404	SR 874 / KILLIAN PARKWAY INTERCHANGE
87407	SR 874 NB ON-RAMP FROM KENDALL DRIVE
87408	SR 874 / SW 117TH AVENUE INTERCHANGE
* 20001	CENTRAL PARKWAY PD&E AND SECTION 1
10002	SR 836 COMMUNICATIONS & INCIDENT MGMT. / SURVEILLANCE
10005	ITS ACCIDENT INVESTIGATION SITES & REFERENCE MARKERS
10006	MDX TRANSPORTATION MANAGEMENT CENTER
10007	SR 112 COMMUNICATIONS & INCIDENT MGMT. / SURVEILLANCE
10008	SR 874 INCIDENT MGMT. / SURVEILLANCE
10009	SR 924 COMMUNICATIONS & INCIDENT MGMT. / SURVEILLANCE
10010	SR 878 COMMUNICATIONS & INCIDENT MGMT. / SURVEILLANCE

LEGEND

- TOLL PLAZA
- PROPOSED IMPROVEMENTS
- XXXXX — PROJECT NUMBER

* NOTE:
ON MAY 27, 2004, THE MIAMI-DADE COUNTY METROPOLITAN PLANNING ORGANIZATION (MPO) VOTED TO REMOVE THIS PROJECT (20001) FROM THE REGION'S FIVE-YEAR AND TWENTY-YEAR TRANSPORTATION PLANS. MDX WILL DELETE THIS PROJECT FROM ITS FIVE-YEAR WORK PROGRAM DURING THE NEXT CYCLE.

TRANSPORTATION DADE CONSULTANTS

FIVE YEAR WORK PROGRAM-MAJOR PROJECTS

FIGURE 3-1

3.2 CAPITAL EXPENDITURES AND REQUIREMENTS

The estimate of probable cost for the FY 2005 - 2009 projects is $857 million. This estimate includes funds required for project development, PD&E, final design, right-of-way acquisition and construction[1]. Capital requirements for the FY 2005 - 2009 projects by category were summarized in Table 3-1. Assumptions inherent in the development of project cost estimates include:

1. Project development
    a. Includes costs for project definition at a level necessary to prepare advertisement documents for a final design consultant or design-build firm, depending on the procurement method utilized by MDX. This is estimated at 1.5% of the estimated construction bid cost.
2. Final design
    a. Costs include project management costs of 2% of estimated construction bid cost. This 2% estimate is intended to provide for overall project management, interagency coordination, plans reviews and other administrative costs performed by MDX or their designated agent. Final design plans preparation is estimated at 8% of the estimated construction bid cost for conventional and design-build projects.
3. Construction cost includes direct construction cost burdened with the following additional cost elements:
    a. Project Insurance / Bonds – 5% of Direct Construction Cost
    b. Estimate Contingency – percentage of Direct Construction Cost + Insurance / Bonds:
        - Conceptual Estimate – 30 to 35%
        - 30% to 90% Plans – 10 to 20%
        - Final Plans – 5 to 10%
    c. Construction Contingency – 10% of Estimated Bid Cost
    d. Post-Design Services – 1.6% of Estimated Bid Cost

[1] This is the total amount approved as of March 2004, which includes the Central Parkway project study. On May 27, 2004, the Miami-Dade County MPO removed the Central Parkway PD&E project from the region's five-year and 20-year transportation plans. MDX will delete this project and revise the total cost of its Five-Year Work Program during the next Five-Year Work Program cycle to ensure consistency.

e. Construction Engineering and Inspection (CE&I) – Percentage of Estimated Bid Cost:
   - Conventional projects – 9.5%
   - Design-build projects (Quality Control Engineer) – 6%
   - Design-build projects (CE&I Oversight) – 6%
   - CE&I Management – 2%

4. Right-Of-Way – based on estimate provided by ROW Task Manager.

Other miscellaneous allowances (e.g. permitting, public information, testing, utility relocations, incentive bonuses, stipends, etc.) are estimated as applicable by phase of each project.

3.3 PROJECT SCHEDULE

Project schedules are based on historical time frames from previous projects and based on the General Engineering Consultant's knowledge of the implementation requirements at the time the Five-Year Work Program was developed. The schedules anticipate reasonable amounts of time for completion of the work activities such as project development, final design, right-of-way acquisition, design/build and construction.

3.4 SUMMARY

In summary, the estimate of probable cost to implement the FY 2005 - 2009 Five-Year Work Program is $857 million. This estimate includes funds required for project development, PD&E, final design, right-of-way acquisition, design/build and construction. Additionally, the General Engineering Consultant has estimated an implementation schedule for each project. Based on the General Engineering Consultant's review, both the estimate of probable cost and the schedule appear reasonable.

APPENDIX C

TRAFFIC AND TOLL REVENUE UPDATE STUDY

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ENGINEERS
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February 14, 2005

Mr. Servando M. Parapar, P.E.
Executive Director
Miami-Dade Expressway Authority
3790 N.W. 21st Street
Miami, FL 33142

Re: WSA Traffic and Revenue Update

Dear Mr. Parapar:

As part of the upcoming financing, Wilbur Smith Associates (WSA) was asked to review and update, if necessary, the traffic and toll revenue estimates developed as part of the most recent July 2004 Bond Issue. A detailed traffic and revenue study was conducted as part of the last bond issue and is included in its entirety (dated July 1, 2004) in the Official Statement. The purpose of this letter is to review actual experience in the intervening six months to determine if changes are needed in the July 2004 estimates.

Extensive discussions have been held with MDX and DTC staff regarding the proposed capital program over the forecast period. No changes have been made to those items which would affect estimated traffic and toll revenue. Key elements of the improvement program include construction of a western toll plaza on SR 836 and multiple tolling changes on SR 874. These are all detailed in the full WSA report document, and all are assumed to be completed as originally planned, in accordance with schedules defined in the July 1 report.

A comparison was made of monthly traffic and revenue experience on MDX facilities since the July 2004 financing. Table 1 provides a summary of WSA's original monthly forecasts for the first two Fiscal Years, along with actual experience through December 2004. The columns labeled "July '04 Estimate" reflect those included in the July 2004 Official Statement. These included actual traffic and revenue values through April 2004. The columns labeled "January '05 Estimate" reflect the same forecasts, but substitute actual experience through January 2005.

Except for September 2004, the percent difference between WSA's original estimates and actual experience has been minimal. Both August and September 2004 were negatively impacted by the four hurricanes that hit Florida. September was especially hard hit and resulted in several days of suspended toll collection on all MDX facilities, thus the 27 percent drop in traffic and revenue. Excluding the months impacted by hurricanes, actual revenue was 0.6 percent above the prior WSA estimates.

Because the July 2004 estimates have so closely tracked actual experience (with the exception of the hurricane impacts), no changes have been made to our estimates for the remaining six months of Fiscal Year 2004/05. Total toll revenue for Fiscal Year 2004/05 is now estimated at just over $56.0 million. This compares to our original estimate of approximately $56.9 million. The difference between the two is nearly entirely the result of lost revenue during the August and September hurricane season.

Table 2 provides a summary of the longer term forecasts. The first two columns show WSA's traffic and revenue estimates from the July 2004 financing. Columns three and four provide our revised estimates of traffic and toll revenue through Fiscal Year 2030/31. The only differences between the two sets of estimates are those for the current Fiscal Year. The January 2005 estimates for Fiscal Year 2004/05 now match the revised estimates shown in Table 1 and reflect actual experience through January 2005, including the impact of the hurricanes in August and September.

As shown, total annual toll revenue is expected to grow from about $56.0 million in Fiscal Year 2004/05 to just over $171.0 million by Fiscal Year 2030/31. Capital improvement assumptions are footnoted at the bottom of the table, the three most important being the addition of the SR 836 western mainline toll plaza and splitting the SR 874 mainline toll plaza. A July 1, 2005 toll rate increase is also assumed in this forecast.

We hope this information proves helpful in the upcoming financing. Please do not hesitate to call with any questions regarding the development of these forecasts.

Very truly yours,

WILBUR SMITH ASSOCIATES

Edward J. Regan, III
Senior Vice President

Table 1

Comparison of Original July 2004 Financing Estimates to Current Experience

Total MDX Facilities

	Toll Revenue			Toll Transactions		
2003/04	July '04 Estimate (1)	January '05 Estimate (2)	Percent Difference	July '04 Estimate (1)	January '05 Estimate (2)	Percent Difference
July	$3,740,800	$3,740,800	0.0	5,838,000	5,838,000	0.0
August	3,667,200	3,667,200	0.0	5,689,300	5,689,300	0.0
September	3,586,400	3,586,400	0.0	5,535,600	5,535,600	0.0
October	3,847,800	3,847,800	0.0	5,950,900	5,950,900	0.0
November	3,575,300	3,575,300	0.0	5,572,400	5,572,400	0.0
December	3,835,000	3,835,000	0.0	5,928,500	5,928,500	0.0
January	3,828,200	3,828,200	0.0	5,974,900	5,974,900	0.0
February	3,764,700	3,764,700	0.0	5,858,400	5,858,400	0.0
March	4,798,200	4,798,200	0.0	6,249,200	6,249,200	0.0
April	4,709,800	4,709,800	0.0	5,928,100	5,928,100	0.0
May	4,814,050	4,747,100	-1.4	6,138,035	5,929,000	-3.5
June	4,552,127	4,631,500	1.7	5,824,318	5,797,700	-0.5
Total	$48,719,577	$48,732,000	0.0	70,487,653	70,252,000	-0.3
AADT (3)				192,600	191,900	

2004/05	July '04 Estimate (1)	January '05 Estimate (2)	Percent Difference	July '04 Estimate (1)	January '05 Estimate (2)	Percent Difference
July	$4,716,566	$4,736,400	0.4	6,049,248	5,887,900	-2.7
August (4)	4,660,751	4,582,600	-1.7	5,982,916	5,776,300	-3.6
September (4)	4,544,501	3,589,700	-21.0	5,826,085	4,587,500	-21.3
October	4,736,728	4,793,300	1.2	6,089,318	6,049,800	-0.7
November	4,544,579	4,670,200	2.7	5,845,780	5,885,200	0.7
December	4,885,632	4,826,900	-1.2	6,309,245	6,026,000	-4.7
January	4,781,158	4,868,383	1.8	6,166,729	6,090,293	-1.2
February	4,478,264	4,478,264	0.0	5,771,203	5,771,203	0.0
March	5,095,665	5,095,665	0.0	6,580,376	6,580,376	0.0
April	4,761,156	4,761,156	0.0	6,158,933	6,158,933	0.0
May	4,997,295	4,997,295	0.0	6,471,297	6,471,297	0.0
June	4,651,116	4,651,116	0.0	6,033,981	6,033,981	0.0
Total	$56,853,410	$56,050,979	-1.4	73,285,112	71,318,784	-2.7
				200,700	195,400	
Total Excluding Aug/Sept (5)	$47,648,159	$47,878,679	0.4	61,476,112	60,954,984	-0.9

(1) These traffic and revenue estimates were developed as part of July 2004 Bond Financing. Actual data are shown through April 2004, all other values are estimates.

(2) These traffic and revenue values reflect an update of the July 2004 estimates. Actual data is now provided through January,2005. Estimates for February-June 2005 period remain unchanged.

(3) AADT refers to average annual daily traffic; this is calculated by dividing total traffic by the number of days in the year.

(4) These two months were impacted by the four hurricanes that hit Florida. September experienced the worst impact since toll operations were shut down on two occassions.

(5) This shows the net impact between the two sets of estimates excluding the abnormal months of August and September, which were affected by the four hurricanes.

14-Feb-05

Table 2

Summary of Original and Updated Total Traffic and Revenue Estimates

MDX System

Annual Revenue in Thousands

Fiscal Year		July 2004 Estimates Estimated Average Daily Traffic	July 2004 Estimates Estimated Annual Toll Revenue	January 2005 Estimates Estimated Average Daily Traffic	January 2005 Estimates Estimated Annual Toll Revenue
2004 - 05	(1)	200,700	$56,854	195,400	$56,051
2005 - 06	(2)	186,500	70,953	186,500	70,953
2006 - 07		195,500	74,090	195,500	74,090
2007 - 08	(3)(4)	315,800	110,251	315,800	110,251
2008 - 09		330,500	114,348	330,500	114,348
2009 - 10	(5)	364,100	125,854	364,100	125,854
2010 - 11		376,900	129,874	376,900	129,874
2011 - 12		387,400	133,566	387,400	133,566
2012 - 13		397,500	136,391	397,500	136,391
2013 - 14		407,900	139,759	407,900	139,759
2014 - 15		417,400	142,716	417,400	142,716
2015 - 16		425,800	146,073	425,800	146,073
2016 - 17		433,100	148,245	433,100	148,245
2017 - 18		440,400	150,736	440,400	150,736
2018 - 19		447,500	153,297	447,500	153,297
2019 - 20		454,100	155,909	454,100	155,909
2020 - 21		461,100	157,923	461,100	157,923
2021 - 22		467,800	160,281	467,800	160,281
2022 - 23		474,400	162,548	474,400	162,548
2023 - 24		479,100	164,705	479,100	164,705
2024 - 25		482,800	165,542	482,800	165,542
2025 - 26		487,000	167,095	487,000	167,095
2026 - 27		491,000	168,618	491,000	168,618
2027 - 28		492,600	169,684	492,600	169,684
2028 - 29		494,400	169,888	494,400	169,888
2029 - 30		495,700	170,337	495,700	170,337
2030 - 31		497,500	171,008	497,500	171,008

(1) The July 2004 estimates do not include any actual traffic and toll revenue data. The values for the current January 2005 estimates, however, include actual data through January, 2005.

(2) Assumes a toll rate increase on July 1, 2005 (see Table 4-2 of the full report).

(3) The extension to 137th Avenue is completed on SR 836 and a new western mainline toll plaza is asumed to open on July 1, 2007.

(4) Kendall Ramps on SR 874 are assumed to be opened and tolled on January 1, 2008.

(5) The northbound mainline toll plaza is relocated to north of the Killian Parkway on July 1, 2009 SR 874 is widened to five lanes in each direction between Killian and Kendall at the same time. And the Killian Ramps on SR 874 are assumed to be opened and tolled on July 1, 2009.

14-Feb-05

MDX SYSTEMWIDE TRAFFIC AND REVENUE UPDATE STUDY

General Consultant Services
Task Order No. 13

ENGINEERS
PLANNERS
ECONOMISTS

Wilbur Smith Associates

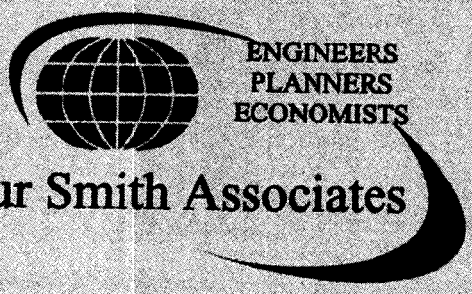
MDX SYSTEMWIDE TRAFFIC AND REVENUE UPDATE STUDY

General Consultant Services
Task Order No. 13

Prepared for

Miami - Dade
Expressway Authority

Prepared by



Wilbur Smith Associates

July 2004

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CHAPTER 1

INTRODUCTION

Pursuant to Chapter 348, Part I, Florida Statutes, as amended, also known as the Florida Expressway Authority Act, the Board of County Commissioners of Miami-Dade County created the Miami-Dade County Expressway Authority (MDX) on December 13, 1994. The intent behind the formation of MDX was to establish a responsive funding source, independent of federal sources, to address transportation needs and to enhance mobility throughout Miami-Dade County.

In December 1996, the Florida Department of Transportation (FDOT) transferred operational and financial control of the following expressways to MDX:

- State Road 112 (Airport Expressway) from the Miami International Airport (MIA) to I-95;
- State Road 836 (East-West Expressway)[1] from the Homestead Extension of Florida's Turnpike (HEFT) to I-95;
- State Road 874 (Don Shula Expressway)[2] from the Homestead Extension of Florida's Turnpike to State Road 826 (Palmetto Expressway);
- State Road 878 (Snapper Creek Expressway) from State Road 874 to U.S. 1; and
- State Road 924 (Gratigny Parkway) from State Road 826 (Palmetto Expressway) to just west of NW 27th Avenue.

[1] Also referred to as the Dolphin Expressway.
[2] Also referred to as the South Dade Expressway.

PURPOSE OF STUDY

Wilbur Smith Associates (WSA) serves as general traffic and revenue consultant for the Miami-Dade Expressway Authority. WSA has prepared a series of traffic and revenue forecasts for the MDX system, used in support of prior bond financings during the ongoing major improvement program. WSA also develops, and frequently updates, monthly traffic and revenue forecasts for each of the MDX facilities, together with studies used in support of toll rate adjustments, project planning and operations.

This study is a comprehensive traffic and revenue study intended to be used in support of additional bond financing by MDX. The revenue forecasts included in this report include revenue to be generated from various elements of the improvement program, including new and/or relocated toll plazas, an extension of one of the Expressways and other important improvements. Obviously, revenue from the existing toll plazas are also included.

The study was conducted to a level of detail to meet the typical requirements of the financial community for major new bond issues. The MDX system has a long record of success and has enjoyed considerable traffic and revenue growth over the last several years, aided by a series of toll increases. However, since this forecast will include significant revenue from toll plazas and project extensions which do not exist today, this study included extensive travel pattern and characteristics surveys, an independent review of underlying socioeconomic forecasts, a detailed traffic and revenue evaluation and a series of sensitivity tests.

OVERVIEW OF STUDY APPROACH

This comprehensive study built upon data and knowledge assembled from several prior traffic and revenue studies of the MDX system performed by WSA. The following is a summary of the work scope and methods used as part of this study.

ANALYSIS OF MDX SYSTEM OPERATING CHARACTERISTICS

WSA routinely monitors traffic and revenue trends, by month and expressway facility, for the MDX system. This includes a review of patterns toward increasing use of electronic toll collection, short term economic conditions and the impact of ongoing construction activity on the system. This analysis also included a review of actual experience following two prior toll increases on the system, one in Fiscal Year (FY) 1999-00 and one in FY 2001-02. As noted below, MDX also recently

made a further rate adjustment in March 2004, although less than two full months of operating experience are available following that toll change. A summary of the analysis of operating trends and characteristics on the MDX system is provided in Chapter 2.

TRAVEL PATTERN AND CHARACTERISTICS SURVEYS

Since the forecasts developed as part of this study were to include revenue from new toll collection facilities and other system expansions, WSA undertook an extensive travel pattern and characteristic survey in the spring of 2003 to measure real world travel patterns of motorists using MDX facilities. In addition to all current toll plazas, surveys were also conducted at locations where new toll plazas will be implemented in the future plus Miami International Airport (MIA), which contributes significant traffic demand for the MDX system.

REVIEW OF ECONOMIC GROWTH

A critical element of any traffic and revenue forecasts is future socioeconomic projections for the project market areas and the region as a whole. WSA obtained the latest official forecasts produced by the Miami-Dade Metropolitan Planning Organization (MPO). An independent economics subconsultant, Washington Economics Group (WEG), was also retained to provide an independent review of the reasonableness of the socioeconomic forecasts. As a result of this analysis, WEG suggested some revisions in the spatial distribution of future growth, and/or the timing of future growth. These adjustments were then distributed among traffic analysis zones, and then used to develop updated "trip tables" for the Miami-Dade region.

TRAVEL DEMAND MODEL UPDATE

For use in the analysis, WSA obtained the latest travel demand model from the Miami-Dade Metropolitan Planning Organization. This model is in the standard Florida State Urban Transportation Model System (FSUTMS) platform. The model was updated to reflect the latest highway improvement program assumptions, including the MDX committed improvement program. Updated trip tables were developed based on the refined socioeconomic forecasts provided by WEG. The travel pattern information obtained from the origin-destination surveys was also introduced into the model, and the model was "recalibrated" to reflect observed traffic counts on the MDX system and alternative routes, to the extent possible.

Alternative future year trip tables were also developed, at five year increments, based on the updated socioeconomic forecasts.

TOLL RATE ANALYSES

Using the updated model, and a review of actual experience from prior toll changes, WSA performed a toll sensitivity analysis for each of the four existing tolled expressways. This included a number of hypothetical alternative toll rate strategies. This ultimately led to a toll structure change on March 7, 2004, which increased rates for cash customers while substantially retaining prior rates for SunPass users. A change in the truck axle rate structure was also introduced. A second increase is approved and will take effect on or about July 1, 2005; the impact of this increase is also included in the base case revenue forecast developed as part of this study.

In addition, WSA performed a toll sensitivity analysis, at FY 2005-06 levels, covering rates above those currently anticipated. Such increases are not assumed in the revenue forecasts included in this report; however the toll sensitivity curves are provided to give the reader a sense of the potential opportunities for increasing revenue in the future through further rate increases, if these were ever needed.

TRAFFIC AND REVENUE FORECASTS

Using the updated model, WSA performed traffic assignments at multiple analysis years between FY 2004-05 and FY 2030-31. In addition to projecting growth in traffic at each of the existing plazas, estimates were made of expected traffic impacts at proposed new or relocated toll plazas on S.R. 836 and S.R. 874 as well as the impact of the proposed extension to S.R. 836.

The revenue forecast also reflected anticipated continued increased usage of the SunPass electronic toll system. This is an important part of the revenue forecasting process since there is now a significant differential in toll rates charged to cash vs. SunPass users. As noted below, following the most recent toll change, SunPass usage now accounts for more than 50 percent of all transactions on the MDX system.

Annual traffic and revenue forecasts were developed for each toll plaza, on each expressway, through FY 2030-31. These were checked for reasonableness, in comparison to historical long-term traffic growth rates as well as capacity constraints on each of the facilities.

SENSITIVITY TESTS

Any forecast of future traffic and revenue is subject to considerable uncertainty, and must be based on certain assumptions. A series of sensitivity tests were also undertaken to measure the potential impacts on revenue on a base case revenue forecast of certain changes in basic assumptions. Sensitivity tests included a reduced economic growth

scenario, differing assumptions on SunPass penetration rates and inflation and the potential impact of proposed future heavy rail transit initiatives in one of the MDX corridors.

DESCRIPTION OF EXISTING MDX SYSTEM

The existing MDX Expressway System is shown in Figure 1-1. It consists of about 31 miles of expressways, with revenues currently collected at four mainline and one ramp plaza locations. A brief description of each of the facilities is provided below.

AIRPORT EXPRESSWAY

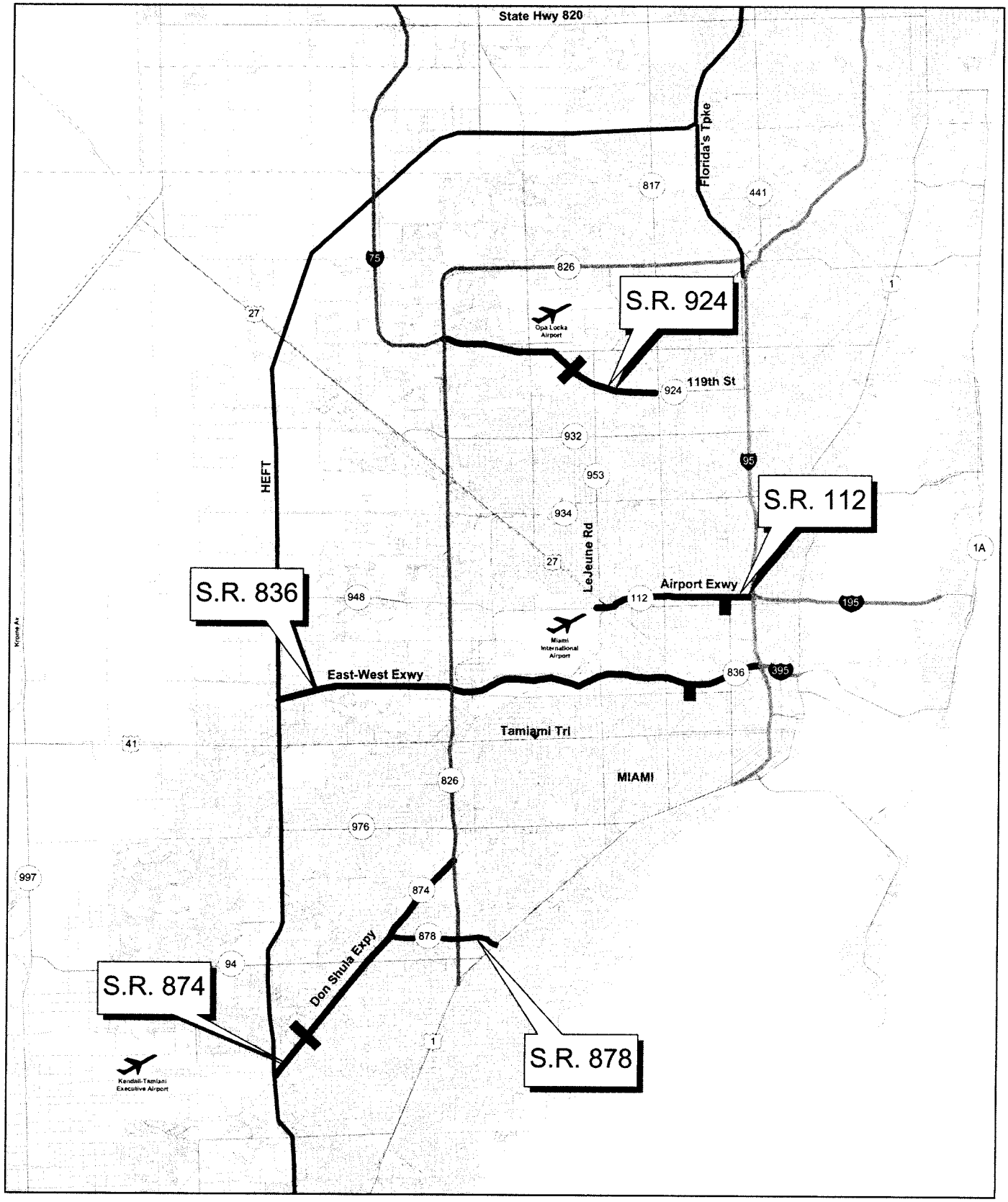
The Airport Expressway (S.R. 112 from Miami International Airport (MIA) to I-95) serves short east-west commuter trips in eastern Miami-Dade County, providing access to MIA on the west, and I-95 north of Miami's Central Business District. The expressway is 4.1 miles in length, contains 27.4 lane-miles, and extends from MIA directly to an interchange with I-95 near downtown Miami. An eastern extension of S.R. 112 (I-195, which is not an MDX facility) provides access to Miami Beach. The Airport Expressway opened to traffic on December 22, 1961.

Tolls are collected in the eastbound direction only at one mainline toll barrier located just west of 12th Avenue (S.R. 933). Passenger car cash patrons pay $0.75, which represents a round-trip per-mile rate of $0.091 over the entire length of the facility. Passenger cars with SunPass are charged $0.50. Since there is only one toll plaza, and many on- and off-ramps, many drivers use the Airport Expressway for free. SunPass was implemented on the Airport Expressway on June 26, 1999.

EAST-WEST EXPRESSWAY

The East-West Expressway (S.R. 836 from the HEFT to I-95) serves east-west commuter and commercial traffic across central Miami-Dade County and provides access to west Miami-Dade County, MIA, and the Central Business District. The expressway is 11.8 miles in length, contains a total of 87.4 lane-miles, and extends from an interchange with the HEFT to an interchange with I-95 near downtown Miami. It opened to traffic on September 16, 1965 from S.R. 826 to I-95. The portion from the HEFT to S.R. 826 opened in 1972.

Tolls are collected in the eastbound direction only at a mainline toll barrier located near 17th Avenue. As part of a major plaza reconstruction program, a separate ramp plaza was added to the eastbound exit ramp at 17th Avenue. Passenger car cash patrons pay $1.00, which represents a round-



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EXISTING MDX SYSTEM LOCATION MAP

FIGURE 1-1

trip per-mile rate of $0.042 over the entire length of the facility. SunPass users pay $0.75. A significant portion of traffic using the East-West Expressway does so without paying a toll. The major toll-free movements include all westbound traffic, as well as all traffic in both directions between the HEFT, the Palmetto Expressway (S.R. 826) and Le Jeune Road (Miami International Airport). SunPass was implemented on the East-West Expressway on June 19, 1999.

DON SHULA EXPRESSWAY

The Don Shula Expressway (S.R. 874 from the HEFT to S.R. 826), opened to traffic on July 8, 1974, serves commuter traffic from southwest to central Miami-Dade County. The expressway is 7.2 miles in length, contains a total of 45.7 lane-miles, and extends from an interchange with the HEFT to an interchange with S.R. 826 south of the East-West Expressway.

Tolls are collected in both directions (northbound and southbound) at one mainline toll barrier located just east of the HEFT. Passenger car cash patrons pay $1.00, which represents a per-mile rate of $0.139 over the entire length of the facility. SunPass passenger cars are charged $0.75. A significant number of movements on the facility are toll-free, including all intermediate movements north of the toll barrier. SunPass was implemented on the Don Shula Expressway on June 26, 1999.

SNAPPER CREEK EXPRESSWAY

The Snapper Creek Expressway (S.R. 878) is a 2.7 mile (11.3 lane-miles), east-west spur of S.R. 874 that begins north of Kendall Drive (SW 88th Street) that is currently toll-free. It provides direct access to U.S. 1 and a Metrorail parking garage on the east. The road opened at the same time as the South Dade Expressway, in 1974.

GRATIGNY PARKWAY

The Gratigny Parkway (S.R. 924 from S.R. 826 to west of NW 27th Avenue), opened to traffic on January 6, 1992, serves commuter and commercial traffic from northwest to north-central Miami-Dade County. The parkway is 5.4 miles in length, contains a total of 37.5 lane-miles, and extends from an interchange with I-75 and the Palmetto Expressway to the Le Jeune-Douglas Connector, at which point it transitions into NW 119th Street.

Tolls are collected in both directions (eastbound and westbound) at one mainline toll barrier located approximately two miles east of the Palmetto Expressway. Passenger car cash patrons pay $1.00, which represents a per-mile rate of $0.217 over the entire length of the facility. SunPass

users are charged $0.75. Due to the relatively short nature of the facility, a limited number of access points, and tolls that are collected in both directions, most traffic on this facility is tolled. SunPass was implemented on the Gratigny Parkway on June 19, 1999.

OTHER PRINCIPAL HIGHWAYS IN MIAMI-DADE COUNTY

The MDX facilities are part of an integrated system of roadways in Miami-Dade County. In addition to the MDX facilities, a number of expressways and local arterials allow an array of surface transportation alternatives in Miami of varying speed, access, and mobility.

- **Florida's Turnpike** offers high-speed, limited-access mobility to Miami from points north, terminating at the interchange of I-95 and the Palmetto Expressway.

- The **Homestead Extension of Florida's Turnpike (HEFT)** is a circumferential route around the north and west fringes of the Miami area. The South Dade Expressway and the East-West Expressway have the most direct access to the HEFT.

- From the north, **I-75** intersects with the HEFT and adjoins the Gratigny Parkway.

- Also from the north, **I-95** parallels Florida's Turnpike and terminates in the vicinity of Central Miami at U.S. 1. It intersects with the Airport and East-West Expressways east of the Miami International Airport (MIA).

- **I-195** provides direct access from Central Miami to Miami Beach, and ties into the Airport Expressway at its western terminus.

- **I-395** provides direct access from S.R. 836 and Central Miami to Miami Beach.

- The toll-free **Palmetto Expressway** (S.R. 826) is another circumferential route around the northern and western portions of the Miami area. It intersects with the Gratigny Parkway and S.R. 836 west of MIA, and terminates in the south at U.S.1.

MDX SYSTEM IMPROVEMENT PROGRAM

Figures 1-2 and 1-3 show major elements of the short and long-range improvement program now being contemplated by the MDX Authority. Elements of the improvement program are variably shaded. Those improvements shown with a solid grey line reflect short-term committed improvements which are included in the traffic and revenue forecasts provided in this report. Only improvements shown in blue are included in the forecasts.

Improvements shown with a square dashed line are generally referred to as Tier Two Planned Improvements, which are, at least in part, included in the 2005-2009 five year plan ("Five-Year Work Program") for MDX but are not covered by the next financing; hence revenue from these facilities are not included in forecasts provided in this report.

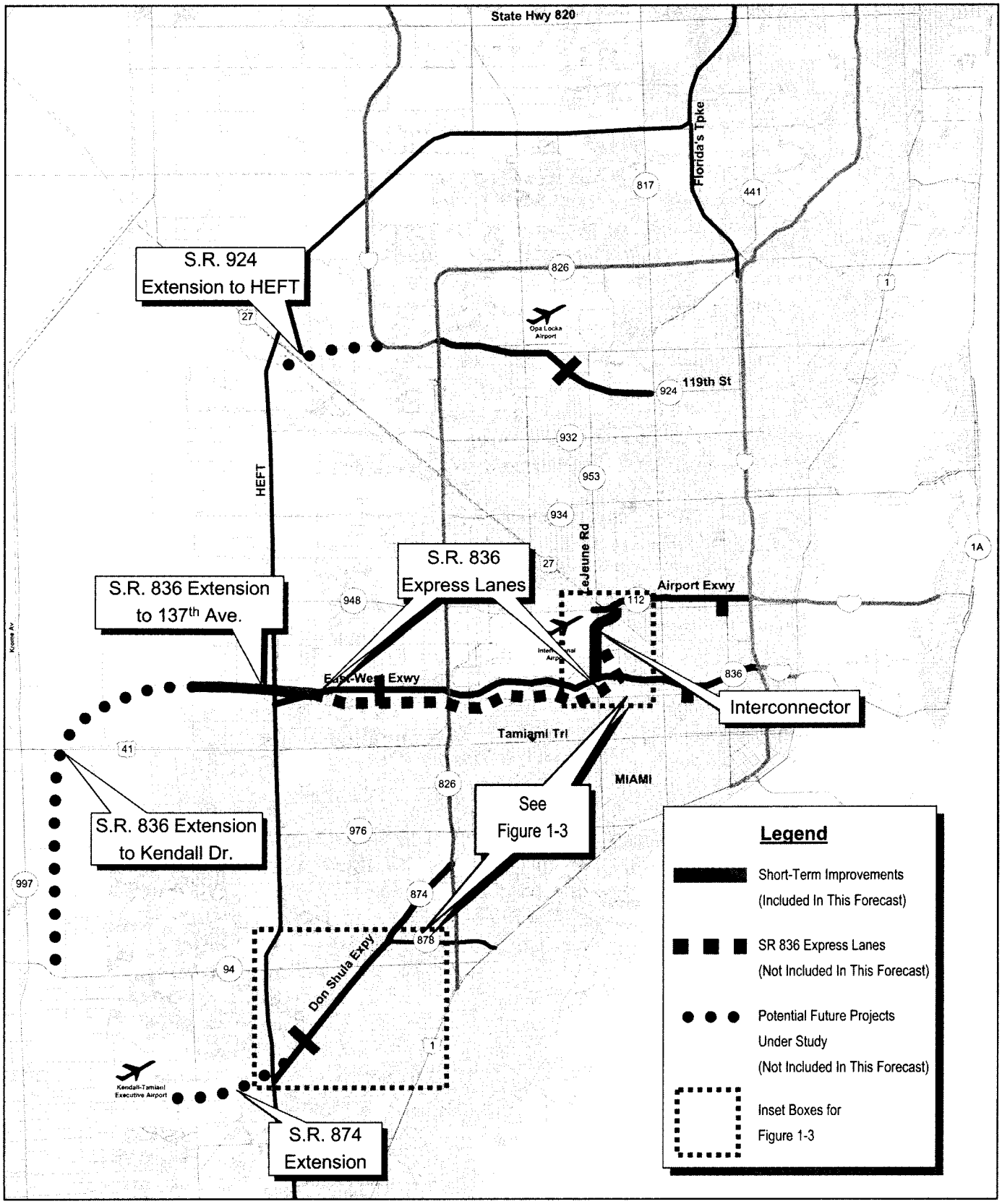
Finally, improvements shown with a dotted line reflect potential future projects which are under study, but not yet committed for implementation by MDX, and also are not included in the forecast within this report.

SHORT-TERM IMPROVEMENTS

Short-term improvements, included in this forecast, include implementation of a new toll plaza on the S.R. 836, East-West Expressway, between 87th Avenue and 107th Avenue. This new plaza will serve both travel directions and will be designed with express lanes for SunPass users and a limited number of cash lanes. This plaza is assumed to be open by July 1, 2007.

Also included is a westerly extension of S.R. 836 to 137th Avenue. This consists of a four lane cross section, new structures across the Turnpike and associated improvements on 137th Avenue itself west of the Turnpike. The extension lanes will feed directly into the new western toll plaza. It will not be possible to access either the Turnpike or 107th Avenue from the extension itself. The revenue forecasts included in this report do not assume additional toll collection facilities on the extension itself, but as noted above all extension traffic will be required to pass through the new toll plaza. The extension is assumed to be open to traffic by July 1, 2007.

Significant changes are also assumed on S.R. 874, particularly as it relates to toll collection locations. As shown in more detail in Figure 1-3, the mainline toll plaza will be split into separate locations by travel direction. A new northbound plaza will be constructed between Killian Parkway and Kendall Avenue (July 1, 2009). This location has a considerably higher traffic volume, since a large volume of toll-free users currently access S.R.



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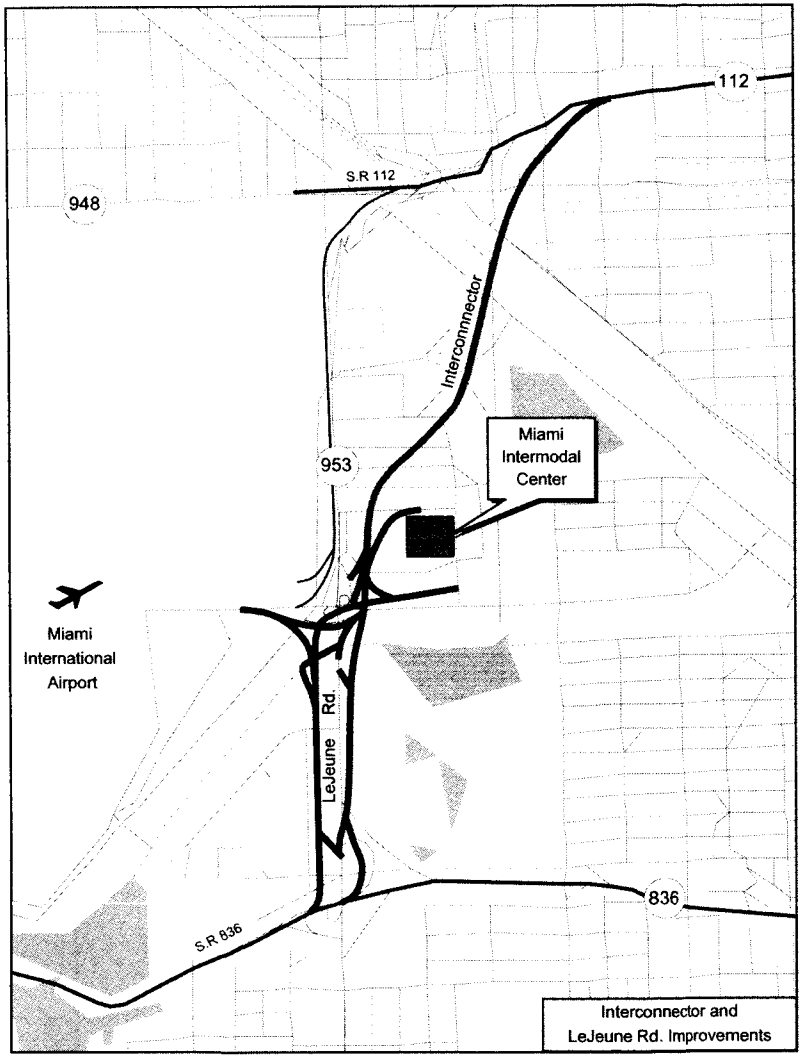
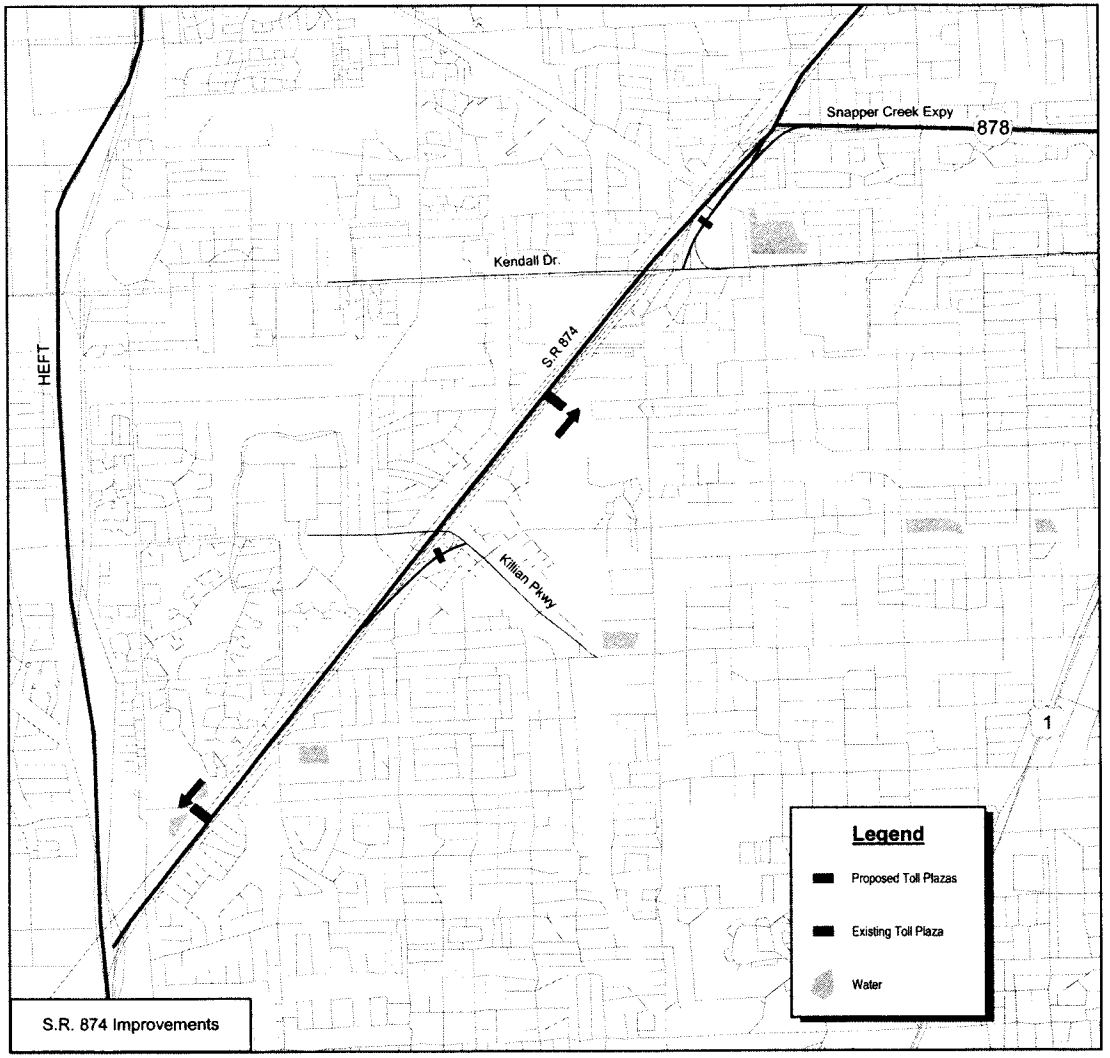
MDX SYSTEM IMPROVEMENT PROGRAM

FIGURE 1-2





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INTERCONNECTOR AND SR 874 IMPROVEMENTS

FIGURE 1-3

874 from the Killian Interchange. Ramp enhancements will also be introduced, providing direct northbound ramp access from Kendall Drive to both S.R. 878 and S.R. 874. This is assumed to occur by January 1, 2008. Access is currently only provided to S.R. 878. Ramp toll plazas will also be added to the northbound entry ramp at Kendall capturing movements to both S.R. 874 and S.R. 878 (by January 1, 2008), and to the northbound exit ramp at Killian (by July 1, 2009).

Also as shown in Figure 1-3, the short-term improvement program includes major improvements on both S.R. 836 and S.R. 112 in the vicinity of MIA. As part of the deployment of the new Miami Intermodal Center (MIC), just east of MIA, major upgrades are being implemented by FDOT along LeJune Road and the MIA access roadway system itself. As part of this, the MDX Five-Year Work Program will include improved access to a new collector distributor system along LeJune, as well as partial construction of the planned interconnector facility between S.R. 836 and S.R. 112.

Major construction is currently in process on S.R. 112, providing improved access ramps to LeJune Road and MIA. New direct access from the MIC and MIA will also be provided, in the northbound direction, to S.R. 112.

The most significant improvements, in terms of revenue production, relate to the new toll plaza at the west end of S.R. 836, the S.R. 836 western extension and the toll plaza relocations on S.R. 874. Some interim capacity enhancement, including an additional auxiliary lane, is also being added to the east-west tollway between 57th Avenue and S.R. 826.

Major improvements will be implemented at the interchange between S.R. 826 and S.R. 836. This improvement is under the coordination of FDOT, but includes partial funding from MDX.

TIER TWO PLANNED IMPROVEMENTS

The most notable element of the Tier Two Planned Improvements is the deployment of value priced express lanes along S.R. 836. Express lanes represent the construction of additional travel lanes which have variable tolls throughout the day; they would be restricted to SunPass users only. Rates are typically set to maintain free flow travel speeds. The express lanes on the eastern end of S.R. 836 will feed directly into MIA, as well as the MIC. It will also provide access for through travelers on S.R. 836.

Current preliminary analyses of the S.R. 836 express lanes assumed they would end in the vicinity of 107th Avenue. However, the Florida Turnpike Enterprise has recently announced a plan to deploy reversible express lanes on the HEFT; these will be connected directly with the proposed S.R. 836 express lanes on the MDX project.

The S.R. 836 express lanes will provide two free flowing lanes in each direction. Demand on these lanes will be managed through use of variable pricing. The express lanes will provide free access only to transit buses; all other users, regardless of vehicle occupancy, will be required to pay a variable toll. The express lanes will pass through one of the most congested sections of the entire MDX system, along S.R. 836 between the Palmetto Expressway (S.R. 826) and LeJune Road.

The express lanes are currently planned to open around 2011. However, their implementation cost is not included in the next anticipated bond issue; hence, for purposes of this study, the express lanes are not assumed to be operational and no revenue from these is included in the revenue forecasts. More detailed studies of the express lanes are now being conducted, in connection with similar studies being conducted by Florida's Turnpike Enterprise. Further modifications near the interconnector will be a part of the express lane program, when implemented. Again, it is not assumed for purposes of these revenue forecasts.

LONG RANGE PROJECTS

The Authority is considering several additional longer range projects, which are not currently included in the current Five-Year Work Program, nor are they included in the revenue estimates developed for this study. These include:

- Construction of S.R. 836 extension to Kendall, this project would be an additional extension of S.R. 836 west and then south through far western suburbs near the urban development boundary. This project, if constructed, would include provisions for future transit and would likely be implemented with a fully electronic toll collection facility. This project is not included in the current Five-Year Work Program, nor is revenue from this project included in the revenue forecasts;

- Construction of S.R. 874 extension across the HEFT. A short extension of S.R. 874 will provide improved access directly to S.R. 874 from a rapidly growing residential area. Currently, motorists must utilize the HEFT for access to 874, which has resulted in congested east-west arterial routes in that area. This project is not included in the

current Five-Year Work Program, nor is revenue from this project included in the revenue forecasts;

- Construction of a western extension of S.R. 924, which would function as a connection between I-75 and the HEFT is another long range project. This extension would provide improved access between both the Gratigny Parkway and the Palmetto Expressway to and from the HEFT, but is not included in these revenue forecasts; and

- Construction of Central Parkway, a north-south expressway which would connect S.R. 112 near MIA with S.R. 924. Planning and preliminary environmental studies for this project are included in the Five-Year Work Program, but not actual construction, therefore revenue from this expressway is not included in the revenue forecast. This project was recently removed from the Long Range Plan by MDX per the Metropolitan Planning Organization for the Greater Miami Urbanized Area.

MDX Open Road Tolling

MDX is also contemplating moving to a fully open road tolling system (ORT) in the future. This would be similar to ORT systems now in operation in Toronto, Canada and Mebourne, Australia, in which all toll revenue is collected electronically. This eliminates the need for traditional toll plazas, and the need for any vehicle to stop and make a toll payment.

Feasibility studies for the possible MDX ORT system are in preparation. If implemented, one option would be to "close the MDX system" meaning to eliminate the large number of toll-free movements on MDX expressways which are currently permitted. More than half of all patrons currently using S.R. 836 and S.R. 112 pay no toll. If ORT were implemented then toll collection would be extended to include all mileage on the MDX system. An ORT system on MDX expressways may have a positive impact on revenue.

Based on current planning, ORT deployment on the MDX system would likely occur sometime in the 2010-2015 time period. The Florida's Turnpike Enterprise is also contemplating converting the nearby Sawgrass Expressway, in Broward County, to ORT by about 2008.

Since ORT is not expected to be deployed on the MDX system for 5-10 years, and since the specific method and scope of ORT has not been finalized at this time, open road tolling is not assumed in the forecasts included in this report.

MIAMI INTERMODAL CENTER (MIC)

As noted above, a major project now under development is the MIC. This facility would be located east of MIA and will include a new consolidated rental car facility, and a major transit interface point. It would serve as the determination point for both Amtrak and Tri-Rail rail operations, and would ultimately include additional metrorail service. It will also include airport drop off and check in facilities, as well as a people mover type direct connection between the MIC and the various terminals at MIA. It would not include significant airport or commuter parking, but will involve a complex roadway access system which includes direct connections to and from both S.R. 836 and S.R. 112.

Work has commenced on the MIC. Land has been cleared and initial construction is in process. The MIC will significantly alter access patterns in the vicinity of MIA, but will not likely generate additional vehicular demand, since significant additional parking facilities are not contemplated.

MDX TOLL RATES

Table 1-1 shows the current toll rates by vehicle class and payment mode on each of the MDX expressways. This rate schedule was effective on March 7, 2004. Rates on the S.R. 112, Airport Expressway, are lower than those assessed on the other three expressways, because unlike the other expressways, rates were not increased on S.R. 112 in FY 2001-02.

Table 1-1
Current Toll Rates By Vehicle Class and Payment Mode
Effective March 7, 2004

	SR 836, SR 874, & SR 924		SR 112	
Vehicle Class	SunPass	Cash	SunPass	Cash
2 Axles	$0.75	$1.00	$0.50	$0.75
3 Axles	1.50	2.00	1.00	1.50
4 Axles	2.25	3.00	1.50	2.25
5 Axles	3.00	4.00	2.00	3.00
Each additional axle	0.75	1.00	0.50	0.75

In the last toll change in March of this year, cash rates at all toll facilities were increased by $0.25 for passenger cars. A previous 10 percent discount for SunPass users was eliminated. Instead, SunPass rates were not increased from the previous cash toll levels. The net affect of all changes was to significantly increase the differential between cash payment and SunPass toll charges.

In addition, the rate structure for commercial vehicles was modified so that commercial trucks assessed the equivalent passenger car toll for each additional axle above two.
Currently, passenger car cash users are assessed $1.00 at all plazas on S.R. 836, S.R. 874 and S.R. 924. SunPass users are charged $0.75. On S.R. 112, the passenger car cash rate is $0.75 and SunPass rate is $0.50.

Commercial vehicle rates are considerably higher at all toll facilities, although commercial vehicle usage on most MDX expressways is relatively low.

Table 1-2 provides a summary of historical and adopted future toll rates for passenger cars. At the time MDX assumed control over the expressways from FDOT, all rates at all toll plazas for passenger cars were $0.25. The SunPass system had not yet been introduced.

Table 1-2
Historical and Adopted Future Toll Rates

Passenger Cars

	MDX Facilities			
Fiscal Year	S.R. 112	S.R. 836	S.R. 874	S.R. 924
Prior to 1999	$0.25	$0.25	$0.25	$0.25
1999-00	0.50/0.45	0.50/0.45	0.50/0.45	0.50/0.45
2001-02	0.50/0.45	0.75/0.68	0.75/0.68	0.75/0.68
2004-05	0.75/0.50	1.00/0.75	1.00/0.75	1.00/0.75
2005-06	1.25/1.00	1.25/1.00	1.25/1.00	1.25/1.00

Note: Multiple rates reflect cash and SunPass, respectively.

In July 1999, passenger car cash rates were doubled to $0.50, with proportionally higher increases for trucks. At approximately the same time, SunPass was introduced on the MDX system, and carried a 10 percent nominal discount (i.e. $0.45 toll).

Rates were again increased in 2001, to $0.75 for passenger cars using cash, at all facilities except S.R. 112 and the 10 percent SunPass discount was retained.
Most recently, on March 7, 2004, the current rates were implemented, increasing cash tolls by $0.25 at all locations, eliminating the previous SunPass discount, but allow SunPass users to essentially preserve the previous cash rates at each location.

The MDX has adopted a further rate adjustment, to be implemented on July 1, 2005, which provides for an additional $0.25 to be assessed to all passenger cars, including cash and SunPass users, with proportional increases in truck rates. An exception to the $0.25 increase will be made on S.R. 112, where both cash and SunPass rates will be increased by $0.50. This will act to "equalize" the toll rates on S.R. 112 with those other MDX toll facilities.

CHAPTER 2

MDX OPERATING TRENDS AND CHARACTERISTICS

Chapter 2 provides a detailed analysis of historical operating trends on the existing MDX facilities. This includes monthly traffic and revenue patterns, changes in the market share between cash and SunPass usage, and evaluation of traffic and revenue impacts of prior toll changes and an overview of trip characteristics on the MDX System as obtained through travel pattern surveys conducted in 2003.

ANNUAL TRANSACTION AND REVENUE TRENDS

Table 2-1 presents a summary of annual toll transaction and revenue trends for each of the four MDX toll facilities. The upper portion of the table shows annual trends in average daily toll transactions, while the lower portion of the table shows annual toll revenue trends.

Average daily traffic levels reflect only toll transactions; additional vehicles may use the MDX facilities without passing through a toll plaza. These would not be included in the transaction totals shown in Table 2-1.

In the FY 1992-93, the total MDX System served an average of 169,315 daily toll transactions. This increased to a peak of 215,699 in FY 1998-99, the year immediately prior to the first of a series of toll changes. In the following Fiscal Year, systemwide toll transactions decreased to just over 197,000 per day, a reduction of 8.5 percent. This was primarily due to the doubling of toll rates which took place in July 1999, the beginning of that fiscal year.

In the following fiscal year, systemwide transactions grew again, by over 2.7 percent. However, in FY 2001-02 another toll increase was implemented, resulting in a reduction of almost 8 percent in systemwide traffic.

Table 2-1
Daily Transaction and Revenue Trends

Fiscal Year		S.R. 112 Total Transactions	S.R. 112 Percent Change	S.R. 836 Total Transactions	S.R. 836 Percent Change	S.R. 874 Total Transactions	S.R. 874 Percent Change	S.R. 924 Total Transactions	S.R. 924 Percent Change	MDX System Total Transactions	MDX System Percent Change
Average Daily Transactions											
1992/93	(1)	34,758	5.7	62,214	0.3	50,931	-11.9	21,412	50.3	169,315	1.4
1993/94		35,443	2.0	64,284	3.3	62,042	21.8	26,089	21.8	187,858	11.0
1994/95		36,725	3.6	64,780	0.8	62,449	0.7	28,134	7.8	192,088	2.3
1995/96		37,041	0.9	64,965	0.3	65,058	4.2	29,393	4.5	196,457	2.3
1996/97		37,147	0.3	65,170	0.3	67,328	3.5	31,104	5.8	200,749	2.2
1997/98		37,467	0.9	65,267	0.1	71,586	6.3	33,758	8.5	208,078	3.7
1998/99		36,908	-1.5	66,428	1.8	76,113	6.3	36,250	7.4	215,699	3.7
1999/00	(2)	32,084	-13.1	60,211	-9.4	72,208	-5.1	32,834	-9.4	197,337	-8.5
2000/01	(3)	33,197	3.5	61,666	2.4	73,948	2.4	33,878	3.2	202,689	2.7
2001/02		33,786	1.8	54,588	-11.5	66,878	-9.6	31,319	-7.6	186,571	-8.0
2002/03		32,499	-3.8	53,144	-2.6	69,098	3.3	32,221	2.9	186,962	0.2
Average Annual Percent Change (AAPC)											
1992-1997			1.5		1.0		7.0		9.5		4.2
1998-2003			-2.8		-4.0		-0.7		-0.9		-2.1
1992-2003			-0.7		-1.6		3.1		4.2		1.0
Annual Revenues (in thousands)											
1992/93		$3,272	4.1	$5,798	-0.5	$4,936	-11.8	$2,067	209.0	$16,073	5.5
1993/94		3,365	2.8	6,010	3.7	5,895	19.4	2,518	21.8	17,788	10.7
1994/95		3,471	3.2	6,024	0.2	5,904	0.2	2,751	9.3	18,150	2.0
1995/96		3,510	1.1	6,073	0.8	6,218	5.3	2,879	4.7	18,680	2.9
1996/97		3,556	1.3	6,171	1.6	6,643	6.8	3,083	7.1	19,455	4.1
1997/98		3,627	2.0	6,249	1.3	6,891	3.7	3,316	7.6	20,084	3.2
1998/99		3,573	-1.5	6,274	0.4	6,993	1.5	3,464	4.5	20,305	1.1
1999/00	(2)	5,727	60.3	10,750	71.3	12,036	72.1	5,791	67.2	34,305	68.9
2000/01		5,953	3.9	11,029	2.6	12,651	5.1	6,079	5.0	35,713	4.1
2001/02	(3)	5,941	-0.2	14,566	32.1	17,071	34.9	8,123	33.6	45,702	28.0
2002/03		5,854	-1.5	13,480	-7.5	16,726	-2.0	8,177	0.7	44,237	-3.2
Average Annual Percent Change (AAPC)											
1992-1997			2.0		1.5		6.9		9.8		4.5
1998-2003			10.1		16.6		19.4		20.0		17.1
1992-2003			6.0		8.8		13.0		14.7		10.7

(1) The MDX fiscal year is defined as twelve months ending June 30.

(2) SunPass was implemented in late June 1999. A modified toll structure in which toll rates were increased by 100 percent was implemented on July 11, 1999.

(3) A modified toll structure in which toll rates increased by $0.25 was implemented in July 2001 on all facilities except S.R. 112.

FY 2001-02 also saw a significant downturn in toll traffic due to the affects of the September 11 terrorist attack. This was a nationwide phenomena and MDX was no exception. There were significant negative impacts in September and October, with some moderation for the remainder of the fiscal year.

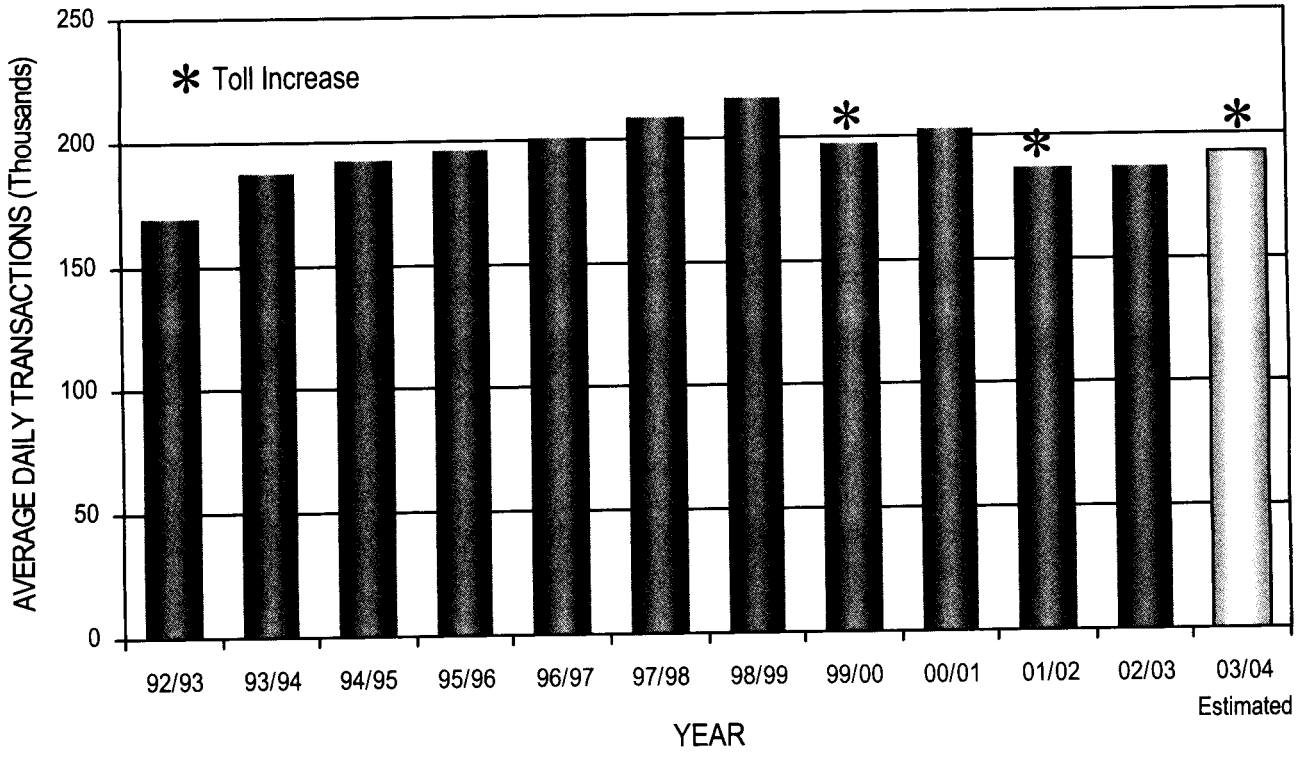
However, FY 2001-02 also experienced a deepening of an economic downturn, which, together with increased fears of terrorism, acted to reduce tourism travel in south Florida.

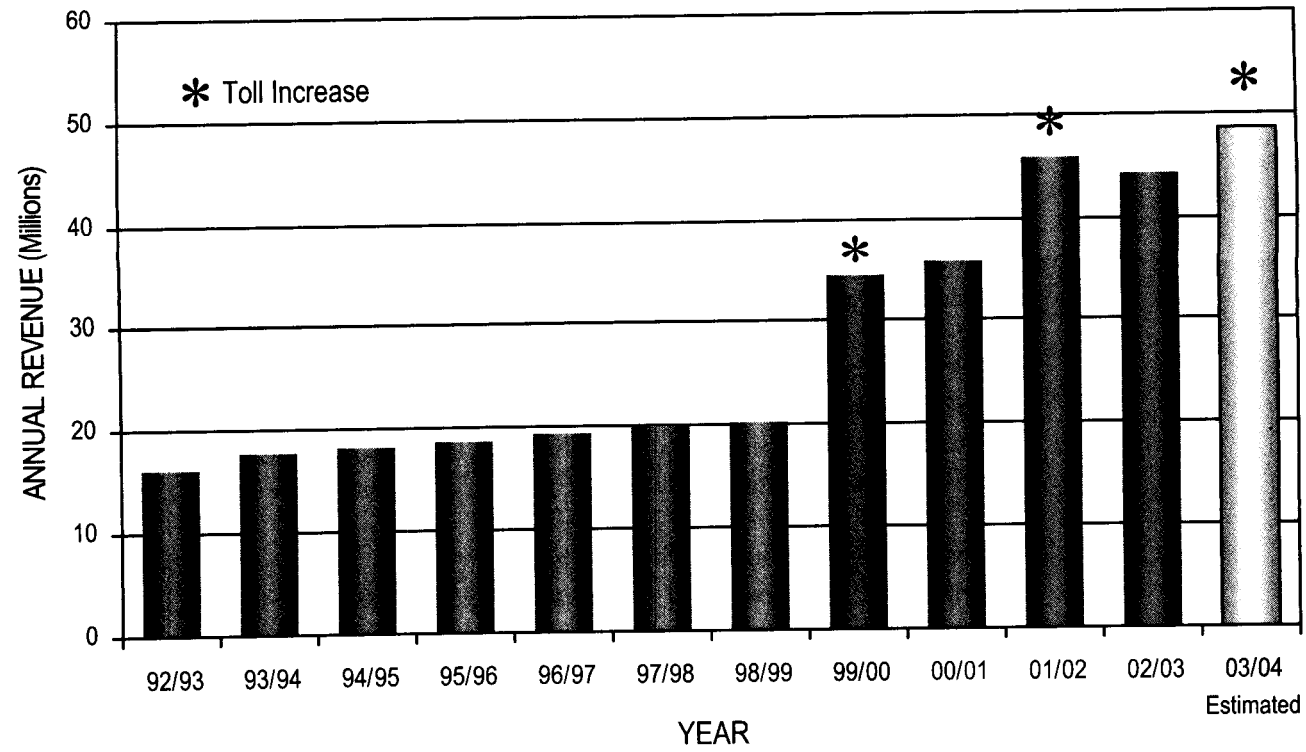
In FY 2002-03, major reconstruction activity took place at the toll plazas on S.R. 836 and S.R. 874. This had a significant negative impact on traffic growth. It was also accompanied by a complete replacement of the aging toll technology system at the MDX toll plazas, with a more state-of-the-art system and deployment of dedicated and express SunPass lanes. As a result, both traffic and revenue was negatively impacted by construction impacts and the system transition process in FY 2002-03.

Overall, average daily toll transactions grew by one percent per fiscal year systemwide between FY 1992-93 and FY 2002-03. However, prior to the FY 1999-00 toll increase, average daily transactions had been increasing by about 4 percent per year. Subsequent to FY 1998-99, average daily traffic decreased an average of 2.1 percent per year, influenced by two significant toll increases, the economic downturn, the impact of the September 11 attacks and major toll plaza construction activity. As shown in subsequent tables, most of the construction activity at the toll plazas is complete and a significant increase of traffic and revenue has been experienced in recent months.

Annual revenue trends are shown to be much more positive, aided by two toll increases. Over the 10-year period, revenue has grown by an average of more than 10.6 percent per year. Prior to the first toll increase, annual revenue had been growing by about 4.5 percent per year. However, over the last 5 years, revenue growth has averaged 17 percent per year, due in large part to the toll increases. Simply stated, in the last five fiscal years, MDX Systemwide revenue has increased from $20.3 million to a peak of just under $46 million, before dropping off slightly in FY 2002-03 due to construction impacts at major toll plazas.

These trends are shown graphically in Figure 2-1. The effect of the two toll changes are clearly shown in FY 1999-00 and FY 2001-02. A negative impact on average daily transactions is shown in each of these years, while a significant increase in toll revenue is shown in the same years.





ANNUAL SYSTEMWIDE TRANSACTION AND REVENUE TRENDS

FIGURE 2-1

MONTHLY TRANSACTION AND TOLL REVENUE TRENDS

Monthly transaction and toll revenue trends were assembled for each of the four toll facilities and the total MDX System. These monthly patterns, which are provided for the last seven fiscal years plus the first 10 months of the current fiscal year, are useful in identifying impacts due to toll increases, economic conditions, the September 11 terrorist attacks and more.

Figure 2-1 also includes estimated values for the current fiscal year, ending June 30, 2004. Actual data is now available for the first ten months of FY 2003-04. The final two months were estimated. The trend shows recovery for the reduced length of FY 2002-03. A toll charge was also implemented in March, 2004, but only effects the last four months of FY 2003-04.

S.R. 112 – AIRPORT EXPRESSWAY

Table 2-2 provides monthly transaction and toll revenue trends for the Airport Expressway. Transaction growth has been relatively modest on this expressway, with annual transactions averaging about 13.5 million for each of the first three years shown. Transactions dropped by 12.8 percent in FY 1999-00, due to the impact of the toll change which was implemented in July 1999. Some recovery from the traffic decrease is shown in FY 2000-01. The impact of the September 11 terrorist attack is shown in the 10.9 percent reduction in traffic in September 2001. The Airport Expressway would have been particularly hit by that event, since a significant portion of traffic on this route is traveling to or from MIA.

There was no toll increase on S.R. 112 in July 2001. As a result, a modest increase in traffic is shown on an annual basis on that toll facility. Traffic was relatively flat between FY 2001-02 and FY 2002-03, as construction activity was undertaken on the west end of S.R. 112 (new access ramps and other projects.) Also, as will be discussed in Chapter 3, there has been a downward trend in activity in the last few years at MIA, which has contributed to only modest levels of growth on S.R. 112.

Toll revenue has been relatively stable on this expressway, with the exception of FY 1999-00, when revenue increased by more than 60 percent due to the doubling of toll rates. Annual revenue averaged about $3.5 million per year, through FY 1998-99, and increased to just under $6 million per year in subsequent years.

Table 2-2

Monthly Transactions and Toll Revenue Trends

FY 1996/1997 Through FY 2003/2004 [1]

S.R. 112 - Airport Expressway

Transactions

Month	1996/1997	Percent Change	1997/1998	Percent Change	1998/1999	Percent Change	1999/2000 [2]	Percent Change	2000/2001	Percent Change	2001/2002 [3]	Percent Change	2002/2003	Percent Change	2003/2004
July	1,092,937	9.8	1,199,867	-0.2	1,197,824	-11.0	1,065,605	-6.6	994,774	3.3	1,027,159	*2.0*	*1,047,230*	*2.5*	1,073,280
August	1,163,856	-3.1	1,127,272	-4.7	1,073,856	-6.5	1,004,183	1.8	1,022,238	2.8	1,050,674	*3.1*	*1,083,528*	*-3.4*	1,046,997
September	1,069,830	-1.4	1,054,795	-11.5	933,205	-8.1	857,687	13.2	970,932	-10.9	864,991	*11.3*	*963,127*	*0.9*	971,914
October	1,131,075	3.1	1,165,740	0.2	1,168,131	-20.1	932,764	6.1	989,775	-1.5	974,780	*8.2*	*1,054,641*	*-0.7*	1,047,609
November	1,104,432	-0.7	1,096,733	-13.5	948,459	1.0	957,643	0.7	964,162	0.3	967,421	*3.5*	*1,001,157*	*-3.1*	970,533
December	1,162,587	0.8	1,171,383	0.5	1,177,473	-19.7	945,602	3.5	978,800	3.5	1,013,307	*5.5*	*1,068,707*	*-3.1*	1,035,354
January	1,148,582	-1.5	1,130,789	4.6	1,182,961	-18.2	967,312	5.1	1,016,550	3.4	1,051,421	*-2.5*	*1,024,753*	*1.1*	1,035,969
February	1,060,763	0.5	1,066,538	3.9	1,107,631	-9.9	997,896	-0.3	994,882	10.4	1,098,774	*-13.4*	*951,478*	*5.9*	1,007,791
March	1,205,490	-3.7	1,161,378	7.4	1,247,737	-15.3	1,056,742	4.4	1,103,635	-3.6	1,064,017	*-1.3*	*1,050,449*	*2.2*	1,073,525
April	1,145,387	2.3	1,171,395	0.1	1,172,553	-17.3	970,064	8.9	1,056,156	-2.2	1,032,700	-2.0	1,011,739	-1.5	996,870
May	1,162,407	0.7	1,170,894	-1.9	1,148,905	-12.1	1,010,068	4.0	1,050,343	0.1	1,051,585	-7.0	977,680		
June	1,111,127	4.3	1,158,714	-4.0	1,112,650	-12.2	977,220	-0.3	974,773	3.8	1,012,249	-3.6	976,135		
Total	13,558,473	0.9	13,675,498	-1.5	13,471,385	-12.8	11,742,786	3.2	12,117,020	0.8	12,209,078	0.0	12,210,624		
												July to April Total:	10,256,809	0.0	10,259,842

Toll Revenue

July	$297,032	5.1	$312,088	-0.2	$311,522	40.1	$436,503	12.3	$490,238	0.1	$490,799	2.3	$502,104	0.6	$504,974
August	304,959	1.3	308,994	-0.9	306,249	67.2	512,075	-2.0	501,603	2.7	515,111	0.9	519,507	-3.7	500,244
September	280,541	1.0	283,476	-14.8	241,481	72.9	417,486	11.8	466,924	-5.5	441,053	4.7	461,780	-1.1	456,900
October	291,205	5.5	307,316	1.8	312,993	30.9	409,693	20.8	494,861	-3.3	478,565	5.7	505,657	-2.2	494,533
November	285,918	1.1	289,190	-1.9	283,755	80.6	512,563	-7.3	475,266	-0.5	472,672	1.6	480,014	-5.5	453,482
December	301,932	3.0	310,919	-1.3	306,974	59.0	488,148	-3.1	473,197	4.4	493,787	3.8	512,401	-4.1	491,200
January	299,780	2.9	308,566	-1.2	304,891	55.4	473,931	7.9	511,239	0.0	511,051	-3.9	491,327	-1.6	483,341
February	282,238	1.0	285,190	0.5	286,511	65.7	474,881	2.4	486,152	10.7	538,121	-15.2	456,194	2.1	465,820
March	317,131	-1.0	314,026	3.8	325,989	65.9	540,898	3.4	559,449	-7.4	518,325	-2.8	503,647	24.8	628,721
April	299,943	3.3	309,882	-1.5	305,109	56.1	476,141	6.1	505,252	-2.0	494,953	-4.7	471,928	28.0	603,913
May	310,134	-3.7	298,525	-0.1	298,131	67.9	500,431	2.8	514,546	-2.1	503,816	-4.0	483,906		
June	286,124	4.7	299,635	-3.4	289,565	67.3	484,581	-2.1	474,601	1.7	482,753	-3.5	466,027		
Total	$3,556,937	2.0	$3,627,807	-1.5	$3,573,170	60.3	$5,727,331	3.9	$5,953,329	-0.2	$5,941,006	-1.5	$5,854,492		
												July to April Total:	$4,904,559	3.6	$5,083,128

Note: (1) The MDX fiscal year is defined as twelve months ending June 30.

(2) SunPass was implemented in late June 1999. A modified toll structure in which toll rates were increased by 100 percent was implemented on July 11, 1999.

(3) A modified toll structure in which toll rates increased by $0.25 was implemented in July 2001 on all facilities except S.R. 112.

Sources: Transaction data taken from Florida Department of Transportation (FDOT) Office of Toll Operations (OTO)
"S040 Monthly Reports." Revenue data taken from FDOT Comptroller Monthly Reports.
Italicized transactions data are estimates based upon average toll relationships.
Miami-Dade Expressway Auhority.

Revenue is up 3.6 percent on S.R. 112 over the first 10 months of the current fiscal year, primarily due to the impact of the toll increase implemented on March 7, 2004.

S.R. 836 – EAST-WEST EXPRESSWAY

As shown in Table 2-3, traffic and revenue trends have been relatively volatile on S.R. 836. This is due to both the effect of toll increase and the major reconstruction program which completely rebuilt the mainline toll plaza into a state-of-the-art facility. In addition to replacing the toll plaza, the entire roadway elevation was modified, interchanges were reconstructed, toll collection was split into separate mainline and ramp plaza and express lanes were introduced for SunPass users. The construction activity itself resulted in significant delays in the construction zone, which acted to divert some traffic to alternative routes. The heaviest construction activity occurred from approximately June 2002 through November 2003. Significant growth in traffic was then experienced for the remaining months of FY 2003-04. In total, transactions over the first 10 months of the current fiscal year increased by 4.2 percent and over the last 4 months transactions are up almost 12 percent on S.R. 836.

It is noted that transaction figures for most months of FY 2002-03 are estimates. During the major construction activity and transition of tolling systems, traffic statistics from most toll facilities were incomplete. Revenue figures were accurate, based on actual revenue collections and deposits. Transactions for FY 2002-03 are, for the most part, estimates based on average tolls and actual revenue collections.

Annual revenue has also fluctuated somewhat on S.R. 836. In a "normal" fiscal year, modest revenue growth between 0.4 percent and 2.6 percent was experienced. Substantial revenue increases were experienced in FY 1999-00 and FY 2001-02, due to toll increases, while a significant revenue decrease of 7.5 percent occurred in FY 2002-03, due to the construction activity and the toll system replacement. Over the first 10 months of FY 2003-04, revenues are up 7 percent on S.R. 836, aided by the recovery from completion of the construction and the most recent toll increase which took affect on March 7, 2004.

S.R. 874 – DON SHULA EXPRESSWAY

Table 2-4 provides similar monthly information for S.R. 874. Once again, negative impacts on average daily transactions are shown in FY 1999-00 and FY 2001-00, due to the toll increase. There was also a slight decline in toll revenue in FY 2002, due primarily to construction activity at the S.R. 874 toll plaza. Several toll lanes were taken out of service while they were converted to dedicated SunPass operation over a period of months;

Table 2-3

Monthly Transactions and Toll Revenue Trends

FY 1996/1997 Through FY 2003/2004

S.R. 836 - East-West Expressway

Transactions

Month	1996/1997	Percent Change	1997/1998	Percent Change	1998/1999	Percent Change	1999/2000	Percent Change	2000/2001	Percent Change	2001/2002	Percent Change	2002/2003	Percent Change	2003/2004
July	2,052,395	0.1	2,055,037	2.5	2,106,666	-12.5	1,843,238	2.5	1,888,617	-7.1	1,753,871	*-3.0*	*1,700,534*	*-1.8*	1,669,251
August	2,076,888	-4.2	1,989,242	3.2	2,053,206	-12.5	1,795,786	7.4	1,929,430	-6.3	1,807,716	*-6.0*	*1,698,806*	*-3.8*	1,633,484
September	1,916,396	-0.8	1,901,480	-12.6	1,661,509	-4.0	1,595,311	14.7	1,829,727	-14.0	1,573,338	*0.0*	*1,572,637*	*-0.2*	1,569,844
October	1,963,596	4.8	2,058,581	0.4	2,066,195	-17.2	1,709,800	11.4	1,905,385	-8.9	1,735,454	*-2.2*	*1,698,068*	*0.3*	1,703,433
November	1,858,920	4.3	1,938,406	1.0	1,958,614	-7.8	1,805,571	2.2	1,845,984	-9.4	1,673,223	*-1.5*	*1,648,662*	*-1.3*	1,626,894
December	1,945,892	-0.9	1,928,129	6.9	2,060,289	-10.7	1,838,963	0.1	1,839,909	-7.6	1,700,066	*-2.6*	*1,655,031*	*3.3*	1,708,985
January	1,980,300	2.0	2,019,330	2.4	2,067,357	-9.3	1,874,283	-3.3	1,813,087	-3.7	1,745,492	*-10.1*	*1,568,829*	*10.5*	1,733,646
February	1,878,632	-6.1	1,763,907	11.8	1,971,933	-6.0	1,854,059	-4.2	1,775,895	-11.8	1,566,122	*-5.2*	*1,484,292*	*16.1*	1,722,597
March	2,129,484	-5.3	2,015,793	9.2	2,202,184	-7.9	2,029,112	-0.9	2,010,710	-12.4	1,761,715	*-4.5*	*1,682,609*	*11.2*	1,870,637
April	2,010,361	2.4	2,059,126	1.2	2,084,184	-10.0	1,875,776	0.5	1,885,837	-12.7	1,646,187	-2.2	1,610,247	*9.9*	1,770,442
May	2,050,675	1.7	2,084,807	-0.1	2,082,051	-6.4	1,948,369	-1.2	1,924,952	-14.2	1,651,138	0.7	1,663,365		
June	1,923,518	4.4	2,008,361	-3.8	1,931,869	-3.3	1,867,172	-0.5	1,858,693	-22.9	1,433,202	9.9	1,575,749		
Total	23,787,057	0.1	23,822,199	1.8	24,246,057	-9.1	22,037,440	2.1	22,508,226	-10.9	20,047,524	-2.4	19,558,829		
											July to April Total:		16,319,715	*4.2*	17,009,213

Toll Revenue

July	$533,419	0.3	$534,771	0.4	$536,823	47.5	$791,853	17.8	$932,411	38.4	$1,289,999	-9.1	$1,172,021	-4.0	$1,125,148
August	537,194	-3.6	518,039	2.3	529,891	72.8	915,825	1.3	927,791	39.3	1,292,585	-9.4	1,170,830	-6.1	1,099,072
September	499,604	-1.2	493,658	-13.7	426,180	87.2	797,761	10.6	882,656	25.9	1,111,438	-2.5	1,083,874	-1.9	1,063,615
October	508,834	4.7	532,856	1.9	542,951	62.9	884,297	6.0	937,544	30.7	1,225,121	-4.5	1,170,321	-1.4	1,153,997
November	487,464	3.0	502,026	1.9	511,321	71.6	877,326	2.5	899,591	32.4	1,191,038	-4.6	1,136,271	-2.8	1,104,721
December	496,010	4.7	519,264	3.4	536,835	70.6	916,028	-1.5	902,536	34.3	1,211,992	-5.9	1,140,661	3.0	1,175,247
January	522,446	1.3	529,368	-0.3	527,987	67.3	883,237	1.7	898,401	41.1	1,267,660	-14.7	1,081,249	9.5	1,183,919
February	484,432	-0.2	483,400	4.6	505,472	78.8	903,727	-3.1	876,152	31.4	1,150,931	-11.1	1,022,985	14.9	1,175,300
March	553,689	-0.4	551,500	2.9	567,251	75.5	995,341	-1.1	984,371	35.0	1,329,349	-12.8	1,159,667	29.4	1,500,147
April	519,815	1.6	528,217	2.3	540,198	71.2	924,716	0.8	931,901	31.3	1,223,202	-9.4	1,108,714	31.2	1,454,647
May	533,427	0.8	537,445	-0.4	535,281	77.0	947,705	-0.8	939,867	29.6	1,217,766	-5.7	1,148,534		
June	495,109	4.6	518,047	-0.8	514,119	77.4	911,939	0.4	915,588	15.2	1,055,103	2.8	1,084,970		
Total	$6,171,443	1.3	$6,248,591	0.4	$6,274,309	71.3	$10,749,755	2.6	$11,028,809	32.1	$14,566,183	-7.5	$13,480,098		
											July to April Total:		$11,246,595	7.0	$12,035,814

Note: (1) The MDX fiscal year is defined as 12 months ending June 30.

(2) SunPass was implemented in late June 1999. A modified toll structure in which cash toll rates were increased by 100 percent was implemented on July 11, 1999.

(3) A modified toll structure in which cash toll rates increased by $0.25 was implemented in July 2001 on all facilities except S.R. 112.

Sources: Transaction data taken from Florida Department of Transportation (FDOT) Office of Toll Operations (OTO) "S040 Monthly Reports." Revenue data taken from FDOT Comptroller Monthly Reports.

Italicized transactions data are estimates based upon average toll relationships.

Table 2-4
Monthly Transactions and Toll Revenue Trends
FY 1996/1997 Through FY 2003/2004
S.R. 874 - Don Shula/South Dade Expressway

Month	Transactions													
	1996/1997	Percent Change	1997/1998	Percent Change	1998/1999	Percent Change	1999/2000	Percent Change	2000/2001	Percent Change	2001/2002	Percent Change	2002/2003	Percent Change	2003/2004
July	2,107,351	-9.2	1,912,588	19.6	2,287,048	2.7	2,348,303	-6.4	2,197,805	-5.8	2,070,636	*1.1*	*2,093,975*	*1.0*	2,114,435
August	2,087,067	-7.0	1,940,760	13.0	2,193,654	-0.4	2,185,386	2.3	2,236,166	-4.5	2,136,656	*2.9*	*2,198,414*	*-6.1*	2,064,419
September	2,012,666	-11.2	1,786,351	-7.0	1,661,006	20.6	2,002,926	6.8	2,139,292	-9.1	1,944,349	*6.8*	*2,076,685*	*-3.7*	1,999,636
October	2,118,432	3.3	2,187,430	-8.6	1,998,517	6.6	2,130,214	2.5	2,184,202	-4.1	2,094,390	*5.3*	*2,206,185*	*-2.8*	2,143,957
November	2,124,840	2.5	2,177,947	3.0	2,243,780	-1.7	2,205,206	-1.9	2,163,079	-8.7	1,975,351	*8.9*	*2,150,291*	*-5.5*	2,032,314
December	2,134,142	-1.3	2,106,631	20.3	2,534,539	-10.8	2,261,478	-0.8	2,242,970	-8.5	2,051,958	*6.8*	*2,191,178*	*-0.4*	2,182,606
January	2,033,225	2.6	2,086,250	18.1	2,464,588	-13.6	2,130,607	7.5	2,289,687	-10.6	2,047,724	*2.0*	*2,087,946*	*4.5*	2,181,127
February	1,927,867	14.2	2,201,185	5.5	2,323,244	-7.0	2,161,250	0.1	2,163,414	-10.7	1,932,619	*0.1*	*1,934,820*	*8.9*	2,106,304
March	2,159,696	13.2	2,444,696	7.9	2,637,212	-11.9	2,323,228	4.5	2,427,183	-12.6	2,121,089	*-0.7*	*2,105,672*	*5.1*	2,213,587
April	2,045,365	20.5	2,463,710	1.6	2,503,065	-14.8	2,132,823	8.6	2,315,202	-10.9	2,062,791	2.7	2,119,145	0.5	2,128,707
May	2,015,186	24.0	2,498,142	0.3	2,505,668	-9.2	2,274,123	4.5	2,377,045	-10.5	2,128,212	1.4	2,157,410		
June	1,808,792	28.4	2,323,253	4.5	2,428,919	-8.2	2,229,670	1.1	2,254,987	-18.2	1,844,874	10.0	2,028,638		
Total	24,574,629	6.3	26,128,943	6.3	27,781,240	-5.0	26,385,214	2.3	26,991,032	-9.6	24,410,649	3.8	25,350,358		
											July to April Total:		21,164,310	0.0	21,167,092
	Toll Revenue														
July	$548,101	1.8	$558,118	6.8	$596,092	52.0	$906,101	14.2	$1,034,389	37.4	$1,421,286	-2.8	$1,381,583	4.4	$1,441,820
August	549,770	2.6	563,827	5.6	595,161	73.5	1,032,685	2.9	1,062,937	37.8	1,464,862	-1.0	1,450,492	-2.6	1,412,953
September	526,396	4.3	549,290	-6.8	511,776	73.4	887,550	11.8	992,125	33.5	1,324,005	3.5	1,370,176	0.2	1,372,951
October	549,005	5.7	580,453	2.8	596,877	59.7	953,399	8.8	1,036,960	38.8	1,439,672	1.1	1,455,618	0.8	1,466,674
November	552,578	1.3	559,684	-8.8	510,625	94.8	994,632	3.5	1,029,233	36.0	1,400,010	1.3	1,418,740	-3.8	1,364,967
December	563,119	2.9	579,642	3.4	599,614	73.5	1,040,468	1.8	1,058,809	38.2	1,463,060	-1.2	1,445,717	2.0	1,474,436
January	564,401	2.7	579,687	1.8	590,266	66.0	979,956	6.7	1,045,850	36.6	1,428,389	-3.6	1,377,605	5.5	1,453,878
February	527,306	2.6	540,953	4.5	565,106	81.2	1,024,105	-1.3	1,010,993	31.1	1,325,251	-3.7	1,276,574	11.0	1,417,617
March	590,169	2.6	605,280	4.4	631,851	73.9	1,098,785	3.1	1,133,353	32.0	1,495,478	-7.1	1,389,301	27.2	1,767,048
April	565,155	4.7	591,553	2.5	606,090	65.0	999,854	7.7	1,076,377	34.6	1,449,268	-9.3	1,314,595	33.7	1,757,473
May	572,316	4.4	597,663	1.1	604,482	78.4	1,078,314	2.1	1,101,374	36.4	1,501,946	-3.1	1,455,128		
June	534,775	9.5	585,332	0.0	585,306	77.7	1,040,344	2.7	1,068,795	27.1	1,358,020	2.4	1,390,380		
Total	$6,643,091	3.7	$6,891,482	1.5	$6,993,246	72.1	$12,036,193	5.1	$12,651,194	34.9	$17,071,250	-2.0	$16,725,910		
											July to April Total:		$13,880,403	7.6	$14,929,816

Note:
(1) The MDX fiscal year is defined as 12 months ending June 30.
(2) SunPass was implemented in late June 1999. A modified toll structure in which toll rates were increased by 100 percent was implemented on July 11, 1999.
(3) A modified toll structure in which toll rates increased by $0.25 was implemented in July 2001 on all facilities except S.R. 112.

Sources:
Transaction data taken from Florida Department of Transportation (FDOT) Office of Toll Operations (OTO) "S940 Monthly Reports." Revenue data taken from FDOT Comptroller Monthly Reports.
Italicized transactions data are estimates based upon average toll relationships.
Miami-Dade Expressway Authority.

this resulted in significant delays during peak periods and reduced revenue slightly. Revenue has made a strong recovery in FY 2003-04, increasing 7.6 percent over the first 10 months, with particularly high increases in the last two months due to the most recent toll increases.

S.R. 924 – Gratigny Parkway

Table 2-5 provides a month-over-month transaction and toll revenue summary for the Gratigny Parkway. Monthly patterns tend to fluctuate somewhat on S.R. 924 for a variety of reasons. On an annual basis, all years have shown relatively strong positive traffic growth, with the exception of FY 1999-00 and FY 2001-02 when the tolls were increased. The modest increase in revenue in FY 2002-03 is primarily due to the impact of toll plaza construction. Traffic grew by about 2.5 percent over the first 10 months of this fiscal year. However, over the last five months, traffic growth has averaged closer to 6 percent. Toll revenue over the first 10 months of the current fiscal year has increased 7.3 percent.

Total MDX System

Table 2-6 provides monthly transaction and revenue experience for the whole MDX System, with all toll plazas combined. The entire system enjoyed positive increases in transactions for each fiscal year shown in the table, with the exception of the two fiscal years in which tolls were increased. Revenue in FY 2002-03 dropped by 3.2 percent systemwide, mostly due to construction activity. Most recently, systemwide transactions were up by 1.7 percent during the first 10 months of the current fiscal year, almost all of this gain was over the last five months following completion of major construction activities. Revenue is up 6.8 percent in the first 10 months.

Recent trends in FY 2003-04 are encouraging. Indications of a recovery in tourism and airport activity at MIA increased more than 6 percent over the first quarter of Calendar Year (CY) 2004, after several years of small declines.

THE SHIFT TO SUNPASS

Electronic toll collection, referred to herein as SunPass, was introduced on the MDX System in mid-1999. In the early months of operation, only a small proportion of MDX users used SunPass. However, over the

Table 2-5

Monthly Transactions and Toll Revenue Trends

FY 1996/1997 Through FY 2003/2004

S.R. 924 - Gratigny Parkway

Transactions

Month	1996/1997	Percent Change	1997/1998	Percent Change	1998/1999	Percent Change	1999/2000	Percent Change	2000/2001	Percent Change	2001/2002	Percent Change	2002/2003	Percent Change	2003/2004
July	907,349	3.1	935,310	18.8	1,110,826	-10.4	994,849	-5.6	939,591	-3.2	909,542	*10.4*	*1,004,191*	*-2.3*	980,991
August	911,255	-1.6	896,617	19.0	1,066,969	-10.8	951,357	9.6	1,042,774	-6.6	973,513	*1.0*	*983,433*	*-4.0*	944,405
September	926,740	4.5	968,415	-2.2	947,078	-6.3	887,552	10.9	984,602	-14.7	840,219	*16.9*	*982,463*	*1.2*	994,315
October	1,014,317	5.0	1,064,648	9.0	1,160,392	-15.8	976,598	5.1	1,026,059	-1.4	1,011,412	*7.2*	*1,084,580*	*-2.7*	1,055,748
November	925,764	6.3	984,017	7.9	1,061,762	-6.9	988,497	2.2	1,009,952	-8.6	923,381	*1.0*	*932,865*	*1.1*	942,718
December	923,252	16.9	1,079,133	1.5	1,094,858	-9.6	989,924	-0.7	983,259	-7.9	905,327	*0.7*	*911,760*	*9.8*	1,001,501
January	964,028	9.0	1,050,616	3.5	1,087,373	-7.4	1,006,983	4.2	1,049,736	-7.3	973,073	*1.3*	*986,094*	*3.9*	1,024,211
February	929,025	5.9	983,822	8.7	1,069,304	-3.6	1,030,741	-3.7	992,707	-5.7	936,282	*2.5*	*959,833*	*6.4*	1,021,662
March	998,989	11.6	1,115,280	9.1	1,216,652	-8.1	1,117,823	1.7	1,137,210	-9.5	1,029,449	*-0.2*	*1,027,050*	*6.3*	1,091,519
April	1,002,987	9.3	1,095,967	4.0	1,139,393	-13.0	991,043	7.0	1,060,839	-5.8	999,291	-2.4	975,264	5.8	1,032,072
May	964,696	10.1	1,062,435	6.1	1,127,281	-5.4	1,066,213	4.1	1,110,455	-9.2	1,008,507	-0.1	1,007,177		
June	884,471	22.7	1,085,277	5.9	1,149,457	-11.6	1,015,681	1.2	1,028,213	-10.4	921,438	3.8	956,354		
Total	11,352,873	8.5	12,321,537	7.4	13,231,345	-9.2	12,017,261	2.9	12,365,397	-7.6	11,431,434	3.3	11,811,065		
											July to April Total:		9,847,534	2.5	10,089,142

Toll Revenue

July	$248,021	6.5	$264,052	6.2	$280,505	48.8	$417,387	12.2	$468,163	40.6	$658,163	5.6	$695,193	-3.8	$668,849
August	245,709	4.3	256,242	6.8	273,665	70.1	465,416	10.3	513,215	36.4	700,032	-2.7	680,822	-3.8	654,842
September	248,786	10.1	273,847	-11.2	243,186	79.1	435,490	9.7	477,857	22.2	584,038	16.5	680,151	1.9	692,915
October	271,189	22.5	332,314	-7.9	305,981	48.7	454,915	14.0	518,489	39.4	722,741	3.9	750,846	-2.4	732,651
November	247,670	-10.4	221,864	24.1	275,245	82.5	502,338	0.2	503,293	30.1	654,704	-1.4	645,815	1.0	652,064
December	250,213	11.0	277,680	5.0	291,426	69.4	493,546	-1.2	487,841	31.3	640,352	-1.4	631,203	10.0	694,051
January	262,723	5.6	277,514	3.0	285,894	67.2	478,018	6.7	509,928	34.8	687,346	-0.7	682,664	3.6	707,076
February	248,985	5.6	262,804	7.5	282,394	74.3	492,265	-0.8	488,196	34.4	656,304	1.2	664,484	6.3	706,048
March	270,784	9.0	295,267	8.2	319,514	73.8	555,276	0.1	556,038	32.7	738,104	-3.7	711,018	26.9	902,400
April	270,603	6.3	287,735	7.1	308,273	55.5	479,242	6.6	510,698	38.9	709,237	-5.7	668,458	33.7	893,782
May	269,406	3.8	279,575	6.0	296,364	74.8	517,915	5.2	545,019	31.6	717,114	-2.1	701,699		
June	249,246	15.4	287,584	5.0	301,908	65.5	499,597	0.3	500,897	30.8	654,987	1.4	664,345		
Total	$3,083,335	7.6	$3,316,478	4.5	$3,464,355	67.2	$5,791,405	5.0	$6,079,634	33.6	$8,123,121	0.7	$8,176,698		
											July to April Total:		$6,810,654	7.3	$7,304,678

Note: (1) The MDX fiscal year is defined as 12 months ending June 30.

(2) SunPass was implemented in late June 1999. A modified toll structure in which toll rates were increased by 100 percent was implemented on July 11, 1999.

(3) A modified toll structure in which toll rates increased by $0.25 was implemented in July 2001 on all facilities except S.R. 112.

Sources: Transaction data taken from Florida Department of Transportation (FDOT) Office of Toll Operations (OTO) "S040 Monthly Reports." Revenue data taken from FDOT Comptroller Monthly Reports.
Italicized transactions data are estimates based upon average toll relationships.
Miami-Dade Expressway Authority.

Table 2-6

Monthly Transactions and Toll Revenue Trends

FY 1996/1997 Through FY 2003/2004
Total MDX System

Transactions

Month	1996/1997	Percent Change	1997/1998	Percent Change	1998/1999	Percent Change	1999/2000	Percent Change	2000/2001	Percent Change	2001/2002	Percent Change	2002/2003	Percent Change	2003/2004
July	6,160,032	-0.9	6,102,802	9.8	6,702,364	-6.7	6,251,995	-3.7	6,020,787	-4.3	5,761,208	*1.3*	*5,838,864*	*0.0*	5,837,957
August	6,239,066	-4.6	5,953,891	7.3	6,387,685	-7.1	5,936,712	5.0	6,230,608	-4.2	5,968,559	*-0.3*	*5,948,996*	*-4.4*	5,689,305
September	5,925,632	-3.6	5,711,041	-8.9	5,202,798	2.7	5,343,476	10.9	5,924,553	-11.8	5,222,897	*7.2*	*5,597,705*	*-1.1*	5,535,709
October	6,227,420	4.0	6,476,399	-1.3	6,393,235	-10.1	5,749,376	6.2	6,105,421	-4.7	5,816,036	*3.9*	*6,043,628*	*-1.5*	5,950,747
November	6,013,956	3.0	6,197,103	0.3	6,212,615	-4.1	5,956,917	0.4	5,983,177	-7.4	5,539,376	*3.4*	*5,729,801*	*-2.7*	5,572,459
December	6,165,873	1.9	6,285,276	9.3	6,867,159	-12.1	6,035,967	0.1	6,044,938	-6.2	5,670,658	*2.4*	*5,806,300*	*2.1*	5,928,446
January	6,126,135	2.6	6,286,985	8.2	6,802,279	-12.1	5,979,185	3.2	6,169,060	-5.7	5,817,710	*-2.8*	*5,655,092*	*5.7*	5,974,953
February	5,796,287	3.8	6,015,452	7.6	6,472,112	-6.6	6,043,946	-1.9	5,926,898	-6.6	5,533,797	*-3.8*	*5,324,135*	*10.0*	5,858,354
March	6,493,659	3.7	6,737,147	8.4	7,303,785	-10.6	6,526,905	2.3	6,678,738	-10.5	5,976,270	*-2.0*	*5,858,683*	*6.7*	6,249,268
April	6,204,100	9.4	6,790,198	1.6	6,899,195	-13.5	5,969,706	5.8	6,318,034	-9.1	5,740,969	-0.4	5,716,395	3.7	5,928,091
May	6,192,964	10.1	6,816,278	0.7	6,863,905	-8.2	6,298,773	2.6	6,462,795	-9.6	5,839,442	-0.6	5,805,632		
June	5,727,908	14.8	6,575,605	0.7	6,622,895	-8.1	6,089,743	0.4	6,116,666	-14.8	5,211,763	6.2	5,536,876		
Total	73,273,032	3.7	75,948,177	3.7	78,730,027	-8.3	72,182,701	2.5	73,981,675	-8.0	68,098,685	1.1	68,862,109		
											July to April Total:		57,519,601	1.7	58,525,289

Toll Revenue

July	$1,626,573	2.6	$1,669,029	3.4	$1,724,942	47.9	$2,551,844	14.6	$2,925,201	32.0	$3,860,247	-2.8	$3,750,901	-0.3	$3,740,791
August	1,637,632	0.6	1,647,102	3.5	1,704,966	71.6	2,926,001	2.7	3,005,546	32.2	3,972,590	-3.8	3,821,651	-4.0	3,667,111
September	1,555,327	2.9	1,600,271	-11.1	1,422,623	78.4	2,538,287	11.1	2,819,562	22.7	3,460,534	3.9	3,595,980	-0.3	3,586,382
October	1,620,233	8.2	1,752,939	0.3	1,758,802	53.6	2,702,304	10.6	2,987,854	29.4	3,866,099	0.4	3,882,443	-0.9	3,847,855
November	1,573,630	-0.1	1,572,764	0.5	1,580,946	82.6	2,886,859	0.7	2,907,383	27.9	3,718,424	-1.0	3,680,839	-2.9	3,575,235
December	1,611,274	4.7	1,687,505	2.8	1,734,849	69.4	2,938,190	-0.5	2,922,383	30.3	3,809,191	-2.1	3,729,982	2.8	3,834,933
January	1,649,350	2.8	1,695,135	0.8	1,709,038	64.7	2,815,142	5.3	2,965,418	31.3	3,894,447	-6.7	3,632,846	5.4	3,828,213
February	1,542,961	1.9	1,572,347	4.3	1,639,483	76.6	2,894,978	-1.2	2,861,493	28.3	3,670,607	-6.8	3,420,238	10.1	3,764,786
March	1,731,773	2.0	1,766,073	4.4	1,844,605	73.0	3,190,300	1.3	3,233,211	26.2	4,081,256	-7.8	3,763,633	27.5	4,798,316
April	1,655,516	3.7	1,717,387	2.5	1,759,670	63.7	2,879,953	5.0	3,024,228	28.2	3,876,660	-8.1	3,563,696	32.2	4,709,814
May	1,685,283	1.7	1,713,208	1.2	1,734,258	75.5	3,044,365	1.9	3,100,806	27.1	3,940,642	-3.8	3,789,266		
June	1,565,254	8.0	1,690,598	0.0	1,690,898	73.7	2,936,461	0.8	2,959,882	20.0	3,550,864	1.5	3,605,721		
Total	$19,454,806	3.2	$20,084,358	1.1	$20,305,080	68.9	$34,304,684	4.1	$35,712,966	28.0	$45,701,560	-3.2	$44,237,198		
											July to April Total:		$36,842,210	6.8	$39,353,436

Note: (1) The MDX fiscal year is defined as 12 months ending June 30.
(2) SunPass was implemented in late June 1999. A modified toll structure in which toll rates were increased by 100 percent was implemented on July 11, 1999.
(3) A modified toll structure in which toll rates increased by $0.25 was implemented in July 2001 on all facilities except S.R. 112.

Sources: Transaction data taken from Florida Department of Transportation (FDOT) Office of Toll Operations (OTO) "S040 Monthly Reports." Revenue data taken from FDOT Comptroller Monthly Reports.
Italicized transactions data are estimates based upon average toll relationships.
Miami-Dade Expressway Auhority.

months and years since implementation, the SunPass user market share has increased significantly.

Figure 2-2 shows historical revenue trends for the entire MDX System by payment mode. The trend is shown from July 2000 through April 2004.

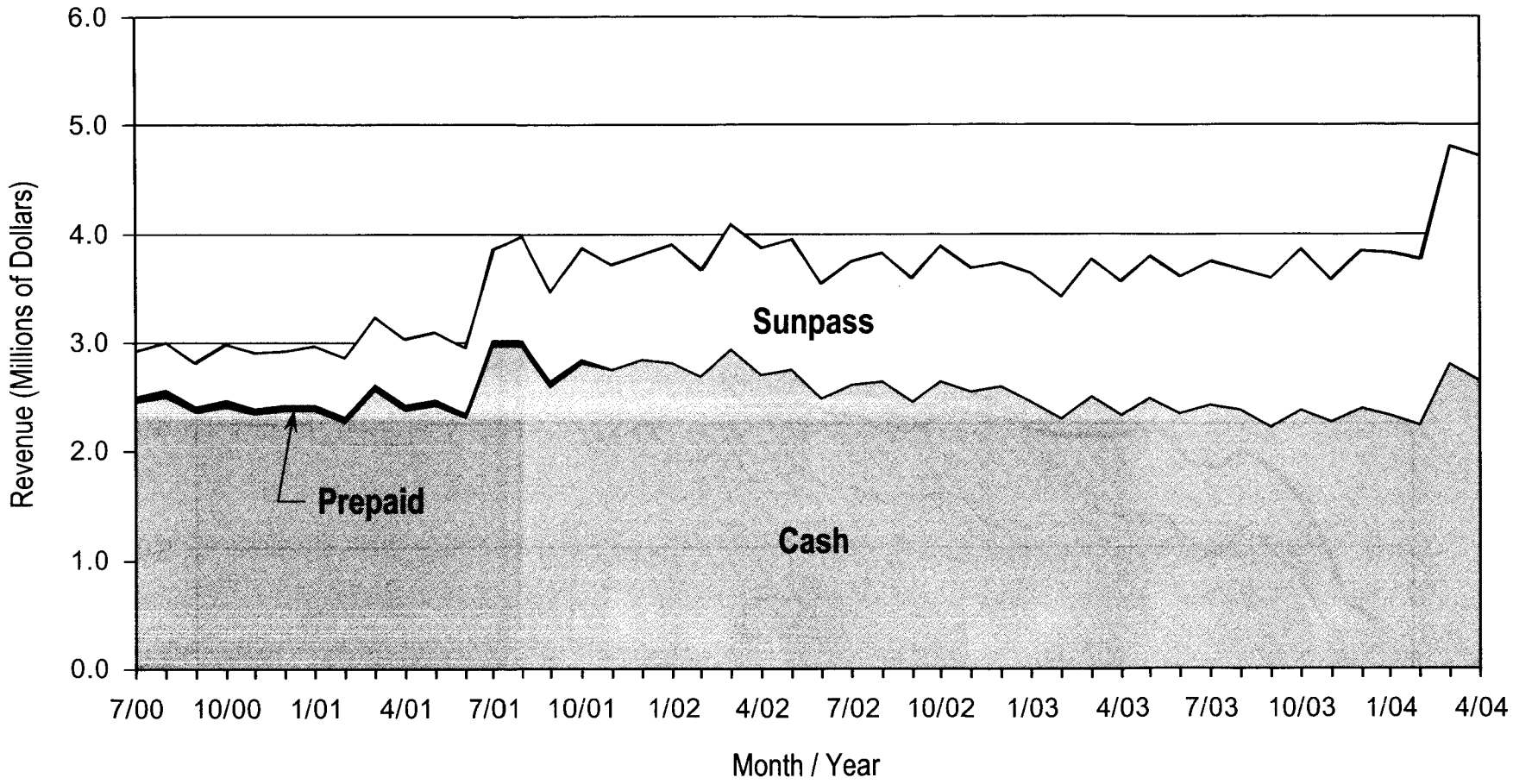
In the early months, the majority of revenue was collected via cash. Prior to deployment of SunPass, MDX offered a pre-paid ticket program for a limited number of vehicles. This was phased out by November 1, 2001; hence the share of revenue from pre-paid transactions goes to zero after that point.

Figure 2-2 shows the continuing increase of revenue collected from SunPass users. By April 2004, slightly more than half of all transactions were made using electronic toll collection. Since SunPass toll rates are lower than cash rates, SunPass revenue is still slightly less than half of the total revenue. With an increase in the number of SunPass users, revenues from SunPass should soon be a majority of the revenues collected.

Figure 2-3 shows the trend and the percentage in SunPass usage by toll facility. The trend is shown from July 2000, approximately one year after SunPass was initially implemented. On a systemwide basis, about 15.6 percent of all transactions were made using SunPass one year after implementation. By the beginning of the following year, the systemwide SunPass usage had increased to 23.6 percent, and by July 2002 it increased to 32.3 percent. SunPass usage continued to increase steadily, reaching about 40 percent by the end of FY 2002-03. Prior to implementation of the latest toll increase, announcements were made that the toll increase would not apply to SunPass users. Between December 2003 and April 2004 SunPass usage increased from about 40 percent to more than 52 percent of all transactions.

Similar patterns are shown at each of the four toll facilities. The highest level of SunPass participation has generally occurred on S.R. 874 and S.R. 924. Both of these toll facilities have a heavy commuter orientation. S.R. 112 and S.R. 836 also serve a large number of commuters, but also include a large number of travelers to and from MIA; many of these (particularly rental car users) are less inclined to have SunPass.

By April 2004, SunPass usage ranged from 45.8 percent on S.R. 112 to 56.6 percent on S.R. 924. These penetration rates are on a 24-hour, seven-day per week basis. SunPass usage during peak periods is even higher.



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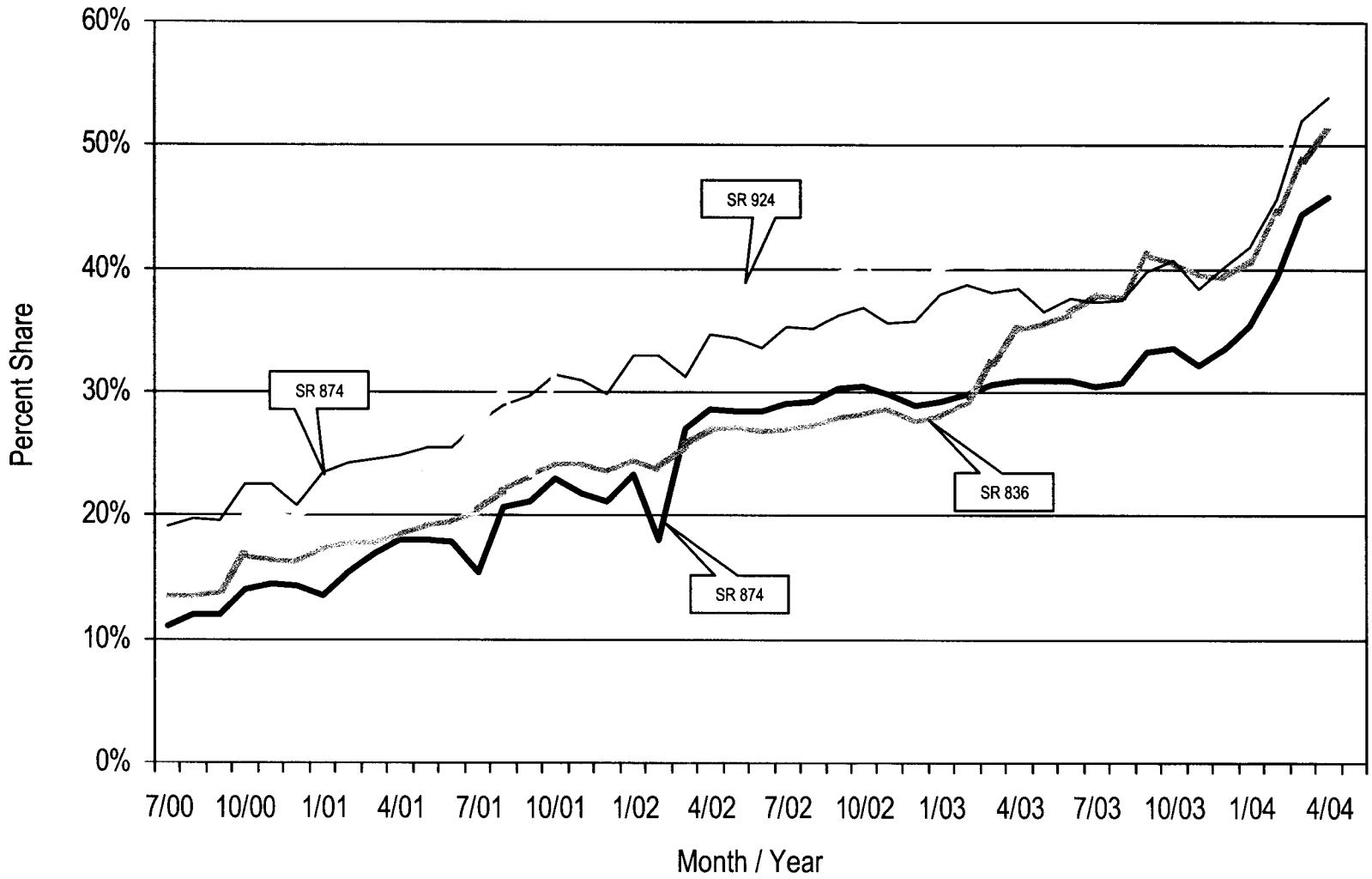
REVENUE TRENDS BY PAYMENT CATEGORY – TOTAL MDX SYSTEM

FIGURE 2-2



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SUNPASS MARKET SHARE TRENDS BY FACILITY

FIGURE 2-3

As described in more detail in Chapter 4, when developing a revenue forecast for the MDX System, it was necessary to develop assumptions regarding the continued increase in SunPass usage. SunPass usage is expected to increase for the remainder of this fiscal year, and on a more gradual basis, in future years. For purposes of this analysis, WSA has assumed that SunPass utilization will ultimately reach up to 75 percent, depending on the toll facility.

IMPACT OF PREVIOUS RATE CHANGES

As has been noted previously, MDX recently implemented its third significant rate increase in the last six years. Less than two months of collections is available since the most recent toll change. Revenue impacts from such toll rate increase are close to what WSA had estimated.

It is useful to look at the elasticities and the revenue realizations from the two prior toll increases to estimate the impact of the current toll increase.

Table 2-7 provides a summary of the impacts from the two prior increases. Impacts are shown for both transactions and revenues, for each of the toll facilities and for each prior toll increase.

For example, the July 1999 toll increase resulted in a doubling of the toll rates, or an increase of 100 percent. The total systemwide annual transactions dropped from about 78.7 million in FY 1998-99, to 72.2 million in FY 1999-00, the first full year following the implementation of the toll change. This was a systemwide reduction in transactions of 8.3 percent.

The most negative traffic impact occurred at S.R. 112, an expressway which is only about four miles in length. In this case, traffic was reduced by 12.8 percent, as compared with a reduction of just 5 percent on S.R. 874 and about 9 percent at the other toll facilities.

In an attempt to isolate the impact of the toll increase itself, it is necessary to factor in what is expected to be "normal growth." For example, while a net traffic reduction on S.R. 874 was just 5 percent, in the absence of the toll change it is expected that traffic would have increased by about 4 percent, therefore, the net impact of the toll change was about 9 percent on S.R. 874.

Table 2-7
Impacts of 1999 and 2001 MDX Toll Increases

July 1, 1999 Increase (1)	Annual Transactions (000) FY 1998-99	Annual Transactions (000) FY 1999-00	Percent Change	Normal Growth (%)	Net Impact of Toll Change	Percent Toll Change	Transaction Elasticity
Transaction Impacts							
SR 112 -- Airport Expressway	13471	11743	-12.8	1.0	-13.8	100	-0.138%
SR 836 -- East-West Expressway	24246	22037	-9.1	2.0	-11.1	100	-0.111%
SR 874 -- Don Shula Expressway	27781	26385	-5.0	4.0	-9.0	100	-0.090%
SR 924 -- Gratigny Parkway	13231	12017	-9.2	3.0	-12.2	100	-0.122%
MDX System	78,729	72,182	-8.3	2.7	-11.0	100	-0.110%

	Annual Revenue (000) FY 1998-99	Annual Revenue (000) FY 1999-00	Percent Change	Normal Growth (%)	Net Impact of Toll Change	Percent Toll Change	Revenue Realization
Revenue Impacts							
SR 112 -- Airport Expressway	$3,573	$5,953	66.6	1.0	65.6	100	65.61%
SR 836 -- East-West Expressway	6,274	10,750	71.3	2.0	69.3	100	69.34%
SR 874 -- Don Shula Expressway	6,993	12,036	72.1	4.0	68.1	100	68.11%
SR 924 -- Gratigny Parkway	3,464	5,791	67.2	3.0	64.2	100	64.18%
MDX System	$20,304	$34,530	70.1	2.7	67.4	100	67.37%

July 1, 2001 Increase (2)	Annual Transactions (000) FY 2000-01	Annual Transactions (000) FY 2001-02	Percent Change	Normal Growth (%)	Net Impact of Toll Change	Percent Toll Change	Transaction Elasticity
Transaction Impacts							
SR 112 -- Airport Expressway	12,117	12,209	0.8	0.8	N/A (3)	0	N/A
SR 836 -- East-West Expressway	22,508	20,047	-10.9	1.0	-11.9	50	-0.239%
SR 874 -- Don Shula Expressway	26,991	24,410	-9.6	1.0	-10.6	50	-0.211%
SR 924 -- Gratigny Parkway	12,365	11,431	-7.6	2.0	-9.6	50	-0.191%
MDX System	73,981	68,097	-8.0	1.2	-9.2	41	-0.223%

	Annual Revenue (000) FY 2000-01	Annual Revenue (000) FY 2001-02	Percent Change	Normal Growth (%)	Net Impact of Toll Change	Percent Toll Change	Revenue Realization
Revenue Impacts							
SR 112 -- Airport Expressway	$5,953	$5,941	-0.2	0.8	N/A (3)	0	N/A
SR 836 -- East-West Expressway	11,029	14,566	32.1	1.0	31.1	50	62.14%
SR 874 -- Don Shula Expressway	12,651	17,071	34.9	1.0	33.9	50	67.88%
SR 924 -- Gratigny Parkway	6,080	8,123	33.6	2.0	31.6	50	63.20%
MDX System	$35,713	$45,701	28.0	1.2	26.8	41	65.29%

Notes:
(1) Tolls increased on July 1, 1999 from $0.25 to $0.50 (cash) for passenger cars.
(2) Tolls increased on July 1, 2001 from $0.50 to $0.75 (cash) for passenger cars, except on SR 112 where tolls were not increased.
(3) Tolls on S.R. 112 were not changed in 2001, hence no impact is shown.

Assuming a nominal normal growth systemwide of about 2.7 percent in the absence of a toll increase, the systemwide net traffic impact associated with the toll increase can be estimated at about 11 percent. This translates into a transaction elasticity of 11.2 percent, or -0.11.

All of the toll facilties showed significant revenue increases as a result of the toll increases. Year over year revenue impacts of the July 1, 1999 increase ranged from a low of 66.6 percent on S.R. 112 to a high of 72.1 percent on S.R. 874, averaging just over 70 percent on a systemwide basis. If estimated normal growth is factored out, the net revenue increase associated with the toll increase was about 67.4 percent on a systemwide basis. Since the toll increase was 100 percent, this translates into a revenue realization of about 67.4 percent, systemwide.

Similar information is shown for the July 2001 increase. It should be noted that tolls were not increased on S.R. 112 at this time. Further, the $0.25 increase in July 2001 represented only a 50 percent increase from the prior rates at that time, as compared to a 100 percent increase in July 1999.

On a systemwide basis after the July 2001 toll increase, annual transactions fell by about 8.0 percent. Normal growth was much lower between FY 2000-01 and 2001-02, (and may actually have been slightly lower than shown in Table 2-7), due to the declining economic conditions and the impact of the events of September 11. Assuming normal growth systemwide would have reached only 1.2 percent, the computed net impact due to the July 2001 toll increase is estimated at 9.2 percent. This results in a transaction elasticity of about -0.22.

The determination of transaction elasticities is not exact. While it can be precisely determined what the year over year traffic and revenue impacts are, the determination of "normal growth" is not exact. For example, given all of the other negative impacts experienced during FY 2001-02, such as the September 11 attacks, a downturn in airport activity and tourism in the region as a whole, it is possible that normal growth may have been lower and perhaps even negative in the absence of the toll increase. This would tend to reduce the elasticity shown in Table 2-7.

Again, the July 2001 rate increase showed a realization in the range of 62 to 68 percent of maximum increase. On a systemwide basis, the net increase in revenue was about 26.8 percent, as compared to a weighted average systemwide toll increase of 41 percent.

TRAVEL PATTERN AND CHARACTERISTIC SURVEYS

Surveys of drivers at existing MDX toll plazas, as well as at the locations of future planned toll plazas, were undertaken in an effort to identify the travel patterns and characteristics of current and potential future MDX users. MIA passengers and employees were also surveyed in order to better understand travel to and from the airport. At the following locations, travelers were intercepted and handed survey questionnaire cards to be completed and mailed back for processing:

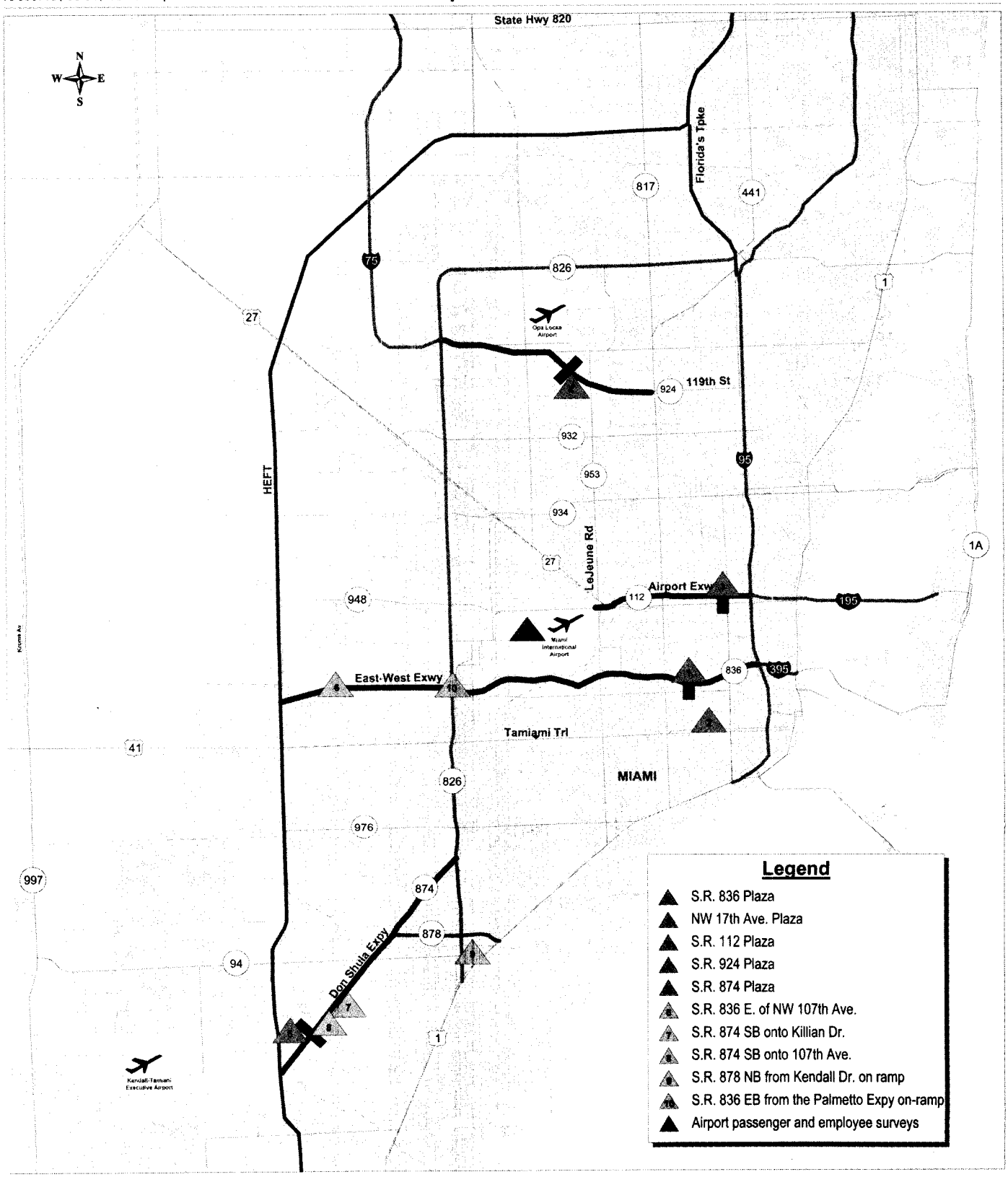
- S.R. 836 Cash Toll Lanes
- NW 17th Ave. Cash Toll Lanes
- S.R. 112 Cash Toll Lanes
- S.R. 924 Cash Toll Lanes
- S.R. 874 Cash Toll Lanes
- All MIA passenger terminals
- MIA Building 3089 (employees only)
- MIA Building 3094 (employees only)
- MIA Panther Point (employees only)
- MIA Manatee Point (employees only)
- MIA Building 5A (employees only)

In addition, travelers at the following locations were sampled using identification of license plates and mailed survey questionnaire cards similar to those used at the above locations:

- S.R. 836 SunPass Toll Lanes
- NW 17th Ave. SunPass Toll Lanes
- S.R. 112 SunPass Toll Lanes
- S.R. 924 SunPass Toll Lanes
- S.R. 874 SunPass Toll Lanes
- S.R. 836 between NW 107th Avenue and NW 87th Avenue
- S.R. 874 SB onto Killian
- S.R. 874 SB to SW 107th Avenue
- S.R. 878 EB ramp from Kendall Dr. WB
- S.R. 836 EB ramp from the Palmetto Expressway NB

These survey locations are shown in Figure 2-4. Survey points located at existing toll plazas are numbered 1-5, while survey stations located at other key locations are numbered 6-11.

A representative survey questionnaire is shown in Figure 2-5. This card was mailed to SunPass patrons; similar questions were also asked of cash patrons and SunPass respondents at future plaza locations. Spanish-



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TRAVEL PATTERN SURVEY LOCATIONS

FIGURE 2-4

TRAVEL PATTERN SURVEY - 2003

Your vehicle was randomly selected while traveling through the **SR 836 (Dolphin Expwy.) mainline toll plaza** on the date, time and in the direction shown on the right. Please answer the following questions about this specific one-way trip with the understanding that your response is anonymous.

Date	
Dir.	
Time Between	

A. ☐ Your information is not correct, that was not my vehicle or I have no knowledge of this trip.

B. Where did you start this trip (in this direction) on this date? Please be as specific as possible. (If you do not know the street address please identify nearest intersection, airport, shopping center, etc.)

Street Address or Nearest Intersection

City or Town | County (if known) | State | Zip Code

C. Where did you end this trip (in this direction) on this date? Please be as specific as possible. (If you do not know the street address please identify nearest intersection, airport, shopping center, etc.) **This should not be the same as answer to Question B**

Street Address or Nearest Intersection

City or Town | County (if known) | State | Zip Code

D. What was the purpose of this particular trip? (Circle one)

1. To / From Work
2. Company Business
3. Personal Business
4. School
5. Shopping
6. Recreational
7. Social
8. Other

E. How many times per week do you make this trip in this direction? (Circle one)

Less than 1 | 1 | 2 | 3 | 4 | 5 | 6 or More

F. Including yourself, how many people were in your vehicle? (Circle one)

1 | 2 | 3 | 4 | 5 | 6 or More

G. Please identify the type of vehicle you were driving. (Circle one)

1. Passenger Car, Truck (2-Axle), Van or Motorcycle
2. Passenger Car, Truck (2-Axle) or Van with One-Axle Trailer
3. Passenger Car, Truck (2-Axle) or Van with Two-Axle Trailer
4. Three Axle Truck or Bus
5. Four-Axle Truck
6. Five-Axle Truck
7. Six or More Axle Truck
8. Other

H. Please indicate range of annual household income. (Circle one)

1. Less than $20,000
2. $20,000 - $39,999
3. $40,000 - $59,999
4. $60,000 - $79,999
5. $80,000 - $99,999
6. $100,000 or More

If you choose to enter the drawing for a $100 gift certificate, please provide your name and telephone number below. If you do not wish to enter the drawing your name and telephone number is not required. The drawing will be held in June 2003. Thank you and good luck.

Name _____ Telephone number _____

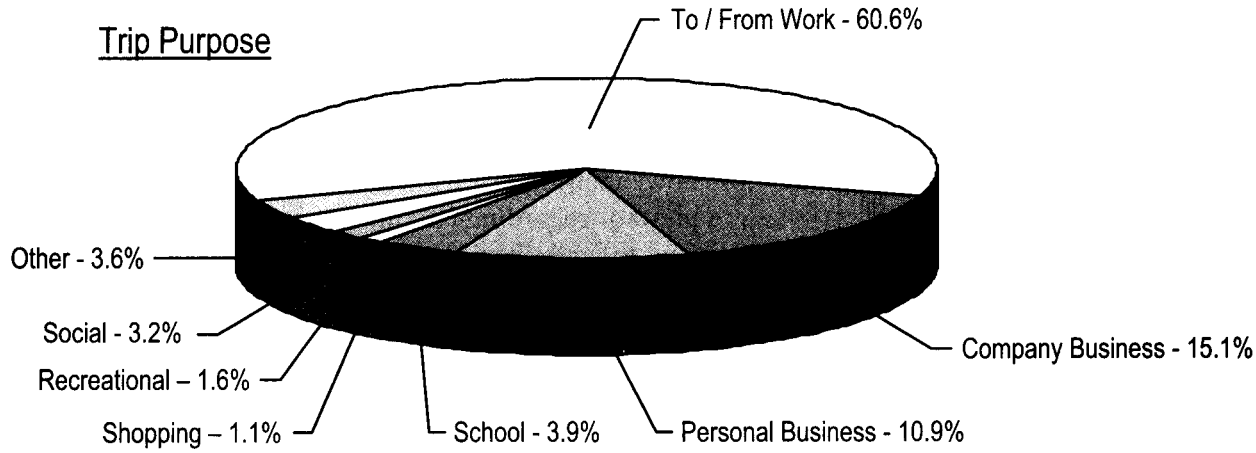
STA.	DAY	DIR.	HR.	D	E	F	G	H	APRIL 2003	

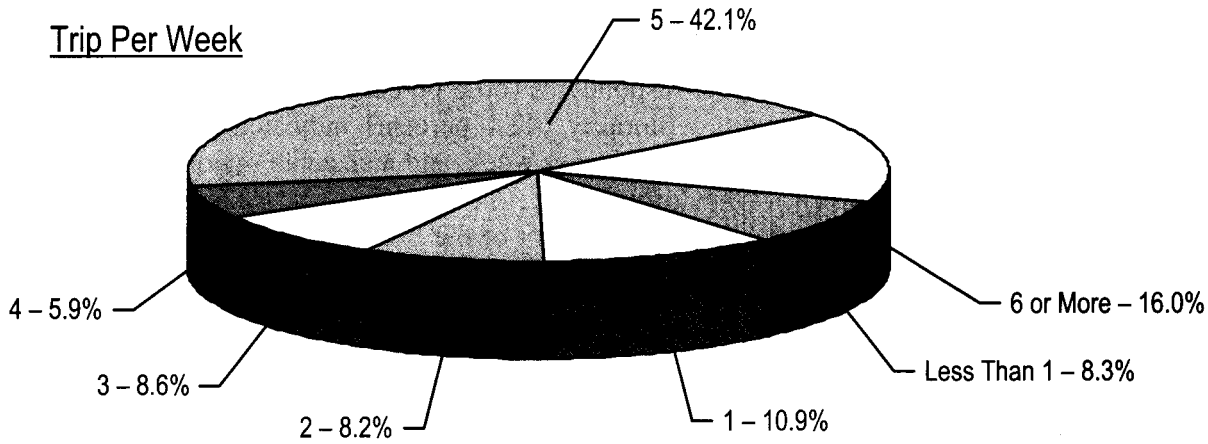
language copies of the form were also available. An incentive in the form of a gift certificate to a local mall was offered to potential respondents.

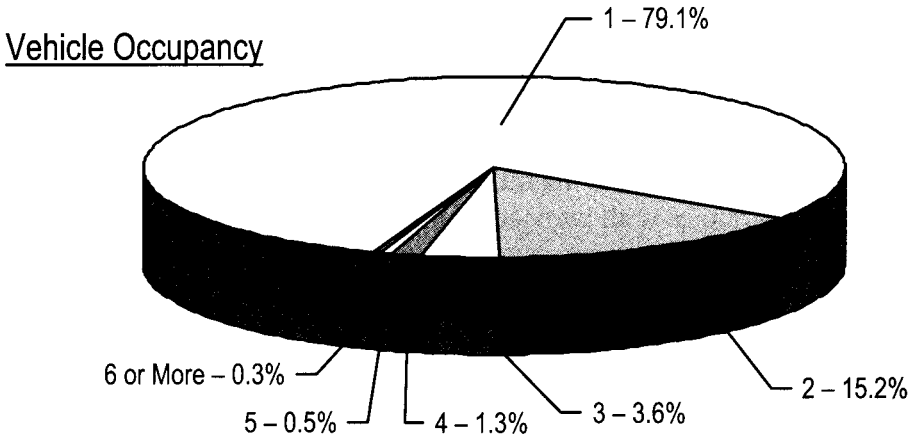
Airport passengers were not asked how frequently they made the intercepted trip or how many persons accompanied them; however, information was requested regarding South Florida residency status, means of transportation to and from the airport, participation or lack thereof in the SunPass program, the location of MDX tolls paid on the intercepted trip, if any. Airport employees were not asked the purpose of their trip to the airport (this being self-evident), yet were asked for information regarding trip frequency, vehicle occupancy, times of arrival at and departure from the airport, participation or lack thereof in the SunPass program, and household income.

Figure 2-6 summarizes the characteristics of trips made by MDX patrons—that is, trips intercepted at existing toll booths on the MDX system. In general, this summary suggests that the system largely serves commuters: most respondents (60.6 percent) were going to or from work when surveyed, a plurality (42.1 percent) indicated that they made the intercepted trip five times per week, and a sizeable majority (79.1 percent) indicated that they drove alone. Company and personal business trips also represent 15.1 and 10.9 percent of the intercepted trips respectively, and a significant number of trips (41.9 percent) were made less than five times per week.

Table 2-8 summarizes the characteristics of travel on the MDX system at each toll location. The rank order of trip purposes is essentially the same at each of the five locations, although commuters represent a higher than average percentage (73.0) of trips on S.R. 924. NW 17th Avenue respondents making the intercepted trip once a week represented a noticeably higher share of respondents at this location (19.4 percent) than would be expected based upon system-wide trip frequencies, suggesting that this toll plaza serves a less commuter-oriented market. However, vehicle occupancies were remarkably consistent across the MDX system, although the S.R. 874 mainline apparently serves a larger than average share of vehicles with two occupants (20.6 percent).







SUMMARY OF MDX SYSTEM TRIP CHARACTERISTICS

FIGURE 2-6

Table 2-8

MDX System Travel Characteristics

(percent share of respondents)

Trip Purpose	SR 112 Mainline	SR 836 Mainline	SR 836 NW 17th Ave.	SR 874 Mainline	SR 924 Mainline	MDX System Total
To / From Work	65.5	56.0	53.7	57.1	73.0	60.6
Company Business	15.9	19.7	15.1	10.1	11.4	15.1
Personal Business	9.0	11.2	16.2	13.8	5.6	10.9
School	2.2	3.6	2.9	5.3	5.8	3.9
Shopping	0.5	1.3	1.8	2.0	0.2	1.1
Recreational	1.4	2.0	0.5	2.2	0.3	1.6
Social	2.1	3.8	2.9	3.8	2.7	3.2
Other	3.3	2.4	6.9	5.8	1.0	3.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Trip Frequency	SR 112 Mainline	SR 836 Mainline	SR 836 NW 17th Ave.	SR 874 Mainline	SR 924 Mainline	MDX System Total
Less than 1	7.6	9.7	8.0	9.7	3.9	8.3
1	8.3	11.2	19.4	11.6	9.6	10.9
2	8.3	9.2	7.0	8.6	5.0	8.2
3	8.5	10.0	10.8	7.3	6.4	8.6
4	6.0	6.7	5.8	5.2	5.3	5.9
5	45.6	38.7	37.9	38.3	53.1	42.1
6 or More	15.7	14.4	11.0	19.3	16.8	16.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Vehicle Occupancy	SR 112 Mainline	SR 836 Mainline	SR 836 NW 17th Ave.	SR 874 Mainline	SR 924 Mainline	MDX System Total
1	80.5	82.2	78.7	70.7	84.3	79.1
2	14.1	13.5	15.6	20.6	11.4	15.2
3	3.1	2.6	4.2	5.7	2.6	3.6
4	1.2	0.8	0.8	2.2	1.2	1.3
5	0.5	0.6	0.3	0.7	0.1	0.5
6 or More	0.6	0.3	0.4	0.2	0.3	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

CHAPTER 3

ECONOMIC GROWTH TRENDS AND PROJECTIONS

Socioeconomic growth is a major factor in determining future utilization of any toll facility. In the case of the MDX System, each of the four tolled expressways have been in operation for many years. These are mature facilities which tend to experience moderate levels of annual traffic growth. Trends in recent years have been affected by three toll increases, as well as short-term economic conditions.

However, because the revenue forecast developed as part of this study includes new facilities, including expressway extensions and new toll plazas, a detailed review of the recent socioeconomic outlook was undertaken. At the outset of the study, WSA obtained the latest socioeconomic forecasts from the Miami-Dade Metropolitan Planning Organization (MPO). These forecasts of households, population and employment by type are used in the Florida State Urban Transportation Model System (FSUTMS) travel demand modeling process.

However, for purposes of this study, WSA recruited the input of an independent local economic firm, Washington Economics Group (WEG). WEG completed a review of the additional forecasts provided by the MPO. In several cases, modifications to the forecast were suggested; these were then introduced in the development of new trip tables within the travel demand model.

An overview of the work performed by WEG is documented in the independent economic consultant report, included as an appendix to this report. In general, WEG reviewed the socioeconomic forecasts at the "planning area" level of detail, throughout the MDX project corridors and other portions of Miami-Dade County. Any updated forecast by WEG at the planning area level was then disaggregated into the traffic zone level by WSA, with input and guidance from WEG wherever specific development impacts were anticipated.

Overall, on a corridor basis, the changes introduced by WEG were of a magnitude of less than 10 percent, as compared to the original MPO forecast. There were some changes in the timing and spatial distribution of anticipated development. More details on the economic review and on overall drivers of the Miami-Dade County economy are included in the WEG report.

A summary of the adjusted forecasts of population and employment for each project corridor is presented in this chapter. Again, it is emphasized that the baseline forecast used in this analysis reflects the review and adjustment, as needed, by WEG.

PLANNING AREAS

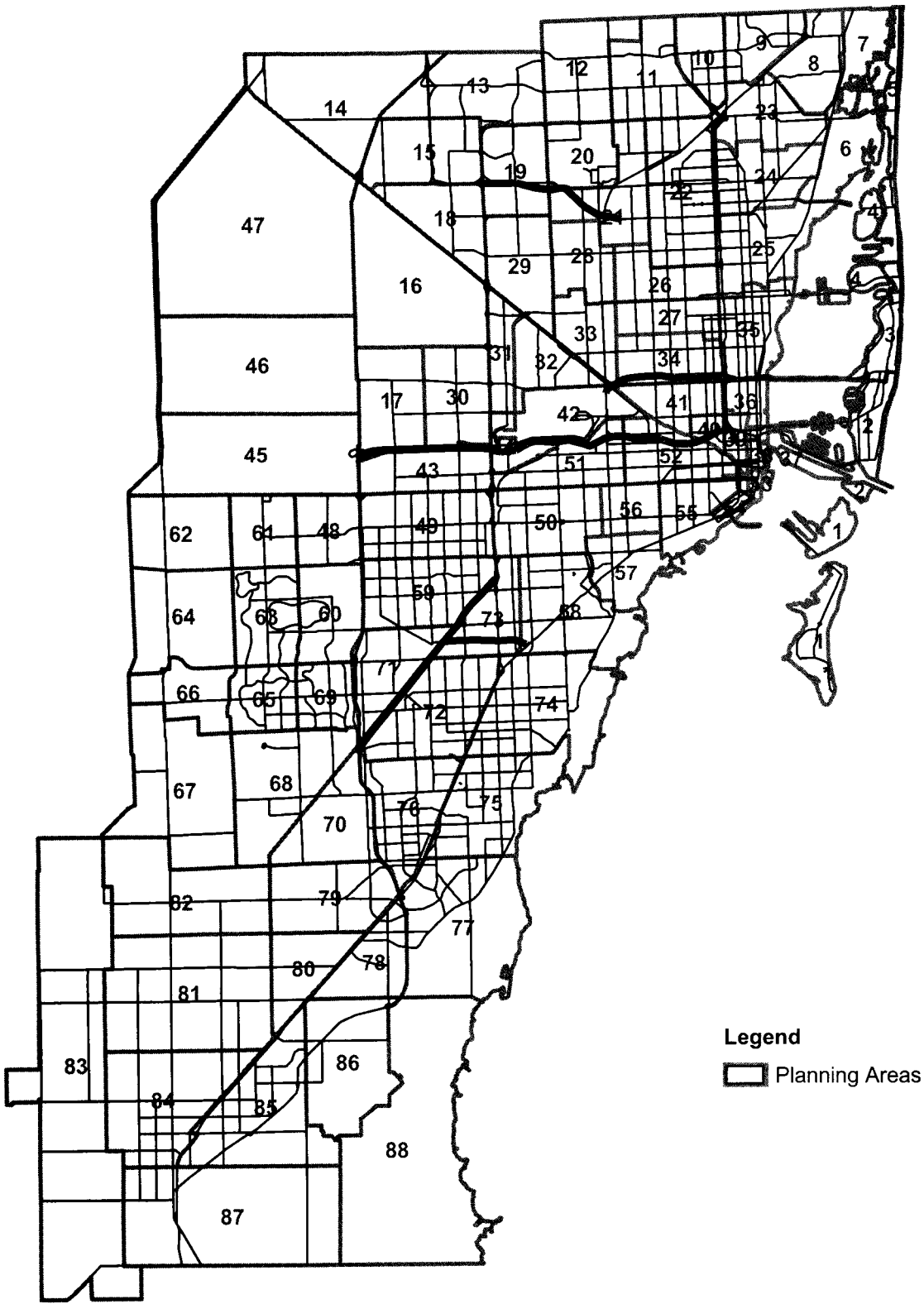
The Miami-Dade County travel demand model includes 1500 traffic analysis zones throughout the region. Socioeconomic data is ultimately disaggregated to this fine level of detail, for use in estimating travel demand. However, a more aggregated zone system is also used, comprised of 88 "planning areas." WEG performed most of its review, and introduced most of its modifications, at this planning area level.

Figure 3-1 shows the location of each planning area. It also shows the general location of the MDX expressways and other major roads. Expressway service areas, or corridors, were identified by establishing groupings of planning areas. In some cases, the same planning area may appear in more than one corridor, due to the close proximity of the MDX expressways. This is particularly true in the case of the S.R. 112 and S.R. 836 Expressways, which closely parallel each other in the vicinity of MIA.

POPULATION PROJECTIONS

Table 3-1 presents estimated population growth by expressway service area. Planning areas included in each service area are shown, together with population estimates and projections at five-year increments between 2000 and 2025. The figures in Table 3-1 reflect any adjustments to the forecast introduced by WEG. It should be noted that all socioeconomic data in this chapter is represented on a calendar year basis. If a single year is shown, it is indicative of a calendar year, and not a fiscal year.

For the S.R. 112 Airport Expressway service area, the year 2000 population of about 241,000 is projected to increase to just over 304,000. Much of this growth is expected to occur after 2010, as part of urban



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MIAMI-DADE PLANNING AREAS

FIGURE 3-1

Table 3-1

Estimated Population Growth by Expressway Service Area [1]

2000-2025

Planning Area	2000	AAPC [2]	2005	AAPC	2010	AAPC	2015	AAPC	2020	AAPC	2025
S.R. 112 / Airport Expressway											
27	21,967	0.2	22,165	0.2	22,431	1.2	23,776	1.6	25,679	1.6	27,733
32	16,072	0.0	16,104	-	16,104	-	16,104	-	16,104	-	16,104
33	41,053	0.2	41,463	0.2	41,878	0.3	42,506	0.4	43,356	0.4	44,223
34	32,590	0.2	32,883	0.2	33,278	1.2	35,274	1.6	38,096	1.6	41,144
35	47,378	0.1	47,615	0.2	48,091	0.6	49,533	0.4	50,524	0.3	51,282
36	21,291	1.9	23,356	4.3	28,845	6.2	38,941	2.8	44,782	1.5	48,140
38	2,940	1.8	3,210	1.9	3,531	2.8	4,061	1.5	4,366	0.8	4,540
39	11,265	1.8	12,301	1.9	13,531	2.8	15,561	1.5	16,728	0.8	17,397
40	7,993	0.5	8,192	0.5	8,397	0.5	8,607	0.5	8,822	0.4	8,999
41	39,637	0.5	40,628	0.5	41,644	0.5	42,685	0.5	43,752	0.4	44,627
Total	**242,184**	**0.5**	**247,918**	**0.8**	**257,729**	**1.5**	**277,049**	**1.1**	**292,209**	**0.8**	**304,190**
S.R. 836 / East-West (Dolphin) Expressway											
17	22,056	14.9	44,112	0.4	44,994	-	44,994	-	44,994	-	44,994
30	11,889	1.0	12,483	-	12,483	-	12,483	-	12,483	-	12,483
34	32,590	0.2	32,883	0.2	33,278	1.2	35,274	1.6	38,096	1.6	41,144
36	21,291	1.9	23,356	4.3	28,845	6.2	38,941	2.8	44,782	1.5	48,140
38	2,940	1.8	3,210	1.9	3,531	2.8	4,061	1.5	4,366	0.8	4,540
39	11,265	1.8	12,301	1.9	13,531	2.8	15,561	1.5	16,728	0.8	17,397
40	7,993	0.5	8,192	0.5	8,397	0.5	8,607	0.5	8,822	0.4	8,999
41	39,637	0.5	40,628	0.5	41,644	0.5	42,685	0.5	43,752	0.4	44,627
43	73,783	-	73,783	-	73,783	-	73,783	-	73,783	-	73,783
44	5,554	-	5,554	-	5,554	-	5,554	-	5,554	-	5,554
45	4,696	1.0	4,931	-	4,931	-	4,931	-	4,931	-	4,931
48	35,075	0.6	36,127	0.2	36,488	-	36,488	-	36,488	-	36,488
49	51,149	0.1	51,456	0.3	52,228	0.2	52,802	-	52,802	-	52,802
50	38,027	0.7	39,358	0.1	39,634	0.3	40,268	0.4	41,073	0.4	41,853
51	46,381	0.5	47,541	0.5	48,729	0.6	50,191	-	50,191	0.7	51,948
52	76,494	0.5	78,406	0.5	80,366	0.6	82,777	-	82,777	0.7	85,675
53	6,877	2.0	7,592	0.7	7,881	1.4	8,456	-	8,456	1.3	9,031
54	8,667	2.0	9,569	0.7	9,932	1.4	10,657	-	10,657	1.3	11,382
55	40,349	2.0	44,546	0.7	46,238	1.4	49,614	-	49,614	1.3	52,988
56	26,172	0.7	27,088	0.1	27,278	0.3	27,714	0.4	28,268	0.4	28,805
61	13,682	2.8	15,734	1.0	16,521	-	16,521	-	16,521	-	16,521
62	-	-	-	-	11,500	14.9	23,000	-	23,000	-	23,000
Total	**576,566**	**1.4**	**618,850**	**0.9**	**647,766**	**1.1**	**685,362**	**0.4**	**698,139**	**0.5**	**717,085**
S.R. 874 / South Dade (Don Shula) Expressway											
57	23,949	0.7	24,787	0.1	24,961	0.3	25,360	0.4	25,867	0.4	26,359
58	31,975	0.7	33,094	0.1	33,326	0.3	33,859	0.4	34,536	0.4	35,192
59	39,613	0.1	39,851	0.3	40,449	0.2	40,894	-	40,894	-	40,894
65	39,850	1.5	42,839	-	42,839	-	42,839	-	42,839	-	42,839
68	35,974	11.8	62,955	-	62,955	-	62,955	-	62,955	-	62,955
69	26,003	1.0	27,303	-	27,303	-	27,303	-	27,303	-	27,303
70	17,630	6.2	23,801	-	23,801	-	23,801	-	23,801	-	23,801
71	39,322	0.3	39,872	1.9	43,859	0.4	44,649	0.4	45,452	0.3	46,225
72	34,280	0.3	34,760	0.2	35,177	0.4	35,810	0.4	36,455	0.3	37,074
73	18,013	2.1	19,999	3.4	23,584	2.6	26,795	1.2	28,417	-	28,417
76	35,041	0.6	36,023	0.5	36,923	0.8	38,437	-	38,437	0.8	40,013
79	28,007	2.2	31,283	3.7	37,540	1.9	41,294	1.9	45,423	-	45,423
Total	**369,658**	**2.4**	**416,567**	**0.8**	**432,717**	**0.5**	**443,996**	**0.4**	**452,380**	**0.2**	**456,496**
S.R. 924 / Gratigny Parkway											
13	50,516	2.3	56,578	3.7	67,894	0.8	70,609	-	70,609	-	70,609
15	13,388	4.6	16,735	11.8	29,286	4.6	36,608	-	36,608	-	36,608
18	57,961	1.5	62,308	1.5	66,981	1.0	70,330	-	70,330	-	70,330
19	37,393	1.0	39,263	0.6	40,441	-	40,441	-	40,441	-	40,441
20	2,801	1.2	2,967	0.7	3,070	0.4	3,138	0.4	3,194	-	3,194
21	19,103	1.2	20,230	0.7	20,938	0.4	21,399	0.4	21,784	-	21,784
22	56,005	1.2	59,310	0.7	61,386	0.4	62,736	0.4	63,865	-	63,865
26	26,123	0.2	26,358	0.2	26,675	1.2	28,275	1.6	30,537	1.6	32,980
28	39,763	0.2	40,229	0.2	40,699	0.3	41,310	0.3	41,854	0.3	42,409
29	77,629	0.2	78,550	0.2	79,483	0.3	80,675	0.2	81,681	0.2	82,707
Total	**380,683**	**1.1**	**402,527**	**1.7**	**436,853**	**0.8**	**455,521**	**0.2**	**460,904**	**0.2**	**464,928**
County Total	**2,251,370**	**1.6**	**2,433,354**	**1.4**	**2,609,646**	**1.2**	**2,767,368**	**0.8**	**2,876,502**	**0.5**	**2,951,451**

Notes:
(1) Wilbur Smith Associates used socioeconomic data and forecasts provided by the Washington Economics Group in the present study.
(2) AAPC denotes average annual percent change.

redevelopment activities near the east end of the corridor. In general, population growth is expected to average less than one percent per year, except between 2010 and 2020, when about 35,000 additional residents are expected to be added.

On the East-West Expressway, S.R. 836, the total service area population is expected to increase from 576,566 to about 717,000 over the 25-year forecast period. Most of this growth is expected to occur by 2015, with little or no growth expected in several of the planning areas after that point. Between 2005 and 2015, corridor population is expected to grow at about one percent per year, trailing off to about 0.5 percent per year, or less, after 2015.

Population growth in the S.R. 874 (South Dade) expressway service area is also estimated to be relatively modest, particularly after 2005. Corridor population is expected to reach more than 456,000 by 2025, although this reflects an average annual rate of increase less than 0.5 percent per year after 2005. Many of the planning areas in this corridor will be built out by then.

Finally, the Gratigny Parkway corridor is expected to experience higher than average population growth through 2010, before moderating significantly after 2015. Total corridor population is expected to reach almost 465,000 by 2025, reflecting an increase of about 60,000 additional residents over the 25-year horizon.

Table 3-1 also shows total population forecasts for the entire County. In general, population growth forecasts in each of the expressway corridors are comparable, and in some cases lower than, countywide projections. This is in part due to the fact that these expressways, in their current configurations, are relatively mature facilities constructed in areas that have been substantially developed over the past 20 years.

At the County level, population is expected to increase about 1.5 percent per year between 2000 and 2010, reaching more than 2.6 million by 2010. County population is expected to reach more than 2.9 million by 2025, and an average annual growth of 1.1 percent per year over the forecast period.

COMPARISON OF WEG AND MPO POPULATION FORECAST

Table 3-2 presents a comparison of WEG and MPO population forecasts for each of the four service areas in the 2005, 2015 and 2025 forecast years. These service areas match those used in Table 3-1.

Table 3-2

Comparison of Estimated WEG and MPO Population Growth [1]

2000-2025

Expressway Service Area	2005			2015			2025		
	MPO	WEG	% Diff.	MPO	WEG	% Diff.	MPO	WEG	% Diff.
S.R. 112 / Airport Expressway	241,428	247,918	2.7	264,033	277,049	4.9	286,930	304,190	6.0
S.R. 836 / East-West (Dolphin) Expressway	616,159	618,850	0.4	695,961	685,362	-1.5	729,742	717,085	-1.7
S.R. 874 / South Dade (Don Shula) Expressway	370,576	416,567	12.4	407,792	443,996	8.9	445,416	456,496	2.5
S.R. 924 / Gratigny Parkway	374,741	402,527	7.4	417,556	455,521	9.1	451,641	464,928	2.9
Miami-Dade County Total	**2,316,933**	**2,433,354**	**5.0**	**2,626,802**	**2,767,368**	**5.4**	**2,969,229**	**2,951,451**	**-0.6**

(1) Wilbur Smith Associates used socioeconomic data and forecasts provided by the Washington Economics Group in the present study.

In the case of the S.R. 112 Airport Expressway corridor, the WEG forecast is generally slightly higher than the original MPO projection, ranging from 2.7 to 6.0 percent depending on year. For the most part, WEG forecasts in the S.R. 836 corridor are slightly lower than the MPO forecast.

In the S.R. 874 corridor, the WEG estimates are 12.4 percent higher at 2005, where considerable early population growth is forecast by WEG. This adjustment moderates somewhat in 2010 and by 2025, the WEG estimate is only 2.5 percent higher than the MPO forecast. Clearly, most of the adjustments introduced by WEG in the S.R. 874 corridor relate to the timing of the anticipated developments.

Similarly, in the S.R. 924 corridor, WEG applied 7.4 and 9.1 percent increases to the MPO forecasts, tapering off to a 2.9 percent increase in 2025. This implies a 0.7% growth rate between 2005 and 2025, which is actually lower than the 0.9% growth rate forecast by the MPO. The WEG population estimates nonetheless start and end at higher levels, and reflect stronger growth in the 2005 to 2015 period than projected by the MPO.

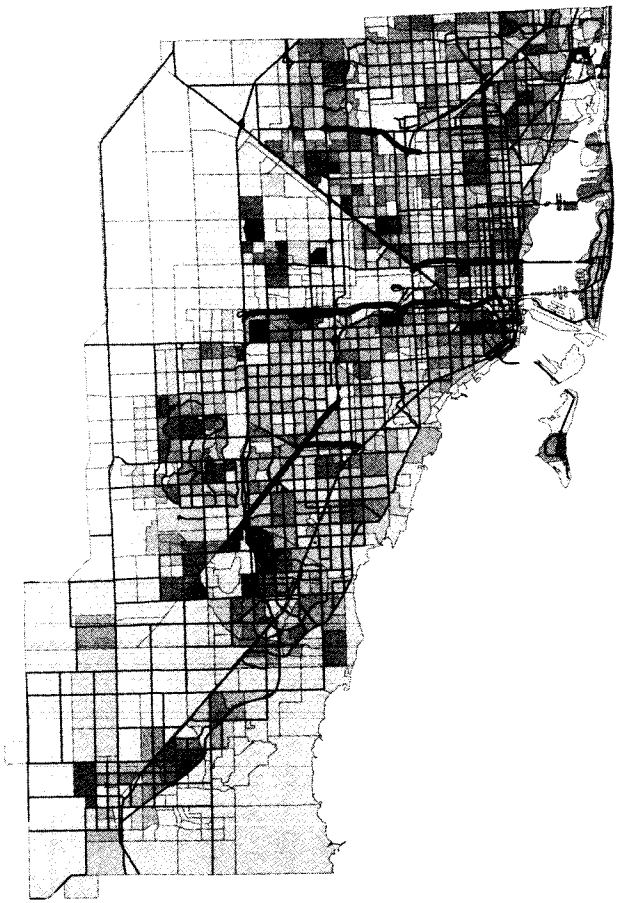
It should be noted that some of the adjustments applied by WEG reflect the review of U.S. Census 2000 data which were not available in 1999, when the Miami-Dade MPO calibrated its regional model. Therefore, the WEG estimates reflect improved knowledge of current conditions, as well as an independent ascertainment of the likely trajectory of future growth.

SPATIAL DISTRIBUTION OF GROWTH PATTERNS

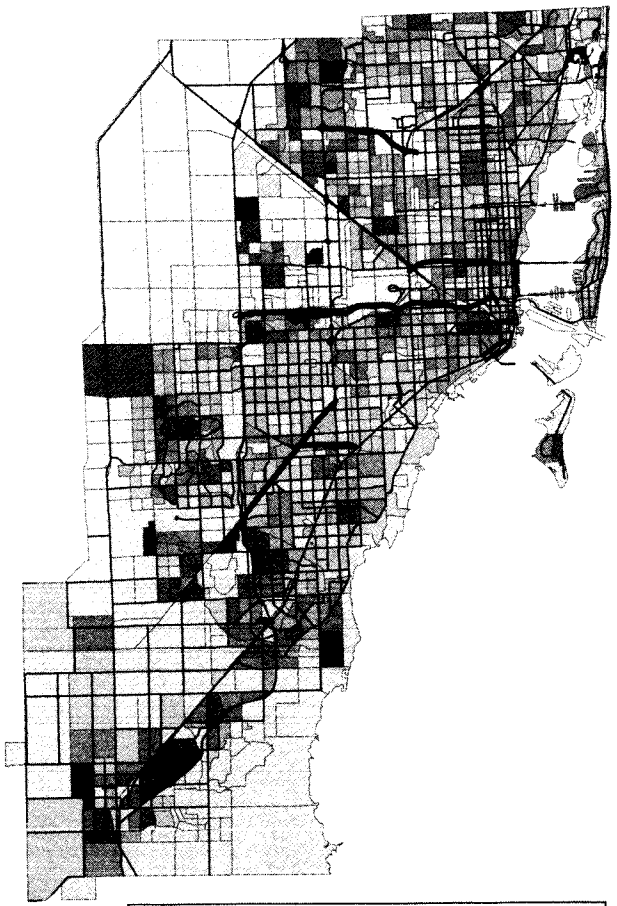
Figure 3-2 shows population distributions by traffic analysis zones (TAZ). Traffic analysis zones are at a much finer level of detail than planning analysis areas, and can provide a better sense of the spatial distribution of socioeconomic changes. Each traffic analysis zone is shaded to reflect relative levels of population. Population estimates by key TAZ are depicted for 2005, 2015 and 2025.

Significant increases in population are expected to occur before 2015 in the vicinity of planning area 62, a currently undeveloped area near the central HEFT. Existing developments in planning areas 84 and 85, near Homestead, are also likely to expand and intensify, as will existing clusters of population in central and northern Miami-Dade County such as those in planning areas 16 and 17 (between S.R.'s 836 and 27) and planning area 13 (north of S.R. 817). An interesting pattern of growth is shown in southern Miami-Dade County along the U.S. 1 / S.R. 821 corridor, where currently isolated developments in the south will gradually expand towards Cutler Ridge to the northeast through the 2025 forecast year.

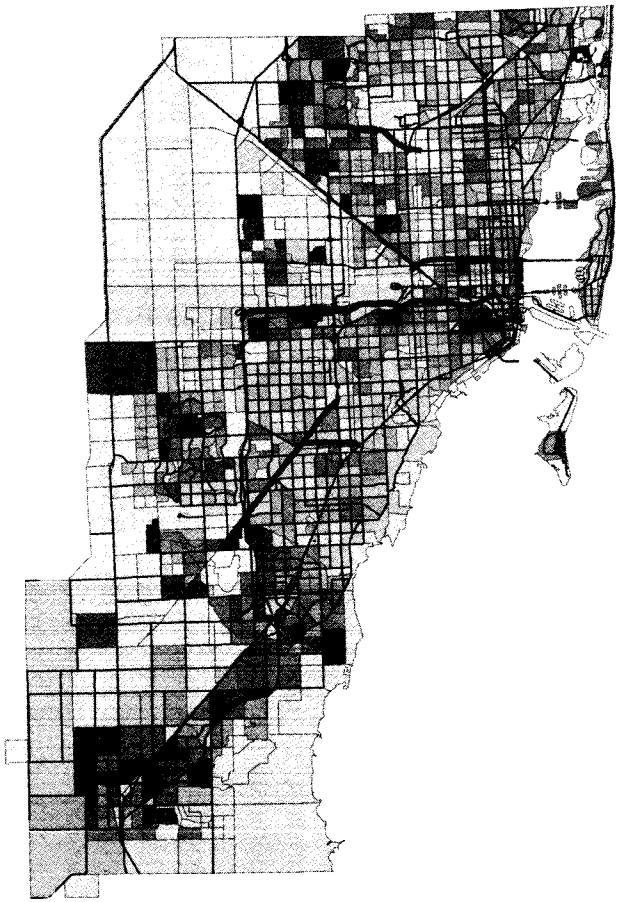
2005

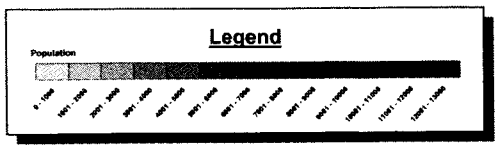


2015



2025





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POPULATION DISTRIBUTIONS BY TRAFFIC ZONE

FIGURE 3-2

Figure 3-3 provides a graphic representation of the total change in population growth between 2005 and 2025 within Miami-Dade County. In this case, the shading of each traffic analysis zone reflects the relative amount of change over this 20-year period, as opposed to absolute population levels.

The most noticeable increases over the 25-year period are in the areas described above, particularly in the south, west, and northwestern sections of Miami-Dade County. Some notable residential development near the waterfront and downtown is also visible. These gains in population are accompanied by some moderate declines in population throughout the County, some of which occur immediately adjacent to the high-growth U.S. 1 corridor mentioned above. To some extent this may reflect the re-distribution of present-day households to emerging corridors, and the scale of declines in most TAZ is such that they reflect essentially flat growth over the forecast period in areas where residential capacity is already depleted.

EMPLOYMENT PROJECTIONS

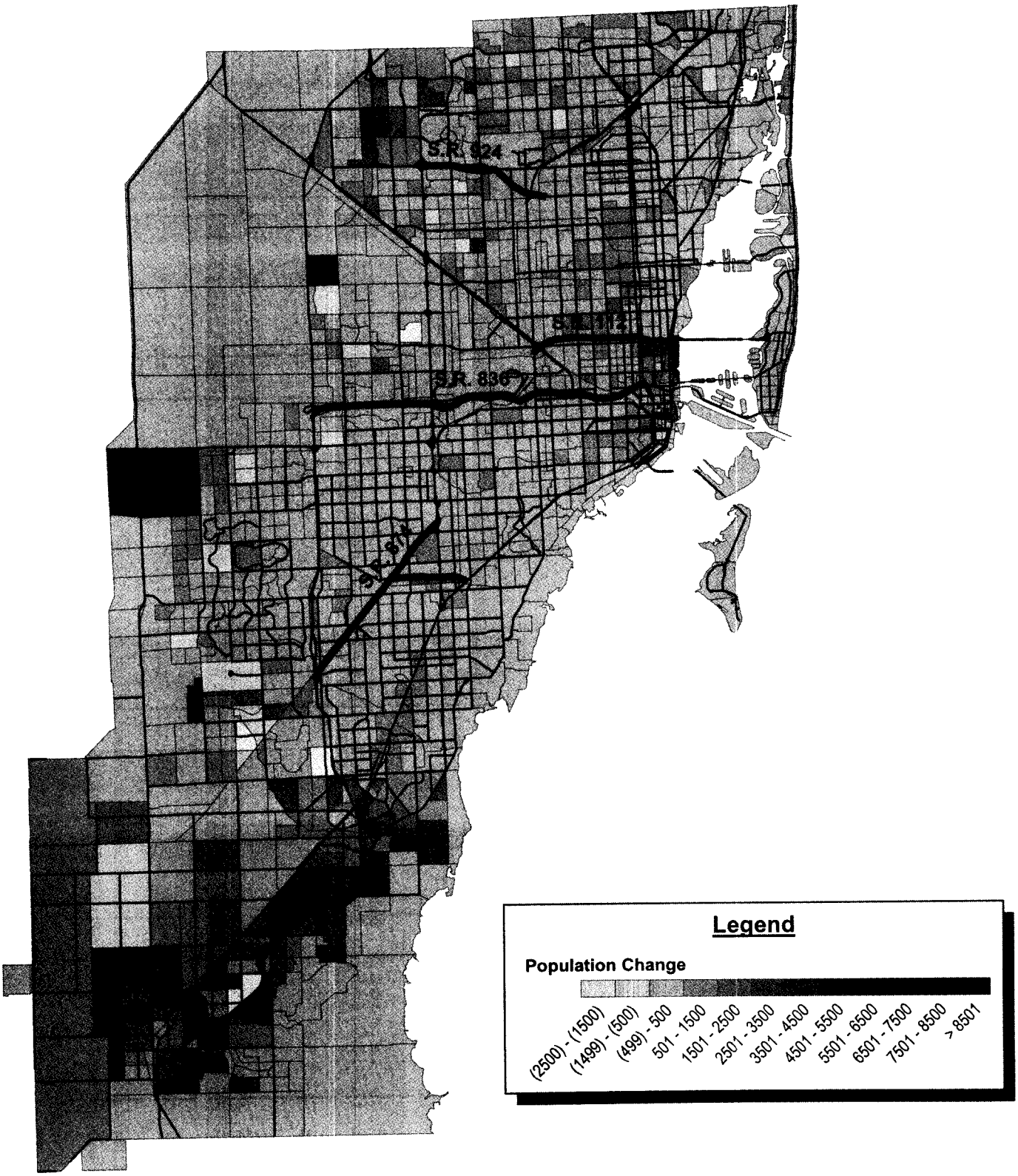
Table 3-3 shows estimated employment growth by expressway service area, including any adjustments suggested by WEG. These employment forecasts, together with population and household projections, provided another key input to updated trip tables for each of the five-year intervals shown.

Almost 65,000 new jobs are expected to be added in the S.R. 112 Airport Expressway corridor between 2000 and 2025. This represents an average annual growth in employment of about 1.1 percent per year, spread relatively evenly over the forecast period.

Over 157,000 additional jobs are expected to be added to the S.R. 836 Expressway corridor over the 25-year period, although most of this growth is expected to occur by 2015. Total employment in the S.R. 836 service area is expected to reach almost 600,000 by 2025.

Much lower levels of employment are shown in the S.R. 874 and S.R. 924 expressway service areas. This reflects the increasingly residential nature of these two corridors. After 2010, the rate of employment growth in both corridors is estimated to be less than 1 percent per year.

On a countywide basis, total jobs are expected to increase from about 1.2 million in 2000 to almost 1.6 million by 2025. This reflects an average



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POPULATION CHANGE BETWEEN 2005-2025

FIGURE 3-3

Table 3-3

Estimated Employment Growth by Expressway Service Area [1]
2000-2025

Planning Area	2000	AAPC [2]	2005	AAPC	2010	AAPC	2015	AAPC	2020	AAPC	2025
S.R. 112 / Airport Expressway											
27	10,915	0.3	11,078	0.3	11,263	0.8	11,694	1.0	12,302	1.2	13,058
32	6,856	0.0	6,869	-	6,869	-	6,869	-	6,869	-	6,869
33	13,481	0.3	13,676	0.3	13,872	0.4	14,118	0.4	14,415	0.4	14,716
34	17,527	0.2	17,740	0.3	17,992	0.8	18,763	1.1	19,851	1.2	21,027
35	20,293	0.2	20,483	0.2	20,665	0.5	21,216	0.4	21,594	0.3	21,884
36	15,369	1.6	16,619	3.5	19,714	5.5	25,744	2.6	29,232	1.3	31,238
38	46,603	1.8	50,847	1.9	55,884	2.8	64,195	1.4	68,973	0.8	71,713
39	16,646	1.7	18,154	1.9	19,944	2.8	22,898	1.4	24,597	0.8	25,571
40	36,220	0.5	37,120	0.5	38,042	0.5	38,988	0.5	39,957	0.4	40,752
41	16,122	0.4	16,465	0.4	16,817	0.4	17,177	0.4	17,546	0.3	17,849
Total	**200,032**	**0.9**	**209,051**	**1.1**	**221,063**	**1.8**	**241,661**	**1.1**	**255,337**	**0.7**	**264,677**
S.R. 836 / East-West (Dolphin) Expressway											
17	12,898	17.3	28,593	9.9	45,788	4.2	56,328	-	56,328	-	56,328
30	61,972	4.6	77,726	1.2	82,616	0.2	83,516	-	83,516	-	83,516
34	17,527	0.2	17,740	0.3	17,992	0.8	18,763	1.1	19,851	1.2	21,027
36	15,369	1.6	16,619	3.5	19,714	5.5	25,744	2.6	29,232	1.3	31,238
38	46,603	1.8	50,847	1.9	55,884	2.8	64,195	1.4	68,973	0.8	71,713
39	16,646	1.7	18,154	1.9	19,944	2.8	22,898	1.4	24,597	0.8	25,571
40	36,220	0.5	37,120	0.5	38,042	0.5	38,988	0.5	39,957	0.4	40,752
41	16,122	0.4	16,465	0.4	16,817	0.4	17,177	0.4	17,546	0.3	17,849
43	18,950	-	18,950	-	18,950	-	18,950	-	18,950	-	18,950
44	17,695	-	17,695	-	17,695	-	17,695	-	17,695	-	17,695
45	3,894	8.1	5,744	2.5	6,494	1.5	6,994	-	6,994	-	6,994
48	4,833	0.6	4,973	0.2	5,021	-	5,021	-	5,021	-	5,021
49	21,370	0.1	21,496	0.3	21,812	0.2	22,048	-	22,048	-	22,048
50	14,092	0.7	14,614	0.1	14,709	0.3	14,927	0.4	15,205	0.4	15,473
51	18,830	0.5	19,287	0.5	19,756	0.6	20,332	-	20,332	0.7	21,025
52	19,765	0.6	20,382	0.5	20,850	0.5	21,426	-	21,426	0.6	22,117
53	26,648	2.0	29,367	0.7	30,463	1.4	32,650	-	32,650	1.3	34,836
54	3,177	2.0	3,503	0.7	3,635	1.4	3,898	-	3,898	1.3	4,160
55	17,766	1.9	19,545	0.7	20,263	1.4	21,695	-	21,695	1.3	23,125
56	45,957	0.8	47,760	0.1	48,089	0.3	48,844	0.4	49,804	0.4	50,733
61	2,136	2.7	2,440	0.9	2,556	-	2,556	-	2,556	-	2,556
62	544	-	544	26.3	1,745	14.6	3,448	-	3,448	-	3,448
Total	**439,014**	**2.2**	**489,564**	**1.6**	**528,836**	**1.4**	**568,092**	**0.5**	**581,722**	**0.5**	**596,177**
S.R. 874 / South Dade (Don Shula) Expressway											
57	24,377	2.0	26,929	0.1	27,113	0.3	27,538	0.4	28,077	0.4	28,599
58	32,642	1.2	34,713	0.1	34,950	0.3	35,495	0.4	36,187	0.4	36,858
59	10,442	0.1	10,503	0.3	10,655	0.2	10,769	-	10,769	-	10,769
65	7,405	1.1	7,830	1.1	8,255	-	8,255	-	8,255	-	8,255
68	10,100	0.9	10,585	0.6	10,885	0.5	11,185	2.5	12,685	2.3	14,185
69	3,237	1.0	3,395	-	3,395	-	3,395	-	3,395	-	3,395
70	5,991	1.3	6,379	-	6,379	-	6,379	-	6,379	-	6,379
71	20,885	0.3	21,169	1.9	23,230	0.3	23,637	0.3	24,053	0.3	24,452
72	18,430	0.3	18,674	0.2	18,886	0.3	19,208	0.3	19,536	0.3	19,851
73	15,621	2.8	17,936	0.7	18,599	0.9	19,408	0.6	20,020	-	20,020
76	9,712	0.5	9,961	0.5	10,190	0.7	10,575	-	10,575	0.7	10,975
79	6,271	2.0	6,910	3.1	8,068	1.7	8,796	2.1	9,758	0.2	9,852
Total	**165,113**	**1.2**	**174,984**	**0.6**	**180,605**	**0.4**	**184,640**	**0.5**	**189,689**	**0.4**	**193,592**
S.R. 924 / Gratigny Parkway											
13	6,908	0.9	7,234	3.4	8,565	0.8	8,914	0.5	9,122	-	9,122
15	8,506	0.1	8,529	1.9	9,361	2.0	10,356	1.3	11,031	-	11,031
18	17,616	2.5	19,912	2.4	22,391	1.9	24,567	1.3	26,257	-	26,257
19	16,940	1.9	18,634	1.4	20,010	1.5	21,524	-	21,524	-	21,524
20	10,742	1.6	11,640	1.6	12,600	0.6	12,989	0.4	13,252	0.2	13,360
21	30,729	1.6	33,278	1.6	35,979	0.6	37,083	0.4	37,833	0.2	38,133
22	17,038	1.5	18,398	1.5	19,782	0.6	20,368	0.4	20,774	0.1	20,919
26	8,467	0.2	8,535	0.2	8,626	1.0	9,087	1.4	9,739	1.6	10,543
28	11,228	0.3	11,422	0.3	11,620	0.4	11,855	0.4	12,101	0.4	12,351
29	27,465	0.3	27,824	0.3	28,186	0.3	28,613	0.2	28,963	0.2	29,317
Total	**155,639**	**1.2**	**165,407**	**1.4**	**177,120**	**0.9**	**185,356**	**0.6**	**190,595**	**0.2**	**192,556**
County Total	**1,195,221**	**1.5**	**1,285,669**	**1.4**	**1,380,923**	**1.3**	**1,471,893**	**0.6**	**1,518,213**	**0.4**	**1,551,333**

Notes:
(1) Wilbur Smith Associates used socioeconomic data and forecasts provided by the Washington Economics Group in the present study.
(2) AAPC denotes average annual percent change.

annual rate of growth of about 1 percent per year, most of which will occur before 2015.

COMPARISON OF WEG AND MPO EMPLOYMENT GROWTH FORECAST

Table 3-4 provides a comparison of the employment forecast developed by WEG with that originally developed by the MPO. In the case of the S.R. 112 Expressway corridor, the WEG estimates are slightly lower than the MPO forecast in 2005. However, WEG estimates are higher than the MPO projections in later years.

In the S.R. 836 corridor, the WEG estimates range from 4 to 6 percent above the MPO forecast in each of the years shown.

WEG employment forecasts in the S.R. 874 corridor are consistently lower than the MPO projections, with the differential ranging from about 1.3 percent in 2005 to 9.5 percent lower in 2025. WEG employment forecasts in the S.R. 924 corridor are relatively similar to those developed by the MPO, with the differences ranging within plus or minus 2 percent of the MPO estimates.

For Miami-Dade County as a whole, the WEG employment forecast track the MPO projections very closely. The WEG countywide employment estimates at 2025 levels are almost exactly identical to the MPO projection.

Figure 3-4 shows the employment distributions by TAZ for 2005, 2015 and 2025. Spatially, the vast plurality of employment is currently concentrated in central Miami-Dade County, particularly in planning area 42, associated with the Airport West area. Future employment is projected to remain highly concentrated in this area, with the only major future expansions occurring nearby along S.R. 836 to the west and just beyond S.R. 821. This employment growth is expected to occur before 2015, and little or no growth is shown in the region after that time.

Figure 3-5 shows the distribution of total employment growth within Miami-Dade County between 2005 and 2025. The shading of each TAZ depicts the total amount of projected change in employment, not absolute employment levels in each zone.

As stated above, Figure 3-5 clearly shows that the largest projected increases in employment are essentially westward expansions of the Airport West beyond S.R. 821, although major increases in employment are also shown along Port Boulevard in planning area 37. These increases

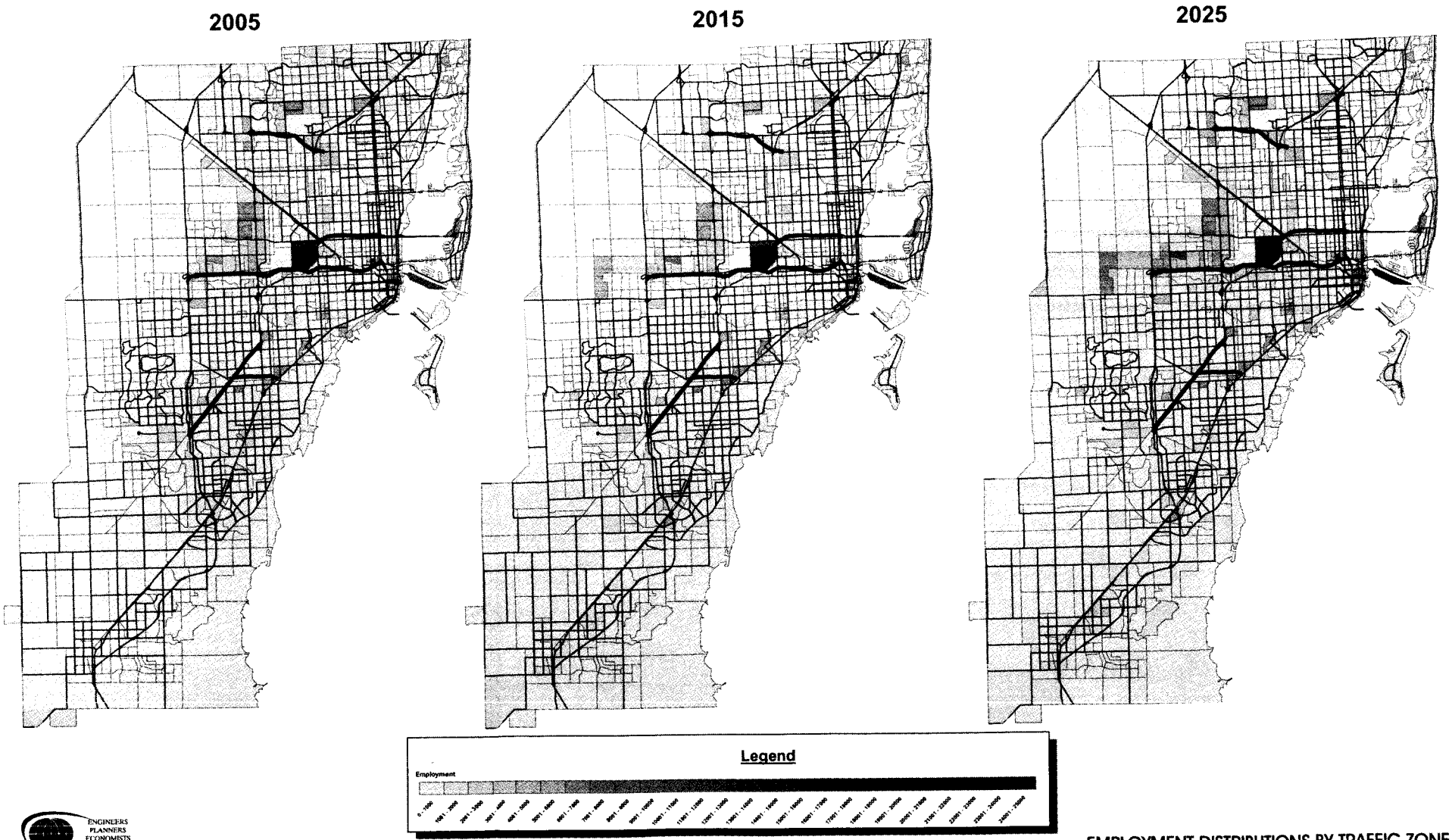
Table 3-4

Comparison of Estimated WEG and MPO Employment Growth [1]

2000-2025

Expressway Service Area	2005			2015			2025		
	MPO	WEG	% Diff.	MPO	WEG	% Diff.	MPO	WEG	% Diff.
S.R. 112 / Airport Expressway	212,067	209,051	-1.4	232,009	241,661	4.2	246,798	264,677	7.2
S.R. 836 / East-West (Dolphin) Expressway	469,743	489,564	4.2	525,675	568,092	8.1	561,855	596,177	6.1
S.R. 874 / South Dade (Don Shula) Expressway	177,322	174,984	-1.3	198,412	184,640	-6.9	213,978	193,592	-9.5
S.R. 924 / Gratigny Parkway	165,304	165,407	0.1	181,345	185,356	2.2	195,881	192,556	-1.7
Miami-Dade County Total	**1,283,996**	**1,285,669**	**0.1**	**1,437,335**	**1,471,893**	**2.4**	**1,550,876**	**1,551,333**	**0.0**

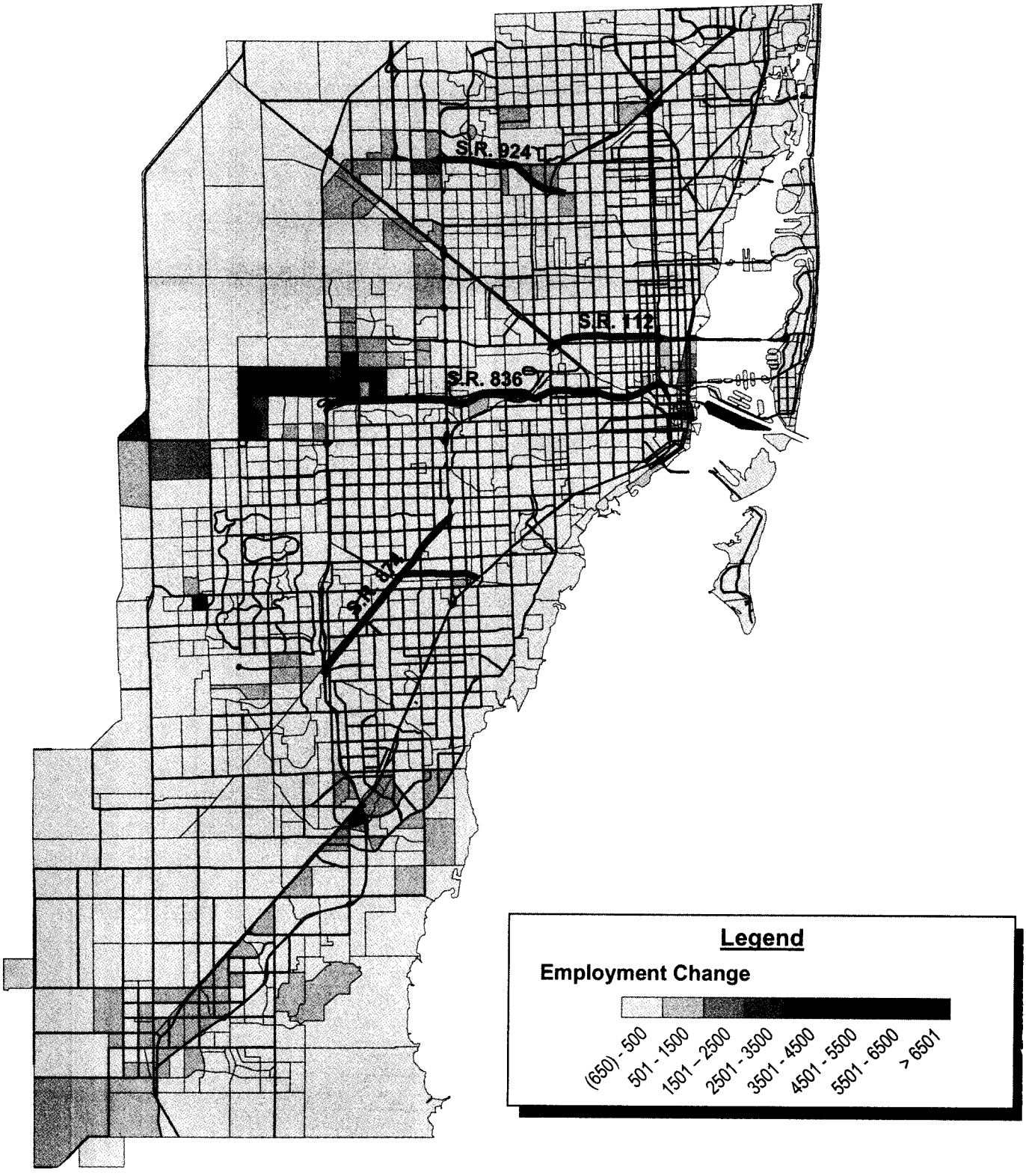
Note:
(1) Wilbur Smith Associates used socioeconomic data and forecasts provided by the Washington Economics Group in the present study.



ENGINEERS
PLANNERS
ECONOMISTS
Wilbur Smith Associates

EMPLOYMENT DISTRIBUTIONS BY TRAFFIC ZONE

FIGURE 3-4



ENGINEERS
PLANNERS
ECONOMISTS
Wilbur Smith Associates

EMPLOYMENT CHANGE BETWEEN 2005-2025

FIGURE 3-5

are largely associated with projected future dynamic growth in international trade activity, which is a major driver in Miami-Dade County's economy.

Much of Miami-Dade County is projected to experience little or no employment growth over the forecast period. This is partly because very little unused industrial land is available throughout the region, and as WEG have noted, the projected employment growth west of S.R.'s 836 and 821 is as much motivated by that area's unusually high abundance of vacant parcels as by proximity to existing employment and services.

MIAMI INTERNATIONAL AIRPORT ACTIVITY TRENDS

Activity at MIA contributes significantly to travel demand on the MDX System. This is particularly true for the S.R. 836 and S.R. 112 expressway corridors. S.R. 112 provides a direct connection between I-95 and MIA. S.R. 836 accommodates considerable traffic between the airport and southern portions of Miami Beach as well as downtown Miami.

The airport is currently undergoing a major capital improvement expansion program. New north and south terminals are under development, and other existing terminals are being significantly upgraded. An additional runway is planned for the future, as well as other major improvements.

The MIC is also under development. This will provide a new consolidated rental car facility, a direct people mover transit connection to the airport, drop off and check in facilities as well as a major intermodal transit transfer point.

In 2002, MIA was the number one U.S. airport in terms of handling international freight and number three in terms of international passengers. MIA ranked 12th in total passengers handled among U.S. airports and 20th on a worldwide basis. There are more than 1,100 takeoffs and landings on an average day at MIA, with 77 carriers serving 150 cities.

However, recent activity trends have been downward at MIA. As shown in Table 3-5, total annual passengers reached a peak of 34.4 million in 1998. Subsequent to that year, annual passenger trends were downward by 2002 before increasing slightly in 2003.

Table 3-5
Activity Trends at Miami International Airport

Year	Passengers (Thousands)			Percent	Cargo (Tousands of Tons)			Percent
	Domestic	International	Total	Change	Domestic	International	Total	Change
1994	16,718	12,756	29,474	---	322	1,097	1,419	---
1995	18,625	14,227	32,852	11.5	335	1,369	1,704	20.1
1996	18,694	14,803	33,497	2.0	372	1,476	1,848	8.5
1997	18,978	15,398	34,376	2.6	364	1,571	1,935	4.7
1998	18,500	15,532	34,032	-1.0	399	1,592	1,991	2.9
1999	18,372	15,632	34,004	-0.1	353	1,507	1,860	-6.6
2000	17,547	16,196	33,743	-0.8	351	1,449	1,800	-3.2
2001	17,180	15,869	33,049	-2.1	414	1,427	1,841	2.3
2002	15,321	14,029	29,350	-11.2	443	1,320	1,763	-4.2
2003	15,639	13,893	29,532	0.6	334	1,441	1,775	0.7
Average Annual Percent Change:								
1994 - 2003	-0.7	0.9	0.0		0.4	3.1	2.5	
1994 - 1999	1.9	4.2	2.9		1.9	6.6	5.6	
1999 - 2003	-3.5	-2.7	-3.1		-1.3	-1.1	-1.1	

Source: Miami-Dade County Aviation Department

As with most airports, passenger activity in 2001 and 2002 was negatively impacted by the events of September 11. This is particularly true with respect to international passengers, which dropped from a high of 16.2 million in 2001 to about 14 million in 2002, a decrease of about 13.4 percent.

Domestic passenger activity in 2002 was more than 19 percent lower than the highwater mark of about 19 million in 1997. This is due to both an economic downturn and the effects of September 11, as well as increased competition from nearby Fort Lauderdale/Hollywood International Airport (FLL). Domestic passenger activity did show an increase in 2003.

Over the first quarter of 2004, passenger activity at MIA is up about 6.5 percent. This is a result of an improving economy and a return of tourism activity to south Florida.

Cargo activity at MIA is also shown in Table 3-5. Total cargo has grown at a rate of about 2.5 percent per year over the last 10 years, although it declined by about 1 percent per year over the last 4 years. International cargo has shown even stronger growth at MIA, which, as noted above, is the number one airport in the U.S. in terms of handling international cargo.

Table 3-6 shows a comparison of activity trends at MIA with FLL in Broward County. FLL has seen rapid growth in activity over the last 10 years, with total passengers growing at about more than 6 percent per year. FLL has become heavily dominated by "low cost" carriers such as Jet Blue, Southwest and Spirit. Major carriers such as Delta and US Airways also tend to operate lower cost alternative flights to and from Fort Lauderdale.

As a result, FLL has shown a consistently strong pattern of growth in domestic passengers handled. Positive growth was shown in 2001 and 2002, following the September 11 terrorist attacks and the overall economic downturn. In fact, over the last 10 years, domestic enplanements in Fort Lauderdale have increased by an average of 6 percent per year and by 7.1 percent per year over the last four years.

When taken in combination, MIA and FLL served over 47 million passengers in 2003. MIA accounted for more than 62 percent of this traffic, and 91 percent of the international component. However, the MIA share of domestic passenger activity has declined over the years from a peak of 68 percent in 1995 to just 48.5 percent in 2003.

Table 3-6
Comparison of Miami and Fort Lauderdale Airport Passenger Trends
(thousands)

Year	Miami International (MIA)			Percent Change	Fort Lauderdale (FLL)			Percent Change	MIA / FLL Combined Totals			Percent Change	MIA Share		
	Domestic	Int'l.	Total		Domestic	Int'l.	Total		Domestic	Int'l.	Total		Domestic	Int'l.	Total
1994	16,718	12,756	29,474	--	9,372	1,199	10,571	--	26,090	13,955	40,045	--	64.1	91.4	73.6
1995	18,625	14,227	32,852	11.5	8,606	1,245	9,851	-6.8	27,231	15,472	42,703	6.6	68.4	92.0	76.9
1996	18,694	14,803	33,497	2.0	9,813	1,351	11,164	13.3	28,507	16,154	44,661	4.6	65.6	91.6	75.0
1997	18,978	15,398	34,376	2.6	10,955	1,322	12,277	10.0	29,933	16,720	46,653	4.5	63.4	92.1	73.7
1998	18,500	15,532	34,032	-1.0	11,212	1,242	12,454	1.4	29,712	16,774	46,486	-0.4	62.3	92.6	73.2
1999	18,372	15,632	34,004	-0.1	12,621	1,369	13,990	12.3	30,993	17,001	47,994	3.2	59.3	91.9	70.9
2000	17,547	16,196	33,743	-0.8	14,387	1,473	15,860	13.4	31,934	17,669	49,603	3.4	54.9	91.7	68.0
2001	17,180	15,869	33,049	-2.1	15,013	1,395	16,408	3.5	32,193	17,264	49,457	-0.3	53.4	91.9	66.8
2002	15,321	14,029	29,350	-11.2	15,835	1,203	17,038	3.8	31,156	15,232	46,388	-6.2	49.2	92.1	63.3
2003	15,639	13,893	29,532	0.6	16,607	1,331	17,938	5.3	32,246	15,224	47,470	2.3	48.5	91.3	62.2
Average Annual Percent Change:															
1994 - 2003	-0.7	0.9	0.0		6.6	1.2	6.1		2.4	1.0	1.9				
1994 - 1999	1.9	4.2	2.9		6.1	2.7	5.8		3.5	4.0	3.7				
1999 - 2003	-3.5	-2.7	-3.1		7.1	-0.7	6.4		1.0	-2.5	-0.3				

Source: Miami-Dade County Aviation Department
Broward County Aviation Department

TOURISM TRENDS

Table 3-7 shows trends in annual visitors to the Miami-Dade County area, as compiled by the Greater Miami Convention and Visitors Bureau. Domestic visitors to Miami-Dade County shows a pattern of continual increase, through 2003. Over the 10 years, tourism and visitation rates have increased at an average of 4.7 percent per year, with even stronger growth shown since 1999.

Table 3-7
Miami-Dade Tourism Trends

Year	Annual Visitors (Thousands) Domestic	International	Total	Percent Change
1994	3,728	5,029	8,757	---
1995	4,317	5,062	9,379	7.1
1996	4,462	5,113	9,575	2.1
1997	4,656	5,279	9,935	3.8
1998	4,469	5,268	9,737	-2.0
1999	4,426	5,470	9,896	1.6
2000	5,475	5,684	11,159	12.8
2001	5,264	5,246	10,510	-5.8
2002	5,316	4,915	10,231	-2.7
2003	5,640	4,805	10,445	2.1
Average Annual Percent Change:				
1994 - 2003	4.7	-0.5	2.0	
1994 - 1999	3.5	1.7	2.5	
1999 - 2003	6.3	-2.9	1.4	

Source: Greater Miami Convention and Visitors Bureau

A different pattern is shown with respect to international visitors, however, which historically have accounted for half of total visitation. International visitation reached a peak of almost 5.7 million in 2000. However, since 2000, this dropped by more than 800,000 visitors per year, or about 15.5 percent. This is primarily a result of the negative impact of

the terrorist attack on international tourism, which has been clearly evident in south Florida visitation rates. In total, tourism reached a peak of about 11.2 million in the year 2000, dropping to about 10.2 million in 2002, before increasing to almost 10.5 million last year.

PORT OF MIAMI ACTIVITY TRENDS

Table 3-8 shows operating trends at the Port of Miami for the 10-year period between 1994 and 2003. While the number of ships in port have actually declined over this period, both cargo and passenger activity have continued to increase. This obviously reflects an increasing number of larger ships and heavier loading patterns.

Table 3-8
Port of Miami Operating Trends

	Ship Visits		Cargo		Passengers	
Year	Number	Percent Change	Tons (Thousands)	Percent Change	Number (Thousands)	Percent Change
1994	3,675	---	5,574	---	2,967	---
1995	3,967	7.9	5,841	4.8	2,975	0.3
1996	3,993	0.7	5,860	0.3	3,052	2.6
1997	3,795	-5.0	6,735	14.9	3,192	4.6
1998	3,368	-11.3	7,057	4.8	2,960	-7.3
1999	3,631	7.8	6,930	-1.8	3,112	5.1
2000	3,447	-5.1	7,805	12.6	3,364	8.1
2001	3,350	-2.8	8,247	5.7	3,391	0.8
2002	3,259	-2.7	8,682	5.3	3,642	7.4
2003	2,936	-9.9	9,002	3.7	3,961	8.8
Average Annual Percent Change:						
1994 - 2003	-2.1		5.5		3.3	
1994 - 1999	-0.2		4.5		1.0	
1999 - 2003	-4.5		6.8		6.2	

Source:Miami-Dade County Seaport Department

Cargo handled at the Port of Miami has steadily increased by about 5.5 percent per year since 1994. Trends over the last four years are even higher.

Similarly, the total number of ship passengers handled at the Port of Miami has increased from just under 3 million in 1994 to almost 4 million by 2003, an average annual increase of 3.3 percent. Much of this increase has occurred since 1999, with growth in the last two years averaging more than 8 percent per year.

CHAPTER 4

TRAFFIC AND REVENUE ANALYSIS

This Chapter presents a summary of the development of updated traffic and toll revenue estimates for the MDX system. Forecasts of daily toll traffic and annual toll revenue have been developed through FY 2030-31. Estimates have been developed for existing MDX toll facilities, as well as those future toll locations included in the capital improvement program.

Key modeling procedures will be reviewed, as well as all assumptions regarding future rate adjustments, changes in SunPass participation rates and the impacts of the MDX improvement program. In addition, toll sensitivity analyses were conducted to provide a measure of the toll elasticities exhibited in each of the four MDX toll corridors.

METHODOLOGY OVERVIEW

The most important tool used in the forecast of traffic and revenue is the development of a travel demand model. WSA obtained the regional travel demand model from the MPO. The model is run using the FSUTMS software. The MPO supplied all the necessary input needed to develop the highway and traffic networks and zone-to-zone trip tables, or matrices, at 1999, 2005, 2010, 2015, 2020 and 2025 levels.

A detailed review of the model was made, and changes made where appropriate. The networks were recoded to reflect the most up-to-date assumptions regarding the configuration of the MDX toll facilities and to include proposed toll rate increases. In addition, the networks were reviewed and modified to include committed and funded highway improvements if the networks had not reflected them.

As discussed previously, WEG performed an economic assessment of the region and developed modified socioeconomic forecasts. These forecasts were disaggregated from a Planning Area zone level to a more detailed TAZ level, using the MPO distributions as a guide. The data was then input into the FSUTMS software and run through the trip generation,

distribution and mode split processes. The result was average weekday trip tables which reflect the changes in socioeconomic forecasts from WEG.

In order to better simulate the congestion in the area which varies by time of day, these average weekday trip tables were then split into A.M. peak, P.M. peak and off peak period trip tables. Since the MPO does not split their trip tables by time of day, WSA used factors from the FDOT's Southeast Regional Planning Model.

The networks and trip tables were then run through WSA's toll diversion software at the year 2003 level in order to calibrate the model to observed traffic volumes. This software is able to take into account both varying congestion levels and the willingness of motorists to pay tolls. After a reasonableness test, the networks were modified in an attempt to improve calibration of the MDX toll facilities.

For investment level forecasts, it is desirable to include a measure of real world travel patterns in the model. WSA incorporated the travel pattern data collected from the surveys (discussed in Chapter 2) into the model in order to accurately reflect trip characteristics at current and proposed toll locations. Once the survey data was incorporated into the model, a final set of calibration assignments were run to fine tune the model.

Once the calibration process was completed, traffic assignments at future year levels were run in five year increments from 2005 through 2030. Assumed increases in MDX toll charges, the travel network, regional income levels, vehicle operating costs, and the changes in socioeconomic data forecast by WEG were reflected in the model at the appropriate points in the forecast period.

The information from the travel pattern surveys was gradually phased out over time, so that by 2010 the model once again fully uses the patterns synthetically calculated by the model. This reflects the assumption that the accuracy of the travel pattern surveys decreases over time. However, it should be noted that an exception was made for the surveys conducted at MIA. After reviewing the results of the surveys, we believe that the trip distribution from MIA is significantly more realistic than the results from the model. WSA therefore retained the trip patterns from the surveys at MIA throughout the forecast period. Growth forecasts for this particular zone were based on current and historical information on traffic, emplanements and employment at MIA.

As mentioned above, a key component of the model review and update was to ensure that it reflected the most recent program of highway

improvements for both MDX and non-MDX facilities. The MDX capital program has already been described and all changes are reflected in the future highway networks. In addition, WSA made a complete review of the 2004 Transportation Improvement Program (TIP) developed by the MPO for the Miami Urbanized Area.

While this document contains numerous improvements, most do not impact MDX facility operations. Table 4-1 provides a summary of some of the more significant components of the TIP that are recognized and incorporated into the model.

Table 4-1
Major Roadway Improvement Projects Within the MDX Study Area

Facility	Completion Year	Description
I-395 (NE 2nd Ave from NE 11 St. to NE 14 St.)	2005	Widening of existing lanes.
S.R. 826/Palmetto Expwy from SW 32nd St. to SW 2nd St.	2005	Reconstruction and addition of lanes.
Miami Gardens Drive Connector	2006	Four new lanes.
NW 72 Ave. from NW 74 St. to Okeechobee Rd.	2006	Widening of two to four lanes and bridge.
S.R. 826/Palmetto Expwy from SW 72 St. to SW 32nd St.	2006	Construction of major interchange.
S.R. 25/Okeechobee Rd. from E of W 12th Ave. to W 19th St	2007	Addition and reconstruction of lanes.
S.R. 826 from W 21st Court to E of W 20th Ave.	2007	Construction of major interchange.
SW 184 St. from SW 147 Ave. to SW 137 Ave.	2007	Construction - two to four lanes.
Miami Intermodal Connector	2008	Major intermodal transfer center.
NW 74 St. from H.E.F.T. to NW 97 Ave.	2008	Two new lanes.
NW 74 St. from NW 97 Ave. to NW 87 Ave.	2008	Four new lanes.
NW 87 Ave. from NW 154 St. to NW 186 St.	2008	Widening of two to four lanes.
S.R. 823/NW 57 Ave. from Okeechobee Rd. to NW 138 St.	2009	Reconstruction and addition of lanes.
Florida Turnpike from H.E.F.T. to S.R. 860	2015	Widening/capacity improvements.
H.E.F.T. from S.R. 992 to U.S. 1	2015	Widening/capacity improvements.
H.E.F.T. from U.S. 41 to S.R. 874	2015	Widening/capacity improvements.
NW 12th St. W of NW 137th Ave.	2015	Extension of existing road.
NW 25th St. from H.E.F.T. to NW 107th Ave.	2015	Widening/capacity improvements.
SW 127th Ave. from U.S. 1 to Hanlin Mill Dr.	2015	Addition and reconstruction of lanes.
SW 137th Ave. from U.S. 1 to Eureka Dr.	2015	Addition and reconstruction of lanes.
SW 157th Ave. from Eureka Dr. to SW 112th St.	2015	Widening/capacity improvements.
SW 167th Ave. from Hanlin Mill Dr. to Eureka Dr.	2015	Addition and reconstruction of lanes.
W 76th St. from Hialeah Gardens Blvd. to S.R. 826	2015	Widening/capacity improvements.

BASIC ASSUMPTIONS

Traffic and toll revenue estimates for the MDX system are predicated on the following basic assumptions:

1. The planned MDX improvements analyzed (and previously described) in this document will occur as follows:
    a. A new western mainline toll plaza on S.R. 836 by July 1, 2007;
    b. The westerly extension of S.R. 836 to 137th Avenue by July 1, 2007;
    c. Ramp toll plazas will also be added on S.R. 874 to capture the northbound movement from Kendall Drive to S.R. 878 by January 1, 2008;
    d. Ramp enhancements will also be introduced on S.R. 874, providing direct northbound ramp access from Kendall Drive to both S.R. 878 and S.R. 874 by January 1, 2008, these movements will all be tolled;
    e. Relocation of the S.R. 874 northbound mainline toll plaza between Killian Parkway and Kendall Drive by July 1, 2009, roadway widening to five lanes in each direction will also occur at this time between Kendall and Killian;
    f. Ramp toll plazas will also be added on S.R. 874 to the northbound exit ramp at Killian by July 1, 2009; and
    g. Improved access to a new collector distributor system along LeJune as well as partial construction of the planned interconnector facility between S.R. 836 and S.R. 112 by January 1, 2010.

2. A Systemwide toll rate adjustment will go into effect beginning July 1, 2005 amounting to a passenger car rate increase of $0.25 for cash and SunPass users (see Table 4-2 for rate adjustments for all classes);

3. Tolls will continue to be collected under the current system of toll collection, allowing for both cash and SunPass users. Assumed increases in SunPass participation will generally follow those shown in Table 4-4;

4. For purposes of the Base Case revenue forecasts, deployment of open road tolling (ORT) is not assumed on the MDX System. This forecast assumes movements which are currently toll free will remain toll free throughout the forecast period. MDX is considering possible future deployment of ORT, but it is not assumed for purposes of this study;

5. Improvements to the existing highway system will be limited to those currently scheduled in the TIP prepared by the MPO; no competing limited-access highways will be constructed during the forecast period;

6. For purposes of the Base Case forecasts, no new metro rail lines or other extensions of the metro rail system are assumed in the S.R. 836 corridor; such an improvement is being planned and potential impacts on MDX revenue is considered in the sensitivity tests presented in Chapter 5;

7. Economic growth in the region and the prospect for future expansion generally will follow the assessment described in this document;

8. Passenger activity at MIA will resume a pattern of growth, estimated by MIA to average approximately 2.5 percent per year;

9. The MDX facilities will continue to be well maintained, properly signed, and aggressively marketed to encourage maximum use;

10. No natural disasters will occur that could significantly alter travel patterns in South Florida;

11. Motor fuel will remain in adequate supply, and future increases in fuel prices will generally occur in proportion to the overall rate of inflation; and

12. No local, regional, or national emergency will arise that would abnormally restrict the use of motor vehicles.

Any significant departure from these basic assumptions could materially affect the estimates of transactions and toll revenue for MDX system toll facilities.

WSA recognizes the recent increase in motor fuel costs. Traffic growth continues to be positive, and amounted to almost 4 percent increase on a month over month basis in April on all MDX toll facilities combined despite the negative impact of the March 2004 toll increase. As long as actual motor fuel supplies are sufficient to meet demands, no changes to the longer term forecasts were deemed necessary.

TOLL SENSITIVITY ANALYSIS

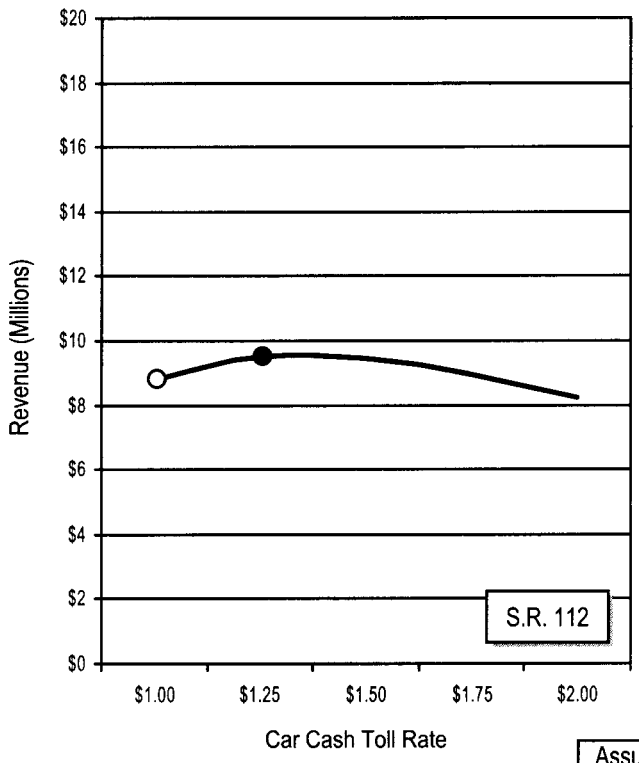
Toll sensitivity analyses were conducted on each of the MDX toll facilities for two primary reasons. First, a rate increase is proposed on July 1, 2005 (the beginning of FY 2005-06) and it must be determined that the rate adjustment does not result in a decrease in toll revenue. And secondly, the financial community often wishes to understand the ability of a toll agency to increase rates even further, should the need arise, and be able to generate additional revenue.

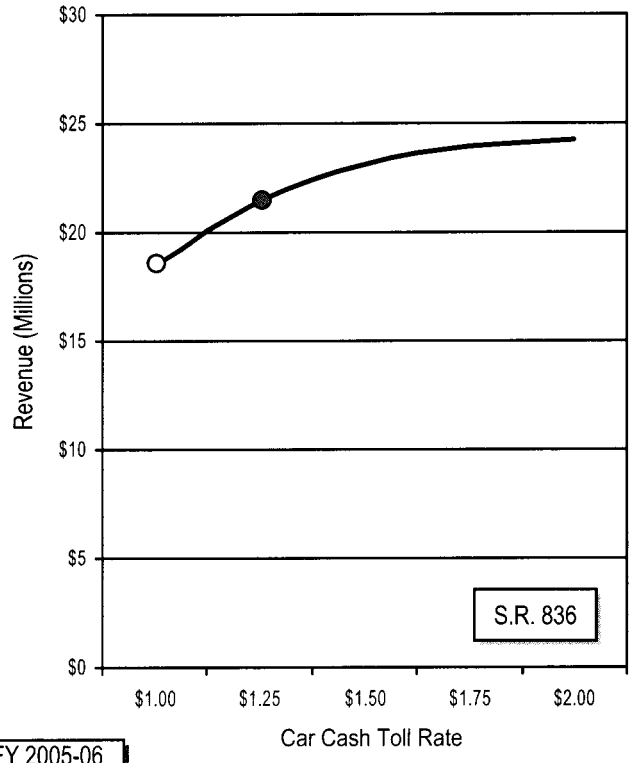
In this analysis, a range of rates were tested at FY 2005-06 levels (the year of the proposed rate increase). Rates tested ranged from $1.00 passenger car cash rates (the current rate at all toll facilities except S.R. 112) up to a $2.00 p
assenger car cash rate. In all cases, SunPass rates were assumed to be $0.25 less than the cash rates. Proportionally higher commercial tolls were also assessed at each incrementally higher toll tested.

Figure 4-1 provides a graphic display of the toll revenue sensitivity of each toll facility over the range of rates tested. S.R. 112 is shown to be particularly sensitive to the rates tested. Revenue only increases through the $1.25 toll level, and then declines. It should be remembered, however, that the current rates assessed at S.R. 112 are $0.50 for SunPass and $0.75 for cash; thus, the rates tested here represent a significant increase over current levels.

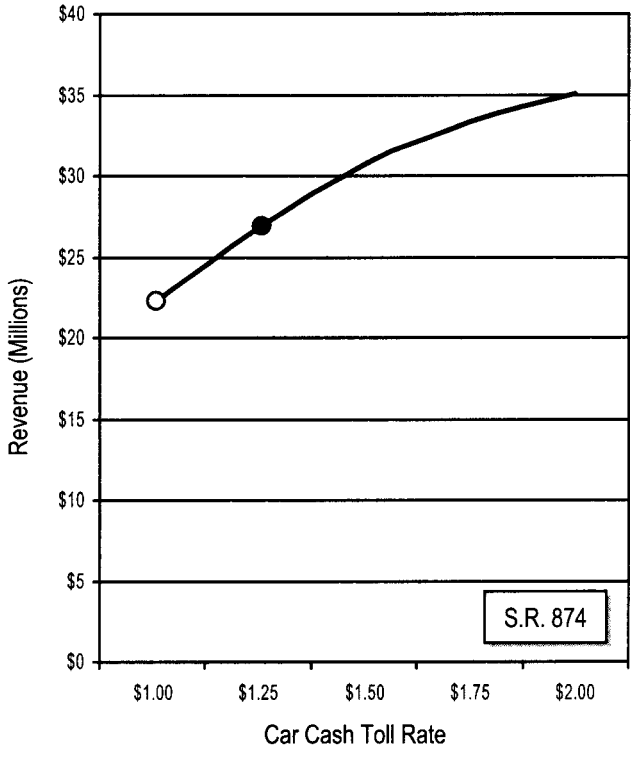
S.R. 924 toll revenue is maximized at the $1.75 level, though this produces only marginally more revenue than that produced with a $1.50 toll. Both S.R. 836 and S.R. 874 exhibit much less sensitivity over the range of rates tested. Toll revenues are shown to increase through the $2.00 upper limit tested here. This is a clear indication of the time savings advantages these two toll facilities offer compared to alternative routes in the corridor.

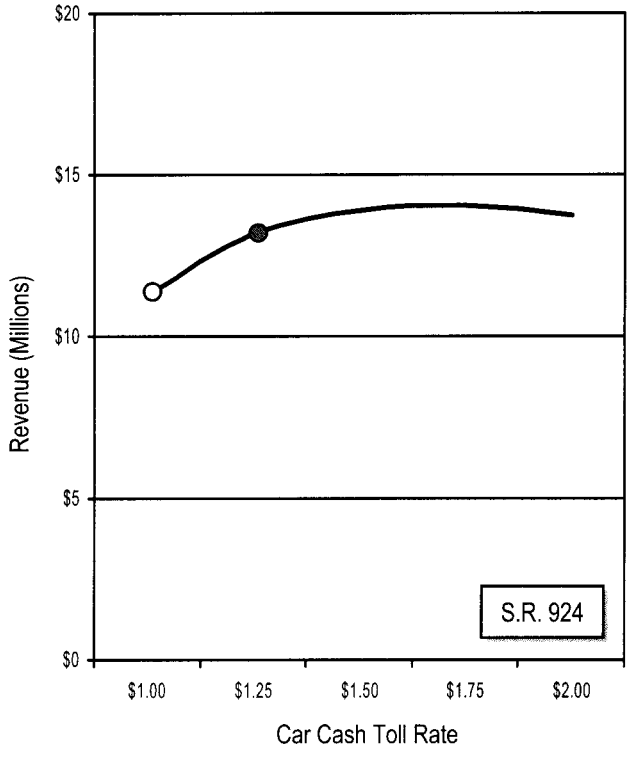
It should be noted that this toll sensitivity test is meant to represent the estimated reaction to rate increases in the year indicated. As values of time increase, as well as levels of congestion on the alternative routes, motorists become less and less sensitive to rates increases over time. Thus, motorists would likely be less sensitive to rate increases further into the future (i.e., beyond FY 2005-06), resulting in even revenue curves steeper those shown in Figure 4-1.





Assumed FY 2005-06
Toll Rates
○ SunPass ● Cash





ENGINEERS
PLANNERS
ECONOMISTS
Wilbur Smith Associates

FISCAL YEAR 2005-06 TOLL SENSITIVITY CURVES

FIGURE 4-

TOLL SYSTEM AND RATE ASSUMPTIONS

Numerous toll rate and toll collection changes are assumed to occur during the forecast period. Those, along with estimated SunPass market penetration rates will be discussed in this section.

TOLL RATE CHANGES

The first major change will be the implementation of a rate increase for all motorists beginning July 1, 2005. Table 4-2 identifies the assumed rate schedule for all vehicle classes, and by payment mode. This toll adjustment will increase all passenger car rates by $0.25, with proportionally higher increases for commercial vehicles.

Of particular importance with the new schedule is the elimination of differences between S.R. 112 rates and those for the rest of the system. The current $0.25 passenger car toll differential between cash and SunPass is maintained under the new toll scheme.

Table 4-2
Toll Schedule
By Vehicle Class and Payment Mode
Effective July 1, 2005

	All Plazas	
Vehicle Class	SunPass	Cash
2 Axles	$1.00	$1.25
3 Axles	2.00	2.50
4 Axles	3.00	3.75
5 Axles	4.00	5.00
Each additional axle	1.00	1.25

TOLL SYSTEM CHANGES

As mentioned in Chapter 1 and again in the Basic Assumptions section of this chapter, additional tolling locations will be created on MDX expressways in the future. A new west end mainline toll plaza will be

constructed on S.R. 836 between 107th and 87th Avenues. Tolls will be collected in both directions at this location beginning July 1, 2007.

The remaining toll changes all occur on S.R. 874. The first occurs on January 1, 2008 when a toll is located to capture northbound entry movements from Kendall Drive. Following this, the northbound mainline will be relocated to a much higher volume location between Killian and Kendall Drives. This relocation is assumed to occur on January 1, 2009. No changes are to be made to the southbound mainline toll location. Finally, northbound exit tolls will be placed at Killian Drive by July 1, 2009.

Except for the relocated S.R. 874 northbound mainline toll plaza, all the new toll locations will charge a reduced toll rate. The northbound plaza will retain the rates shown in Table 4-2, while the remaining plazas will assess the rates shown in Table 4-3.

Table 4-3
Toll Schedule
By Vehicle Class and Payment Mode
New Plazas

	New Ramp and Mainline Plazas (1)	
Vehicle Class	SunPass	Cash
2 Axles	$0.75	$1.00
3 Axles	1.50	2.00
4 Axles	2.25	3.00
5 Axles	3.00	4.00
Each additional axle	0.75	1.00

(1) This includes the new west end mainline plaza on S.R. 836, and both the Kendall and Killian ramp plazas on S.R. 874.

SUNPASS MARKET SHARE ASSUMPTIONS

Given the toll differential between cash and SunPass, assumptions regarding future market penetration levels for SunPass directly affect the development of annual toll revenue estimates. WSA conducted a detailed review, on a month by month and plaza by plaza basis, to determine the most recent trends. Of critical importance was the impact of the March 7, 2004 rate increase where the SunPass discount was increased substantially over past levels. This information was reviewed in detail in Chapter 2.

Table 4-4 identifies assumed future increases in the SunPass share of total toll transactions at each toll facility. As shown, except for S.R. 112, all toll facilities are shown to gradually increase up to a maximum of 75 percent SunPass usage. S.R. 112 has exhibited slightly lower levels of participation, and therefore is assumed to reach a lower maximum market penetration level of 70 percent. In all cases, this maximum level is assumed to be reached by about FY 2015-16.

It is unlikely that SunPass market penetration levels will greatly exceed the 75 percent maximum market share shown. As long as a cash option continues to be provided, there will always be some proportion of motorists who decline to join the SunPass program. Reasons vary from the fact that they use the MDX toll facilities on an infrequent basis, to thinking that this kind of technology is too invasive. WSA believes that these maximum levels represent a realistic upper limit. However, as part of the sensitivity tests in Chapter 5, the revenue impacts of even greater SunPass penetration levels will be tested.

ESTIMATED BASE CASE TRANSACTIONS AND REVENUE

Estimated toll transactions and toll revenue are presented in the following series of tables and figures. These estimates incorporate all of the analysis previously described, including actual system performance on the MDX toll facilities through April 2004 (the first 10 months of FY 2003-04), the proposed MDX capital improvement program, assumed increases in SunPass market share, and the approved rate increase on July 1, 2005.

Table 4-4
SunPass Percent Market Share Assumptions

Fiscal Year	S.R. 112 Mainline	S.R. 836 East End	S.R. 836 NW 17th Ave	S.R. 836 West Plaza	S.R. 874 Mainline	S.R. 874 Kendall Ramp	S.R. 874 Killian Ramp	S.R. 924 Mainline
2004/05	52.2	58.2	57.3	–	60.4	–	–	61.8
2005/06	55.0	62.0	61.0	–	64.0	–	–	66.0
2006/07	57.2	64.5	63.5	–	66.0	–	–	68.0
2007/08	59.5	67.0	66.0	67.0	68.0	68.0	–	69.0
2008/09	61.9	69.5	68.5	69.5	70.0	70.0	–	70.0
2009/10	64.0	71.5	70.5	71.5	71.0	71.0	71.0	71.0
2010/11	66.0	72.5	71.5	72.5	72.0	72.0	72.0	72.0
2011/12	68.0	73.5	72.5	73.5	73.0	73.0	73.0	73.0
2012/13	69.0	74.0	73.0	74.0	74.0	74.0	74.0	74.0
2013/14	70.0	74.5	73.5	74.5	74.5	74.5	74.5	74.5
2014/15	70.0	75.0	74.0	75.0	75.0	75.0	75.0	75.0
2015/16	70.0	75.0	74.5	75.0	75.0	75.0	75.0	75.0
2016/17	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2017/18	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2018/19	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2019/20	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2020/21	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2021/22	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2022/23	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2023/24	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2024/25	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2025/26	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2026/27	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2027/28	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2028/29	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2029/30	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
2030/31	70.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0

S.R. 112 – AIRPORT EXPRESSWAY

Estimated average daily toll traffic and annual toll revenue for S.R. 112 is presented in Table 4-5. As indicated above, the FY 2003-04 values include 10 months of actual data.

Average daily transactions are estimated to increase from about 33,600 in the first year of the forecast to approximately 43,800 by FY 2030-31. Over the same period of time annual toll revenue is expected to increase from nearly $6.3 million to $16.5 million.

Table 4-5
Estimated Transactions and Toll Revenue
SR 112

Revenue in Thousands

Fiscal Year	Estimated Average Daily Traffic	Estimated Annual Toll Revenue
2003 - 04 (1)	33,600	$6,294
2004 - 05	34,100	7,334
2005 - 06 (2)	24,700	9,499
2006 - 07	25,700	9,875
2007 - 08	26,800	10,269
2008 - 09	27,900	10,643
2009 - 10	28,800	10,958
2010 - 11	29,700	11,235
2011 - 12	30,600	11,577
2012 - 13	31,600	11,909
2013 - 14	32,500	12,228
2014 - 15	33,400	12,563
2015 - 16	34,100	12,895
2016 - 17	34,800	13,116
2017 - 18	35,500	13,365
2018 - 19	36,200	13,658
2019 - 20	37,000	13,988
2020 - 21	37,800	14,251
2021 - 22	38,500	14,514
2022 - 23	39,400	14,856
2023 - 24	40,100	15,161
2024 - 25	40,900	15,420
2025 - 26	41,500	15,648
2026 - 27	42,000	15,840
2027 - 28	42,500	16,076
2028 - 29	42,900	16,189
2029 - 30	43,300	16,339
2030 - 31	43,800	16,531

(1) Includes actual data for the first 10 months of Fiscal Year 2003-04. On March, 7, 2004 the SunPass discount was eliminated, "N-1" tolling for commercial vehicles was implemented, and car cash toll rates were increased by $0.25 over SunPass rates (with proportional increases for commercial vehicles).

(2) Assumes a toll rate increase on July 1, 2005 (see Table 4-2).

The impact of the proposed toll increase on July 1, 2005 is evident by the decrease in traffic from 34,100 in FY 2004-05 to an estimated 24,700 the following year. The negative traffic impact of the rate adjustment is most pronounced at this location because rates are increased by $0.50 (for passenger cars); all other locations exhibit a $0.25 rate increase. After this rate adjustment, however, all existing toll plazas will assess the same toll rates.

The positive impact of the rate increase on toll revenue is considerable as annual revenue increases from about $7.3 million in FY 2004-05 to nearly $9.5 million during the first year of the rate increase. This represents an increase of almost 30 percent.

S.R. 836 – East-West Expressway

Table 4-6 provides estimates of traffic and revenue for S.R. 836. As shown, data is provided for each current and proposed toll location. Total daily transactions are estimated to increase from approximately 56,100 in FY 2003-04 to 228,200 by FY 2030-31. Due to capacity constraints, traffic volumes were not allowed to exceed 65,000 and 150,000 at East and West plazas, respectively.

Beginning in FY 2007-08 the new West End toll plaza is opened and adds considerably to total daily toll transactions on S.R. 836. The volume is about double (108,500) that for the existing East End toll plaza (51,200), but that is due to the fact that tolls are only collected in one direction at the existing location, but will be collected in both directions at the new West End plaza.

Annual toll revenue is expected to increase from $14.9 million to nearly $71.8 million over the forecast period. Toll revenue more than doubles once the West End plaza opens in FY 2007-08. Toll revenue, however, does not increase in proportion to the increase in toll traffic since the assumed rate structure at the new West End plaza will be $0.25 (for passenger cars) less than the proposed rates at the existing toll locations.

Table 4-6
Estimated Transactions and Toll Revenue
SR 836

Revenue in Thousands

Fiscal Year	Estimated Average Daily Traffic				Estimated Annual Revenue			
	East Plaza	NW 17th Ave Ramp	West Plaza	Total	East Plaza	NW 17th Ave Ramp	West Plaza	Total
2003 - 04 (1)	48,700	7,400	0	56,100	$12,903	$1,978	$0	$14,881
2004 - 05	52,400	7,500	0	59,900	15,269	2,222	0	17,491
2005 - 06 (2)	49,800	7,800	0	57,600	18,515	2,941	0	21,456
2006 - 07	50,500	8,100	0	58,600	18,674	3,036	0	21,710
2007 - 08 (3)	51,200	8,400	108,500	168,100	18,875	3,142	32,193	54,210
2008 - 09	52,400	8,800	110,300	171,500	19,153	3,263	32,408	54,824
2009 - 10	53,900	9,000	113,900	176,800	19,609	3,325	33,248	56,182
2010 - 11	55,100	9,300	118,400	182,800	20,000	3,428	34,435	57,863
2011 - 12	56,100	9,600	122,000	187,700	20,377	3,544	35,479	59,400
2012 - 13	56,900	10,000	125,700	192,600	20,584	3,679	36,409	60,672
2013 - 14	57,900	10,300	129,600	197,800	20,924	3,785	37,498	62,207
2014 - 15	58,800	10,700	133,400	202,900	21,229	3,929	38,543	63,701
2015 - 16	59,600	10,800	136,400	206,800	21,578	4,006	39,527	65,111
2016 - 17	60,300	11,000	138,300	209,600	21,774	4,061	39,982	65,817
2017 - 18	61,100	11,200	140,200	212,500	22,064	4,127	40,535	66,726
2018 - 19	61,800	11,400	142,200	215,400	22,319	4,201	41,125	67,645
2019 - 20	62,500	11,600	144,200	218,300	22,636	4,278	41,828	68,742
2020 - 21	63,200	11,800	146,000	221,000	22,829	4,345	42,240	69,414
2021 - 22	63,700	12,000	147,800	223,500	23,008	4,415	42,758	70,181
2022 - 23	64,300	12,200	149,600	226,100	23,221	4,492	43,285	70,998
2023 - 24	64,900	12,400	150,000	227,300	23,507	4,583	43,524	71,614
2024 - 25	65,000	12,600	150,000	227,600	23,478	4,639	43,403	71,520
2025 - 26	65,000	12,800	150,000	227,800	23,479	4,717	43,410	71,606
2026 - 27	65,000	12,900	150,000	227,900	23,478	4,752	43,418	71,648
2027 - 28	65,000	12,900	150,000	227,900	23,541	4,766	43,546	71,853
2028 - 29	65,000	13,000	150,000	228,000	23,478	4,787	43,433	71,698
2029 - 30	65,000	13,200	150,000	228,200	23,480	4,865	43,441	71,786
2030 - 31	65,000	13,200	150,000	228,200	23,480	4,865	43,446	71,791

(1) Includes actual data for the first 10 months of FY 2003-04. On March 7, 2004 the SunPass discount was eliminated, "N-1" tolling for commercial vehicles was implemented, and car cash rates were increased by $0.25 over SunPass rates (with proportional increases for commercial vehicles).

(2) Assumes a toll rate increase on July 1, 2005 (see Table 4-2).

(3) The extension to 137th Avenue is completed on SR 836 and a new western mainline toll plaza is assumed to open on July 1, 2007

S.R. 874 – Don Shula Expressway

Estimated daily traffic and annual toll revenue for S.R. 874 is provided in Table 4-7. Currently, only the mainline plaza exists. As shown, tolling of the Kendall Ramps begins in FY 2007-08. The ramp is assumed to open January 1, 2008, thus only half a year's impacts are included during the first fiscal year. The Killian Ramp plazas are assumed to open July 1, 2009, resulting in a full year's impact.

On July 1, 2009 the existing two-way mainline toll plaza is reconstructed such that the southbound location remains in its current location and the northbound toll location is moved north to a location between the Killian Parkway and Kendall Drive. This has a positive impact on both traffic and revenue as this is a much higher volume location for the mainline toll plaza. At this same time, the mainline segment between Kendall and Killian is widened by one lane in each direction (to a 5+5 configuration).

Total daily transactions are expected to increase from about 69,700 in FY 2003-04 to 167,100 by FY 2030-31, with the majority of this being derived from the mainline toll plaza. Due to capacity constraints, daily traffic volumes were not allowed to exceed 150,000 at the mainline plaza. Annual toll revenue is estimated to increase from about $18.5 million to almost $59.8 million over the same forecast period. The impact of the July 1, 2005 rate increase can be seen as annual revenue increases by nearly 26 percent between FY 2004-05 and FY 2005-06.

S.R. 924 – Gratigny Parkway

Estimated daily traffic and annual toll revenue for S.R. 924 are shown in Table 4-8. The only major impact in this corridor over the forecast period is the July 1, 2005 rate increase.

Total average daily traffic at the mainline toll plaza increases from an estimated 33,200 in FY 2003-04 to approximately 58,400 by FY 2030-31. Annual toll revenue over the same period is estimated to increase from almost $9.1 million to just over $22.9 million. Annual toll revenue increases by nearly 24 percent between FY 2004-05 and FY 2005-06 as a result of the proposed rate adjustment.

Summary of Average daily Traffic and Annual Toll Revenue

A summary of total daily traffic and annual toll revenue for all MDX toll facilities is shown in Table 4-9. A graphical display of average daily transaction estimates is shown in Figure 4-2. The negative impacts of the July 1, 2005 rate adjustment is apparent, as are the positive impacts of the various capital improvements, such as the addition of the S.R. 836 West End mainline toll plaza.

Table 4-7
Estimated Transactions and Toll Revenue
SR 874

Revenue in Thousands

Fiscal Year	Estimated Average Daily Traffic				Estimated Annual Revenue			
	Total Mainline	Kendall Ramp	Killian Ramp	Total	Total Mainline	Kendall Ramp	Killian Ramp	Total
2003 - 04 (1)	69,700	0	0	69,700	$18,485	$0	$0	$18,485
2004 - 05	72,400	0	0	72,400	21,343	0	0	21,343
2005 - 06 (2)	71,100	0	0	71,100	26,799	0	0	26,799
2006 - 07	76,000	0	0	76,000	28,491	0	0	28,491
2007 - 08 (3)	81,300	3,600	0	84,900	30,429	1,021	0	31,450
2008 - 09	86,900	7,400	0	94,300	32,238	2,087	0	34,325
2009 - 10 (4)	110,600	7,800	2,100	120,500	40,915	2,191	595	43,701
2010 - 11	114,300	8,200	2,100	124,600	42,189	2,294	595	45,078
2011 - 12	117,000	8,500	2,200	127,700	43,201	2,379	623	46,203
2012 - 13	119,700	8,800	2,300	130,800	43,971	2,450	647	47,068
2013 - 14	122,500	9,200	2,300	134,000	44,958	2,562	647	48,167
2014 - 15	125,100	9,500	2,400	137,000	45,845	2,640	673	49,158
2015 - 16	127,600	9,800	2,400	139,800	46,891	2,733	675	50,299
2016 - 17	129,800	9,900	2,400	142,100	47,557	2,752	673	50,982
2017 - 18	132,100	10,200	2,500	144,800	48,395	2,838	699	51,932
2018 - 19	134,500	10,400	2,500	147,400	49,306	2,898	699	52,903
2019 - 20	136,700	10,600	2,500	149,800	50,232	2,958	701	53,891
2020 - 21	138,900	10,900	2,600	152,400	50,908	3,037	725	54,670
2021 - 22	140,700	11,200	2,600	154,500	51,565	3,123	725	55,413
2022 - 23	142,400	11,600	2,800	156,800	52,186	3,235	785	56,206
2023 - 24	144,200	11,800	2,800	158,800	52,989	3,295	787	57,071
2024 - 25	146,000	12,200	2,900	161,100	53,501	3,399	811	57,711
2025 - 26	148,200	12,500	3,000	163,700	54,314	3,485	837	58,636
2026 - 27	150,000	12,800	3,000	165,800	54,976	3,571	837	59,384
2027 - 28	150,000	13,000	3,000	166,000	55,125	3,633	839	59,597
2028 - 29	150,000	13,300	3,100	166,400	54,978	3,710	863	59,551
2029 - 30	150,000	13,600	3,200	166,800	54,982	3,795	897	59,674
2030 - 31	150,000	13,800	3,300	167,100	54,980	3,847	923	59,750

(1) Includes actual data for the first 10 months of FY 2003-04. On March 7, 2004 the SunPass discount was eliminated, "N-1" tolling for commercial vehicles was implemented, and car cash rates were increased by $0.25 over SunPass rates (with proportional increases for commercial vehicles).

(2) Assumes a toll rate increase on July 1, 2005 (see Table 4-2).

(3) Kendall Ramps on SR 874 are assumed to be opened and tolled on January 1, 2008.

(4) The northbound mainline toll plaza is relocated to north of the Killian Parkway on July 1, 2009. SR 874 is widened to five lanes in each direction between Killian and Kendall at the same time. And the Killian Ramps on SR 874 are assumed to be opened and tolled on July 1, 2009.

Table 4-8
Estimated Transactions and Toll Revenue
SR 924

Revenue in Thousands

Fiscal Year	Estimated Average Daily Traffic	Estimated Annual Toll Revenue
2003 - 04 (1)	33,200	$9,060
2004 - 05	34,300	10,686
2005 - 06 (2)	33,100	13,199
2006 - 07	35,200	14,014
2007 - 08	36,000	14,322
2008 - 09	36,800	14,556
2009 - 10	38,000	15,013
2010 - 11	39,800	15,698
2011 - 12	41,400	16,386
2012 - 13	42,500	16,742
2013 - 14	43,600	17,157
2014 - 15	44,100	17,294
2015 - 16	45,100	17,768
2016 - 17	46,600	18,330
2017 - 18	47,600	18,713
2018 - 19	48,500	19,091
2019 - 20	49,000	19,288
2020 - 21	49,900	19,588
2021 - 22	51,300	20,173
2022 - 23	52,100	20,488
2023 - 24	52,900	20,859
2024 - 25	53,200	20,891
2025 - 26	54,000	21,205
2026 - 27	55,300	21,746
2027 - 28	56,200	22,158
2028 - 29	57,100	22,450
2029 - 30	57,400	22,538
2030 - 31	58,400	22,936

(1) Includes actual data for the first 10 months of Fiscal Year 2003-04. On March, 7, 2004 the SunPass discount was eliminated, "N-1" tolling for commercial vehicles was implemented, and car cash toll rates were increased by $0.25 over SunPass rates (with proportional increases for commercial vehicles).

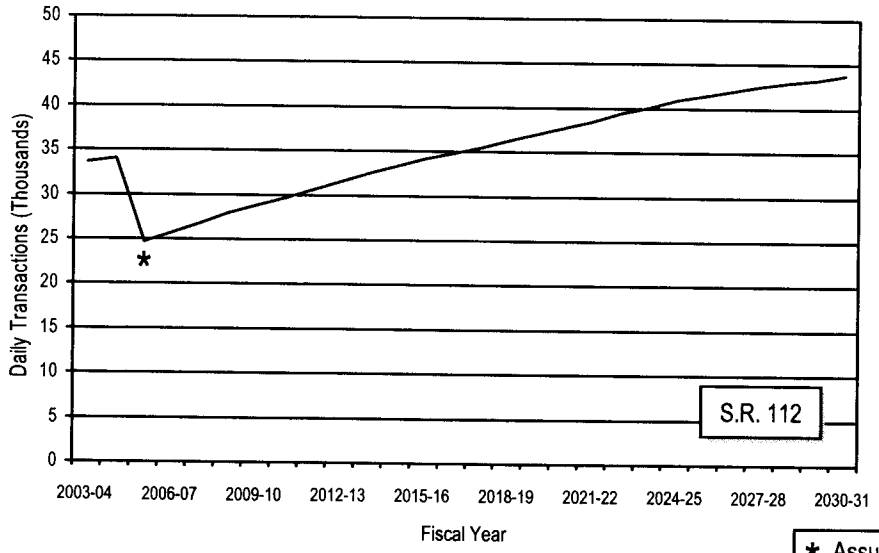
(2) Assumes a toll rate increase on July 1, 2005 (see Table 4-2).

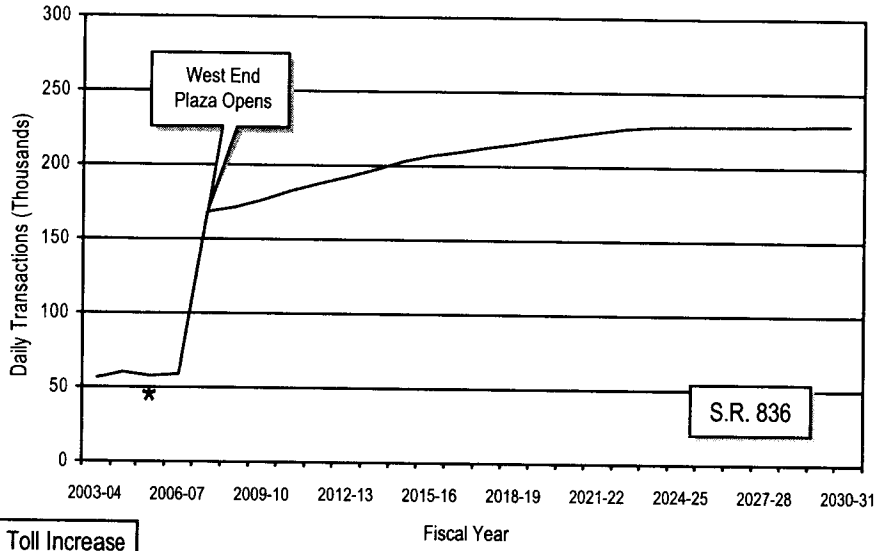
Table 4-9
Summary of Estimated Transactions and Toll Revenue
Total MDX System

Revenue in Thousands

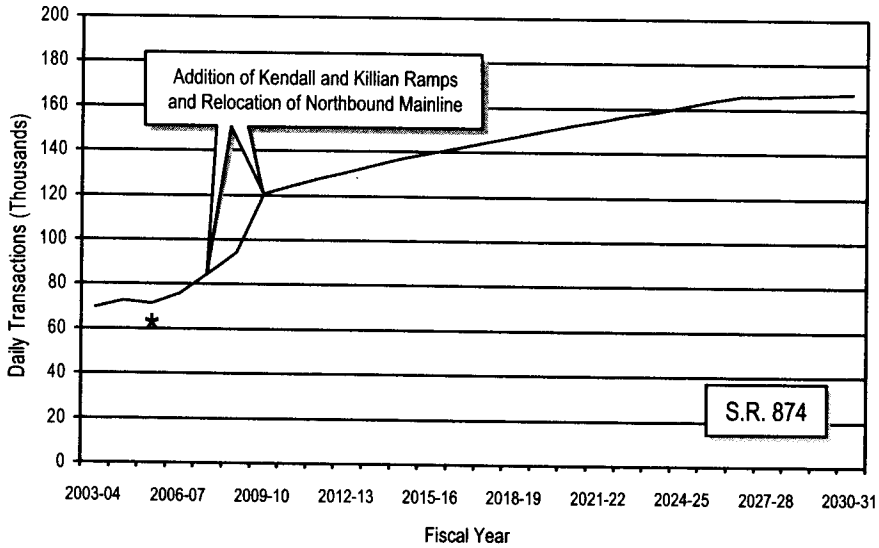
Fiscal Year	SR 112		SR 836		SR 874		SR 924		Total MDX System	
	Estimated Average Daily Traffic	Estimated Annual Toll Revenue	Estimated Average Daily Traffic	Estimated Annual Toll Revenue	Estimated Average Daily Traffic	Estimated Annual Toll Revenue	Estimated Average Daily Traffic	Estimated Annual Toll Revenue	Estimated Average Daily Traffic	Estimated Annual Toll Revenue
2003 - 04 (1)	33,600	$6,294	56,100	$14,881	69,700	$18,485	33,200	$9,060	192,600	$48,720
2004 - 05	34,100	7,334	59,900	17,491	72,400	21,343	34,300	10,686	200,700	56,854
2005 - 06 (2)	24,700	9,499	57,600	21,456	71,100	26,799	33,100	13,199	186,500	70,953
2006 - 07	25,700	9,875	58,600	21,710	76,000	28,491	35,200	14,014	195,500	74,090
2007 - 08 (3)(4)	26,800	10,269	168,100	54,210	84,900	31,450	36,000	14,322	315,800	110,251
2008 - 09	27,900	10,643	171,500	54,824	94,300	34,325	36,800	14,556	330,500	114,348
2009 - 10 (5)	28,800	10,958	176,800	56,182	120,500	43,701	38,000	15,013	364,100	125,854
2010 - 11	29,700	11,235	182,800	57,863	124,600	45,078	39,800	15,698	376,900	129,874
2011 - 12	30,600	11,577	187,700	59,400	127,700	46,203	41,400	16,386	387,400	133,566
2012 - 13	31,600	11,909	192,600	60,672	130,800	47,068	42,500	16,742	397,500	136,391
2013 - 14	32,500	12,228	197,800	62,207	134,000	48,167	43,600	17,157	407,900	139,759
2014 - 15	33,400	12,563	202,900	63,701	137,000	49,158	44,100	17,294	417,400	142,716
2015 - 16	34,100	12,895	206,800	65,111	139,800	50,299	45,100	17,768	425,800	146,073
2016 - 17	34,800	13,116	209,600	65,817	142,100	50,982	46,600	18,330	433,100	148,245
2017 - 18	35,500	13,365	212,500	66,726	144,800	51,932	47,600	18,713	440,400	150,736
2018 - 19	36,200	13,658	215,400	67,645	147,400	52,903	48,500	19,091	447,500	153,297
2019 - 20	37,000	13,988	218,300	68,742	149,800	53,891	49,000	19,288	454,100	155,909
2020 - 21	37,800	14,251	221,000	69,414	152,400	54,670	49,900	19,588	461,100	157,923
2021 - 22	38,500	14,514	223,500	70,181	154,500	55,413	51,300	20,173	467,800	160,281
2022 - 23	39,400	14,856	226,100	70,998	156,800	56,206	52,100	20,488	474,400	162,548
2023 - 24	40,100	15,161	227,300	71,614	158,800	57,071	52,900	20,859	479,100	164,705
2024 - 25	40,900	15,420	227,600	71,520	161,100	57,711	53,200	20,891	482,800	165,542
2025 - 26	41,500	15,648	227,800	71,606	163,700	58,636	54,000	21,205	487,000	167,095
2026 - 27	42,000	15,840	227,900	71,648	165,800	59,384	55,300	21,746	491,000	168,618
2027 - 28	42,500	16,076	227,900	71,853	166,000	59,597	56,200	22,158	492,600	169,684
2028 - 29	42,900	16,189	228,000	71,698	166,400	59,551	57,100	22,450	494,400	169,888
2029 - 30	43,300	16,339	228,200	71,786	166,800	59,674	57,400	22,538	495,700	170,337
2030 - 31	43,800	16,531	228,200	71,791	167,100	59,750	58,400	22,936	497,500	171,008

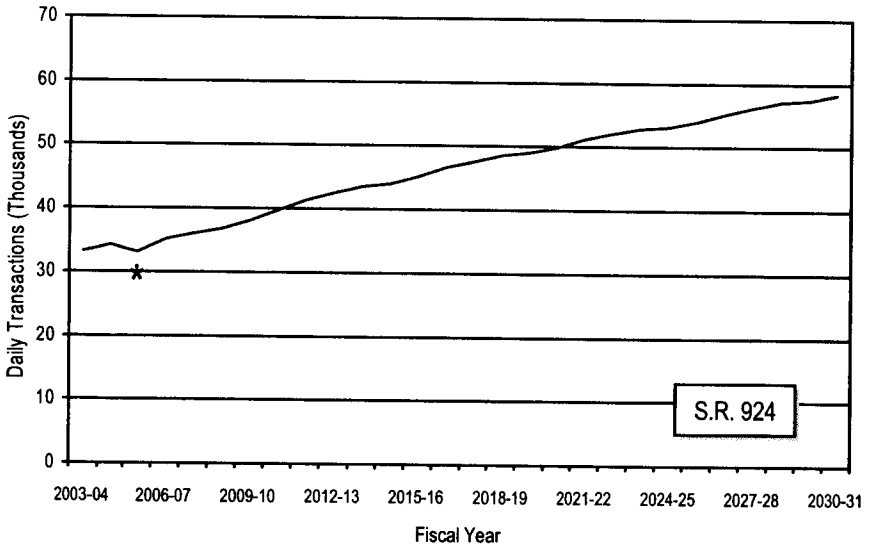
(1) Includes actual data for the first 10 months of FY 2003-04. On March 7, 2004 the SunPass discount was eliminated, "N-1" tolling for commercial vehicles was implemented, and car cash rates were increased by $0.25 over SunPass rates (with proportional increases for commercial vehicles).
(2) Assumes a toll rate increase on July 1, 2005 (see Table 4-2).
(3) The extension to 137th Avenue is completed on SR 836 and a new western mainline toll plaza is assumed to open on July 1, 2007
(4) Kendall Ramps on SR 874 are assumed to be opened and tolled on January 1, 2008.
(5) The northbound mainline toll plaza is relocated to north of the Killian Parkway on July 1, 2009. SR 874 is widened to five lanes in each direction between Killian and Kendall at the same time. And the Killian Ramps on SR 874 are assumed to be opened and tolled on July 1, 2009.





* Assumed Toll Increase





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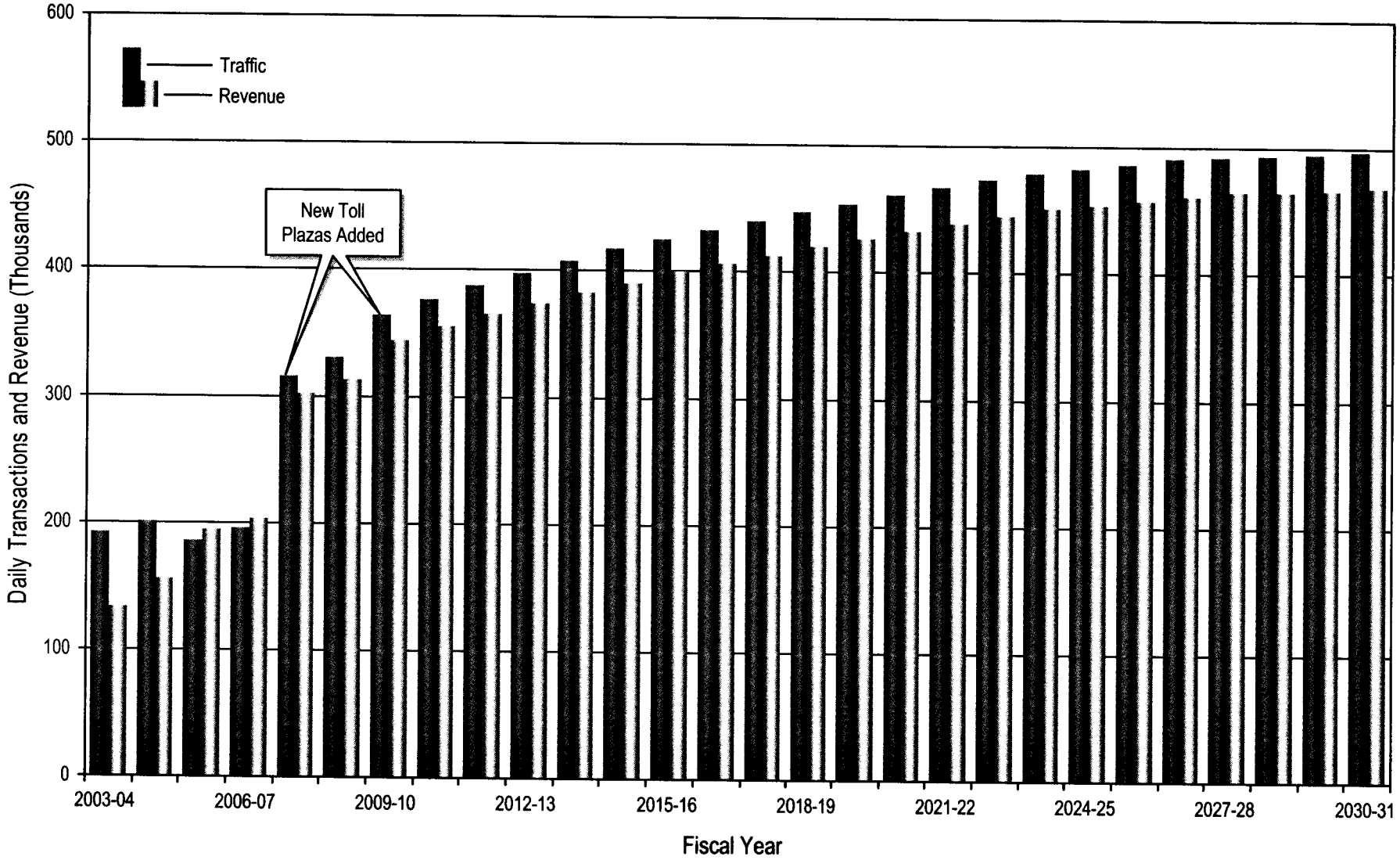
ESTIMATED AVERAGE DAILY TOLL TRANSACTIONS

FIGURE 4-2

Total MDX system daily toll transactions are estimated to increase from 192,600 in FY 2003-04 to 497,500 by FY 2030-01. Over the same time period, annual toll revenue is estimated to increase from about $48.7 million to about $171.0 million. Figure 4-3 provides a graphical summary of estimated average daily traffic and daily toll revenue. As the data for revenue in this graph are on a daily basis, they will not match those shown in Table 4-9.

DISCLAIMER

Current professional practices and procedures were used in the development of these findings. However, there is considerable uncertainty inherent in future traffic and revenue forecasts for any toll facility. There may sometimes be differences between forecasted and actual results caused by events and circumstances beyond the control of the forecasters. These differences could be material. Also, it should be recognized that traffic and revenue forecasts in this document are intended to reflect the overall estimated long-term trend. Actual experience in any given year may vary due to economic conditions and other factors.



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ESTIMATED DAILY TRANSACTIONS AND REVENUE – TOTAL MDX SYSTEM

FIGURE 4-3

CHAPTER 5

SENSITIVITY TESTS

A final element of the analysis included testing several hypothetical scenarios to estimate their potential impact on MDX toll facilities annual toll revenue. The sensitivity tests conducted included the following:

1. Increased SunPass Participation Levels;
2. Reduced Inflation Assumptions;
3. Reduced Regional Growth Forecasts; and
4. Rail Corridor Construction in S.R. 836 Corridor.

Systemwide toll revenue impacts were developed for each of these four sensitivity tests for two future years, FY 2010-11 and FY 2020-21. These are meant to provide an indication of the relative impact these alternative modeling assumptions might have on future year toll revenue. They are not considered in the Base Case estimates.

INCREASED SUNPASS PARTICIPATION

Table 4-4 provides a summary of the assumed SunPass market share used in developing the Base Case forecasts. Because SunPass transactions are assessed at a lower rate, annual toll revenue is sensitive to estimated levels of future year SunPass participation. In order to assess the leverage this has on toll revenue, WSA tested SunPass participation rates 10 percent greater than those shown in Table 4-4. Thus, by FY 2020-21 SunPass market share was assumed to be 85 percent on all toll facilities except S.R. 112 (which was assumed to be 80 percent).

Table 5-1 identifies the estimated impacts of all the sensitivity tests. The top portion of the table provides a summary of the increased SunPass participation rates. As shown, in FY 2010-11 annual revenue is reduced by about 1.6 percent, while the higher participation levels in FY 2020-21 result in about a 2.0 percent decrease in annual toll revenue.

Table 5-1
Estimated Annual Revenue Impacts of Various Sensitivity Tests
MDX System

Revenue in Thousands

Increased SunPass Market Share (1)

Fiscal Year	Base	Sensitivity Test	Percent Impact
2010-11	$129,874	$127,747	-1.6
2020-21	157,923	154,819	-2.0

Reduced Inflation Assumption (2)

Fiscal Year	Base	Sensitivity Test	Percent Impact
2010-11	$129,874	$126,238	-2.8
2020-21	157,923	150,343	-4.8

Reduced Regional Growth Forecast (3)

Fiscal Year	Base	Sensitivity Test	Percent Impact
2010-11	$129,874	$126,497	-2.6
2020-21	157,923	149,869	-5.1

Rail Corridor in S.R. 836 Corridor (4)

Fiscal Year	Base	Sensitivity Test	Percent Impact
2010-11	$129,874	$127,909	-1.5
2020-21	157,923	155,792	-1.3

(1) Assumes a SunPass market share 10 percentile greater than the Base Case assumption (see Table 4-4).
(2) In the Base Case, value of time and vehicle operating cost were increasec by 3.0% and 2.5% per year, respectively, to reflect nominal inflation of 2.5% per year. In this test, increases in both values were reduced by 1.0% per year, reflecting a lower inflation assumption.
(3) The Base Case regional growth forecast was reduced by 25%, assumed to be evenly distributed to all projected growth between 2005 and 2010 and 2020, respectively.
(4) Assumes construction of an East-West passenger rail line as part of the People's Transportation Plan. This would generally follow the alignment of S.R. 836.

REDUCED INFLATION ASSUMPTION

The second set of values in Table 5-1 provides an indication of a lower assumed growth rate in future year values of time. The Base Case model assumes average annual increases of 3.0 percent, slightly greater than the assumed inflation rate of 2.5 percent. In this sensitivity test, growth in both of these values was reduced by 1.0 percent.

Typically, lower values of time result in lower toll road usage. This is because toll rates are perceived as relatively higher compared to values of time. The compounding effect of the annual 1.0 percent reduction in values of time should result in a higher impact in the later years of the forecasts. As shown in Table 5-1, this is, indeed, what happens. Estimated annual revenue decreases by 2.8 percent in FY 2010-11, but by 4.8 percent by the last year tested.

REDUCED REGIONAL GROWTH FORECASTS

A key sensitivity test is a reduced regional growth assumption. In this case, WSA reduced the overall level of regional growth by 25 percent between 2005 and 2010. The same was done for the period between 2005 and 2020. This reflects a reduction in overall normal growth throughout the area covered by the regional model. As shown in Table 5-1, estimated annual toll revenue decreased by 2.6 percent in FY 2010-11, and by 4.8 percent by FY 2020-21.

RAIL LINE IN S.R. 836 CORRIDOR

As part of "The People's Transportation Plan," which was recently passed, an extension of Metro Rail has been mandated to extend between the HEFT and downtown Miami some time in the future. While this has been included as part of the future improvement program, no funding currently exists for its construction.

The MPO indicates that detailed plans do not yet exist, and that currently only EIS (environmental impact studies) are being conducted. No modeling of this currently exists, though the MPO did indicate that some time near the end of this year that the project would be incorporated into the regional model.

For purposes of this analysis WSA looked at the ridership experience on the existing Metro Rail system and made estimates of what its impact might be on S.R. 836 traffic. Basic assumptions were that about 50 percent of the rail patrons would come from S.R. 836, and that about 50 percent of those were trips that would have passed through one of the two mainline toll plazas.

In the end, the total impact on S.R. 836 toll revenue amounted to about 3-4 percent. The estimated impact on total MDX toll revenue is shown at the bottom of Table 5-1. As shown, the estimated impact in FY 2010-11 is about a 1.5 percent reduction in revenue. This decreases to a loss of about 1.3 percent by FY 2020-21. The percent impact decreases because rail ridership is assumed to grow at a slower pace than S.R. 836 traffic growth. The growth trend on the existing Metro Rail system has been relatively flat growth over the last 10 years.

Clearly, much more precise impact estimates of the potential extension of Metro Rail into this corridor will need to be done once more concrete information is provided. But, as shown from this exercise, the order of magnitude of this project is not expected to have a dramatic effect on MDX toll revenue.

APPENDIX

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WEG®

An Assessment of Miami-Dade County Socio-Economic Growth Factors

Prepared By:

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Submitted to:

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July 16, 2003

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VII. Appendix

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I. BACKGROUND

The Washington Economics Group, Inc. (WEG) was retained by Wilbur Smith Associates (WSA) to perform an independent assessment of the demographic and employment projections provided to WSA as a basis for the revenue estimates being prepared for the Miami-Dade Expressway Authority's (MDX) capital improvement program. The underlying socio-economic forecasts included with the Miami-Dade County travel demand model were for the years 1999, 2005, 2010, 2015, 2020 and 2025. Under the terms of our engagement, WEG was to recommend, to the extent appropriate, modifications based on the firm's analysis of the forces that will impact demographic and employment growth during the period from the present through 2025.

In performing the independent assessment of the MDX projections described above, WEG obtained assistance from Andrew Dolkart, WEG Senior Consultant and President of Miami Economic Associates, Inc. (MEAI), a firm specializing in real estate analysis that has particularly strong familiarity with development patterns throughout Miami-Dade County. Background information on WEG and the consultant are appended to this report.

The results of our assessment of the MDX projections have been previously transmitted to Wilbur Smith & Associates as part of the modeling activities. Underlying our recommendations for adjustment of the original projections was data we reviewed from the 2000 Census that was not available to the Miami-Dade Metropolitan Planning Organization (MPO) when its projections were prepared. However, additional adjustments were recommended based on WEG assessment of the physical, political and socio-economic environment of Miami-Dade County currently and prospectively.

The purpose of this report is to present the physical, political and socio-economic factors that impacted our assessment of the MPO projections. In essence, the key factors that have impacted and are likely to impact Miami-Dade County are discussed, as well as upside and downside risks (sensitivities) to the projections.

II. PHYSICAL FACTORS IMPACTING MPO PROJECTIONS

Miami-Dade County is located at the southeastern tip of the Florida peninsula. The largest municipality within the county is the City of Miami, with Hialeah, Miami Beach, Coral Gables and Homestead being among the other long-established municipalities within the county. The county has become, over the past twenty years, the business center of the

Americas for the U.S. – a fact that creates significant sensitivity to international developments in any county projections.

Urbanized Area

The total land area of Miami-Dade County is 1,257,699 acres, or 1,965 square miles. Of this total, urban growth has been directed through the establishment of an Urban Development Boundary (UDB) into 417.4 square miles, or 21.2 percent of the total area. The preponderance of the urbanized portions of the county area is located on the mainland, but it also includes the barrier islands where the incorporated areas of Miami Beach, Surfside, Bal Harbour, Sunny Isles Beach, Golden Beach and Key Biscayne are located.

The mainland portion of the urbanized area essentially extends from county line to county line from a north-south perspective. Its eastern boundary is generally the coast line; however, in the very southern portion of the county, the coastal area has been excluded in order to provide a buffer between development and Biscayne National Park, a highly sensitive environmental area. In the southern portion of the county, a buffer also exists west of the urbanized area to protect Everglades National Park, which is also highly environmentally sensitive.

Throughout the remainder of the county, the location of the western boundary of the urbanized area varies considerably. In the northern portion of the county (i.e. north of State Road 836—S.R. 836) it is defined by the Homestead Extension of Florida's Turnpike other than in selected locations. The primary exception is immediately west of the Turnpike and north of the alignment of the proposed extension of S.R. 836 where the UDB was extended in the fall of 2002 to accommodate approximately 600 acres of land for the development of the warehouse facilities for firms in the wholesale trade sector. These firms are frequently involved in the international movement of goods – a key sector of the Miami-Dade economy.

The Board of County Commissioners, which is highly determined to maintain the UDB in its current location, made an exception in the case of this acreage due to concern that the county would lose such international-oriented firms if more land was not made available to them with the attributes of the property being discussed – easy access to and from the regional highway network and close proximity to Miami International Airport. The land that remains outside the UDB in the northern portion of the county will initially be used for mining lime rock. Once the rock is depleted, the area will become a lake belt designed to protect Miami-Dade County's water supply and the Everglades. The creation of the lake belt is state-mandated.

South of S.R. 836 the UDB is located west of Florida's Turnpike. It also meanders, having been established by the pattern of development and political considerations at the time of its establishment rather than by nature or the physical terrain. Krome Avenue (S.W. 177th Avenue) is generally considered the eastern boundary of the Everglades. At no point south of S.R. 836 has the UDB been extended to that point. Economic activity outside the UDB is limited to mining and agriculture. Residences can be located in the area at density of 1 unit per 5 acres.

Comprehensive Development Master Plan in the Urbanized Area

Development within the urbanized area is managed by the Comprehensive Development Master Plan (CDMP), which designates the use(s) permitted on each property. The CDMP includes designations of land for residential use at varying levels of density, as well as commercial and industrial uses of differing kinds. It also designates land for institutional uses and open space. The CDMP for land within the county's municipalities is determined by the municipalities, while in unincorporated areas it is the prerogative of the Board of County Commissioners. The Board of County Commissioners also regulates potential expansions of the UDB even if the land involved is located within a municipality. UDB expansions have only occurred twice in the past 10 years. Other modifications to the CDMP that relate to land use have occurred more frequently. Any modification for a parcel of land over 10 acres in size requires state as well as city or county review.

The CDMP mandates that any modification be economically justified. This is particularly true of modifications involving expansion of the UDB, which require a super majority vote of the Board of County Commissioners – 9 positive votes regardless of how many of the 13 Commissioners are present. The Board of County Commissioners, with support from the Mayor, has made it clear that any attempt to expand the UDB for residential development will be denied as long as the county has sufficient supply of vacant residentially-designated land available countywide to accommodate 10 years of population growth plus a 5-year surplus or 15 years of growth. This standard resulted from an agreement between the state and the county approximately 10 years ago. The 15-year standard is also frequently applied to commercial and industrial uses; however, in the case of those uses, the consideration of land countywide is not adhered to in recognition that location can affect the marketability/usability of property.

Residential Development

The Miami-Dade County Planning & Zoning Department (DP&Z) has recently released (June 2003) new estimates of the county's residential capacity and the time it will take to deplete it fully. The analysis is based on a new set of population projections that predict the addition of approximately 30,650 residents on an average annual basis throughout the period from 2000 to 2025, without significant variation occurring from that figure in any of the 5-year segments that comprise the period. Based on that projection, DP&Z estimates that sufficient capacity countywide exists to accommodate population growth though 2020, or two years longer than needed under the 15-year rule. In making this estimate, it recognizes that in substantial portions of the county – generally the county's faster-growing western suburbs – that depletion of the remaining vacant land may occur considerably earlier.

The overwhelming preponderance of the vacant land accounted for in DP&Z's analysis is located in the southern portion of the county, south of S.W. 184th Street. The impact of this on commutation will be great since the county's major employment centers are all located in the north end of the county. The largest employment center in the county is now located immediately west of Miami International Airport in the so-called Airport West area, which is now contained in the newly incorporated City of Doral. Airport West surpassed Downtown Miami as the county's largest employment center approximately 10 years ago. Since then, the area has been adding industrial, predominantly warehouse space, at an average annual pace exceeding 1.5 million square feet per year. During that same period, no new office buildings were completed in Downtown Miami.

It should be noted that DP&Z's assessment of remaining residential capacity only considers vacant land except along the major transportation corridors (Metrorail and the South Dade Busway and Busway extension) where potential redevelopment of property that is not currently in residential use or that might be developed at higher residential densities is assumed. In fact, redevelopment activities of the type just described are occurring in selected portions of the county that are not within the major transit corridors. One notable area is on the barrier islands to the extent permitted within the context of hurricane evacuation considerations. Other major areas where redevelopment activity is likely to accelerate are directly north of Downtown Miami. Efforts are underway to establish procedures for incorporating redevelopment potentials into future projections of capacity on a broader basis than just the major transit corridors.

There is, however, reason to believe that DP&Z's estimate of residential capacity may be optimistic. This concern relates to the assumption used with respect to development and redevelopment within the transit–corridors where approximately 50,000 medium- to high-

density residential units are projected to materialize in nodes around the Metrorail stations and Busway stops. The number of units envisioned, 60 percent of which would result from redevelopment, would constitute sufficient supply to accommodate 6 years of population growth by themselves.

There is significant question whether the number of transit-related units projected can or will actually be built. One issue in this regard is that some of the municipalities where this development is programmed to occur are opposed to development at the densities assumed. There are also questions regarding the feasibility of some developments proposed due to issues relating to land cost, land assembly and adequacy of infrastructure.

To the extent that DP&Z has overstated the future supply in the transit corridors, the vacant land will be depleted prior to 2020. The home builders, worried about this, are rapidly buying up land in the southern portion of the county, and numerous zoning applications are being processed at the present. Unfortunately, infrastructure development in the area is not keeping up with the market imperative to move land quickly into production with the result that zoning applications are either being denied or proposed quantities of development lowered. **To the extent the latter occurs, the depletion period will be further shortened and the prospects of modest expansions of the boundary more likely**.

In WEG's recommended changes to MDX's projections, some minor adjustments to the UDB were assumed in portions of the county that the CDMP has already acknowledged as "Expansion Areas". These are located along S.W. 8th Street (Tamiami Trail) and S.W. 88th Street (N. Kendall Drive) immediately east of Krome Avenue. These adjustments were assumed in the belief that the problems associated with the proposed transit-related units will be at some point in the next 5 to 10 years appropriately acknowledged and recognition made of the lack of a 15-year supply. However, the expansions projected are minimal because WEG also believes that redevelopment activities will serve to make capacity not currently accounted for in DP&Z's analysis available. As will be discussed in greater detail later, **WEG assumes that inability to grow workforce at the rates historically seen will alleviate pressure on the UDB**.

Non-Residential Development

DP&Z has also recently quantified the county's potential to accommodate new commercial and industrial space based on the remaining inventory of vacant land designated for such use. With respect to the future development of commercial uses, DP&Z's analysis indicates generally adequate supplies of vacant land throughout the county except on the barrier islands and in some portions of the south central tier of the county (S.W. 8th Street to S.W.

184th Street) where the municipalities of Coral Gables, South Miami, Pinecrest and Palmetto Bay and the unincorporated East and West Kendall areas are located. WEG believes that the commercial development required to support future growth of population in these areas will be accounted for through the redevelopment of existing commercial properties on a more intensive basis and through mixed-use development.

The availability of industrial land is of major concern. Within the northeastern portion of Miami-Dade County, the inventory of industrially designated land is substantially depleted at present, except in a few minor cases where infrastructure deficiencies exist. Accordingly, the primary focus of industrial, mainly warehouse, development within the county has been west of Miami International Airport in the area between S.R. 836 and Okeechobee Road. The area just described contains Airport West discussed above and Medley. Nearly 1,840 vacant acres remain in the area, although significant amounts of that land are contained in parcels too small for development. The acreage figures just cited include the land discussed previously, which was brought into the UDB in 2002. Based on historical absorption trends, the remaining supply of land, even if all useable, would be depleted by 2015.

It should be noted that the area discussed in the preceding paragraph has accounted for approximately 60 percent of the Miami-Dade County's industrial development on an annual basis for a decade or so, with its appeal based on its two primary attributes of easy access to the regional highway network and proximity to Miami International Airport. As a result, much of the absorption of land in this area has involved wholesale trade enterprises engaged in international trade. The expansion of this area, which occurred in 2002, may have been the last one possible because of the state-mandated plan to create a lake belt west of the Turnpike.

Once the land in the area just discussed is depleted, Miami-Dade County's remaining supply of land will be located on the northwest, southwest and southern fringes of the county. All of this land is distant from Miami International Airport; only portions provide direct access to the regional roadway system; and most of it is poorly located to serve the larger Miami-Dade-Broward-Palm Beach South Florida market. The remaining land located in the northwest portion is likely to be absorbed. However, the land in the southwest and southern portions of the county is considered to have only limited marketability by the industrial brokerage community. In fact, the brokers believe that companies such as those currently located west of the Airport may chose to go to the ample supplies of land close to the Orlando, New Orleans, Atlanta and Jacksonville airports rather than locate on this marginal land within Miami-Dade County.

III. POLITICAL FACTORS IMPACTING MPO PROJECTIONS

Miami-Dade County currently contains a total of 34 incorporated municipalities, including 7 created within the past 10 years. Significant areas remain unincorporated although several of the existing municipalities are seeking to annex portions of the unincorporated area, and several movements toward new incorporations are also underway. At the time of the 2000 Census, approximately half the county's population lived in the unincorporated portion of the county. By 2025, it is possible that the county will have no unincorporated area.

Since the mid-1970's, the government within the county has been defined by a home rule charter that essentially envisions a two-tier governmental system in which the county would address countywide issues and the municipalities local issues. This system has never been fully implemented since the county serves as the local government in the unincorporated area. It does, however, delegate subject to appeal provisions, zoning decisions to Community Zoning Appeal Boards (CZAB's) constituted and elected in localized areas of the unincorporated area. Assuming full incorporation occurs, it is anticipated that the county would maintain control over the UDB while the municipalities would define land use within their boundaries.

Technically the county has the ability to affect zoning within the municipalities. As a practical matter, this power has never been exercised and is unlikely to be in the foreseeable future for political reasons. This is an extremely important point relative to the proposed transit-related units discussed above because all of those units are projected to be built within already incorporated areas or areas where incorporation is likely to occur sooner rather than later. Among the existing municipalities involved are the Cities of Hialeah, Miami, Coral Gables, South Miami, Pinecrest and Palmetto Bay. A City of East Kendall is likely to be incorporated at some point during the later period of the MDX projections.

All of the municipalities or prospective municipalities enumerated above, with the exceptions of Miami and Hialeah, are affluent suburban communities that are substantially built-out with low density, single-family homes, generally on larger lots. WEG considers it highly unlikely that any of these communities will approve significant amounts of medium-to-high density development even if the land could be assembled for such purpose, which in itself would be a highly complex and expensive process. In addition to concerns regarding the compatibility of the proposed units with those already existing, these communities will oppose the proposed units due to concerns about the adequacy of infrastructure, particularly with respect to parks and schools (e.g. quality of life issues).

The areas of the Cities of Miami and Hialeah, in which the transit-corridors are located, are not affluent and already contain development at densities consistent with the proposed development. However, such development is viewed negatively by the residents and would likely be opposed.

Based on these factors, WEG did not assume significant amounts of the proposed transit-related development in its recommendations. As a result, WEG foresees land depletion in the western and southern portions of the county more quickly than DP&Z is projecting.

IV. DEMOGRAPHIC FACTORS IMPACTING MPO PROJECTIONS

The 2000 Census reported that Miami-Dade County had a population of 2,253,485 as compared to 1,937,275 at the time of the 1990 Census. The average annual increase of 31,609 residents experienced during the decade of the 1990's was relatively consistent with annual average increase experienced during the 1980's, when the county added 30,731 residents on an average annual basis. In DP&Z's recently released (June 2003) new set of population projections, this level of growth is perpetuated through 2025 with an average annual increase of 30,657 residents predicted to occur throughout the entirety of the period from 2000 to 2025. The projections reflect little variation from that figure in 5-year segments.

WEG believes that growth during the period from 2000 through 2015 will occur at a faster rate, approximating 33,950 new residents a year. However, we also believe that growth will slow after 2015, averaging closer to 21,000 per year due to the land availability and density issues previously presented.

Projecting Population in an Uncertain Environment: Sensitivity Analysis

In reviewing any set of population projections for Miami-Dade County, it must be stressed that they are always prepared in an environment of significant uncertainty. Perhaps most dramatic in this regard is the issue of Cuba's political future and transition to a new regime. Miami-Dade County is currently home to over 650,000 Cuban-Americans, with about 20,000 arriving annually throughout the U.S.-Cuba immigration agreement. Fidel Castro is now 76 years old. The impact on Miami-Dade County could vary quite significantly depending on the government that emerges in a post-Castro Cuba.

The most favorable scenario for Miami-Dade County would be Cuba's steady return to democracy and open markets. This would potentially lead to strong increases, over time, in

trade, tourism and joint businesses between Cuba and South Florida residents as the U.S. embargo is lifted. It would also likely slow the rate at which Cubans try to leave the Island and might, though probably not in great numbers, encourage some current residents of Miami-Dade County to return to the Island. Recent surveys by Florida International University indicate that the great majority of Cuban-Americans (over 60 percent) will remain in South Florida, regardless of the type of regime that eventually emerges.

The least favorable scenario would be a prolonged struggle for power in Cuba among disparate regime factions. This could cause massive waves of rafters, similar to the 1980 Mariel refugee exodus, significantly impacting the business climate of South Florida. A more neutral scenario in terms of economic and demographic impacts would be a muddled transition, with current regime figures such as Raul Castro, Fidel's brother and designated successor, staying in power. This scenario could lead to periodic waves of unrest inside the Island, but not particularly affecting a great change from the current situation with respect to the long-term trend of population growth in Miami-Dade County.

From WEG's perspective, Cuba's uncertain future is the most important and sensitive variable that could impact demographic trends in Miami-Dade County over the forecast period. However, many others also exist. Illustratively, in the 1980's, Miami-Dade County became home to a large population of Nicaraguans due to civil war in their country. As of mid 2003, severely depressed economic conditions in Argentina, Venezuela and Colombia have raised these nations demographic profiles to a position once held by Nicaragua at or near the top of the list of countries from which people migrate permanently to Miami-Dade County. According to the 2000 Census, 106,000 residents of the County were of Colombian, Venezuelan and Argentinean descent.

In its assessment WEG, assumed that over the long term, immigration for various countries within the Caribbean and Latin America will continue at levels consistent with those experienced during the past two decades, with only the nationality of those who will be involved potentially changing. However, WEG must stress the sensitivity of Miami-Dade County's population projections to uncertain international developments.

Historic Population Growth: Sensitivity to Net Migration

Throughout Miami-Dade County's history, net migration has accounted for more of its population growth than natural increases. During the 1960's and 1970's, net migration accounted for between 79 and 89 percent of the growth recorded. By the 1960's, some of the

inmigrants were from Cuba; however, retirees from the northeast and upper mid-west accounted for the largest portion.

During the 1980's and 1990's, the portion of growth accounted for net migration dropped first to 67 percent and then to slightly over 50 percent. Throughout these two decades, the preponderance of the inmigration was accounted for by people from the Caribbean and Latin America. Cubans and Haitians have been among the largest groups to migrate to Miami, but residents from a number of other countries including Bahamas, Jamaica, Nicaragua, Colombia, Brazil, Venezuela and Argentina have also come in significant numbers at various times. The groups most prominently represented among the inmigrants changes frequently depending on the political and economic conditions in the different countries comprising the Caribbean and Latin American region.

The fact that net migration has in recent years accounted for only slightly more than 50 percent of total growth reflects two factors. First, the birth rate has increased sharply and the death rate has declined as Miami-Dade County's in-migrants changed from being retirees to younger people, mostly of Hispanic and Caribbean origins. According to the 2000 Census, 1,291,737 residents of Miami Dade are of Hispanic origin. This is up sharply from the 953,407 residents recorded in the 1990 Census. Accordingly, Hispanics comprise an estimated 57 percent of Miami-Dade County's population. Miami-Dade County is the first large U.S. metropolitan area with a majority Hispanic population, and WEG expects this share to steadily grow over the years.

Secondly, Miami-Dade County has recently experienced significant levels of out-migration, with the preponderance of those leaving setting up residency in neighboring Broward County. Out-migration was most pronounced in the immediate aftermath of Hurricane Andrew in 1992, but also occurred throughout the decade of the 1990's. In large part as a result of the high levels of out-migration from Miami-Dade County to Broward County during the 1990's, **Broward County's supply of available land for new residential development is also nearing depletion**. WEG places stronger emphasis on these trends than DP&Z. Therefore, it projects a higher level of population growth in the period from 2000 through 2015 than DP&Z as Broward County residential land and home prices will steadily move closer to equality with those in Miami-Dade County. The ability to out-migrate from Miami-Dade to Broward is being reduced for low-to-middle income families.

Relationship between Population Growth and Jobs: Sensitivity Analysis

The Miami-Dade County of 2003 is no longer a retirement Mecca. However, it still does not grow like most of the nation's other cities, in which population increases through immigration are triggered by relatively specific knowledge about available jobs and the prospects for obtaining them. As discussed previously, Miami-Dade County's immigrants, who are predominantly from the Caribbean and Latin America, migrate to the county for political and and/or economic problems in their home countries. These residents believe that life here will be better, but have no specific sense about how that will occur. Accordingly, while most cities gain population to fill available jobs, **Miami-Dade County needs to create jobs to accommodate its available workers.**

The challenge this dynamic has placed on the community has been great. WEG believes that the fact that the county has been able to maintain an unemployment rate that has generally been only 1 to 3 points higher than that of the state or the nation is a major achievement. It also demonstrates that population growth is much less sensitive to available jobs than in other U.S. metro areas. External to the county, economic and political variables in Latin America and the Caribbean are the key causal factors of population expansion.

V. ECONOMIC FACTORS IMPACTING MPO PROJECTIONS

The traditional economic base for the Miami-Dade County economy was tourism. Indeed the community is still highly dependent on the incomes spent by the over 30 million passengers passing through Miami International Airport annually and the 11 million overnight visitors. Approximately half of these visitors are of international origin. Miami International Airport is currently the nation's 3rd international airport and the 19th largest in the world. However, since the 1980's, international trade has surpassed tourism as the driving force in the county's economy due to its more dynamic rate of growth and considerably higher wage structure. International trade encompasses not only the flow of goods but also support services such as banks, freight forwarders, accountants and the legal infrastructure.

International Trade Activity Drives the Miami-Dade County Economy

As previously stated, international trade activity in Miami-Dade County involves enterprises across a wide spectrum of industry sectors including manufacturers, financial institutions, transportation companies and professional service providers. However, the greatest concentration of activity is in the wholesale trade sector. Indicative of the amount of goods moving through Miami on an international basis are the following facts:

- Miami International Airport ranks 1st among U.S. airports in terms of international air cargo, handling in excess of 1.3 million tons of generally high value cargo annually. The preponderance of this cargo is moving to and from the Caribbean and Latin America.

- The Port of Miami currently accounts for 42 percent of all U.S trade with the Caribbean and 36 percent of all U.S. trade with Central and South America. The number of containers moving though the Port increased by nearly 30 percent between 1997 and 2002.

- The Airport West area contains nearly 50 million square feet of warehouse space, the preponderance of which is occupied by firms involved in the internationally oriented wholesale trade. During the past 10 years, the amount of warehouse space added on an average annual basis has exceeded 1.5 million square feet.

The integration of the South Florida economy with the developing markets of Latin America and the Caribbean makes medium- and long-term traffic revenue forecasts subject to international economic influences. Most of the likely developments in Latin America will impact the South Florida economy (Dade and Broward) favorably. This is especially true vis-à-vis the growing trade integration movement to create the Free Trade Area of the Americas (FTAA) that would unite North and South America in the largest free trade area in the world, starting in 2005.

South Florida – especially Miami-Dade County – is at the center of the FTAA and stands to benefit significantly from both trade liberalization and the possible establishment of the FTAA headquarters activities in Miami-Dade County. According to a recent economic impact study by Enterprise Florida, the state's economic development organization, the FTAA and its Secretariat in Florida would have the following quantifiable benefits on Miami-Dade County:

- The FTAA proper and the Secretariat campus in Miami-Dade County would lead to a clustering of law firms, business services entities, trade associations and financial institutions around the headquarters. The Downtown Miami area is considered the logical site for the Secretariat, given federal empowerment zone status. Clustering around the Secretariat would create, over a 5-year period starting in 2005, an estimated 2,288 new jobs in Downtown Miami and would constitute the first significant increase in the area in over a decade. It should, however, be noted that

Miami is still competing with cities outside the U.S. as well as Atlanta to be the location of the Secretariat. Therefore, these positive outcomes are subject to uncertainty until the final decision on an FTAA headquarters is made by 2005. The 34 countries of the Hemisphere each have one vote on the headquarters (Secretariat) selection.

- The movement of traffic between the airport, port and final markets to the north of Miami will increase sharply as a result of the trade liberalization of the FTAA, regardless of the choice for the permanent Secretariat.

    - Annual increase in the volume of trade of about $4 billion a year over a 10-year horizon (2005-2015); and

    - Increase in foreign direct investment of $3.5 billion annually.

- The FTAA headquarters (Secretariat) would generate annually an additional 18,000 visitors days to the county. The majority of these visitors would utilize Miami International Airport and MDX roadways to arrive at the Secretariat campus in the downtown area of Miami.

Impact of International Wholesale Trade

The importance of international wholesale trade on the economy of Miami-Dade County goes beyond the number of employees that are engaged in that specific activity, or the fact that they earn on average 125 percent what the average worker in the county earns. The real import is as follows:

- Along with tourism, this is one of only two major economic activities within the county that brings new revenues to the community in a consistent basis and in large quantities; and

- Unlike tourism, it has been experiencing dynamic growth.

According to the input-output model used by the South Florida Regional Planning Council, each job created in international wholesale trade results in the creation of at least one additional Miami-Dade County job, which in rough terms supports the addition of six new county residents. Therefore, Miami-Dade County economic and traffic projections are sensitive to international trade activity, of which the likely creation of the Free Trade Area of the Americas (FTAA) is a fundamental and positive development as previously presented.

In the preceding section on the physical factors that will affect demographic and employment growth, it was concluded that Miami-Dade County's supply of high marketable industrial land in the Airport West and Medley areas will be fully depleted by 2015. Due to the state-mandated lake belt plan, it is unlikely that any more land similarly located in terms of access to the regional highway network and Miami International Airport can be brought into the UDB. Accordingly, the county will be dependent on land on its northwestern, southwestern and southern fringes for additional industrial development. WEG assumes that only small portions of this remaining land, notably the acreage located in the northwest portion of the county, will be acceptable to companies involved in international wholesale trade activity, with the result that those seeking new or expanded facilities will focus their attention on locations near the Orlando, Southwest regional, between Naples and Fort Myers, Jacksonville and Atlanta airports among others. When that occurs, the rate of job creation in Miami-Dade County could slow, with occupational structure increasingly shifting to population-driven and knowledge-based services in both Miami-Dade and Broward Counties.

As presented in the section on demographic factors, Miami-Dade County has historically had an unemployment rate 1 to 3 points higher than that of the state due to the immigration of people into the community before jobs are created. To the extent that fewer jobs are created in the international wholesale trade sector, this unemployment rate disparity will likely increase. WEG assumes that as it does the rate of out-migration will also increase, causing population growth to slow. It is on that basis that we projected population growth during the 2015 to 2025 period to approximately 21,000 on an average annual basis rather than the over 30,000 projected during the 2000 to 2015 period. Furthermore, the new residents will require additional schooling to be employed in the knowledge-based industries such as legal, accounting, medical and business services.

VI. MAJOR PROJECTS IMPACTING MPO PROJECTIONS

There are a number of major projects that could impact MDX projections and that were included in our recommendations for consideration by Wilbur Smith and Associates:

- Miami Intermodal Center (MIC)
  The MIC is a facility sponsored by the Florida Department of Transportation (FDOT) that is designed to facilitate safe and efficient transfers for users of Metrorail and Tri-Rail, with buses and taxis. In essence, a multi-modal mover of people to final destinations. It will be located immediately east of Miami International Airport and

connected to it by a monorail system. The Airport, in turn, is located between S.R. 836 and S.R. 112, both MDX roadways. When that system is in-place, landside functions currently at the Airport will be re-located to the MIC, thereby facilitating the expansion of the airport. The rental car functions that serve the airport will also be consolidated into the MIC. FDOT likens the facility to New York's Grand Central Station, and it is expected to result in the creation of new retail and service-sector jobs. However, most of the activity that will be located in the building already exists, and its construction has resulted in considerable demolition of hotel and other commercial uses.

- Opa-Locka Airport Development
  The Opa-Locka Airport is a general aviation facility operated by the Miami-Dade County Aviation Department. The facility is located immediately north of the Gratigny Expressway, a MDX roadway. The county has leased land in the southwest corner of the property to an entity known as Renaissance Air Park Corp, that is proposing to develop 509,000 square feet of hangar and aircraft maintenance space, 1.86 million square feet of industrial and warehouse space, approximately 500,000 square feet of office and retail space and a hotel. Plans for the development of aircraft manufacturing facility that will employ 1,400 people have also been announced.

- Beacon Lakes/Lopez Cantera Projects
  The UDB was extended in 2002 to accommodate approximately 600 acres of land for warehouse projects that when combined and fully developed could house 13,000 workers. These two projects are located west of Florida's Turnpike, immediately north of S.R. 836.

- Flagler Station
  Other major industrial and office developments are being proposed by Flagler Development on two tracts of land located in the area broadly bounded by the Palmetto Expressway, N.W. 106 Street, the Turnpike and N.W. 74th. As a result of these projects and other developments in the area, there is talk of a possible new Turnpike exit at N.W. 74th Street. These projects will include approximately 4.5 million square feet of warehouse space and in excess of 1 million square feet of office space.

- Dolphin Mall
  A 1.4 million square foot retail project known as Dolphin Mall has opened since 2000 immediately east of the Turnpike and north of S.R. 836.

- Other S.R. 836 Corridor Projects
  Several other major projects are proposed in the S.R. 836 Corridor. Among these is a new medical technology building that the University of Miami is proposing to develop near Jackson Memorial Hospital, its chief teaching facility. The new facility will house 1,400 workers. An office project of approximately 1 million square feet is being proposed further to the west on a parcel of land located between S.R. 836 and Miami International Airport. Finally, it is noted that the intensity of development on the Miami Merchandise Mart property (S.R. 836/N.W. 72nd Avenue) may at some point be increased; however, that project is speculative so WEG did not recommend adjustment to reflect it.

- State Road 112/Interstate 195 Corridor
  A major mixed-use project is being proposed in the site of the Buena Vista Railroad Yard, which is located between Biscayne Boulevard and Interstate 95, immediately south of Interstate 195. The project will contain 3,000 residential units and 800,000 square feet of retail space when completed.

- Performing Arts Center/Other Public Assembly Facilities
  A new Performing Arts Center is being constructed on Biscayne Boulevard, immediately north of Interstate 395 which is the extension of S.R. 836 east of Interstate 95. There are proposals to develop a new art museum and science museum in the same general area but south of Interstate 395. The funding for the two museums is uncertain. Further to the east on Watson Island, Parrot Jungle, a themed attraction has just opened and a new children's museum is under construction. Finally, the City of Miami has awarded development rights for a portion of Watson Island to a developer who is proposing a mega-yacht marina and hotel use. Development of the last project is also uncertain. In terms of full-time employment, the number will likely not exceed 1,200 workers even if everything just discussed were built. However, these projects could produce significant traffic on S.R. 836 from people visiting them.

- Village of Merrick Park
  Since 2000, Rouse has completed the development of an 800,000 square foot, up-scale shopping center in Coral Gables. The project, known as the Village of Merrick Park, is located between Ponce de Leon Boulevard and Le Jeune Road, north of U.S. 1.

- Kendall Town Center
  Rouse is also proposing the development of a project on Kendall Drive at S.W. 167th Avenue that will be known as Kendall Town Center. The project as originally proposed would include a 1 million square foot retail facility, movie theater, small hotel and 350,000 square feet of office space. Plans for this project may change.

PROJECT TEAM MEMBERS

J. Antonio "Tony" Villamil, Principal Advisor

Tony Villamil is Chief Executive Officer of The Washington Economics Group, Inc., serving until the summer of 2000 as Director of the Governor's Office of Tourism, Trade and Economic Development of Florida. He is currently Chairperson of the Governor's Council of Economic Advisors and a member of the Board of Directors of Enterprise Florida. Mr. Villamil has over 25 years of successful experience as a business economist and as a public official of both the federal and State of Florida governments. He served as U.S. Undersecretary of Commerce for Economic Affairs in the administration of President George H. Bush during 1989-1993. Tony received his undergraduate and graduate degrees in economics from Louisiana State University (LSU) in Baton Rouge, where he also completed PhD coursework in Economics.

Andrew Dolkart, Senior Consultant for Real Estate Economics

Andrew Dolkart is Senior Consultant for Real Estate Economics with The Washington Economics Group, Inc. and President of his own firm, Miami Economic Associates, Inc. Mr. Dolkart has provided real estate consulting services to developers, investors and governmental entities for over 30 years. His many consulting assignments have involved all major uses of real estate including residential, hotel and resort development as well as office, retail and industrial projects. His professional activities have been primarily focused on real estate projects in Florida. He has performed marked and financial analyses for community redevelopment authorities in Clearwater, Jacksonville, St. Petersburg, Miami and Miami Beach. Andy Dolkart received his Master of Business Administration from Harvard Business School (1967-1969). His Bachelor of Arts, Cum Laude is from Harvard College (1963– 1967).

The Washington Economics Group, Inc. (WEG) has been successfully meeting client objectives since 1993 through economic consulting services for corporations, institutions and governments of the Americas. We have the expertise, high-level contacts, and business alliances to strengthen your competitive positioning in the growing marketplaces of Florida and Latin America.

Our roster of clients, over the past eight years, includes multinational corporations, financial institutions, public entities, and non-profit associations expanding their operations in the Americas.

Exclusive Consulting Approach:

Each client is unique to us. We spend considerable time and effort in understanding the operations, goals, and objectives of clients as they seek our consulting and strategic advice. We are not a mass-production consulting entity nor do we accept every project that comes to us. We engage a limited number of clients each year that require customized consulting services in our premier areas of specialization. These premier and exclusive services are headed by former U.S. Under Secretary of Commerce, Dr. J. Antonio Villamil, with over twenty-five years of experience as a business executive and as a senior public official of the U.S. and most recently of Florida.

Premier Consulting Services:

- *Comprehensive Corporate Expansion Services for Florida.* Our seamless and customized service includes site selection analysis, development of incentive strategies and community and governmental relations.

- *Economic Impact Studies* highlight the importance of a client's activities in the generation of income, output and employment in the market area serviced by the entity. These studies are also utilized to analyze the impact of pubic policies on key factors that may affect a client's activities such as tax changes, zoning, environmental permits and others. Dr. Robert Cruz directs the economic impact research practice of WEG.

- *Strategic Business Development Services.* These services are customized to meet client objectives, with particular emphasis in the growing marketplaces of Florida, Mexico, Central and South America. Recent consulting assignments include customized marketing strategies, country risk assessments for investment decisions and corporate spokesperson activities and speeches on behalf of the client at public or private meetings.

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY

KPMG LLP has not participated in the preparation of or review of this Official Statement. Such financial statements have been included as a matter of public record. Such financial statements speak only as of June 30, 2004 and June 30, 2003, 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 EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

Basic Financial Statements

June 30, 2004 and 2003

(With Independent Auditors' Report Thereon)

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

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Independent Auditors' Report

Members of the Board
Miami-Dade County Expressway Authority
d/b/a Miami-Dade Expressway Authority and MDX:

We have audited the accompanying basic financial statements of the Miami-Dade County Expressway Authority d/b/a Miami-Dade Expressway Authority and MDX (the Authority), as of and for the years ended June 30, 2004 and 2003, as listed in the table of contents. These financial statements are the responsibility of the Authority'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2004 and 2003, and the changes in financial position and cash flows, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2004 on our consideration of the Authority'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 on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audits were conducted for the purpose of forming an opinion on the Authority's basic financial statements. The information included in the Schedule of Calculation of Net Revenue and Financial Ratios as Defined and Required by the Trust Indenture, the Schedule of Toll Revenue and Expense Summary, and the Schedule of Historical Toll Rates by Vehicle Class on Pages 30 through 32 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on it.

KPMG LLP

December 6, 2004

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEARS ENDED JUNE 30, 2004 AND 2003

The following narrative provides an overview of Miami-Dade County Expressway Authority's (Authority) financial activities for the fiscal years ended June 30, 2004 and 2003.

FINANCIAL HIGHLIGHTS

- The Authority's toll revenues increased approximately $5.2 million or 11.6% in fiscal year 2004, compared to a decrease of approximately $1.4 million or 3.0% in fiscal year 2003
- The Authority's operating income increased approximately $4.9 million or 21.5% in fiscal year 2004, compared to an increase of approximately $430,000 or 1.9% in fiscal year 2003
- The Authority's net assets of approximately $99.0 million increased approximately $22.4 million or 29.3% in fiscal year 2004 and increased approximately $22.9 million or 42.7%, including an extraordinary gain of approximately $4.3 million, in fiscal year 2003
- The Authority's total assets of approximately $475.6 million increased approximately $130.2 million or 37.7% and $27.7 million or 8.7% in fiscal years 2004 and 2003, respectively
- The Authority's total capital assets, net of accumulated depreciation, of approximately $290.3 million increased approximately $129.4 million or 80.5% and $58.9 million or 57.8% in fiscal years 2004 and 2003, respectively

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements, notes to the financial statements and supplemental schedules. The financial statements of the Authority report information using accounting methods similar to those used by private sector companies.

Statements of Net Assets - This statement presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets are useful indicators of whether the Authority's financial position is improving or deteriorating.

Statements of Revenue, Expenses and Changes in Net Assets – This statement presents information showing how the Authority's net assets changed during the fiscal year.

Statements of Cash Flows – This statement presents information about the Authority's cash receipts and cash payments, or, in other words, the sources and uses of the Authority's cash and the change in balance during the fiscal year.

Notes to the Financial Statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other – Certain supplementary information is presented to report compliance with financial ratio requirements as well as historical schedules of toll revenues and expenses and toll rates by vehicle class.

Financial Analysis

Net Assets

	June 30,		
	2004	2003	2002
Current and other assets	$ 185,366,443	184,595,315	215,839,404
Capital assets	290,269,834	160,838,443	101,934,987
Total assets	475,636,277	345,433,758	317,774,391
Current liabilities	31,967,262	21,862,247	21,117,819
Revenue bonds payable, net of current portion, bond discount/ premium and deferred cost	225,796,226	231,510,212	233,924,199
Other long-term liabilities	118,879,753	15,506,738	9,091,357
Total liabilities	376,643,241	268,879,197	264,133,375
Net assets			
Invested in capital assets, net of related debt	35,832,291	39,613,514	29,185,314
Restricted	15,438,545	15,277,641	15,001,165
Unrestricted	47,722,200	21,663,406	9,454,537
Total net assets	$ 98,993,036	76,554,561	53,641,016

Toll Revenue

Toll revenues increased approximately $5.2 million in fiscal year 2004 primarily due to an adjustment to the toll rates effective March 7, 2004.

In fiscal year 2003, toll revenues decreased approximately $1.4 million, primarily during the final six months of the fiscal year due to the following:

- Airport traffic, which affects two of the Authority's expressways and was negatively impacted due to weakness in the economy, was reduced further due to security concerns surrounding the war against Iraq.
- Construction activity and the integration of the new toll collection system (MTS) had a major impact on the East-West mainline plaza and the South Dade Expressway. Significant aversion to these areas was observed with customers seeking alternative routes during this activity.

- New tolling patterns and the implementation of SunPass-Only lanes brought about an increase in toll violations from cash customers going through SunPass-Only lanes.
- The integration of a violation enforcement system (VES) was not scheduled for implementation until all lanes were upgraded to MTS which did not occur until November 2003. Due to the lack of a VES, toll violations increased as customers became aware that enforcement was not occurring.

Changes in Net Assets

	Years Ended June 30,		
	2004	2003	2002
Operating revenues	$ 49,491,239	44,307,970	45,659,364
Operating expenses	21,824,271	21,531,960	23,312,368
Operating income	27,666,968	22,776,010	22,346,996
Non-operating revenues (expenses)			
Interest, dividend and investment income	2,102,519	4,415,568	9,306,802
Interest expense	(7,331,012)	(8,563,169)	(11,725,955)
Total non-operating revenues (expenses)	(5,228,493)	(4,147,601)	(2,419,153)
Income before extraordinary item	22,438,475	18,628,409	19,927,843
Extraordinary item:			
Gain on escrow restructuring	-	4,285,136	-
Change in net assets	22,438,475	22,913,545	19,927,843
Net assets, beginning of year	76,554,561	53,641,016	33,713,173
Net assets, end of year	$ 98,993,036	76,554,561	53,641,016

Operating Expenses

In fiscal year 2004, operating expenses increased approximately $300,000 or 1.4% due to an increase in salaries, benefits and general expenses of approximately $1.8 million primarily due to an increase in SunPass transponder subsidies and an increase in depreciation and amortization of approximately $1.2 million related to capital projects placed in service during the year. These increases were partially offset by decreases in toll and roadway operations and maintenance expenses due to the conclusion of the $1 million annual commitment to the Advanced Traveler Information System (ATIS), an increase in the capitalization of operating expenses incurred in the acquisition, design and construction of capital assets of approximately $700,000 and a full year's effect of the assumption of the toll operations function from FDOT which took effect in January 2003 and provided increased efficiency in the use of toll plaza personnel.

In fiscal year 2003, operating expenses decreased approximately $1.8 million primarily due to the capitalization of approximately $2.7 million in operating expenses incurred in the acquisition, design and construction of capital assets. No such costs were capitalized in fiscal year 2002. Without this effect, operating expenses increased by approximately $900,000 or 3.9% over fiscal year 2002. The increase was primarily attributable to roadway maintenance expenses which increased approximately $1.7 million due to an increase in the Authority's contribution to the Advanced Traveler Information System (ATIS), increased costs of expanded service patrols and costs associated with the Authority's roadway lighting joint participation agreement (JPA) with Miami-Dade County which had previously been handled by the Florida Department of Transportation

(FDOT). The increase was partially offset by a decrease in toll operations of approximately $650,000 due to more efficient use of toll plaza personnel beginning January 2003, when staffing activities were assumed by the Authority.

Non-operating Revenue

In fiscal year 2004, non-operating revenue decreased approximately $2.3 million or 52.4% due to a continued reduction in interest rates, less construction fund monies and the maturity of a guaranteed investment contract (GIC) related to the Series 2000 Construction Fund on December 31, 2002 which was yielding 6.81%.

In fiscal year 2003, non-operating revenue decreased approximately $4.9 million or 52.6% primarily due to an overall reduction in interest rates, less construction fund monies and the maturity of the guaranteed investment contract (GIC) discussed above.

Non-operating Expenses

In fiscal year 2004, interest expense decreased approximately $1.2 million or 14.4% due to an increase in capitalized interest on construction projects of approximately $1.5 million, partially offset by an increase in interest due to the implementation of the Authority's commercial paper program as well as reflecting the amortization of the losses on refundings as non-operating expense.

In fiscal year 2003, interest expense decreased approximately $3.2 million or 27.0% due to interest savings related to the issuance of the Series 2002 Refunding Revenue Bonds which refunded certain portions of the Series 2000 Bonds as well as an increase in capitalized interest.

Extraordinary Gain

In fiscal year 2003, a restructuring of the escrow related to the Series 1996 Bonds was completed during the fiscal year. An escrow substitution was executed with the sale of the existing securities in the Series 1996 Bonds escrow account yielding approximately $75.3 million. The cost of the "replacement" securities was approximately $70.2 million, creating gross proceeds from the escrow substitution of approximately $5.2 million. The termination of the forward delivery agreement related to the investment of the proceeds of the original escrow was executed at a cost of approximately $800,000. The net gain, after additional costs related to the restructuring, was approximately $4.3 million.

Capital Assets and Debt Administration

Capital Assets

The Authority's investment in capital assets was approximately $290.3 million and $160.8 million, net of accumulated depreciation, as of June 30, 2004 and 2003, respectively, an increase of approximately $129.5 million (80.5%) and $58.9 million

(57.8%) in fiscal years 2004 and 2003, respectively. Capital assets include right-of-way, roadway infrastructure, expressways, bridges, buildings, equipment and furniture. Major capital asset events during fiscal year 2004 included the following:

- Construction was completed on the SR 836 eastbound toll plaza.
- Construction was completed on the SR 874 SunPass dual-dedicated lanes project.
- Construction was completed on the Authority's headquarters building expansion.
- Construction was completed on the resurfacing of SR 836 from NW 87th Avenue to NW 45th Street.
- Construction was completed on the Phase 1 of bridge joint repairs to bridges on SR 836, SR 874 was and SR 924.
- Construction continued on the SR 836 westbound to southbound Homestead Extension of Florida's Turnpike (HEFT) connection. The Authority anticipates completion of this project in July 2005.
- Construction continued on the SR 112 westbound off-ramp to Okeechobee Road and was completed in July 2004.
- Construction continued on the toll operations transition project and was completed in November 2004.
- Construction began on the SR 836 extension from NW 137th Avenue to NW 107th Avenue. The Authority anticipates completion of this project in June 2007.
- Construction began on the SR 836 Communications and Incident Management and Surveillance project. The Authority anticipates completion of this project in February 2005.

Major capital asset events during fiscal year 2003 included the following:

- Continued construction on the SR 836 eastbound toll plaza.
- Continued construction on the SR 112 westbound off-ramp to Okeechobee Road.
- Continued construction on the SR 836 westbound to southbound Homestead Extension of Florida's Turnpike (HEFT) connection.
- Continued construction on the SR 874 SunPass dual-dedicated lanes project.
- Continued construction on the Authority's headquarters building expansion.
- Continued construction on the toll operations transition project.

Long-Term Debt

As of June 30, 2004, the Authority had outstanding revenue bonds payable of approximately $232.0 million (net of unamortized bond discounts/premiums and deferred losses on refunding), a decrease of approximately $2.7 million as compared to fiscal year 2003. All of the Authority's toll revenue is pledged to repay these bonds. The decrease was due primarily to principal repayments of approximately $3.2 million during the fiscal year, partially offset by amortization related to bond discounts and deferred losses of approximately $600,000. The Authority also implemented a commercial paper program in fiscal year 2004, with an outstanding balance of $80 million as of June 30, 2004.

As of June 30, 2003, the Authority had outstanding revenue bonds payable of approximately $234.7 million (net of unamortized bond discounts/premiums and deferred losses on refunding), a decrease of approximately $2.1 million from the prior fiscal year. The decrease was due primarily to the deferred loss of approximately $3.5 million on the refunding of a portion of the $150,000,000 Toll System Revenue Bonds, Series 2000 discussed below and principal repayments of approximately $2.9 million during the fiscal year. This decrease was partially offset by the increased principal amount related to the refunding of approximately $4.2 million and amortization related to bond discounts and deferred losses of approximately $700,000.

The following change to the debt structure occurred in fiscal year 2004:

On March 23, 2004, the Board authorized the issuance of $105,000,000 in Toll System Commercial Paper Notes (the "Notes") with maturities not to exceed 270 days from the date of issuance. The proceeds of the Notes will provide short-term funding of the Authority's capital improvement program. The Notes and accrued interest are payable solely from future bond issuances. On March 25, 2004, the Authority issued $40,000,000 in Notes at an interest rate of 0.95%. An additional $40,000,000 in Notes was issued on June 22, 2004 at an interest rate of 1.11%. At June 30, 2004, the Authority had outstanding $80,000,000 in Notes plus accrued interest of $110,415. In connection with the Notes, on March 25, 2004, the Authority executed a Letter of Credit and Reimbursement Agreement securing the principal of and interest on the Notes. At June 30, 2004, the amount of the outstanding letter of credit was $85,917,810.

The following change occurred to the debt structure during fiscal year 2003:

On August 22, 2002, the Authority issued $34,650,000 Toll System Refunding Revenue Bonds, Series 2002 (Series 2002 Bonds). The bonds were issued for the purpose of providing funds to refund $30,485,000 in principal of the Refunded Series 2000 Bonds; and pay the costs and expenses relating to the issuance of the Series 2002 Bonds and the refunding of the Refunded Series 2000 Bonds.

The transaction resulted in a deferred charge of approximately $3.5 million to be amortized over the life of the new debt. The refunding resulted in an economic gain of approximately $1.1 million. The difference between the cash flows received to service the old debt and the cash flows required to service the new debt is approximately $2.2 million.

Debt Ratios

The Authority's debt service ratio for all bonds outstanding was 2.71 in fiscal year 2004, 2.14 in fiscal year 2003 and 2.10 for fiscal year 2002. The Authority's ratio of net revenue to debt service and fund payments was 2.44 in fiscal year 2004, 1.91 in fiscal year 2003 and 1.87 in fiscal year 2002.

The ratios in fiscal year 2004 were positively affected by an increase in operating revenue of $5.2 million and the utilization of $16 million in rate stabilization funds for short-term

funding of the capital program. Partially offsetting these positive effects were the decrease in non-operating revenue of approximately $2.3 million and an increase of debt service requirements of $2.4 million. Without considering the utilization of rate stabilization funds, the debt service ratio and ratio of net revenue to certain debt service and fund payments would have been 1.84 and 1.66, respectively.

The ratios in fiscal year 2003 were positively affected by the extraordinary gain on the escrow restructuring of approximately $4.3 million and the capitalization of approximately $2.7 million in operating expenses. Partially offsetting these positive effects were the decrease in non-operating revenue of approximately $4.9 million and the decrease in operating revenue of approximately $1.3 million. In addition, debt service requirements decreased by approximately $400,000 due to the issuance of the Series 2002 Bonds discussed above.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Miami-Dade Expressway Authority, 3790 N. W. 21st Street, Miami, FL 33142.

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

Statements of Net Assets

June 30, 2004 and 2003

Assets	2004	2003
Current assets:		
Cash and cash equivalents	$ 1,574,438	2,346,952
Cash and cash equivalents held by trustee	24,979,944	14,119,995
Investments	8,021,400	8,011,162
Accounts receivable, net	547,288	250,613
Accrued interest receivable	145,252	153,792
Prepaid operating and maintenance cost	772,103	437,934
Total current assets	36,040,425	25,320,448
Non-current assets:		
Restricted cash and cash equivalents held by trustee	73,000,966	81,414,072
Restricted investments held by trustee	10,515,000	10,515,000
Total restricted assets	83,515,966	91,929,072
Capital assets:		
Non-depreciable capital assets:		
Land	31,280,915	7,734,974
Construction in progress	190,029,969	138,129,454
Total non-depreciable capital assets	221,310,884	145,864,428
Depreciable capital assets, net	68,958,950	14,974,015
Other assets:		
Rights to operate the Miami-Dade County Expressway System, net	62,169,167	64,085,306
Unamortized bond issue costs, net	3,640,885	3,260,489
Total other assets	65,810,052	67,345,795
Total non-current assets	439,595,852	320,113,310
Total assets	475,636,277	345,433,758
Liabilities and Net Assets		
Current liabilities:		
Accounts and contracts payable	14,743,793	10,566,254
Accrued expenses	5,109,445	4,934,506
Current portion of revenue bonds payable	6,216,667	3,166,667
Current portion of loans due to other governments	5,897,357	3,194,820
Total current liabilities	31,967,262	21,862,247
Non-current liabilities:		
Revenue bonds payable, net of current portion, bond discount/premium and deferred cost	225,796,226	231,510,212
Commercial paper	80,000,000	—
Loans due to other governments, net of current portion	38,404,475	14,560,649
Arbitrage rebates payable	475,278	946,089
Total liabilities	376,643,241	268,879,197
Net assets:		
Invested in capital assets, net of related debt	35,832,291	39,613,514
Restricted for debt service	10,164,308	9,263,960
Restricted for renewal and replacement	5,274,237	6,013,681
Unrestricted	47,722,200	21,663,406
Total net assets	$ 98,993,036	76,554,561

See accompanying notes to financial statements.

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

Statements of Revenue, Expenses and Changes in Net Assets

Years ended June 30, 2004 and 2003

	2004	2003
Operating revenue:		
Tolls	$ 49,410,538	44,259,305
Other	80,701	48,665
Total operating revenue	49,491,239	44,307,970
Operating expenses:		
Roadway maintenance, toll operation and maintenance expenses	12,587,259	15,401,004
General engineering, public communication, legal, and other contracted services	1,522,610	1,375,076
Salaries, benefits, and general expenses	3,547,467	1,788,908
Depreciation and amortization	4,166,935	2,966,972
Total operating expenses	21,824,271	21,531,960
Operating income	27,666,968	22,776,010
Nonoperating revenue (expenses):		
Interest and dividend income	2,102,519	4,415,568
Interest expense	(7,331,012)	(8,563,169)
Total nonoperating expenses, net	(5,228,493)	(4,147,601)
Income before extraordinary item	22,438,475	18,628,409
Extraordinary item:		
Gain on escrow restructuring	—	4,285,136
Change in net assets	22,438,475	22,913,545
Net assets, beginning of year	76,554,561	53,641,016
Net assets, end of year	$ 98,993,036	76,554,561

See accompanying notes to financial statements.

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

Statements of Cash Flows

Years ended June 30, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Cash received from customers	$ 49,113,863	44,400,945
Payments to suppliers	(13,908,741)	(17,717,594)
Payments to employees	(4,710,842)	(785,774)
Other operating revenues	82,421	51,959
Net cash flows from operating activities	30,576,701	25,949,536
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(96,288,359)	(58,699,491)
Acquisition of Land	(21,690,273)	—
Proceeds from government advances	26,900,000	9,900,000
Payment of principal on government advances	(353,637)	(1,762,237)
Proceeds from sale of refunding bonds	—	34,034,412
Payment of bond issue cost	(451,732)	(221,090)
Payment of commercial paper cost	(175,972)	—
Payment of bond insurance	—	(152,684)
Proceeds from commercial paper	80,000,000	—
Payment of principal on revenue bonds	(3,166,667)	(2,866,667)
Payment for refunding bonds	—	(34,076,013)
Proceeds from escrow restructuring	—	5,154,136
Payments for escrow restructuring	—	(869,000)
Interest paid on revenue bonds	(15,223,056)	(8,163,385)
Net cash flows used in capital and related financing activities	(30,449,696)	(57,722,019)
Cash flows from investing activities:		
Purchase of investments	(8,135,673)	(22,952,408)
Proceeds from investments	8,000,000	14,941,246
Interest & dividends received	1,682,997	3,348,975
Net cash from (used in) investing activities	1,547,324	(4,662,187)
Net increase (decrease) in cash and cash equivalents	1,674,329	(36,434,670)
Cash and cash equivalents at beginning of year	97,881,019	134,315,689
Cash and cash equivalents at end of year:	$ 99,555,348	97,881,019
Unrestricted	26,554,382	16,466,947
Restricted	73,000,966	81,414,072
	$ 99,555,348	97,881,019
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 27,666,968	22,776,010
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,166,935	2,966,972
Loss on sale of equipment	1,720	—
Changes in assets and liabilities:		
Accounts receivable	(296,675)	144,934
Prepaid operating and maintenance cost	(334,169)	401,923
Accounts/contracts payable and accrued expenses	(628,078)	(340,303)
Net cash provided by operating activities	$ 30,576,701	25,949,536

See accompanying notes to financial statements.

(1) Summary of Organization and Significant Accounting Policies

(a) Organization and Purpose

The Miami-Dade County Expressway Authority d/b/a Miami-Dade Expressway Authority and MDX (the Authority) is an agency of the State of Florida, a body politic and corporate and a public instrumentality, and was created on December 13, 1994 pursuant to Chapter 348, Part I, Florida Statutes, as amended, for the purposes and having the powers, among others, to (1) acquire, hold, construct, improve, maintain, operate, own and lease an expressway system located in Miami-Dade County, Florida (the County) and (2) to fix, alter, change, establish and collect tolls, rates, fees, rentals, and other charges for the services and facilities of such system. The governing body of the Authority consists of thirteen (13) members. All members of the Authority are voting members. Seven members are appointed by the governing body of the County. At the County's discretion, up to two of the members appointed by the governing body of the County may be elected officials residing in the County. Five members are appointed by the Governor of the State of Florida. One member is the District Secretary of the State of Florida Department of Transportation – District VI. This member is an ex officio voting member of the Authority. Except for the District Secretary of the State of Florida Department of Transportation – District VI, all members must be residents of the County. Members of the Authority are entitled to receive from the Authority their travel and other necessary expenses incurred in connection with the business of the Authority as provided by law, but they may not draw salaries or other compensation.

The State of Florida's expressway system located in the boundaries of the County (the expressway system), was operated by the State of Florida, Department of Transportation (FDOT) through December 9, 1996. Effective December 10, 1996 and pursuant to a Transfer Agreement (the Transfer Agreement) entered into between the Authority and the FDOT, the Authority assumed the rights and the responsibilities for operating the expressway system and obtained certain identifiable fixed assets (excluding the expressway system's infrastructure) and cash reserves from the FDOT. In exchange, the Authority made a payment to the FDOT which was sufficient to defease certain bonded indebtedness of the State of Florida. This transaction was consummated through the Authority's issuance of $80,000,000 in aggregate principal amount of its Toll System Revenue Bonds, Series 1996 (Taxable) (the Series 1996 Bonds). In addition, the Authority assumed a liability from the State of Florida in the amount of $11,843,000.

The Transfer Agreement gives the Authority the right, in perpetuity, to the toll revenue generated by the expressway system and grants the Authority the right to operate and maintain such expressway system.

(b) Reporting Entity

As a special purpose government engaged solely in business-type activities, the Authority's financial statements are prepared similarly to those of an enterprise fund. Enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

(c) Basis of Accounting

The Authority is accounted for on the flow of economic resources measurement focus and therefore prepares its financial statements on the accrual basis of accounting in accordance with accounting

principles generally accepted in the United States of America. The accounting for propriety funds is similar to those for private business enterprises. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

The assets, liabilities and net assets of the Authority are reported in a self-balancing set of accounts which include restricted and unrestricted resources, representing funds available for support of the Authority's operations.

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt – capital assets, including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net assets – 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. This includes net assets restricted for debt service and renewal and replacement.

Unrestricted net assets – all other net assets that do not meet the definition of "invested in capital assets, net of related debt" and "restricted".

It is the Authority's policy to first use restricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The Authority defines operating revenue as revenues earned from the expressway system operations and charged to customers. Non-operating revenue includes interest and dividend earnings.

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 they conflict with or contradict GASB pronouncements, or not following FASB standards issued after such date. The Authority elected the option not to follow FASB standards issued after November 30, 1989.

(d) Restricted Assets

Restricted assets of the Authority represent bond proceeds and revenue to be set aside per the Trust Indenture which requires the following funds: Revenue Fund, Sinking Fund, General Fund (Partially Restricted), Debt Service Reserve Fund, Renewal and Replacement Fund, Cost of Issuance Fund, Construction Fund, and Rebate Fund.

(e) Capital Assets

The Authority does not have title to the expressway system's infrastructure and therefore, it is not reflected in these financial statements. Capital assets acquired through the Transfer Agreement as well as capital assets acquired or constructed since the transfers are recorded at historical cost. Expenses incurred to acquire additional capital assets which replace existing assets or otherwise prolong their useful lives are capitalized.

Costs related to right-of-way acquisition as well as costs related to construction of highways and bridges substructure (road sub base, grading, land clearing, embankments, and other related costs), when incurred, are considered nondepreciable costs.

Interest costs incurred during construction are capitalized on assets acquired with debt. Amounts capitalized represent interest expense incurred from the borrowing date to completion of the project, offset with interest earned on invested proceeds over the same period. Depreciation of property and

equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	7 years
Equipment and improvements	7- 15 years
Asphalt	15 years
Buildings, toll facilities and leasehold improvements	30 years
Bridges and other roadway	50 years
Vehicles	5 years
Software	3 years

In fiscal year ended June 30, 2003, the Authority began allocating certain costs incurred in the acquisition, design and construction of capital assets such as salaries, benefits, general expenses and contracted services to the related capital asset. For the fiscal year ended June 30, 2004 and 2003, the Authority capitalized $994,146 and $1,528,192 respectively in contracted services expenses and $1,150,019 and $1,212,114 respectively in salaries, benefits, and general expenses.

(f) Bond Discounts, Bond Premiums and Issuance Costs

Bond discounts, premiums and issuance costs associated with the issuance of bonds are amortized either on a straight-line basis or the interest method over the life of the bonds. Bond discounts and premiums are presented as an addition and a reduction of the face amount of revenue bonds payable whereas issuance costs are recorded as other assets.

(g) Compensated Absences

The Authority accounts for compensated absences by accruing a liability for employees' compensation for future absences according to the guidelines of Governmental Accounting Standards Board (GASB) Statement No. 16. *Accounting for Compensated Absences.* The Authority's vacation and sick leave accrual policies grant a specific number of days of vacation and sick leave with pay. In addition, these policies provide for paying a regular employee their accumulated unused vacation upon termination which is limited to a maximum of 480 hours. These policies also provide for accumulated sick leave hours to be paid upon retirement which is limited to a maximum of one-quarter of the amounts accumulated, up to 480 hours. These hours are payable at the employee's current rate and are accounted for in accrued expenses.

(h) Employee Benefits

As an agency of the State of Florida, the Authority's employees are allowed to participate in the State's group health insurance plan under the same program and group rates available to State employees. In addition, in accordance with an interlocal agreement between the Authority and the County, the Authority's employees are allowed to participate in the County's group dental and life insurance providers under the same programs and group rates available to County employees. Any full-time regular or part-time employees, working at least 60 hours biweekly, are eligible for group insurance coverage on the first day of the month following or coincident to 90 days of continuous active service.

(i) Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions and natural disasters for which the Authority carries commercial insurance. Settled claims have not exceeded the Authority's coverage in any of the past three fiscal years.

(j) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(k) Cash and Cash Equivalents and Investments

The carrying amount of the Authority's cash deposits was $99,555,348 and $97,881,019, and the bank balance was $99,580,324 and $97,911,958 at June 30, 2004 and 2003, respectively. The difference between these two balances is created by timing differences due to the float on disbursements and deposits which have not yet cleared the bank and cash held at the toll plazas.

Under Chapter 280 Florida Statutes, as amended, "Florida Security for Public Deposits 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.

Exempt from Chapter 280 are public deposits deposited in a bank or savings association by a trust department or trust company which are fully secured through the trust business laws, public deposits held outside the United States, wire transfers and transfers of funds for periods less than seven days for the purpose of paying registers and paying agents. Investments, including State Board of Administration accounts and repurchase agreements, are not public deposits.

The Authority considers all highly liquid debt instruments (including restricted assets) with an original maturity of three months or less to be cash equivalents.

The investments of the Authority are stated at fair value, which is either a quoted market price or the best available estimate. Unrealized gains or losses due to variations in fair value are recorded as income for the applicable year.

(l) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

(m) Adoption of New Accounting Pronouncements

GASB Statement No. 40, *Deposit and Risk Disclosures* has been issued. The Authority has not elected early implementation of GASB 40 and therefore, has not determined the financial statement impact of this new pronouncement.

(2) Cash and Cash Equivalents

At June 30, 2004 and 2003, total unrestricted and restricted cash and cash equivalents and investments were composed of the following:

		2004	2003
Cash and cash equivalents	$	99,555,348	97,881,019
Investments, including interest receivable		18,681,652	18,679,954
	$	118,237,000	116,560,973

Investments – The Authority's investments are made in accordance with Chapter 125.31(1) Florida Statutes.

As required by GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,* the Authority's investments are categorized to provide an indication of the level of custodial credit risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent but not in the Authority's name. All of the investments of the Miami-Dade Expressway Authority are classified in Category 2 at June 30, 2004 and 2003.

Investments at June 30 are summarized as follows:

		2004	2003
		(Fair Value)	
Unrestricted:			
U.S. Government securities	$	8,021,400	8,011,162
Restricted:			
Guaranteed Investment Contract		10,515,000	10,515,000
Total Investments	$	18,536,400	18,526,162

Investments, as detailed above, are classified by financial statement line item based on maturity when purchased at June 30 as follows:

		2004	2003
Investments classified as cash equivalents	$	-	14,917,313
Investments		18,536,400	18,526,162
	$	18,536,400	33,443,475

(3) Disaggregation of Receivables and Payables

Receivables

As of June 30, 2004 and 2003 accounts receivable totaled $547,288 and $250,613, respectively, in the following categories:

		2004	2003
Toll revenue receivables	$	522,038	246,132
Other revenue receivables		25,250	4,481
	$	547,288	250,613

There are no receivables expected to take longer than one year to collect.

Payables

As of June 30, 2004 and 2003 accounts and contracts payable totaled $14,743,793 and $10,566,254, respectively, in the following categories:

		2004	2003
Due to vendors	$	14,689,412	10,508,122
Due to employees		54,381	58,132
	$	14,743,793	10,566,254

(4) Capital Assets

A summary of capital asset activity and changes in accumulated depreciation for the years ended June 30, 2004 and 2003 follows:

		Balance at June 30, 2003	Additions	Deletions/ Transfers	Balance at June 30, 2004
Capital assets not being depreciated:					
Land	$	7,734,974	21,690,273	1,855,668	31,280,915
Construction in progress		138,129,454	131,401,786	(79,501,271)	190,029,969
Total capital assets, not being depreciated		145,864,428	153,092,059	(77,645,603)	221,310,884
Capital assets being depreciated:					
Furniture & fixtures		972,489	103,351	(1,899)	1,073,941
Equipment and improvements		8,615,745	146,385	(2,888,732)	5,873,398
Buildings, toll facilities, and leasehold improvements		9,309,924	20,607,214	(6,029,672)	23,887,466
Asphalt		-	3,359,541	2,795,172	6,154,713
Bridges		-	9,082,642	1,005,499	10,088,141
Other roadway assets		-	24,562,385	3,249,440	27,811,825
Vehicles		115,815	113,560	(43,854)	185,521
Total capital assets being depreciated		19,013,973	57,975,078	(1,914,046)	75,075,005
Less accumulated depreciation for:					
Furniture and fixtures		(226,374)	(146,186)	-	(372,560)
Equipment and improvements		(3,352,024)	(596,479)	288,873	(3,659,630)
Buildings, toll facilities, and leasehold improvements		(412,864)	(665,498)	200,568	(877,794)
Asphalt		-	(372,698)	(186,345)	(559,043)
Bridges		-	(128,407)	(20,110)	(148,517)
Other roadway assets		-	(387,638)	(64,989)	(452,627)
Vehicles		(48,696)	(26,822)	29,634	(45,884)
Total accumulated depreciation		(4,039,958)	(2,323,728)	247,631	(6,116,055)
Net depreciable capital assets		14,974,015	55,651,350	(1,666,415)	68,958,950
Net capital assets	$	160,838,443	208,743,409	(79,312,018)	290,269,834

	Balance at June 30, 2002	Additions	Deletions/ Transfers	Balance at June 30, 2003
Capital assets not being depreciated:				
Land	$ 3,492,690	4,242,284	-	7,734,974
Construction in progress	82,489,919	55,639,535	-	138,129,454
Total capital assets, not being depreciated	85,982,609	59,881,819	-	145,864,428
Capital assets being depreciated:				
Furniture and fixtures	731,184	241,305	-	972,489
Equipment and improvements	8,578,702	37,043	-	8,615,745
Buildings, toll facilities, and leasehold improvements	9,204,305	105,619	-	9,309,924
Vehicles	115,815	-	-	115,815
Total capital assets being depreciated	18,630,006	383,967	-	19,013,973
Less accumulated depreciation for:				
Furniture and fixtures	(100,448)	(125,926)	-	(226,374)
Equipment and improvements	(2,448,853)	(903,171)	-	(3,352,024)
Buildings, toll facilities, and leasehold improvements	(100,057)	(312,807)	-	(412,864)
Vehicles	(28,270)	(20,426)	-	(48,696)
Total accumulated depreciation	(2,677,628)	(1,362,330)	-	(4,039,958)
Net depreciable capital assets	15,952,378	(978,363)	-	14,974,015
Net capital assets	$ 101,934,987	58,903,456	-	160,838,443

Depreciation expense was $2,105,731 in fiscal year 2004 and $1,362,330 in fiscal year 2003.

The amount of capitalized interest was $6,515,147 in 2004 and $4,973,350 in 2003.

(5) Rights to Operate the Miami-Dade County Expressway System

As discussed in Note 1, the Authority obtained the rights to operate the state of Florida's expressway system located within the boundaries of the County.

The difference between the net book value of tangible assets received less the net book value of liabilities assumed and consideration paid, amounting to approximately $76,646,000 is reflected in these financial statements, net of amortization, as an intangible asset (Rights to Operate the Miami-Dade County Expressway System) and is being amortized on the straight-line method over a period of 40 years.

The present value of the future income stream, net of expenses, to be generated by the operation of the expressway system in Miami-Dade County, Florida is expected to equal or exceed $76,646,000; the intangible asset described above.

The cost to obtain such right and its accumulated amortization are as follows:

		2004	2003
Original cost	$	76,645,605	76,645,605
Less accumulated amortization		(14,476,438)	(12,560,299)
	$	62,169,167	64,085,306

(6) Unamortized Bond Issue Costs

Unamortized bond issue costs and its accumulated amortization are as follows:

		2004	2003
Original cost	$	4,474,495	3,846,791
Less accumulated amortization		(833,610)	(586,302)
	$	3,640,885	3,260,489

(7) Long-Term Liabilities

(a) Revenue Bonds Payable

(1) $80,000,000 Toll System Revenue Bonds, Series 1996

On December 10, 1996, the Authority issued $80,000,000 Series 1996 Bonds (the Series 1996 Bonds). The bonds were issued for the purpose of providing funds to pay all or a portion of the cost of (a) the acquisition by the Authority of the operational and financial control of the Miami-Dade County Expressway System (the System) per the Transfer Agreement between the Authority and the FDOT, dated as of December 10, 1996, in perpetuity by, among other things, defeasing all of the outstanding 1993 Series State Bonds issued by the State of Florida for the Authority expressway system; (b) funding a portion of the Debt Service Reserve Fund Requirement in respect of the Series 1996 Bonds; and (c) paying certain costs associated with the issuance of the Series 1996 Bonds. The Series 1996 Bonds are due in annual principal installments which began on July 1, 1999 through July 1, 2019 of $1,000,000 to $10,500,000 bearing interest at the weekly rate as determined by the remarketing Agent. Interest may be converted from one variable rate to another at the option of the Authority and upon delivery of an opinion of bond counsel to the trustee and the Authority or may be converted to fixed rate upon the request of the Authority. The bonds are secured by the revenue generated by the Authority's existing expressway system subject to the terms and limitations set forth in the indenture, excluding amounts deposited in the Rebate Fund, if any.

(a) Interest Rate Swap with Citigroup Related to the Series 1996 Bonds

Objective of the Interest Rate Swap:

As a means to lower borrowing costs, when compared to interest rate costs related fixed rate bonds at the time of issuance, the Authority entered into an interest rate swap in connection with its variable rate (Taxable) Series 1996 Bonds. On February 1, 1999, the Authority entered into a swap agreement with Salomon Brothers Holding Company, Inc. (nka Citigroup) scheduled to terminate on July 1, 2004. On April 12, 2002, the Authority executed an amendment to the swap agreement whereby the swap termination date was extended to July 1, 2019. On June 30, 2004, the Authority executed an additional amendment to the swap agreement effective July 29, 2004.

The intent of the swap was to effectively change the taxable variable interest rate on the Series 1996 Bonds into a synthetic fixed rate of 5.325% on the initial swap through initially until July 1, 2004 and, as amended on April 12, 2002, into a synthetic fixed rate of 6.265% beginning May 1, 2002 and terminating on July 1, 2019. The amendment on June 30, 2004 effectively reduced the synthetic fixed rate to 5.352% by replacing the payment received from Citigroup from a taxable-based rate to a tax-exempt-based rate in anticipation of the tax-exempt issuance of the Series 2004A Toll System Refunding Revenue Bonds which refunded the (Taxable) Series 1996 Bonds in their entirety on July 29, 2004.

Terms:

Based on the initial swap agreement, the Authority owed interest calculated at a fixed rate of 5.325% to the counterparty of the swap. In return, the counterparty owed the Authority interest based on a variable rate that matched the rate required by the Series 1996 Bonds. The rate required by the bonds is derived from the monthly reoffering of the Series 1996 Bonds. Only the net difference in interest payments was actually exchanged with the counterparty. The Series 1996 Bond principal was not exchanged; it was only the basis on which the interest payments were calculated. The Authority continued to pay interest to the bondholders at the variable rate provided by the Series 1996 Bonds. However, during the term of the swap agreement, the Authority effectively paid a fixed rate on the Series 1996 Bonds.

Based on the first amendment to the swap agreement on April 12, 2002, the Authority owed interest at a fixed rate of 6.265% to the counterparty of the swap beginning May 1, 2002. In return, until July 1, 2004, the counterparty owed the Authority interest based on a variable rate that matched the rate required by the Series 1996 Bonds. The rate required by the Series 1996 Bonds was derived from the monthly reoffering of the Series 1996 Bonds. Effective July 1, 2004, the counterparty paid the Authority interest based on the variable London Interbank Offered Rate (LIBOR). The Series 1996 Bond principal was not exchanged; it was only the basis on which the interest payments were calculated. The Authority continued to pay interest to the bondholders at the variable rate provided by the bonds. However, during the term of the swap agreement, the Authority effectively paid a fixed rate on the debt.

Based on the second amendment to the swap agreement on June 30, 2004, the Authority owes interest at a fixed rate of 5.352% to the counterparty of the swap beginning July 29, 2004. In return, the counterparty owes the Authority interest based on the variable Bond Market Association Municipal Swap Index (BMA) rate that approximates the tax-exempt variable rate anticipated on the Series 2004A Bonds which were issued on July 29, 2004 to refund the (Taxable) Series 1996 Bonds in their entirety. The rate required by the Series 2004A Bonds is derived from the periodic auction of the Series 2004A Bonds. The Series 2004A Bond principal is not exchanged; it is only the basis on which the interest payments are calculated. The Authority continues to pay interest to the bondholders at the variable rate provided by the Series 2004A Bonds. However, during the term of the swap agreement, the Authority effectively pays a fixed rate on the debt. The debt service requirements to maturity for these bonds are based on that fixed rate.

The swap's notional amount matches the outstanding amount of the bonds. As the principal amount of the bonds declines, the notional amount of the swaps also declines by the same amount.

Fair Value:

Because interest rates have declined since execution of the swap, the swap had a negative fair market value of $6,844,181 as of June 30, 2004. Swaps are not normally valued through exchange-type markets with easily accessible quotation systems and procedures. The fair market value was calculated using information obtained from generally recognized sources with respect to quotations, reporting of specific transactions and market conditions and based on accepted industry standards and methodologies.

Credit Risk:

As of June 30, 2004, the Authority was not exposed to credit risk because the swap had a negative fair value. The counterparty was rated Aa1, AA- and AA+ by Moody's Investors Service, Standard & Poor's and Fitch Ratings, respectively. In addition, all swap payments and termination amounts are insured by Financial Guaranty Insurance Corporation (FGIC).

Basis Risk:

The swap exposes the Authority to basis risk should the variable taxable rate paid on the Series 1996 Bonds differ from the variable LIBOR rate received from the swap. The maximum exposure for terminating the swap is its fair market value. Effective July 29, 2004, the swap will expose the Authority to basis risk should the variable tax-exempt rate paid on the Series 2004A Bonds differ from the variable BMA rate received from the swap. The maximum exposure for terminating the swap is its fair market value.

(b) Interest Rate Swap with Rice Financial Products Related to the Series 1996 Bonds

Objective of the Interest Rate Swap:

As an additional means to lower borrowing costs, on August 9, 2002, the Authority entered into a swap agreement with Rice Financial Products Company in connection with its variable rate (Taxable) Series 1996 Bonds until July 1, 2019.

Terms:

Based on the swap agreement, the Authority paid interest at a variable rate based on the Bond Market Association Municipal Swap Index (BMA) divided by .604. In return, the Authority received interest at a variable rate based on the LIBOR (reset January 1 and July 1) plus a "constant" of 47 basis points (0.47%) from the counterparty. The Authority had the option to terminate the swap annually, at no cost to the Authority, on any bond payment date commencing July 1, 2004 and ending July 1, 2019. On August 1, 2003, the Authority entered into an amendment to the swap agreement effective July 1, 2004 until July 1, 2019. Under this amendment, the Authority received a payment of $150,687; the Authority's payments to the counterparty are capped at zero; the "constant" paid by the counterparty is reduced to 20 basis points (0.20%); and the counterparty, as well as the Authority, has the option to terminate the swap annually, at no cost to either party, on any bond payment date commencing July 1, 2004 and ending July 1, 2019.

The swap's notional amount matches the outstanding amount of the Series 1996 Bonds; as the principal amount of the Series 1996 Bonds declines, the notional amount of the swap also declines by the same amount.

Fair Value:

Because the Authority's payments under the swap are capped at zero and has the right to terminate the agreement annually on July 1, the fair market value of the swap equals the accrued interest due as of the termination date. On June 30, 2004, the swap had a negative fair market value of $98,489, representing accrued interest due from the Authority.

Credit Risk:

The counterparty is not rated by any established rating service. However, all swap payments and termination amounts are insured by American Municipal Bond Assurance Corporation (AMBAC). Although the Authority's payments are capped at zero, the swap is only cancelable annually on each July 1. Therefore, the swap exposes the Authority to credit risk should the Authority terminate or be forced to terminate the swap on any day other than July 1 of each year.

The maximum exposure for terminating the swap is accrued interest, if any, owed by the Authority on the termination date.

Basis Risk:

Although the Authority's payments are capped at zero, the swap is only cancelable annually on each July 1. Therefore, the swap exposes the Authority to basis risk should the relationship of LIBOR and BMA converge. This risk would be realized only if the Authority terminated or was forced to terminate the swap on any day other than July 1 of each year. At June 30, 2004, the BMA rate divided by .604 was 1.73% (paid by the Authority) and the LIBOR rate (as of January 1, 2004) plus 20 basis points (0.20%) was 1.42% (received by the Authority). The maximum exposure for terminating the swap is accrued interest, if any, owed by the Authority on the termination date.

(c) Restructuring of Escrow Related to the Series 1996 Bonds

On June 17, 2003, a restructuring of the escrow related to the Series 1996 Bonds was completed. The escrow substitution was executed with the sale of the existing securities in the escrow account yielding $75,314,382. The cost of the "replacement" securities was $70,160,246, creating gross proceeds from the escrow substitution of $5,154,136. The termination of the forward delivery agreement related to the investment of the proceeds of the original escrow was executed at a cost of $847,000. The net gain, after additional costs related to the restructuring, was $4,285,136 and is reported as an extraordinary gain in the financial statements for the year ended June 30, 2003.

(2) $10,000,000 Toll System Revenue Bond, Series 1999

On November 1, 1999, the Authority issued $10,000,000 Toll System Revenue Bond, Series 1999 (Non-Taxable) (the Series 1999 Bond). The Series 1999 Bond was issued for the purpose of providing funds to (a) pay a portion of the cost of certain improvements to the system included within the current five-year work program; (b) fund a portion of the Debt Service Fund Requirement in respect of the Series 1999 Bond; and (c) pay certain costs associated with the issuance of the Series 1999 Bond. The bond matures on January 1, 2015 with annual principal installments beginning January 1, 2001 through January 1, 2015 of $666,667, with semiannual interest payments at 4.94% per annum, due each January 1 and July 1. The Series 1999 Bond is secured by the revenue generated by the Authority's existing expressway system subject to the term and limitations set forth in the Indenture on a parity with the Series 1996 Bonds, excluding amounts deposited in the Rebate Fund, if any.

(3) $150,000,000 Toll System Revenue Bonds, Series 2000

On January 1, 2000, the Authority issued $150,000,000 Toll System Revenue Bonds, Series 2000 (Non-Taxable) (the Series 2000 Bonds). The bonds were issued for the purpose of providing funds to pay (a) a portion of the cost of certain improvements to the system included in the five year work program of the Authority in effect from time to time; (b) fund a deposit to the Debt Service Reserve Fund in an amount equal to the increase in the Debt Service Reserve Fund Requirement resulting from the issuance of the Series 2000 Bonds; and (c) pay costs and expenses relating to the issuance of the Series 2000 Bonds. The Series 2000 Bonds, net of unamortized net premium totaling $2,809,283, consist of (a) $40,070,000 serial bonds maturing between July 1, 2004 and July 1, 2014, bearing interest between 4.8% and 6%; (b) $30,485,000 fixed term bonds at 6%; and (c) $79,445,000 fixed term bonds at 6.375%, with semiannual interest payments each January 1, and July 1. The Series 2000 Bonds are secured by the revenue generated by the Authority's existing expressway system subject to the terms and limitations set forth in the indenture on a parity which the Series 1996 Bonds, excluding amounts deposited in the Rebate Fund, if any.

(4) $89,345,000 Toll System Refunding Revenue Bonds, Series 2001A

On July 11, 2001, the Authority issued $89,345,000 Toll System Refunding Revenue Bonds, Series 2001A (Non-Taxable) (the Series 2001A Bonds). The Series 2001A Bonds were issued and placed

in an irrevocable trust for the purpose of providing funds to (a) refund $79,445,000 principal amount of the Series 2000 Bonds; and (2) pay costs and expenses relating to the issuance of the Series 2001A Bonds and the refunding of the Refunded Series 2000 Bonds. The Series 2001A Bonds consist of (1) $13,000,000 serial bonds maturing between July 1, 2012 and July 1, 2021, bearing interest between 4.5% and 5%; (b) $34,370,000 fixed term bonds at 5.125%; and (c) $41,975,000 fixed term bonds at 5.125%. The Series 2001A Bonds are secured under the Indenture on a parity with the Series 1996 Bonds, the Series 1999 Bond, the Series 2000 Bonds outstanding after issuance of the Series 2001A Bonds and any other Bonds hereafter issued under the Indenture.

The transaction resulted in a $6,130,809 deferred charge to be amortized over the life of the new debt. This refunding has resulted in an economic gain of $3,781,501. The difference between the cash flows received to service the old debt and the cash flows require to service the new debt is $4,788,116.

(5) $34,650,000 Toll System Refunding Revenue Bonds, Series 2002

On August 22, 2002, the Authority issued $34,650,000 Toll System Refunding Revenue Bonds, Series 2002 (Non-Taxable) (the Series 2002 Bonds). The Series 2002 Bonds were issued for the purpose of providing funds to (a) refund $30,485,000 principal amount of the Refunded Series 2000 Bonds and (2) pay costs and expenses relating to the issuance of the Series 2002 Bonds and the refunding of the Refunded Series 2000 Bonds. The Series 2002 Bonds consist of $34,650,000 Serial Bonds maturing between July 1, 2003 and July 1, 2020, bearing interest between 1.35% and 4.625%. The Series 2002 Bonds are secured under the Indenture on a parity with the Series 1996 Bonds, the Series 1999 Bond, the Series 2000 Bonds outstanding after issuance of the Series 2001A and Series 2002 Bonds, the Series 2001A Bonds and any other Bonds hereafter issued under the Indenture.

The transaction resulted in a $3,502,380 deferred charge to be amortized over the life of the new debt. This refunding has resulted in an economic gain of $1,100,672. The difference between the cash flows received to service the old debt and the cash flows require to service the new debt is $2,243,369.

The annual revenue bonds payable debt service requirements of June 30, 2004 are summarized as follows:

		Revenue Bonds Principal	Revenue Bonds Interest
Year ending June 30			
2005	$	6,216,667	12,866,695
2006		6,456,667	12,520,805
2007		6,806,667	12,144,382
2008		7,161,667	11,751,865
2009		7,536,667	11,317,667
2010-14		45,058,335	49,092,194
2015-19		58,101,662	33,838,113
2020-24		44,540,000	19,409,806
2025-29		48,725,000	8,137,475
2030		11,295,000	-
		241,898,332	171,079,002
Plus premium, net		588,786	-
Less bond discount, net		(2,065,011)	-
Less deferred refunding loss		(8,409,214)	-
	$	232,012,893	171,079,002

Swap Payments and Associated Debt:

Debt service requirements of the variable rate debt and net swap payments, assuming interest rates as of June 30, 2004 remain the same for their term, are as follows. As rates vary, variable rate debt interest payments will vary. These amounts are included in the annual debt service requirements schedule above.

Fiscal Year Ending June 30,	Variable-Rate Bonds		Interest Rate Swaps, Net	Total
	Principal	Interest		
2005	$ 2,500,000	790,030	3,476,815	6,766,845
2006	2,600,000	760,960	3,348,880	6,709,840
2007	2,800,000	728,480	3,205,940	6,734,420
2008	3,000,000	694,635	3,056,995	6,751,630
2009	3,200,000	655,656	2,885,450	6,741,106
2010-2014	19,400,000	2,636,746	11,603,953	33,640,699
2015-2019	26,700,000	1,269,126	5,585,250	33,554,376
2020	10,500,000	-	-	10,500,000
	$ 70,700,000	7,535,633	33,163,283	111,398,916

(b) Commercial Paper Notes

On March 23, 2004, the Board authorized the issuance of $105,000,000 in Toll System Commercial Paper Notes (the "Notes") with maturities not to exceed 270 days from the date of issuance. The proceeds of the Notes will provide short-term funding of the Authority's capital improvement program. The Notes and accrued interest are payable solely from future bond issuances. The Notes are classified a long-term because the Authority intends to pay off the Notes with the proceeds of long-term revenue bonds. On March 25, 2004, the Authority issued $40,000,000 in Notes at an interest rate of 0.95%. An additional $40,000,000 in Notes was issued on June 22, 2004 at an interest rate of 1.11%. At June 30, 2004, the Authority had outstanding $80,000,000 in Notes plus accrued interest of $110,415. The $80,000,000 in outstanding Notes, plus accrued interest was repaid on August 2, 2004.

In connection with the Notes, on March 25, 2004, the Authority executed a Letter of Credit and Reimbursement Agreement securing the principal of and interest on the Notes. At June 30, 2004, the amount of the outstanding letter of credit was $85,917,810.

(c) Loans Due to Other Governments

(1) Toll Facilities Revolving Trust Fund Loan

On May 26, 1998, MDX entered into an unsecured, non-interest bearing Toll Facilities Revolving Trust Fund loan payable under an agreement authorizing the Authority to borrow up to $1,000,000 to conduct preliminary engineering studies, traffic and revenue studies, environmental impact studies, financial advisory services, engineering design, right-of-way map preparation, project-related professional services, and advanced right-of-way requisition activities. Principal balance outstanding is due from future bond proceeds, if elected by the Authority, or on the basis of repayment schedules. Repayment of principal and investment interest earnings shall begin no later than 7 years

after the date of the advance, provided repayment is completed no later than 12 years after the date of the advance.

On December 31, 2003, the Florida Department of Transportation approved the Authority's application for an additional non-interest bearing Toll Facilities Revolving Trust Fund loan in the amount of $1,500,000 under substantially the same terms as the above Toll Facilities Revolving Trust Fund loan.

(2) State of Florida, Department of Transportation Loan

On December 10, 1996, the State of Florida, Department of Transportation (FDOT) transferred operational and financial control of the roadways and certain physical assets detailed in the MDX/FDOT Transfer Agreement to MDX. The system includes State Roads 112, 836, 874, 878 and 924 and certain other physical assets. Under the provisions of the Transfer Agreement, MDX agreed to pay to FDOT certain financial obligations in connections with the transfer of operational and financial control of the system in the amount of approximately $11.8 million. As of June 30, 2004 MDX owes FDOT approximately $4.9 million, which includes the outstanding balance of the net liabilities, costs related to the acquisition, installation and initial deployment of the Sunpass™ facilities and system operating costs related to the Sunpass™ facilities paid by FDOT on behalf of MDX through July 31, 2002. MDX has recorded an unsecured, non-interest bearing loan payable to the State of Florida, Department of Transportation, payable in annual installments of $2,000,000 until such amounts are paid in full.

(3) State Infrastructure Bank Loans

On April 30, 2002, MDX entered into an unsecured, non-interest bearing State Infrastructure Bank (SIB) loan payable to the State of Florida, Department of Transportation (SIB Loan No. 1). Under the loan agreement, three installments will be made: $700,000 no earlier than April 2002, $900,000 no earlier than April 2003 and $10,400,000 no earlier than April 2004. SIB Loan No. 1 requires annual principal payments beginning June 30, 2005 and ending June 30, 2008 of $1,000,000, $3,000,000, $6,000,000 and $2,000,000, respectively. As of June 30, 2004, MDX has received installments totaling $12,000,000.

On February 14, 2003, MDX entered into an unsecured, non-interest bearing State Infrastructure Bank loan payable to the State of Florida, Department of Transportation (SIB Loan No. 2). Under the loan agreement, three installments will be made: $9,000,000 no earlier than April 2003, $4,000,000 no earlier than April 2004 and $5,000,000 no earlier than April 2006. SIB Loan No. 2 requires annual principal payments beginning June 30, 2007 and ending June 30, 2009 of $5,500,000, $6,500,000 and $6,000,000, respectively. As of June 30, 2004, MDX had received installments totaling $13,000,000.

On August 4, 2003, the Authority entered into an unsecured State Infrastructure Bank loan agreement with the State of Florida Department of Transportation in the amount of $20,000,000 (SIB Loan No. 3). The loan will be made in two installments of $12,500,000 no earlier than April 2004 and $7,500,000 no earlier than April 2005. SIB Loan No. 3 requires annual principal payments beginning June 30, 2010 and ending June 30, 2011 of $7,000,000 and $5,500,000, respectively. As of June 30, 2004, MDX had received installment totaling $12,500,000.

On November 19, 2003, the Florida Department of Transportation approved the Authority's application for an additional State Infrastructure Bank loan in the amount of $11,613,000 at an interest rate of 2.5%. The loan will be made in installments based on the reimbursement construction expenditures made by the Authority on the project specific to the loan agreement. The loan was executed on November 2, 2004. As of June 30, 2004, MDX has received no installments.

The annual debt service requirements for outstanding loans due to other governments as of June 30, 2004 are summarized as follows:

		Principal	Interest
2005	$	5,897,357	174
2006		4,118,151	1,489
2007		11,666,594	1,489
2008		8,666,594	1,489
2009		1,166,594	1,489
2010-13		12,786,542	2,802
	$	44,301,832	8,932

(d) Arbitrage Rebates Payable

The Authority has reported in the accompanying financial statements obligations to rebate arbitrage interest earnings on certain toll revenue bonds. The proceeds of the bonds were used to finance a portion of the cost of certain improvements to the Miami-Dade County Expressway System included within the current five-year work program.

The rebate to the federal government at June 30, 2004 required to be paid within five years from the date of issuance and each five years thereafter, is estimated to be $475,278. The ultimate amount of the Authority's liability will be determined based on actual interest earned.

(e) Defeased Debt

In July 2001, the Authority defeased $79,445,000 of its Series 2000 Bonds scheduled to mature on July 1, 2029 by placing the proceeds of the Series 2001A Bonds in an irrevocable trust. Such proceeds are invested in open market securities and will provide for all future debt service payments on the defeased bonds.

In August 2002, the Authority defeased $30,485,000 of its Series 2000 Bonds scheduled to mature on July 1, 2020 by placing the proceeds of the Series 2002 Bonds (plus other monies) in an irrevocable trust. Such proceeds are invested in State and Local Government securities (SLGS) and will provide for all future debt service payments on the defeased bonds

At June 30, 2004, all defeased bonds remain outstanding.

Changes in liabilities are as follows:

		Balance at June 30, 2003	Additions	Reductions	Total at June 30, 2004	Due Within One Year
Revenue bonds	$	245,064,999	-	(3,166,667)	241,898,332	6,216,667
Premiums, net of amortization		691,030	-	(102,244)	588,786	-
Less deferred/discount amounts:						
Discount, net of amortization		(2,177,706)	-	112,695	(2,065,011)	-
Refunding losses		(8,901,444)	-	492,230	(8,409,214)	-
Total bonds payable, net		234,676,879	-	(2,663,986)	232,012,893	6,216,667

	Balance at June 30, 2003	Additions	Reductions	Total at June 30, 2004	Due Within One Year
Commercial paper	-	80,000,000	-	80,000,000	-
Loans due to other governments	17,755,469	26,900,000	(353,637)	44,301,832	5,897,357
Arbitrage rebates payable	946,089	-	(470,811)	475,278	-
Total long-term liabilities	$ 253,378,437	106,900,000	(3,488,434)	356,790,003	12,114,024

	Balance at June 30, 2002	Additions	Reductions	Total at June 30, 2003	Due Within One Year
Revenue bonds	243,766,667	34,650,000	(33,351,668)	245,064,999	3,166,667
Premiums, net of amortization	1,054,091	-	(363,061)	691,030	-
Less deferred/discount amounts:					
Discount, net of amortization	(1,899,083)	(407,688)	129,065	(2,177,706)	-
Refunding losses	(6,130,809)	(3,502,380)	731,745	(8,901,444)	-
Total bonds payable, net	236,790,866	30,739,932	(32,853,919)	234,676,879	3,166,667
Commercial paper	-	-	-	-	-
Loans due to other governments	9,617,706	9,900,000	(1,762,237)	17,755,469	3,194,820
Arbitrage rebates payable	2,430,708	-	(1,484,619)	946,089	-
Total long-term liabilities	248,839,280	40,639,932	(36,100,775)	253,378,437	6,361,487

(8) Defined-Benefit Pension Plan

The Authority participates in the Florida Retirement System (the Retirement System), a cost-sharing multiple-employer, public employee retirement plan, which covers substantially all of the full-time and part-time employees. The Retirement System was created in 1970 by consolidating several employee retirement systems. All eligible employees as defined by the State of Florida who were hired after 1970, and those employed prior to 1970, who elected to be enrolled, are covered by the Retirement System. Benefits under the plan vest after 6 years of service. Employees who retired at or after age 62, with 6 years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The Retirement 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 of Florida statute.

Pension costs for the Authority as required and defined by the State of Florida statute range between 7.39% and 9.37% of gross salaries for fiscal year 2004. For fiscal year ended June 30, 2004, 2003, and 2002, the Authority contributed 100% of the required contributions. These contributions aggregated $133,443, $65,069, and $76,323, respectively, which represents 8.1%, 5.9%, and 9.3% of covered payroll, respectively.

A copy of the Retirement System's June 30, 2003 annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, FL 32399-1560 or by calling (850) 488-5706.

(9) Commitments and Contingencies

At June 30, 2004, the Authority had in process various uncompleted construction projects with remaining balances totaling $148,670,970.

In addition, the Authority is obligated under a real estate lease expiring in the year 2047 to make annual payments of $300.

As of June 30, 2004, there were a number of claims and lawsuits pending against the Authority. In the opinion of management and legal counsel, the ultimate outcome of such actions will not have a material effect on the financial condition of the Authority.

(10) Subsequent Events

On July 29, 2004, the Authority issued $68,200,000 Toll System Refunding Revenue Bonds, Series 2004A (Non-Taxable) (the Series 2004A Bonds). The bonds were issued for the purpose of providing funds to refund the total outstanding principal amount of the (Taxable) Series 1996 Bonds. The Series 2004A Bonds consist of $68,200,000 Serial Bonds maturing between July 1, 2005 and July 1, 2019, bearing interest at a tax-exempt variable rate. The Series 2004A Bonds are secured under the Indenture on a parity with the Series 1999 Bond, the Series 2000 Bonds outstanding after issuance of the Series 2001A and Series 2002 Bonds, the Series 2001A Bonds, the Series 2002 Bonds and any other Bonds hereafter issued under the Indenture.

On July 29, 2004, the Authority issued $175,000,000 Toll System Revenue Bonds, Series 2004B (Non-Taxable) (the Series 2004B Bonds). The bonds were issued for the purpose of providing funds to pay (a) a portion of the cost of certain improvements to the system included in the five year work program of the Authority in effect from time to time; (b) pay at maturity the Authority's outstanding Toll System Commercial Paper Notes; (c) pay the cost of a debt service reserve facility; and (d) pay costs and expenses relating to the issuance of the bonds. The bonds, net of unamortized net premium totaling $2,809,283, consist of (a) $103,445,000 Serial Bonds maturing between July 1, 2014 and July 1, 2027, bearing interest between 3.85% and 5.25%; and (b) $71,555,000 fixed term bonds at 5%, with semiannual interest payments each January 1, and July 1. The Series 2004B Bonds are secured under the Indenture on a parity with the Series 1999 Bond, the Series 2000 Bonds outstanding after issuance of the Series 2001A and Series 2002 Bonds, the Series 2001A Bonds, the Series 2002 Bonds and any other Bonds hereafter issued under the Indenture.

On October 28, 2004, the Authority entered into three "forward starting" interest rate swaps totaling $241,390,000. Under the swap agreements, the Authority will owe interest at a fixed rate of 4.313% to the counterparties of the swaps beginning March 1, 2005, the anticipated issuance date of the Authority's Series 2005 Bonds. In return, the counterparties will owe the Authority interest based on the variable Bond Market Association Municipal Swap Index (BMA) rate that approximates the tax-exempt variable rate anticipated on the Series 2005 Bonds. The bond principal will not be exchanged; it is only the basis on which the interest payments were calculated. The Authority will continue to pay interest to the bondholders at the variable rate provided by the bonds. However, during the term of the swap agreement, the Authority will effectively pay a fixed rate on the debt. The swaps' total notional amount is anticipated to match the outstanding principal amount of the Series 2005 Bonds. As the principal amount of the bonds declines, the total notional amount of the swaps will also decline by the same amount.

SUPPLEMENTAL SCHEDULES

(UNAUDITED)

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

Schedule of Calculation of Net Revenue and Financial Ratios
as Defined and Required by the Trust Indenture
(Unaudited)

Year ended June 30, 2004

Revenue:	
Tolls	$ 49,410,538
Interest and dividends	2,102,519
Transfer from Rate Stabilization	16,000,000
Other	80,701
	67,593,758
Expenses:	
Operating, general, and administrative	17,657,336
Net revenue	$ 49,936,422
Actual debt service for all bonds outstanding	$ 18,430,868
Actual debt service and fund payments as specified by trust indenture	$ 20,430,868
Ratio of net revenue to debt service for all bonds outstanding (minimum ratio requirement per trust indenture is 1.20)	2.71
Ratio of net revenue (excluding Rate Stabilization transfer) to debt service for all bonds outstanding (minimum ratio requirement per trust indenture is 1.00)	1.84
Ratio of net revenue to certain debt service and fund payments (minimum ratio requirement per trust indenture is 1.00)	2.44

See accompanying independent auditors' report.

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

Schedule of Toll Revenue and Expense Summary ($000's)
(Unaudited)
Years ended June 30,

	1997 (1)	1998	1999	2000	2001	2002	2003	2004
Revenues:								
Toll revenues	$ 11,009	20,051	20,317	34,315	35,697	45,611	44,259	49,411
Interest and miscellaneous income	297	910	977	6,246	10,613	9,355	4,464	2,183
Total revenues	11,306	20,961	21,294	40,561	46,310	54,966	48,723	51,594
Operating and maintenance expenses:								
Operations	2,753	5,786	6,974	9,285	8,772	9,478	8,836	7,844
Maintenance	1,180	3,331	2,680	4,178	3,806	4,836	6,565	4,743
Administrative	796	1,507	3,039	3,068	4,805	6,070	3,164	5,070
Total operation and maintenance expenses	4,729	10,624	12,693	16,531	17,383	20,384	18,565	17,657
Net revenues	$ 6,577	10,337	8,601	24,030	28,927	34,582	30,158	33,937

(1) Beginning December 10, 1996 (Commencement of Planned Principal Operations)

See accompanying independent auditors' report.

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
D/B/A MIAMI-DADE EXPRESSWAY AUTHORITY AND MDX

Schedule of Historical Toll Rates by Vehicle Class
(Unaudited)

Year ended June 30, 2004

	1961 – 1983 (1)	1983 – 1989 (2)	1989 – 1999 (3)	1999 – 2001 (4)	2001- 2003 (5)	2003- 2004 (6)
Motor Vehicles with two axles	$ 0.10	0.25	0.25	0.50	0.75	1.00
Motor Vehicles with three axles	0.15	0.35	0.50	0.75	1.00	2.00
Motor Vehicles with four axles	0.20	0.50	0.75	1.00	1.25	3.00
Motor Vehicles with five axles	0.25	0.60	1.00	1.25	1.50	4.00
Each additional axle	0.05	0.10	0.25	0.25	0.25	1.00

(1) Effective December 22, 1961 with the opening of the Airport Expressway, September 16, 1965 with the opening of the East-West (Dolphin) Expressway and July 8, 1974 with the opening of the South Dade (Don Shula) Expressway.

(2) Effective March 1, 1983 for the Airport Expressway and the East-West (Dolphin) Expressway. Tolls were also changed from two directional (eastbound and westbound) to one directional (eastbound).

(3) Effective May 1, 1989 for the Airport Expressway, the East-West (Dolphin) Expressway, the South Dade (Don Shula) Expressway and January 6, 1992 with the opening of the Gratigny Parkway.

(4) Effective July 11, 1999 for the System. SunPass users receive a 10% discount from the Toll rates provided.

(5) Effective July 1, 2001 for the East-West (Dolphin) Expressway, the South Dade (Don Shula) Expressway and the Gratigny Parkway. The Toll rates on the Airport Expressway were not affected. SunPass users receive a 10% discount from the Toll rates provided.

(6) Effective March 7, 2004 for the East-West (Dolphin) Expressway, the South Dade (Don Shula) Expressway and the Gratigny Parkway. The Toll rates determine by N-1 tolling rates. Airport Expressway increase .25 per motor vehicle axles.

See accompanying independent auditors' report.

REPORT AS REQUIRED BY GOVERNMENT AUDITING STANDARDS

KPMG LLP
Suite 2800
One Biscayne Tower
Two South Biscayne Boulevard
Miami, FL 33131

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the Board
Miami-Dade County Expressway Authority
d/b/a Miami-Dade Expressway Authority and MDX:

We have audited the financial statements of the Miami-Dade County Expressway Authority d/b/a Miami-Dade Expressway Authority and MDX (the Authority) as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated December 6, 2004. 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.

Internal Cover over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Authority in a separate letter dated December 6, 2004.

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

KPMG

This report is intended solely for the information and use of the Authority members, management, and Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 6, 2004

APPENDIX E

THE AMENDED AND RESTATED INDENTURE

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AMENDED AND RESTATED TRUST INDENTURE*

From

Miami-Dade County Expressway Authority

(f/k/a Dade County Expressway Authority)

To

The Bank of New York, as Trustee

Originally Dated as of November 15, 1996

and

Amended and Restated as of June 15, 2002

* Subsequent amendments to the Amended and Restated Trust Indenture are shown in footnotes.

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AMENDED AND RESTATED TRUST INDENTURE

This Amended and Restated Trust Indenture is dated as of June 15, 2002 (as the same may be amended or supplemented from time to time, this "Indenture"), and is from Miami-Dade County Expressway Authority, f/ka Dade County Expressway Authority (together with its successors and assigns as permitted under this Indenture, the "Authority"), a body politic and corporate, a public instrumentality and an agency of the State of Florida (the "State") existing under the Florida Expressway Authority Act (Part I of Chapter 348, Florida Statutes, as amended) (together with any successor provisions of law, the "Act"), to The Bank of New York, a New York banking corporation, as trustee (together with any successor permitted under this Indenture, the "Trustee"). This Indenture amends and restates the Trust Indenture dated as of November 15, 1996 (the "Original Indenture") from Dade County Expressway Authority to the Trustee, which previously had been amended and supplemented by the First Supplemental Trust Indenture (the "First Supplemental Indenture"), the Second Supplemental Trust Indenture (the "Second Supplemental Indenture") and the Third Supplemental Trust Indenture (the "Third Supplemental Indenture") dated as of October 15, 1999, January 1, 2000 and June 1, 2001, respectively, and from the Authority to the Trustee (as so amended and supplemented, the "Prior Indenture").

WITNESSETH:

WHEREAS, the Authority was established by Ordinance No. 94-215, adopted on December 13, 1994, by the Board of County Commissioners of Dade County, Florida, pursuant to the Act; and

WHEREAS, the Act sets forth the Authority's purposes and powers, which include, among others, the powers to: (1) acquire, hold, construct, improve, maintain, operate, own, and lease the expressways located in Dade County and identified more particularly in Exhibit A hereto (together with certain non-roadway assets identified more particularly on Exhibit B hereto and together with any Improvements, as hereinafter defined, the "System"); (2) fix, alter, change, establish, and collect tolls, rates, fees, rentals, and other charges for the services and facilities of the System; (3) utilize surplus revenues to finance or refinance the planning, design, acquisition, construction, maintenance or improvement of a public transportation facility or transportation facilities located in Dade County, Florida or any programs or projects that will improve the levels of service on the System; and (4) borrow money, make and issue negotiable notes, bonds, refunding bonds and other evidence of indebtedness to finance the System; and

WHEREAS, the State of Florida, Department of Transportation (together with any successor to its powers and functions, the "Department") transferred operational and financial control of the System in perpetuity from the Department to the Authority on December 10, 1996 upon the terms and conditions set forth in the Transfer Agreement dated December 10, 1996 (as amended and as the same may be further amended or supplemented from time to time the "Transfer Agreement") between the Department and the Authority; and

WHEREAS, simultaneously with the entry by the Department and the Authority into the Transfer Agreement, the Department and the Authority entered into the following additional agreements with respect to the System, each dated December 10, 1996: (a) Toll Operations and Maintenance Agreement (as the same may be amended or supplemented from time to time, the "Toll Operations and Maintenance Agreement"); (b) Roadway Operations and Maintenance Agreement (as the same may be amended or supplemented from time to time, the "Roadway Operations and Maintenance Agreement"); and (c) SunPass Agreement (as the same may be amended or supplemented from time to time, the "SunPass Agreement"); and

WHEREAS, prior to the entry by the Authority and the Trustee into the Original Indenture, the System was financed with bonds of the State of Florida denominated Full Faith and Credit Dade County Road Refunding Bonds, Series 1993 (the "State Bonds") then outstanding in the aggregate principal amount of $91,300,000 that were supported by revenues of the System and other security; and

WHEREAS, the Authority is issued on December 10, 1996 under the Original Indenture, $80,000,000 in aggregate principal amount of its Dade County Expressway Authority (Florida) Toll System Revenue Bonds, Series 1996 (Taxable) (the "Series 1996 Bonds") and applied a portion of the proceeds of the Bonds and took certain other actions on that date to acquire operational and financial control of the System in perpetuity by defeasing all of the outstanding State Bonds pursuant to the terms and provisions of the Escrow Deposit Agreement dated as of November 15, 1996 (as the same may be amended or supplemented from time to time, the "Escrow Agreement") between the Authority and the State Board of Administration of Florida (together with any successor to its powers and functions, the "SBA"); and

WHEREAS, it was a precondition to the transfer of the System pursuant to the terms of the Transfer Agreement that the 1989 Lease-Purchase Agreement Covering Dade County Road Project dated as of April 5, 1989 (the "Lease-Purchase Agreement") among the Department, the Division of Bond Finance of the SBA (formerly known as the Division of Bond Finance of the Department of General Services of the State of Florida) (the "Division") and Dade County, Florida (the "County") be terminated; and

WHEREAS, the Department, the Division and the County terminated the Lease-Purchase Agreement effective as of and on December 10, 1996; and

WHEREAS, pursuant to the Transfer Agreement, the Department transferred certain moneys to the Authority for application in the manner hereinafter provided; and

WHEREAS, the Authority has also previously issued under the Prior Indenture: (i) $10,000,000 in principal amount of its Miami-Dade County Expressway Authority Toll System Revenue Bond (the "Series 1999 Bond") as a series of Additional Bonds (as defined in the Prior Indenture), (ii) $150,000,000 in aggregate principal amount of its Miami-Dade County Expressway Authority Toll System Revenue Bonds, Series 2000 (the "Series 2000 Bonds"), as a series of Additional Bonds, and (iii) $89,345,000 in aggregate principal amount of its Miami-Dade County Expressway Authority (Florida) Toll System Refunding Revenue Bonds, Series 2001A (the "Series 2001A Bonds"); such Series 1999 Bond, Series 2000 Bonds and Series

2001A Bonds being secured by the Trust Estate (as hereinafter defined) on a parity with the lien thereon in favor of the Series 1996 Bonds and any other series of Additional Bonds that may be issued from time to time hereafter; and

WHEREAS, all things necessary to make the Series 1996 Bonds, the Series 1999 Bond, the Series 2000 Bonds and the Series 2001A Bonds previously authenticated by the Trustee and issued under the Prior Indenture and when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Authority according to the import thereof, and to constitute the Prior Indenture, as amended and restated by this Indenture, a valid pledge of and grant of a lien on the Trust Estate (as hereinafter defined), subject to the provisions of this Indenture, for the purpose of providing for the operation and maintenance of the System and to secure the payment of the principal of, premium, if any, and interest on the Bonds (as hereinafter defined) have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Indenture and the execution and issuance of the Series 1996 Bonds, the Series 1999 Bond, the Series 2000 Bonds and the Series 2001A Bonds, subject to the terms hereof, have in all respects been duly authorized by the Authority;

GRANTING CLAUSES

Now, Therefore, This Indenture Witnesseth:

That in order to provide for the acquisition, construction, installation, equipping, operation and maintenance of the System and to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued under this Indenture, according to the import thereof, and to reimburse any Credit Provider and Liquidity Provider and any Reserve Facility Provider (each as hereinafter defined) for amounts owed to them under any Credit Facility, Liquidity Facility or Reserve Facility (each as hereinafter defined), respectively, but subject to the limitations set forth herein, and the performance and observance of each and every covenant and condition contained herein and in the Bonds, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become Owners thereof, the Authority does hereby assign, pledge and grant a lien upon and a security interest (and does hereby confirm its prior assignment, pledge and grant of a lien upon and a security interest under the Prior Indenture) in all of its right, title and interest in and to the following described property, rights and interests (collectively, the "Trust Estate") to the Trustee and its successors in trust and assigns, to the extent provided in this Indenture:

(a) the Revenues (as hereinafter defined);

(b) the Transfer Agreement; provided, that the assignment made by this clause shall not impair or diminish any obligation of the Authority under the provisions of the Transfer Agreement;

(c) all Funds, Accounts and Subaccounts (each as hereinafter defined) established pursuant to this Indenture other than the Rebate Fund (as hereinafter defined) and all moneys and securities and earnings in such funds, accounts and subaccounts; and

(d) Any and all other contracts, instruments, moneys, revenues or sources of revenues *(including, without limitation,* pledged tax receipts of any type and from any source), securities and property furnished from time to time to the Trustee by the Authority or on behalf of the Authority or by any other Persons to be held by the Trustee as part of the Trust Estate under the terms of this Indenture;

But in trust nevertheless, for the equal and proportionate benefit and security of the Bonds issued and to be issued under the Prior Indenture and hereunder and secured by this Indenture, including any Bonds hereafter issued, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of the Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in this Indenture);

Provided, however, that prior to the occurrence of an Event of Default (as hereinafter defined) the lien on and pledge of the Trust Estate conferred by this Indenture in favor of the Trustee shall be subject in all respects to the provisions of this Indenture that require the application of Revenues or other moneys to the funds created under this Indenture, including in each case any account or subaccount established therein, prior to the application of such Revenues or other moneys for the payment of the principal or redemption price of and the interest on the Bonds. No Owner of any Bond has the right to compel any exercise of the taxing power of any unit of government to pay the principal or Redemption Price of the Bonds or the interest thereon.

Notwithstanding the foregoing provisions of these Granting Clauses:

(i) moneys in and investments of the Rebate Fund (as hereinafter defined) shall not be pledged to the payment of the Bonds and shall be applied solely to the payment of rebate amounts due to the United States of America with respect to Bonds or payments in lieu thereof or as otherwise provided in this Indenture; and

(ii) upon the occurrence of an Event of Default (as hereinafter defined) the Trustee shall have a first lien on amounts held pursuant to Section 9.04.

Provided Further, however, that these presents are upon the condition that, if the Authority, or its successors, shall well and truly pay or cause to be paid, or provide for the

payment of all principal, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner stipulated therein and herein, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force;

And it is hereby covenanted and agreed by and among the Authority, the Trustee and the Owners from time to time of the Bonds, that the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. DEFINITIONS. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bonds and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

"Account" shall mean any account created and maintained pursuant to this Indenture.

"Accountant" shall mean the independent certified public accountants or firm of independent certified public accountants retained by the Authority under the provisions of Section 7.05 to perform and carry out the duties imposed on the Accountant by this Indenture.

"Accreted Value" shall mean, 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 for in any Supplemental Indenture relating to said Capital Appreciation Bond.

"Act" shall have the meaning ascribed to it in the introductory paragraph of this Indenture.

"Additional Bonds" shall mean the Bonds issued pursuant to the provisions of Section 2.08 on a parity with Outstanding Bonds.

"Administrative Expenses" shall mean the reasonable and necessary general and administrative expenses of the Authority including salaries of Authority administrative personnel, any taxes which may be lawfully imposed on the System or its income or operations and reserves therefor, the amount necessary to compensate any Fiduciary in accordance with the provisions of this Indenture, including, but not limited to, Section 8.04, and any other administrative expenses required to be paid under the provisions of this Indenture or by law, as such expenses are determined to have been incurred in accordance with the method of accounting used in the preparation of the annual financial statements of the Authority including, to the extent so determined, expenses not annually recurring, but excluding: (i) any allowance for depreciation, or amortization; and (ii) any deposits or transfers to the credit of the Funds, Accounts or Subaccounts; provided, however, that to the extent such Administrative Expenses relate, all or in part, to a future period of time they shall be prospectively determined by reference to the Annual Budget, to the extent applicable to the future period, and to any projections authorized to be used herein, to the extent applicable to the future period.

"Alternate Credit Facility" shall mean a Credit Facility provided pursuant to the terms of Section 13.03.

"Alternate Credit Facility Date" shall have the meaning ascribed to it in Section 13.03.

"Alternate Liquidity Facility" shall mean a Liquidity Facility provided pursuant to the terms of Section 13.06.

"Alternate Liquidity Facility Date" shall have the meaning ascribed to it in Section 13.06.

"Amortization Requirements" shall mean the money required to be deposited in the Sinking Fund for the purpose of the mandatory redemption or payment at maturity of any Term Bonds issued pursuant to this Indenture, the specific amounts and times of such deposits to be as provided in Section 3.01 with respect to the Series 1996 bonds and to be determined in the Supplemental Indenture authorizing the issuance of such Term Bonds.

"Annual Budget" shall mean the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 5.04.

"Annual Repayment Requirements" shall mean, for any given Fiscal Year, the total of the following: (i) the Net Liabilities (as defined in the Transfer Agreement) payable by the Authority for such Fiscal Year as set forth in Exhibit F to the Transfer Agreement, if any; (ii) the SunPass Installation Costs (as defined in the SunPass Agreement) payable by the Authority for such Fiscal Year pursuant to the SunPass Agreement, if any; (iii) Environmental Liabilities (as defined in the Transfer Agreement) payable by the Authority for such Fiscal Year pursuant to the Transfer Agreement, if any; and (iv) Overruns (as defined in the Toll Operations and Maintenance Agreement and the Roadway Operations and Maintenance Agreement), if any. As used in this Indenture, clauses (i) and (ii) of the definition of Annual Repayment Requirements

shall constitute the Non-contingent Portion of the Annual Repayment Requirements and clauses (iii) and (iv) shall constitute the Contingent Portion of Annual Repayment Requirements.

"Appreciated Value" shall mean, 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 Bond from the date of original issuance of such 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 any Supplemental Indenture authorizing the issuance of said 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.

"Authority" shall have the meaning ascribed to it in the introductory paragraph to this Indenture.

"Authority Account" shall mean the Account by that name established in the General Fund.

"Authority Counsel" shall mean Greenberg Traurig, P.A., Edwards & Carstarphen and any other legal counsel appointed by the Authority to represent its legal interests.

"Authorized Denomination" means (a) in the case of the Series 1996 Bonds, (i) while the Series 1996 Bonds bear interest at a Daily, Weekly or Monthly Rates, $100,000 and integral multiples of $5,000 over $100,000, and (ii) while the Series 1996 Bonds bear interest at a Quarterly, Semiannual, Extended or Fixed Rate, $5,000, and integral multiples thereof, (b) in the case of the Series 1999 Bond, its unpaid principal balance from time to time, (c) in the case of the Series 2000 Bonds and the Series 2001A Bonds, $5,000, and integral multiples thereof, and (d) in the case of other Series of Bonds, such denominations as shall be authorized in the Supplemental Indenture authorizing the issuance of such Bonds.

"Authorized Officer" shall mean, when used with respect to the Authority, the Chairman, the Vice Chairman, the Executive Director, and any other officer or employee of the Authority designated from time to time by resolution of the Authority as an Authorized Officer under this Indenture.

"Average Annual Debt Service Requirement" shall mean, as of any date and with respect to a particular Series of Bonds, the arithmetic average of the Principal and Interest Requirements in the then current and each succeeding Fiscal Year.

"Average Rate" shall mean the rate determined by dividing the total amount of interest paid on all Variable Rate Bonds for a given period by the average principal amount of all Variable Rate Bonds Outstanding during that period.

"Bonds" shall mean, collectively, Outstanding Series 1996 Bonds, the Outstanding Series 1999 Bond, Outstanding Series 2000 Bonds, Outstanding Series 2001A Bonds, Completion Bonds, Additional Bonds and Refunding Bonds.

"Bond Counsel" shall mean any firm of nationally recognized municipal bond attorneys selected by the Authority, including co-counsel to such firm, each of which shall be and experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for purposes of federal income taxation.

"Bond Registrar" shall mean a bank or trust company, either within or without the State of Florida, designated as such by resolution of the Authority, which shall perform such functions as Bond Registrar as are required by this Indenture with respect to one or more Series of Bonds. Notwithstanding the preceding sentence, the Trustee shall be the initial Bond Registrar.

"Bondholder" (or "Owner") shall mean the registered owners of the Bonds as shown on the registration books of the Bond Registrar maintained pursuant to Section 2.04.

"Business Day" means any date other than (i) Saturday or Sunday, (ii) a day on which the Trustee, any Credit Provider or any Liquidity Provider is lawfully closed, (iii) a day on which the federal reserve bank for the federal reserve district in which the Trustee or Tender Agent is located is closed; or (iv) a day on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" shall mean 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 any Supplemental Indenture authorizing the issuance of such Bonds and which may be either Serial Bonds or Term Bonds.

"Capital Appreciation and Income Bonds" shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in any Supplemental Indenture authorizing the issuance of such Bonds and with respect to which, until said Interest Commencement Date, the Appreciated Value is compounded periodically on each Compounding Date.

"Capitalized Interest" shall mean proceeds of Bonds set aside to pay the interest costs on Bonds that will accrue during the construction of a Project or other specified period, the amount of which shall be set forth in the Supplemental Indenture authorizing the issuance of the Bonds, the proceeds of which shall be applied for such purpose.

"Chairman" shall mean the Person appointed to serve as the Chairman of the Authority or his designee or the Person succeeding to his principal function.

"Code" shall mean the applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Completion Bonds" shall mean the Bonds issued pursuant to the provisions of Section 2.07 on a parity with Outstanding Bonds.

"Compounding Date" shall mean, with respect to any Capital Appreciation Bond and Capital Appreciation and Income Bond, the dates on which interest shall compound, as specified in any Supplemental Indenture authorizing the issuance of such Bonds.

"Construction Fund" shall mean the Fund of that name created and maintained pursuant to Section 4.01.

"Consulting Engineer" shall mean the engineer, engineering firm, traffic consultant or traffic consulting firm at the time retained by the Authority pursuant to Section 7.05 to carry out and perform the duties imposed on the Consulting Engineer by this Indenture. The Authority may retain the services of more than one Consulting Engineer to perform duties and services required of the Consulting Engineer under this Indenture.

"Continuing Disclosure Agreement" shall mean, with respect to one or more Series of Bonds, the Continuing Disclosure Agreement entered into between the Authority, the dissemination agent specified therein and such other Persons who are determined to be Obligated Persons (within the meaning of Rule 15c2-12 of the Securities and Exchange Commission) with respect to such Bonds, as same may be amended from time to time, in order to comply with Rule 15c2-12 of the Securities and Exchange Commission.

"Conversion Date" means:

(a) When used with respect to a Fixed Rate, the date on which a Fixed Rate becomes effective pursuant to Section 2.06(m); and

(b) When used with respect to any particular Variable Rate Period, the date on which such Rate Period first becomes effective pursuant to Section 2.06.

"Convertible Bonds" shall mean Bonds issued under this Indenture which are convertible, at the option of the Authority, into a form of Bonds which are permitted by this Indenture other than the form of such Bonds at the time they were issued.

"Corporation Rate" shall mean the rate of interest per annum borne by Provider Bonds, which shall equal the Prime Rate plus 1% or, if applicable the Default Rate; provided however that the Corporation Rate shall not exceed the lesser of 12% per annum or the maximum rate permitted by applicable law.

"Cost" shall mean, as applied to a Project, the aggregate cost of construction of the Project, and all obligations and expenses relating thereto, including all items of cost which are set forth in Section 4.03.

"Counterparty" shall mean a financial institution whose long-term debt obligations, or whose payment obligations under a Hedge Agreement are guaranteed by an entity, whose senior long-term debt obligations are rated (on the date the Hedge Agreement is entered into) at least "A-" by S&P or "A3" by Moody's.

"County" shall have the meaning ascribed to it in the recitals to this Indenture.

"Credit Facility" shall mean the Initial Credit Facility and each and every other 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. The term "Credit Facility" shall also include and "Alternate Credit Facility."

"Credit Provider" shall mean the Initial Credit Provider and each and every other provider of a Credit Facility, if any, with respect to any Series of Bonds.

"Daily Rate" shall mean the interest rate determined for the Bonds for a Daily Rate Period pursuant to Section 2.06(c).

"Daily Rate Period" shall mean, while the Series 1996 Bonds bear interest at the Daily Rate, the period commencing on each Business Day to but excluding the following Business Day.

"Debt Service Reserve Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.06.

"Debt Service Reserve Fund Deposit Requirement" shall mean an amount in each of the twelve successive months beginning with the month following any month in which any amount shall have been withdrawn from the Debt Service Reserve Fund (or drawn under a Reserve Facility) or a deficiency is determined to exist upon valuation of the Debt Service Reserve Fund pursuant to Section 6.02, equal to one-twelfth of the deficiency created by such withdrawal (or draw under a Reserve Facility) or resulting from such valuation until such deficiency is made up. In the case of a draw under the Initial Reserve Facility, such deficiency shall include all Policy Costs then due and owing under the Series 1996 Debt Service Reserve Fund Policy Agreement.

"Debt Service Reserve Fund Requirement" shall mean, as of any date of calculation, an amount equal to the least of: (i) the maximum Principal and Interest Requirements on the Bonds in the current or any future Fiscal Year for the Bonds; (ii) 125% of the Average Annual Debt Service Requirement for the Bonds; or (iii) 10% of the proceeds of the Bonds. The Debt Service Reserve Fund Requirement may be satisfied, in whole or in part, by the deposit of a Reserve Facility.

"Default Rate" shall mean, with respect to Provider Bonds, a rate of interest per annum equal to the Prime Rate plus 3%.

"Department" shall have the meaning ascribed to it in the recitals to this Indenture.

"Department Operation and Maintenance Expenses" shall mean, for a given period, Operation and Maintenance Expenses incurred by the Department pursuant to the Toll Operations and Maintenance Agreement, the Roadway Operations and Maintenance Agreement and the SunPass Agreement, as such amounts have been determined by the Authority with reference to the Annual Budget and in accordance with such agreements.

"Depositary" shall mean any bank, savings association or trust company duly authorized by law to engage in its business and to receive Authority funds and designated by an Authorized Officer as a depositary of moneys under the provisions of this Indenture.

"Deposit Day" shall mean the day on or before the twenty-fifth (25th) day of each month (or such other day that may be designated in a Supplemental Indenture as a "Deposit Day" in respect of a Series of Bonds) on which day a withdrawal from the Revenue Fund and a deposit to one or more other Funds, Accounts or Subaccounts is required to accomplish the payments and transfers required by such Supplemental Indenture.

"Direct Participant" shall mean a participant in the DTC Book-Entry Only System on whose DTC accounts ownership interests in securities are credited.

"DTC" means The Depository Trust Company, New York New York, and its successors and assigns.

"Eligible Funds" means:

(a) Bonds proceeds deposited with the Trustee contemporaneously with the issuance and sale of Bonds (other than proceeds of sale of Bonds to the Authority) and which were continuously thereafter subject to the lien of this Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which were not Eligible Funds were at any time held while such Bond proceeds were held therein, together with the investment earnings thereon;

(b) Moneys (i) held in any Fund, Account or Subaccount in which no other moneys which are not Eligible Funds are held, and (ii) which have been on deposit with the Trustee for at least three hundred sixty-six (366) consecutive days during which period no Event of Bankruptcy shall have occurred, together with the investment earnings thereon;

(c) Proceeds of a drawing under the Credit Facility or the Liquidity Facility; and

(d) Proceeds from the issuance and sale of Refunding Bonds and any other moneys deposited with the Trustee if there is delivered to the Trustee at the time of the issuance and sale of such Refunding Bonds or the deposit of such other moneys with the Trustee a written opinion of nationally recognized bankruptcy counsel to the effect that payments with such proceeds or other moneys, as the case may be, of principal of, premium, if any, or interest on the Bonds would not be avoidable transfers under the United States Bankruptcy Code should an Event of Bankruptcy hereafter occur.

"Escrow Agent" shall mean a bank or trust company, either within or without the State of Florida, having fiduciary powers and designated as Escrow Agent in an Escrow Deposit Agreement and performing such functions as are required by such Escrow Deposit Agreement.

"Escrow Agreement" shall have the meaning ascribed to it in the recitals to this Indenture. The Escrow Agreement shall not be considered to be an Escrow Deposit Agreement within the meaning of this Indenture.

"Escrow Deposit Agreement" shall mean an Escrow Deposit Agreement, by and between the Authority and an Escrow Agent, pursuant to which cash and Escrow Securities will be held by the Escrow Agent to provide for payment, in whole or in part, of one or more specified Series of Bonds.

"Escrow Securities" shall mean cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligations or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated "AAA" by S&P or "Aaa" by Moody's (or any combination thereof). Also, "Escrow Securities" shall include United States Agency for International Development securities fully and unconditionally guaranteed as to the payment of principal and interest by the United States of America, where such securities shall be scheduled to mature at least fifteen days prior to the date on which the maturing principal of and interest on such securities are required to pay when due the principal of and premium, if any, and interest due and to become due on Bonds deemed paid within the meaning of Section 12.01 of this Indenture on or prior to the redemption date or maturity date thereof, as the case may be.

"Event of Bankruptcy" means the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code pursuant to Sections 301 or 303 thereof by or against the Authority.

"Event of Default" shall have the meaning ascribed to it in Section 9.02.

"Extended Rate" shall mean the interest rate determined for the Series 1996 Bonds for an Extended Rate Period pursuant to Section 2.06(h).

"Extended Rate Period" shall mean, while the Series 1996 Bonds bear interest at the Extended Rate, the period commencing on the Extended Rate Conversion Date and on the first Business Day of the calendar month following the last day of the prior Rate Period, extending for a period of one year or integral multiples of six months in excess of one year as established by the Remarketing Agent and ending on a day which is the last day preceding the first Business Day of a calendar month.

"Fiduciary" shall mean, collectively, the Trustee, Bond Registrar and Paying Agent, or, as the context may require, any one of them.

"First Supplemental Indenture" shall have the meaning ascribed to it in the introductory paragraph of this Indenture.

"Fiscal Year" shall mean the period established as the Authority's fiscal year, presently commencing July 1 of each year and concluding on June 30 of the following year, as the same may be changed from time to time by resolution of the Authority, a copy of which shall have been provided to the Trustee.

"Fitch" shall mean Fitch Investors Service, L.P. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by written notice of an Authorized Officer to the Trustee.

"Fixed Rate" means an interest rate to be determined for the Series 1996 Bonds pursuant to Section 2.06(p).

"Fixed Rate Period" means the period of time during which the Series 1996 Bonds bear interest at a Fixed Rate.

"Fund" shall mean any fund created and maintained pursuant to this Indenture.

"General Account" shall mean the Account of that name established in the General Fund.

"General Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.06.

"Government Obligations" shall mean direct obligations of, or obligations the full and timely payment of the principal of and interest on which are guaranteed by, the United States of America.

"Hedge Agreement" shall mean the Series 1996 Cap Agreement and shall also include 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 Authority as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the Authority and a Counterparty; provided that such arrangement shall be specifically designated in a certificate of the Executive Director as a "Hedge Agreement" for purposes of this Indenture; and provided further that, at the time of entering into such Hedge Agreement, the Authority shall have obtained written evidence that the Counterparty satisfies the requirements for a Counterparty set forth in the definition of such term in this Article I.

"Hedge Charges" shall mean charges payable by the Authority to a Counterparty upon the execution, renewal or termination of any Hedge Agreement and any periodic fee payable by the Authority to keep such Hedge Agreement in effect and other payments required thereby.

"Hedge Obligations" shall mean net payments required to be made by the Authority 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.

"Hedge Receipts" shall mean net payments received by the Authority from a Counterparty under a Hedge Agreement.

"Improvements" shall mean any extension, enlargement, improvement, equipping, construction, renovation, repair, replacement, rehabilitation or acquisition of all or any portion of the System, but only to the extent that the same shall have been determined by resolution of the Authority to be or to become a part of the System.

"Indenture" shall have the meaning ascribed to it in the introductory paragraph hereof.

"Initial Credit Facility" shall mean the municipal bond new issue insurance policy issued by the Initial Credit Provider that guarantees payment of principal of and interest on the Series 1996 Bonds.

"Initial Credit Provider" shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Initial Liquidity Facility" shall mean the Standby Bond Purchase Agreement dated as of December 1, 1996 between the Trustee and the Initial Liquidity Provider, as the same may be amended or supplemented from time to time in accordance with its terms.

"Initial Liquidity Provider" shall mean FGIC Securities Purchase, Inc., a Delaware corporation, or any successor thereto.

"Initial Reserve Facility" shall mean the municipal bond debt service reserve fund policy issued by the Initial Reserve Facility Provider that guarantees payment of an amount up to 50% of the Debt Service Reserve Fund Requirement as calculated with respect to the Series 1996 Bonds.

"Initial Reserve Facility Provider" shall mean Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Interest Commencement Date" shall mean, with respect to any particular Capital Appreciation and Income Bonds, the date specified in any Supplemental Indenture 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.

"Interest Payment Date" shall mean, with respect to the Series 1996 Bonds:

(a) When the Series 1996 Bonds bear interest at the Daily, Weekly or Monthly Rate, the first Business Day of each calendar month commencing with the first Business Day of the calendar month following the initial issuance and delivery of the Series 1996 Bonds;

(b) When the Series 1996 Bonds bear interest at the Quarterly Rate, the first Business Day of the third calendar month following the Quarterly Rate Conversion Date and subsequently the first Business day of each third calendar month thereafter;

(c) When the Series 1996 Bonds bear interest at the Semiannual or Extended Rate, the first Business Day of the sixth month following the Semiannual or Extended Rate Conversion Date and subsequently the first Business Day of each sixth calendar month thereafter; and

(d) When the Series 1996 Bonds bear interest at the Fixed Rate, each January 1 and July 1 after the Fixed Rate Conversion Date.

"Interest Payment Date" means, with respect to the Series 1999 Bond, the Series 2000 Bonds and the Series 2001A Bonds, each January 1 and July 1, commencing January 1, 2000 for the Series 1999 Bond, commencing on July 1, 2000 for the Series 2000 Bond, and commencing on January 1, 2002 for the Series 2001A Bond. "Interest Payment Date" means with respect to other Series of Bonds, the dates on which interest on such Bonds is payable as specified in the Supplemental Indenture authorizing the issuance of such Bonds.

"Investment Securities" shall mean any of the following to the extent the same are at the time legal for investment by the Authority pursuant to applicable law and any other investment securities approved by the Credit Provider:

(a) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");

(b) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; 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 letter of credit-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; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; and Resolution Funding Corporation securities;

(c) 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, "A" 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, "A" or better by Moody's and "A" or better by S&P;

(d) 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;

(e) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's and "Short-Term CD" rating of "A-1" or better by S&P;

(f) Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;

(g) Investments in money market funds rated "AAAm" or "AAAm-G" by S&P;

(h) Repurchase agreements collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to Securities Investors' 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:

(i) a master repurchase agreement or specific written repurchase agreement governs the transaction;

(ii) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent ("Agent") for the Trustee, 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 Provider, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee;

(iii) 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 Trustee;

(iv) the repurchase agreement has a term of 180 days or less, and the Trustee 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

(v) 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%;

(vi) Investment agreements, the issuer, form and substance of which are specifically approved by the Credit Provider; and

(vii) The Local Government Surplus Funds Trust Fund administered by the State Board of Administration of Florida.

"Lease-Purchase Agreement" shall have the meaning ascribed to it in the recitals to this Indenture.

"Liquidity Facility" shall mean 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 Owners thereof. The term "Liquidity Facility" shall also include an Alternate Liquidity Facility.

"Liquidity Provider" shall mean the Initial Liquidity Provider and each other provider of a Liquidity Facility, if any, with respect to any Series of Bonds.

"Maximum Rate" shall mean, with respect to the Series 1996 Bonds prior to the conversion of the Series 1996 Bonds to the Fixed Rate, 15% so long as the Series 1996 Bonds are Taxable Bonds or 12% so long as the Series 1996 Bonds are not Taxable Bonds, and, thereafter, the highest rate of interest allowed by law. "Maximum Rate" shall mean, with respect to other Series of Bonds, the lower of the highest rate of interest allowed by law and such rate as shall be determined as the "Maximum Rate" for such Bonds in the Supplemental Indenture authorizing the issuance thereof.

"Monthly Rate" shall mean the interest rate determined for a Monthly Rate Period pursuant to Section 2.06(e).

"Monthly Rate Period" shall mean, while the Series 1996 Bonds bear interest at the Monthly Rate, the period commencing on the first Business Day of each month to but excluding the first Business Day of the following month.

"Moody's" shall mean Moody's Investors Service, Inc. and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by written notice of an Authorized Officer to the Trustee.

"Net Proceeds" shall mean proceeds from any insurance, condemnation, performance bond, federal or state flood disaster assistance or any other financial guaranty (except a Credit Facility, Liquidity Facility or a Reserve Facility) paid with respect to the System remaining after payment therefrom of all reasonable expenses, including attorneys' fees, incurred in the collection thereof; and, with respect to insurance, to the extent the Authority elects to self-insure, any moneys payable from any appropriation made by the Authority with respect to such self-insurance.

"Net Revenues" shall mean, for any period, the amount of the excess of Revenues over the amounts paid from the Revenue Fund for Operation and Maintenance Expenses during such period.

"Non-contingent Portion of Annual Repayment Requirements" shall have the meaning ascribed to it in the definition of Annual Repayment Requirements.

"Obligated Person" shall have the meaning ascribed to it in Rule 15c2-12 of the Securities and Exchange Commission.

"Operation and Maintenance Expenses" shall mean the reasonable and necessary Administrative Expenses (but only to the extent the same otherwise constitute Operation and Maintenance Expenses within the meaning of this definition), Department Operation and Maintenance Expenses (but only to the extent the same otherwise constitute Operation and Maintenance Expenses within the meaning of this definition) and the reasonable and necessary expenses of maintenance, repair and operation of the System and its toll facilities, including, without limitation, all ordinary and usual expenses of maintenance and repair, insurance premiums, engineering expenses, legal expenses, the costs of collecting and accounting for Tolls, employee bond premiums, payments in satisfaction of the obligations of the Authority under Section 7.15, amounts due in respect of fees and expenses under the Payment Agreement or any similar agreement with respect to a Credit or Liquidity Facility, and any other similar expenses required to be paid with respect to the System under the provisions of this Indenture or by law, as such expenses are determined to have been incurred in accordance with the method of accounting used in the annual financial statements of the Authority, including, to the extent so determined, expenses not annually recurring, but excluding: (i) any reserves for extraordinary maintenance or repair; (ii) any allowance for depreciation or amortization; (iii) any deposits or transfers to the credit of the Funds and Accounts.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel, in form and substance satisfactory to the Trustee, and except as may be otherwise specifically set forth in this Indenture, to the effect that the action proposed to be taken is authorized or permitted by the laws of the State and this Indenture and will not adversely affect the validity of the Bonds under the

laws of the State or, except to the extent that any of the Bonds shall be Taxable Bonds, the exclusion from gross income for federal income tax purposes of interest on any Bonds.

"Opinion of Counsel" means an opinion in writing signed by an attorney or firm of attorneys acceptable to the Trustee who may be Authority Counsel or other counsel.

"Outstanding" shall mean, when used with reference to the Bonds or any of them, all Bonds theretofore delivered except: (a) Bonds deemed to have been paid in accordance with Section 3.05 or Section 12.01; (b) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, mutilated, stolen or lost; (c) Bonds paid, redeemed or delivered to or acquired by the Authority for cancellation; and (d) for purposes of any consent or other action to be taken hereunder by the Owners of a specified percentage of principal amount of Bonds, the Bonds held by or for the account of the Authority.

"Owner" (or "Bondholder") shall mean the registered owners of the Bonds as shown on the registration books of the Bond Registrar maintained pursuant to Section 2.04.

"Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly in the Book-Entry System maintained pursuant to Section 2.12.

"Participating Underwriter" shall mean, with respect to a Series of Bonds, any original underwriter of such Bonds identified as a "Participating Underwriter" in a Continuing Disclosure Agreement relating to such Bonds.

"Paying Agent" shall mean a bank or trust company, either within or without the State of Florida, designated as such by resolution of the Authority, which shall perform such functions as Paying Agent as are required by this Indenture with respect to one or more Series of Bonds. Notwithstanding the preceding sentence, the Trustee shall be the initial Paying Agent for the Series 1996 Bonds.

"Payment Agreement" shall mean the Payment Agreement dated as of December 1, 1996 among the Authority, the Trustee and the Initial Liquidity Provider, as the same may be amended or supplemented from time to time in accordance with its terms. The Authority hereby authorizes and directs the Trustee to enter into the Payment Agreement.

"Payment Obligations" mean amounts owed by the Authority to the Credit Provider pursuant to the reimbursement agreement in effect between them and the amounts owed by the Authority to the Liquidity Provider pursuant to the reimbursement agreement in effect between them.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, unless the context shall otherwise indicate.

"Policy Costs" shall have the meaning ascribed to it in the Series 1996 Debt Service Reserve Fund Policy Agreement.

"Prime Rate" shall mean, with respect to Provider Bonds, the rate of interest publicly announced by JPMorgan Chase Bank or its successor from time to time as its "Prime Rate".

"Principal and Interest Requirements" shall mean the respective amounts which are required in each Fiscal Year to provide:

(a) for paying the interest on all Bonds then Outstanding which is payable on each Interest Payment Date in such Fiscal Year (the "Interest Requirement");

(b) for paying the principal of all Serial Bonds then Outstanding which is payable upon the maturity of Serial Bonds in such Fiscal Year (together with clause (c) immediately below, the "Principal Requirement"); and

(c) for paying the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year (together with clause (b) immediately above, the "Principal Requirement").

For purpose of computing (a), (b) and (c) above, any principal, interest or Amortization Requirements due on the first day of a Fiscal Year shall be deemed due in the preceding Fiscal Year.

The following rules shall apply in determining the amount of the Principal and Interest Requirements for any Fiscal Year:

(i) the interest rate on Variable Rate Bonds shall be assumed to be: (A) for all purposes other than determining whether the test for issuing Additional Bonds set forth in Section 2.08 is met or determining compliance with the Debt Service Reserve Fund Requirement, the Average Rate of interest on all Variable Rate Bonds during the twelve months ending with the month preceding the date of calculation or such shorter period of time as such Variable Rate Bonds may have been Outstanding or, in the event there were no Variable Rate Bonds Outstanding during the twelve months preceding the date of calculation, then the initial rate of interest; or (B) for purposes of determining whether the test for issuing Additional Bonds set forth in Section 2.08 is met and for determining compliance with the Debt Service Reserve Fund Requirement, (1) with respect to Taxable Bonds, a rate equal to the bond equivalent yield on United States Treasury Obligations with maturities comparable to the average weighted maturities of the Taxable Bonds then outstanding, plus 50 basis points, which yield shall be calculated in accordance with standard practices in the banking industry, and (2) with respect to Bonds that are not Taxable Bonds, a rate equal to the most recently published Bond Buyer 25 Bond Revenue Index (or a comparable index, if such index is no longer published), plus 50 basis points;

(ii) in the case of Put Bonds, the date or dates on which the Owner of such Put Bonds may elect or be required to tender such Bonds for payment or purchase shall be ignored if the source for said payment or purchase is a Credit Facility or a Liquidity Facility and the stated dates for Amortization Requirements

and principal payments thereof shall be used for purposes of this calculation; provided, however, that during any period of time after the Credit Provider has advanced funds under a Credit Facility or a Liquidity Provider 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 Credit Facility or 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 in that Fiscal Year's calculation shall be included;

(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 in that Fiscal Year's calculation shall be included;

(v) in the case of Convertible Bonds, the calculations shall be based on the form of the Bonds as of the time of the calculation without regard to any unexercised conversion feature; and

(vi) if interest on a Series of 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 Amortization Requirements are payable from investment earnings retained or deposited in the Sinking Fund in accordance with Section 6.02, interest, principal and Amortization Requirements on such Series of Bonds shall be included in Principal and Interest Requirements only to the extent of the amount of interest, Principal and Amortization Requirements payable in a Fiscal Year from amounts other than amounts so funded to pay same.

(vii) To the extent that the Authority 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 Counterparty or an entity guarantying its obligations under such Hedge Agreement maintains a rating on its senior long-term debt obligations of at least "BBB" from S&P or "Baa2" from Moody's, for the purpose of determining the 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 Authority's Hedge Obligations under the Hedge Agreement are computed based upon a fixed rate of interest, the actual rate of interest upon which the Authority's Hedge Obligations are computed under such Hedge Agreement, and (B) if the Authority's Hedge Obligations under the Hedge Agreement are computed based upon a variable rate of interest, the average rate of interest for the

Authority'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 Authority'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 agreed upon by the Authority and the Counterparty which is generally consistent with the formula which shall be used to determine the Authority's Hedge Obligations; "average rate" with respect to the Authority's Hedge Obligations for the prior Fiscal Year shall mean the rate determined by dividing the total annualized amount paid by the Authority 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" shall mean Improvements to the System described in a Supplemental Indenture, as the same may be modified or amended as provided in Section 4.04.

"Provider Bonds" shall have the meaning ascribed to it in Section 3.10(d)(ii).

"Purchase Date" means the date upon which the Tender Agent is obligated to purchase a Series 1996 Bond or Series 1996 Bonds pursuant to Article III.

"Purchase Price" of any Series 1996 Bond required to be purchased by the Tender Agent pursuant to Article III means an amount equal to the principal amount of such Series 1996 Bond plus, if the Purchase Date is other than an Interest Payment Date, accrued interest thereon, at the rate applicable to the Series 1996 Bond from the most recent Interest Payment Date and up to but excluding the Purchase Date.

"Put Bonds" shall mean all Bonds which, in accordance with this Indenture (including any Supplemental Indenture authorizing the issuance of a Series of Bonds), may be tendered for payment or purchase by or on behalf of the Authority prior to the stated maturities thereof.

"Quarterly Rate" shall mean the interest rate determined for the Series 1996 Bonds for any Quarterly Rate Period pursuant to Section 2.06(f).

"Quarterly Rate Period" shall mean, while the Series 1996 Bonds bear interest at the Quarterly Rate, the period commencing on the Quarterly Rate Conversion Date for the Series 1996 Bonds, and on the first Business Day of each third calendar month thereafter, to but excluding the first Business Day of the third calendar month thereafter.

"Rate Period" or "Period" shall mean, when used with respect to any particular rate of interest applicable to the Series 1996 Bonds (whether a Daily, Weekly, Monthly, Quarterly, Semiannual, Extended or Fixed Rate), the period during which such rate of interest will remain in effect pursuant to Section 2.06.

"Rate Stabilization Account" shall mean the Account of that name established in the General Fund.

"Rating Agency" shall mean Fitch, Moody's or S&P, or whichever of them shall maintain a rating on any of the Bonds at a given time.

"Rebate Fund" shall mean the Fund of that name created and maintained pursuant to Section 7.15.

"Record Date" shall mean, in the case of the Series 1996 Bonds (i) the Business Day immediately prior to the Interest Payment Date in question in the case of the Daily and Weekly Rate Periods, (ii) the last Business Day at least five (5) days prior to the Interest Payment Date in question in the case of the Monthly Rate Periods, and (iii) the 15th day (whether or not a Business Day) of the calendar month immediately preceding such Interest Payment Date in the case of a Quarterly, Semiannual, Extended Rate or Fixed Rate Period. "Record Date" shall mean, in the case of any other Bonds, the date fifteen days next preceding an Interest Payment Date, whether or not a Business Day, or the date otherwise designated as such in any Supplemental Indenture authorizing the issuance of such Bonds.

"Refunding Bonds" shall mean the Bonds issued pursuant to the provisions of Section 2.09 on a parity with any Outstanding Bonds.

"Remarketing Agent" means the remarketing agent appointed pursuant to Section 13.07.

"Remarketing Agreement" means the Remarketing Agreement dated as of even date herewith between the Authority and the Remarketing Agent.

"Renewal and Replacement Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.06.

"Reserve Facility" shall mean the Initial Reserve Facility and any other insurance policy, surety bond, irrevocable letter of credit or other credit agreement or similar facility maintained by the Authority in lieu of or in partial substitution for cash or securities on deposit in the Debt Service Reserve Fund.

"Reserve Facility Provider" shall mean the Initial Reserve Facility Provider and any other provider of a Reserve Facility.

"Revenue Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.05.

"Revenues" shall mean all Tolls, revenues, rates, fees, charges and rentals received by or accrued to the Authority in connection with or as a result of its ownership or operation of the System, including any Hedge Receipts, any revenues (including revenues that may be derived from taxes) pledged as part of the Trust Estate at any time after the date of this Indenture, any investment income from moneys held on deposit in any of the Funds or Accounts (other than the Rebate Fund) created hereunder, and, except for purposes of Section 2.08(c) of this Indenture, any amounts transferred or to be transferred from the Rate Stabilization Account to the Revenue Fund, all as calculated in accordance with the method of accounting used in the annual financial statements of the Authority.

"Roadway Operations and Maintenance Agreement" shall have the meaning ascribed to it in the recitals to this Indenture.

"S&P" shall mean Standard & Poor's Rating Group, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by written notice of an Authorized Officer to the Trustee.

"Second Supplemental Indenture" shall have the meaning ascribed to it in the introductory paragraph of this Indenture.

"Securities Depository" shall mean DTC or its nominee, and its successors appointed by the Authority in accordance with the provisions of Section 2.12.

"Semiannual Rate" shall mean the interest rate determined for a Semiannual Rate Period pursuant to Section 2.06(g).

"Semiannual Rate Period" shall mean, while the Series 1996 Bonds bear interest at the Semiannual Rate, the period commencing on the Semiannual Rate Conversion Date and from and including the first Business Day of each sixth calendar month thereafter to but excluding the first Business Day of the sixth calendar month thereafter.

"Serial Bonds" shall mean the Bonds of a Series which are stated to mature in annual installments.

"Series" shall mean the Bonds delivered at any one time under the provisions of Article II.

"Series 1996 Bonds" shall mean the Dade County Expressway Authority (Florida) Toll System Revenue Bonds, Series 1996 (Taxable) authorized to be issued pursuant to Section 2.06.

"Series 1996 Cap Agreement" shall mean the Cap Agreement dated as of December 10, 1996 between Canadian Imperial Bank of Commerce and the Authority, as the same may be amended or supplemented from time to time in accordance with its terms.

"Series 1996 Debt Service Reserve Fund Policy Agreement" shall mean the Debt Service Reserve Fund Policy Agreement dated as of December 10, 1996 between the Authority and the Initial Reserve Facility Provider, as the same may be amended or supplemented from time to time in accordance with its terms.

"Series 1999 Bond" shall have the meaning ascribed to it in the recitals to this Indenture.

"Series 2000 Bonds" shall have the meaning ascribed to it in the recitals to this Indenture.

"Series 2001A Bonds" shall have the meaning ascribed to it in the recitals to this Indenture.

"Sinking Fund" shall mean the Fund of that name created and maintained pursuant to Section 5.06.

"Special Record Date" shall mean, with respect to any Bond the date established by the Authority in connection with the payment of overdue interest on the Bonds pursuant to Section 2.02.

"State" shall have the meaning ascribed to it in the introductory paragraph to this Indenture.

"State Bonds" shall have the meaning ascribed to it in the recitals hereto.

"Subaccount" shall mean any subaccount created and maintained pursuant to this Indenture.

"SunPass Agreement" shall have the meaning ascribed to it in the recitals to this Indenture.

"Supplemental Indenture" shall mean an indenture supplemental hereto or amendatory hereof entered into by the Authority and the Trustee pursuant to the terms hereof. Notwithstanding the foregoing, the First Supplemental Indenture, the Second Supplemental Indenture (except for Section 4.01 of the Second Supplemental Indenture, the provisions of which have been incorporated in this Indenture) and the Third Supplemental Indenture (except for Section 4.06 of the Third Supplemental Indenture, the provisions of which have been incorporated in this Indenture) shall be considered to be Supplemental Indentures for all purposes of this Indenture.

"System" shall have the meaning ascribed to it in the recitals to this Indenture.

"Taxable Bond" shall mean any Series 1996 Bond and any other Bond issued under this Indenture, if in connection with such issuance there was not delivered to the Authority an opinion of Bond Counsel to the effect that the interest on such Bond is not included in the gross income of the Owners thereof for purposes of federal income taxation.

"Tender Agent" shall mean The Bank of New York, or any successor or successors appointed in accordance with Section 13.09 of this Indenture.

"Tender Agent Agreement" shall mean the Tender Agent Agreement dated as of even date herewith between the Authority and the Tender Agent.

"Term Bonds" shall mean Bonds which shall be stated to mature on one date and for the amortization of which payment of Amortization Requirements are required to be made into the Sinking Fund.

"Test Period Revenues" shall have the meaning ascribed to it in Section 2.08(c)(v).

"Third Supplemental Indenture" shall have the meaning ascribed to it in the introductory paragraph of this Indenture.

"Time Deposits" shall mean time deposits, certificates of deposit 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 whose deposits are insured by the Savings Association Insurance Fund and which are secured in the manner provided in Section 6.01.

"Toll Operations and Maintenance Agreement" shall have the meaning ascribed to it in the recitals to this Indenture.

"Tolls" shall mean all tolls, fares, incomes, receipts, rents, franchises, charges and all returns or moneys of an income nature derived by or for the benefit of the Authority from users of the System.

"Transfer Agreement" shall have the meaning ascribed to it in the recitals to this Indenture.

"Trustee" shall mean The Bank of New York or any other bank or trust company, either within or without the State of Florida, having fiduciary powers and designated as Trustee in the manner provided in Section 8.08.

"Trust Estate" shall have the meaning ascribed to it in the recitals to this Indenture.

"Variable Rate" means, as the context requires, the Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rate applicable to the Series 1996 Bonds.

"Variable Rate Bonds" shall mean 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.

"Vice-Chairman" shall mean the Person appointed to serve as the Vice-Chairman of the Authority or his designee or the Person succeeding to his principal function.

"Weekly Rate" shall mean the interest rate determined for a Weekly Rate Period pursuant to Section 2.06(d) hereof.

"Weekly Rate Period" shall mean, while the Series 1996 Bonds bear interest at the Weekly Rate, the period commencing on Thursday of each week (or in the case of the first Weekly Rate Period, on the date of original issuance and delivery of the Series 1996 Bonds) to but excluding Thursday of the following week (or in the case of the first Weekly Rate Period, the Thursday immediately following the date of original issuance and delivery of the Series 1996 Bonds), except that (a) in the case of a conversion to a Weekly Rate Period from a different Variable Rate Period, the initial Weekly Rate Period shall be from and including and including the Weekly Rate Conversion Date to but excluding Thursday of the following week, and (b) in

the case of a conversion of the Series 1996 Bonds from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period shall end on and exclude the Conversion Date.

SECTION 1.02. INTERPRETATION. (a) In this Indenture, unless the context otherwise requires:

(i) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Indenture, refer to this Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Indenture;

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(iii) References to Articles and Sections refer to Articles and Sections of this Indenture unless the context specifically requires otherwise;

(iv) Any headings preceding the text of the several Articles and Sections of this Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect; and

(v) References to Funds shall include any and all Accounts or Subaccounts therein, unless the context otherwise requires.

(b) Whenever in this Indenture the Authority or the Trustee is named or referred to, it shall include, and shall be deemed to include, its respective successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority or the Trustee contained in this Indenture shall bind and inure to the benefit of such respective successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Indenture.

(c) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Authority, the Trustee, any Credit Provider, any Liquidity Provider, any Reserve Facility Provider, including their respective agents, and the Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Authority shall be for the sole benefit of the Authority, the Trustee, any Credit Provider, any Liquidity Provider, any Reserve Facility Provider, including their respective agents and the Owners.

ARTICLE II

AUTHORIZATION, DETAILS, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. The Authority shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of this Article II. Bonds may be issued in one or more Series only for purposes permitted under this Article II. The total principal amount of Bonds that may be issued and Outstanding under this Indenture is unlimited. Any two or more Series may be consolidated for purposes of sale in such manner as may be provided herein or in the Supplemental Indenture authorizing the issuance of the Bonds of such Series. The principal of, redemption premium, if any, and interest on all Bonds shall be payable solely from the Trust Estate.

Upon the issuance of a Series of Bonds under the terms, limitations and conditions herein provided, the Authority shall provide for the funding of the Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Fund Requirement, all as set forth herein with respect to the Series 1996 Bonds and in the Supplemental Indenture authorizing the issuance of any other Series of Bonds. The Authority may establish a separate Account in the Debt Service Reserve Fund for each Series of Bonds, including those secured by a Reserve Facility, and the Owners of Bonds secured by such separate account shall not be secured by any other Account or Reserve Facilities in the Debt Service Reserve Fund.

SECTION 2.02. DETAILS OF BONDS. The Bonds of each Series issued under the provisions of this Indenture shall be designated "Dade County Expressway Authority (Florida) Toll System Revenue Bonds", and may be further designated as "Refunding", or "Taxable", as the Authority may determine to be appropriate, in each case inserting the year of issuance and any identifying series letter after the word "Series", subject to such variations or changes as may be determined necessary or appropriate by the Authority and specified as hereinafter provided with respect to the Series 1996 Bonds or in a Supplemental Indenture authorizing the issuance of the Bonds of any other Series. The Bonds shall be in such amounts, if any, of Serial Bonds and/or Term Bonds and in the form of Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds, Variable Rate Bonds or such other form of Bonds which may be marketable from time to time, or any combination thereof, as the Authority may determine. Except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, the Bonds of such Series shall be in fully registered form as to principal and interest, without coupons. Except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Bonds, both the principal of and the interest on the Bonds of such Series shall be payable in any coin or currency of the United States of America, or by check or wire payment in such currency, as, at the respective times of payment, is legal tender for the payment of public and private debts.

Payment of interest on any Interest Payment Date with respect to the Bonds, other than Capital Appreciation Bonds and interest on Capital Appreciation and Income Bonds that accrues prior to the Interest Commencement Date, shall be made to the Person appearing on the registration books of the Authority maintained pursuant to Section 2.04, as of the close of

business on the Record Date. Such interest shall be payable by check or draft drawn on a Paying Agent and shall be mailed on the Interest Payment Date to each Owner as of the Record Date, at his address as it appears on said registration books, or in the case of an Owner of $1,000,000 or more of Bonds, by wire transfer to a domestic bank account specified in writing by such Owner to the Trustee and Paying Agent at least fifteen (15) days prior to an Interest Payment Date.

If and to the extent that the Authority shall fail to make a required payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Owner of that Bond as of the applicable Record Date. When moneys become available for payment of interest on such Bond, the Trustee shall establish a Special Record Date for the payment of that interest which shall not be more than twenty, nor fewer than ten, days prior to the date of the proposed payment. Not fewer than ten days prior to the Special Record Date, notice of the proposed payment and of the Special Record Date therefor shall be mailed to each Owner of record on the fifth day prior to such mailing at his address as it appears on the registration books of the Authority maintained pursuant to Section 2.04. Thereafter, such interest shall be payable to the Owners of such Bonds at the close of business on the Special Record Date.

The principal of, and redemption premium, if any, on the Bonds, the Accreted Value of Capital Appreciation Bonds and the Appreciated Value of Capital Appreciation and Income Bonds shall be payable to or upon the order of the Owner or his duly authorized attorney or legal representative, as the same falls due, upon the presentation and surrender of such Bonds at the designated corporate trust office of the Paying Agent.

Each Series of Bonds (other than the Series 1996 Bonds) shall be authorized by a Supplemental Indenture which shall establish or provide a means of establishing the following:

(a) the purpose for which such Bonds are to be issued, which shall be a purpose permitted under this Article II;

(b) the manner in which the proceeds of the sale of such Bonds are to be applied, including any required deposits to the Funds, Accounts and Subaccounts;

(c) whether such Bonds shall be issued as Serial Bonds, Term Bonds, or a combination of the foregoing and whether such Bonds shall be in the form of Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds, Variable Rate Bonds or any other form of Bond which may become marketable from time to time, or any combination of such forms as determined by the Authority;

(d) the Authorized Denominations in which such Bonds are issuable;

(e) the amount or amounts, date or dates, maturity date or dates (not exceeding the maximum number of years after the date of original issuance as is permitted by law), and interest rate or rates(not exceeding the maximum rate permitted by law) with respect to such Bonds;

(f) the Interest Payment Dates for such Bonds;

(g) the redemption and tender provisions, if any, for such Bonds;

(h) the appointment of the Paying Agent and Bond Registrar for such Bonds and any remarketing agent, Credit Provider, Liquidity Provider or Reserve Facility Provider to be appointed in connection with the issuance of such Bonds and the authority to execute agreements relating to the functions to be performed by any such Person, to the extent applicable to any of such Bonds;

(i) the creation of any additional Funds, Accounts and Subaccounts applicable to such Bonds and the designation of any such additional Funds, Accounts and Subaccounts as being established with respect to such Bonds;

(j) the manner in which the Authority shall ensure that the Debt Service Reserve Fund Requirement shall be satisfied at the time of issuance of such Bonds;

(k) the designated corporate trust office of the Bond Registrar and Paying Agent for such Bonds; and

(l) such other matters as required by this Indenture to be established in a Supplemental Indenture or otherwise deemed appropriate by the Authority to be included therein and not inconsistent with the provisions of this Indenture.

SECTION 2.03. EXECUTION, AUTHENTICATION; BOND FORM. Except as otherwise permitted or required by the Act or applicable law, the Bonds shall be signed by, or bear the facsimile signature of, the Chairman or Vice Chairman of the Authority. The official seal of the Authority or a facsimile thereof shall be imprinted or impressed on the Bonds. Such official seal shall be attested by the signature or facsimile signature of the Secretary of the Authority or an Authorized Officer. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before such Bonds have been authenticated and transferred by the Bond Registrar or delivered by the Authority, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such authentication and transfer or delivery occurred. In addition, any Bond may bear the facsimile signature of, or may be signed by, such Persons as at the actual time of the execution of the Bond shall be the proper officers to execute such Bond although at the date of the Bond such Persons may not have been such officers.

Only such Bonds as have endorsed thereon a certificate of authentication as set forth in the form of Bond authorized by this Indenture, in the case of the Series 1996 Bonds, or a Supplemental Indenture authorizing the issuance of any other Series of Bonds, duly executed by the Bond Registrar, shall be entitled to any benefit or security under this Indenture. No Bonds shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond has been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign

the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. The Series 1996 Bonds shall be substantially in the form attached as Exhibit C hereto. Each other Series of Bonds shall be substantially in the form set forth in the Supplemental Indenture authorizing the issuance of such Bonds.

SECTION 2.04. BOND REGISTRAR; REGISTRATION, TRANSFER AND EXCHANGE. The Authority shall cause books for the registration and transfer of Bonds to be kept by the Bond Registrar. Unless otherwise provided with respect to a Series of Bonds in the Supplemental Indenture authorizing the issuance of the Bonds of such Series, all Bonds shall be registered in such books upon issuance thereof, who shall make notation of such registration thereon and shall not be registered to bearer. Bonds shall thereafter be transferred only by the Owner of such Bonds, in person or by his duly authorized attorney or legal representative, upon the surrender thereof together with a written assignment duly executed by the Owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. The registration of such transfer shall be made on such registration books and endorsed on the Bond by the Bond Registrar. Upon the transfer of any Bond, the Bond Registrar shall cause to be issued in the name of the transferee a new Bond or Bonds.

Upon surrender at the designated corporate trust office of the Bond Registrar with a written instrument of transfer duly executed by the Owner or his duly authorized attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar, Bonds may be exchanged for a like aggregate principal amount of Bonds of other Authorized Denominations of the same Series, interest rate and maturity. The Authority shall execute, and the Bond Registrar shall authenticate and deliver such Bonds as the Owner making the exchange is entitled to receive.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and canceled by the Bond Registrar in the manner provided in Section 2.05.

No charge shall be made to any Bondholder for the privilege of registration, transfer or exchange hereinabove granted, but any Bondholder requesting any such registration, transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The Authority and Bond Registrar shall not be required to execute, transfer or exchange any Bond during the period beginning at the close of business on a Record Date (or Special Record Date) and ending at the close of business on the next Interest Payment Date (or date set for payment of interest for which the Special Record Date was set). The Authority and Bond Registrar shall not be required to transfer or exchange any Bond: (a) during the fifteen days immediately preceding the date of mailing of notice of the redemption of such Bond; or (b) after such Bond has been selected for redemption or has matured.

Each Bond delivered pursuant to any provision of this Indenture in exchange or substitution for, or upon the transfer of the whole or any part of, one or more other Bonds, shall carry all of the right to interest which is accrued and unpaid, and which is to accrue, on the whole

or part of the Bonds previously carried, and notwithstanding anything contained in this Indenture, such newly delivered Bond shall be dated or bear such notation so that neither gain nor loss in interest the payment of which is not in default shall result from any exchange, substitution or transfer.

The Authority, the Trustee, the Paying Agent and the Bond Registrar may deem and treat the Person in whose name any Bond is registered on the books maintained pursuant to this Section 2.04 as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and none of the Authority, the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary. All such payments shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. Notwithstanding anything to the contrary in this Indenture, the Authority may authorize the use of a book entry only system of beneficial ownership with respect to any Series of Bonds.

SECTION 2.05. CANCELLATION OF BONDS. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Paying Agent when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Authority and delivered to the Paying Agent for cancellation, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Paying Agent, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers, describing the Bonds so destroyed, and one executed certificate shall be filed with the Bond Registrar and the other executed certificate shall be kept by the Paying Agent.

SECTION 2.06. AUTHORIZATION OF SERIES 1996 BONDS.

(a) General Terms and Provisions.

(i) Terms of Series 1996 Bonds. The Series 1996 Bonds: (A) shall be issued in the initial aggregate principal amount of $80,000,000; (B) shall be dated the date of the issuance thereof; (C) shall mature on July 1, 2019; (D) shall be substantially in the form attached as Exhibit C hereto; (E) shall be payable as to interest on each Interest Payment Date established therefor at the rate per annum determined as provided in the form thereof and in this Section 2.06; (F) shall be subject to redemption, to optional and mandatory tender for purchase, and to remarketing, all as provided in the form thereof and in Article III; and (G) shall be considered Bonds for all purposes of this Indenture. Interest on Series 1996 Bonds bearing interest at the Daily Rate, Weekly Rate, Monthly Rate and Quarterly Rate will be calculated based on the actual days elapsed and a year of 365 or 366 days, as applicable, and interest on the Series 1996 Bonds bearing interest at the Semiannual Rate, Extended Rate or Fixed Rate will be calculated based on a year of 360 days consisting of twelve 30-day months.

(ii) Purposes of Series 1996 Bonds. The Series 1996 Bonds shall be issued for the purposes of providing funds to pay all or a portion of the cost of (A) the acquisition by the Authority of operational and financial control of the System, as it exists on the date hereof, in perpetuity by, among other things, defeasing all of the outstanding State

Bonds pursuant to the terms and provisions of the Escrow Agreement, (B) funding a portion of the Debt Service Reserve Fund Requirement in respect of the Series 1996 Bonds, and (C) paying certain costs associated with the issuance of the 1996 Bonds.

(iii) Application of Proceeds and Other Available Moneys.

(A) The proceeds of the Series 1996 Bonds shall be applied by an Authorized Officer as follows:

(1) $76,000,000 shall be immediately transferred to the SBA for application pursuant to the Escrow Agreement; and

(2) $4,000,000, an amount equal to the Debt Service Reserve Fund Requirement in respect of the Series 1996 Bonds shall be delivered to the Trustee for deposit to the credit of the Debt Service Reserve Fund.

(B) Simultaneous with the issuance of the Series 1996 Bonds, the Authority shall cause to be delivered to the Trustee the amounts described below for application as follows:

(1) All of the cash and securities credited to the Renewal and Replacement Reserve Fund established in respect of the State Bonds shall be delivered to the Trustee and credited to the Renewal and Replacement Fund;

(2) $6,966,037.96, consisting of $6,905,165.45 credited to the Reserve Account established for the State Bonds and $60,872.51 credited to the Debt Retirement Account established for the State Bonds shall be immediately transferred to the SBA for application pursuant to the Escrow Agreement;

(3) $2,000,000 credited to the Debt Retirement Account for the State Bonds shall be immediately transferred to Canadian Imperial Bank of Commerce as required under the Cap Agreement; and

(4) $1,201,533.88 credited to the Debt Retirement Account for the State Bonds shall be delivered to the Trustee for deposit to the credit of a special account (which the Authority hereby directs the Trustee to establish and maintain) and applied at the written direction of an Authorized Officer to the payment of certain costs of issuance of the Series 1996 Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility and Liquidity Facility fees and expenses, if any, and any other miscellaneous expenses relating to the issuance of the Series 1996 Bonds (At the written direction of an Authorized Officer the Trustee shall close

such special account and shall transfer any amounts remaining therein at the time of closure to the Revenue Fund).

(iv) Conditions Precedent to Issuance of Series 1996 Bonds. The Series 1996 Bonds shall be authenticated by the Bond Registrar and delivered by the Trustee in such manner as shall be specified in writing by an Authorized Officer, but only after the Series 1996 Bonds shall have been executed as provided in this Indenture and there shall have been delivered to the Trustee, the following:

(A) fully executed copies of this Indenture, the Escrow Agreement, the Transfer Agreement, the Toll Operations and Maintenance Agreement, the Roadway Operations and Maintenance Agreement, the SunPass Agreement, the Initial Credit Facility, the Initial Liquidity Facility, the Remarketing Agreement, the Tender Agent Agreement, the Continuing Disclosure Agreement and the Escrow Agreement;

(B) separate written opinions of each Bond Counsel stating that each is of the opinion that the issuance of the Series 1996 Bonds has been duly authorized, that all conditions precedent to the delivery of the Series 1996 Bonds have been satisfied, and that this Indenture creates a valid and enforceable pledge of the Trust Estate; and

(C) $80,000,000, in immediately available funds, constituting the purchase price for the Series 1996 Bonds upon their initial issuance and delivery.

(b) Variable Rate; Determination by Remarketing Agent; Notice of Rates Determined. The Series 1996 Bonds shall initially bear interest at the Weekly Rate until converted to another Rate Period as provided herein. Subject to the further provisions of this Article II with respect to particular Variable Rates or conversions between Rate Periods, and subject to the provisions of the Series 1996 Bonds, the Variable Rate to be applicable to Series 1996 Bonds during any Variable Rate Period shall be determined by the Remarketing Agent as provided in this Section 2.06 and notice thereof shall be given as follows:

(i) Notice of each preliminary Variable Rate and Variable Rate shall be given as follows:

(A) By the Remarketing Agent to the Trustee, the Bond Registrar and the Tender Agent by telephone (followed by notice in writing by an authorized officer of the Remarketing Agent) not later than 5:00 p.m., Eastern time, (10:00 a.m., Eastern time, with respect to Daily Rates) on the date of determination; and

(B) On the last Business Day of each month or more frequently upon the Credit Provider's or Liquidity Provider's written request, the Tender Agent shall provide written notice thereof to the Credit Provider and the Liquidity Provider.

Notice of each preliminary Monthly, Quarterly, Semiannual and Extended Rate, and of each Monthly, Quarterly, Semiannual and Extended Rate, shall be given by the Bond Registrar by sending notice in writing to the Owners of the Series 1996 Bonds and the Trustee not later than 5:00 p.m., Eastern time, on the third Business Day following the date of determination. The Tender Agent shall inform the Owners of the Series 1996 Bonds and the Trustee of the Daily and Weekly Rates upon request.

(ii) The preliminary Variable Rate or the Variable Rate so to be determined shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Series 1996 Bonds to have a market value equal to the principal amount thereof, plus accrued interest, under prevailing market conditions as of the date of determination of such preliminary Variable Rate or Variable Rate. The preliminary Variable Rate is intended to serve only as an indication of the lowest interest rate that would cause the Series 1996 Bonds to have a market value equal to par under market conditions on the date on which such preliminary Variable Rate is determined. The Variable Rate determined after the preliminary Variable Rate is determined may be higher, lower or the same as such preliminary Variable Rate. Notwithstanding the foregoing, in no event shall the preliminary Variable Rate or the Variable Rate for any Variable Rate Period exceed the Maximum Rate.

(iii) All determinations of Variable Rates pursuant to this Section shall be conclusive and binding upon the Authority, the Trustee, the Bond Registrar, the Tender Agent, the Credit Provider, the Liquidity Provider, and the Owners of the Series 1996 Bonds. The Authority, the Trustee, the Bond Registrar, the Tender Agent and the Remarketing Agent shall not be liable to the Owner of any Series 1996 Bond for failure to give any notice required above or for failure of the Owner of any Series 1996 Bond to receive any such notice.

(c) Daily Rates.

(i) Daily Rate Periods shall be from each Business Day to but excluding the following Business Day.

(ii) The Daily Rate for each Daily Rate Period shall be determined by the Remarketing Agent between 8:30 a.m., Eastern time, and 10:00 a.m., Eastern time, on the commencement date of the Daily Rate Period to which it relates.

(d) Weekly Rates.

(i) The first Weekly Rate Period shall commence on the date of original issuance and delivery of the Series 1996 Bonds and shall run to but excluding the next succeeding Thursday. Weekly Rate Periods thereafter shall be from Thursday of each week to but excluding Thursday of the following week; except that (A) in the case of a conversion to a Weekly Rate Period from a different Variable Rate Period, the initial Weekly Rate Period for the Series 1996 Bonds shall be from and including the Weekly Rate Conversion Date to but excluding Thursday of the following week; and (B) in the

case of a conversion of the Series 1996 Bonds from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period shall end on and exclude the Conversion Date.

(ii) The Weekly Rate for each Weekly Rate Period shall be determined not later than 4:00 p.m., Eastern time, on Wednesday or, if such Wednesday is not a Business Day, the last Business Day which is immediately prior to the commencement date of the Weekly Rate Period to which it relates.

(e) Monthly Rates.

(i) Monthly Rate Periods shall be from and including the first Business Day of each calendar month to but excluding the first Business Day of the following month.

(ii) The Monthly Rate for each Monthly Rate Period shall be determined as follows:

(A) A preliminary Monthly Rate for each Monthly Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the last Business Day which is at least eight (8) days immediately preceding the commencement date of such period; and

(B) The actual Monthly Rate for each Monthly Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the Business Day immediately preceding the commencement date of such period.

(f) Quarterly Rates.

(i) Quarterly Rate Periods shall be (A) from and including the Quarterly Rate Conversion Date for the Series 1996 Bonds and from and including the first Business Day of each third (3rd) calendar month thereafter; (B) to but excluding the first Business Day of the third (3rd) calendar month thereafter.

(ii) The Quarterly Rate for each Quarterly Rate Period shall be determined as follows:

(A) A preliminary Quarterly Rate for each Quarterly Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the last Business Day which is at least fifteen (15) days preceding the commencement date of such period; and

(B) The actual Quarterly Rate for each Quarterly Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the Business Day immediately preceding the commencement date of such period.

(g) Semiannual Rates.

(i) Semiannual Rate Periods shall be (A) from and including the Semiannual Rate Conversion Date for the Series 1996 Bonds and from and including the first Business Day of each sixth calendar month thereafter; (B) to but excluding the first Business Day of the sixth month thereafter.

(ii) The Semiannual Rate for each Semiannual Rate Period shall be determined as follows:

(A) A preliminary Semiannual Rate for each Semiannual Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the last Business Day which is at least thirty (30) days immediately preceding the commencement date of such period;

(B) The actual Semiannual Rate for each Semiannual Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the Business Day immediately preceding the commencement date of such period.

(h) Extended Rates.

(i) Extended Rate Periods shall commence initially on the Extended Rate Conversion Date for the Series 1996 Bonds, and subsequently on the first Business Day of the calendar month following the last day of the prior Rate Period and extend for a period of one year or integral multiples of six months in excess of one year set by the Remarketing Agent, and end on a day which is the last day preceding the first Business Day of a calendar month.

(ii) The Extended Rate for each Extended Rate Period shall be determined as follows:

(A) A preliminary Extended Rate for each Extended Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the last Business Day which is at least thirty (30) days immediately preceding the commencement date of such period;

(B) The actual Extended Rate for each Extended Rate Period shall be determined not later than 4:00 p.m., Eastern time, on the Business Day immediately preceding the commencement date of such period.

(i) Limitation on Rate Periods. None of the Variable Rate Periods may extend beyond the termination date of the Credit Facility or the Liquidity Facility.

(j) Conversion between Variable Rate Periods. (i) At the option of the Authority and upon delivery of an Opinion of Bond Counsel to the Trustee and the Authority, the Series 1996 Bonds may be converted from one Variable Rate Period to another as provided in this clause (j). In the case of conversion from one Variable Rate Period to a different Variable Rate Period, the

Conversion Date shall be an Interest Payment Date for the Variable Rate Period from which the conversion is to be made; provided, however, that in the case of a conversion from an Extended Rate Period, the Conversion Date shall be limited to an Interest Payment Date on which a new Extended Rate Period for the Series 1996 Bonds would otherwise have commenced pursuant to Section 2.06(h). At the direction of the Authority, the Remarketing Agent shall give written notice of any conversion pursuant to this Section to the Trustee, the Bond Registrar, the Tender Agent, the Authority, the Credit Provider and the Liquidity Provider not less than five Business Days prior to the date on which the Tender Agent is required to notify the Owners of the conversion in the manner provided in this clause (j). Such notice shall specify the Conversion Date and the Rate Period to which the conversion will be made. Not less than thirty (30) days prior to any Conversion Date, the Tender Agent shall mail or cause the Bond Registrar to mail a written notice of the conversion to the Authority, the Trustee, the Credit Provider, the Liquidity Provider and all of the Owners of the Series 1996 Bonds. Such notice shall set forth (A) the information contained in the notice from the Remarketing Agent pursuant to this clause (j) above, (B) the Interest Payment Dates for the new Rate Period, (C) in the case of conversion to a Variable Rate Period, the dates on which the Remarketing Agent will determine and the Tender Agent will notify the Owners of the preliminary Variable Rate (if applicable) and the Variable Rate for the Variable Rate Period commencing on the Conversion Date, and (D) the matters required to be stated pursuant to Section 3.08(b) with respect to purchases of Series 1996 Bonds which are governed by such Section.

(k) Determination of Variable Rate Effective on Conversion Date. The preliminary Variable Rate (if applicable) and the Variable Rate for the Variable Rate Period commencing on the Conversion Date shall be determined by the Remarketing Agent in the manner and on the dates provided in this Section 2.06. In addition to determining the Variable Rate for the Rate Period to which conversion is to be made, the Remarketing Agent shall determine a Weekly Rate at the time specified in Section 2.06(d), and give notice thereof to the Tender Agent, the Bond Registrar and the Trustee, which Weekly Rate shall take effect, if needed, pursuant to clause (l) below.

(l) Conditions on which Conversion Ineffective. Notwithstanding the delivery of notice of conversion pursuant to clause (j) above, conversion to a new Variable Rate Period shall not take effect as to the Series 1996 Bonds if:

(i) The Remarketing Agent fails to determine a Variable Rate for the Rate Period to which the conversion is to be made;

(ii) Any notice required by Section 2.06(j) is not given when required;

(iii) There is not delivered to the Authority and the Trustee an Opinion of Bond Counsel, dated as of the Conversion Date;

(iv) Such notice of conversion is rescinded by the Authority by written notice of such rescission to the Trustee and the Remarketing Agent which written notice is delivered prior to the applicable Conversion Date. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to the Owners of the Series 1996

Bonds, then such notice of conversion shall be of no force and effect. If the Trustee receives notice of such rescission after the Trustee has given notice to the Owners of the Series 1996 Bonds, then the Series 1996 Bonds shall automatically adjust to a Weekly Rate Period. Any purchases of Series 1996 Bonds scheduled or required to take place on the proposed effective date of any Rate Period (being also the effective date of the automatic adjustment to a Weekly Rate Period as in this Section 2.06(l) provided) shall take place on such date. No Opinion of Bond Counsel shall be required in connection with any automatic adjustment to a Weekly Rate Period as in this Section 2.06(l) provided; or

(v) There is not delivered to the Trustee written evidence from the Rating Agency that any such conversion to a Quarterly Rate, Semiannual Rate or Extended Rate will not, of itself, cause a reduction or withdrawal of any rating then assigned to the Bonds.

Except as specifically provided in (iv) above, in any such event, the Series 1996 Bonds which were to be converted shall automatically be converted to a Weekly Rate Period on the date such conversion was to be made, provided that any mandatory or optional tender for purchase on the Conversion Date shall nevertheless be carried out. No cancellation of a conversion pursuant to this subsection shall constitute an Event of Default hereunder. Upon the occurrence of an event described in (i) above, the Weekly Rate for the Series 1996 Bonds shall be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and (1) so long as the Series 1996 Bonds shall remain Taxable Bonds, a rate equal to the bond equivalent yield on ninety-one day United States Treasury Bills, plus 50 basis points, which yield shall be calculated in accordance with standard practices in the banking industry on the basis of the discount rates at which such bills were sold, or (2) should the Series 1996 Bonds cease to be Taxable Bonds, a rate equal to the most recently published Bond Buyer 25 Bond Revenue Index (or a comparable index, if such index is no longer published), plus 50 basis points.

(m) Conversion to Fixed Rate. The Series 1996 Bonds shall be converted to bear interest at a Fixed Rate upon request of the Authority as provided in this clause (m). The Fixed Rate Conversion Date shall be:

(i) In the case of a conversion from a Variable Rate Period other than an Extended Rate Period, an Interest Payment Date for the Series 1996 Bonds on which interest is payable for the Variable Rate Period from which the conversion is to be made and

(ii) In the case of a conversion from an Extended Rate Period, an Interest Payment Date for the Series 1996 Bonds on which a new Extended Rate Period would otherwise have commenced pursuant to Section 2.06(h).

Not less than forty-five (45) days (or such shorter period approved by the parties to receive the same) prior to the Fixed Rate Conversion Date, the Authority shall give written notice to the Trustee, the Bond Registrar, the Tender Agent, the Remarketing Agent, the Credi

Provider and the Liquidity Provider, setting forth (A) the election to convert the Series 1996 Bonds to a Fixed Rate, and (B) the proposed Fixed Rate Conversion Date. As a condition of any such conversion, the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent shall receive, concurrently with the notice, an Opinion of Bond Counsel.

(n) Preliminary Determination of Terms of Series 1996 Bonds while Bearing Interest at the Fixed Rate. The Remarketing Agent shall make a preliminary determination of the Fixed Rate or Fixed Rates for the Series 1996 Bonds and the maturities of the Series 1996 Bonds in the same manner as is provided for the final determination of rates pursuant to Section 2.06(p). Such preliminary determination shall be made on a Business Day which is at least thirty-five (35) days prior to the Fixed Rate Conversion Date. On the date of the preliminary determination, the Remarketing Agent shall notify the Tender Agent and the Tender Agent shall notify the Authority, the Trustee, the Bond Registrar, the Credit Provider and the Liquidity Provider, by telephone (promptly confirmed in writing), telegram, telecopy, telex or other similar means of communication of the preliminary Fixed Rate or Rate or Rates so determined.

(o) Notice of Conversion to Fixed Rate. The Tender Agent shall mail or cause the Bond Registrar to mail a notice of the proposed conversion to the Authority, the Bond Registrar, the Trustee, the Credit Provider, the Liquidity Provider and the Owners of all Series 1996 Bonds to be converted. Such notice shall be mailed not less than thirty (30) days prior to the proposed Fixed Rate Conversion Date. Such notice shall set forth the proposed Fixed Rate Conversion Date and state:

(i) that the Series 1996 Bonds are subject to mandatory tender for purchase (without the right to retain) on the Fixed Rate Conversion Date at a Purchase Price of par plus accrued interest; and

(ii) that the Series 1996 Bonds shall be deemed purchased on the Fixed Rate Conversion Date, and thereafter the Owner shall have no further rights hereunder except to receive such Purchase Price.

(p) Determination of Fixed Rate. The Remarketing Agent shall determine the Fixed Rate or Fixed Rates for the Series 1996 Bonds by not later than 3:30 p.m., Eastern time, on the last Business Day that is at least five (5) days prior to the Fixed Rate Conversion Date for the Series 1996 Bonds. The Fixed Rate or Fixed Rates shall be the lowest rate or rates of interest per annum(not in excess of the maximum rate of interest allowed by law) which, in the judgment of the Remarketing Agent as of the date of determination and under prevailing market conditions, would cause the Fixed Rate Series 1996 Bonds to have a market value equal to the principal amount thereof, plus accrued interest. If necessary or desirable to achieve the lowest Fixed Rate or Fixed Rates on the Series 1996 Bonds, the Remarketing Agent may determine that some or all of the Series 1996 Bonds shall be converted to Serial Bonds maturing in years for which Amortization Requirements have been established for the Series 1996 Bonds and maturing in aggregate principal amounts that correspond to such Amortization Requirements. Not later than 4:00 p.m., Eastern time, on the date of determination of the Fixed Rate, the Remarketing Agent shall notify the Tender Agent of the Fixed Rate or Fixed Rates and of any serialization of the maturities of the Series 1996 Bonds by telephone (promptly confirmed in writing). Such

determination shall be conclusive and binding upon the Authority, the Trustee, the Tender Agent the Credit Provider, the Liquidity Provider and the Owners of the Series 1996 Bonds. The Tender Agent shall make such Fixed Rate and serialization of the maturities of the Series 1996 Bonds available upon request by telephone (promptly confirmed in writing), telegram, telecopy telex or other similar communication to the Authority, the Trustee, the Credit Provider and the Liquidity Provider. In addition to determining a Fixed Rate, the Remarketing Agent shall determine a Weekly Rate pursuant to Section 2.06(d) and give notice thereof to the Tender Agent, the Bond Registrar, the Trustee, the Credit Provider and the Liquidity Provider, which Weekly Rate shall take effect if needed pursuant to Section 2.06(q).

(q) Conditions on which Conversion to Fixed Rate Ineffective. Notwithstanding the delivery of notice of a Fixed Rate conversion pursuant to Section 2.06(o) above, conversion of Series 1996 Bonds to a Fixed Rate Period shall not take effect:

(i) if the Authority withdraws such notice of conversion not later than the Business Day preceding the date on which the Fixed Rate is to be determined;

(ii) if the Remarketing Agent fails to determine a Fixed Rate;

(iii) if any notice required by Section 2.06(o) is not given when required; or

(iv) if upon the conversion, any Fixed Rate Series 1996 Bonds would be Provide Bonds unless the Liquidity Provider consents.

In any of such events, the Series 1996 Bonds shall automatically be converted to a Weekly Rate for a Weekly Rate Period which shall commence on the date the Fixed Rate conversion was to be made, provided that the mandatory tender for purchase pursuant to Sections 3.08 and 3.09 shall nevertheless be carried out if notice of the Fixed Rate conversion had been given to the Owners of the Series 1996 Bonds. Withdrawal of a conversion notice shall be given by the Authority to the Trustee, the Tender Agent, the Bond Registrar, the Remarketing Agent, the Credit Provider and the Liquidity Provider, by telephone, promptly confirmed in writing. No cancellation of a Fixed Rate conversion pursuant to this subsection shall constitute an Event of Default hereunder. If the Series 1996 Bonds are converted to a Weekly Rate, and the Remarketing Agent fails to set a Weekly Rate, the Weekly Rate shall be the per annum rate of interest determined on each Thursday (or if such day is not a Business Day, the immediately preceding Business Day) by the Trustee which is equal to the lesser of the Maximum Rate and (1) so long as the Series 1996 Bonds shall remain Taxable Bonds, a rate equal to the bond equivalent yield on ninety-one day United States Treasury Bills, plus 50 basis points, which yield shall be calculated in accordance with standard practices in the banking industry on the basis of the discount rates at which such bills were sold, or (2) should the Series 1996 Bonds cease to be Taxable Bonds, a rate equal to the most recently published Bond Buyer 25 Bond Revenue Index (or a comparable index, if such index is no longer published), plus 50 basis points.

(r) Effect of Conversion to Fixed Rate. Once the Authority has effectively exercised its option to convert the Series 1996 Bonds to a Fixed Rate pursuant to this Section 2.06, the Authority shall have no further options to convert the Series 1996 Bonds to any other Ra

Period, and the Series 1996 Bonds shall no longer be payable from or secured by the Liquidity Facility or subject to tender for purchase.

SECTION 2.07. COMPLETION BONDS.

(a) General. In addition to the Bonds authorized to be issued under the provisions of Section 2.06, Completion Bonds may be issued pursuant to this Section 2.07 and secured by this Indenture from time to time, on a parity with any other Outstanding Bonds, in an aggregate amount not to exceed 10% of the original estimated Cost of any Project financed from the proceeds of Bonds at the time of the issuance of such Bonds. Completion Bonds shall be issued for the purpose of providing funds to pay all or a part of the Cost of completing the Project financed from the proceeds of such Bonds, in the manner hereinafter provided and, as shall be specified in the Supplemental Indenture authorizing the issuance of such Completion Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating hereto.

(b) Application of Proceeds. The proceeds (including Capitalized Interest and accrued interest, if any) of the Completion Bonds shall be applied by an Authorized Officer as follows (or shall otherwise be set forth in the Supplemental Indenture authorizing the issuance of such Completion Bonds):

(i) the amount, if any, received as Capitalized Interest on the Completion Bonds shall be delivered to the Trustee for deposit to the credit of the applicable Account or Subaccount of the Construction Fund, pursuant to Section 4.01 and the amount, if any received as accrued interest on the Completion Bonds shall be delivered to the Trustee for deposit to the credit of the Sinking Fund;

(ii) the amount estimated by an Authorized Officer to be sufficient for that purpose shall be delivered to the Trustee for deposit to the credit of a special account and applied to the payment of the expenses of issuing the Completion Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility and Liquidity Facility fees and expenses, if any, and any other miscellaneous expenses relating to the issuance of the Completion Bonds;

(iii) the amount necessary to make the amount on deposit therein equal to the applicable Debt Service Reserve Fund Requirement, as may be limited by Section 2.01 or by any Supplemental Indenture authorizing the issuance of the Completion Bonds, shall be delivered to the Trustee for deposit to the credit of the Account of the Debt Service Reserve Fund created for such Completion Bonds; and

(iv) the balance of the proceeds of the Completion Bonds remaining after the deposits made pursuant to clauses (i) through (iii) above have been made shall be delivered to the Trustee for deposit to the credit of the appropriate Account or Subaccount in the Construction Fund for application to the payment of the Cost of the Project to be completed from the proceeds of such Completion Bonds.

(c) Conditions Precedent to issuance of Completion Bonds. Completion Bonds shall be authenticated by the Bond Registrar and delivered by the Trustee in such manner as shall be specified in writing by an Authorized Officer, but only after the Completion Bonds shall have been executed as provided in this Indenture and there shall have been obtained and delivered to the Trustee, the following:

(i) a copy of this Indenture, including all Supplemental Indenture entered into prior to this issuance of such Completion Bonds and particularly the Supplemental Indenture authorizing the issuance of such Completion Bonds;

(ii) a certificate of the Consulting Engineer stating the original estimated Cost of the Project to be completed at the time of issuance of the Bonds originally issued to finance such Project, that such estimated Cost will be exceeded, the Cost of completing such Project, and that other funds available or reasonably expected to become available for such Cost of completion, together with the proceeds of the Completion Bonds, will be sufficient to pay such Cost of completion;

(iii) a written opinion or opinions of Bond Counsel stating that it is of the opinion that the issuance of the Completion Bonds has been duly authorized, that all conditions precedent to the delivery of such Completion Bonds have been provided for or fulfilled or otherwise satisfied, that this Indenture creates a valid and enforceable pledge of the Trust Estate, and that the issuance of the Completion Bonds will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes;

(iv) a certificate of an Authorized Officer to the effect that no Event of Default has occurred and is continuing as of the date of issuance of such Completion Bonds (except any Event of Default that may be cured by application of the proceeds of such Completion Bonds); and

(v) an amount equal to that amount which the Authority shall have determined to be the purchase price for such Completion Bonds.

The Authority covenants that it will not issue Completion Bonds without the prior written consent of the Initial Reserve Facility Provider so long as there shall be due and owing at the time of such issuance any Policy Costs.

SECTION 2.08. ADDITIONAL BONDS.

(a) General. In addition to the Bonds authorized under the provisions of Sections 2.06 and 2.07, Additional Bonds may be issued pursuant to this Section 2.08 and secured by this Indenture from time to time, on a parity with any other Outstanding Bonds, subject to the conditions hereinafter provided in this Section 2.08, for the purpose of providing funds, together with other legally available funds, to pay all or any part of the Cost of a Project, and, as shall be specified in the Supplemental Indenture authorizing the issuance of such Additional Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating

hereto. The Additional Bonds shall be issued in an aggregate principal amount set forth in a supplemental Indenture authorizing their issuance.*

(b) Application of Proceeds. The proceeds (including Capitalized Interest and accrued interest) of the Additional Bonds shall be applied by an Authorized Officer as follows or as shall otherwise be set forth in the Supplemental Indenture authorizing the issuance of such Additional Bonds):

(i) the amount, if any, received as Capitalized Interest on the Additional Bonds shall be delivered to the Trustee for deposit to the credit of the applicable Account or Subaccount in the Construction Fund pursuant to Section 4.01 and the amount, if any, received as accrued interest on the Additional Bonds shall be delivered to the Trustee for deposit to the credit of Sinking Fund;

(ii) the amount estimated by an Authorized Officer to be sufficient for that purpose shall be delivered to the Trustee for deposit to the credit of a special account and applied to the payment of the expenses of issuing the Additional Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility and Liquidity Facility fees and expenses, if any, and any other miscellaneous expenses relating to the issuance of such Bonds;

(iii) the amount necessary to make the amount on deposit therein equal to the applicable Debt Service Reserve Fund Requirement, as may be limited by Section 2.01 or by the Supplemental Indenture authorizing the issuance of such Additional Bonds, shall be delivered to the Trustee for deposit to the credit of the appropriate Account of the Debt Service Reserve Fund; and

(iv) the balance of the proceeds of the Additional Bonds remaining after the deposits made pursuant to clauses (i) through (iii) above have been made shall be delivered to the Trustee for deposit to the credit of the applicable Account or Subaccount of the Construction Fund for application to the payment of the Cost of the Project financed by such Bonds.**

(c) Conditions Precedent to Issuance of Additional Bonds. Additional Bonds shall be authenticated by the Bond Registrar and delivered by the Trustee in such manner as shall be specified in writing by an Authorized Officer, but only after such Bonds shall have been executed as provided in this Indenture and there shall have been obtained and delivered to the Trustee (and in the case of clauses (v) and (vi) below, to the Department), the following:

(i) a copy of this Indenture, including all Supplemental Indentures entered into prior to this issuance of such Additional Bonds and particularly the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(ii) a written opinion or opinions of Bond Counsel stating that it is of the opinion that the issuance of such Additional Bonds has been duly authorized, that all conditions precedent to the delivery of such Bonds have been provided for or fulfilled or otherwise satisfied, that this Indenture creates a valid and enforceable pledge of the Trust Estate, and that the issuance of the Additional Bonds will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes;

(iii) a certificate of an Authorized Officer to the effect that no Event of Default has occurred and is continuing as of the date of issuance of such Additional Bonds (except any Event of Default that may be cured by application of the proceeds of such Bonds);

(iv) an amount equal to that amount which the Authority shall have determined to be the purchase price for such Bonds;

(v) A copy of a certificate signed by an Authorized Officer stating the amount of Test Period Revenues projected to be received by the Authority during the current Fiscal Year and each full Fiscal Year to and including the fifth full Fiscal Year following the projected date when the Project to be financed from the proceeds of such Additional Bonds will be placed in service (the "Test Period"). "Test Period Revenues" shall mean, for the purposes hereof, the Net Revenues during the Test Period, as determined by the

* The Third Supplemental Trust Indenture to Amended and Restated Indenture amended this paragraph to read as follows:

"In addition to the Bonds authorized under Sections 2.06 and 2.07, Additional Bonds may be issued pursuant to this Section 2.08 and secured by this Indenture from time to time, on a parity with any other Outstanding Bonds, subject to the conditions hereinafter provided in this Section 2.08, (i) for the purpose of providing funds, together with other legally available funds, to pay all or any part of the Cost of a Project, and, as shall be specified in the Supplemental Indenture authorizing the issuance of such Additional Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto, or (ii) to finance Hedge Charges including, without limitation, termination payments relating to Hedge Agreements. The Additional Bonds shall be issued in an aggregate principal amount set forth in a Supplemental Indenture authorizing their issuance."

** The Third Supplemental Trust Indenture to Amended and Restated Trust Indenture amended this paragraph to read as follows:

"the balance of the proceeds of the Additional Bonds remaining after the deposits made pursuant to clauses (i) through (iii) above have been made shall be delivered to the Trustee for deposit (A) in connection with Additional Bonds authorized by clause (i) of subsection (a) of this Section 2.08, to the credit of the applicable Account or Subaccount of the Construction Fund for application to the payment of the Cost of the Project financed by such Additional Bonds, and (B) in connection with Additional Bonds authorized by clause (ii) of subsection (a) of this Section 2.08, in such manner as shall be specified in the Supplemental Indenture authorizing the issuance of such Additional Bonds for application to the payment of those Hedge Charges financed thereby as provided in the Supplemental Indenture authorizing the issuance thereof."

Authorized Officer, further adjusted by the Authorized Officer to reflect 100% of the additional Revenues which, in the opinion of the Consulting Engineer, would be received from increases in Tolls, rates, fees, rentals and other charges relating to the System scheduled to take effect during the Test Period (provided that such increases must be adopted as of the date the certification is made and such increases must be effective on, or scheduled to become effective no later than eighteen months from, the date on which such certificate is made and must remain in effect for the entirety of the Test Period);

(vi) A written opinion of the Consulting Engineer stating that (A) the projections of Test Period Revenues set forth in the certificate of the Authorized Officer delivered pursuant to clause (v) immediately above are reasonable, and (B) the Test Period Revenues are sufficient to enable the Authority to comply with all of the requirements of Section 5.01(b) over the entirety of the Test Period, taking into account the additional Principal and Interest Requirements of the Additional Bonds proposed to be issued;

(vii) Either (A) A certificate of the Department stating that, at the time the Additional Bonds are to be issued, (1) the Authority is current in the payment to the Department of any unpaid Non-contingent Portion of Annual Repayment Requirements, (2) there is not any unpaid Contingent Portion of Annual Repayment Requirements, and (3) the Department acknowledges that Revenues, based on the opinion of the Consulting Engineer, are projected to be sufficient to pay when due the Annual Repayment Requirements after taking into account the debt service requirements of the Additional Bonds, or (B) if, at the time the Additional Bonds are to be issued (1) the Authority is not current in the payment to the Department of any unpaid Non-contingent Portion of Annual Repayment Requirements, (2) there shall be any unpaid Contingent Portion of Annual Repayment Requirements, or (3) Revenues, based on the opinion of the Consulting Engineer, are projected to be insufficient to pay when due the Annual Repayment Requirements after taking into account the debt service requirements of the Additional Bonds, a written consent from the Department to the issuance of such Bonds; and

(viii) A certificate of the Department to the effect that the Authority has delivered to the Department a certificate prepared in accordance Section 2.08(c)(vi) of this Indenture and prepared as though the scheduled debt service payments required to be made by the Authority to the Department under such State Infrastructure Bank Loan Agreements then in effect between the Authority and the Department constitute a component of Annual Repayment Requirements.

The Authority covenants that it will not issue Additional Bonds without the prior written consent of the Initial Reserve Facility Provider so long as there shall be due and owing at the time of such issuance any Policy Costs.

SECTION 2.09. REFUNDING BONDS.

(a) General. In addition to the Bonds authorized under the provisions of Sections 2.06, 2.07 and 2.08, Refunding Bonds may be issued pursuant to this Section 2.09 and secured by this Indenture from time to time on a parity with any other Outstanding Bonds, subject to the conditions hereinafter provided in this Section 2.09, for the purpose of providing funds, together with other legally available funds, for refunding all or any portion of the Outstanding Bonds of any one or more Series issued under the provisions of this Indenture, including the payment of all amounts necessary to defease the Outstanding Bonds to be refunded in accordance with the provisions thereof, and, as shall be specified in the Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds, to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto.

(b) Application of Proceeds. The proceeds (including Capitalized Interest and accrued interest) of the Refunding Bonds, as applicable, shall be applied by an Authorized Officer as follows (or in such other manner as shall be set forth in the Supplemental Indenture authorizing the issuance of such Series of Refunding Bonds):

(i) the amount, if any, received as Capitalized Interest on the Refunding Bonds shall be delivered to the Trustee for deposit to the credit of the applicable Account or Subaccount in the Construction Fund pursuant to Section 4.01 and the amount, if any received as accrued interest on the Refunding Bonds shall be delivered to the Trustee for deposit to the credit of Sinking Fund;

(ii) the amount estimated by an Authorized Officer to be sufficient for that purpose shall be delivered to the Trustee for deposit to the credit of a special account and applied to the payment of the expenses of issuing the Refunding Bonds, including, but not limited to, financial advisory, accounting and legal fees, rating agency fees, printing costs, initial Bond Registrar fees, initial Paying Agent fees, initial Trustee fees, Credit Facility and Liquidity Facility fees and expenses, if any, and any other miscellaneous expenses relating to the issuance of such Bonds;

(iii) the amount necessary to make the amount on deposit therein equal to the applicable Debt Service Reserve Fund Requirement, as may be limited by Section 2.01 or by the Supplemental Indenture authorizing the issuance of such Bonds, shall be delivered to the Trustee for deposit to the credit of the appropriate Account of the Debt Service Reserve Fund; and

(iv) the balance of the proceeds of the Refunding Bonds remaining after the deposits made pursuant to clauses (i) through (iii) above have been made shall be applied to pay or provide for the payment of the Bonds to be refunded thereby in such manner and shall satisfy the conditions of Article XII to the release of the lien of the Trust Estate and this Indenture in favor of such Bonds.

(c) Conditions Precedent to Issuance of Refunding Bonds. Refunding Bonds shall be authenticated by the Bond Registrar and delivered by the Trustee in such manner as shall be

specified in writing by an Authorized Officer, but only after such Bonds shall have been executed as provided in this Indenture and there shall have been obtained and delivered to the Trustee, the following:

(i) a copy of this Indenture, including all Supplemental Indenture entered into prior to this issuance of such Refunding Bonds and particularly the Supplemental Indenture authorizing the issuance of such Refunding Bonds;

(ii) a written opinion or opinions of Bond Counsel stating that it is of the opinion that the issuance of such Refunding Bonds has been duly authorized, that all conditions precedent to the delivery of such Bonds have been provided for or fulfilled or otherwise satisfied, that this Indenture creates a valid and enforceable pledge of the Trust Estate, and that the issuance of the Refunding Bonds will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes;

(iii) a certificate of an Authorized Officer to the effect that no Event of Default has occurred and is continuing as of the date of issuance of such Refunding Bonds (except any Event of Default that may be cured by application of the proceeds of such Bonds);

(iv) an amount equal to that amount which the Authority shall have determined to be the purchase price for such Bonds;

(v) either (A) a certificate signed by an Authorized Officer, confirming that the annual Principal and Interest Requirements for each Fiscal Year in which the Bonds to be refunded would be Outstanding but for such refunding for all Outstanding Bonds following issuance of the Refunding Bonds with respect to which the certificate is made (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the annual Principal and Interest Requirements for each Fiscal Year for all Outstanding Bonds prior to issuance of such Refunding Bonds, or (B) in lieu thereof, the certificate required by Section 2.08(c)(v) and the opinion required by Section 2.08(c)(vi), each prepared as though the Refunding Bonds constitute a Series of Additional Bonds and as though the Test Period shall commence on the date of issuance of such Refunding Bonds, and under the circumstances set forth in Section 2.08(c)(vii), the written consent of the Department described therein; and

(vi) Where the Authority shall have satisfied the requirements of Section 2.08(c)(v)(B) above with respect to such Refunding Bonds, a certificate of the Department to the effect that the Authority has delivered to the Department a certificate prepared in accordance Section 2.08(c)(vi) of this Indenture and prepared as though the scheduled debt service payments required to be made by the Authority to the Department under such State Infrastructure Bank Loan Agreements then in effect between the Authority and the Department constitute a component of Annual Repayment Requirements.

The Authority covenants that it will not issue Refunding Bonds without the prior written consent of the Initial Reserve Facility Provider so long as there shall be due and owing at the time of such issuance any Policy Costs.

SECTION 2.10. PREPARATION OF DEFINITIVE BONDS; TEMPORARY BONDS. The definitive Bonds of each Series shall be lithographed or printed with or without steel engraved borders. Until the definitive Bonds of any Series are ready for delivery, there may be executed, and an Authorized Officer may deliver, or cause the Bond Registrar to deliver in lieu of definitive Bonds and subject to the same limitations and conditions, except as to identifying numbers, temporary printed, engraved, lithographed or typewritten Bonds in Authorized Denominations substantially of the tenor hereinabove set forth, and with appropriate omissions, insertions and variations as may be required. The Authority shall cause the definitive Bonds to be prepared and to be executed, endorsed and delivered to the Bond Registrar, on behalf of the Authorized Officer, and the Bond Registrar, upon presentation to it of any temporary Bond, shall cancel the same and authenticate and deliver, in exchange therefor, at the place designated by the Owner, without expense to the Owner, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects, including the privilege of registration if so provided, be entitled to the same benefit of this Indenture as the definitive Bonds to be issued and authenticated hereunder. The Bond Registrar shall promptly destroy all temporary Bonds that have been canceled and shall submit a certificate to the Chairman certifying that such temporary Bonds have been canceled and destroyed. Notwithstanding the foregoing, the definitive Series 1996 Bonds may be issued in typewritten form and a Supplemental Indenture authorizing the issuance of a Series of Bonds may provide for the definitive Bonds of a Series to be in typewritten form or in such other form as provided therein.

SECTION 2.11. MUTILATED, DESTROYED, STOLEN OR LOST BONDS. In case any Bonds secured hereby shall become mutilated or be destroyed, stolen or lost, the Authority may cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like series, date, maturity, denomination and interest rate in exchange and substitution for and upon the cancellation of, such mutilated Bond or in lieu of and in substitution for such Bond destroyed, stolen, or lost, upon the Owner's paying the reasonable expenses and charges of the Authority in connection therewith and, in the case of a Bond destroyed, stolen or lost, filing with the Authority and Bond Registrar evidence satisfactory to them that such Bond was destroyed, stolen or lost, and of his ownership thereof, and furnishing the Authority and Bond Registrar with indemnity satisfactory to them. In the event any such Bond shall be about to mature or has matured or been called for redemption, instead of issuing a duplicate Bond, the Authority may direct the Paying Agent to pay the same without surrender thereof. Any Bond surrendered for replacement shall be canceled in the same manner as provided in Section 2.05.

Any such duplicate Bonds issued pursuant to this Section 2.11 shall constitute additional contractual obligations on the part of the Authority and the Trustee, whether or not the lost, stolen or destroyed Bonds are at any time found, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment

from the Revenues and moneys on deposit in the Funds and Accounts with all other Bonds issued hereunder.

SECTION 2.12. BOOK-ENTRY SYSTEM FOR SERIES 1996 BONDS. The Series 1996 Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC as the initial Securities Depository and Owner of the Series 1996 Bonds, and may be held in the custody of or by the Trustee for the account of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity of the Series 1996 Bonds (except as otherwise required by DTC). The ultimate purchasers of ownership interests in the Series 1996 Bonds (the "Beneficial Owners") will not receive physical delivery of Series 1996 Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Series 1996 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 1996 Bonds is to receive, hold or deliver any Bond certificate.

The Authority and the Trustee shall treat the Securities Depository (or its nominee) as the sole and exclusive Owner of the Series 1996 Bonds registered in its name for the purposes of payment of the principal of and interest on or Redemption Price, if any, of the Series 1996 Bonds or portion thereof to be redeemed, and of giving any notice permitted or required to be given to Series 1996 Bondholders under this Indenture and neither the Authority nor the Trustee shall be affected by any notice to the contrary. Neither the Authority nor the Trustee shall have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other Person which is not shown on the bond registration books maintained by the Bond Registrar, with respect to the accuracy of any records maintained by the Securities Depository or any Participant; the payment by the Securities Depository or any Participant of any amount in respect of the principal of and interest on the Series 1996 Bonds; any notice which is permitted or required to be given to Series 1996 Bondholders under this Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Series 1996 Bonds; or any consent given or other action taken by the Securities Depository as a Series 1996 Bondholder. The Trustee shall pay all principal of and interest on or Redemption Price, if any, of the Series 1996 Bonds registered in the name of Cede & Co. only to or "upon the order of" the Securities Depository (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 Authority's obligations with respect to the principal of and interest on or Redemption Price, if any, of such Series 1996 Bonds to the extent of the sum or sums so paid.

The Authority and the Trustee covenant and agree, so long as DTC shall continue to serve as Securities Depository for the Series 1996 Bonds, to meet the requirements of DTC with respect to required notices and other provisions of the Letter of Representations executed with respect to the Series 1996 Bonds.

The Authority may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Series 1996

Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Series 1996 Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Series 1996 Bonds, the beneficial ownership thereof is determined by a book-entry at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring Series 1996 Bonds shall be deemed modified to require the appropriate Person to meet the requirements of the Securities Depository as to registering or transferring the book-entry to produce the same effect. Any provision hereof permitting or requiring delivery of Series 1996 Bonds shall, while the Series 1996 Bonds are in a Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with the law of the State.

The Trustee and the Authority, at the direction and expense of the Authority, may from time to time appoint a successor Securities Depository and enter into an agreement with the Securities Depository, to establish procedures with respect to the Series 1996 Bonds not inconsistent with the provisions of this Indenture. Any successor Securities Depository shall be approved by the Trustee and shall be a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

The Trustee and the Authority, at the direction and expense of the Authority, will cause the delivery of bond certificates to each Beneficial Owner, registered in the name of such Beneficial Owner, under the following circumstances:

(a) The Securities Depository determines to discontinue providing its service with respect to the Series 1996 Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' written notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(b) The Authority determines not to continue the Book-Entry System through a Securities Depository.

The Trustee is hereby authorized to make such changes to the form of Bonds attached hereto as Exhibit C which are not inconsistent with this Indenture and which are necessary or appropriate upon the appointment of a successor Securities Depository or while the Book-Entry System is not in effect.

If at any time, the Securities Depository ceases to hold the Series 1996 Bonds, thereafter all references herein to the Securities Depository shall be of no further force or effect.

ARTICLE III

REDEMPTION AND TENDER FOR PURCHASE OF BONDS

SECTION 3.01. REDEMPTION DATES AND PRICES. Bonds other than the Series 1996 Bonds shall be subject to redemption in the manner set forth, if any, in the Supplemental Indenture authorizing the issuance of such Bonds. The Series 1996 Bonds may not be called for redemption by the Authority except as provided below:

(a) (i) The Series 1996 Bonds bearing interest at Daily, Weekly, Monthly, Quarterly, Semiannual or Extended Rates (but only if the Extended Rate Period is one year in duration) are subject to optional redemption from Eligible Funds prior to their stated maturity upon request of the Authority in whole or in part at any time at a price equal to the principal amount thereof, without premium, plus accrued interest thereon to the redemption date.

(ii) The Series 1996 Bonds bearing interest at Extended Rates (but only if the Extended Rate Period is more than one year in duration) or the Fixed Rate are subject to optional redemption from Eligible Funds (or from moneys that are not Eligible Funds if there shall not be a Credit Facility in place at the time of such redemption or if the Credit Facility in place at the time of such redemption is a policy of municipal bond insurance) prior to their stated maturity upon request of the Authority in whole or in part at the times and at the prices set forth below, and in such amounts and of such maturities as the Authority shall direct, plus accrued interest thereon to the redemption date:

Years Remaining from Conversion Date until end of Extended Rate Period or Final Maturity of Bonds in the Fixed Rate Period	First Day of Redemption Period	Redemption Price
More than fifteen	Tenth anniversary of Conversion Date	102% declining by 1% on each succeeding anniversary of the tenth anniversary of the Conversion Date until reaching 100% and thereafter at 100%
More than seven but not more than fifteen	Seventh anniversary of Conversion Date	102% declining by 1% on each succeeding anniversary of the seventh anniversary of the Conversion Date until reaching 100% and thereafter at 100%

Years Remaining from Conversion Date until end of Extended Rate Period or Final Maturity of Bonds in the Fixed Rate Period	First Day of Redemption Period	Redemption Price
More than five but not more than seven	Fourth anniversary of Conversion Date	101% declining by 1% on the next anniversary after the fourth anniversary of the Conversion Date and thereafter at 100%
Five or fewer	Not callable	

Notwithstanding any provision in this Indenture or the Series 1996 Bonds to the contrary, this Indenture and the Bonds may be amended as of the Conversion Date upon the request of the Authority, without the consent of any of the Bondholders, to change the redemption provisions applicable during an Extended Rate Period or the Fixed Rate Period to such redemption provisions as are acceptable to the Authority provided the Authority provides an Opinion of Bond Counsel to the Trustee to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(iii) Prior to notice being given to the Owners of affected Series 1996 Bonds of any optional redemption of Series 1996 Bonds under this Section 3.01(a), either (A) there shall be deposited with the Trustee an amount sufficient to pay the principal amount of the Series 1996 Bonds subject to redemption, plus accrued interest to the redemption date, plus any premium applicable to such redemption, or (B) such notice shall state that the redemption is conditioned on the receipt of moneys for such redemption by the Trustee on or prior to the redemption date. In the event that a conditional notice of redemption is given and such moneys are not timely received, the redemption for which such notice was given shall not be undertaken. Amounts deposited pursuant to this paragraph shall be kept by the Trustee in a trust account separate and segregated from all other moneys deposited under this Indenture and shall be held uninvested unless invested at the direction of an Authorized Officer only in Government Obligations that mature on or before the redemption date. If the redemption price is required to be paid with Eligible Funds as specified in Section 3.01(a)(i) or (ii), the Trustee shall cancel the redemption of the Series 1996 Bonds if it determines that sufficient Eligible Funds will not be available on the redemption date. It is understood that the Initial Credit Facility and the Initial Liquidity Facility are not available to provide Eligible Funds for the payment of any redemption under this Section.

(b) The Series 1996 Bonds shall be redeemed in whole or in part in such amounts and of such maturities as the Authority shall direct at any time at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date upon receipt by the Trustee of a written notice from the Authority stating that either of the following events has occurred:

(1) all or substantially all of the System shall be damaged or destroyed and the Authority shall determine that it is not practicable or desirable to rebuild, repair and restore the same; or

(2) all or substantially all of the System shall be condemned or such use or control thereof shall be taken by eminent domain as to render the same unsatisfactory to the Authority for continued operation.

Any such redemption pursuant to this Section 3.01(b) prior to the Fixed Rate Conversion Date shall be made only from Eligible Funds.

(c) Provider Bonds are subject to redemption prior to maturity at the option of the Authority as a whole or in part in such amounts and of such maturities as the Authority may direct on any date at the principal amount thereof, without premium, plus interest accrued thereon to the redemption date.

(d) The Series 1996 Bonds are also subject to redemption prior to maturity at a redemption price equal to the principal amount thereof, plus accrued interest, by application by the Trustee of funds on deposit to the credit of the Sinking Fund on July 1 in the years and in the principal amounts as follows:

YEAR	AMOUNT
1999	$1,000,000
2000	1,800,000
2001	2,000,000
2002	2,200,000
2003	2,300,000
2004	2,500,000
2005	2,600,000
2006	2,800,000
2007	3,000,000
2008	3,200,000
2009	3,400,000
2010	3,600,000
2011	3,900,000
2012	4,100,000
2013	4,400,000
2014	4,700,000
2015	4,900,000
2016	5,400,000
2017	5,600,000
2018	6,100,000
2019*	10,500,000

*By operation of maturity.

(e) If less than all of the Bonds of a Series or of any one maturity of a Series shall be called for redemption, the particular Bonds to be redeemed shall be selected by the Trustee in such manner as the Trustee in his discretion deems fair and appropriate except to the extent otherwise provided in the Supplemental Indenture authorizing the Bonds of such Series.

SECTION 3.02. NOTICE OF REDEMPTION. Except as otherwise provided with respect to a Series of Bonds in the Supplemental Indenture authorizing the issuance of the Bonds of such Series, at least thirty (30) days, but not more than forty-five (45) days, before the redemption date of any Bonds, the Trustee shall cause a notice of such redemption to be: (a) filed with any Paying Agent; (b) sent by telefacsimile followed by first class mail to registered securities depositories and to national information services that disseminate redemption notices; and (c) mailed, postage prepaid, to all Owners of Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books herein provided for. Failure to file any such notice with any Paying Agent or to mail any such notice to any Bondholder or to any securities depository or national information service or any defect therein shall not affect the validity of the proceedings for redemption, except to the extent a Bondholder is prejudiced thereby, and then, only with respect to such Bondholder. Except as otherwise provided with respect to a Series of Bonds in the Supplemental Indenture authorizing the issuance of the Bonds of such Series, each such notice shall set forth: (t) the date fixed for redemption; (u) the redemption price to be paid; (v) the CUSIP numbers and the certificate numbers of the Bonds to be redeemed; (w) the name and address of the Paying Agent for the Bonds; (x) the dated date, interest rate and maturity date of the Bonds; and (y) if less than all of the Bonds of a Series then Outstanding shall be called for redemption, the amounts of each of the Bonds to be redeemed; and (z) the name, address and telephone number of a contact for such redemption.

SECTION 3.03. [RESERVED]

SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS. Except as provided in Section 2.12, any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Bond Registrar duly executed by the Owner thereof or his duly authorized attorney or legal representative in writing) and the Authority shall execute and the Bond Registrar shall authenticate and deliver to the Owner of such Bond, without charge, other than any applicable tax or other governmental charge, a new Bond or Bonds, of any Authorized Denomination, as requested by such Owner in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. EFFECT OF CALL FOR REDEMPTION. On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor. If money or Escrow Securities, or a combination of both, sufficient to pay the Redemption Price of the Bonds to be redeemed are held by the Trustee in trust for the Owners of Bonds to be redeemed on the date fixed for redemption, then interest on the Bonds called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefits or security under this Indenture or to be deemed Outstanding, and the Owners of

such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof. Bonds and portions of Bonds for which irrevocable instructions to pay on one or more specified dates or to call for redemption at the redemption date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Indenture and shall cease to be entitled to the security of or any rights under this Indenture, other than rights to receive payment of the Redemption Price thereof, to be given notice of redemption in the manner provided in Section 3.02, and, to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds, if money or Escrow Securities, or a combination of both, sufficient to pay the Redemption Price of such Bonds or portions thereof, are held in separate accounts by the Trustee in trust for the Owners of such Bonds. All money held by the Trustee under this Section 3.05 for the redemption of Bonds after the Redemption Date shall be held uninvested or invested at the written direction of the Authority in Government Obligations that mature on or before the redemption date.

For purposes of this Article III, Escrow Securities shall be deemed to be sufficient to redeem Bonds on a specified date if the principal of and the interest on such Escrow Securities, when due, will be sufficient to pay on such date the Redemption Price of such Bonds to such date.

If a portion of an Outstanding Bond shall be selected for redemption, the Owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the Redemption Price of the portion thereof called for redemption, and the Authority shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond of the same stated maturity and bearing interest at the same rate.

SECTION 3.06. EXPENSES OF REDEMPTION. The expenses of any redemption of Bonds pursuant to this Article shall be paid from the Revenue Fund.

SECTION 3.07. OPTIONAL TENDERS BY OWNERS DURING VARIABLE RATE PERIODS. (a) Purchase Dates. During any Variable Rate Period a beneficial owner of the Series 1996 Bonds (other than Provider Bonds) may elect to have its Series 1996 Bonds (or portions thereof in Authorized Denominations) purchased at the Purchase Price, on the following Purchase Dates by causing the Direct Participant through whom such beneficial owner owns such Series 1996 Bond to give the following irrevocable telephonic or written notices meeting the further requirements of subsection (b) of this Section 3.07 and upon transfer on the registration books of DTC on the same day such notice is given of the beneficial ownership interest in such Series 1996 Bonds to the account of the Trustee, "free delivery" for settlement on the Purchase Date:

(i) Series 1996 Bonds bearing interest at Daily Rates may be tendered for purchase on any Business Day upon telephonic notice of tender given to the Trustee not later than 10:30 a.m., Eastern time, on the Purchase Date;

(ii) Series 1996 Bonds bearing interest at Weekly Rates may be tendered for purchase on any Business Day upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., Eastern time, on a Business Day not less than seven (7) days prior to the Purchase Date;

(iii) Series 1996 Bonds bearing interest at Monthly, Quarterly or Semiannual Rates may be tendered for purchase on any Interest Payment Date upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., Eastern time, on a Business Day which is not less than seven (7) days prior to the Interest Payment Date in the case of Series 1996 Bonds bearing interest at Monthly and Quarterly Rates, or fifteen (15) days prior to the Interest Payment Date in the case of Series 1996 Bonds bearing interest at Semiannual Rates; and

(iv) Series 1996 Bonds bearing interest at Extended Rates may be tendered for purchase on the commencement date of any Extended Rate Period (other than the Extended Rate Conversion Date) upon delivery of a written notice of tender to the Trustee not later than 5:00 p.m., Eastern time, on a Business Day which is not less than fifteen (15) days prior to the Purchase Date.

(b) Notice of Tender. Each notice of tender:

(i) shall, in the case of a written notice, be delivered to the Trustee at its principal office and be in form satisfactory to the Trustee;

(ii) shall state, whether delivered in writing or by telephone (A) the principal amount of the Series 1996 Bond or portion of the Series 1996 Bond to be purchased, (B) that the Owner irrevocably demands purchase of such Series 1996 Bond or portion thereof, (C) the date on which such Series 1996 Bond or portion is to be purchased, (D) payment instructions, and (E) the DTC number of such Direct Participant; and

(iii) shall automatically constitute, whether delivered in writing or by telephone (A) an irrevocable offer to sell the Series 1996 Bond or portion to which the notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent, at the Purchase Price, (B) an irrevocable authorization and instruction to the Series 1996 Bond Registrar to effect transfer of such Series 1996 Bond or portion upon payment of such price to the Trustee on the Purchase Date, (C) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Series 1996 Bond to be purchased in whole or in part for other Series 1996 Bonds of the same maturity in an equal aggregate principal amount so as to facilitate the sale of such Series 1996 Bond or portion, and (D) an acknowledgment that such Owner will have no further rights with respect to such Series 1996 Bond or portion thereof upon payment of the Purchase Price by the Trustee on the Purchase Date to the Direct Participant from whom the notice of tender is received, except for the right of such Owner to receive such Purchase Price upon surrender of such Series 1996 Bond to the Tender Agent.

The determination of the Trustee as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner. The Trustee, if other than the Tender Agent, shall promptly notify the Tender Agent of its receipt of each notice given pursuant to this Section. The Trustee shall hold beneficial ownership interests of Series 1996 Bonds delivered to it pursuant to this Section pending settlement in trust for the benefit of the direct participant from whom the beneficial interests in the Series 1996 Bonds are received and shall remit any interest payments received with respect to such Series 1996 Bonds for the period prior to the Purchase Date to such Direct Participant.

(c) Series 1996 Bonds to be Remarketed. Not later than 4:30 p.m., Eastern time, on the Business Day immediately following the date of receipt of any notice of tender (or immediately upon such receipt, in the case of Series 1996 Bonds bearing interest at Daily Rates), the Tender Agent shall notify the Remarketing Agent and the Trustee of the principal amount of Series 1996 Bonds or portions thereof to be tendered and remarketed and the date they are to be tendered and remarketed. Such notices shall be given by telephone, telegram, telecopy, telex or other similar communication and shall be promptly confirmed in writing.

(d) Remarketing of Tendered Series 1996 Bonds. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Series 1996 Bonds or portions thereof properly tendered. All Series 1996 Bonds shall be at all times remarketed at the Purchase Price. Notwithstanding the foregoing, the Remarketing Agent shall not offer for sale any Series 1996 Bond if notice of (i) any optional or mandatory redemption, (ii) any conversion from one Variable Rate Period to another or to a Fixed Rate Period has been given to the Owners of the Series 1996 Bonds pursuant to the provisions of this Indenture, or (iii) any defeasance in accordance with the provisions of Article XII has occurred, unless the Remarketing Agent has advised the Person in writing to whom the offer is made of such occurrence and the effect of the same on the rights of such Owners including, but not limited to, the rights of such Owners to tender their Series 1996 Bonds, as described in the conversion notice from the Tender Agent to the Owners of the Series 1996 Bonds.

SECTION 3.08. MANDATORY TENDERS UPON VARIABLE RATE CONVERSION. (a) Purchase Dates. In the case of any conversion from one Variable Rate Period to another Variable Rate Period (except a conversion between a Daily Rate Period and a Weekly Rate Period), the Series 1996 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

(b) Notice to Owners. Any notice of a conversion given to Bondholders pursuant to Section 2.06(j) shall, in addition to the requirements of such Section, specify (i) that the Series 1996 Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date and the time at which Series 1996 Bonds are to be tendered for purchase, and (ii) if appropriate, any requirements imposed by Section 2.06(n).

(c) Remarketing. At or before 4:00 p.m., Eastern time, on the Business Day immediately following the last day on which notices of election to tender Series 1996 Bonds may be delivered to the Tender Agent pursuant to Section 3.07 (or immediately upon receipt of such notice in the case of optional tenders of Series 1996 Bonds bearing the Daily Rate), the Tender

Agent shall notify the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent, by telephone, telegram, telecopy, telex or other similar communication, of the aggregate principal amount of Series 1996 Bonds to be tendered for purchase on the Conversion Date or the Purchase Date. At or before 4:00 p.m., Eastern time, on the fifth Business Day immediately preceding the conversion to a Daily, Weekly or Monthly Rate Period or on the seventh calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Quarterly Rate Period or on the fifteenth calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Semiannual or Extended Rate Period, the Tender Agent shall notify the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent, by telephone, telegram, telecopy, telex or other similar communication, of the aggregate principal amount of Series 1996 Bonds to be tendered for purchase on the Conversion Date or the Purchase Date. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Series 1996 Bonds to be tendered. All Series 1996 Bonds shall be at all times remarketed at the Purchase Price.

SECTION 3.09. MANDATORY TENDERS UPON EXPIRATION, SUBSTITUTION OR TERMINATION OF CREDIT FACILITY OR LIQUIDITY FACILITY. (a) Purchase Dates. Prior to the Fixed Rate Conversion Date of the Series 1996 Bonds, the Series 1996 Bonds shall be subject to mandatory tender for purchase at the Purchase Price:

(i) on a Business Day which is at least five days prior to the date on which the Credit Facility or Liquidity Facility is to be canceled in connection with replacement by an Alternate Credit Facility pursuant to Section 13.03 or an Alternate Liquidity Facility pursuant to Section 13.06, as the case may be; or

(ii) on a Business Day which is at least five days prior to a termination or expiration of the Credit Facility or the Liquidity Facility, including a Termination Event (as defined in the Initial Liquidity Facility) described in a Termination Notice delivered pursuant to Section 2.03 of the Initial Liquidity Facility.

(b) [RESERVED]

(c) Notice to Owners. Notice of mandatory tender of Series 1996 Bonds shall be given by mail by the Bond Registrar at the direction of the Trustee to the Owners of said Series 1996 Bonds by first class mail not less than thirty (30) days prior to the mandatory tender date. A copy of such notice shall be sent to the Authority and the Trustee. Notice having been so given, such mandatory tender shall occur on the date provided in such notice whether or not an Alternate Credit Facility or Liquidity Facility, as the case may be, is provided after such initial notice has been given.

(d) Remarketing. On the Business Day on which the first notice is mailed pursuant to 3.09(c), the Trustee shall notify the Tender Agent and the Remarketing Agent by telephone, telegram, telecopy, telex or other similar communication of the aggregate principal amount of Series 1996 Bonds to be tendered for purchase on the mandatory tender date.

The Remarketing Agent shall offer for sale at par and use its best efforts to find purchasers for the Series 1996 Bonds to be tendered pursuant to Section 3.09(a) and advise them whether the Credit Facility or the Liquidity Facility will be replaced. In the case of replacement of the Credit Facility or Liquidity Facility, the Remarketing Agent shall inform prospective purchasers of the identity of the new Credit Provider or Liquidity Provider and the ratings to be in effect on the Series 1996 Bonds following such replacement. All Series 1996 Bonds shall be at all times remarketed at the Purchase Price.

SECTION 3.10. PURCHASE OF TENDERED SERIES 1996 BONDS. (a) Notices. At or before 3:30 p.m., Eastern time, on the Business Day immediately preceding the Purchase Date (or 11:00 a.m., Eastern time, on the Purchase Date in the case of Series 1996 Bonds bearing interest at Daily Rates), the Remarketing Agent shall give notice by telephone, telegram, telecopy, telex or other similar communication to the Trustee of the principal amount of tendered Series 1996 Bonds which have been remarketed and of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of remarketed Series 1996 Bonds to be delivered to each purchaser. On the Purchase Date, the Trustee shall draw on the Liquidity Facility to the extent necessary to timely pay the Purchase Price with regard to the Series 1996 Bonds for which remarketing proceeds (other than proceeds of sale to the Authority) have not been paid to the Trustee. In the case of the Initial Liquidity Facility, such draw shall be made not later than 11:30 a.m., New York City time, on the Purchase Date. In the event that the Trustee does not receive from the Remarketing Agent the notice described in this Section, on the Purchase Date the Trustee shall draw on the Liquidity Facility to the extent necessary to timely pay the Purchase Price of all Series 1996 Bonds subject to tender for purchase on such Purchase Date. In the case of the Initial Liquidity Facility, such draw shall be made not later than 11:30a.m., New York City time, on the Purchase Date.

(b) Sources of Payment. The Remarketing Agent shall pay to the Trustee, on the Purchase Date, all amounts representing proceeds of the remarketing of tendered Series 1996 Bonds, such payments to be made in the manner and at the time specified in Sections 3.07(d), 3.08(c), 3.09(d), 3.10(d) and 3.12(c), as applicable. All such proceeds, the proceeds of a draw upon the Liquidity Facility and all other Eligible Funds shall be held by the Trustee in trust in a separate segregated account. The Liquidity Provider has agreed under the Liquidity Facility to pay, on or before 3:30 p.m., Eastern time, on the Purchase Date, the Purchase Price to the Trustee of such Series 1996 Bonds that have not been remarketed.

(c) Payments by the Trustee. Before 4:00 p.m., Eastern time, on the Purchase Date and upon receipt by the Trustee of 100% of the aggregate Purchase Price of the tendered Series 1996 Bonds, the Trustee shall pay the Purchase Price of such Series 1996 Bonds to the Owners thereof (or as otherwise provided in Section 3.07) at its principal office or by bank wire transfer. Such payments shall be made in immediately available funds. Payments of such Purchase Price are to be made from the following sources in the order of priority indicated:

(i) The proceeds of the sale of the Series 1996 Bonds which have been remarketed by the Remarketing Agent (other than proceeds of a sale of the Series 1996 Bonds to the Authority); and

(ii) The proceeds of the sale of the Series 1996 Bonds which have been purchased by the Liquidity Provider pursuant to the Liquidity Facility or other proceeds received under or pursuant to a Liquidity Facility;

(iii) Moneys paid by the Authority for such purpose that are Eligible Funds; and

(iv) Other moneys paid by the Authority for such purpose.

(d) Registration and Delivery of Tendered or Purchased Series 1996 Bonds. (i) Subject to the requirements of clauses (ii) and (iii) immediately below, on the Purchase Date, the Bond Registrar shall register and deliver (or hold) all Series 1996 Bonds purchased on any Purchase Date as follows:

(1) Series 1996 Bonds purchased or remarketed by the Remarketing Agent shall be registered in accordance with the instructions of the Remarketing Agent and made available for delivery to the Remarketing Agent; and

(2) Series 1996 Bonds purchased with funds made available under or pursuant to the Liquidity Facility shall be registered in the name of the Liquidity Provider or its nominee and shall be delivered to or to the order of the Liquidity Provider in accordance with the provisions of the Liquidity Facility. While so registered, such Series 1996 Bonds shall constitute Provider Bonds.

(ii) While the DTC Book-Entry Only System is in effect for the Series 1996 Bonds, the Trustee shall deliver Series 1996 Bonds purchased or remarketed by the Remarketing Agent by transfer of beneficial ownership of such Series 1996 Bonds on the registration books of DTC to or upon the order of the Remarketing Agent

(iii) While the DTC Book-Entry Only System is in effect for the Series 1996 Bonds, the Trustee shall identify Series 1996 Bonds purchased with funds made available under or pursuant to the Liquidity Facility on its registration books as Provider Bonds. The Trustee shall withdraw Provider Bonds from the DTC Book-Entry Only System and shall prepare and authenticate physical Series 1996 Bonds representing such Provider Bonds. While the DTC Book-Entry Only System is in effect for the Series 1996 Bonds, in the event that Provider Bonds are subsequently remarketed pursuant to the terms of this Article III and the Liquidity Facility, the Trustee shall take such action as shall be necessary to reinstate the DTC Book-Entry Only System for such Series 1996 Bonds and shall transfer beneficial ownership thereof on the books of DTC to or upon the order of the Remarketing Agent.

(e) Delivery of Series 1996 Bonds; Effect of Failure to Surrender Series 1996 Bonds.

(i) All Series 1996 Bonds to be purchased on any date shall be required to be delivered to the designated corporate trust office of the Tender Agent at or before 11:30 a.m., Eastern time, on the Purchase Date, except that Series 1996 Bonds bearing interest at Semiannual or Extended Rates being tendered for purchase at the election of the

Owner pursuant to Section 3.07 shall be delivered to the designated corporate trust office of the Tender Agent along with the notice of tender.

(ii) If the Owner of any Series 1996 Bond (or portion thereof) that is subject to purchase pursuant to this Article III fails to surrender such Series 1996 Bond to the Tender Agent for purchase on the Purchase Date, and if the Trustee is in receipt of the Purchase Price therefor, such Series 1996 Bond (or portion thereof) shall nevertheless be deemed purchased on the Purchase Date and ownership of such Series 1996 Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (d) of this Section 3.10. Any Owner who fails to deliver a Series 1996 Bond for purchase as required above shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Series 1996 Bond to the Tender Agent. The Tender Agent shall promptly notify the Trustee of any such failure to deliver a Series 1996 Bond to the Tender Agent, and the Trustee shall be entitled to conclusively rely on such notification.

(f) Investment of Funds. All money held by the Trustee for the payment of the Purchase Price of Series 1996 Bonds from whatever source derived, including remarketing proceeds and draws upon the Liquidity Facility, shall be held in a separate segregated account and shall be held uninvested or invested at the written direction of the Authority in Government Obligations with overnight maturities.

(g) Exception for Bonds Owned by Authority. Notwithstanding anything in this Agreement to the contrary, the Initial Liquidity Provider shall not be required to purchase Series 1996 Bonds subject to optional or mandatory tender for purchase under this Indenture that are beneficially held (or held in certificated form) by or on behalf of the Authority or any affiliate of the Authority.

SECTION 3.11. SERIES 1996 BONDS PURCHASED UNDER LIQUIDITY FACILITY. In the event that any Series 1996 Bonds are Provider Bonds, the Remarketing Agent shall continue to offer for sale and use its best efforts to sell such Series 1996 Bonds at the Purchase Price. The Tender Agent shall deliver such Series 1996 Bonds to the Liquidity Provider or its designee which shall hold the same pending such remarketing. While the Liquidity Facility is effective, Series 1996 Bonds purchased with funds made available under the Liquidity Facility shall not be delivered upon remarketing unless the Liquidity Facility is reinstated for the principal amount of the outstanding Series 1996 Bonds and interest thereon in accordance with its terms and the Remarketing Agent, the Bond Registrar, the Tender Agent, any designee of the Liquidity Provider then holding Provider Bonds and the Trustee have been advised in writing by the Liquidity Provider that it has elected to reinstate the Liquidity Facility in full.

SECTION 3.12. MANDATORY TENDERS UPON CONVERSION TO FIXED RATE. (a) Purchase Date. In the case of any conversion from a Variable Rate Period to the Fixed Rate Period, the Series 1996 Bonds to be converted are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price.

(b) Notice to Owners. Any notice of a conversion given to Bondholders pursuant to Section 2.06(o) shall, in addition to the requirements of such Section, specify that the Series 1996 Bonds to be converted will be subject to mandatory tender for purchase on the Conversion Date and the time at which Series 1996 Bonds are to be tendered for purchase.

(c) Remarketing. At or before 4:00 p.m., Eastern time, on the fifteenth calendar day (or, if such day is not a Business Day, on the next succeeding Business Day) preceding the conversion to a Fixed Rate Period, the Tender Agent shall notify the Trustee, the Credit Provider, the Liquidity Provider and the Remarketing Agent, by telephone, telegram, telecopy, telex or other similar communication, of the aggregate principal amount of Series 1996 Bonds to be tendered for purchase on the Conversion Date or the Purchase Date. The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Series 1996 Bonds to be tendered.

SECTION 3.13. INSUFFICIENT FUNDS FOR PURCHASES. If the moneys available for purchase of Series 1996 Bonds pursuant to this Article are inadequate for the purchase of all Series 1996 Bonds which are tendered on any Purchase Date, all Series 1996 Bonds subject to such purchase shall continue to bear interest at the same rate as in effect on the day prior to the Purchase Date to the date on which the earliest of the following occurs:

(i) The Fixed Rate Conversion Date for the Series 1996 Bonds;

(ii) The date on which any default by the Liquidity Provider under the terms of the Liquidity Facility has been cured; or

(iii) The fifth day after the date on which an Alternate Liquidity Facility meeting the requirements of Section 13.06 becomes effective.

If the preceding paragraph becomes applicable, (i) the Tender Agent shall immediately (but no later than the end of the next succeeding Business Day) return all tendered Series 1996 Bonds to the Owners thereof and notify all Owners of Series 1996 Bonds in writing of the interest rate to be effective pursuant to the preceding paragraph and (ii) the Trustee shall return all moneys received for the purchase of such Series 1996 Bonds to the Persons who provided such moneys.

SECTION 3.14. BOOK-ENTRY TENDERS. Notwithstanding any other provision of this Article III to the contrary, all tenders for purchase during any period in which the Series 1996 Bonds are registered in the name of Cede & Co. (or the nominee of any successor securities depository) shall be subject to the terms and conditions set forth in the Representation Letter and any notes and regulations promulgated by DTC.

SECTION 3.15. DUTIES OF TRUSTEE WITH RESPECT TO PURCHASE OF SERIES 1996 BONDS. The Trustee agrees, with respect to any optional or mandatory tender of the Series 1996 Bonds:

(a) to hold all moneys, other than moneys delivered to it by or on behalf of the Authority for the purchase of Series 1996 Bonds, delivered to it hereunder for the purchase of

Series 1996 Bonds as agent and bailee of and in escrow for the benefit of, the Person or entity which shall have so delivered such moneys until the Series 1996 Bonds purchased with such moneys shall have been delivered to or for the account of such Person or entity; and

(b) to hold all moneys delivered to it hereunder by or on behalf of the Authority for the purchase of Series 1996 Bonds as agent and bailee of, and in escrow for the benefit of, the Owners who shall deliver Series 1996 Bonds to it for purchase until the Series 1996 Bonds purchased with such moneys shall have delivered to or for the account the Authority.

SECTION 3.16. SPECIAL PROVISIONS REGARDING PROVIDER BONDS. (a) Notwithstanding anything in this Indenture to the contrary, at any time that there shall be Provider Bonds Outstanding, (1) all such Provider Bonds shall be remarketed before any other Series 1996 Bonds are remarketed; (2) the Series 1996 Bonds shall not be converted to the Fixed Rate unless the Provider Bonds are converted simultaneously to the Fixed Rate; and (3) all such Provider Bonds shall be redeemed before any other Series 1996 Bonds are redeemed.

(b) It is understood that the Initial Liquidity Provider shall not release any Provider Bonds to the Remarketing Agent unless it is concurrently paid the principal amount of such Provider Bonds plus all interest accrued thereon at the Corporation Rate, plus any unpaid fees and expenses.

(c) Notwithstanding anything in Section 2.06 or elsewhere in this Indenture to the contrary, Provider Bonds shall bear interest at the Corporation Rate, unless the Initial Liquidity Provider shall have provided the Authority and the Trustee with written notice that an Event of Default under the Initial Liquidity Facility shall have occurred and shall then be continuing, in which event, Provider Bonds shall bear interest at the Default Rate for so long as such Event of Default shall continue. The Trustee shall be entitled to rely fully upon a certificate from the Initial Liquidity Provider as to the continuance of such Event of Default. All interest on Provider Bonds shall be computed on the basis of a year of 365 or 366 day year, as appropriate, and shall be payable on the same Interest Payment Dates as shall apply to Series 1996 Bonds that bear interest at the Weekly Rate.

ARTICLE IV

CONSTRUCTION FUND

SECTION 4.01. CONSTRUCTION FUND. A special fund is hereby created and designated "Dade County Expressway Authority Construction Fund" (herein sometimes called the "Construction Fund") which shall be held by the Trustee and to the credit of which there shall be deposited the amounts described in Sections 2.07 and 2.08. At the option of the Authority, there may also be deposited with the Trustee for the credit of the Construction Fund, for such purposes as described in a resolution of the Authority authorizing such deposit, any moneys received by the Authority from any source, unless such moneys are required by this Indenture to be otherwise applied.

The moneys in the Construction Fund derived from the proceeds of Bonds shall be held in trust in the custody of the Trustee and applied to the payment of the Cost of a Project in accordance with this Article IV, Sections 2.07 and 2.08 and any Supplemental Indenture or to payment of such other Improvements or for such other purpose as specified in the resolution authorizing the deposit. Pending such application, such moneys shall be subject to a lien and charge in favor of the Owners of the Outstanding Bonds in the manner provided herein until paid out as herein provided. To the extent that no other funds under this Indenture shall be available to pay the principal of or interest then due on any Bonds, the Trustee shall apply amounts credited to the Construction Fund for such purpose, but only after it shall have been provided with an Opinion of Bond Counsel.

If the Authority shall issue Additional Bonds pursuant to Section 2.08, the Authority shall create and designate a special Account within the Construction Fund to which shall be deposited an amount of proceeds of such Additional Bonds as is specified in the Supplemental Indenture authorizing the issuance of such Additional Bonds.*** Additional special Accounts may be created by the Authority for deposit of funds, if any, from other sources, as provided in the resolution directing such deposit. Upon the issuance of any Series of Bonds, the proceeds of which will be used to pay Capitalized Interest, the Authority shall create a Subaccount in the Account in the Construction Fund for such Series to which the Capitalized Interest for such Series shall be deposited. The Trustee, upon written direction from the Authority, shall transfer amounts on deposit in said Subaccount to the appropriate Subaccount of the Interest Subaccount at the times and in the amounts directed by the Authority.

*** The Third Supplemental Indenture to Amended and Restated Trust Indenture amended this sentence to read as follows:

"If the Authority shall issue Additional Bonds pursuant to Section 2.08(a)(i), the Authority shall create and designate a special Account within the Construction Fund to which shall be deposited an amount of proceeds of such Additional Bonds as is specified in the Supplemental Indenture authorizing the issuance of such Additional Bonds."

SECTION 4.02. PAYMENTS FROM CONSTRUCTION FUND. Payment of the Cost of a Project shall be made from the Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article and the Authority covenants that it will not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions. Moneys in the Construction Fund shall be disbursed by the Trustee, upon the filing with the Trustee by the Authority of a requisition for such disbursement in the form of Exhibit D hereto, signed by an Authorized Officer and by the Consulting Engineer. Upon receipt of each requisition prepared in accordance herewith, the Trustee shall promptly issue its check or make other arrangements to fund the disbursements as directed in the requisition from amounts on deposit in the Construction Fund in an amount equal to the amount to be paid as set forth in such requisition and to promptly pay the same to the party specified in such requisition.

SECTION 4.03. COST OF A PROJECT. For the purposes of this Article IV, the Cost of a Project shall include, without limitation, the following:

(a) obligations incurred for labor, materials, machinery and equipment in connection with the construction of enlargements, improvements, modifications and extensions, and for the restoration or relocation of property damaged or destroyed in connection with same and for the demolition and disposal of structures and all other obligations incurred to contractors, suppliers, materialmen, and laborers that are necessary or desirable in connection with a Project;

(b) interest accruing upon the Bonds prior to the commencement of and during construction or for any additional period if so provided, subject to any limitation, in any Series relating to such Bonds;

(c) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in, or any settlement or compromise of, any proceeding to acquire by condemnation, such property, lands, rights of way, franchises, easements and other interests in lands constituting a part of, or as may be deemed necessary or convenient for the acquisition or construction of, a Project; the cost of options and partial payments thereon, the cost of filling, draining, or improving any lands so acquired, and the amount of any damages incident to or consequent upon the acquisition or construction of a Project;

(d) expenses of administration properly chargeable to a Project including legal expenses of consultants, financing charges, Trustee fees, bond counsel fees and expenses, the cost of preparing and issuing Bonds, the cost and charges of Credit Facilities and Liquidity Facilities, taxes or other municipal or governmental charges lawfully levied or assessed during construction upon a Project or any property acquired therefor, and premiums on insurance (if any) in connection with a Project during construction;

(e) fees and expenses of architects, engineers, surveyors, construction supervisors and similar professionals for making studies (including analyses of transportation alternatives, planning and environmental impact), surveys and estimates of

cost and of revenue and for preparing plans and supervising construction, as well as for the performance of all other duties set forth herein in relation to the construction of a Project or the issuance of Bonds therefor;

(f) all items of cost for which the Authority is permitted to expend proceeds of indebtedness under the Act, including other items of expense not elsewhere in this Section specified, incident to the acquisition or construction and equipment of a Project and the placing of any improvements in operation and to the acquisition of real estate, franchises and rights-of-way therefor, including abstracts of title and title insurance;

(g) any amounts advanced by any agency of the State or federal government for any of the foregoing purposes and any obligation or expenses heretofore or hereafter incurred by the Authority for any of the foregoing purposes, including the cost of materials, supplies or equipment furnished by the Authority in connection with the construction of a Project and paid for by the Authority out of funds other than moneys in the Construction Fund, and further including any bond anticipation notes issued by the Authority in the future to pay all or any part of the cost of a Project together with interest on any such bond anticipation notes; and

(h) the cost of any other Improvements to a Project as may be approved by a Supplemental Indenture.

For purposes of this Article IV, the Cost of a Project shall also include reimbursement to the Authority for any expenditures of the Authority that otherwise would constitute a Cost of a Project.

SECTION 4.04. MODIFICATIONS AND AMENDMENTS TO PROJECT. The Authority may, in its sole discretion, modify or amend any Project to include such Improvements as it deems appropriate.

SECTION 4.05. DISPOSITION OF SUMS IN THE CONSTRUCTION FUND. When the construction of any Project shall have been completed, which fact shall be evidenced by a certificate stating the date of such completion, signed and approved by the Consulting Engineer, the balance in the Construction Fund relating to that Project not reserved for the payment of any remaining part of the Cost of such Project, or not otherwise required to be applied in any specified manner by any Supplemental Indenture relating to Bonds issued to finance that Project, shall be transferred by the Trustee, upon the written direction of the Authority, in the following order of priority: first, to the credit of the Sinking Fund to the extent of any deficiency therein, second, to the redemption of Bonds, to the extent provided for in a Supplemental Indenture authorizing the issuance of such Bonds and third, to the General Account to be applied as provided in Section 5.12, provided that prior to such transfer the Authority first obtains an Opinion of Bond Counsel.

ARTICLE V

REVENUE AND FUNDS

SECTION 5.01. COVENANTS AS TO TOLLS, ETC. The Authority covenants:

(a) that it will continue in effect the present schedule of Tolls for traffic using the System until such schedule shall be increased, decreased, or otherwise changed, revised or reconfigured as hereinafter provided,

(b) that it will maintain (x) any recurring revenue stream pledged pursuant to clause (d) of the Granting Clauses of this Indenture and any Supplemental Indenture as part of the Trust Estate with respect to all Bonds or a particular Series of Bonds and (y) the Tolls for traffic using the System, in each case, at such lawful levels, as shall, in the opinion of the Consulting Engineer from time to time, result in producing Revenues sufficient in each Fiscal Year to provide an amount of Net Revenues in each Fiscal Year equal to not less than the greater of (i) one hundred twenty per centum (120%) of the Principal and Interest Requirements for such Fiscal Year on account of all Bonds then Outstanding and (ii) one hundred percent (100%) of the sum in such Fiscal Year of (A) any deficiency in the Debt Service Reserve Fund Requirement applicable to all Bonds then Outstanding and any amount scheduled to become due and payable to a Reserve Facility Provider in such Fiscal Year as a result of a draw or claim upon a Reserve Facility issued by such Reserve Facility Provider, (B) the Principal and Interest Requirements for such Fiscal Year on account of all Bonds Outstanding, (C) the deposits to the Renewal and Replacement Account for such Fiscal Year required by the provisions of Section 5.06(e), and (D) the amount required to pay any current or past due Annual Repayment Requirements due the Department under Section 5.12. Notwithstanding the foregoing, Net Revenues in each such Fiscal Year, without regard to any amounts transferred or to be transferred from the Rate Stabilization Account to the Revenue Fund, shall be equal to not less than one hundred per centum (100%) of the Principal and Interest Requirements for such Fiscal Year on account of all Bonds then Outstanding.

(c) that on or before January 1 and July 1 of each Fiscal Year, commencing with the Fiscal Year ending June 30, 1998, it will review its financial condition and estimate and determine whether Net Revenues for such year are reasonably expected to be sufficient to enable the Authority to comply with subsection (b) above and file with the Trustee a copy of its resolution making such determination ("Determination "). If the Determination evidences the Authority's determination that Net Revenues are or are anticipated to be inadequate to comply with subsection (b) above, the Authority will forthwith request the Consulting Engineer to make its recommendations to the Authority, in writing, with a copy to the Trustee, as to a revision of the schedule of Tolls, rates, fees, rentals and other charges and any changes in methods of operation to provide sufficient Net Revenues to enable the Authority to comply with subsection (b) above.

Anything in this Indenture to the contrary notwithstanding, if the Authority shall comply with all recommendations of the Consulting Engineer on or before the expiration

of eight months from the date of filing the Determination with the Trustee, the failure to meet the requirements of said subsection (b) in any Fiscal Year shall not, in and of itself, constitute an Event of Default.

(d) Notwithstanding anything in this Indenture to the contrary, (i) the Authority may remove Tolls when necessary for public safety or otherwise in an emergency situation and (ii) the Authority may relocate Toll collection facilities and may replace two-way Tolls with one-way Tolls so long as it remains in compliance with the provisions of this Indenture, including particularly this Section 5.01.

Notwithstanding any of the foregoing provisions of this Section 5.01, agreements and contracts for the operation and maintenance of the System in effect on the date of this Indenture shall not be subject to revisions except in accordance with their terms, and the Authority may enter into new agreements or contracts for the operation and maintenance of the System on such terms and for such periods of time as it shall determine to be proper.

The covenant set forth in subsection (b) above shall not be applicable to any principal and interest requirement attributable to any notes issued in anticipation of Bonds to be issued under this Indenture unless such notes are issued as Bonds hereunder.

The Authority further covenants that upon its making any request to the Consulting Engineer for its recommendations as to a revision of the schedules of Tolls or upon the receipt of any such recommendations from the Consulting Engineer or upon the adoption by the Authority of any revised schedule of Tolls, certified copies of any such request, recommendations or revised schedule of Tolls so adopted will forthwith be filed with the Trustee and mailed by the Authority to all Bondholders who shall have filed their names and addresses with the Secretary of the Authority for such purpose.

SECTION 5.02. UNIFORMITY OF TOLLS. The Authority covenants that Tolls will be classified in a reasonable way to cover all traffic, so that the Tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any Person, firm or corporation participating in the traffic, and that no reduced rate of Toll will be allowed within any such class except that provision may be made for the use of commutation or other tickets or privileges based upon frequency or volume. The Authority further covenants that no free vehicular passage will be permitted over the tolled sections of the System except to vehicles of members, employees and contractors of the Authority, the Department, any fire or police department or other governmental entity whose duties affect public safety, but in each case only on official acts of business, and except as may otherwise be required Section 338.155, Florida Statutes, as amended, any successor provision thereto and any by any other applicable law.

SECTION 5.03. ANNUAL INSPECTION OF SYSTEM. The Authority covenants that, commencing with the Fiscal Year ending June 30, 1998, it will cause the Consulting Engineer employed by it under the provisions of Section 7.05, among such other duties as may be imposed upon them by the Authority or by this Indenture, to make an inspection of the System at least once in each year and, on or before the 1st day of January in each Fiscal

Year, to submit to the Authority a report setting forth with respect to the System (a) their findings whether the System has been maintained in good repair, working order and condition and (b) their recommendations as to the proper maintenance, repair and operation of the System during the ensuing Fiscal Year. In lieu of performing such inspection with respect to the entire System and in the preparation of such report, with the prior written approval of an Authorized Officer, the Consulting Engineer may rely on inspections with respect to portions of the System conducted by or for the Department and on reports prepared by or for the Department.

Promptly after the receipt of such reports by the Authority, copies thereof shall be filed with the Trustee and mailed by the Authority to all Bondholders who shall have filed their names and addresses with the Secretary of the Authority for such purposes.

The Authority further covenants that, if any such report of the Consulting Engineer shall set forth that the System has not been maintained in good repair, working order and condition, it will, promptly restore the System to good repair, working order and condition with all expedition practicable in accordance with the recommendations of the Consulting Engineer.

SECTION 5.04. ANNUAL BUDGET. The Authority covenants, that commencing in the Fiscal Year ending on June 30, 1998, on or before the 20th day of April in each Fiscal Year it will prepare a preliminary budget for the ensuing Fiscal Year of (i) Operation and Maintenance Expenses and (ii) the amount to be deposited to the credit of the Renewal and Replacement Fund with respect to the System for the ensuing Fiscal Year. On or before the 20th day of April in such Fiscal Year copies of each such preliminary budget shall be filed with the Trustee and mailed by the Authority to the Consulting Engineer. The Authority further covenants that it will comply with any reasonable request of the Trustee or the Consulting Engineer as to the classifications in which such budget shall be prepared, particularly with respect to the divisions into which such budget shall be divided.

The Authority further covenants that on or before the 15th day of June in such Fiscal Year it will finally adopt the budget for the ensuing Fiscal Year of (i) Operation and Maintenance Expenses and (ii) the amount to be deposited to the credit of the Renewal and Replacement Fund with respect to the System for the ensuing Fiscal Year and (iii) the general purposes for which moneys held for the credit of the Renewal and Replacement Fund shall be appropriated. On or before the 20th day of June in such Fiscal Year copies of the Annual Budget shall be filed with the Trustee and mailed by the Authority to the Consulting Engineer.

If for any reason the Authority shall not have adopted the Annual Budget before the first day of any Fiscal Year, the preliminary budget for such Fiscal Year, or if there is none so approved, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, and when so approved the Annual Budget so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. At least thirty (30) days prior to the adoption of any amended or supplemental Annual Budget, the

Authority shall cause a notice of the proposed adoption of such amended or supplemental Annual Budget to be filed with the Trustee and to be mailed to the Consulting Engineer and all Bondholders who shall have filed their names and addresses with the Secretary of the Authority for such purpose. Such notice shall briefly set forth the nature of the proposed amended or supplemental Annual Budget and shall state that copies thereof are on file at the office of the Authority for inspection by all Bondholders. Copies of any such amended or supplemental Annual Budget shall be filed with the Trustee and mailed by the Authority to the Consulting Engineer and all Bondholders who shall have filed their names and addresses with the Secretary of the Authority for such purpose.

The Authority further covenants that the Operation and Maintenance Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount thereof, and that it will not expend any amount or incur any obligations for maintenance, repair and operation of the System in excess of the amounts provided for Operation and Maintenance Expenses in the Annual Budget, except amounts which may be paid from the Renewal and Replacement Fund or the General Fund. Nothing contained in this Section shall limit the amount the Authority may expend for Operation and Maintenance Expenses in any Fiscal Year provided any amounts expended therefor in excess of the amounts provided for Operation and Maintenance Expenses in the Annual Budget shall be received by the Authority from some source other than the Revenues, and the Authority shall not make any reimbursement therefor from Revenues.

In the event that the Authority changes its Fiscal Year, the time periods and dates specified in this Section shall be deemed to be adjusted to accommodate such change in Fiscal Year.

SECTION 5.05. REVENUE FUND. A special fund is hereby created and designated "Dade County Expressway Authority Revenue Fund" (herein sometimes called the "Revenue Fund"). The Authority covenants that it shall, to the extent practicable, deposit the portion of the Revenues comprised of cash Toll receipts daily into one or more special trust funds to be designated the "Dade County Expressway System Toll Collection Account" (the "Collection Account"). The Collection Account shall be established pursuant to a deposit trust agreement and maintained in one or more banks or trust companies designated by the Authority and eligible under the laws of the State to receive deposits of public funds. Expenses of administration incurred by the banks or trust companies maintaining the Collection Account shall be offset in part from time to time from investment earnings on amounts credited to the Collection Account. The Authority shall transfer or cause to be transferred all amounts credited to the Collection Account weekly, to the extent practicable, but not less often than once every two weeks, to the Trustee for deposit to the credit of the Revenue Fund. The Authority covenants further that, except as herein provided with respect to investment earnings on the Sinking Fund and as otherwise herein provided, all Revenues collected by the Authority other than cash Toll receipts will be deposited daily, to the extent practicable, but not less often than once every two weeks, with the Trustee for deposit to the credit of the Revenue Fund. The lien of this Indenture upon moneys and revenues that constitute part of the Trust Estate shall attach as soon as such moneys and revenues are collected by or on behalf of the Authority.

The moneys in the Revenue Fund shall be held by the Trustee in trust and applied upon the direction or order of an Authorized Officer to the payment of Operation and Maintenance Expenses, except the withdrawals which the Trustee is authorized to make as provided in this Article V, and, pending such application, such moneys shall be subject to a lien and charge in favor of the Owners of the Bonds issued and Outstanding hereunder and for the further security of such Owners until paid out or withdrawn as herein provided.

SECTION 5.06. SINKING FUND; ADDITIONAL FUNDS AND ACCOUNTS. A special fund is hereby created and designated "Dade County Expressway Authority Sinking Fund", herein sometimes called the "Sinking Fund"). Three other special funds are hereby created and designated, respectively, "Dade County Expressway Authority Debt Service Reserve Fund" (herein sometimes called the "Debt Service Reserve Fund"), "Dade County Expressway Authority Renewal and Replacement Fund" (herein sometimes called the "Renewal and Replacement Fund") and "Dade County Expressway Authority General Fund" (herein sometimes called the "General Fund"). The General Fund shall consist of the General Account, the Rate Stabilization Account and the Authority Account.

The moneys in the Sinking Fund, the Debt Service Reserve Fund, the Renewal and Replacement Fund and the General Fund shall be held by the Trustee in trust in each case and applied as hereinafter provided with respect to each such Fund, Account and Subaccount therein and, pending such application, shall be subject to a lien and charge in favor of the Owners of the Bonds issued and Outstanding under this Indenture and for the further security of such Owners until paid out or transferred as herein provided.

It shall be the duty of the Trustee, on or before the 25th day of each month and/or on such other Deposit Day as may be required pursuant to a Supplemental Indenture, to withdraw from the Revenue Fund and transfer an amount equal to the amount of all moneys held for the credit of the Revenue Fund on the last day of the preceding month less an amount (to be held as a reserve for Operation and Maintenance Expenses) not in excess of eight and thirty-three hundredths per centum (8.33%) of the amount shown by the Annual Budget to be necessary for Operation and Maintenance Expenses for the current Fiscal Year (or any percentage less than eight and thirty-three hundredths per centum (8.33%) as may be determined by the Authority by resolution from time to time filed with the Trustee) to the credit of the following Funds or Accounts in the following order:

(a) first, deposit to the credit of the Sinking Fund, such amount (or the entire sum so withdrawn if less than the required amount) as shall equal the sum of

(i) an amount that, together with an equal amount assumed to be deposited on one Deposit Day of each succeeding calendar month prior to the next Interest Payment Date, shall equal (as shall be estimated to equal during a Daily Rate Period or Weekly rate Period) the Interest Requirements of the Bonds payable on the next Interest Payment Date, and

(ii) an amount that, together with an equal amount assumed to be deposited on one Deposit Day of each succeeding calendar month prior to the next principal payment date (including any date established for the payment of Amortization Requirements) for the Bonds occurring within one year of the date of such deposit, shall equal the Principal Requirements of the Bonds payable on such next principal payment date (or date established for the payment of Amortization Requirements);

provided that in making such transfer to the Trustee, the Trustee shall take into account any accrued interest deposited from the proceeds of a Series of Bonds and any amounts specified in a certificate of an Authorized Officer delivered to the Trustee prior to such Deposit Day as credited to the Sinking Fund or a special Account in the Construction Fund, dedicated to pay Capitalized Interest on Bonds and anticipated to be available to pay interest on Bonds on the next Interest Payment Date; provided further, that, in making such transfer, the Trustee shall take into account any investment income realized by the Authority from the investment of moneys to the credit of the Sinking Fund and the Debt Service Reserve Fund (or any other excess in the Debt Service Reserve Fund transferred or then transferable to the Sinking Fund pursuant to Section 5.08(b)) since the Deposit Day next preceding the Interest Payment Date last occurring prior to such Deposit Day; and provided further that, in the event the Authority has entered into any Hedge Agreement pursuant to the provisions of this Indenture, amounts shall be deposited in the Sinking Fund at such other times and/or in such other amounts or transferred to such other parties as necessary to pay the Hedge Obligations due under the Hedge Agreement on a parity with interest due on the Bonds, all in the manner described in the Supplemental Indenture authorizing the issuance of any Series of Bonds where Hedge Obligations may become payable under a Hedge Agreement. Notwithstanding the foregoing, the Authority shall remain obligated to cure any deficiency in the amount so deposited for the payment of interest on Variable Rate Bonds on or prior to the applicable Interest Payment Date, and the Trustee shall transfer from the Revenue Fund, to the extent that moneys are available therein the amount necessary to cure any such deficiency on or prior to such Interest Payment Date.

(b) second, to the credit of the Debt Service Reserve Fund, such amount, if any, remaining after the deposits under clause (a) above (or the entire balance if less than the required amount) as shall equal the Debt Service Reserve Fund Deposit Requirement;

(c) third, deposit to the credit of the Renewal and Replacement Fund an amount equal to such amount, if any, as may be necessary to make the total amount to the credit of such Fund equal to the total amount budgeted for expenditure in the then current Fiscal Year by the Authority in its Annual Budget; and

(d) finally, deposit to the credit of the General Account, the balance, if any, remaining after making the deposits under clauses (a), (b) and (c) above.

The payments and deposits required pursuant to this Section shall be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be paid or deposited in each month thereafter until such time as such deficiency shall have been made up.

Notwithstanding the foregoing provisions of clause (a), if there shall be to the credit of the Sinking Fund on a Deposit Day the amount required to be on deposit to the credit of such Fund on the next Interest Payment Date and the next principal payment date, no further deposit into such Fund on account of the requirements of said clause shall then be required.

As provided in this Indenture with respect to the Series 1996 Bonds and as provided in a Supplemental Indenture authorizing any other Series of Bonds, if the interest on such Bonds is payable otherwise than semiannually on January 1 and July 1 of each year or if the principal or Amortization Requirements are payable otherwise than on January 1 or July 1, then the Authority shall provide in such Supplemental Indenture for such deposits to the Funds mentioned in clauses (a) and (b) above as shall be necessary to accrue evenly and to ensure the sufficiency of the required deposits to make timely payment of the debt service on such Bonds.

SECTION 5.07. APPLICATION OF MONEYS IN SINKING FUND. (a) The Trustee shall, on or before the Business Day immediately preceding each Interest Payment Date, withdraw from the Sinking Fund and transfer to the Paying Agent, and the Paying Agent shall (1) remit by mail to each Owner of Bonds the amounts required for paying the interest on such Bonds as such interest becomes due and payable and (2) set aside or deposit in trust with the Paying Agent, the amounts required for paying the principal of such Bonds as such principal becomes due and payable.

(b) Except in the case of any Bonds that constitute Variable Rate Bonds or Put Bonds, the Authority may direct the Trustee to purchase Bonds identified by the Authority prior to maturity at the most advantageous price obtainable with reasonable diligence by the Authority, such price not to exceed the principal of such Bonds. The Trustee shall pay the purchase price and the interest accrued on such Bonds to the date of settlement therefor from the Sinking Fund; provided, however, that money in the Sinking Fund may be used by the Trustee to purchase Bonds for cancellation only to the extent said moneys are in excess of the amount required for payment of the Bonds theretofore matured and the total amount of interest and principal on the Bonds scheduled to become due on the next succeeding Interest Payment Date or Principal Payment Date, respectively.

(c) In the case of Bonds secured by a Credit Facility or Liquidity Facility, amounts on deposit in the Sinking Fund may be applied as provided in the applicable Supplemental Indenture to reimburse the Credit Provider or Liquidity Provider for amounts drawn under such Credit Facility or Liquidity Facility to pay the principal or Purchase Price of and premium, if any, and interest on such Bonds, as appropriate.

SECTION 5.08. USE OF MONEYS IN DEBT SERVICE RESERVE FUND. (a) Moneys held for the credit of the Debt Service Reserve Fund shall be transferred to the credit of the Sinking Fund and used for the purpose of paying the principal and interest of all Bonds whenever and to the extent that the moneys held for the credit of the Sinking Fund and available moneys held for the credit of the General Fund and the Renewal and Replacement Fund shall be insufficient for such purpose.

If the amount transferred from the Debt Service Reserve Fund to the Sinking Fund pursuant to the preceding paragraph shall be less than the amount required to be transferred thereunder, any amount thereafter deposited to the credit of the Debt Service Reserve Fund shall be immediately transferred to the Sinking Fund as and to the extent required to make up such deficiency.

(b) If on the Deposit Day immediately preceding each Interest Payment Date and/or principal payment date in each Fiscal Year the moneys held for the credit of the Debt Service Reserve Fund shall exceed an amount equal to the Debt Service Reserve Fund Requirement, the Trustee shall transfer such excess to the credit of the Sinking Fund.

(c) Whenever the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Trustee shall notify the Authority of the amount of the deficiency. Upon such notification, the Trustee shall transfer from moneys held to the credit of the Revenue Fund on the Deposit Day in each month thereafter, to the credit of the Debt Service Reserve Fund an amount not less than Debt Service Reserve Fund Deposit Requirement until such deficiency is remedied.

(d) The Authority may satisfy the Debt Service Reserve Fund Requirement by the deposit of a Reserve Facility as set forth below, provided that the following provisions have been fulfilled.

(i) A surety bond or insurance policy issued to the Trustee by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") may be deposited in the Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement if the claims paying ability of the issuer thereof shall be rated "AAA" or "Aaa" by S&P or Moody's, respectively.

(ii) A surety bond or insurance policy issued to the Trustee by an entity other than a municipal bond insurer may be deposited in the Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement if the form and substance of such instrument and the issuer thereof shall be approved by the Credit Provider.

(iii) An unconditional irrevocable letter of credit issued to the Trustee by a bank may be deposited in the Debt Service Reserve Fund to meet the Debt Service Reserve Fund Requirement if the issuer thereof is rated at least "AA" by S&P. The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal of or interest on the Bonds. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the Authority and the Trustee, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

If such notice indicates that the expiration date shall not be extended, the Authority shall deposit in the Debt Service Reserve Fund an amount sufficient to cause the cash or Investment Securities on deposit in the Debt Service Reserve Fund together with any other qualifying credit instruments, to equal the Debt Service Reserve Fund Requirement on all Outstanding Bonds, such deposit to be paid in equal installments on at least a semi-annual basis over the remaining term of the letter of credit, unless the Reserve Facility is replaced by a Reserve Facility meeting the requirements in any of subparagraphs (i) or (ii) above or in this subparagraph (iii). The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The Trustee is directed to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Debt Service Reserve Fund is fully funded in its required amount.

(iv) The use of a Reserve Facility pursuant to this Section shall be subject to receipt of an opinion of counsel acceptable to the Credit Provider and in form and substance satisfactory to each as to the due authorization, execution, delivery and enforceability of such Reserve Facility in accordance with its terms, subject to applicable laws affecting creditors' rights, generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the Credit Provider. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to the Credit Provider and in form and substance satisfactory to the Credit Provider to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the Authority (or any other account party under such letter of credit).

(v) The obligation to reimburse a Reserve Facility Provider for any fees, expenses, claims or draws upon such Reserve Facility shall be subordinate to the payment of the principal and interest on the Bonds. Subject to the second succeeding sentence, the right of a Reserve Facility Provider to payment for or reimbursement of claims or draws on a Reserve Facility and its fees and expenses (including all Policy Costs in the case of the Initial Reserve Facility) shall be prior to cash replenishment of the Debt Service Reserve Fund. The Reserve Facility shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the Reserve Facility Provider to reimbursement will be further subordinated to cash replenishment of the Debt Service Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Facility and the amount then available for further draws or claims. If (A) the Reserve Facility Provider becomes insolvent, (B) the issuer of the Reserve Facility defaults in its payment obligations thereunder, (C) the claims-paying ability of the Reserve Facility Provider of an insurance policy or surety bond falls below a S&P "AAA" or a Moody's "Aaa", or (D) the rating of the Reserve Facility Provider of a letter of credit falls below a S&P "AA",

the obligation to reimburse such Reserve Facility Provider shall be subordinate to the cash replenishment of the Debt Service Reserve Fund.

(vi) If (A) the revolving reinstatement feature described in the preceding subparagraph is suspended or terminated, (B) the rating of the claims paying ability of the Reserve Facility Provider of the surety bond or insurance policy falls below a S&P "AAA" or a Moody's "Aaa", or (C) the rating of the rating of the Reserve Facility Provider of the letter of credit falls below a S&P "AA", the Authority shall either (D) deposit into the Debt Service Reserve Fund an amount sufficient to cause the cash or Investment Securities on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement on all Outstanding Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (E) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of subparagraphs (i), (ii) or (iii) above within six months of such occurrence. In the event (F) the rating of the claims-paying ability of the Reserve Facility Provider of the surety bond or insurance policy falls below a S&P or Moody's "A", (G) the rating of the Reserve Facility Provider of the letter of credit falls below a S&P or Moody's "A", (H) the Reserve Facility Provider defaults in its payment obligations or (I) the Reserve Facility Provider becomes insolvent, the Authority shall either deposit into the Debt Service Reserve Fund an amount sufficient to cause the cash or Investment Securities on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement on all Outstanding Bonds, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in any of subparagraphs (i), (ii) or (iii) above within six months of such occurrence.

(vii) Where applicable, the amount available for draws or claims under the Reserve Facility may be reduced by the amount of cash or Investment Securities deposited in the Debt Service Reserve Fund pursuant to the last sentence of the preceding subparagraph (vi).

(viii) The Trustee shall ascertain the necessity for a claim or draw upon the Reserve Facility and shall provide notice to the Reserve Facility Provider in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Facility) prior to each Interest Payment Date. In the case of the Initial Reserve Facility, such notice shall be provided at least two Business Days prior to each Interest Payment Date.

(ix) Cash on deposit in the Debt Service Reserve Fund shall be used (or Investment Securities purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Facility. If and to the extent that more than one Reserve Facility is deposited in the Debt Service Reserve Fund, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(x) The Trustee shall have no responsibility to monitor the rating of any Reserve Facility Provider.

(xi) As security for the obligations of the Authority under the Series 1996 Debt Service Reserve Fund Policy Agreement, the Authority hereby grants to the Initial Reserve Facility Provider a lien on and security interest in the Net Revenues subordinate only to the funding requirements with respect to the Principal and Interest Requirements on Bonds established under this Indenture pursuant to Section 5.06(a). In the event that the Authority shall fail to repay any Policy Costs when due under the Series 1996 Debt Service Reserve Fund Policy Agreement, the Initial Reserve Facility Provider shall be entitled to exercise any and all remedies available at law, including but not limited to the right to bring an action against the Trustee or the Authority for specific performance, other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect Bondholders.

SECTION 5.09. USE OF MONEYS IN RENEWAL AND REPLACEMENT FUND. Except as hereinafter provided in this Section, moneys held for the credit of the Renewal and Replacement Fund shall be disbursed only for the purpose of paying the cost of

(a) unusual or extraordinary maintenance or repairs, maintenance or repairs not recurring annually, and renewals and replacements, including major items of equipment,

(b) repairs or replacements resulting from an emergency caused by some extraordinary occurrence, so characterized by a certificate signed by an Authorized Officer, approved by the Consulting Engineer and filed with the Trustee stating that the moneys in the Revenue Fund and insurance proceeds, if any, available therefor are insufficient to meet such emergency, and

(c) paying all or any part of the cost of any System Improvements.

Notwithstanding the foregoing, so long as the Authority shall remain obligated to pay the Annual Repayment Requirements to the Department and whenever the Authority shall otherwise be legally or contractually obligated to pay any other moneys from the General Fund to the Department, the Authority may expend moneys credited to the Renewal and Replacement Fund pursuant to clause (c) of the preceding sentence only with the prior written approval of the Department.

Disbursements by the Trustee from the Renewal and Replacement Fund shall be made in accordance with the provisions of Section 4.02 for payments from the Construction Fund to the extent that such provisions may be applicable.

If at any time the moneys held for the credit of the General Fund and Sinking Fund shall be insufficient for the purpose of paying the principal of and interest on all the Bonds as such principal and interest become due and payable, then the Trustee shall transfer from any unencumbered moneys held for the credit of the Renewal and Replacement Fund to the credit of the Sinking Fund an amount sufficient to make up any such deficiency.

The Trustee shall from time to time transfer any moneys from the Renewal and Replacement Fund to the credit of the Revenue Fund upon the receipt of a written statement of an Authorized Officer directing such transfer and certifying that the amount so to be transferred is no longer required for the purposes of the Renewal and Replacement Fund.

SECTION 5.10. [RESERVED]

SECTION 5.11. [RESERVED]

SECTION 5.12. USE OF MONEYS IN GENERAL FUND. At the written direction of the Authority, the Trustee shall apply, transfer or pay moneys held to the credit of the General Account as follows: (i) first, (a) to the payment of the scheduled debt service payments required to be made by the Authority to the Department under such State Infrastructure Bank Loan Agreements as may then be in effect between the Authority and the Department, and then, (b) if any portion of the then current Non-contingent Portion of Annual Repayment Requirements or any portion of the Non-contingent Portion of Annual Repayment Requirements from prior Fiscal Years remain unpaid, to pay to the Department to the extent moneys are available in the General Account $2,000,000 per Fiscal Year (or the remaining balance if less than $2,000,000) toward the unpaid portion of the Non-contingent Portion of Annual Repayment Requirements and the Non-contingent Portion of Annual Repayment Requirements from prior Fiscal Years that remains unpaid until the same has been paid in full; (ii) second, through the end of the Fiscal Year ending on June 30, 2001 to transfer to the Authority Account the next $1,000,000 available in the General Account per Fiscal Year; (iii) third, if any portion of the Contingent Portion of Annual Repayment Requirements remains unpaid, to pay to the Department the unpaid portion of the Contingent Portion of Annual Repayment Requirements; (iv) fourth, to transfer to the Rate Stabilization Account such amount as may be set forth in a certificate delivered by an Authorized Officer to the Trustee from time to time, and (v) fifth, to transfer to the Authority Account the balance.

The Authority may apply or cause to be applied moneys held for the credit of the Rate Stabilization Account, upon the written direction of an Authorized Officer at such times and in such amounts as shall be set forth in such written direction, for transfer to the Revenue Fund. The Trustee shall also transfer moneys held for the credit of the Rate Stabilization Account to the Revenue Fund to the extent necessary to avoid a deficiency in the required deposits thereto and the required payments therefrom.

The Authority may apply or cause to be applied moneys credited to the Authority Account for any lawful purpose of the Authority, including, but not limited to, the payment of rebate, payments due to Credit Providers, Liquidity Providers and Reserve Facility Providers and Hedge Charges.

Notwithstanding the foregoing, if moneys held for the credit of the Sinking Fund shall be insufficient to pay the principal of and interest on all Bonds at the time such interest and principal income become due and payable, the Trustee shall transfer from any moneys held to the credit of the General Fund for deposit to the credit of the Sinking Fund an amount equal to such deficiency.

The Authority covenants that it shall direct the Trustee to make the transfers described above in such a manner so that the Authority shall remain at all times in full compliance with the terms of the Transfer Agreement.

SECTION 5.13. MONEYS SET ASIDE TO BE HELD IN TRUST. All moneys that the Trustee shall have withdrawn from the Sinking Fund or shall have received from any other source and set aside, or deposited with the Bond Registrar or Paying Agents, for the purpose of paying any of the Bonds hereby secured at the maturity thereof shall be held in trust for the respective Owners of such Bonds. But any moneys that shall be so set aside or deposited and that shall remain unclaimed by the Owners of such Bonds for the period of two (2) years after the date on which such Bonds shall have become due and payable shall upon request in writing be paid to the Authority or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the Owners of such Bonds shall look only to the Authority or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee, the Bond Registrar, the Trustee and the Paying Agent shall have no responsibility with respect to such moneys.

SECTION 5.14. CANCELLATION OF BONDS. Except as otherwise provided herein or in a Supplemental Indenture, all Bonds paid or purchased, either at or before maturity, shall be canceled upon the payment or purchase of such Bonds and shall be delivered to the Bond Registrar when such payment or purchase is made. All Bonds canceled under any of the provisions of this Indenture shall be destroyed by the Bond Registrar, and the Bond Registrar shall execute a certificate of destruction in triplicate describing the Bonds so destroyed. One executed certificate of destruction shall be filed with the Secretary of the Authority and one with the Paying Agent and the other executed certificate shall be retained by the Bond Registrar.

SECTION 5.15. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the Funds, Accounts and Subaccounts established herein may be deposited in a single bank account, and funds allocated to the various Funds, Accounts and Subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such Funds, Accounts and Subaccounts as herein provided.

The designation and establishment of the various Funds and Accounts in and by this Indenture shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenue for certain purposes and to establish certain priorities for application of such revenue as herein provided.

ARTICLE VI

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENTS OF FUNDS

SECTION 6.01. SECURITY FOR DEPOSITS. All moneys received by or on behalf of the Authority, subject to the provisions of this Indenture, including all such moneys delivered to the Trustee, shall be held in accordance herewith by the Trustee, or at the written direction of an Authorized Officer, shall be deposited with a Depositary or Depositaries. All such moneys shall be held in trust, shall be applied only in accordance with the provisions of this Indenture and shall not be subject to lien or attachment by any creditor of the Authority or Trustee except as otherwise provided in this Indenture.

All moneys held by the Trustee or a Depositary hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured for the benefit of the Authority and the Owners of the Bonds in such manner as may then be provided by applicable State or federal laws or regulations regarding the security for, or granting a preference in the case of, the deposit of public funds; provided, however, that it shall not be necessary for the Paying Agent to give security for the deposits of any moneys with them for the payment of the principal of or the redemption premium or the interest on any Bonds issued hereunder or for the Authority to give security for any moneys which shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

SECTION 6.02. INVESTMENT OF MONEYS. Moneys held for the credit of the Construction Fund, the Revenue Fund, the Sinking Fund, the Debt Service Reserve Fund, the Renewal and Replacement Fund, the General Fund and the Rebate Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee, only upon written direction or telephonic direction promptly followed by written direction of an Authorized Officer to the Trustee, in Investment Securities which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when moneys held for the credit of said Funds and the Accounts and Subaccounts will be estimated by an Authorized Officer to be required for the purposes intended (which Investment Securities, in the case of the Debt Service Reserve Fund, shall not mature later than five years after the date of purchase). As to funds invested in Time Deposits, each such Time Deposit shall permit the moneys so placed to be available for use at the time provided above. Any and all such investments shall comply with any requirements set forth in any certificate or other instrument of the Authority with respect to preventing any Series of Bonds from being characterized as "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision thereto. The Trustee shall assume that any Investment Security in which the Authority has directed it to invest is a lawful investment for the Authority.

Investment Securities so purchased as an investment of moneys in any such Fund, Account or Subaccount shall be deemed at all times to be part of such Fund, Account or Subaccount. The interest accruing thereon and any gain realized from such investment shall be credited to, and any loss resulting from such investment shall be charged to, the respective Fund,

Account or Subaccount. An Authorized Officer may direct the Trustee to sell or present for payment or redemption any Investment Securities so acquired whenever it shall be necessary to do so in order to provide moneys to meet any payment from such Fund, Account or Subaccount. Neither the Authority, the Trustee nor any agent thereof shall be liable, or responsible, for any loss resulting from any such investment. The Trustee shall value Investment Securities credited to the Funds, Accounts and Subaccounts upon request of the Authority or the Credit Provider, but, in any event, not less often than annually, at the market value thereof, exclusive of accrued interest.

Any and all income received from the investment of moneys in the Revenue Fund and the General Fund shall be deposited upon receipt thereof in the Revenue Fund.

Any and all income received from the investment of moneys in the Accounts and Subaccounts in the Sinking Fund shall be retained in the Accounts and Subaccounts in which they are earned.

Any and all income earned on investments in the Debt Service Reserve Fund shall be transferred to the Sinking Fund; provided, however, such income in the Debt Service Reserve Fund shall be retained in Debt Service Reserve Fund in the event that amounts on deposit therein are less than the related Debt Service Reserve Fund Requirement.

Any and all income received from the investment of moneys in the Construction Fund shall remain therein until completion of the Project for which such moneys were deposited in the Construction Fund and, to the extent any excess income remains at the end of the Project, same shall be applied in the manner set forth in Section 4.05.

Any income received from the investment of moneys in the Rebate Fund shall remain therein.

ARTICLE VII

PARTICULAR COVENANTS

SECTION 7.01. PAYMENT OF PRINCIPAL, INTEREST AND PREMIUM; LIMITED OBLIGATIONS. The Authority covenants that it will promptly pay the principal of and the interest on the Bonds, and any premium required for the retirement of said Bonds by purchase or redemption, at the places, on the dates and in the manner specified herein and in said Bonds.

Except as otherwise provided in this Indenture, the principal, interest and premium on the Bonds are payable solely from the Revenues which are hereby pledged to the payment thereof and the moneys on deposit from time to time in the Funds, Accounts and Subaccounts, in the manner and to the extent hereinabove particularly specified, and nothing in the Bonds or in this Indenture shall be construed as obligating the Authority to pay the principal, the interest and premium, if any, thereon except from the Revenues and the moneys on deposit from time to time in the Funds, Accounts and Subaccounts. The Authority has no taxing power.

SECTION 7.02. CONSTRUCTION OF A PROJECT. The Authority covenants that it will construct or otherwise carry out each Project for which Bonds shall be issued in accordance with this Indenture and in conformity with law and the requirements of governmental authorities having jurisdiction thereover, and that it will complete, or cause the completion of, such Projects with all expedience practicable.

The Authority further covenants that it will require each Person, firm or corporation with whom it may contract for labor or materials in connection with a Project to furnish a performance bond, in such amount, if any, as may be required under State law or as may otherwise be required by the Authorized Officer charged with responsibility for establishing the amount of such performance bond, to insure completion and performance of such contract or, in lieu thereof, to deposit with an Authorized Officer marketable securities having a market value equal to the amount of such payment and performance bond and eligible as security for the deposit of trust funds under regulations of the Board of Governors of the Federal Reserve System, and to carry such workers' compensation or employers' liability insurance and such builders' risk insurance, if any, as may be required by law. The Authority further covenants and agrees that in the event of any default under any such contract and the failure of the surety to complete the contract, it will proceed to collect under any such performance bond or securities and the proceeds of any such performance bond or securities shall forthwith, upon receipt of such proceeds, be applied toward the completion of the contract in connection with which such performance bond or securities shall have been furnished. The Authority further covenants and agrees that each such contract will also provide that payments thereunder shall not be made by the Authority in excess of such retainages as required by State law or as are established by the Authority upon the recommendation of the Consulting Engineer.

SECTION 7.03. OPERATION OF THE SYSTEM. The Authority covenants: (a) to establish from time to time and to enforce reasonable rules and regulations governing the use and operation of the System to the extent determined by the Authority to be necessary to provide for the safe and efficient operation of the System, (b) that all compensation, salaries, fees, wages and other amounts paid by it in connection with the maintenance, repair and operation of the System will be reasonable, (c) that no more Persons will be employed by it than are necessary, (d) that it will maintain and operate the System, or cause the System to be maintained and operated, in a safe, efficient and economical manner, (e) that it will at all times maintain the System, or cause the System to be maintained, in good repair and in sound operating condition and (f) that it will make all necessary repairs, renewals and replacements from moneys available for that purpose, or will cause the same to be made.

SECTION 7.04. COVENANT AGAINST ENCUMBRANCES. The Authority covenants that it will pay all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the System or upon any part thereof or upon any Revenues when the same shall become due and payable by the Authority. Except to the extent permitted in this Indenture, the Authority will not create or suffer to be created any lien or charge upon the System or any part thereof or upon the Revenues ranking equally with or prior to the Bonds except, to the extent provided herein with respect to the Series 1996 Bonds or in the Supplemental Indenture authorizing the issuance of any other Series of Bonds, the lien for the benefit of any Credit Provider or Liquidity Provider securing payment of the Bonds, and that, it

will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty days after the same shall accrue, all lawful claims and demands against the Authority for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon the Revenues; provided, however, that nothing contained in this Section 7.04 shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 7.05. RETENTION OF CONSULTING ENGINEER AND ACCOUNTANTS; APPOINTMENT OF OFFICERS. The Authority covenants that it will, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by this Indenture, engage, as needed, an independent engineer or traffic consultants or firm or corporation of engineers or rate consultants, in each case with recognized ability and standing, and that it will, for the purpose of performing and carrying out the duties imposed on the Accountants by this Indenture, engage as needed, an independent certified public accountant or firm of certified public accountants of recognized ability and standing. The Authority covenants that it will appoint and maintain a Chairman, Vice-Chairman, Secretary and such other Authorized Officers as it deems appropriate, and delegate to such Persons the duties imposed or permitted to be imposed upon them by this Indenture.

SECTION 7.06. INSURANCE. To the extent available at reasonable rates, the Authority covenants that it will maintain insurance, or the Department on its behalf, will at all times maintain insurance with respect to the System, in the form of multiple peril, all risks insurance, provided by a responsible insurance company or companies licensed to and doing business in the State, in a reasonable and customary amount recommended by the Consulting Engineer. To the extent available at reasonable rates, the Authority, or the Department on its behalf, further covenants that it will at all times carry policies of insurance from a responsible insurance company or companies against loss, total or partial, of the use and occupancy of the System, or any part thereof, which will provide income to the Authority during the period of suspension of use.

Notwithstanding the foregoing provisions of this Section, the Authority may institute and maintain self-insurance programs with regard to such risks as shall be consistent with the recommendations of the Consulting Engineer.

The Net Proceeds of any casualty, whether from insurance or self-insurance, shall be applied pursuant to Section 7.07. The Net Proceeds of all insurance covering loss of Revenues shall be deposited to the credit of the Revenue Fund.

SECTION 7.07. DAMAGE, DESTRUCTION OR CONDEMNATION. If the System or any portion thereof is destroyed or damaged by fire or other casualty, or title to, or the temporary use of the System or any portion thereof shall be taken under the exercise of the power of eminent domain, the Authority shall, within sixty days after such damage, destruction or condemnation elect, to the extent applicable, one of the two following options by written notice from an Authorized Officer of such election to the Trustee:

(a) Option A - Repair, Restoration or Replacement. Except as provided in Option B, the Authority will cause the Net Proceeds of any insurance or the Net Proceeds of any payment made in connection with a self-insurance election, or the Net Proceeds of any claim or condemnation award to be remitted to the Trustee to be applied to the prompt repair, restoration or replacement of the System. Any such Net Proceeds received by the Trustee shall be deposited in the Construction Fund and applied by the Trustee toward the payment of the Cost of such repair, restoration or replacement, utilizing the same requisition process set forth in Article IV for the payment of the Cost of a Project. If the Net Proceeds are sufficient for such purpose, the balance remaining shall be transferred to the credit of the Revenue Fund. If the Net Proceeds are insufficient for such purpose, such deficiency may be supplied out of any available moneys in the General Fund, and if sums are unavailable therein, from the Revenue Fund.

(b) Option B - Redemption.

(i) In the event that the Authority has determined that its operations have not been materially adversely affected and that it is not in the best interest of the Authority to repair, restore or replace that portion of the System so damaged, destroyed or condemned, then the Authority shall not be required to comply with the provisions of subparagraph (a) set forth above and: (A) if the Net Proceeds are less than the Principal and Interest Requirements during the succeeding twelve months on all Outstanding Bonds after taking into account funds on deposit in the Sinking Fund intended to pay such Principal and Interest Requirements, such Net Proceeds shall be deposited in the Revenue Fund; or (B) if the Net Proceeds are equal to or greater than the net amount specified in clause (A), then the net amount specified shall be deposited in the Revenue Fund and the amount in excess thereof shall be applied to effect the special mandatory redemption, in part, of Outstanding Bonds in accordance with Section 3.01(b), in the case of the Series 1996 Bonds, or in accordance with such similar provisions as may apply to the redemption of other Outstanding Bonds.

(ii) In the event that the Authority has determined that the System's operations have been materially adversely affected and that it is not in the best interest of the Authority to repair, restore or replace the System, and that the Net Proceeds, together with all other sums in the Funds, Accounts and Subaccounts, are at least equal to the interest and principal remaining payable on all Outstanding Bonds as of the next Interest Payment Date that is at least 60 days after such determination, then the Authority shall not be required to comply with the provisions of subparagraph (a) set forth above and the Net Proceeds shall be applied to effect the special mandatory redemption, in whole, of Outstanding Bonds in accordance with Section 3.01(b), in the case of the Series 1996 Bonds, or in accordance with such similar provisions as may apply to the redemption of other Outstanding Bonds.

SECTION 7.08. USE OF REVENUES. The Authority covenants and agrees that none of the Revenues will be used for any purpose other than as provided in this Indenture. The

Authority further covenants that it will adopt such resolutions and such rules and regulations as may be necessary or appropriate to carry out the obligations of the Authority under the provisions of this Indenture.

SECTION 7.09. [RESERVED]

SECTION 7.10. ENFORCEMENT OF COLLECTIONS. The Authority will diligently enforce and collect all Tolls, fees, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such Tolls, fees, rentals and other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State.

SECTION 7.11. RECORDS, ACCOUNTS AND AUDITS. (a) The Authority covenants that it will keep accurate records and accounts of all expenditures relating to the Authority, of the Revenues, the application of Revenues and the number and class of vehicles using the System. All expenditures must be accounted for by proper invoices or approved charge documents prior to any such expenditure.

(b) The Authority further covenants that at least quarterly it will cause to be filed with the Trustee a report signed by the Chairman or Vice Chairman and the Executive Director or his designee setting forth financial statements prepared in accordance with generally accepted accounting principles applicable to the operations of the Authority: (a) for all months of the current Fiscal Year including the month in which said report is given; and (b) for the same months of the preceding Fiscal Year.

(c) The Authority further covenants that it will, at the end of each Fiscal Year, prepare financial statements in accordance with generally accepted accounting principles applicable to operations of the Authority and that it will cause an audit of the financial statements to be made by the Accountant. Such audit will be conducted in accordance with generally accepted auditing standards applicable to operations of the Authority. The audit will be completed within one hundred eighty days after the end of the Fiscal Year. Within a reasonable time thereafter reports of such audit and copies of each report shall be filed with the Trustee and copies of such reports shall be mailed by the Authority to the Consulting Engineer. The scope of the Accountant's audit will be sufficient to enable it to report as to compliance by the Authority with the rate covenant of this Indenture and any material non-compliance by the Authority of the conditions and covenants under this .

(d) The Authority further covenants that it will cause any additional reports relating to the Authority to be made as required by law.

(e) All of the reports described in clauses (a) through (d) of this Section shall be made available by the Authority to any Bondholder that requests same.

(f) Commencing with the Fiscal Year ending on June 30, 1998, the Authority shall provide or cause to be provided to the Credit Provider the following information:

(i) Not later than 10 days prior to the commencement of each Fiscal Year, the Annual Budget for such Fiscal Year;

(ii) Within 180 days after the end of each Fiscal Year, the audited financial statements described in clause (c) of this Section, together with a statement of the amount credited to the Debt Service Reserve Fund as its last valuation, and, if not presented in such audited financial statements, a statement of the Revenues pledged to payment of Bonds in each such Fiscal Year, a statement of the number of vehicles using the Toll facilities of the System during such Fiscal Year broken down by class of user and a schedule of Toll rates in effect for all classes of vehicles, and a description of any planned Improvements or Improvements then underway;

(iii) Within 30 days after the incurrence by the Authority of any indebtedness other than the Series 1996 Bonds, including, without limitation, Additional Bonds, Refunding Bonds and Completion Bonds, a copy of the official statement or other disclosure document, if any, prepared in connection therewith;

(iv) Notice of any draw upon or deficiency due to market fluctuation in the amount, if any, credited to the Debt Service Reserve Fund;

(v) notice of the redemption, other than mandatory sinking fund redemption, of any of the Bonds, or of any advance refunding of any of the Bonds, including the principal amount, maturities and CUSIP numbers of such Bonds;

(vi) such additional information as the Credit Provider may reasonably request from time to time.

SECTION 7.12. SALE OR DISPOSAL OF SYSTEM. The Authority covenants that, except as permitted by this Section 7.12 and as in this Indenture otherwise permitted, it will not sell or otherwise dispose of or encumber the System or any part thereof. The Authority may, from time to time sell any machinery, fixtures, apparatus, tools, instruments or other property acquired by the Authority in connection with the System and materials used in connection therewith, if an Authorized Officer shall determine that such property is no longer needed or is no longer useful in connection with the construction or operation or maintenance of the System. The proceeds of any such sale shall be applied to the replacement of the property so sold or disposed of and any property so acquired as such replacement shall become a part of the System subject to this Indenture or such proceeds shall be deposited to the credit of the Revenue Fund. Notwithstanding the foregoing, the Authority may from time to time, upon compliance with the terms and conditions of the Transfer Agreement, permanently abandon the use of, sell or trade any property forming a part of the System, but only if there shall be filed with the Authority prior to such abandonment, sale or trade:

(a) a certificate of the Authority stating that the Authority is not then in default in the performance of any of the material covenants, conditions, agreements or provisions contained in this Indenture; and

(b) a certificate of the Consulting Engineer projecting that the Revenues for the next succeeding twelve months, after giving effect to such abandonment, sale or trade and any replacement, and after adjustment to reflect changes in the rate schedule in effect on the date of such certificate, are anticipated to be sufficient in all respects to comply with Section 5.01;

(c) a certificate of the Authority that such abandonment, sale or trade considering the use the Authority has stated it intends to make with any proceeds derived therefrom, and after consideration of all other benefits and detriments anticipated to result therefrom, will not have a material adverse impact on future Revenues, and is consistent with the Authority's business and purpose; and

(d) an Opinion of Bond Counsel.

The proceeds of any disposition authorized by the Consulting Engineer's certificate as aforedescribed shall be applied as stated therein or, if not so stated, the proceeds of the sale of any property shall either be deposited by the Authority with the Trustee for deposit to the credit of the Revenue Fund, or shall be applied to the replacement of the property so sold, and any property acquired as such replacement shall become a part of the System subject to the provisions of this Indenture.

Nothing in this Section 7.12 shall limit the power of the Authority to enter into any sale, lease or lease-purchase of the System with the Department, or any other entity provided such sale, lease or lease-purchase is subject to the terms of this Indenture and in no way adversely impairs the amount, or pledge, of the Revenues and sums in the Funds and Accounts available to Bondholders as set forth herein. Nothing in this Section 7.12 shall limit the power of the Authority to enter into operating agreements with governmental or private entities, providing that such agreements are consistent with and subject to this Indenture and the Authority obtains an Opinion of Bond Counsel.

SECTION 7.13. OTHER INDEBTEDNESS. Nothing in this Indenture shall be construed as in any way prohibiting or limiting the power of the Authority to enter into agreements, including interest rate swaps, incur obligations, undertake indebtedness or otherwise enter into any financing transactions to the extent such agreements, obligations, indebtedness or financing transactions do not impose any lien upon the Revenues and are payable from sources other than Revenues. The foregoing shall include bond or revenue anticipation notes, including notes anticipated to be paid from proceeds of Bonds issued hereunder, and any other obligations of the Authority that are payable from funds other than Revenues.

SECTION 7.14. INVESTMENTS AND USE OF PROCEEDS TO COMPLY WITH CODE; TAXABLE BONDS.

(a) The Authority covenants with the Owners of each Series of Bonds (other than the Series 1996 Bonds and any other Series of Taxable Bonds), that it shall comply with the requirements of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including the payment

of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such Series of Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation.

(b) The Authority covenants with the Owners of each Series of Bonds (other than the Series 1996 Bonds and any other Series of Taxable Bonds) that neither the Authority nor any other Person under its control or direction will make any investment or other use of the proceeds of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), except as to any Series so categorized at the time of issuance, and that it will comply with the requirements of the Code throughout the term of the Bonds.

(c) The Authority may, if it so elects, issue one or more Series of Taxable Bonds, the interest on which is (or may be) includable in the gross income of the Owners thereof for federal income taxation purposes, provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become subject to federal income taxation.

(d) Notwithstanding anything to the contrary contained in subparagraphs (a) through (c) hereof, the Authority may, if it so elects, issue one or more Series of Bonds as "private activity bonds," as that term is defined in Section 141 (or any successor provision thereto) of the Code and which are "qualified bonds," as that term is defined in Section 141 (or any successor provision thereto) of the Code and, in the event it does so, the Authority covenants that it will not make or direct the making of any investment nor will it use the proceeds of any such Series in a manner which would make such Bonds not "qualified bonds."

SECTION 7.15. ARBITRAGE REBATE COVENANTS. There is hereby created a Fund to be designated the "Dade County Expressway Authority Rebate Fund" which shall be held and maintained by the Trustee. Prior to the issuance of each Series of Bonds other than the Series 1996 Bonds or any other Series of Taxable Bonds, the Authority shall execute and deliver a certificate or agreement containing arbitrage rebate covenants (the "Rebate Covenants") as to said Series of Bonds. The Authority shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Authority covenants for the benefit of the Bondholders that it will comply with the requirements of the Rebate Covenants. There shall be excluded from the pledge and lien of this Indenture the Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom. The Authority shall not be required to comply with the requirements of this Section 7.15, or with the Rebate Covenants, in the event that the Authority obtains an Opinion of Bond Counsel that: (a) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds; and/or (b) compliance with some other

requirement is necessary to maintain the federal income tax exemption of interest on the Bonds or is a permissible substitute for any deleted requirement. The Authority shall enter into a Supplemental Indenture, or amend the Rebate Covenants, as may be applicable, to reflect the deletion or substitution of any such requirement. In addition, the Authority shall not be required to comply with this Section 7.15 to the extent that any Bonds issued under this Indenture are Taxable Bonds.

SECTION 7.16. NO COMPETING SYSTEMS. The Authority will not acquire, construct, lease or operate, nor will it cause or authorize the acquisition, construction, lease or operation of a competing roadway, bridge or tunnel system that will traverse the same or nearly the same route as the System without first having obtained a report from the Consulting Engineer demonstrating the need for the additional roadway, bridge or tunnel and a Consulting Engineer's certificate demonstrating that the acquisition, construction, lease or operation of the additional roadway, bridge or tunnel will not have a material adverse effect on Revenues or the Authority's ability to pay debt service on Outstanding Bonds and that the additional roadway, bridge or tunnel is capable of being financed and operated in a fiscally sound and prudent manner.

SECTION 7.17. [RESERVED]

SECTION 7.18. AGREEMENTS WITH DEPARTMENT. The Authority covenants to diligently enforce all obligations of the Department under the Transfer Agreement, the Toll Operations and Maintenance Agreement, the Roadway Operations and Maintenance Agreement and the SunPass Agreement. The Authority covenants to perform all of its obligations under such agreements. Notwithstanding the foregoing, the Authority shall have no obligation to cause the Toll Operations and Maintenance Agreement, the Roadway Operations and Maintenance Agreement or the SunPass Agreement to remain in effect.

SECTION 7.19. COVENANTS WITH CREDIT PROVIDERS AND LIQUIDITY PROVIDERS. The Authority may make such covenants as it may, in its sole discretion, determine to be appropriate with any Credit Provider, Liquidity Provider or other financial institution that shall agree to provide for Bonds of any one or more Series a Credit Facility or Liquidity Facility that shall enhance the security or the value of such Bonds; provided, however, such covenants may not impair the rights of any existing Bondholders in any manner that, pursuant to Section 11.02, would require such Bondholder's consent, without first obtaining such consent.

SECTION 7.20. CONTINUING DISCLOSURE. The Authority agrees to enter into a Continuing Disclosure Agreement with respect to the Series 1996 Bonds and with respect to each other Series of Bonds to the extent required by law and to comply with and carry out all of the provisions of any such Continuing Disclosure Agreement. Notwithstanding any other provision hereof, failure of the Authority or the dissemination agent named therein to comply with any Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, the dissemination agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order to cause the

Authority and the dissemination agent to comply with their respective obligations under this Section 7.20 and any applicable Continuing Disclosure Agreement.

To the extent there are Obligated Persons with respect to any Series of Bonds other than the Authority, the Authority shall, prior to the issuance of such Bonds, cause each Obligated Person to execute a written undertaking for the benefit of, and enforceable by, the Owners, from time to time, of such Bonds to provide with respect to each such Obligated Person an annual update of the financial information and operating data set forth in the Official Statement relating to the Bonds, annual financial statements, if any, and notices of occurrence of material events as required by Rule 15(c)2-12 of the Securities and Exchange Commission. Any Obligated Person with respect to a Series of Bonds, other than the Authority, shall be required, in the written undertaking described above, to specify, in reasonable detail, the type of financial information and operating data to be provided, the accounting principles pursuant to which financial statements will be prepared, and whether the financial statements will be audited, and the date on which the information for each preceding fiscal year will be provided, and to whom it will be provided.

ARTICLE VIII

CERTAIN MATTERS RELATING TO THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT

SECTION 8.01. CERTAIN MATTERS RELATING TO THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT. (a) The Trustee, Bond Registrar and Paying Agent (hereinafter sometimes referred to collectively as the "Fiduciaries") will signify the acceptance of the duties and obligations imposed upon them by this Indenture and any other agreements with the Authority by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance, each Fiduciary shall be deemed to have accepted such duties and obligations with respect to the Bonds, upon and subject to the provisions set forth in this Article VIII.

(b) Except during the continuance of an Event of Default, (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee; (b) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. In case the Trustee has actual notice that an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Trustee may consult with counsel, including counsel who rendered the approving opinion on the Bonds, and the written advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

SECTION 8.02. RESPONSIBILITIES OF FIDUCIARIES. The statements contained herein and in the Bonds shall be taken as the statements of the Authority and the Fiduciaries assume no responsibility for the correctness of same. The Fiduciaries make no representation as to the validity or sufficiency of this Indenture or as to the security afforded by this Indenture and each Fiduciary shall incur no liability with respect thereof. The Bond Registrar shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. The Fiduciaries shall not be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciaries in accordance with the provisions of this Indenture to or upon the order of the Authority or to any other Fiduciary. The Fiduciaries shall not be under any obligation or duty to perform any act which would involve them in expense or liability or to institute or defend any suit with respect thereof, or to advance any of their own moneys, unless indemnified to their satisfaction. Subject to the provisions of the following paragraph, the Fiduciaries shall not be liable in connection with the performance of their duties hereunder except for their own negligence or willful default.

SECTION 8.03. EVIDENCE ON WHICH FIDUCIARIES MAY ACT. The Fiduciaries, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to them pursuant to any provision of this Indenture shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by them to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may reasonably consult with counsel and certified public accounting firms, who may or may not be counsel to, or accountants for, the Authority, and the opinion of such counsel or accountants shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith.

Whenever a Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matters (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith based thereon; but in its discretion, a Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it.

Except as otherwise expressly provided this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to a Fiduciary shall be sufficiently executed in the name of the Authority by an Authorized Officer.

The Trustee shall not be presumed to have knowledge of any Event of Default other than those Events of Default described in Section 9.02(a), (b) and (c), unless the Trustee receives written notice specifying such Event of Default from the Authority or the Owners of ten percent (10%) or more in aggregate principal amount of Outstanding Bonds.

SECTION 8.04. COMPENSATION. Prior to its appointment, each Fiduciary shall file with the Authority a negotiated schedule of anticipated fees and charges for services to

be performed pursuant to this Indenture. The Authority shall pay to such Fiduciary from time to time pursuant to such schedule reasonable compensation for all services rendered, and all reasonable expenses, charges, counsel fees and expenses and other disbursements, including those of its attorneys, agents, and other Persons not regularly in its employ, incurred in and about the performance of its powers and duties under this Indenture. To the extent permitted by law, the Authority hereby agrees to indemnify each Fiduciary and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity brought by third parties, or any other expenses, fees or charges of any character or nature which it may incur or with which it may be threatened by reason of such third party threats or proceedings, except in the case of such Fiduciary's own negligence or willful default, and in connection therewith to indemnify such Fiduciary against any and all expenses, including attorneys' fees and expenses and the costs of defending any action, suit or proceeding or resisting any claim, including appellate proceedings. Notwithstanding anything in this Indenture to the contrary, no Fiduciary shall be entitled to payment from or have any claim or lien on moneys paid under a Credit Facility or a Liquidity Facility or on moneys representing the proceeds of remarketing of Bonds under Article III of this Indenture.

SECTION 8.05. CERTAIN PERMITTED ACTS. A Fiduciary may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, a Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

SECTION 8.06. RESIGNATION OF TRUSTEE. The Trustee may at any time resign and be discharged from the duties and obligations created by this Indenture by giving not less than ninety (90) days' written notice to the Authority and the Credit Provider, and sending notice thereof by first-class, postage prepaid mail to the Bondholders. Such resignation shall take effect upon the date in such notice unless previously a successor Trustee shall have been appointed by the Authority or the Bondholders as provided in Sections 8.07 and 8.08, in which event such resignation shall take effect immediately on the appointment of such successor; provided that no resignation shall become effective until the appointment of a successor Trustee.

SECTION 8.07. REMOVAL OF TRUSTEE. The Trustee may be removed at any time with or without cause by any instrument or concurrent instruments in writing, filed with the Trustee and the Credit Provider, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their duly authorized attorneys or legal representatives. So long as no Event of Default or an event which with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with or without cause by resolution of the Authority filed with the Trustee and the Credit Provider. No removal shall become effective until the appointment of a successor Trustee. Notwithstanding anything to the contrary contained herein or in this Indenture, the Authority shall pay to the Trustee all fees, charges and expenses owing to the Trustee together with all fees and expenses (including reasonable attorneys' fees and expenses) reasonably incurred by the Trustee in connection with its removal by the Authority.

SECTION 8.08. APPOINTMENT OF SUCCESSOR TRUSTEE. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor shall be appointed by the Authority by a duly executed written instrument signed by an Authorized Officer. The Authority shall give notice of any such appointment made by it by mailing written notice of such appointment by first-class mail, postage prepaid, to the Credit Provider and to the Owners of the Bonds as their names and addresses appear in the books kept by the Bond Registrar, such notice to be given within thirty (30) days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 8.08 within forty-five (45) days after the Trustee shall have resigned or been removed or after a vacancy in the office of the Trustee shall have occurred, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee. The Authority shall pay the Trustee all fees and expenses, including reasonable attorneys' fees and expenses and the costs of bringing such proceedings (including appellate proceedings) incurred by the Trustee in connection with obtaining such court appointment of a successor Trustee.

Any Trustee appointed under the provisions of this Section 8.08 shall be a subsidiary of, or under common control with, a bank with trust powers, a trust company or a national banking association with trust powers, having capital stock, surplus and undivided earnings aggregating at least $50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States.

SECTION 8.09. TRANSFER OF RIGHTS AND PROPERTY TO SUCCESSOR TRUSTEE. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee. The Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over and assign to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be reasonably required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority.

SECTION 8.10. MERGER OR CONSOLIDATION OF FIDUCIARY. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank with trust powers, a trust company or a national banking association with trust powers and shall be authorized by law to perform all duties imposed upon it by this Indenture, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act. Any such bank or trust company shall be organized and existing under the laws of a state of the United States.

SECTION 8.11. ADOPTION OF AUTHENTICATION. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Bond Registrar may adopt the certificate of authentication of any predecessor Bond Registrar so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the Bonds shall not have been authenticated, any successor Bond Registrar may authenticate such Bonds in the name of, but as successor to, the predecessor Bond Registrar, or in the name of the successor Bond Registrar; and, in all such cases, such certificate shall be given full force and effect.

SECTION 8.12. RESIGNATION OR REMOVAL OF PAYING AGENT AND APPOINTMENT OF SUCCESSOR. The Paying Agent may, at any time, resign and be discharged of the duties and obligations created by this Indenture by giving ninety (90) days' written notice to the Authority, the Credit Provider and the Trustee. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Paying Agent may be removed at any time by an instrument filed with such Paying Agent, the Credit Provider and the Trustee and signed by an Authorized Officer. Any successor Paying Agent shall be appointed by the Authority and shall be a bank with trust powers, a trust company or a national banking association with trust powers willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States. The Authority shall give written notice of such appointment to the Credit Provider.

In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

SECTION 8.13. RESIGNATION AND REMOVAL OF BOND REGISTRAR AND APPOINTMENT OF SUCCESSOR. The Bond Registrar may, at any time, resign and be discharged of the duties and obligations created by this Indenture by giving at least ninety (90) days' written notice to the Authority, the Credit Provider and the Trustee. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Bond Registrar may be removed at any time by an instrument filed with such Bond Registrar, the Credit Provider and Trustee and

signed by an Authorized Officer. Any successor Bond Registrar shall be appointed by the Authority and shall be a bank with trust powers, a trust company or a national banking association with trust powers willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States. The Authority shall give written notice of such appointment to the Credit Provider. In the event of the resignation or removal of the Bond Registrar, such Bond Registrar shall assign and deliver the books for registration and transfer of Bonds maintained by it to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Bond Registrar, the Trustee shall act as such Bond Registrar.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

SECTION 9.01. EXTENSION OF INTEREST PAYMENT. In case the time for the payment of interest on any Bond shall be extended by operation of law, whether or not such extension be by or with the consent of the Authority, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Indenture except subject to the prior payment in full of the principal of all Bonds then Outstanding and of all interest the time for the payment of which shall not have been extended.

SECTION 9.02. EVENTS OF DEFAULT. Each of the following events is hereby declared an "Event of Default":

(a) payment of the principal or Purchase Price of and the redemption premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) redemption of Term Bonds in accordance with an Amortization Requirement shall not be made as required; or

(d) the Authority admits in writing its inability to pay its debts generally 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 for all or a substantial part of the System; or

(e) the Authority is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt or a petition in bankruptcy is filed against the Authority, or an order, judgment or decree is entered by a court of competent jurisdiction appointing, without the consent of the Authority, a receiver or trustee of the Authority or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety days from the date of entry thereof; or

(f) the Authority shall file a petition or answer seeking reorganization or 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

(g) 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 Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety days from the date of assumption of such custody or control; or

(h) the Authority shall default in its obligation to duly and punctually perform any other of the material covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture (other than the covenants set forth at Section 7.20) and such default shall continue for thirty days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee or the Owners of not less than ten percent in aggregate principal amount of the Bonds then Outstanding; or

(i) written notice shall have been received by the Authority from a Credit Provider or Liquidity Provider that an event of default has occurred under the agreement underlying a Credit Facility or Liquidity Facility.

In determining whether an Event of Default has occurred or is continuing under Section 9.02 (a), (b) or (c), no effect shall be given to payments made under a Credit Facility.

The Trustee shall provide to the Authority, the Credit Provider, the Liquidity Provider, the Reserve Facility Provider and the Remarketing Agent immediate notice of any default under Section 9.02 (a), (b) or (c) and notice of any other Event of Default known to the Trustee (as provided in Section 8.03) within 10 days after the Trustee has acquired knowledge thereof. The Trustee shall provide to the Owners of the Bonds prompt written notice of the occurrence and continuance of any Event of Default after the Trustee has acquired knowledge thereof (as provided in Section 8.03).

SECTION 9.03. ENFORCEMENT OF REMEDIES BY TRUSTEE. Upon the happening and continuance of any Event of Default, the Trustee, on behalf of the Owners of the Bonds, may, but shall not be obligated to, and shall, if directed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and if the conditions precedent hereinafter described are satisfied, exercise all rights granted to Bondholders pursuant to this Article IX in the manner and to the extent specified in this Indenture. Neither the Bonds nor this Indenture confers any right to accelerate the maturity of any of the Bonds. The Owners of the Bonds shall have no right to enforce any remedies upon an Event of Default, except as herein provided. In the event that the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have given to the Trustee written notice of an Event of Default on account of which a suit, action or proceeding is to be taken, have made written request of the Trustee to proceed with same, have afforded the Trustee a reasonable opportunity to institute such suit, action or proceeding in its or their name, and shall have offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities, including attorneys'

fees and expenses, that may be incurred in connection therewith, the foregoing written notifications, requests and offers of indemnity being conditions precedent to the obligation of the Trustee to pursue any remedy hereunder, and notwithstanding compliance with such conditions precedent the Trustee shall have refused or neglected to comply with such request within a reasonable time, then any Owner of the Bonds may institute any suit, action, mandamus or other proceeding in equity or at law for the enforcement of any right under this Indenture. In addition, upon providing the Trustee with reasonable security and indemnity against costs, expenses and liabilities as aforedescribed, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding may, by written notice delivered to the Trustee, direct the method and place of conducting all remedial proceedings to be taken by the Trustee, provided such direction shall not be contrary to provisions of law and this Indenture and, provided further, the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners of the Bonds not parties to such direction. In the absence of such direction from Bondholders, the Trustee may proceed in the manner it deems appropriate in accordance with the terms and conditions hereof. The Trustee may, in its discretion, notwithstanding the failure of the Owners of the Bonds to provide the indemnity required by the conditions precedent heretofore described, nevertheless bring such suits, actions or proceedings or take such other action as, in its judgment, is proper to be done by it as Trustee, without indemnity, in which event the Authority shall reimburse the Trustee, from Revenues, for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. Upon an Event of Default the Trustee may exercise all rights and powers granted to the Authority pursuant to Section 9.03 subject, however, to the Trustee's right to reimburse itself for the costs, expenses and liabilities for which it is indemnified pursuant to this Indenture, prior to application of any money in the Sinking Fund for the benefit of the Owners of the Bonds. Upon the occurrence of an Event of Default and the continuance of such Event of Default, the Trustee shall give by first-class, postage prepaid mail to all Bondholders, as their names and addresses appear in the books kept by the Bond Registrar, notice of such Event of Default known to the Trustee, unless such Event of Default shall have been cured; provided, however, that except in the case of an Event of Default described in Sections 9.02(a), (b) or (c), the Trustee shall be protected in withholding such notice so long as the Trustee in good faith determines that such Event of Default is not materially adverse to the interest of Bondholders.

SECTION 9.04. PRO RATA APPLICATION OF FUNDS. (a) Anything in this Indenture to the contrary notwithstanding, if at any time during the continuance of an Event of Default the moneys in the Sinking Fund, the Debt Service Reserve Fund, the Renewal and Replacement Fund and the General Fund, when applied in accordance with Article V, shall not be sufficient to pay the principal of, the premium, if any, or the interest on the Bonds as the same are then 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 by the Trustee as follows:

First: to the payment to the Fiduciaries of the amount necessary to compensate the Fiduciaries in accordance with the provisions of this Indenture;

Second: to the payment of the Persons entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such

installments become due and payable on the Bonds, and, if the amount available shall not be sufficient to pay in full any particular installment on the Bonds, then 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;

Third: 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 Indenture), in the order in which such principal became due, with interest thereon at the respective rates specified therein from the respective dates upon which they became due, and, if the amount available 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;

Fourth: to the payment of the interest on and 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 V;

Fifth: to the Department for any amounts owed by the Authority to the Department under Section 5.12 or that are otherwise payable to the Department out of moneys credited to the General Fund; and

Sixth: to the Authority for any lawful purpose.

(b) The provisions of this Section are in all respects subject to the provisions of Section 9.01. Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its 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 Trustee; and the Trustee shall incur no liability whatsoever to any Bondholder, Credit Provider, Liquidity Provider or to any other Person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such funds it 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 Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and

shall not be required to make payment to the Owner of any Bond until such Bond shall be surrendered to it for appropriate endorsement.

SECTION 9.05. EFFECT OF DISCONTINUANCE OF PROCEEDINGS. In case any proceeding taken by the Trustee or any Bondholder on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case, the Authority, the Trustee and the Bondholder shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Authority, the Trustee and the Bondholders shall continue as though no such proceeding had been taken.

SECTION 9.06. RESTRICTION ON INDIVIDUAL BONDHOLDER ACTIONS. No Owner of any of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Owners of such Bonds.

SECTION 9.07. NO REMEDY EXCLUSIVE. No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

SECTION 9.08. DELAY NOT A WAIVER. No delay or omission of the Trustee or 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 Indenture to the Trustee and the Bondholders may be exercised from time to time and as often as may be deemed expedient.

SECTION 9.09. RIGHT TO ENFORCE PAYMENT OF BONDS. Nothing in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on his Bond, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each Bond to the Owners thereof at the time and place in said Bond expressed.

SECTION 9.10. RIGHTS OF CREDIT PROVIDER. In the event that, following an Event of Default, a Credit Provider honors its obligation under a Credit Facility to make payments on a Series of Bonds, said Credit Provider shall be entitled to exercise the rights of the Owners of the said Bonds for the purposes of this Article.

Anything in this Indenture to the contrary notwithstanding, while an Event of Default has occurred and is continuing hereunder, any Credit Provider, on behalf of the Owners of Bonds secured by such Credit Provider, or Owners of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the Authority and the Trustee, to direct the time and method of conducting all proceedings available under this Indenture or exercising any trust or power conferred by this Indenture in accordance with the provisions of this Indenture; provided, however, that the Credit Provider shall have no such rights if it has defaulted under its obligations under a Credit Facility. In the

event of a conflict between the directions of any Credit Provider and those of the Owners of such Bonds, with respect to an Event of Default described in Section 9.02(i), the directions of such Credit Provider shall prevail, and with respect to any other Event of Default the directions of the Owners of the Bonds shall prevail.

The Trustee shall accept notice from the Credit Provider as to the occurrence or continuance of any Event of Default.

SECTION 9.11. CLAIM UPON INITIAL CREDIT FACILITY. (a) If on the third day (or the last Business Day at least three days) preceding any Interest payment Date for the Series 1996 Bonds there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the Series 1996 Bonds due on such Interest Payment Date, the Trustee shall immediately notify the Initial Credit Provider and State Street Bank and Trust Company, N.A., New York, New York or its successor as its Fiscal Agent (the "Fiscal Agent") of the amount of such deficiency. If, by said Interest Payment Date, the Authority has not provided the amount of such deficiency, the Bond Registrar shall simultaneously make available to the Initial Credit Provider and to the Fiscal Agent the registration books for the Series 1996 Bonds maintained by the Bond Registrar. In addition:

(i) The Trustee shall provide the Initial Credit Provider with a list of the Bondholders entitled to receive principal or interest payments from the Initial Credit Provider under the terms of the Initial Credit Facility and shall make arrangements for the Initial Credit Provider and its Fiscal Agent (A) to mail checks or drafts to Bondholders entitled to receive full or partial interest payments from the Initial Credit Provider, and (B) to pay principal of the Series 1996 Bonds surrendered to the Fiscal Agent by the Bondholders entitled to receive full or partial principal payments from the Initial Credit Provider; and

(ii) The Trustee shall, at the time the Bond Registrar makes the registration books available to the Initial Credit Provider pursuant to clause (i) above, notify Bondholders entitled to receive the payment of principal of or interest on the Series 1996 Bonds from the Initial Credit Provider (A) as to the fact of such entitlement, (B) that the Initial Credit Provider will remit to them all or part of the interest payments coming due subject to the terms of the Initial Credit Facility, (C) that, except as provided in paragraph (b) below, in the event that any Bondholder is entitled to receive full payment of principal from the Initial Credit Provider, such Bondholder must tender his Series 1996 Bond with the instrument of transfer in the form provided on the Series 1996 Bond executed in the name of the Initial Credit Provider, and (D) that, except as provided in paragraph (b) below, in the event that such Bondholder is entitled to receive partial payment of principal from the Initial Credit Provider, such Bondholder must tender his series 1996 Bond for payment first to the Trustee, which shall note on such Series 1996 Bond the portion of principal paid by the Trustee, and then, with an acceptable form of assignment executed in the name of the Initial Credit Provider, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Bondholder subject to the terms of the Initial Credit Facility.

(b) In the event that the Trustee has notice that any payment of principal of or interest on a Series 1996 Bond has been recovered from a Bondholder by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to the Initial Credit Provider, notify all Bondholders that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from the Initial Credit Provider to the extent of such recovery, and the Trustee shall furnish to the Initial Credit Provider its records evidencing the payments of principal of and interest on the Series 1996 Bonds which have been made by the Trustee and subsequently recovered from Bondholders, and the dates on which such payments were made.

(c) The Initial Credit Provider shall, to the extent it makes payment of principal of or interest on the Series 1996 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Initial Credit Facility and, to evidence such subrogation, (A) in the case of subrogation as to claims for past due interest, the Trustee shall note the Initial Credit Provider's rights as subrogee on the registration books maintained by the Bond Registrar upon receipt from the Initial Credit Provider of proof of the payment of interest thereon to the Bondholders of such Series 1996 Bonds, and (B) in the case of subrogation as to claims for past due principal, the Trustee shall note the Initial Credit Provider's rights s subrogee on the registration books for the Series 1996 Bonds maintained by the Trustee upon receipt of proof of the payment of principal thereof to the Bondholders of such Series 1996 Bonds. Notwithstanding anything in this Indenture to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to the Initial Credit Provider to the extent that the Initial Credit Provider is a subrogee with respect thereto.

ARTICLE X

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

SECTION 10.01. EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders or their duly authorized attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Authority and the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a Person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) Ownership of Bonds should be proved by registration books of the Authority, or the Bond Registrar on behalf of the Authority, maintained as provided in this Indenture.

Nothing contained in this Indenture shall be construed as limiting the Authority or the Trustee to such proof, it being intended that the Authority and the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done by the Authority or the Trustee pursuant to such request or consent.

ARTICLE XI

SUPPLEMENTS AND AMENDMENTS

SECTION 11.01. SUPPLEMENTAL INDENTURE WITHOUT BONDHOLDERS' CONSENT. The Authority and the Trustee, from time to time and at any time, without obtaining consent from Bondholders, may enter into Supplemental Indentures that are not inconsistent with the terms and provisions hereof (which Supplemental Indentures shall thereafter form a part of the Indenture):

(a) to cure any ambiguity or defect or omission or to correct any inconsistent provisions in this Indenture; or

(b) to 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

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Indenture other conditions, limitations and restrictions thereafter to be observed; or

(d) to add to the covenants and agreements of the Authority in this Indenture other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power herein reserved to or conferred upon the Authority; or

(e) to permit the issuance of Bonds, the interest on which is intended to be exempt from federal income taxation, in coupon form, if as a condition precedent to the enactment of such supplemental resolution, there shall be delivered to the Authority an Opinion of Bond Counsel; or

(f) to qualify the Bonds or any of the Bonds for registration under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended; or

(g) to qualify this Indenture as an "indenture" under the Trust Indenture Act of 1939, as amended; or

(h) to make such changes as may be necessary to adjust the terms hereof so as to facilitate the issuance of Variable Rate Bonds, Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Convertible Bonds, Put Bonds and such other forms of Bonds as may be marketable from time to time; or

(i) to make such changes as may be necessary to maintain the exclusion of interest on any Series of Bonds from gross income for federal income tax purposes as said exclusion was intended to exist, if at all, at the time of issuance of such Series; or

(j) to make such changes as may evidence the right and interest herein of a Credit Provider, Liquidity Provider or Reserve Facility Provider; or

(k) to make such changes as may be necessary in order to obtain or maintain a rating or ratings on any Series of Bonds from one or more nationally recognized rating agencies; or

(l) to authorize and provide for the issuance of Completion Bonds, Additional Bonds and Refunding Bonds in accordance with the provisions of Sections 2.07, 2.08 and 2.09 and to specify and determine the matters and things referred to in Sections 2.07, 2.08 or 2.09, and any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(m) to amend, modify or rescind any provision in this Indenture at any time prior to the first delivery of such Bonds; or

(n) to make any other change, except those set forth in clauses (a) through (e) of Section 11.02, which is necessary to be made to permit the Authority to proceed with a transaction or activity that, in the written opinion of the Consulting Engineer as filed with the Authority, is in the best interests of the Authority to pursue, if there shall first be delivered and Opinion of Bond Counsel; provided that no Supplemental Indenture shall be entered into for this purpose unless the Credit Provider shall have provided its written consent thereto.

At least thirty days prior to the proposed entry by the Authority and the Trustee into a Supplemental Indenture for any of the purposes of this Section 11.01, the Authority shall cause a notice of such Supplemental Indenture to be mailed, postage prepaid, to the Credit Provider, the Trustee and all Owners of Bonds at their addresses as they appear on the registration books of the Authority maintained by the Bond Registrar and to the Rating Agency. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the offices of the Authority for inspection by all Bondholders. A failure on the part of the Authority to mail the notice required by this Section 11.01 shall not affect the validity of the Supplemental Indenture. The Authority shall provide the Credit Provider with an executed copy of such Supplemental Indenture, together with a transcript of all proceedings of the Authority relating thereto.

SECTION 11.02. SUPPLEMENTAL INDENTURE WITH BONDHOLDERS' CONSENT. Subject to the terms and provisions contained in this Section 11.02 and in

Section 11.01, and not otherwise, the Credit Provider and the Owners 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 Indenture to the contrary notwithstanding, to consent to and approve any Supplemental Indenture as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting: (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder; or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Indenture or permitted to be created by this Indenture; or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds except as permitted by this Indenture; or (e) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Indenture as authorized in Section 11.01.

If at any time the Authority shall determine that it is necessary or desirable to enter into any Supplemental Indenture for any of the purposes of this Section, an Authorized Officer shall cause notice of the proposed Supplemental Indenture to be mailed not less than 15 days prior to the date on which it is proposed that such Supplemental Indenture take effect, postage prepaid, to the Trustee, the Credit Provider and all Owners of Bonds at their addresses as they appear on the registration books and to all Rating Agencies. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the registered office of the Authority for inspection by all Bondholders. The Authority shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 11.02 to be mailed and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section 11.02. A subsequent resolution of the Authority may provide that the form and manner of providing notice to Bondholders be in some different form if so determined by the Authority.

Whenever the Authority shall deliver to the Chairman an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture and shall specifically consent to and approve the enactment thereof in substantially the form thereof referred to in such instrument, thereupon, but not otherwise, the Authority may enter into such Supplemental Indenture in substantially such form, without liability or responsibility to any Owner of any Bond, whether or not such Owner shall have consented thereto. Notwithstanding the foregoing, the Authority may enter into the proposed Supplemental Indenture prior to receiving the requisite consents provided the effective date of said Supplemental Indenture, by its terms, is delayed until, and conditioned upon, receipt of the required consents.

If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the entry into (or effective date of) such Supplemental Indenture shall have consented to and approved such Supplemental Indenture as herein provided, no Owner of any Bond shall have any right to object to the enactment of such Supplemental Indenture, or to

object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof.

Any consent given by a Bondholder shall be binding with respect to all Bonds owned by said Bondholder on the date consent is given, and shall bind all future Owners of said Bonds, so that said future Owners shall have been deemed to consent to the proposed Supplemental Indenture with the same force and effect as if they had executed a consent as of the effective date thereof.

The consent of the Owners of any Series of Bonds to be issued hereunder shall be deemed given if the underwriters or initial marketing group consent in writing to such Supplemental Indenture and the substance of such Supplemental Indenture is disclosed in the official statement or other offering document pursuant to which such Series of Bonds are offered and sold to the public.

Notwithstanding anything in this Indenture to the contrary, whenever the consent, approval or direction of the Owners of any Bonds shall be required under this Indenture, each Credit Provider, if any, shall be deemed for all purposes under this Indenture to be the Owner of all Bonds with respect to which it shall have provided a Credit Facility, for so long as such Credit Facility remains in full force and effect and shall not have been dishonored or disavowed by such Credit Provider. The Authority shall provide the Credit Provider with an executed copy of such Supplemental Indenture, together with a transcript of all proceedings of the Authority relating thereto.

Upon the entry into any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Indenture as so modified and amended.

SECTION 11.03. SUPPLEMENTAL INDENTURES PART OF INDENTURE. Any Supplemental Indenture entered in accordance with the provisions of this Indenture shall thereafter form a part of this Indenture, and all of the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. In case of the entry into any Supplemental Indenture, express reference may be made thereof in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Authority.

SECTION 11.04. OPINION OF BOND COUNSEL REQUIRED. Notwithstanding anything in this Indenture to the contrary, the Trustee shall have no obligation to enter into any Supplemental Indenture unless it shall have been first provided and Opinion of Bond Counsel with respect thereto.

ARTICLE XII

DEFEASANCE

SECTION 12.01. DEFEASANCE. If (a) all the Outstanding Bonds shall have been paid as provided below, (b) the Authority shall pay or cause to be paid to the Trustee, Paying Agent and Bond Registrar and any other agents and other parties designated by a Supplemental Indenture, all sums of money due or to become due according to the provisions hereof and such other instruments as may be entered into with such agents and parties and (c) the Authority shall pay or cause to be paid to the Initial Reserve Facility Provider all Policy Costs due or to become due under the provisions of the Series 1996 Debt Service Reserve Fund Policy Agreement, then and in only that case the right, title and interest of the Bondholders hereunder shall cease, terminate and become void, and such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture. In such event, this Indenture shall be discharged and released and amounts held in the Funds, Accounts and Subaccounts created hereunder shall be released to the Authority for its own purposes.

Any Bond shall be deemed to have been paid within the meaning and with the effect expressed in this Section 12.01 when the whole amount of the principal of and interest on such Bond shall have been paid or when: (a) there shall have been deposited with the Paying Agent or other appropriate Escrow Agent solely for the Owner of such Bond and other Bonds being defeased and specifically designated for the purpose of defeasance either moneys, Escrow Securities, or any combination thereof, in an amount which shall be verified by an Accountant as sufficient, with interest earnings thereon, to pay when due the principal of and premium, if any, and interest due and to become due on such Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and (b) in the event such Bond does not mature and is not to be redeemed within the next succeeding sixty days, the Authority shall have notified, as soon as practicable, the Owner of such Bond, in the manner set forth in Article III, stating that the deposit of moneys and/or Escrow Securities required by clause (a) of this paragraph has been made with the Paying Agent or other Escrow Agent solely for the Owner of such Bond and other Bonds being defeased, and that such Bond is deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on such Bond.

Except as hereinafter provided, neither the moneys nor Escrow Securities deposited with the Paying Agent or other Escrow Agent pursuant to this Section 12.01 nor principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds. Moneys and Escrow Securities held by an Escrow Agent may be substituted for other moneys and Escrow Securities to the extent permitted by an Escrow Deposit Agreement.

As to 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 Escrow Securities 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 fully to discharge and satisfy such Bonds pursuant to the provisions of this Section, the Authority 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 this Indenture; subject however, to the Authority's obtaining an Opinion of Bond Counsel. Notwithstanding anything in this Section 12.01 or elsewhere in this Indenture to the contrary, so long as S&P shall rate any Variable Rate Bonds, provision for the payment of such Variable Rate Bonds in accordance with this Section 12.01 shall not be deemed to release the lien of this Indenture in favor of such Variable Rate Bonds unless the Authority shall first have provided the Trustee with written evidence from S&P that such provision for payment will not, of itself, cause S&P to reduce or withdraw its then rating on such Variable Rate Bonds.

Notwithstanding any of the provisions of this Indenture to the contrary, Put Bonds may only be fully discharged and satisfied either by paying the principal of and interest on said Bonds as they become due and payable or by depositing moneys or Escrow Securities which shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and redemption premium, if any, and interest on such Put Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds and the Authority; provided, however, that if, at the time a deposit is made pursuant to this paragraph, the options originally exercisable on the Put Bonds are no longer exercisable, such Bonds shall not be considered Put Bonds for these purposes.

If any portion of the moneys described for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the Authority may use the amount of such excess, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture.

ARTICLE XIII

CREDIT FACILITIES, LIQUIDITY FACILITIES AND MISCELLANEOUS PROVISIONS RELATED TO VARIABLE RATE BONDS

SECTION 13.01. CREDIT FACILITY. The Trustee shall hold and maintain each Credit Facility for the benefit of the Bondholders benefitted thereby until such Credit Facility terminates or expires in accordance with its terms. If at any time during the term of a Credit Facility any successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the Credit Provider transfer the Credit Facility to the successor Trustee, to the extent such action is necessary, and shall comply with the applicable provisions of the Credit Facility. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. Upon the termination or expiration of a Credit Facility in accordance with its terms, the Trustee shall promptly surrender the Credit Facility then in effect to the Credit Provider.

SECTION 13.02. ENFORCEMENT OF CREDIT FACILITY. (a) The Authority and the Trustee, for the benefit of the Owners of the Bonds benefitted thereby, shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and provisions of each Credit Facility as contemplated herein and therein. The Trustee shall not consent to or permit any amendment or modification of a Credit Facility or any credit or reimbursement agreement pursuant to which a Credit Facility has been issued which would materially adversely affect the rights or interests of the Owners of any of the Bonds without the written consent of the Owners of 100% in aggregate principal amount of such Bonds.

(b) Any provisions in this Indenture requiring notice to or from a Credit Provider or the consent thereof prior to any action by the Trustee or the Authority shall have no force or effect with respect to such Credit Provider (i) following the later of (1) the termination or expiration of such Credit Facility, and (2) the repayment of all amounts owed to such Credit Provider pursuant to the credit or reimbursement agreement pursuant to which such Credit Facility was issued or (ii) following the failure or refusal of such Credit Provider to honor a properly presented and conforming draw under such Credit Facility, except with respect to all rights accruing to the Credit Provider with respect to unreimbursed draws on the Credit Facility.

SECTION 13.03. ALTERNATE CREDIT FACILITIES. (a) An Alternate Credit Facility, in substitution for any Credit Facility then in effect, may be provided if the Authority shall give written notice not more than 60 nor less than 30 calendar days prior to the date such Alternate Credit Facility is to take effect (and "Alternate Credit Facility Date") to the Trustee, the Tender Agent, the Remarketing Agent, the Rating Agency, the Liquidity Provider and the Credit Provider stating its election to provide an Alternate Credit Facility. Notwithstanding the foregoing, so long as the Initial Credit Provider shall not be in default of its obligations under the Initial Credit Facility, without the prior written consent of Financial Guaranty Insurance Company, the Authority may not provide an Alternate Credit Facility in place of the Initial Credit Facility unless such Alternate Credit Facility is issued by Financial Guaranty Insurance Company. Any such Alternate Credit Facility must satisfy the requirements of this Indenture for a Credit Facility. Each Alternate Credit Facility Date shall be determined by the Authority in the notice to be provided pursuant to the first sentence of this clause (a). Each Alternate Credit Facility Date shall be a Business Day that is at least five days prior to the termination or expiration of the Credit Facility to be replaced.

(b) Upon the exercise of such option by the Authority, the Trustee shall send to the Bondholders a Notice of Alternate Credit Facility in substantially the form of Exhibit E not later than 20 calendar days prior to the Alternate Credit Facility Date. The Trustee shall not accept such Alternate Credit Facility unless the Trustee shall have received, prior to sending the Notice of Alternate Credit Facility (i) an Opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility to the Trustee is authorized under this Indenture and the Act, complies with the terms hereof and will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes, (ii) a certificate from an Authorized Officer and a written acknowledgment by the Credit Provider stating that all amounts owing to the Credit Provider under the credit or reimbursement agreement pursuant to which the Credit Facility to be replaced has been issued have been paid and that there are no Provider Bonds

Outstanding, and (iii) written confirmation from the Rating Agency that the rating assigned to the Bonds will not be reduced or withdrawn as a result of such replacement.

SECTION 13.04. LIQUIDITY FACILITY. The Trustee shall hold and maintain each Liquidity Facility for the benefit of the Bondholders benefitted thereby until such Liquidity Facility terminates or expires in accordance with its terms. If at any time during the term of a Liquidity Facility any successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the Liquidity Provider transfer the Liquidity Facility to the successor Trustee, to the extent such action is necessary, and shall comply with the applicable provisions of the Liquidity Facility. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. Upon the termination or expiration of a Liquidity Facility in accordance with its terms, the Trustee shall promptly surrender the Liquidity Facility then in effect to the Liquidity Provider. If a Liquidity Facility shall be about to expire or terminate in accordance with its terms, without being extended or replaced by an Alternate Liquidity Facility, then the Authority and the Remarketing Agent shall use their best efforts to convert the Series 1996 Bonds to the Fixed Rate not later than 90 days prior to such expiration or termination, and, in the event of such expiration or termination, as soon as possible thereafter.

SECTION 13.05. ENFORCEMENT OF LIQUIDITY FACILITY. (a) The Authority and the Trustee, for the benefit of the Owners of the Bonds benefitted thereby, shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and provisions of each Liquidity Facility as contemplated herein and therein. The Trustee shall not consent to or permit any amendment or modification of a Liquidity Facility or any credit or reimbursement agreement pursuant to which a Liquidity Facility has been issued which would materially adversely affect the rights or interests of the Owners of any of the Bonds without the written consent of the Owners of 100% in aggregate principal amount of such Bonds.

(b) Any provisions in this Indenture requiring notice to or from a Liquidity Provider or the consent thereof prior to any action by the Trustee or the Authority shall have no force or effect with respect to such Liquidity Provider (i) following the later of (1) the termination or expiration of such Liquidity Facility, and (2) the repayment of all amounts owed to such Liquidity Provider pursuant to the credit or reimbursement agreement pursuant to which such Liquidity Facility was issued or (ii) following the failure or refusal of such Liquidity Provider to honor a properly presented and conforming draw under such Liquidity Facility, except with respect to all rights accruing to the Liquidity Provider with respect to unreimbursed draws on the Liquidity Facility.

SECTION 13.06. ALTERNATE LIQUIDITY FACILITIES. (a) With the prior written consent of the Credit Provider, an Alternate Liquidity Facility, in substitution for any Liquidity Facility then in effect, may be provided if the Authority shall give written notice not more than 60 nor less than 30 calendar days prior to the date such Alternate Liquidity Facility is to take effect (and "Alternate Liquidity Facility Date") to the Trustee, the Tender Agent, the Remarketing Agent, the Rating Agency, the Credit Provider and the Liquidity Provider stating its election to provide an Alternate Liquidity Facility. Any such Alternate Liquidity Facility must

satisfy the requirements of this Indenture for a Liquidity Facility. Each Alternate Liquidity Facility Date shall be determined by the Authority in the notice to be provided pursuant to the first sentence of this clause (a). Each Alternate Liquidity Facility Date shall be a Business Day that is at least five days prior to the termination or expiration of the Liquidity Facility to be replaced.

(b) Upon the exercise of such option by the Authority, the Trustee shall send to the Bondholders a Notice of Alternate Liquidity Facility in substantially the form of Exhibit E not later than 20 calendar days prior to the Alternate Liquidity Facility Date. The Trustee shall not accept such Alternate Liquidity Facility unless the Trustee shall have received, prior to sending the Notice of Alternate Liquidity Facility (i) an Opinion of Bond Counsel stating that the delivery of such Alternate Liquidity Facility to the Trustee is authorized under this Indenture and the Act, complies with the terms hereof and will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes, (ii) a certificate from an Authorized Officer and a written acknowledgment by the Liquidity Provider stating that all amounts owing to the Liquidity Provider under the credit or reimbursement agreement pursuant to which the Liquidity Facility to be replaced has been issued have been paid and that there are no Provider Bonds Outstanding, and (iii) written confirmation from the Rating Agency that the rating assigned to the Bonds will not be reduced or withdrawn as a result of such replacement.

SECTION 13.07. REMARKETING AGENT. The initial Remarketing Agent for the Series 1996 Bonds shall be PaineWebber Incorporated. The Authority may appoint a successor Remarketing Agent for the Series 1996 Bonds and may appoint Remarketing Agents for other Series of Bonds and their successors in compliance with the conditions set forth in Section 13.08. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by entering into a Remarketing Agreement with the Authority under which the Remarketing Agent shall agree to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority, the Trustee and the Tender Agent at all reasonable times.

SECTION 13.08. QUALIFICATIONS OF REMARKETING AGENT. Each Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., a national banking association or a commercial banking corporation and shall meet such capitalization and/or credit requirements as the Authority may determine from time to time, shall be appointed by the Authority and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the Authority, the Tender Agent, the Trustee, the Credit Provider and the Liquidity Provider. The Remarketing Agent may be removed at any time, with or without cause by the Authority, upon at least 30 days' written notice to the Remarketing Agent, by an instrument signed by Authorized Officer, filed with the Trustee, the Credit Provider, the Liquidity Provider, the Tender Agent and the Remarketing Agent. Notwithstanding the foregoing, no removal or resignation shall take effect until the Authority has appointed a successor Remarketing Agent, with the prior written approval of the Credit Provider and the Liquidity Provider, and such successor Remarketing Agent has accepted such appointment.

SECTION 13.09. TENDER AGENT. (a) The Trustee shall be the initial Tender Agent with respect to the Series 1996 Bonds. The Trustee hereby agrees to carry out its responsibilities as Tender Agent set forth in this Indenture. Any other Tender Agent that is not also the Trustee shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Authority and the Trustee, under which the Tender Agent shall agree to particularly:

(i) hold all Bonds delivered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective Owners which have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners; and

(ii) keep such books and records as shall be consistent with prudent industry practice, and make such books and records available for inspection by the other parties.

The parties hereto shall each cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein will be made available for the purchase of Bonds presented at the designated office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties under this Indenture.

The Tender Agent, the Trustee and the Remarketing Agent shall cooperate to the extent necessary to permit the preparation, execution, issuance, authentication and delivery by the Tender Agent of replacement Bonds in connection with the tender and remarketing of Bonds under this Indenture.

The Authority and the Trustee acknowledge that, in carrying out its responsibilities hereunder, the Tender Agent shall be acting solely for the benefit of and as agent for the Owners from time to time of the Bonds. No delivery of the Bonds to the Tender Agent or any agent of the Tender Agent or purchase of Bonds by the Tender Agent shall constitute a redemption of the Bonds or any extinguishment of the debt evidenced thereby.

(b) The Tender Agent shall be a member of the National Association of Securities Dealers, Inc., a bank with trust powers, a trust company or a national banking association with trust powers and shall meet such capitalization and/or credit requirements as the Authority may determine from time to time, shall be appointed by the Authority and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Any such bank or trust company shall be organized and existing under the laws of a state of the United States. The Tender Agent may resign and be discharged of the duties and obligation created by this Indenture by giving at least sixty (60) days' notice by mail to the Trustee, the Authority, the Remarketing Agent, the Credit Provider and the Liquidity Provider, provided, however, that such resignation shall not take effect unless and until a successor Tender Agent shall be appointed by the Authority. The Authority shall use its best efforts to appoint a successor Tender Agent during such sixty (60) day period and in the event a successor Tender Agent has not taken office prior to the expiration of such sixty (60) day period, the Tender Agent may petition a court of applicable jurisdiction to appoint a successor Tender Agent. The Tender Agent may be removed at any time with or without cause by an instrument signed by an Authorized Officer and filed with the Credit

Provider, the Liquidity Provider, the Tender Agent, the Remarketing Agent and the Trustee; provided, however, that such removal shall not take effect unless and until a successor Tender Agent shall be appointed by the Authority. In the event of the resignation or removal of the Tender Agent, the Tender Agent shall deliver any moneys and Bonds held by it to its successor, and if there be no successor, to the Trustee.

SECTION 13.10. NOTICE TO RATING AGENCY. The Trustee shall notify the Rating Agency, the Credit Provider and the Liquidity Provider as soon as practicable (a) after the Trustee becomes aware of (i) any expiration, termination or renewal of a Credit Facility or a Liquidity Facility, (ii) any change in a Credit Facility or Liquidity Facility or this Indenture, or (iii) the failure of a Credit Provider or Liquidity Provider to reinstate the interest portion of a Credit Facility or Liquidity Facility within the time allotted for such reinstatement to occur, or (b) if (i) the Trustee or the Tender Agent resigns or is removed or a new Trustee or Tender Agent is appointed, (ii) the Remarketing Agent resigns or is removed or a new Remarketing Agent is appointed, (iii) an Alternate Credit Facility or an Alternate Liquidity Facility is provided, (iv) there is a mandatory tender for purchase for a Series of Bonds in whole, (v) there is a call for the redemption of a Series of Bonds in whole, (vi) there is a change in the interest mode or otherwise in the method for determination of the interest payable on a Series of Bonds pursuant to Section 2.06 or otherwise, (vii) all of the Bonds of a Series are defeased pursuant to Article XII, or (viii) the Authority issues any Series of Bonds other than the Series 1996 Bonds.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

SECTION 14.01. EFFECT OF COVENANTS. All covenants, stipulations, obligations and agreements of the Authority contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Indenture, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority by the provisions of this Indenture shall be exercised or performed by the Board of the Authority or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenants, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Authority in his individual capacity, and neither the Board of the Authority nor any official executing the Bonds shall be liable Personally on the Bonds or be subject to any Personal liability or accountability by reason of the issuance thereof.

SECTION 14.02. MANNER OF GIVING NOTICE. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or

required by this Indenture to be given to or filed with the Authority shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Authority at Dade County Expressway Authority 111 N.W. First Street, Suite 2740, Miami, Florida 33128, Attention: Executive Director. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Trustee at The Bank of New York, c/o The Bank of New York Trust Company of Florida, N.A., 10161 Centurion Parkway, Jacksonville, Florida 32256, Attention: Corporate Trust Department. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Tender Agent shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Tender Agent at The Bank of New York, 101 Barclay Street, New York, New York 10286. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Remarketing Agent for the Series 1996 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Remarketing Agent for the Series 1996 Bonds at PaineWebber Incorporated, 1285 Avenue of the Americas, New York, New York 10019, Attention: Short-Term Desk. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Initial Credit Provider shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Initial Credit Provider at Financial Guaranty Insurance Company, 115 Broadway, New York, New York 10006, Attention: Senior Counsel - Public Finance. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Fiscal Agent shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Fiscal Agent at State Street Bank and Trust Company, N.A., 61 Broadway, New York, New York 10006, Attention: Corporate Trust Department. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Initial Liquidity Provider for the Series 1996 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to the Initial Liquidity Provider for the Series 1996 Bonds at FGIC Securities Purchase, Inc., 115 Broadway, New York, New York 10006, Attention: President. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with Fitch for the Series 1996 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to Fitch Investors Service, L.P., One State Street Plaza, New York, New York 10004, Attention: Public Finance. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with Moody's for the Series 1996 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by

registered mail, return receipt requested to Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007-2796, Attention: Public Finance Department. Except as otherwise provided in this Indenture, any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with S&P for the Series 1996 Bonds shall be deemed to have been sufficiently given or filed for all purposes of this Indenture if and when sent by registered mail, return receipt requested to Standard & Poor's Ratings Group, 25 Broadway, New York, New York 10004, Attention: Public Finance Ratings.

All documents received by the Authority or the Trustee under the provisions of this Indenture shall be retained in its possession, subject at all reasonable times to the inspection of any Bondholder, and the agents and representatives thereof.

SECTION 14.03. SUCCESSORSHIP OF AUTHORITY. In the event that the offices of any officer of the Authority mentioned in this Indenture shall be abolished or any two or more of such offices shall be merged or consolidated, 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 office by reason of sickness, absence from the Authority 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. The Authority may be dissolved or terminated in accordance with the Act and other applicable law only pursuant to a plan of transfer in connection with which an appropriate successor unit of government agrees to accept and assume all obligations of the Authority hereunder, including, specifically, the obligation to collect and enforce the Revenues and to pay the principal and interest on the Bonds from the Revenues and the moneys on deposit in the Funds, Accounts and Subaccounts.

SECTION 14.04. FURTHER ACTS. The officers and agents of the Authority are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Indenture.

SECTION 14.05. HEADINGS NOT PART OF INDENTURE. Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

SECTION 14.06. AUTHORITY, FIDUCIARY AND BONDHOLDERS ALONE HAVE RIGHTS UNDER INDENTURE. Except as herein otherwise expressly provided, nothing in this Indenture, expressed or implied, is intended or shall be construed to confer upon any Person, firm or corporation, other than the Authority, the Fiduciary and the Owners of the Bonds, any right, remedy or claim, legal or equitable, under or by reason of this Indenture or any provision hereof, this Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the Authority, the Fiduciaries and the Owners from time to time of the Bonds.

SECTION 14.07. EFFECT OF PARTIAL INVALIDITY. In case any one or more of the provisions of this Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Indenture is entered into with the intent that the laws of the State shall govern their construction.

SECTION 14.08. SALE OF BONDS. The Bonds shall be issued and sold at one time or from time to times and at such price or prices consistent with law and the requirements of this Indenture as the Authority shall hereafter determine by one or more Supplemental Indentures.

SECTION 14.09. AUTHORITY TO PURCHASE OR DEAL IN BONDS. Any bank or trust company acting as Trustee, Bond Registrar or Paying Agent under this Indenture, and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee, Bond Registrar or Paying Agent under this Indenture.

SECTION 14.10. CAPITAL APPRECIATION BONDS AND CAPITAL APPRECIATION AND INCOME BONDS. For the purposes of: (a) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity; or (b) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Indenture; or (c) computing the amount of Bonds held by the Owner of a Capital Appreciation Bond in giving to the Authority or the Trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Indenture for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value. For all of the foregoing purposes as they relate to Capital Appreciation and Income Bonds, the principal amount of a Capital Appreciation and Income Bond, on or prior to its Interest Commencement Date, shall be its Appreciated Value.

SECTION 14.11. PAYMENTS DUE ON DAYS THAT ARE NOT BUSINESS DAYS. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of Bonds shall not be Business Day, then payment of such interest or principal and any redemption premium need not be mailed by the Paying Agent on such date but may be mailed on the next succeeding Business Day with the same force and effect as if mailed on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date of maturity.

SECTION 14.12. SUSPENSION OF PUBLICATION OR MAIL. If, because of the temporary or permanent suspension of publication of any newspaper or financial journal, the suspension of delivery of registered mail or, for any other reason, the Authority shall be unable to publish in a newspaper or financial journal or mail by registered mail any notice required to be published or mailed by the provisions of this Indenture, the Authority shall give such notice in such other manner as in the judgment of the Authority shall most effectively approximate such publication or mailing thereof, and the giving of such notice in such manner shall for all

purposes of this Indenture be deemed to be in compliance with the requirement for the publication or mailing thereof.

Except as otherwise provided herein, for all purposes of this Indenture, anything required to be mailed shall be deemed mailed upon the deposit of the item with the U.S. Postal Service, by registered mail, return receipt requested and addressed to the addressee as set forth in Section 13.02 or otherwise provided in this Indenture.

SECTION 14.13. EFFECTIVE. This Indenture shall take effect as of its date.

In witness whereof, the Authority has caused this Indenture to be signed in its name and on its behalf by the Chairman or Vice Chairman, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Indenture to be signed in its name and on its behalf by one of its duly authorized officers, and its official seal to be hereunto affixed.

Signatures:

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY

By:_____
(Vice) Chairman

[Seal]

Attest:

_____
Secretary

THE BANK OF NEW YORK, as Trustee

By: The Bank of New York Trust Company of Florida, N.A., as agent

By:_____
Authorized Officer

[Seal]

EXHIBIT D

REQUISITION FORM--CONSTRUCTION FUND

$_____ Dade County Expressway Authority (Florida) Toll System Revenue Bonds, Series ____

To:_____, as Trustee

This Requisition is made pursuant to Section 4.02 of the Trust Indenture dated as of November 15, 1996 from Dade County Expressway Authority to you as Trustee to pay Costs of the Series ___ Project.

The Trustee is hereby directed to pay sums out of the [Series ___ Account of the] Construction Fund as follows:

Name & Address of Payee	Amount	Purpose of Payment

The undersigned Authorized Officer of the Authority hereby certifies that each obligation, item of cost or expense mentioned in this Requisition: (a) has been properly incurred; (b) is a proper charge against the [Series __ Account of the] Construction Fund; and (c) has not been the basis of any previous disbursement, payment or reimbursement to the Authority.

Dated:_

_____
Authorized Officer

_____
Consulting Engineer

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EXHIBIT E

NOTICE OF ALTERNATE CREDIT OR LIQUIDITY FACILITY

NOTICE TO BONDHOLDERS

This notice is being sent pursuant to the provisions of the Trust Indenture dated as of November 15, 1996 (the "Indenture") from Dade County Expressway Authority (the "Authority") to The Bank of New York, as Trustee. Capitalized terms used in this notice shall have the same meanings as in the Indenture.

You are hereby notified as follows:

1. An Alternate [Credit/Liquidity] Facility issued by _____ and relating to the Authority's Dade County Expressway Authority (Florida) Toll System Revenue Bonds, Series 1996 (the "Bonds"), will become effective on _____ (the "Alternate [Credit/Liquidity] Facility Date"). Your Bond will be subject to mandatory tender for purchase on _____ at a price of 100% of the principal amount thereof, plus interest accrued thereon to such date.

2. Payment of the purchase price for your Bond will be made on the Alternate [Credit/Liquidity] Facility Date upon presentation and surrender at the address of the Tender Agent set forth below prior to 11:30 a.m., Eastern Time on the Alternate [Credit/Liquidity] Facility Date, of such Bond, duly endorsed in blank for transfer (with all signatures guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15):

The Bank of New York
101 Barclay Street
New York, New York 10286

3. In addition, you are further notified that interest will no longer accrue to you on your Bond on and after the Alternate [Credit/Liquidity] Facility Date and, other than the right to receive payment of the purchase price for your Bond, you shall then cease to have further rights under the Indenture.

Dated:_____

By_____
Title_____

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APPENDIX F

THE CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement is dated as of March [__], 2005 (as the same may be amended or supplemented from time to time, this "Agreement"), and is between Miami-Dade County Expressway Authority (together with its successors and assigns as permitted under this Agreement, the "Authority"), a body politic and corporate, a public instrumentality and an agency of the State of Florida (the "State") existing under the Florida Expressway Authority Act (Part I of Chapter 348, Florida Statutes, as amended) (together with any successor provisions of law, the "Act"), and The Bank of New York Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, as Dissemination Agent (together with any successor permitted under this Agreement, the "Dissemination Agent").

WITNESSETH:

WHEREAS, the Authority was established by Ordinance No. 94-215, adopted on December 13, 1994, as amended, by the Board of County Commissioners of Miami-Dade County, Florida, pursuant to the Act; and

WHEREAS, the Authority is issuing under the Amended and Restated Trust Indenture dated as of June 15, 2002, as supplemented (the "Indenture"), from the Authority to The Bank of New York (as predecessor in trust to The Bank of New York Trust Company, N.A.), as trustee (in such capacity, the "Trustee"), $241,400,000 in aggregate principal amount of its Miami-Dade County Expressway Authority Toll System Revenue Bonds, Series 2005A through Series 2005E (collectively, the "Series 2005 Bonds") for the primary purpose of providing funds to carry out the Five Year Work Program of the Authority; and

WHEREAS, the Authority has covenanted in the Indenture to, among other things, enter into a Continuing Disclosure Agreement (as defined in the Indenture) with respect to the Series 2005 Bonds in order to facilitate compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule");

NOW, THEREFORE, in consideration of the foregoing recitals and intending to be legally bound hereby, the Authority and the Trustee agree as follows:

1. Purpose. This Agreement is being entered into for the benefit of the Owners (as defined in the Indenture) and the Beneficial Owners (as defined below) of the Series 2005 Bonds and in order to assist the Participating Underwriters (as defined below) in complying with the Rule (as defined below).

2. Definitions. In addition to the definitions set forth in this Agreement, which apply to any capitalized term used in this Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Agreement.

"Beneficial Owner" shall mean any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2005 Bonds (including Persons holding Series 2005 Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Series 2005 Bonds for federal income tax purposes.

"Dissemination Agent" shall mean The Bank of New York Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority, or its successors and assigns and which has filed with the Trustee a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories approved by the Securities and Exchange Commission as of the date of this Agreement are set forth below:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Tel: (609) 279-3225
Fax: (609) 279-5962
Internet: munis@bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Tel: (201) 346-0701
Fax: (201) 947-0107
Email: nrmsir@dpcdata.com

Standard & Poor's Securities Evaluations, Inc.
55 Water Street - 45th Floor
New York, New York 10041
Tel: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, New York 10038
Tel: (212) 771-6999
Fax: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
Email: nrmsir@ftid.com.

"Participating Underwriters" shall mean any underwriters of Series 2005 Bonds required to comply with the Rule.

"Repositories" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

3. Provision of Annual Reports.

(a) The Authority shall, not later than 180 days after the end of the Authority's fiscal year, commencing with the report for the Authority's fiscal year ending June 30, 2005, provide to the Dissemination Agent sufficient copies of an Annual Report which is consistent with the requirements of Section 4 of this Agreement for each of the Repositories. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the fiscal year of the Authority shall change, the Authority shall give notice of such change in the same manner as for a Listed Event under Section 5(f) of this Agreement.

(b) If by the date specified in clause (a), the Dissemination Agent has not received copies of the Annual Report, the Dissemination Agent shall contact the Authority and request the copies. On or before the date 210 days after the end of each fiscal year of the Authority, the Dissemination Agent shall provide the Annual Report to the Repositories.

(c) If the Dissemination Agent is unable to provide the Annual Report to the Repositories by the date required in clause (a) of this Section 3, the Dissemination Agent shall send a notice to each Repository in substantially the form set forth below:

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Bond Issue:	MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY TOLL SYSTEM REVENUE BONDS, SERIES 2005A THROUGH 2005E
Name of Authority:	MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY
Original Date of Issuance:	March [__], 2005

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Series 2005 Bonds as required by the Continuing Disclosure Agreement dated as of March [__], 2005, as amended, between the Authority and the undersigned as Dissemination Agent.

[The Authority has advised the undersigned that it anticipates that the Annual Report will be filed by [INSERT DATE].]

Dated:_____

The Bank of New York Trust Company, N.A., as Dissemination Agent on behalf of the Authority

cc: Miami-Dade County Expressway Authority
Attn: Executive Director

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) file a report with the Authority certifying that the Annual Report, in the form furnished to it by the Authority, has been provided pursuant to this Agreement, stating the date it was provided, and listing all the Repositories to which it was provided.

4. Content of Annual Reports. The Annual Report, commencing with the Annual Report for the Authority's fiscal year ending June 30, 2005, shall contain or include by reference the audited financial statements of the Authority for the prior fiscal year prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to clause (a) of Section 3 of this Agreement, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. The Authority shall also include in each Annual Report in tabular form a description of historical toll rates by vehicle class and a five-year toll revenue and expense summary. The Authority shall also include in each Annual Report a description of any on-going or planned capital improvements with respect to the System. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Authority is an "obligated person" (as defined by the Rule) which have been filed with each of the Repositories and reports regarding the Authority which have been filed with the Securities and Exchange Commission. If the document included by reference is a final

official statement, it must be available from the Municipal Securities Rulemaking Board. The Authority shall clearly identify each such other document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Dissemination Agent shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2005 Bonds, if 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 enhancement reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions or events affecting the tax-exempt status of the Series 2005 Bonds;

(vii) Modifications to rights of security holders;

(viii) Bond calls (but not scheduled redemptions of Series 2005 Bonds from sinking funds);

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Series 2005 Bonds; and

(xi) Rating changes.

(b) The Dissemination Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events (except events listed in subclauses (i), (viii) or (ix)), contact the Executive Director of the Authority, inform him of the event, and request that the Authority, promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to clause (f) below.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to clause (b) immediately above or otherwise, the Authority shall as soon as possible determine whether such event would constitute material information for Owners and Beneficial Owners of the Series 2005 Bonds; provided,

however, that any event under subclause (xi) will always be deemed to be material. The Authority may consult with its consultants, counsel and advisors as to whether any Listed Event constitutes material information for Owners and Beneficial Owners of the Series 2005 Bonds and reflects financial difficulty, if appropriate.

(d) If the Authority has determined that knowledge of the occurrence of a Listed Event would be material, the Authority shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to clause (f).

(e) If in response to a request under clause (b), the Authority determines that the Listed Event would not be material, the Authority shall so notify the Dissemination Agent in writing, giving the reason that the Listed Event is not material, and shall instruct the Dissemination Agent not to report the occurrence pursuant to clause (f) below.

(f) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository with a copy to the Authority. Notwithstanding the foregoing, notice of Listed Events described in subclauses (viii) and (ix) need not be given under this clause any earlier than the notice (if any) that the underlying event is given to Owners of affected Series 2005 Bonds pursuant to the Indenture.

6. Termination of Reporting Obligation. The Authority's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2005 Bonds. If the Authority's obligations under the Indenture are assumed in full by some other entity, such entity shall be responsible for compliance with this Agreement in the same manner as if it were the Authority and the original Authority shall have no further obligations hereunder so long as, but solely to the extent that, the Authority delivers a written assumption by such Person of the Authority's obligations under this Agreement, in form and substance satisfactory to the Dissemination Agent. If such termination or substitution occurs prior to the final maturity of the Series 2005 Bonds, the Authority shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5(f).

7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Agreement.

8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Authority and the Dissemination Agent may amend this Agreement and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2005 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2005 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners or Beneficial Owners of the Series 2005 Bonds in the same manner as provided in Section 11.02 of the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of the Dissemination Agent or nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Series 2005 Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented with respect to the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the Authority shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the Authority or the Dissemination Agent to comply with any provision of this Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2005 Bonds, shall), or any Owner or Beneficial Owner of the Series 2005 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Agreement shall be an action to compel performance. Any such action shall be commenced only in a court of competent jurisdiction, be it federal or state, located in Miami-Dade County, Florida.

11. Duties; Immunities and Liabilities of Dissemination Agent. As to the obligations of the Dissemination Agent hereunder, Article VIII of the Indenture is hereby made applicable to this Agreement as if this Agreement were (solely for this purpose) contained in the Indenture and as if the

Dissemination Agent were the Trustee. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and the Authority agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the reasonable costs and expenses (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Authority under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2005 Bonds.

12. Central Post Office Mechanism for Filing. Any filing under this Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org, unless the United States Securities Exchange Commission has withdrawn the interpretative advice in its letter to the MAC dated September 7, 2004.

13. Notices. Any notices or communications to or among any of the parties to this Agreement shall be given in the manner provided in Section 1303 of the Indenture.

14. Beneficiaries. This Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriters, and Owners and Beneficial Owners from time to time of the Series 2005 Bonds, and shall create no rights in any other person or entity.

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IN WITNESS WHEREOF, the Authority has caused this Agreement to be signed in its name and on its behalf by its Executive Director, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and the Dissemination Agent has caused this Agreement to be signed in its name and on its behalf by one of its duly authorized officers, and its official seal to be hereunto affixed.

Signatures;

MIAMI-DADE COUNTY EXPRESSWAY AUTHORITY

By:_____
Executive Director

[Seal]

Attest:

_____
Secretary

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Dissemination Agent

By:_____

Its: Agent

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APPENDIX G

FORM OF OPINION OF CO-BOND COUNSEL

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FORM OF OPINION OF CO-BOND COUNSEL

On the date of delivery of the Series 2005 Bonds, each of Greenberg Traurig, P.A. and Edwards & Associates, P.A.., Co-Bond Counsel, proposes to deliver its approving opinion in substantially the following form:

March __, 2005

Miami-Dade County Expressway Authority
3790 N.W. 21st Street
Miami, Florida 33142

$241,400,000
Miami-Dade County Expressway Authority
Toll System Revenue Bonds, Series 2005A through Series 2005E

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by Miami-Dade County Expressway Authority (the "Authority"), of its $241,400,000 Miami-Dade County Expressway Authority Toll System Revenue Bonds, Series 2005A through Series 2005E (collectively, the "Series 2005 Bonds"). The Series 2005 Bonds are being issued pursuant to (i) the Constitution and laws of the State of Florida, including particularly Chapter 348, Florida Statutes, as amended, and other applicable provisions of Florida law (collectively, the "Act"); (ii) Resolution No. 05-01 (the "Resolution"), duly adopted by the Authority on January 25, 2005; and (iii) the Amended and Restated Trust Indenture dated as of June 15, 2002 (the "Amended and Restated Indenture"), as previously supplemented and as further supplemented by the Fourth Supplemental Trust Indenture to Amended and Restated Trust Indenture dated as of February 1, 2005 (the "Fourth Supplemental Indenture" and, together with the Amended and Restated Indenture, the "Indenture"), each by and between the Authority and The Bank of New York Trust Company, N.A. (successor in trust to The Bank of New York), as trustee. Capitalized terms used, but not defined, in this opinion have the meanings ascribed to them in the Indenture.

The Series 2005 Bonds bear interest, mature and are subject to redemption at the times and in the manner and on the terms, and contain such other terms and provisions as are specified in the Indenture. The Series 2005 Bonds are being issued as Additional Bonds under the Indenture, to provide funds to (i) pay a portion of the Cost of certain Improvements to the System included within the Five Year Work Program of the Authority as in effect from time to time, including capitalized interest (the "Series 2005 Project") and (ii) pay certain costs associated with the issuance of the Series 2005 Bonds. In rendering this opinion, we have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Series 2005 Bonds and such other proceedings and matters of law as we have deemed relevant to the

opinions expressed below. The Transcript documents include, among other things, a conformed counterpart of the Indenture and a certified copy of the Resolution. We also have examined an executed Series 2005 Bond or facsimiles thereof.

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

1. The Authority is a body politic and corporate, a public instrumentality and an agency of the State of Florida validly created and existing under the laws of the State of Florida, and has all the requisite power and authority (a) to issue, sell and deliver the Series 2005 Bonds, and (b) to enter into the Indenture and to carry out the transactions contemplated by the Indenture.

2. The Series 2005 Bonds have been duly authorized and executed by the Authority and all conditions precedent in the Indenture to the delivery of the Series 2005 Bonds have been duly fulfilled. The Series 2005 Bonds have been delivered to the Bond Registrar for authentication, and, assuming that the Series 2005 Bonds have been duly authenticated by the Bond Registrar, the Series 2005 Bonds constitute valid and binding limited obligations of the Authority, subject to bankruptcy laws and other laws affecting creditors' rights and to the exercise of judicial discretion.

3. The Series 2005 Bonds are payable solely from the Trust Estate in accordance with the provisions of the Indenture and not from any other revenues, funds or assets of the Authority. The Indenture creates a valid and enforceable pledge of the Trust Estate and the Authority is not obligated to pay the Series 2005 Bonds or the interest thereon except from the Trust Estate. All the rights, title and interest of the Authority in and to the Trust Estate have been validly assigned and pledged to the Trustee under the Indenture. Neither the full faith and credit nor the taxing power of the State of Florida or any political subdivision thereof are pledged to the payment of the principal of and the interest on the Series 2005 Bonds.

4. Under existing statutes, regulations, rulings and court decisions, interest on the Series 2005 Bonds is excludable from gross income for federal income tax purposes. Furthermore, interest on the Series 2005 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2005 Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The issuance of the Series 2005 Bonds will not adversely affect the excludability of interest on any Bonds from gross income for federal income tax purposes. Except as otherwise set forth in this letter, we express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of the Series 2005 Bonds.

In rendering the opinion expressed in paragraph 4 above, we have assumed continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended, that must be met after the issuance of the Series 2005 Bonds in order that interest on the Series 2005 Bonds

be, and continue to be, excludable from gross income for federal income tax purposes. In rendering said opinion, we have relied upon, among other things, the Arbitrage Certificate of the Authority included in the Transcript and the continuing compliance by the Authority with the certifications contained therein and with certain covenants contained in the Indenture and the Arbitrage Certificate. Noncompliance with such certifications and covenants may cause interest on the Series 2005 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2005 Bonds.

5. The Series 2005 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein.

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.

Respectfully submitted,

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APPENDIX H

DUTCH AUCTION PROCEDURES

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DUTCH AUCTION PROCEDURES

The following is a summary of definitions of certain terms relating to the Dutch Auction Procedures. Unless otherwise noted in this Appendix H, the Terms and Provisions of this Appendix H shall be deemed to refer and shall apply separately to each Series of the Series 2005 Bonds, namely the Series 2005A Bonds, the Series 2005B Bonds, the Series 2005C Bonds, the Series 2005D Bonds and the Series 2005E Bonds.

"Agent Member" shall mean a member of, or participant in, DTC.

"All Hold Rate" shall mean, as of any Auction Date, 65% of the Index in effect on such Auction Date or such at the rate as may be determined by the Broker-Dealer with the consent of the Authority confirmed in writing.

"Auction" shall mean each periodic implementation of the Dutch Auction Procedures.

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

"Auction Agent" shall mean Deutsche Bank Trust Company Americas or any other auction agent appointed by the Authority in accordance with the Fourth Supplemental Indenture.

"Auction Date" shall mean with respect to the initial Auction Date, such dates set forth on the inside cover page of this Official Statement for each Series of Series 2005 Bonds. With respect to each Auction Period thereafter, shall mean the Business Day next preceding the first day of each Auction Period, other than:

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

(ii) each Auction Period commencing after the occurrence and during the continuation of an Event of Default under Section 9.02(a), (b) or (c) of the Indenture; or

(iii) any Auction Period commencing less than two Business Days after the cure or waiver of an Event of Default under Section 9.02(a), (b) or (c) of the Indenture.

Such Auction Date determined as provided in this definition may be adjusted as provided in the Indenture.

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

Period if the prior Auction Period does not end on a Monday) and ending on and including the Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (C) a period, generally of seven days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (D) a period, generally of seven days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day) or (E) a period, generally of seven days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), and (ii) with respect to Auction Rate Bonds in a 35-day Auction Period, any of (A) a period, generally of 35 days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the fifth Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of 35 days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the fifth Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (C) a period, generally of 35 days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the fifth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (D) a period, generally of 35 days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the fifth Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day) or (E) a period, generally of 35 days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the fifth Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day); provided, however, that the initial Auction Period with respect to a Series of Series 2005 Bonds shall begin on and include the Closing Date, and that in the event of a Conversion of a Series of the Series 2005 Bonds from another Interest Mode to a Dutch Auction Mode the initial Auction Period following such Conversion shall begin on and include the Conversion Date.

"Auction Rate Bonds" shall mean the Series 2005 Bonds which bear interest at a Dutch Auction Rate.

"Authority" shall mean the Miami-Dade County Expressway Authority.

"Available Auction Bonds" shall have the meaning set forth below under "Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate".

"Bid" shall have the meaning set forth below under "Orders by Existing Owners and Potential Owners".

"Bidder" shall have the meaning set forth below under "Orders by Existing Owners and Potential Owners".

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

"Broker-Dealer Agreement" shall mean each agreement between a Broker-Dealer and the Auction Agent pursuant to which a Broker-Dealer, among other things, agrees to participate in Auctions as set forth in the Dutch Auction Procedures, as from time to time amended and supplemented.

"DTC" shall mean The Depository Trust Company, New York, New York, or any substitute securities depository appointed pursuant to the Fourth Supplemental Indenture in connection with the Series 2005 Bonds and which is selected by the Authority.

"Dutch Auction Mode" shall mean an Interest Mode in which the interest rate for the Series 2005 Bonds in such Interest Mode is determined pursuant to the Dutch Auction Procedures.

"Dutch Auction Procedures" shall mean the procedures set forth in this Appendix H.

"Dutch Auction Rate" shall mean the interest rate to be determined for the Series 2005 Bonds pursuant to the Dutch Auction Procedures.

"Dutch Auction Rate Period" shall mean each period during which the Series 2005 Bonds accrue interest at a Dutch Auction Rate.

"Event of Default" shall mean any of the Events of Default set forth in Appendix E – "The Amended and Restated Indenture".

"Existing Owner" shall mean, (a) with respect to and for the purpose of dealing with the Auction Agent in connection with an Auction, a Broker-Dealer listed in the Existing Owner registry at the close of business on the Business Day immediately preceding the Auction Date for such Auction and (b) with respect to and for the purpose of dealing with a Broker-Dealer in connection with an Auction, a Beneficial Owner of a Series 2005 Bond.

"Hold Order" shall have the meaning set forth below under "Orders by Existing Owners and Potential Owners".

"Index" shall mean, on any Auction Date with respect to the Series 2005 Bonds in any Auction Period, One Month LIBOR Rate on such date. If such rate is unavailable, the Index for the Series 2005 Bonds means an index or rate agreed to by the Authority, all Broker-Dealers and the Series 2005 Credit Provider. If for any reason on any Auction Date the Index shall not be determined as provided in the Indenture, the Index shall mean the Index for the Auction Period ending on such Auction Date.

"Interest Payment Date" shall mean, as to any Series 2005 Bond in a Dutch Auction Mode, (i) for an Auction Period of 91 days or less, the Business Day immediately succeeding the last day of such Auction Period and (ii) for an Auction Period of more than 91 days, each 13th Monday (or if such day is not a Business Day, the next succeeding Business Day) after the first day of such Auction Period and the Business Day immediately succeeding the last day of such Auction Period.

"Maximum Dutch Auction Rate" shall mean on any date of determination the lesser of 15% per annum or the maximum interest rate permitted under applicable law.

"Order" shall have the meaning set forth below under "Orders by Existing Owners and Potential Owners".

"Potential Owner" shall mean any person, including any Existing Owner, who may be interested in acquiring the beneficial ownership of Series 2005 Bonds during a Dutch Auction Rate Period or, in the case of an Existing Owner thereof, the beneficial ownership of an additional principal amount of Series 2005 Bonds during a Dutch Auction Rate Period.

"Record Date" shall mean, with respect to an Interest Payment Date for Series 2005 Bonds in the Dutch Auction Mode, the second Business Day preceding such Interest Payment Date.

"Sell Order" shall have the meaning set forth below under "Orders by Existing Owners and Potential Owners".

"Series 2005 Credit Facility" shall mean the financial guaranty insurance policy or policies issued by the Series 2005 Credit Provider that guaranty payment of principal of and interest on the Series 2005 Bonds.

"Series 2005 Credit Provider" shall mean Ambac Assurance Corporation, a Wisconsin stock insurance corporation, or any successor thereto.

"Submission Deadline" shall mean 1:00 p.m. (New York City time) on any Auction Date or such other time on any Auction Date by which Broker-Dealers are required to submit Orders to the Auction Agent as specified by the Auction Agent from time to time.

"Submitted Bid" shall have the meaning set forth below under "Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate".

"Submitted Hold Order" shall have the meaning set forth below under "Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate".

"Submitted Order" shall have the meaning set forth below under "Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate".

"Submitted Sell Order" shall have the meaning set forth below under "Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate".

"Sufficient Clearing Bids" shall have the meaning set forth below under "Determination of Sufficient Clearing Bids, the Winning Bid Rate and Dutch Auction Rate".

"Winning Bid Rate" shall have the meaning set forth below under "Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate".

The following are the procedures to be used in conducting Dutch Auctions. As a summary, it does not purport to be complete and is qualified in its entirety by reference to the Dutch Auction Procedures set forth in the Indenture.

Auction Period-General

During any Dutch Auction Rate Period, the Series 2005 Bonds shall accrue interest at the Dutch Auction Rate determined as set forth below. The Dutch Auction Rate for any initial Auction Period immediately after either any conversion to a Dutch Auction Rate Period shall be the rate of interest per annum determined and certified to the Trustee (with a copy to the Bond Registrar, Paying Agent and the Authority) by the Broker-Dealer on a date not later than the effective date of such conversion, as the minimum rate of interest which, in the opinion of the Broker-Dealer, would be necessary as of the date of such conversion to market Series 2005 Bonds in a secondary market transaction at a price equal to the principal amount thereof, provided that such interest rate shall not exceed the Maximum Dutch Auction Rate. Except for the initial Auction Period, which commences on the date of original issuance of the Series 2005 Bonds, and as otherwise provided in the Indenture for any other Auction Period, the Dutch Auction Rate shall be the rate of interest per annum that results from implementation of the Dutch Auction Procedures; provided that such interest rate shall not exceed the Maximum Dutch Auction Rate. Determination of the Dutch Auction Rate pursuant to the Dutch Auction Procedures shall be suspended upon the occurrence of an Event of Default consisting of the failure to pay principal of, or interest on, the Series 2005 Bonds when due, which is not cured by the Series 2005 Credit Provider. Upon the occurrence of such an Event of Default on any Auction Date, which is not cured by the Series 2005 Credit Provider, no Auction will be held, all Submitted Bids and Submitted Sell Orders shall be rejected, the existence of Sufficient Clearing Bids shall be of no effect and the Dutch Auction Rate shall be equal to the Maximum Dutch Auction Rate as determined on and as of the immediately preceding Auction Date for each Auction Period commencing after the occurrence of such Event of Default to and including the Auction Period, if any, during which or commencing less than two Business Days after the earlier of (A) such Event of Default has been cured or waived and (B) the first date on which all of the following conditions shall have been satisfied:

(l) no default shall have occurred and be continuing under the Series 2005 Credit Facility (the satisfaction of such condition to be conclusively evidenced, absent manifest error, to each of the Trustee and the Auction Agent by a certificate of a duly

authorized officer of the Series 2005 Credit Provider to such effect delivered to such entity);

(2) there shall have been delivered to the Auction Agent (x) such instruments and agreements as shall be satisfactory in form and substance to the Auction Agent, making provision for the payment of all fees of the Broker-Dealers, as provided in the Broker-Dealer Agreements, and of the Auction Agent, but at no time will the Series 2005 Credit Provider pay any fees, including Auction Agent or Broker-Dealer fees, (y) such other agreements and representations as the Auction Agent shall reasonably require and (z) a direction from the Series 2005 Credit Provider not to suspend, or to resume, the implementation of the Dutch Auction Procedures, as the case may be; and

(3) the Auction Agent shall have advised the Trustee that the Auction Agent has been directed by the Series 2005 Credit Provider not to suspend, or to resume, the implementation of the Dutch Auction Procedures.

The Dutch Auction Rate for any Auction Period commencing after certificates representing the Series 2005 Bonds have been distributed as described below under "DTC Required During Dutch Auction Mode; Limitations on Transfer" shall be equal to the Maximum Dutch Auction Rate on each Auction Date.

Notwithstanding anything in the Indenture to the contrary, in the event that there shall be no duly appointed and acting Auction Agent or Broker-Dealer on any Auction Date, there shall be no Auction on such Auction Date and, instead Auction Rate Bonds shall bear interest at the Maximum Dutch Auction Rate for the succeeding Auction Period.

Except as described above, in the event the Auction Agent shall fail to calculate or, for any reason, fails to provide the Auction Rate for any Auction Period, (i) if the preceding Auction Period was a period of 35 days or less, the new Auction Period shall be the same as the preceding Auction Period and the Dutch Auction Rate for the new Auction Period shall be the same as the Dutch Auction Rate for the preceding Auction Period, and (ii) if the preceding Auction Period was a period of greater than 35 days, the preceding Auction Period shall be extended to the next seventh day following the day that would have been the last day of such Auction Period had it not been extended (or if such seventh day is not followed by a Business Day then to the next succeeding day which is followed by a Business Day) and the Dutch Auction Rate in effect for the preceding Auction Period will continue in effect for the Auction Period as so extended. In the event the Auction Period is extended as set forth in clause (ii) of the preceding sentence, an Auction shall be held on the last Business Day of the Auction Period as so extended to take effect for an Auction Period beginning on the Business Day immediately following the last day of the Auction Period as extended which Auction Period will end on the date it would otherwise have ended on had the prior Auction Period not been extended.

Auction Periods may be changed at any time as described below under "Change of Auction Period" unless an Event of Default consisting of the failure to pay principal of, or interest on, the Series 2005 Bonds when due has occurred and has not been cured or waived. Each such Auction Period shall be the then current Auction Period unless a different Auction Period is established and each Auction Period which immediately succeeds an Auction Period

shall be a seven (7) day Auction Period unless a different Auction Period is established as described below under "Change of Auction Period".

Notwithstanding any other provision of the Indenture relating to Auction Rate Bonds, including without limitation the mandatory tender provisions and the definition of terms used in the Indenture (including without limitation the definitions of All Hold Rate and Maximum Dutch Auction Rate), the Auction Rate Bonds provisions may be amended by the Authority, (i) upon obtaining an Option of Counsel that the same does not materially adversely affect the rights of the Beneficial Owners of Auction Rate Bonds or (ii) by obtaining the consent of a majority of the Owners of the Auction Rate Bonds with respect to which such amendment shall apply and, in each case, delivering an Opinion of Bond Counsel. In the case of clause (ii) above, the Trustee shall mail notice of such amendment to the Owners of the Auction Rate Bonds to which such amendment shall apply, and if, on the first Auction Date occurring at lease 20 days after the date on which the Trustee mailed such notice, Sufficient Clearing Bids have been received or all of such Auction Rate Bonds are subject to Submitted Hold Orders and if the Series 2005 Credit Provider has provided written consent by such Auction Date, the proposed amendment shall be deemed to have been consented to by the Owners of such Auction Rate Bonds, the proposed amendment shall be deemed to have been consented to by the Owners of such Auction Rate Bonds. As an additional condition precedent to any such amendment pursuant to the provision of the Indenture and without duplication of any other requirement therein, there shall be delivered to the Authority and the Trustee and Option of Bond Counsel to the effect that such amendment will not adversely affect the validity of such Auction Rate Bonds or the exclusion of interest on any of such Auction Rate Bonds from gross income for federal income tax purposes. Written notice of each such amendment shall be delivered by the Authority to the Trustee, the Auction Agent and each Broker-Dealer.

Change of Auction Period

During a Dutch Auction Rate Period, the Authority may change the length of an Auction Period by means of a written notice delivered at least 20 days but not more than 60 days prior to the Auction Date for such Auction Period to the Trustee, the Series 2005 Credit Provider, the Auction Agent and DTC. Any Auction Period established pursuant to the Dutch Auction Procedures may not exceed 1092 days in duration. If such Auction Period will be less than 35 days, such notice shall be effective only if it is accompanied by a written statement of the Bond Registrar and Paying Agent, the Trustee, the Auction Agent and DTC to the effect that they are capable of performing their duties under the Indenture and the Auction Agent Agreement with respect to such Auction Period. Unless the Series 2005 Bonds shall be at the time in the Auction Period that commenced upon the dated date of the Series 2005 Bonds, the length of an Auction Period may not be changed as described herein unless Sufficient Clearing Bids existed at both the Auction immediately preceding the date the notice of such change was given and the Auction immediately preceding such changed Auction Period.

The change in length of an Auction Period shall take effect only if (i) the Trustee and the Auction Agent receive, by 11:00 a.m. (New York City time) on the Business Day immediately preceding the Auction Date for such Auction Period, a certificate from the Authority by telecopy or similar means, authorizing the change in the Auction Period, which shall be specified in such certificate, and (ii) Sufficient Clearing Bids exist at the Auction on the Auction Date for such

Auction Period. If the condition referred to in (i) above is not met, the Dutch Auction Rate for the next succeeding Auction Period shall be determined pursuant to the Dutch Auction Procedures and the next succeeding Auction Period shall be the then current Auction Period. If the condition referred to in (ii) above is not met, the Dutch Auction Rate for the next succeeding Auction Period shall equal the Maximum Dutch Auction Rate as determined as of the Auction Date for the then current Auction Period.

Failed Conversion

In the event of a failure to convert the Series 2005 Bonds to an Interest Mode other than a Dutch Auction Mode, the Dutch Auction Rate for the next succeeding Auction Period shall equal the Maximum Dutch Auction Rate as determined as of the Auction Date for the then current Auction Period.

Orders by Existing Owners and Potential Owners

Subject to the provisions described above under "Auction Period-General", Auctions shall be conducted on each Auction Date in the manner described under this heading and in the remainder of this Appendix H prior to the Submission Deadline on each Auction Date during a Dutch Auction Rate Period:

(i) each Existing Owner may submit to the Broker-Dealer information as to:

(A) the principal amount of Series 2005 Bonds, if any, held by such Existing Owner which such Existing Owner desires to continue to hold without regard to the Dutch Auction Rate for the next succeeding Auction Period;

(B) the principal amount of Series 2005 Bonds, if any, held by such Existing Owner which such Existing Owner offers to sell if the Dutch Auction Rate for the next succeeding Auction Period shall be less than the rate per annum specified by such Existing Owner; and

(C) the principal amount of Series 2005 Bonds, if any, held by such Existing Owner which such Existing Owner offers to sell without regard to the Dutch Auction Rate for the next succeeding Auction Period; and

(ii) one or more Broker-Dealers may contact Potential Owners to determine the principal amount of Series 2005 Bonds which each such Potential Owner offers to purchase if the Dutch Auction Rate for the next succeeding Auction Period shall not be less than the interest rate per annum specified by such Potential Owner.

For the purposes hereof, the communication to a Broker-Dealer of information referred to in clause (i)(A), (i)(B) or (i)(C) or clause (ii) above is hereinafter referred to as an "Order" and each Existing Owner and Potential Owner placing an Order is hereinafter referred to as a "Bidder"; an Order containing the information referred to in clause (i)(A) above is hereinafter referred to as a "Hold Order"; an Order containing the information referred to in clause (i)(B) or clause (ii) above is hereinafter referred to as a "Bid"; and an Order containing the information referred to in clause (i)(C) above is hereinafter referred to as a "Sell Order":

Subject to the provisions described below under "Submission of Orders by Broker-Dealers to Auction Agent", a Bid by an Existing Owner shall constitute an irrevocable offer to sell:

(i) the principal amount of Series 2005 Bonds specified in such Bid if the Dutch Auction Rate determined pursuant to the Dutch Auction Procedures on such Auction Date shall be less than the interest rate per annum specified therein; or

(ii) such principal amount or a lesser principal amount of Series 2005 Bonds to be determined as set forth in clause (iv) below under "Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Auction Bonds" below if the Dutch Auction Rate determined pursuant to the Dutch Auction Procedures on such Auction Date shall be equal to the interest rate per annum specified therein; or

(iii) such principal amount if the interest rate per annum specified therein shall be higher than the Maximum Dutch Auction Rate, if Sufficient Clearing Bids exists, or such principal amount or a lesser principal amount of Series 2005 Bonds to be determined in clause (iii) below under "Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Auction Bonds" below if such specified rate shall be higher than the Maximum Dutch Auction Rate and Sufficient Clearing Bids do not exist.

Subject to the provisions set forth below under "Submission of Orders by Broker Dealers to Auction Agent", a Sell Order by an Existing Owner shall constitute an irrevocable offer to sell:

(i) the principal amount of Series 2005 Bonds specified in such Sell Order; or

(ii) such principal amount or a lesser principal amount of Series 2005 Bonds as set forth in clause (iii) below under "Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Auction Bonds" if Sufficient Clearing Bids do not exist.

Subject to the provisions described in "Submission of Orders by Broker-Dealers to Auction Agent", below, a Bid by a Potential Owner shall constitute an irrevocable offer to purchase:

(i) the principal amount of Series 2005 Bonds specified in such Bid if the Dutch Auction Rate determined on such Auction Date shall be higher than the rate specified therein; or

(ii) such principal amount or a lesser principal amount of Series 2005 Bonds as set forth in clause (v) below under "Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Auction Bonds" if the Dutch Auction Rate determined on such Auction Date shall be equal to such specified rate.

Submission of Orders by Broker-Dealers to Auction Agent

During a Dutch Auction Rate Period each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date during the Dutch Auction Rate Period, all Orders obtained by such Broker-Dealer and shall specify with respect to each such Order if requested by the Auction Agent:

(i) the name of the Bidder placing such Order;

(ii) the aggregate principal amount of Series 2005 Bonds that are subject to such Order;

(iii) to the extent that such Bidder is an Existing Owner:

(A) the principal amount of Series 2005 Bonds, if any, subject to any Hold Order placed by such Existing Owner;

(B) the principal amount of Series 2005 Bonds, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(C) the principal amount of Series 2005 Bonds, if any, subject to any Sell Order placed by such Existing Owner; and

(iv) to the extent such Bidder is a Potential Owner, the rate specified in such Potential Owner's Bid.

If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth (.001) of 1%.

If an Order or Orders covering all Series 2005 Bonds held by an Existing Owner is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of Series 2005 Bonds held by such Existing Owner and not subject to Orders submitted to the Auction Agent, except in the event of a conversion to a new Dutch Auction Rate Period in which case the Auction Agent shall deem a Sell Order to have been submitted. Neither the Authority, the Trustee nor the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

If any Existing Owner submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the principal amount of Series 2005 Bonds held by such Existing Owner, such Orders shall be considered valid as follows and in the following order of priority:

(i) all Hold Orders shall be considered valid, but only up to and including the principal amount of Series 2005 Bonds held by such Existing Owner, and, if the aggregate principal amount of Series 2005 Bonds subject to such Hold Orders exceeds

the aggregate principal amount of Series 2005 Bonds held by such Existing Owner, the aggregate principal amount of Series 2005 Bonds subject to each such Hold Order shall be reduced pro rata to cover the aggregate principal amount of Series 2005 Bonds held by such Existing Owner;

(ii) (A) any Bid shall be considered valid up to and including the excess of the principal amount of Series 2005 Bonds held by such Existing Owner over the aggregate principal amount of Series 2005 Bonds subject to any Hold Orders referred to in paragraph (i) above;

(B) subject to clause (A) above, if more than one Bid with the same rate is submitted on behalf of such Existing Owner and the aggregate principal amount of Series 2005 Bonds subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including the amount of such excess, and the principal amount of Series 2005 Bonds subject to each Bid with the same rate shall be reduced pro rata to cover the principal amount of Series 2005 Bonds equal to such excess;

(C) subject to clauses (A) and (B) above, if more than one Bid with different rates is submitted on behalf of such Existing Owner, such Bids shall be considered valid in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and

(D) in any such event, the aggregate principal amount of Series 2005 Bonds, if any, subject to Bids not valid under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Owner at the rate therein specified; and

(iii) all Sell Orders shall be considered valid up to and including the excess of the principal amount of Series 2005 Bonds held by such Existing Owner over the aggregate principal amount of Series 2005 Bonds subject to valid Hold Orders referred to in paragraph (i) and valid Bids referred to in paragraph (ii) above.

If more than one Bid for Series 2005 Bonds is submitted on behalf of any Potential Owner, each Bid submitted shall be a separate Bid for Series 2005 Bonds with the rate and principal amount therein specified.

Any Bid or Sell Order submitted by an Existing Owner covering an aggregate principal amount of Series 2005 Bonds not equal to $25,000 or an integral multiple thereof shall be rejected and shall be rounded down to the nearest integral multiple of $25,000. Any Bid submitted by a Potential Owner covering an aggregate principal amount of Series 2005 Bonds not equal to $25,000 or an integral multiple thereof shall be rounded down to the nearest integral multiple of $25,000.

Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate

Not earlier than the Submission Deadline on each Auction Date during the Dutch Auction Rate Period, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to

it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to as a "Submitted Hold Order", a "Submitted Bid" or a "Submitted Sell Order", as the case may be, or as a "Submitted Order") and shall determine:

(i) the excess of the total principal amount of Series 2005 Bonds over the aggregate principal amount of Series 2005 Bonds subject to Submitted Hold Orders (such excess being hereinafter referred to as the "Available Auction Bonds"); and

(ii) from the Submitted Orders whether the aggregate principal amount of Series 2005 Bonds subject to Submitted Bids by Potential Owners specifying one or more rates equal to or lower than the Maximum Dutch Auction Rate exceeds or is equal to the sum of:

(A) the aggregate principal amount of Series 2005 Bonds subject to Submitted Bids by Existing Owners specifying one or more rates higher than the Maximum Dutch Auction Rate; and

(B) the aggregate principal amount of Series 2005 Bonds subject to Submitted Sell Orders; (in the event of such excess or such equality exists (other than because the sum of the principal amounts of Series 2005 Bonds in clauses (A) and (B) above is zero because all of the Series 2005 Bonds are subject to Submitted Hold Orders), such Submitted Bids in clause (ii) above are hereinafter referred to collectively as "Sufficient Clearing Bids"); and

(iii) if Sufficient Clearing Bids exist, the lowest rate specified in the Submitted Bids (the "Winning Bid Rate") which if:

(A) (y) each Submitted Bid from Existing Owners specifying such lowest rate and (z) all other Submitted Bids from Existing Owners specifying lower rates were rejected, thus requiring such Existing Owners to continue to hold the principal amount of Series 2005 Bonds subject to such Submitted Bids; and

(B) (y) each Submitted Bid from Potential Owners specifying such lowest rate and (z) all other Submitted Bids from Potential Owners specifying lower rates were accepted,

would result in such Existing Owners described in clause (A) above continuing to hold an aggregate principal amount of Series 2005 Bonds which, when added to the aggregate principal amount of Series 2005 Bonds to be purchased by such Potential Owners described in clause (B) above, would equal not less than the Available Auction Bonds.

Promptly after the Auction Agent has made the determinations pursuant to the first paragraph of this section, the Auction Agent by telecopy, confirmed in writing, shall advise the Authority and the Trustee of the Maximum Dutch Auction Rate and the All Hold Rate and the components thereof on the Auction Date and, based on such determinations, the Dutch Auction Rate for the next succeeding Auction Period as follows:

(i) if Sufficient Clearing Bids exist, that the Dutch Auction Rate for the next succeeding Auction Period therefor shall be equal to the Winning Bid Rate so determined;

(ii) if Sufficient Clearing Bids do not exist (other than because all of the Series 2005 Bonds are the subject of Submitted Hold Orders), that the Dutch Auction Rate for the next succeeding Auction Period therefor shall be equal to the Maximum Dutch Auction Rate; and

(iii) if all of the Series 2005 Bonds are subject to Submitted Hold Orders, that the Dutch Auction Rate for the next succeeding Auction Period therefor shall be equal to the All Hold Rate.

Acceptance and Rejection of Submitted Bids and Submitted Sell Orders and Allocation of Auction Bonds

During a Dutch Auction Rate Period, Existing Owners shall continue to hold the principal amounts of Series 2005 Bonds that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to the first paragraph of "Determination of Sufficient Clearing Bids, Winning Bid Rate and Dutch Auction Rate", the Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other actions as are set forth below:

If Sufficient Clearing Bids have been made, all Submitted Sell Orders shall be accepted and Submitted Bids shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(i) Existing Owners' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to sell the aggregate principal amount of Series 2005 Bonds subject to such Submitted Bids;

(ii) Existing Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus requiring each such Existing Owner to continue to hold the aggregate principal amount of Series 2005 Bonds subject to such Submitted Bids;

(iii) Potential Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the aggregate principal amount of Series 2005 Bonds subject to such Submitted Bids;

(iv) each Existing Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus requiring such Existing Owner to continue to hold the aggregate principal amount of Series 2005 Bonds subject to such Submitted Bid, unless the aggregate principal amount of Series 2005 Bonds subject to all such Submitted Bids shall be greater than the principal amount of Series 2005 Bonds (the "remaining principal amount") equal to the excess of the Available Auction Bonds over the aggregate principal amount of the Series 2005 Bonds subject to Submitted Bids described in

paragraphs (ii) and (iii) immediately above, in which event such Submitted Bid of such Existing Owner shall be rejected in part, and such Existing Owner shall be required to continue to hold the principal amount of Series 2005 Bonds subject to such Submitted Bid, but only in an amount equal to the principal amount of Series 2005 Bonds obtained by multiplying the remaining principal amount by a fraction, the numerator of which shall be the principal amount of Series 2005 Bonds held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the sum of the principal amounts of Series 2005 Bonds subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate; and

(v) each Potential Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted but only in an amount equal to the principal amount of Series 2005 Bonds obtained by multiplying the excess of the Available Auction Bonds over the aggregate principal amount of Series 2005 Bonds subject to Submitted Bids described in paragraphs (ii), (iii) and (iv) immediately above, by a fraction the numerator of which shall be the aggregate principal amount of Series 2005 Bonds subject to such Submitted Bid of such Potential Owner and the denominator of which shall be the sum of the principal amount of Series 2005 Bonds subject to Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate.

If Sufficient Clearing Bids have not been made (other than because all of the Series 2005 Bonds are subject to Submitted Hold Orders) Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(i) Existing Owners' Submitted Bids specifying any rate that is equal to or lower than the Maximum Dutch Auction Rate shall be rejected, thus requiring each such Existing Owner to continue to hold the aggregate principal amount of Series 2005 Bonds subject to such Submitted Bids;

(ii) Potential Owners' Submitted Bids specifying any rate that is equal to or lower than the Maximum Dutch Auction Rate shall be accepted, thus requiring each such Potential Owner to purchase the aggregate principal amount of Series 2005 Bonds subject to such Submitted Bids; and

(iii) Each Existing Owner's Submitted Bid specifying any rate that is higher than the Maximum Dutch Auction Rate and the Submitted Sell Orders of each Existing Owner shall be accepted, thus requiring each Existing Owner that submitted any such Submitted Bid or Submitted Sell Order to sell the Series 2005 Bonds subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate principal amount of Series 2005 Bonds obtained by multiplying the aggregate principal amount of Series 2005 Bonds subject to Submitted Bids described above in subparagraph (ii) by a fraction, the numerator of which shall be the aggregate principal amount of Series 2005 Bonds held by such Existing Owner subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate principal amount of Outstanding Auction Bonds subject to all such Submitted Bids and Submitted Sell Orders.

If all Series 2005 Bonds are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

If any Existing Owner would be required to sell, or any Potential Owner would be required to purchase, a principal amount of Series 2005 Bonds that is not equal to $25,000 or an integral multiple thereof, the Auction Agent shall, in such manner as, in its sole discretion, it shall determine, round down the principal amount of such Series 2005 Bonds to be purchased or sold by any Existing Owner or Potential Owner so that the principal amount purchased or sold by each Existing Owner or Potential Owner shall be equal to $25,000 or an integral multiple thereof.

If any Potential Owner would be required to purchase less than $25,000 in aggregate principal amount of Series 2005 Bonds, the Auction Agent shall, in such manner as, in its sole discretion, it shall determine, allocate Series 2005 Bonds for purchase among Potential Owners so that only Series 2005 Bonds in principal amounts of $25,000 or an integral multiple thereof are purchased by any Potential Owner, even if such allocation results in one or more of such Potential Owners not purchasing any Series 2005 Bonds.

Based on the results of each Auction, the Auction Agent shall determine the aggregate principal amounts of Series 2005 Bonds to be purchased and the aggregate principal amounts of Series 2005 Bonds to be sold by Potential Owners and Existing Owners on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker-Dealer, to the extent that such amounts differ, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers of Series 2005 Bonds such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers of Series 2005 Bonds such Broker-Dealer shall receive, as the case may be, Series 2005 Bonds.

Settlement Procedures

(a) Not later than 3:00 p.m., New York City time, on each Auction Date, the Auction Agent shall notify by telephone each Broker-Dealer that participated in the Auction held on such Auction Date and submitted an Order on behalf of an Existing Owner or Potential Owner of

(i) the Dutch Auction Rate fixed for the next Auction Period;

(ii) whether there were Sufficient Clearing Bids in such Auction;

(iii) if such Broker-Dealer submitted a Bid or a Sell Order on behalf of an Existing Owner (a "Seller's Broker-Dealer"), whether such Bid was accepted or rejected, in whole or in part, and the principal amount of Series 2005 Bonds, if any, to be sold by such Existing Owner;

(iv) if such Broker-Dealer submitted a Bid on behalf of a Potential Owner (a "Buyer's Broker-Dealer"), whether such Bid was accepted or rejected, in whole or in part, and the principal amount of Series 2005 Bonds, if any, to be purchased by such Potential Owner;

(v) if the aggregate principal amount of Series 2005 Bonds to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted a Bid or a Sell Order exceeds the aggregate principal amount of Series 2005 Bonds to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid, the name or names of one or more Buyer's Broker-Dealers (and the name of the Agent Member, if any, of each such Buyer's Broker-Dealer) acting for one or more purchasers of such excess principal amount of Series 2005 Bonds and the principal amount of Series 2005 Bonds to be purchased from one or more Existing Owners on whose behalf such Broker-Dealer acted by one or more Potential Owners on whose behalf each of such Buyer's Broker-Dealers acted;

(vi) if the principal amount of Series 2005 Bonds to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid exceeds the principal amount of Series 2005 Bonds to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted a Bid or a Sell Order, the name or names of one or more Seller's Broker-Dealers (and the name of the Agent Member, if any, of each such Seller's Broker-Dealer) acting for one or more sellers of such excess principal amount of Series 2005 Bonds and the principal amount of Series 2005 Bonds to be sold to one or more Potential Owners on whose behalf such Broker-Dealer acted by one or more Existing Owners on whose behalf each of such Seller's Broker-Dealers acted; and

(vii) the Auction Date for the next succeeding Auction.

(b) On each Auction Date, each Broker-Dealer that submitted an Order on behalf of any Existing Owner or Potential Owner shall:

(i) advise each Existing Owner and Potential Owner on whose behalf such Broker-Dealer submitted a Bid or Sell Order in the Auction on such Auction Date whether such Bid or Sell Order was accepted or rejected, in whole or in part;

(ii) in the case of a Broker-Dealer that is a Buyer's Broker-Dealer, advise each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, to instruct such Potential Owner's Agent Member to pay to such Broker-Dealer (or its Agent Member) through DTC the amount necessary to purchase the principal amount of Series 2005 Bonds to be purchased pursuant to such Bid against receipt of such Series 2005 Bonds;

(iii) in the case of a Broker-Dealer that is a Seller's Broker-Dealer, instruct each Existing Owner on whose behalf such Broker-Dealer submitted a Sell Order that was accepted, in whole or in part, or a Bid that was accepted, in whole or in part, to instruct such Existing Owner's Agent Member to deliver to such Broker-Dealer (or its Agent Member) through DTC the principal amount of Series 2005 Bonds to be sold pursuant to such Order against payment therefor;

(iv) advise each Existing Owner on whose behalf such Broker-Dealer submitted an Order and each Potential Owner on whose behalf such Broker-Dealer submitted a Bid of the Auction Rate for the next Auction Period;

(v) advise each Existing Owner on whose behalf such Broker-Dealer submitted an Order of the next Auction Date; and

(vi) advise each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, of the next Dutch Auction Date.

(c) On the basis of the information provided to it pursuant to paragraph (a) above, each Broker-Dealer that submitted a Bid or Sell Order in an Auction is required to allocate any funds received by it in connection with such Auction pursuant to paragraph (b)(ii) above, and any Series 2005 Bonds received by it in connection with such Auction pursuant to paragraph(b)(iii) above among the Potential Owners, if any, on whose behalf such Broker-Dealer submitted Bids, the Existing Owners, if any, on whose behalf such Broker-Dealer submitted Bids or Sell Orders in such Auction, and any Broker-Dealer identified to it by the Auction Agent following such Auction pursuant to paragraph (a)(v) or (a)(vi) above.

(d) On each Auction Date:

(i) each Potential Owner and Existing Owner with an Order in the Auction on such Auction Dates shall instruct its Agent Member as provided in (b)(ii) or (iii) above, as the case may be;

(ii) each Seller's Broker-Dealer that is not an Agent Member of DTC shall instruct its Agent Member to (A) pay through DTC to the Agent Member of the Existing Owner delivering Series 2005 Bonds to such Broker-Dealer following such Auction pursuant to (b)(iii) above the amount necessary to purchase such Series 2005 Bonds against receipt of such Series 2005 Bonds, and (B) deliver such Series 2005 Bonds through DTC to a Buyer's Broker-Dealer (or its Agent Member) identified to such Seller's Broker-Dealer pursuant to (a)(v) above against payment therefor; and

(iii) each Buyer's Broker-Dealer that is not an Agent Member of DTC shall instruct its Agent Member to (A) pay through DTC to a Seller's Broker-Dealer (or its Agent Member) identified following such Auction pursuant to (a)(vi) above the amount necessary to purchase the Series 2005 Bonds to be purchased pursuant to (b)(ii) above against receipt of such Series 2005 Bonds, and (B) deliver such Series 2005 Bonds through DTC to the Agent Member of the purchaser thereof against payment therefor.

(e) On the Business Day following each Auction Date:

(i) each Agent Member for a Bidder in the Auction on such Auction Date referred to in (d)(i) above shall instruct DTC to execute the transactions described under (b)(ii) or (iii) above for such Auction, and DTC shall execute such transactions;

(ii) each Seller's Broker-Dealer or its Agent Member shall instruct DTC to execute the transactions described in (d)(ii) above for such Auction, and DTC shall execute such transactions; and

(iii) each Buyer's Broker-Dealer or its Agent Member shall instruct DTC to execute the transactions described in (d)(iii) above for such Auction, and DTC shall execute such transactions.

(f) If an Existing Owner selling Series 2005 Bonds in an Auction fails to deliver such Series 2005 Bonds (by authorized book entry), a Broker-Dealer may deliver to the Potential Owner on behalf of which it submitted a Bid that was accepted a principal amount of Series 2005 Bonds that is less than the principal amount of Series 2005 Bonds that otherwise was to be purchased by such Potential Owner. In such event, the principal amount of Series 2005 Bonds to be delivered shall be determined solely by such Broker-Dealer. Delivery of such lesser principal amount of Series 2005 Bonds shall constitute good delivery.

Notwithstanding the foregoing terms of this paragraph (f), any delivery or non-delivery of Series 2005 Bonds which shall represent any departure from the results of an Auction, as determined by the Auction Agent, shall be of no effect unless and until the Auction Agent shall have been notified of such delivery or non-delivery in accordance with the provisions of the Auction Agent Agreement and the Broker-Dealer Agreements.

DTC Required During Dutch Auction Mode; Limitations on Transfer

Except as otherwise provided herein, the Series 2005 Bonds accruing interest at a Dutch Auction Rate shall be registered in the name of DTC or its nominee and ownership thereof shall be maintained in book-entry-only form by DTC for the account of the Agent Members thereof.

If at any time DTC or its nominee notifies the Authority that it is unwilling or unable to continue as Owner of Series 2005 Bonds or if at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor to DTC is not appointed by the Authority at the direction of the Trustee, Auction Agent and the Broker-Dealer within 90 days after the Authority receives notice or become aware of such condition, as the case may be, the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2005 Bonds. Series 2005 Bonds issued as described herein shall be registered in such names and authorized denominations as DTC, pursuant to instructions from the Agent Members or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver the Series 2005 Bonds to the persons in whose names such Series 2005 Bonds are so registered on the Business Day immediately preceding the first day of an Auction Period. In the event that DTC or its nominee shall cease to be the Owner of the Series 2005 Bonds or that DTC shall cease to be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statue or regulation and a successor to DTC has not been duly appointed and qualified by the Authority at the direction of the Trustee, Auction Rate Bonds shall immediately commence to bear interest at the Maximum Dutch Auction Rate and shall continue to do so unless and until such a successor has been duly appointed and qualified.

So long as the ownership of the Series 2005 Bonds is maintained in book-entry-only form by DTC, an Existing Owner may sell, transfer or otherwise dispose of Series 2005 Bonds only pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer, provided that, (i) sale, transfer or other disposition of Series 2005 Bonds in a Dutch Auction Mode from a

customer of a Broker-Dealer who is listed on the records of that Broker-Dealer as Owner of such Series 2005 Bonds to that Broker-Dealer or another customer of that Broker-Dealer shall not be deemed to be a sale, transfer or other disposition for purposes of the Indenture if such Broker-Dealer remains the Existing Owner of the Series 2005 Bonds so sold, transferred or disposed of immediately after such sale, transfer or other disposition and (ii) in the case of all transfers other than pursuant to Auctions such Broker-Dealer to whom such transfer is made shall advise the Auction Agent of such transfer.

Calculation of Maximum Dutch Auction Rate and All Hold Rate

The Auction Agent shall calculate the Maximum Dutch Auction Rate and the All Hold Rate on each Auction Date. If the ownership of the Series 2005 Bonds is no longer maintained in book-entry-only form by DTC, the Trustee shall calculate the Maximum Dutch Auction Rate on the Business Day immediately preceding the first day of each Auction Period commencing after the delivery of certificates representing the Series 2005 Bonds. If an Event of Default consisting of the failure to pay principal of, or interest on, the Series 2005 Bonds when due shall have occurred, which is not cured by the Series 2005 Credit Provider, the Auction Agent, upon notice thereof shall calculate the Maximum Dutch Auction Rate on the first day of each Auction Period commencing, after the occurrence of such Event of Default to and including the Auction Period, if any, commencing less than two Business Days after all such Events of Default are cured.

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APPENDIX I

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

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Ambac

Financial Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Obligor:

Policy Number:

Obligations:

Premium:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to The Bank of New York, as trustee, or its successor (the "Insurance Trustee"), for the benefit of the Holders, that portion of the principal of and interest on the above-described obligations (the "Obligations") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

Ambac will make such payments to the Insurance Trustee within one (1) business day following written notification to Ambac of Nonpayment. Upon a Holder's presentation and surrender to the Insurance Trustee of such unpaid Obligations or related coupons, uncanceled and in bearer form and free of any adverse claim, the Insurance Trustee will disburse to the Holder the amount of principal and interest which is then Due for Payment but is unpaid. Upon such disbursement, Ambac shall become the owner of the surrendered Obligations and/or coupons and shall be fully subrogated to all of the Holder's rights to payment thereon.

In cases where the Obligations are issued in registered form, the Insurance Trustee shall disburse principal to a Holder only upon presentation and surrender to the Insurance Trustee of the unpaid Obligation, uncanceled and free of any adverse claim, together with an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee. The Insurance Trustee shall disburse interest to a Holder of a registered Obligation only upon presentation to the Insurance Trustee of proof that the claimant is the person entitled to the payment of interest on the Obligation and delivery to the Insurance Trustee of an instrument of assignment, in form satisfactory to Ambac and the Insurance Trustee, duly executed by the Holder or such Holder's duly authorized representative, transferring to Ambac all rights under such Obligation to receive the interest in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on registered Obligations to the extent of any insurance disbursements so made.

In the event that a trustee or paying agent for the Obligations has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from the Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

As used herein, the term "Holder" means any person other than (i) the Obligor or (ii) any person whose obligations constitute the underlying security or source of payment for the Obligations who, at the time of Nonpayment, is the owner of an Obligation or of a coupon relating to an Obligation. As used herein, "Due for Payment", when referring to the principal of Obligations, is when the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity; and, when referring to interest on the Obligations, is when the scheduled date for payment of interest has been reached. As used herein, "Nonpayment" means the failure of the Obligor to have provided sufficient funds to the trustee or paying agent for payment in full of all principal of and interest on the Obligations which are Due for Payment.

This Policy is noncancelable. The premium on this Policy is not refundable for any reason, including payment of the Obligations prior to maturity. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment.

In witness whereof, Ambac has caused this Policy to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

President

AMBAC ASSURANCE CORPORATION CORPORATE SEAL WISCONSIN

Secretary

Effective Date:

Authorized Representative

THE BANK OF NEW YORK acknowledges that it has agreed to perform the duties of Insurance Trustee under this Policy.

Authorized Officer of Insurance Trustee

Form No.: 2B-0012 (1/01)

SPECIMEN

Ambac

Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, New York 10004
Telephone: (212) 668-0340

Endorsement

Policy for:

Attached to and forming part of Policy No.:

Effective Date of Endorsement:

SPECIMEN

The insurance provided by this Policy is not covered by the Florida Insurance Guaranty Association.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

In Witness Whereof, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

Ambac Assurance Corporation

President

Secretary

Authorized Representative

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