

Financial Affairs
Edward Marquez, Chief Financial Officer

**SUBJECT: REFUNDING CERTIFICATES OF PARTICIPATION (COP's), SERIES 2004A
IMPACT FEES – UP TO \$95,000,000**

COMMITTEE: BUSINESS AND FINANCIAL SERVICES

On February 10, 2004, the School Board approved the issuance of a Request for Proposal for the underwriting of the Certificates of Participation, Impact Fees, Series 2000A and Series 2001 C, by issuing the Refunding Certificates of Participation, Impact Fees, Series 2004A.

Sixteen proposals were received and the Selection Committee appointed by the School Board has recommended eight firms. The recommended firms are as follows:

| | |
|---------------------|---|
| Senior Manager: | UBS Financial Services |
| Co-Senior Managers: | Ramirez & Company, Inc. Bear Stearns |
| Co-Managers: | Banc of America Securities A.G. Edwards & Sons, Inc. Rice/Apex Pryor Securities Merrill Lynch Lehman Brothers |

This refunding will result in approximately \$4,000,000 in accelerated savings from fiscal year 2004-2005 through fiscal year 2010-2011, increasing the District's capacity to issue Impact Fee COP's in the near term.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution #04-26 authorizing issuance of the Certificates of Participation, Impact Fees, Series 2004A.

RESOLUTION 04-26

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZING EXECUTION OF AMENDED AND RESTATED SCHEDULE 2000A AND AMENDED AND RESTATED SCHEDULE 2001C TO THE MASTER LEASE PURCHASE AGREEMENT; APPROVING THE FORM OF A SERIES 2004A SUPPLEMENTAL TRUST AGREEMENT; APPROVING THE NEGOTIATED SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2004A IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$95,000,000 AND AUTHORIZING EXECUTION OF A CERTIFICATE PURCHASE CONTRACT; APPROVING THE FORM OF A PRELIMINARY OFFERING STATEMENT AND AUTHORIZING ITS DISTRIBUTION AND USE IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2004A CERTIFICATES; AUTHORIZING EXECUTION AND DELIVERY OF A FINAL OFFERING STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE DISSEMINATION AGENT AGREEMENT; AUTHORIZING THE ACCEPTANCE OF A COMMITMENT FOR THE ISSUANCE OF MUNICIPAL BOND INSURANCE POLICY SECURING THE SERIES 2004A CERTIFICATES; PROVIDING FOR INCIDENTAL ACTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The School Board of Miami-Dade County, Florida (the "School Board") as the governing body of the School District of Miami-Dade County, Florida (the "District"), has determined to finance certain of its capital needs through a master lease-purchase agreement pursuant to Sections 1001.42 and 1013.15, Florida Statutes; and

WHEREAS, the School Board has the power under Section 1001.32(2), Florida Statutes, to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for educational purposes, and under Sections 1001.42(9) and 1013.15(2), Florida Statutes, to enter into leases or lease purchase arrangements of sites and educational facilities for school purposes; and

WHEREAS, Miami-Dade County School Board Foundation, Inc. (the "Foundation"), a not-for-profit corporation, has been formed to lease purchase certain real property, educational facilities, buses and equipment to the School Board; and

WHEREAS, the Foundation and the School Board have provided for the lease-purchase financing of certain real property, educational facilities, buses and equipment (the "Facilities")

from time to time by entering into a Master Lease Purchase Agreement dated as of August 1, 1994 (the "Master Lease"), and related agreements; and

WHEREAS, the Facilities to be leased from time to time are identified on separate Schedules (each a "Schedule") attached to the Master Lease; and

WHEREAS, on May 2, 1995, the Board of County Commissioners of Miami-Dade County enacted Ordinance No. 95-79 (the "Impact Fee Ordinance") authorizing the levy of educational facilities impact fees (the "Impact Fees") on new residential developments in three distinct benefit districts in the County as established and designated in the Impact Fee Ordinance; and

WHEREAS, pursuant to the Impact Fee Ordinance the County and the School Board entered into an Interlocal Agreement, dated September 28, 1995, as amended by a First Amended Interlocal Agreement dated as of July 25, 2000 (the "Interlocal Agreement"), pursuant to which the County has agreed to collect Impact Fees and transfer them to the School Board in accordance with the provisions of the Ordinance and the Interlocal Agreement; and

WHEREAS, the School Board and the Foundation have entered into a Series 2000A Ground Lease dated as of September 15, 2000 and a Schedule 2000A to the Master Lease dated as of September 15, 2000 (which Schedule, as amended, together with the Master Lease is herein referred to as the "Series 2000A Lease"), pursuant to which the School Board leased certain real property to the Foundation and subleased from the Foundation such real property and leased the improvements thereon, known respectively as the "Series 2000A Facility Sites" and the "Series 2000A Facilities"; and

WHEREAS, the School Board and the Foundation have entered into a Series 2001C Ground Lease dated as of September 1, 2001 and a Schedule 2001C to the Master Lease dated as of September 1, 2001 (which Schedule, as amended, together with the Master Lease is herein referred to as the "Series 2001C Lease"), pursuant to which the School Board leased certain real property to the Foundation and subleased from the Foundation such real property and leased the improvements thereon, known respectively as the "Series 2001C Facility Sites" and the "Series 2001C Facilities"; and

WHEREAS, the Series 2000A Facilities and the Series 2001C Facilities are eligible for financing with Impact Fees imposed within their respective Benefit Districts, pursuant to and in accordance with the Impact Fee Ordinance and the Interlocal Agreement; and

WHEREAS, the Foundation has entered into a Master Trust Agreement dated as of August 1, 1994 (the "Trust Agreement"), with The Bank of New York Trust Company of Florida, N.A., as agent for The Bank of New York (successor by acquisition to NationsBank of Florida, N.A.), Jacksonville, Florida as Trustee (the "Trustee"), providing for the issuance of series of Certificates of Participation to the public from time to time, representing undivided proportionate interests in the principal portion and interest portion of the basic lease payments to be made by the School Board under the Master Lease and the Schedule or Schedules relating to such series of Certificates; and

WHEREAS, to provide funds for the acquisition and construction of the Series 2000A Facilities, Certificates of Participation, Series 2000A (the "Series 2000A Certificates") were issued in the aggregate principal amount of \$100,720,000 pursuant to the Trust Agreement, as supplemented by a Series 2000A Supplemental Trust Agreement dated as of September 15, 2000; and

WHEREAS, to provide funds for the acquisition and construction of the Series 2001C Facilities, Certificates of Participation, Series 2001C (the "Series 2001C Certificates") were issued in the aggregate principal amount of \$42,235,000 pursuant to the Trust Agreement, as supplemented by a Series 2001C Supplemental Trust Agreement dated as of September 1, 2001; and

WHEREAS, the Foundation assigned substantially all of its interest in the Series 2000A Ground Lease and the Series 2000A Lease to the Trustee pursuant to a Series 2000A Assignment Agreement dated as of September 15, 2000; and

WHEREAS, the Foundation assigned substantially all of its interest in the Series 2001C Ground Lease and the Series 2001C Lease to the Trustee pursuant to a Series 2001C Assignment Agreement dated as of September 1, 2001; and

WHEREAS, as a result of a decline in interest rates the School Board wishes to consider the possibility of refinancing all or a portion of its obligations under the Series 2000A Lease by amending and restating the Series 2000A Lease, and refinancing all or a portion of its obligations under the Series 2001C Lease by amending and restating the Series 2001C Lease; and

WHEREAS, the School Board also desires to amend the Series 2001C Lease for the purpose of replacing the "Miami Springs High School Addition" project with the "State School WWW" project; and

WHEREAS, to accomplish such refinancing the Foundation may enter into a Series 2004A Supplemental Trust Agreement (the "Series 2004A Supplemental Trust Agreement") with the Trustee providing for the issuance of Certificates of Participation, Series 2004A (the "Series 2004A Certificates") to refund all or a portion of the outstanding Series 2000A Certificates (the "Refunded Series 2000A Certificates") and all or a portion of the outstanding Series 2001C Certificates (the "Refunded Series 2001C Certificates" and collectively with the Refunded Series 2000A Certificates, the "Refunded Certificates"), which Series 2004A Certificates will represent undivided proportionate interests in the principal portion and interest portion of a portion of the basic lease payments to be made under the Series 2000A Lease and the Series 2001C Lease; and

WHEREAS, the Series 2004A Certificates will be on a parity with respect to amounts derived under the Series 2000A Lease with the Series 2000A Certificates not being refunded by the Series 2004A Certificates, and on a parity with respect to amounts derived under the Series 2001C Lease with the Series 2001C Certificates not being refunded by the Series 2004A Certificates; and

WHEREAS, payments represented by the Series 2004A Certificates shall be insured by and insurance policy (the "Series 2004A Insurance Policy") to be issued by a municipal bond

insurance company whose municipal bond insurance policies result in ratings on insured obligations of "AAA" and "Aaa", respectively, from Standard & Poor's and Moody's Investors Service (the "Series 2004A Insurer"); and

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

Section 1. Amended and Restated Schedule 2000A, which together with the Master Lease constitutes the Series 2000A Lease, substantially in the form submitted to this meeting and attached hereto as **Exhibit A-1**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute Amended and Restated Schedule 2000A. The execution of Amended and Restated Schedule 2000A by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Amended and Restated Schedule 2001C, which together with the Master Lease constitutes the Series 2001C Lease, substantially in the form submitted to this meeting and attached hereto as **Exhibit A-2**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute Amended and Restated Schedule 2001C. The execution of Amended and Restated Schedule 2001C by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Section 2. The Escrow Deposit Agreement between the School Board and the Escrow Agent substantially in the form submitted to this meeting and attached hereto as **Exhibit B**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute the Escrow Deposit Agreement. The execution and delivery of the Escrow Deposit Agreement by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Section 3. The form of Series 2004A Supplemental Trust Agreement submitted to this meeting and attached hereto as **Exhibit C** is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Series 2004A Supplemental Trust Agreement by the Foundation and the Trustee shall constitute conclusive evidence of the approval thereof.

Section 4. It is hereby found and declared that a negotiated sale of the Series 2004A Certificates is in the best interest of the School Board and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) Due to the volatility of the market for "annual appropriation" tax-exempt securities such as the Series 2000A Lease and the Series 2001C Lease, and the Series 2004A Certificates and for short term Government Obligations, the School Board must be able to enter the market at the most advantageous time, rather than at a specific advertised date, thereby

permitting the School Board to obtain the best possible price and interest rates to be represented by the Series 2004A Certificates and the short term Government Obligations; and

(ii) The nature of the refinancing of the Series 2000A Lease and the Series 2001C Lease, and the refunding of the Refunded Certificates is a complex transaction which requires the assistance of an underwriter in obtaining credit enhancement upon terms and conditions favorable to the School Board and in dealing with prospective investors;

(iii) The Underwriters have participated in structuring the issuance of the Series 2004A Certificates and can assist the School Board in obtaining the most attractive financing for the School Board; and

(iv) The School Board will not be adversely affected if the Series 2004A Certificates are not sold pursuant to a competitive sale.

The form of the certificate purchase contract among the underwriters selected by the School Board (the "Underwriters"), the Foundation and the School Board (the "Purchase Contract") submitted to this meeting and attached hereto as **Exhibit D** and the sale of the Series 2004A Certificates by the Foundation and the Trustee upon the terms and conditions set forth therein, are hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute the Purchase Contract. The execution and delivery of such Purchase Contract by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Execution of the Purchase Contract is subject to the following additional requirements:

(i) the principal amount of the Series 2004A Certificates shall not exceed \$95,000,000,

(ii) the final maturity of the Series 2004A Certificates shall not be later than October 1, 2021,

(iii) the Series 2004A Certificates that are subject to prepayment shall be subject to optional prepayment after approximately 10 years at a prepayment price initially not to exceed 101%, declining to par after not later than approximately 1 year thereafter,

(iv) the price at which the Series 2004A Certificates shall be sold to the Underwriters shall not be less than 99% of the face amount thereof exclusive of original issue discount, and

(v) the net present value of the total savings anticipated to accrue to the School Board from the execution of the refunding transaction contemplated herein and the issuance of the Series 2004A Certificates, including any amounts contributed to the Escrow Deposit Trust Fund from sources other than Series 2004A Certificate proceeds, shall be at least 3% of the aggregate principal amount of the Refunded Certificates.

Section 5. The form of Preliminary Offering Statement with respect to the Series 2004A Certificates submitted to this meeting and attached hereto as **Exhibit E** is hereby approved, and the School Board hereby authorizes the distribution and use by the Underwriters of the Preliminary Offering Statement in connection with the public offering of the Series 2004A Certificates. If, between the date hereof and the mailing of the Preliminary Offering Statement it is necessary to make insertions, modifications and changes in the form of the Preliminary Offering Statement, the Chair, the Vice Chair or the Superintendent is hereby authorized to approve such insertions, changes and modifications. The Chair, the Vice Chair, the Superintendent, the Chief Financial Officer or the Treasurer is further authorized to deem the Preliminary Offering Statement "final" within the meaning of Rule 15c2-12 (the "Rule") under the Securities Exchange Act of 1934, in the form as mailed, and in furtherance thereof to execute a certificate evidencing same substantially in the form attached hereto as **Exhibit F**.

Section 6. The Superintendent is hereby authorized to have prepared and the Chair or Vice Chair and the Secretary is hereby authorized to execute a final Offering Statement to be dated the date of the execution and delivery of the Purchase Contract for the Series 2004A Certificates and, upon such execution, to deliver the same to the Underwriters for use by them in connection with the sale and distribution of the Series 2004A Certificates. The Offering Statement shall be substantially in the form of the Preliminary Offering Statement, with such changes as shall be approved by the Superintendent as necessary to conform the details of the Series 2004A Certificates and the requirements of the Purchase Contract and such other insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Offering Statement by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof. The School Board hereby authorizes the Offering Statement and the information contained therein to be used in connection with the offering and sale of the Series 2004A Certificates.

Section 7. With respect to the Series 2004A Certificates, the School Board hereby covenants and agrees that, in order to provide for compliance by the School Board with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of a Disclosure Dissemination Agent Agreement to be dated as of the date of delivery of the Series 2004A Certificates (the "Disclosure Agreement"), between the School Board and Digital Assurance Certification, L.L.C., as it may be amended from time to time in accordance with the terms thereof, at such times as the Series 2004A Certificates are subject to the Rule. The Disclosure Agreement shall be substantially in the form attached hereto as **Exhibit G**, with such changes, amendments, modifications, omissions and additions as shall be approved by the Chair or Vice Chair or Superintendent who is hereby authorized to execute and deliver such Disclosure Agreement. Notwithstanding any other provision of this Resolution, the Series 2000A Lease, the Series 2001C Lease, or the Series 2004A Supplemental Trust Agreement, failure of the School Board to comply with such Disclosure Agreement shall not be considered an event of default under the Series 2004A Supplemental Trust Agreement; provided, however, any Series 2004A Certificate holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School Board to comply with its obligations under this Section 7 and such Disclosure Agreement.

Section 8. The Chair or Vice Chair and the Secretary are hereby authorized to take such actions (including, without limitation, approval of changes to the documents herein approved) and to execute such commitments, agreements, certificates, instruments and opinions as shall be necessary or desirable to procure the issuance of the Series 2004A Insurance Policy by the Series 2004A Insurer.

Section 9. The Chair, Vice Chair, Secretary, Superintendent, Chief Financial Officer, Treasurer and School Board Attorney are each authorized and directed to execute and deliver all additional documents, contracts, instruments and certificates including documents relating to the issuance by the Series 2004A Insurer of the Series 2004A Insurance Policy, and relating to the implementation of a book-entry-only system of registration of the Series 2004A Certificates with The Depository Trust Company of New York, including the execution and delivery of a Blanket Letter of Representations, if appropriate, and to take all actions and steps, including without limitation to change the series designation or the dated date of any and all documents in the event of a delay in the issuance of the Series 2004A Certificates, on behalf of the School Board which are necessary or desirable in connection with the issuance of the Series 2004A Certificates, the execution and delivery and compliance with the provisions of the Master Lease, the Series 2001C Lease, the Series 2000A Lease, the Master Trust Agreement, the Series 2004A Supplemental Trust Agreement, the Purchase Contract and the Disclosure Agreement, and which are not inconsistent with the terms and provisions of this Resolution.

Section 10. If any section, paragraph, clause or provision of this Resolution shall be held invalid by any court of competent jurisdiction, such holding shall not affect any other section, paragraph, clause or provision of this Resolution.

Section 11. All resolutions or portions thereof previously adopted by the School Board which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

Section 12. This Resolution shall take effect immediately upon its adoption.

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Adopted this 14th day of April, 2004.

Chair, The School Board of Miami-Dade
County, Florida

Attest:

Secretary, The School Board
of Miami-Dade County, Florida

EXHIBIT A-1

FORM OF AMENDED AND RESTATED SCHEDULE 2000A

EXHIBIT A-2

FORM OF AMENDED AND RESTATED SCHEDULE 2001C

EXHIBIT B

FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT C

FORM OF SERIES 2004A SUPPLEMENTAL TRUST AGREEMENT

EXHIBIT D

FORM OF PURCHASE CONTRACT

EXHIBIT E

FORM OF PRELIMINARY OFFERING STATEMENT

EXHIBIT F

FORM OF 15C2-12 CERTIFICATE

§ _____*

Certificates of Participation, Series 2004A Evidencing Undivided Proportionate Interests of the owners Thereof in Basic Lease payments to be Made by the School Board of Miami-Dade County, Florida, as Lessee, Pursuant to a Master Lease Purchase Agreement with the Miami-Dade County School Board Foundation, Inc., as Lessor

The undersigned hereby certifies and represents to UBS Financial Services Inc., as Representative of the Underwriters (the "Representative"), that he is the duly appointed Treasurer, Office of Treasury Management of the School Board of Miami-Dade County, Florida (the "School Board") and is authorized to execute and deliver this Certificate, and further certifies on behalf of the School Board to the Representative as follows:

(i) This Certificate is delivered to enable the Underwriters to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of \$ _____* aggregate principal amount of Certificates of Participation, Series 2004A referred to above (the "Series 2004A Certificates").

(ii) In connection with the offering and sale of the Series 2004A Certificates, there has been prepared a Preliminary Offering Statement, dated the date hereof, setting forth information concerning the Series 2004A Certificates and the School Board (the "Preliminary Offering Statement").

(iii) As used herein, "Permitted Omissions" shall mean the offering price, interest rate, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the identity of the Underwriter or the insurer, and other terms of the Series 2004A Certificates depending on such matters.

(iv) The undersigned hereby deems the Preliminary Offering Statement "final" as of its date, within the meaning of the Rule, except for the Permitted Omissions, and the information therein is accurate and complete except for the Permitted Omissions.

(v) If, at any time prior to the execution of a Certificate Purchase Contract, any event occurs as a result of which the Preliminary Offering Statement might, in the opinion of the School Board, include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the School Board will promptly notify the Representative thereof.

* Preliminary, subject to change

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this ___ day of _____, 2004.

THE SCHOOL BOARD OF MIAMI-DADE
COUNTY, FLORIDA

Treasurer

EXHIBIT G

FORM OF DISCLOSURE AGREEMENT