

Business Operations  
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: ISSUANCE OF UP TO \$415 MILLION CERTIFICATES OF PARTICIPATION, SERIES 2006A & 2006B, RESOLUTION 06-05 AND APPOINTMENT OF UNDERWRITING TEAM**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

Attached is Resolution 06-05 authorizing the issuance of up to \$415 million Certificates of Participation, Series 2006A and 2006B, which will be repaid from Local Optional Millage Levy.

The following Projects will be included in each Series:

<b>Project Name</b>	<b>Award Date</b>	<b>Project Costs</b>	<b>Ground Lease</b>
S/S CCC-1- South Dade Replacement	7/13/05	98,107,000	YES
New Modular - Palm Lakes ES	10/19/05	8,974,000	YES
New Modular - Coral Reef SHS	10/19/05	9,070,000	YES
New Modular - Miami Palmetto SHS	11/16/05	10,353,000	YES
New Modular - Pinecrest ES	11/16/05	10,146,000	YES
Winston K8 Conversion - Winston Park	1/18/06	19,339,000	YES
Comprehensive Needs	Various	52,000,000	NO
<b>Total COP Series 2006A</b>		<b>\$ 207,989,000</b>	
New Modular - So. Hialeah ES	12/14/05	22,206,000	YES
South Miami K-8 Conversion	12/14/05	21,308,000	YES
Early Child Center - Jane Roberts K8 / B. F. Ashe ES	3/15/06 *	5,824,000	YES
Early Child Center - Joella Good ES / C. Wyche ES	3/15/06 *	7,207,000	YES
Early Child Center - MS Douglas	3/15/06 *	5,824,000	YES
New EI (S/s A1) - Chapman / Naranja / / Redland ES	3/15/06 *	20,549,000	YES
S/S "U1" - Joella Good ES / Palm Springs North ES	3/15/06 *	31,863,000	YES
S/S "V1" - ER Graham ES / B. Sheppard ES	3/15/06 *	22,188,000	YES
Ponce de Leon Middle - Restoration/Renovations	3/15/06 *	10,367,000	YES
Comprehensive Needs	Various	47,800,000	NO
<b>Total COP Series 2006B</b>		<b>\$ 195,136,000</b>	

\* Projected

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Comprehensive needs are for construction projects that will not be ground leased or included in the Master Equipment Lease Program, such as roofing projects for existing facilities.

Authority to issue up to \$415 million is requested to allow for cost of issuances and financing terms, such as discounts. Estimated cost of issuance will not exceed \$2 million, including bond insurance.

The following Underwriting Teams were selected from the Approved Underwriters List:

SERIES	ROLE	FIRM
2006A	Lead/Sr. Manager	CITIGROUP GLOBAL MARKETS, INC.
2006A	Co-Sr. Manager	A.G. EDWARDS & SONS, INC.
2006A	Co-Sr. Manager	SAMUEL A. RAMIREZ & COMPANY
2006A	Co-Manager	APEX PRYOR SECURITIES
2006A	Co-Manager	BANC OF AMERICA SECURITIES
2006A	Co-Manager	MERRILL LYNCH
2006A	Co-Manager	M. R. BEAL & COMPANY
2006A	Co-Manager	WACHOVIA BANK
2006B	Lead/Sr. Manager	UBS SECURITIES LLC
2006B	Co-Sr. Manager	SIEBERT BRANDFORD SHANK & CO.
2006B	Co-Sr. Manager	RAYMOND JAMES & ASSOCIATES
2006B	Co-Manager	BEAR, STEARNS & COMPANY, INC.,
2006B	Co-Manager	ESTRADA HINOJOSA & CO., INC.,
2006B	Co-Manager	FIRST SOUTHWEST COMPANY
2006B	Co-Manager	JACKSON SECURITIES LLC
2006B	Co-Manager	J.P. MORGAN SECURITIES, INC.,
2006B	Co-Manager	SUNTRUST CAPITAL MARKETS, INC.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida:

- 1) approve Resolution 06-05 authorizing the issuance of two series of up to \$415 million Certificates of Participation to fund the construction projects listed on this item; and
- 2) assign the proposed Underwriting Team chosen from the Approved Underwriters List.

**RESOLUTION 06-05**

**A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZING EXECUTION OF SCHEDULES 2006A-1, 2006A-2, 2006B-1 AND 2006B-2 TO THE MASTER LEASE PURCHASE AGREEMENT; AUTHORIZING EXECUTION OF A SERIES 2006A-1 GROUND LEASE AND A SERIES 2006B-1 GROUND LEASE; APPROVING THE FORM OF A SERIES 2006A SUPPLEMENTAL TRUST AGREEMENT, SERIES 2006B SUPPLEMENTAL TRUST AGREEMENT, A SERIES 2006A ASSIGNMENT AGREEMENT AND A SERIES 2006B ASSIGNMENT AGREEMENT; APPROVING THE NEGOTIATED SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2006A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$215,000,000 AND AUTHORIZING EXECUTION AND DELIVERY OF A CERTIFICATE PURCHASE CONTRACT THEREFOR; APPROVING THE NEGOTIATED SALE OF CERTIFICATES OF PARTICIPATION, SERIES 2006B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000 AND AUTHORIZING EXECUTION AND DELIVERY OF A CERTIFICATE PURCHASE CONTRACT THEREFOR; APPROVING THE FORM OF A PRELIMINARY OFFERING STATEMENT FOR EACH OF THE SERIES 2006A CERTIFICATES AND THE SERIES 2006B CERTIFICATES AND AUTHORIZING ITS DISTRIBUTION AND USE IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2006A CERTIFICATES AND THE SERIES 2006B CERTIFICATES, RESPECTIVELY; AUTHORIZING EXECUTION AND DELIVERY OF A FINAL OFFERING STATEMENT FOR EACH OF THE SERIES 2006A CERTIFICATES AND THE SERIES 2006B CERTIFICATES; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2006A DISCLOSURE DISSEMINATION AGENT AGREEMENT AND A SERIES 2006B DISCLOSURE DISSEMINATION AGENT AGREEMENT; AUTHORIZING THE ACCEPTANCE OF A COMMITMENT FOR THE ISSUANCE OF ONE OR MORE MUNICIPAL BOND INSURANCE POLICIES SECURING THE SERIES 2006A CERTIFICATES AND THE SERIES 2006B CERTIFICATES; APPOINTING UNDERWRITERS FOR THE SERIES 2006A CERTIFICATES AND THE SERIES 2006B 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 and refinance 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 1001.42(2), Florida Statutes, to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for educational purposes, and under Section 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 organized and existing under the laws of the State of Florida, has been formed to lease purchase certain real property, educational facilities and equipment to the School Board; and

WHEREAS, the Foundation and the School Board have provided for the lease-purchase financing and refinancing of certain real property, educational facilities 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 each Schedule, together with the Master Lease, constitutes a Lease Agreement; and

WHEREAS, the School Board and the Foundation have determined to execute Schedule 2006A-1 to be dated as of March 1, 2006, for the lease-purchase financing of certain educational facilities (the "Series 2006A-1 Facilities") and sites (the "Series 2006A Facility Sites") as described in Schedule 2006A-1 to the Master Lease (the Master Lease together with Schedule 2006A-1, the "Series 2006A-1 Lease Agreement"); and

WHEREAS, the School Board will ground lease the Series 2006A Facility Sites to the Foundation pursuant to a ground lease to be dated as of March 1, 2006 (the "Series 2006A-1 Ground Lease"), which ground lease as well as the Series 2006A-1 Lease Agreement may be amended from time to time without further School Board action upon acquisition or modification by the School Board of title to any of the Series 2006A Facility Sites or upon correction of a description of a Series 2006A Facility Site; and

WHEREAS, the School Board and the Foundation have determined to execute Schedule 2006A-2 to be dated as of March 1, 2006, for the lease-purchase financing of certain educational facilities and equipment (the "Series 2006A-2 Facilities" which together with the Series 2006A-1 Facilities are collectively referred to as the "Series 2006A Facilities") as described in Schedule 2006A-2 to the Master Lease (the Master Lease together with Schedule 2006A-2, the "Series 2006A-2 Lease Agreement") (the Series 2006A-1 Lease Agreement and the Series 2006A-2

Lease Agreement being herein collectively referred to as the "Series 2006A Lease Agreement"); and

WHEREAS, the School Board, pursuant to this resolution, after due notice as required by law, at this public meeting will authorize and approve execution and delivery of the Series 2006A-1 Ground Lease, a copy of which Series 2006A-1 Ground Lease in substantially final form is available for inspection and review by the public; and

WHEREAS, the School Board and the Foundation have also determined to execute Schedule 2006B-1 to be dated as of March 1, 2006, for the lease-purchase financing of certain educational facilities (the "Series 2006B-1 Facilities") and sites (the "Series 2006B-1 Facility Sites") as described in Schedule 2006B-1 to the Master Lease (the Master Lease together with Schedule 2006B-1, the "Series 2006B-1 Lease Agreement"); and

WHEREAS, the School Board will ground lease the Series 2006B-1 Facility Sites to the Foundation pursuant to a ground lease to be dated as of March 1, 2006 (the "Series 2006B-1 Ground Lease"), which ground lease as well as the Series 2006B-1 Lease Agreement may be amended from time to time without further School Board action upon acquisition or modification by the School Board of title to any of the Series 2006B-1 Facility Sites or upon correction of a description of a Series 2006B-1 Facility Site; and

WHEREAS, the School Board and the Foundation have determined to execute Schedule 2006B-2 to be dated as of March 1, 2006, for the lease-purchase financing of certain educational facilities and equipment (the "Series 2006B-2 Facilities" which together with the Series 2006B-1 Facilities are collectively referred to as the "Series 2006B Facilities") as described in Schedule 2006B-2 to the Master Lease (the Master Lease together with Schedule 2006B-2, the "Series 2006B-2 Lease Agreement") (the Series 2006B-1 Lease Agreement and the Series 2006B-2 Lease Agreement being herein collectively referred to as the "Series 2006B Lease Agreement"); and

WHEREAS, the School Board, pursuant to this resolution, after due notice as required by law, at this public meeting will authorize and approve execution and delivery of the Series 2006B-1 Ground Lease, a copy of which Series 2006B-1 Ground Lease in substantially final form is available for inspection and review by the public; 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, N.A. (successor in interest to NationsBank of Florida, N.A.), 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, in order to accomplish the lease-purchase financing of the Series 2006A Facilities, the School Board wishes to authorize the issuance by the Trustee of a series of certificates in an aggregate principal amount not to exceed \$215,000,000, to be designated

Certificates of Participation, Series 2006A (the "Series 2006A Certificates"), 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 Series 2006A Lease Agreement; and

WHEREAS, the Foundation and the Trustee will enter into a Series 2006A Supplemental Trust Agreement, to be dated as of March 1, 2006 (the "Series 2006A Supplemental Trust Agreement"), pursuant to which the Series 2006A Certificates will be issued; and

WHEREAS, in order to accomplish the lease-purchase financing of the Series 2006B Facilities, the School Board wishes to authorize the issuance by the Trustee of a series of certificates in an aggregate principal amount not to exceed \$200,000,000, to be designated Certificates of Participation, Series 2006B (the "Series 2006B Certificates"), 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 Series 2006B Lease Agreement; and

WHEREAS, the Foundation and the Trustee will enter into a Series 2006B Supplemental Trust Agreement, to be dated as of March 1, 2006 (the "Series 2006B Supplemental Trust Agreement"), pursuant to which the Series 2006B Certificates will be issued; and

WHEREAS, the Foundation and the Trustee will enter into a Series 2006A Assignment Agreement to be dated as of March 1, 2006 (the "Series 2006A Assignment Agreement"), pursuant to which the Foundation will unconditionally and irrevocably assign, without recourse, all of its right, title and interest as lessee of the Series 2006A-1 Facility Sites under the Series 2006A-1 Ground Lease, as sub-lessor of the Series 2006A-1 Facility Sites and as lessor of the Series 2006A Facilities under the Series 2006A Lease Agreement, except for certain rights to hold title to certain Series 2006A-1 Facilities, to indemnification and to receive notices, to the Trustee for the benefit of the Series 2006A Certificate holders; and

WHEREAS, the Foundation and the Trustee will enter into a Series 2006B Assignment Agreement to be dated as of March 1, 2006 (the "Series 2006B Assignment Agreement"), pursuant to which the Foundation will unconditionally and irrevocably assign, without recourse, all of its right, title and interest as lessee of the Series 2006B-1 Facility Sites under the Series 2006B-1 Ground Lease, as sub-lessor of the Series 2006B-1 Facility Sites and as lessor of the Series 2006B Facilities under the Series 2006B Lease Agreement, except for certain rights to hold title to certain Series 2006B-1 Facilities, to indemnification and to receive notices, to the Trustee for the benefit of the Series 2006B Certificate holders; and

WHEREAS, all necessary approvals of the Department of Education have been received with respect to the Series 2006A Facilities to be leased under the Series 2006A-1 Lease Agreement, or are expected to be received prior to execution and delivery thereof; and

WHEREAS, all necessary approvals of the Department of Education have been received with respect to the Series 2006B Facilities to be leased under the Series 2006B-1 Lease Agreement, or are expected to be received prior to execution and delivery thereof; and

WHEREAS, the payments represented by the Series 2006A Certificates and the Series 2006B Certificates shall be insured by one or more insurance policies (collectively referred to as

the "Series 2006A Insurance Policy" and the "Series 2006B Insurance Policy", respectively) to be issued by a municipal bond insurance company whose municipal bond insurance policies result in ratings on insured obligations of "AAA" "Aaa" and "AAA" respectively, from Standard & Poor's Ratings Services and Moody's Investors Service (the "Series 2006A Insurer" and the "Series 2006B Insurer", respectively); and

WHEREAS, the School Board wishes to appoint underwriters for the upcoming sale of the Series 2006A Certificates and the Series 2006B Certificates; and

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

**Section 1.** Schedule 2006A-1 and Schedule 2006A-2, which together with the Master Lease constitute the Series 2006A Lease Agreement, substantially in the forms submitted to this meeting and attached hereto as **Exhibits A-1 and A-2**, respectively, and Schedule 2006B-1 and Schedule 2006B-2, which together with the Master Lease constitute the Series 2006B Lease Agreement, substantially in the forms submitted to this meeting and attached hereto as **Exhibits A-3 and A-4**, 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 Schedule 2006A-1, Schedule 2006A-2, Schedule 2006B-1 and Schedule 2006B-2. The execution of Schedule 2006A-1, Schedule 2006A-2, Schedule 2006B-1 and Schedule 2006B-2 by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof. The School Board also authorizes the execution and delivery of a memorandum of lease with respect to each of the Series 2006A Lease Agreement and the Series 2006B Lease Agreement and the recording thereof in the Official Public Records of Miami-Dade County, Florida.

**Section 2.** The Series 2006A-1 Ground Lease and the Series 2006B-1 Ground Lease each between the School Board and the Foundation substantially in the forms submitted to this meeting and attached hereto as **Exhibits B-1 and B-2**, respectively, providing for the ground leasing of the Series 2006A-1 Facility Sites and the Series 2006B-1 Facility Sites, respectively, to the Foundation, 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 Series 2006A-1 Ground Lease and the Series 2006B-1 Ground Lease. The execution and delivery of the Series 2006A-1 Ground Lease and the Series 2006B-1 Ground Lease by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof. The School Board also authorizes the execution and delivery of a memorandum of ground lease with respect to each of the Series 2006A-1 Ground Lease and the Series 2006B-1 Ground Lease and the recording thereof in the Official Public Records of Miami-Dade County, Florida.

**Section 3.** The forms of Series 2006A Supplemental Trust Agreement and the Series 2006B Supplemental Trust Agreement, each between the Foundation and the Trustee, submitted to this meeting and attached hereto as **Exhibits C-1 and C-2**, respectively, are hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Series 2006A Supplemental Trust Agreement and the Series 2006B

Supplemental Trust Agreement, respectively, by the Foundation and the Trustee shall constitute conclusive evidence of the approval thereof.

**Section 4.** The forms of Series 2006A Assignment Agreement and Series 2006B Assignment Agreement, each between the Foundation and the Trustee submitted to this meeting and attached hereto as **Exhibits D-1** and **D-2**, respectively, are hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Series 2006A Assignment Agreement and Series 2006B Assignment Agreement, respectively, by the Foundation and the Trustee and the recording thereof in the Official Public Records of Miami-Dade County, Florida shall constitute conclusive evidence of the approval thereof.

**Section 5.** It is hereby found and declared that a negotiated sale of the Series 2006A 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 2006A Lease Agreement as evidenced by the Series 2006A Certificates, the School Board must be able to enter the market at the most advantageous times, rather than at specific advertised dates, thereby permitting the School Board to obtain the best possible prices and interest rates to be represented by the Series 2006A Certificates;

(ii) The financing of the Series 2006A Lease Agreement is a complex transaction, which requires the assistance of an underwriter to obtain credit enhancement upon terms and conditions favorable to the School Board and to deal with prospective investors;

(iii) The 2006A Underwriters (hereinafter defined) have participated in structuring the issuance of the Series 2006A 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 2006A Certificates are not sold pursuant to a competitive sale.

The form of the Certificate Purchase Contract (the “Series 2006A Purchase Contract”) among the underwriters selected by the School Board and named therein (the “2006A Underwriters”), the Foundation and the School Board submitted to this meeting and attached hereto as **Exhibit E-1**, and the sale of the Series 2006A 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, Vice Chair, Superintendent or Deputy Superintendent, Business Operations and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute the Series 2006A Purchase Contract. The execution and delivery of the Series 2006A Purchase Contract by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Execution of the Series 2006A Purchase Contract is subject to the following additional requirements:

(i) the aggregate principal amount of the Series 2006A Certificates shall not exceed \$215,000,000; provided, however, that the aggregate principal amount of Series 2006A certificates may exceed the \$215,000,000 so long as the combined aggregate principal amount of the Series 2006A Certificates and Series 2006B certificates does not exceed \$415,000,000,

(ii) the final maturity of the Series 2006A Certificates shall be no later than thirty (30) years after the dated date of the Series 2006A Certificates,

(iii) the Series 2006A Certificates which are subject to optional prepayment shall be subject to optional prepayment not later than approximately ten (10) years after their date of issuance at a prepayment price initially not to exceed 101%, declining to par after not later than approximately one (1) year thereafter,

(iv) the price at which the Series 2006A Certificates shall be sold to the 2006A Underwriters shall not be less than 99% of the face amount thereof exclusive of original issue discount, and

(v) the yield represented by the Series 2006A Certificates as calculated for arbitrage purposes shall not exceed 5.25% per annum.

**Section 6.** It is hereby found and declared that a negotiated sale of the Series 2006B 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 2006B Lease Agreement as evidenced by the Series 2006B Certificates, the School Board must be able to enter the market at the most advantageous times, rather than at specific advertised dates, thereby permitting the School Board to obtain the best possible prices and interest rates to be represented by the Series 2006B Certificates.

(ii) The financing of the Series 2006B Lease Agreement is a complex transaction, which requires the assistance of an underwriter to obtain credit enhancement upon terms and conditions favorable to the School Board and to deal with prospective investors.

(iii) The 2006B Underwriters (hereinafter defined) have participated in structuring the issuance of the Series 2006B 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 2006B Certificates are not sold pursuant to a competitive sale.

The form of the Certificate Purchase Contract (the “Series 2006B Purchase Contract”) among the underwriters selected by the School Board and named therein (the “2006B Underwriters”), the Foundation and the School Board submitted to this meeting and attached hereto as **Exhibit E-2**, and the sale of the Series 2006B 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,

Vice Chair, Superintendent or Deputy Superintendent, Business Operations or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to execute the Series 2006B Purchase Contract. The execution and delivery of the Series 2006B Purchase Contract by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Execution of the Series 2006B Purchase Contract is subject to the following additional requirements:

(i) the aggregate principal amount of the Series 2006B Certificates shall not exceed \$200,000,000; provided, however, that the aggregate principal amount of Series 2006B certificates may exceed \$200,000,000 so long as the combined aggregate principal amount of the Series 2006A Certificates and Series 2006B Certificates does not exceed \$415,000,000,

(ii) the final maturity of the Series 2006B Certificates shall be no later than thirty (30) years after the dated date of the Series 2006B Certificates,

(iii) the Series 2006B Certificates which are subject to optional prepayment shall be subject to optional prepayment not later than approximately ten (10) years after their date of issuance at a prepayment price initially not to exceed 101%, declining to par after not later than approximately one (1) year thereafter,

(iv) the price at which the Series 2006B Certificates shall be sold to the 2006B Underwriters shall not be less than 99% of the face amount thereof exclusive of original issue discount, and

(v) the yield represented by the Series 2006B Certificates as calculated for arbitrage purposes shall not exceed 5.625% per annum.

**Section 7.** The forms of Preliminary Offering Statement for the Series 2006A Certificates and the Series 2006B Certificates submitted to this meeting and attached hereto as **Exhibits F-1** and **F-2**, respectively, are hereby approved, and the School Board hereby authorizes the distribution and use of the Preliminary Offering Statement for the Series 2006A Certificates by the 2006A Underwriters in connection with the public offering of the Series 2006A Certificates and of the Preliminary Offering Statement for the Series 2006B Certificates by the 2006B Underwriters in connection with the public offering of the Series 2006B Certificates. If, between the date hereof and the mailing of the Preliminary Offering Statement for each the Series 2006A Certificates and the Series 2006B Certificates it is necessary to make insertions, modifications and changes in the Preliminary Offering Statement for the Series 2006A Certificates and the Series 2006B Certificates, respectively, 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 for each the Series 2006A Certificates and the Series 2006B Certificates "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 forms attached hereto as **Exhibits G-1 and G-2**.

**Section 8.** 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 for each of the Series 2006A Certificates and the Series 2006B Certificates to be dated the date of the execution and delivery of the Series 2006A Purchase Contract and the Series 2006B Purchase Contract, respectively, and upon such execution, to deliver the same to the 2006A Underwriters and the 2006B Underwriters, as appropriate, for use by them in connection with the sale and distribution of the Series 2006A Certificates and the Series 2006B Certificates, respectively. The Offering Statement for each the Series 2006A Certificates and the Series 2006B Certificates shall be substantially in the form of the Preliminary Offering Statement for such Series of Certificates, with such changes as shall be approved by the Superintendent as necessary to conform the details of the Series 2006A Certificates and the Series 2006B Certificates, respectively, and the requirements of the Series 2006A Purchase Contract and the Series 2006B Purchase Contract, as the case may be, and such other insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Offering Statement for the Series 2006A Certificates and the Series 2006B Certificates 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 for the Series 2006A Certificates and the Series 2006B Certificates and the information contained therein to be used in connection with the offering and sale of the Series 2006A Certificates and the Series 2006B Certificates, respectively. The School Board hereby authorizes the Offering Statement with respect to the Series 2006A Certificates and the Offering Statement with respect to the Series 2006B Certificates and the information contained therein to be used in connection with the offering and sale of the Series 2006A Certificates and the Series 2006B Certificates, respectively.

**Section 9.** 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 the Disclosure Dissemination Agent Agreement (Series 2006A Certificates) (the "Series 2006A Disclosure Agreement") and the Disclosure Dissemination Agent Agreement (Series 2006B Certificates) (the "Series 2006B Disclosure Agreement"), to be dated the dated date of the Series 2006A Certificates and the Series 2006B Certificates, respectively, the forms of which has been submitted to this meeting and is attached hereto as **Exhibits H-1 and H-2**, respectively, 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 related Series of Certificates are subject to the Rule. Notwithstanding any other provision of this Resolution, the Series 2006A Lease Agreement, or the Series 2006A Trust Agreement, failure of the School Board to comply with the Series 2006A Disclosure Agreement shall not be considered an event of default under the Series 2006A Lease Agreement or the Series 2006A Trust Agreement; provided, however, any Series 2006A 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 9 and the Series 2006A Disclosure Agreement. Notwithstanding any other provision of this Resolution, the Series 2006B Lease Agreement, or the Series 2006B Trust Agreement, failure of the School Board to comply with the Series 2006B Disclosure

Agreement shall not be considered an event of default under the Series 2006B Lease Agreement or the Series 2006B Trust Agreement; provided, however, any Series 2006B 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 9 and the Series 2006B Disclosure Agreement. The forms of Series 2006A Disclosure Agreement and Series 2006B Disclosure Agreement submitted to this meeting and attached hereto as **Exhibits I-1** and **I-2**, respectively, are hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The Chair or Vice Chair, upon approval by the Superintendent, is hereby authorized and directed to execute the Series 2006A Disclosure Agreement and Series 2006B Disclosure Agreement. The execution and delivery of the Series 2006A Disclosure Agreement and Series 2006B Disclosure Agreement shall constitute conclusive evidence of the approval thereof.

**Section 10.** Upon approval of each the Series 2006A Insurer and the Series 2006B Insurer, 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 2006A Insurance Policy by the Series 2006A Insurer and the Series 2006B Insurance Policy by the Series 2006B Insurer.

**Section 11.** The Chair, Vice Chair, Secretary, Superintendent, Chief Financial Officer, Treasurer, Deputy Superintendent, Business Operations 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 2006A Insurer of the Series 2006A Insurance Policy and by the Series 2006B Insurer of the Series 2006B Insurance Policy, and relating to the implementation of a book-entry-only system of registration of the Series 2006A 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 dated dates of any and all documents in the event of a delay in the issuance of the Series 2006A Certificates and the Series 2006B Certificates, and to change the series designation or create subseries of the Series 2006A Certificates and the Series 2006B Certificates, on behalf of the School Board which are necessary or desirable in connection with the issuance of the Series 2006A Certificates and the Series 2006B Certificates, the execution and delivery and compliance with the provisions of the Master Lease, the Series 2006A Lease Agreement, the Series 2006B Lease Agreement, the Series 2006A-1 Ground Lease, the Series 2006B-1 Ground Lease, the Master Trust Agreement, the Series 2006A Supplemental Trust Agreement, the Series 2006B Supplemental Trust Agreement, the Series 2006A Assignment Agreement, the Series 2006B Assignment Agreement, the Series 2006A Purchase Contract, the Series 2006B Purchase Contract, Series 2006A Disclosure Agreement and the Series 2006B Disclosure Agreement, or the acquisition, construction and financing of the Series 2006A Facilities and the Series 2006B Facilities, and which are not inconsistent with the terms and provisions of this Resolution.

**Section 12.** 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 13.** 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 14.** This Resolution shall take effect immediately upon its adoption.

Adopted this 15<sup>th</sup> day of February, 2006.

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

Attest:

---

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

**EXHIBIT A-1**  
**FORM OF SCHEDULE 2006A-1**

**EXHIBIT A-2**  
**FORM OF SCHEDULE 2006A-2**

**EXHIBIT A-3**

**FORM OF SCHEDULE 2006B-1**

**EXHIBIT A-4**

**FORM OF SCHEDULE 2006B-2**

**EXHIBIT B-1**

**FORM OF SERIES 2006A-1 GROUND LEASE**

**EXHIBIT B-2**

**FORM OF SERIES 2006B-1 GROUND LEASE**

**EXHIBIT C-1**

**FORM OF SERIES 2006A SUPPLEMENTAL TRUST AGREEMENT**

**EXHIBIT C-2**

**FORM OF SERIES 2006B SUPPLEMENTAL TRUST AGREEMENT**

**EXHIBIT D-1**

**FORM OF SERIES 2006A ASSIGNMENT AGREEMENT**

**EXHIBIT D-2**

**FORM OF SERIES 2006B ASSIGNMENT AGREEMENT**

**EXHIBIT E-1**

**FORM OF SERIES 2006A PURCHASE CONTRACT**

**EXHIBIT E-2**

**FORM OF SERIES 2006B PURCHASE CONTRACT**

**EXHIBIT F-1**

**FORM OF PRELIMINARY OFFERING STATEMENT  
FOR THE SERIES 2006A CERTIFICATES**

**EXHIBIT F-2**

**FORM OF PRELIMINARY OFFERING STATEMENT  
FOR THE SERIES 2006B CERTIFICATES**

**EXHIBIT G-1**

**FORM OF RULE 15c2-12 CERTIFICATE  
FOR THE SERIES 2006A CERTIFICATES**

\$ \_\_\_\_\_ \*

**Certificates of Participation, Series 2006A 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**

**Rule 15c2-12 Certificate**

The undersigned hereby certifies and represents to Citigroup Capital Markets Inc., as Representative of the Underwriters (the "Representative"), that she 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 2006A referred to above (the "Series 2006A Certificates").

(ii) In connection with the offering and sale of the Series 2006A Certificates, there has been prepared a Preliminary Offering Statement, dated the date hereof, setting forth information concerning the Series 2006A 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 2006A 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 Purchase Contract, any event occurs as a result of which the Preliminary Offering Statement might, in the opinion of the School Board,

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\* Preliminary, subject to change.

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.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this \_\_\_\_ day of \_\_\_\_\_, 2006.

THE SCHOOL BOARD OF MIAMI-DADE  
COUNTY, FLORIDA

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Treasurer  
Office of Treasury Management

**EXHIBIT G-2**

**FORM OF RULE 15c2-12 CERTIFICATE  
FOR THE SERIES 2006B CERTIFICATES**

\$ \_\_\_\_\_ \*

**Certificates of Participation, Series 2006B 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**

**Rule 15c2-12 Certificate**

The undersigned hereby certifies and represents to UBS Securities LLC, as Representative of the Underwriters (the "Representative"), that she 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:

(vi) 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 2006B referred to above ( the "Series 2006B Certificates").

(vii) In connection with the offering and sale of the Series 2006B Certificates, there has been prepared a Preliminary Offering Statement, dated the date hereof, setting forth information concerning the Series 2006B Certificates and the School Board (the "Preliminary Offering Statement").

(viii) 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 2006B Certificates depending on such matters.

(ix) 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.

(x) If, at any time prior to the execution of a 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

---

\* Preliminary, subject to change.

the statements therein, in light of the circumstances under which they were made, not misleading, the School Board will promptly notify the Representative thereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this \_\_\_\_ day of \_\_\_\_\_, 2006.

THE SCHOOL BOARD OF MIAMI-DADE  
COUNTY, FLORIDA

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Treasurer  
Office of Treasury Management

**EXHIBIT H-1**

**FORM OF SERIES 2006A DISCLOSURE AGREEMENT**

**EXHIBIT H-2**

**FORM OF SERIES 2006B DISCLOSURE AGREEMENT**

## PRELIMINARY OFFERING STATEMENT DATED \_\_\_\_\_, 2006

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: (See "RATINGS" herein)

*In the opinion of Co-Special Tax Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, the interest portion of the Basic Lease Payments paid to the Series 2006A Certificate holders is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX TREATMENT" for a description of the alternative minimum tax on corporations and certain other federal tax consequences of ownership of the Series 2006A Certificates. However, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2006A Certificates following termination of the Series 2006A Leases as a result of non-appropriation of funds or the occurrence of an event of default thereunder. Co-Special Tax Counsel is further of the opinion that the Series 2006A Certificates and the Series 2006A Leases are exempt from the Florida intangible personal property tax; provided, however, that no opinion is expressed with respect to the payment or reporting of intangible personal property tax on the Series 2006A Certificates following termination of the Series 2006A Leases*

\$ \_\_\_\_\_ \*

**CERTIFICATES OF PARTICIPATION, SERIES 2006A**  
**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 Miami-Dade County School Board Foundation, Inc., as Lessor**

**Dated: Date of Delivery****Due: As shown on the inside cover page hereof**

The Certificates of Participation, Series 2006A (the "Series 2006A Certificates") offered hereby evidence undivided proportionate interests in Basic Lease Payments to be made by The School Board of Miami-Dade County, Florida (the "School Board"), acting as the governing body of the School District of Miami-Dade County, Florida (the "District"), pursuant to a Master Lease Purchase Agreement dated as of August 1, 1994 (the "Master Lease"), as supplemented by (i) Schedule 2006A-1 dated as March 1, 2006 (together with the Master Lease, the "Series 2006A-1 Lease") and (ii) Schedule 2006A-2 dated as of March 1, 2006 (together with the Master Lease, the "Series 2006A-2 Lease" and, together with the Series 2006A-1 Lease, the "Series 2006A Leases"), which leases provide for the lease purchase financing of certain real property and educational facilities by the School Board. The Series 2006A Leases and any other leases entered into pursuant to the Master Lease shall be referred to collectively as the "Leases".

The interest portion of the Basic Lease Payments represented by the Series 2006A Certificates is payable on May 1 and November 1 of each year, commencing November 1, 2006. When issued, the Series 2006A Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Series 2006A Certificates (the "Beneficial Owners") will not receive physical delivery of the Series 2006A Certificates. Ownership by the Beneficial Owners of the Series 2006A Certificates will be evidenced through a book-entry only system of registration. As long as Cede & Co. is the registered owner as nominee of DTC, payment of the principal portion and interest portion of the Basic Lease Payments represented by the Series 2006A Certificates will be made directly to Cede & Co., which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. The principal portion of the Basic Lease Payments represented by the Series 2006A Certificates is payable on the dates and in the amounts set forth on the inside cover page hereof, upon surrender at the designated corporate trust office of The Bank of New York Trust Company, N.A., Jacksonville, Florida (successor by acquisition to Nations Bank of Florida, N.A.), as Trustee. Individuals may purchase beneficial interests in the Series 2006A Certificates in the amount of \$5,000 or integral multiples thereof.

The principal portions of Basic Lease Payments represented by the Series 2006A Certificates are subject to optional, mandatory and extraordinary prepayment prior to maturity as described herein.

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONIES TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION. NEITHER THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2006A LEASES FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FOUNDATION, THE TRUSTEE NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006A LEASES. SEE "RISK FACTORS" HEREIN.

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006A Certificates will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2006A Certificates by \_\_\_\_\_ (the "Insurer"). See "FINANCIAL GUARANTY INSURANCE" herein.

[Insert Insurer logo]

*The Series 2006A Certificates are offered when, as and if delivered and received by the Underwriters, subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, and The Knox Firm, Miami, Florida, Co-Special Tax Counsel, and certain other conditions. Certain legal matters will be passed upon for the School Board and the Foundation by their Counsel, Julie Ann Rico Allison, Esq., Miami, Florida and for the Underwriters by their Co-Counsel, Liebler, Gonzalez & Portuondo, P.A., Miami, Florida, and Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that settlement on the Series 2006A Certificates will occur through the facilities of DTC, in New York, New York, on or about March \_\_, 2006.*

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment. The certificates offered hereby may not be sold and offers to buy may not be accepted prior to the time the Offering Statement is delivered in final form. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the certificates offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

*This cover page contains certain information for quick reference only. It is not a summary of the transaction. Investors must read the entire Offering Statement to obtain information essential to the making of an informed investment decision.*

CITIGROUP GLOBAL MARKETS

Dated: \_\_\_\_\_, 2006

\_\_\_\_\_  
\*Preliminary, subject to change

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NOS.**

The initial term of the Series 2006A-1 Lease commences on \_\_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_\_ 1, 20\_\_ unless earlier terminated as described herein. The initial term of the Series 2006A-2 Lease commences on \_\_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_\_ 1, 20\_\_ unless earlier terminated as described herein. The School Board has previously and may in the future enter into other Leases under the Master Lease. Failure to appropriate funds to pay lease payments under any such Lease, or certain events of default under any such Lease, will result in the termination of all Leases, including the Series 2006A Leases. Upon any such termination, any proceeds of the disposition of leased facilities will be applied to payment of the related series of Certificates, all as further described herein. In no event will owners of the Series 2006A Certificates have any interest in or right to any proceeds of the disposition of facilities leased under any Lease other than the Series 2006A Leases, to the extent provided in this Offering Statement. Co-Special Tax Counsel will express no opinion as to tax exemption or the effect of securities laws with respect to the Series 2006A Certificates following an event of non-appropriation or certain events of default under the Master Lease which result in termination of the lease term of all Leases. Transfer of the Series 2006A Certificates may be subject to compliance with the registration provisions of state and federal securities laws following an event of non-appropriation or certain events of default under the Master Lease which result in termination of the lease term of all Leases. (See "TAX TREATMENT" and "RISK FACTORS" herein). An event of non-appropriation or certain events of default under the Master Lease which result in termination of the lease term of all Leases will not result in termination of the financial guaranty insurance policy issued by \_\_\_\_\_.

**THE SCHOOL DISTRICT OF  
MIAMI-DADE COUNTY, FLORIDA**  
Miami-Dade County Public Schools  
1450 N.E. 2nd Avenue  
Miami, Florida 33132

**BOARD MEMBERS**

Agustin J. Barrera, Chair  
Perla Tabares Hantman, Vice Chair  
Frank J. Bolaños  
Evelyn Langlieb Greer  
Dr. Robert B. Ingram  
Dr. Martin Karp  
Ana Rivas Logan  
Dr. Marta Pérez  
Dr. Solomon C. Stinson

**DISTRICT OFFICIALS**

**Superintendent of Schools**

Dr. Rudolph F. Crew

**Deputy Superintendent, Business Operations**

Ofelia San Pedro

**Chief Financial Officer**

Martin A. Berkowitz

**Treasurer**

Silvia R. Rojas

**CO-SPECIAL TAX COUNSEL**

Greenberg Traurig, P.A.  
Miami, Florida

The Knox Firm  
Miami, Florida

**SCHOOL BOARD ATTORNEY**

JulieAnn Rico Allison, Esquire

**FINANCIAL ADVISOR**

De Lara Associates  
New York, New York

No dealer, broker, sales representative or other person has been authorized by the School Board or the Underwriters to give any information or to make any representations, other than those contained in this Offering 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 Offering Statement does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of the Series 2006A Certificates by any person in any jurisdiction to which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Offering Statement has been obtained from the School Board, \_\_\_\_\_ (the "Insurer"), DTC and other sources that are considered to be reliable and, while not guaranteed as to accuracy or completeness, is believed to be correct. However, such is not to be construed as a representation of the School Board, the Foundation, the Trustee, the Financial Advisor or the Underwriters. Any statements in this Offering Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the School Board, the Foundation, the Trustee, the Financial Advisor and the Underwriters expressly make no representations that such estimates, assumptions and opinions will be realized or fulfilled. Neither Ernst & Young LLP nor any other independent accountants have compiled, examined, or performed any procedures with respect to any projected, forecasted or estimated financial information contained in this Offering Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability and assume no responsibility for, and disclaim any association with, any projected or estimated financial information. Any information, estimates, assumptions and matters of opinion contained in this Offering Statement are subject to change without notice, and neither the delivery of this Offering Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the School Board since the date hereof or the earliest date as of which such information was given. The Underwriters have provided the following sentence for inclusion in this Offering Statement. The Underwriters have reviewed the information in this Offering Statement in accordance with, and as part of, their responsibility 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.

UPON ISSUANCE, THE SERIES 2006A CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR LOCAL GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2006A CERTIFICATES FOR SALE.

CERTAIN STATEMENTS CONTAINED IN THIS OFFERING STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFERING STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2006A CERTIFICATES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFERING STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD, THE FOUNDATION OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2006A CERTIFICATES.

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

THIS OFFERING 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 OFFERING 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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[to be updated]

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## SUMMARY STATEMENT

THE INFORMATION CONTAINED IN THIS SUMMARY STATEMENT IS SUBJECT IN ALL RESPECTS TO THE MORE COMPLETE INFORMATION CONTAINED IN THIS OFFERING STATEMENT AND THE OFFERING OF THE SERIES 2006A CERTIFICATES TO POTENTIAL PURCHASERS IS MADE ONLY BY MEANS OF THE ENTIRE OFFERING STATEMENT. UNDER NO CIRCUMSTANCES SHALL THIS SUMMARY STATEMENT BE REMOVED FROM THE REMAINDER OF THE OFFERING STATEMENT.

Capitalized terms, if not otherwise defined, have the meanings set forth for such terms in “APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS” herein.

### **The District and the School Board**

The School District of Miami-Dade County, Florida (formerly known as the School District of Dade County, Florida and hereinafter referred to as the “District”) covers the same geographic area as Miami-Dade County, Florida (formerly known as Dade County, Florida and hereinafter referred to as the “County” or “Miami-Dade County”) and encompasses 32 incorporated municipalities. As of June 30, 2005, the District included 356 schools and vocational/technical centers, approximately 361,550 students and approximately 48,000 full and part-time employees, including approximately 22,000 full-time teachers and 4,500 full-time paraprofessionals and technical staff. The School Board of Miami-Dade County, Florida (formerly known as The School Board of Dade County, Florida, and hereinafter referred to as the “School Board”) is the governing body of the District. See “APPENDIX A - ECONOMY AND DESCRIPTIVE STATISTICS OF THE DISTRICT AND MIAMI-DADE COUNTY, FLORIDA” herein.

### **The Master Lease**

The School Board entered into a Master Lease Purchase Agreement, dated as of August 1, 1994 (the “Master Lease”), between the Miami-Dade County School Board Foundation, Inc., a Florida not-for-profit corporation (formerly known as the Dade County School Board Foundation, Inc. and hereinafter referred to as the “Foundation”), as lessor, and the School Board, as lessee, for the purpose of lease-purchasing from time to time certain educational facilities, sites and equipment (the “Facilities”) from the Foundation. Facilities to be leased from time to time are identified on separate lease schedules (each a “Schedule”) attached to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate lease agreement (individually a “Lease” and collectively the “Leases”). See “APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - The Master Lease Purchase Agreement” herein.

The School Board has previously entered into the following Leases under the Master Lease (collectively referred to herein as the “Prior Leases”):

(i) a Series 1994A Lease dated as of August 1, 1994, as amended and restated as of June 1, 1998 and as further amended and restated as of November 1, 1998 (the “Amended and Restated Series 1994A Lease”);

(ii) a Series 1996A-1 Lease and Series 1996A-2 Lease each dated as of April 15, 1996, each amended and restated as of November 1, 1998 (collectively, the “Amended and Restated Series 1996A Leases”);

(iii) a Series 1996B-1 Lease, dated as of August 15, 1996, as amended and restated as of June 1, 1998 and as further amended and restated as of November 1, 1998 (the “Amended and Restated Series 1996B-1 Lease”); and

(iv) a Series 1996B-2 Lease, dated as of August 15, 1996, as amended and restated as of November 1, 1998 (the “Amended and Restated Series 1996B-2 Lease” and, together with the Amended and Restated Series 1994A Lease, the Amended and Restated Series 1996A Leases and the Amended and Restated Series 1996B-1 Lease, the “Amended and Restated Leases”).

In conjunction with the Amended and Restated Series 1994A Lease and the Amended and Restated Series 1996B-1 Lease, the Trustee issued \$132,500,000 Certificates of Participation, Series 1998A, dated June 1, 1998, of which \$130,315,000 aggregate principal amount is currently outstanding. In conjunction with the Amended and Restated Leases the Trustee issued \$283,700,000 Certificates of Participation, Series 1998C, dated November 1, 1998, of which \$183,280,000 aggregate principal amount is currently outstanding.

(v) a Series 1998B-1 Lease, dated as of June 1, 1998, as amended and restated as of January 1, 2002 and as further amended and restated as of March 1, 2003, and a Series 1998B-2 Lease, dated as of June 1, 1998, as amended and restated as of March 1, 2003 (collectively, the "Amended and Restated Series 1998B Leases") and in conjunction therewith the Trustee issued \$63,633,333.30 Certificates of Participation, Series 2003A, dated March 1, 2003, all of which are currently outstanding.

(vi) a Series 2000A Lease, dated September 15, 2000, as amended and restated on January 1, 2001, June 15, 2001, September 1, 2001 and August 1, 2004 (the "Amended and Restated Series 2000A Lease") and in conjunction therewith the Trustee issued \$100,720,000 Certificates of Participation, Series 2000A, dated September 15, 2000, of which \$20,105,000 aggregate principal amount is currently outstanding (the "Series 2000A Certificates") and \$87,210,000 Certificates of Participation, Series 2004A, all of which are currently outstanding (the "Series 2004A Certificates").

(vii) a Series 2000 QZAB Lease, dated December 21, 2000 (the "Series 2000 QZAB Lease") and in conjunction therewith the Trustee issued \$24,508,000 Certificates of Participation, Series 2000 QZAB, dated December 21, 2000, for which the School Board has remaining sinking fund payment obligations of \$11,781,505.

(viii) a Series 2001-1 Lease and a Series 2001-2 Lease, each dated as of May 1, 2001, as amended and restated as of March 1, 2003 (collectively, the "Amended and Restated Series 2001 Leases") and in conjunction therewith the Trustee issued \$54,650,000 Certificates of Participation, Series 2001B, of which \$53,550,000 are currently outstanding, and \$137,780,000 Certificates of Participation, Series 2003B, all of which are currently outstanding.

(ix) a Series 2001 QZAB Lease, dated June 1, 2001 (the "Series 2001 QZAB Lease") and in conjunction therewith the Trustee issued \$15,000,000 Certificates of Participation, Series 2001 QZAB, for which the School Board has remaining sinking fund payment obligations of \$7,332,820.

(x) a Series 2001C Lease dated as of September 1, 2001, as amended and restated on December 1, 2003 and on August 1, 2004 (the "Amended and Restated Series 2001C Lease") and in conjunction therewith the Trustee issued \$42,235,000 Certificates of Participation, Series 2001C, of which \$22,830,000 aggregate principal amount is currently outstanding, and the Series 2004A Certificates referred to above;

(xi) a Series 2002-1 Lease and a Series 2002-2 Lease, each dated as of December 1, 2002 (collectively, the "Series 2002 Leases"), and in conjunction therewith the Trustee issued \$75,000,000 Certificates of Participation, Series 2002A, of which \$73,220,000 are currently outstanding, and \$75,000,000 Certificates of Participation, Series 2002B, of \$73,580,000 which are currently outstanding.

(xii) a Series 1988 Lease, dated as of May 5, 2003 (the "Series 1988 Lease"), and in conjunction therewith the Trustee issued \$24,170,000 Certificates of Participation, Series 2003C, of which \$17,290,000 are currently outstanding;

(xiii) a Series 2003D-1 Lease and a Series 2003D-2 Lease, each dated as of June 1, 2003 (collectively, the "Series 2003D Leases"), and in conjunction therewith the Trustee issued \$165,210,000 Certificates of Participation, Series 2003D, of which \$163,545,000 are currently outstanding.

(xiv) a Series 2003 QZAB Lease dated as of December 18, 2003 (the "Series 2003 QZAB Lease", and in connection therewith the Trustee issued \$9,743,635 Certificates of Participation, Series 2003 QZAB, for which the School Board has remaining sinking fund payment obligations of \$6,671,910.

(xv) a Series 2005A Lease dated as of June 1, 2005 (the "Series 2005A Lease"), and in connection therewith the Trustee issued \$56,380,000 Certificates of Participation, Series 2005A, all of which are currently outstanding.

### **The Master Lease Facilities**

The School Board currently has \_\_\_\_ schools and related facilities under the Master Lease. Based on the District's full time equivalent enrollment of approximately 361,550 K-12 students for the 2005-06 Fiscal Year, approximately \_\_\_\_% of the District's students currently attend classes in Facilities being lease-purchased by the School Board under the Master Lease. See "THE MASTER LEASE FACILITIES" and "THE PRIOR FACILITIES."

### **Purpose of Series 2006A Certificates**

The Series 2006A Leases (as defined below) are being entered into by the School Board and the Series 2006A Certificates are being issued for the principal purpose of providing funds sufficient to finance the cost of acquisition and construction of the Series 2006A Facilities (as defined below). See "PURPOSE OF THE SERIES 2006A CERTIFICATES" herein.

### **The Financing Documents**

The Foundation has entered into a Master Trust Agreement dated as of August 1, 1994 (the "Master Trust Agreement"), with The Bank of New York Trust Company, N.A., Jacksonville, Florida (successor by acquisition to NationsBank of Florida, N.A.), as Trustee (the "Trustee") and the Foundation has authorized the execution and delivery of a Series 2006A Supplemental Trust Agreement dated as of March 1, 2006 (the "Series 2006A Supplemental Trust Agreement") with the Trustee, pursuant to which the Series 2006A Certificates will be executed and secured under the Master Trust Agreement. The Master Trust Agreement together with the Series 2006A Supplemental Trust Agreement shall be referred to as the "Trust Agreement."

The School Board will hold title to the five sites on which the Series 2006A-1 Facilities are and will be located. All of such sites are located within the District. Pursuant to the Series 2006A-1 Ground Lease dated as of March 1, 2006 between the School Board and the Foundation (the "Series 2006A Ground Lease"), the School Board will lease the Series 2006A Facility Sites (as defined herein) to the Foundation for an initial term of \_\_\_ years subject to Permitted Encumbrances (as defined in the Series 2006A Ground Lease). Pursuant to the Series 2006A Assignment Agreement dated as of March 1, 2006 (the "Series 2006A Assignment"), the Foundation will assign by outright and absolute title to the Trustee, for the benefit of the owners of the Series 2006A Certificates, substantially all of its right, title and interest in the Series 2006A Ground Lease and the Series 2006A Leases, including its right to receive Basic Lease Payments thereunder.

See "SECURITY FOR THE SERIES 2006A CERTIFICATES" and "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS" herein.

### **Security for the Series 2006A Certificates**

The Series 2006A Certificates evidence undivided proportionate interests in Basic Lease Payments to be made by the School Board under the Series 2006A Leases. The Series 2006A Certificates are secured by and payable from the Trust Estate established pursuant to the Trust Agreement. Neither the Foundation nor the School Board has or will mortgage or grant a security interest in their respective interests in the Series 2006A Facilities to the Trustee. However, upon termination of the Series 2006A Leases or any Additional Lease (as defined herein) in the case of an event of non-appropriation or in the case of certain events of default, each such lease provides that the School Board must surrender possession of the Facilities (other than Facilities consisting of property excluded under the terms of the applicable Lease) to the Trustee as assignee of the Foundation for disposition by sale or re-letting of its interest in the Facilities, as provided in the Trust Agreement. Except as provided under "Effect of Termination for Non-Appropriation or Default" herein, the proceeds of any such disposition of the Series 2006A Facilities will be applied solely to the payment of the Series 2006A Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF THE SERIES 2006A CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. Further, the Foundation has agreed in the Series 2006A Assignment that, upon any such termination of the Series 2006A Leases, upon request of the Trustee, it will transfer its interest in the Series 2006A Facilities to the Trustee or to a transferee designated by the Trustee for the remaining term of the Series 2006A Ground Lease. The foregoing notwithstanding, the School Board may not be dispossessed of any personal property financed, in whole or in part, with the proceeds of Certificates. See "SECURITY FOR THE SERIES 2006A CERTIFICATES," "THE SERIES 2006A FACILITIES" and "THE SERIES 2006A LEASES" herein.

### **Liability of the School Board**

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. THE LEASE PAYMENTS ARE PAYABLE SOLELY FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS

OF THE DEPARTMENT OF EDUCATION. NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2006A LEASES FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE DISTRICT AND THE SCHOOL BOARD IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FOUNDATION, THE TRUSTEE NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006A LEASES. See "RISK FACTORS" herein.

### **Lease Payments**

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2006A Leases and all other Leases will be made only from legally available funds appropriated for such purpose by the School Board. See "SECURITY FOR THE SERIES 2006A CERTIFICATES - Lease Payments" and "Limited Obligation of the School Board", and "DISTRICT REVENUES FOR CAPITAL PROJECTS" herein. The Trustee will collect directly from the School Board all of the Basic Lease Payments.

### **Local Option Millage Levy**

Pursuant to law, the School Board may set an additional non-voted millage known as the "Local Option Millage Levy", in an amount not to exceed 2.0 mills, for capital outlay and maintenance purposes. Up to three-fourths of the proceeds of the 2.0 mills may be expended for payments under lease-purchase agreements for educational facilities and sites. The Local Option Millage Levy constitutes the primary source of funds to make lease payments represented by the Series 2006A Certificates and any other certificates of participation issued in connection with the Master Lease or any other lease purchase arrangement entered into by the School Board. See "SECURITY FOR THE SERIES 2006A CERTIFICATES - Limited Obligation of the School Board" and "DISTRICT REVENUES FOR CAPITAL PROJECTS - Local Capital Outlay Sources" herein.

### **Bond Insurance**

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006A Certificates, when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2006A Certificates by \_\_\_\_\_ (the "Insurer"). See "FINANCIAL GUARANTY INSURANCE" herein.

### **Additional Leases**

As noted above under "Master Lease", the School Board has previously entered into Prior Leases, is entering into the Series 2006A Leases, and may in the future enter into other leases under the Master Lease in order to acquire additional Facilities (an "Additional Lease" or "Additional Leases," as the case may be). Failure to appropriate funds to pay Lease Payments under any existing Lease or Additional Lease will, and an event of default under any Additional Lease may, result in the termination of the Lease Term of all Leases, including the Series 2006A Leases. Upon any such termination of the Lease Term of all Leases, the School Board must surrender possession of all Facilities, including the Series 2006A Facilities (but not such Facilities as may be specifically excluded under the terms of any Additional Lease) to the Trustee for the remaining term of the Series 2006A Ground Lease. The Trustee, as assignee of the Foundation, may sell or re-let its interest in the Series 2006A Facilities for the remainder of the term of the Series 2006A Ground Lease. Except as provided under "Effect of Termination for Non-Appropriation or Default" herein, the proceeds of any disposition of the Series 2006A Facilities will be applied to the payment of the Series 2006A Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF ANY SERIES OF CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of the corresponding Facilities will produce sufficient amounts to pay the outstanding series of the Certificates to which such Leases and Facilities correspond. See "SECURITY FOR THE SERIES 2006A CERTIFICATES" and "THE SERIES 2006A LEASES" herein.

The School Board may, in the future, also enter into lease purchase agreements upon terms and conditions other than those in the Master Lease. Unless otherwise expressly provided in this Offering Statement, failure to make payments under any such lease purchase agreement, or an event of default under any such lease agreement, will not affect the Lease Term or cause the termination of the Series 2006A Leases or any other Leases. See "SECURITY FOR THE SERIES 2006A CERTIFICATES - Additional Leases" herein.

#### **Additional Series of Certificates**

With respect to any Additional Lease, one or more series of Certificates in addition to the Series 2006A Certificates, may be authorized by the Foundation at the request of the School Board and executed and delivered by the Trustee for the purposes set forth in the Trust Agreement. The aggregate principal amount of Additional Certificates which may be executed and delivered under the provisions of the Trust Agreement is not limited. See "SECURITY FOR THE SERIES 2006A CERTIFICATES -- Additional Certificates" herein.

#### **Optional Prepayment**

Certain of the Series 2006A Certificates are subject to optional prepayment prior to maturity. See "THE SERIES 2006A CERTIFICATES - Prepayment - Optional Prepayment" herein.

#### **Mandatory Sinking Fund Prepayment**

The Series 2006A Certificates maturing on \_\_\_\_\_ 1, 20\_\_ are subject to mandatory prepayment in part, by operation of a sinking fund as described herein. See "THE SERIES 2006A CERTIFICATES - Prepayment - Mandatory Sinking Fund Prepayment" herein.

#### **Extraordinary Prepayment**

The Series 2006A Certificates are subject to extraordinary prepayment at any time in an amount equal to the principal portion of Basic Lease Payments prepaid under the Series 2006A Leases, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, (a) in whole or in part, if there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series 2006A-1 Facilities as a result of damage to, destruction or condemnation of any portion of the Series 2006A-1 Facilities and an election is made by the School Board under the Series 2006A-1 Lease to apply the amount to the prepayment of the principal portion of Basic Lease Payments, or (b) in whole, at the election of the Insurer, if the Lease Term of all Leases is terminated because funds have not been appropriated for Lease Payments under all Leases or an event of default has occurred under any Lease and the Lease Term of all Leases is terminated. See "THE SERIES 2006A CERTIFICATES B Prepayment B Extraordinary Prepayment."

#### **The Foundation**

The Foundation is a Florida not-for-profit corporation organized in February, 1988 for the purpose of acting as lessor under lease purchase agreements (such as the Master Lease) with the School Board and holding title to the educational facilities constituting Projects (excepting such Facilities and other equipment and similarly excluded items which are titled in the name of the School Board) under such lease purchase agreements. The Board of Directors of the Foundation consists of the members of the School Board; its officers are School Board members and employees. There presently is no litigation pending against the Foundation.

**[End of Summary Statement]**

## OFFERING STATEMENT

### § \_\_\_\_\_ \* CERTIFICATES OF PARTICIPATION, SERIES 2006A

**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**

### INTRODUCTION

This Offering Statement, including the cover page, inside cover page, the summary statement and appendices hereto, is provided to furnish information in connection with the sale and delivery of \$ \_\_\_\_\_ \* aggregate principal amount of Certificates of Participation, Series 2006A (the "Series 2006A Certificates").

The Series 2006A Certificates evidence undivided proportionate interests of the owners thereof in the Basic Lease Payments to be made by the School Board under the Series 2006A Leases (as defined herein). The Series 2006A Certificates are being executed and delivered pursuant to a Master Trust Agreement dated as of August 1, 1994, as supplemented by a Series 2006A Supplemental Trust Agreement dated as of March 1, 2006 (the "Trust Agreement"), each between the Miami-Dade County School Board Foundation, Inc., a Florida not-for-profit corporation (the "Foundation"), and The Bank of New York Trust Company, N.A., Jacksonville, Florida (successor by acquisition to NationsBank of Florida, N.A.), as trustee (the "Trustee").

In November, 1997, the voters of Dade County voted to rename Dade County, Florida as Miami-Dade County, Florida. As a result, by appropriate actions taken by each entity, the Dade County School Board, the School District of Dade County, Florida and the Dade County School Board Foundation, Inc. are now known as the "Miami-Dade County School Board," the "School District of Miami-Dade County, Florida," and the "Miami-Dade County School Board Foundation, Inc.," respectively.

The School Board, as the governing body of the School District of Miami-Dade County, Florida (the "District"), has entered into a Master Lease Purchase Agreement dated as of August 1, 1994 (the "Master Lease"), between the Foundation, as lessor and the School Board, as lessee, for the purpose of lease purchasing from time to time certain educational facilities, sites, and equipment (the "Facilities") from the Foundation, as well as funding acquisition costs associated with such Facilities. Facilities to be lease purchased from time to time are identified on separate lease schedules (each a "Schedule") attached to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate lease agreement (individually a "Lease" and collectively the "Leases"). Commencing as of \_\_\_\_\_ 1, 2006, the School Board will lease certain Series 2006A Facilities as identified in the Series 2006A Leases (herein defined). The Series 2006A Certificates are being issued in order to provide funds to finance the cost of acquisition and construction of the Series 2006A Facilities. See "PURPOSE OF THE SERIES 2006A CERTIFICATES" and "THE SERIES 2006A FACILITIES" herein.

The School Board currently has \_\_\_\_\_ schools and related facilities under the Master Lease. Based on the District's full time equivalent enrollment of approximately 361,550 K-12 students for the 2005-06 Fiscal Year, approximately \_\_\_\_\_ % of the District's students currently attend classes in Facilities being lease-purchased by the School Board under the Master Lease. See "THE MASTER LEASE FACILITIES" and "THE PRIOR FACILITIES."

Pursuant to the applicable provisions of Florida law, including particularly Florida Statutes, Chapters 1000-1013, and a resolution adopted by the School Board on February 15, 2006, the School Board has authorized the execution and delivery of (i) Schedule 2006A-1 dated as March 1, 2006 to the Master Lease as it may be amended from time to time (together with the Master Lease, the "Series 2006A-1 Lease") and (ii) Schedule 2006A-2 dated as of March 1, 2006 to the Master Lease as it may be amended from time to time (together with the Master Lease, the "Series 2006A-2 Lease" and, together with the Series 2006A-1 Lease, the "Series 2006A Leases").

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\*Preliminary, subject to change

The initial term of the Series 2006A-1 Lease commences as of \_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through and including \_\_\_\_ 1, 20\_\_, unless earlier terminated as described herein. The Series 2006-1 Facilities to be lease purchased by the School Board under the Series 2006A-1 Lease include certain real property and educational facilities, as more particularly described herein (the "Series 2006A-1 Facilities"). See "THE SERIES 2006A LEASES" and "THE SERIES 2006A FACILITIES" herein.

The initial term of the Series 2006A-2 Lease commences as of \_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through and including \_\_\_\_ 1, 20\_\_, unless earlier terminated as described herein. The Series 2006A-2 Facilities to be lease purchased by the School Board under the Series 2006A-2 Lease include certain educational facilities and equipment, as more particularly described herein (the "Series 2006A-2 Facilities" and, together with the Series 2006A-1 Facilities, the "Series 2006A Facilities"). See "THE SERIES 2006A LEASES" and "THE SERIES 2006A FACILITIES" herein.

The School Board will hold title to the \_\_\_\_ sites on which the Series 2006A-1 Facilities are located (the "Series 2006A Facility Sites"). All of such sites are located within the District.

Pursuant to the Series 2006A-1 Ground Lease dated as of March 1, 2006 (the "Series 2006A Ground Lease"), the School Board will lease the Series 2006A Facility Sites to the Foundation for an initial term commencing \_\_\_\_ 1, 2006 and ending \_\_\_\_ 1, 20\_\_, subject to Permitted Encumbrances (as defined in the Series 2006A Ground Lease) and subject to extension or earlier termination as provided therein. See "THE SERIES 2006A FACILITIES" and "APPENDIX C B FORMS OF CERTAIN LEGAL DOCUMENTS B The Series 2006A Ground Lease" herein.

Pursuant to the Series 2006A Assignment Agreement dated as of March 1, 2006 (the "Series 2006A Assignment") between the Foundation and the Trustee, the Foundation has irrevocably assigned to the Trustee for the benefit of the owners of the Series 2006A Certificates, substantially all of its right, title and interest in and to the Series 2006A Ground Lease and the Series 2006A Leases, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2006A Leases. See "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - Series 2006A Assignment Agreement" herein.

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006A Certificates when due will be guaranteed under a financial guaranty insurance policy (the "Policy") issued concurrently with the delivery of the Series 2006A Certificates by \_\_\_\_\_ ("\_\_\_\_\_" or the "Insurer"). See "FINANCIAL GUARANTY INSURANCE" herein.

Brief descriptions of the School Board, the District, the Policy and the Series 2006A Facilities are included in this Offering Statement together with summaries of certain provisions of the Series 2006A Certificates, the Master Lease, the Series 2006A Leases, the Trust Agreement, the Series 2006A Ground Lease and the Series 2006A Assignment. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Master Lease, the Series 2006A Leases, the Trust Agreement, the Series 2006A Ground Lease and the Series 2006A Assignment are qualified in their entirety by reference to the respective complete documents. Copies of the documents may be obtained upon written request and payment of the costs of duplication to the Trustee at 10161 Centurion Parkway, 2nd Floor, Jacksonville, Florida 32256. Capitalized terms used herein and not otherwise defined will have the meanings given them in "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS" herein.

#### **PURPOSE OF SERIES 2006A CERTIFICATES**

The Series 2006A Certificates are being issued for the principal purpose of providing funds sufficient to: (i) finance the cost of acquisition and construction of the Series 2006A Facilities and (ii) pay costs associated with the issuance of the Series 2006A Certificates. The Series 2006A Facilities to be financed consist of certain educational facilities. See "THE SERIES 2006A FACILITIES" herein.

## THE SERIES 2006A CERTIFICATES

### General

The Series 2006A Certificates will be dated the date of delivery, will mature in the years and principal amounts and accrue interest at the rates set forth on the inside cover page of this Offering Statement. The Series 2006A Certificates shall initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2006A Certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as nominee of The Depository Trust Company, New York, New York ("DTC"). See "THE SERIES 2006A CERTIFICATES - Book-Entry Only System" herein. Individual purchases will be made in increments of \$5,000 or integral multiples thereof.

The principal of the Series 2006A Certificates payable at maturity or earlier prepayment thereof shall represent undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth in the Series 2006A Lease with respect to the Series 2006A Certificates. The interest component of Basic Lease Payments represented by the Series 2006A Certificates is payable on each May 1 and November 1, commencing November 1, 2006 (each such date an "Interest Payment Date"). Said interest component represents undivided proportionate interests in the interest portion of Basic Lease Payments due in respect of each Interest Payment Date for the Series 2006A Certificates to and including the maturity or earlier prepayment of the Series 2006A Certificates.

The principal portion and interest portion of Basic Lease Payments represented by the Series 2006A Certificates are payable in the manner set forth under "THE SERIES 2006A CERTIFICATES - Book-Entry Only System" herein.

### Prepayment

*Optional Prepayment.* Series 2006A Certificates maturing on or before \_\_\_\_\_ 1, 20\_\_ shall not be subject to prepayment at the option of the School Board.

Series 2006A Certificates maturing on \_\_\_\_\_ 1, 20\_\_ (the "Series 2006A Term Certificates") shall be subject to prepayment on or after \_\_\_\_\_ 1, 20\_\_, at the option of the School Board from prepayments of Basic Lease Payments made by the School Board pursuant to the Series 2006A Leases, in whole or in part on any Interest Payment Date, and if in part, in such order of maturity of Series 2006A Certificates corresponding to the due dates of the principal portions of Basic Lease Payments under the Series 2006A Leases designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at a Prepayment Price equal to 100% of the principal portion of the Basic Lease Payments represented by the Series 2006A Certificates or portions thereof to be prepaid, together with interest accrued to the Prepayment Date.

*Mandatory Sinking Fund Prepayment.* Series 2006A Term Certificates are subject to mandatory prepayment prior to maturity in part, from payments of the principal portion of Basic Lease Payments under the Series 2006A Leases, through the operation of a sinking fund, on each \_\_\_\_\_ 1 in the years and in the amounts set forth below at a Prepayment Price equal to 100% of the principal portion of the Basic Lease Payments represented by the Series 2006A Certificates or portions thereof to be prepaid, together with interest accrued to the Prepayment Date:

<u>_____ 1 of the Year</u>	<u>Principal Amount</u>
	\$

\*Final Maturity

*Extraordinary Prepayment.* Series 2006A Certificates shall be subject to extraordinary prepayment in whole or in part at any time, and if in part, in inverse order of maturity or on a proportional basis, as shall be designated by the School Board, and by lot within a maturity in such manner as the Trustee determines to be fair and appropriate, in an amount equal to

the principal portion of Basic Lease Payments prepaid under the Series 2006A-1 Lease, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series 2006A-1 Facilities as a result of damage, destruction or condemnation (by an entity other than the School Board) of any portion of the Series 2006A-1 Facilities and an election is made by the School Board under the Master Lease to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to the Series 2006A-1 Facilities and represented by the Series 2006A Certificates.

At the election of the Insurer, the Series 2006A Certificates are subject to extraordinary prepayment in whole at any time, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if the Lease Term of the Series 2006A Leases is terminated either because funds have not been appropriated for Lease Payments under the Series 2006A Leases or any other Lease or the School Board has defaulted under the Series 2006A Leases or any other Lease.

### **Selection**

If less than all of the Series 2006A Certificates are called for prepayment, the particular Series 2006A Certificates or portions thereof to be prepaid will be in multiples of \$5,000 and, except as noted above, the Series 2006A Certificates or portions thereof shall be prepaid in such order of maturity as provided in "Prepayment" above. The portion of any Series 2006A Certificate of a denomination of more than \$5,000 to be prepaid will be in the principal amount of \$5,000 or any integral multiple thereof, and, in selecting portions of such Series 2006A Certificates for prepayment, the Trustee will treat each such Series 2006A Certificate as representing that number of Series 2006A Certificates in \$5,000 denominations which is obtained by dividing the principal amount of such Series 2006A Certificate to be prepaid in part by \$5,000.

The foregoing notwithstanding, as long as a book-entry only system is used for determining ownership of Series 2006A Certificates, if less than all of the Certificates with the same maturity date are to be prepaid, DTC and the DTC Participants (as defined herein) shall determine, by lot, which of the Certificates with the same maturity date are to be prepaid. See "Book-Entry Only System".

### **Notice of Prepayment**

When prepayment of Series 2006A Certificates is required, the Trustee will mail a copy of the notice required by the Trust Agreement, postage prepaid, not less than thirty (30) days before the Prepayment Date in the case of optional prepayments, sinking fund prepayment or prepayment due to damage, destruction or condemnation of the applicable Facilities, and not less than five (5) days nor more than ten (10) days before the Prepayment Date in the case of prepayment for termination of the Lease Term in the event of non-appropriation or in certain events of default under any Lease, to the Holders of any Series 2006A Certificates or portions thereof to be prepaid, at their last addresses appearing upon the Series 2006A Certificates registry books, but any defect in the notice to a particular Series 2006A Certificate holder will not affect the validity of the proceedings for the prepayment of Series 2006A Certificates.

### **Effect of Prepayment**

If, on the Prepayment Date, moneys for the payment of the Prepayment Price of the Series 2006A Certificates or portions thereof to be prepaid are held by the Trustee and available therefor on the Prepayment Date and if notice of prepayment has been given as described above, then from and after the Prepayment Date, the interest portion of the Series 2006A Certificates or the portion thereof called for prepayment will cease to accrue. If such moneys are not available on the Prepayment Date, the principal portion represented by such Series 2006A Certificates or portions thereof will continue to bear interest until paid at the same rate as would have accrued had such Series 2006A Certificates not been called for prepayment.

### **Book-Entry Only System**

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE FOUNDATION AND THE SCHOOL BOARD BELIEVE TO BE RELIABLE, BUT NEITHER THE FOUNDATION NOR THE SCHOOL BOARD TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company, New York, New York, will act as securities depository for the Series 2006A Certificates. The Series 2006A Certificates will be issued as fully-registered securities registered in the name of Cede & Co.

(DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2006A Certificate will be issued for each maturity of the Series 2006A Certificates, as set forth on the inside cover page hereof, and will be deposited with DTC.

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

Purchases of Series 2006A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2006A Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2006A Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2006A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2006A Certificates, except in the event that use of the book-entry system for the Series 2006A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2006A Certificates 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 2006A Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2006A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2006A Certificates 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 2006A Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2006A Certificates, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2006A Certificates may wish to ascertain that the nominee holding the Series 2006A Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

The Trustee will send redemption notices to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2006A Certificates unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Foundation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2006A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

The Trustee will make payments of principal of, premium, if any, and interest on the Series 2006A Certificates to DTC or such other nominee, as may be requested by an authorized representative or DTC, as registered owner of the Series 2006A Certificates. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the School Board or the Foundation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE FOUNDATION, THE SCHOOL BOARD NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS, DIRECT OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM DIRECT OR INDIRECT PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 2006A CERTIFICATES, FOR THE ACCURACY OF RECORDS OF DTC, CEDE & CO. OR ANY DIRECT OR INDIRECT PARTICIPANT WITH RESPECT TO THE SERIES 2006A CERTIFICATES OR THE PROVIDING OF NOTICE OR PAYMENT OF PRINCIPAL, OR INTEREST, OR ANY PREMIUM ON THE SERIES 2006A CERTIFICATES, TO DIRECT OR INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS, OR THE SELECTION OF SERIES 2006A CERTIFICATES FOR REDEMPTION.

Neither the Foundation, the School Board nor the Trustee can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2006A Certificates paid to DTC or its nominee, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2006A Certificates, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as securities depository with respect to the Series 2006A Certificates at any time by giving reasonable notice to the School Board, the Foundation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2006A Certificates are required to be printed and delivered. In addition, the School Board, at the direction of the School Board, may determine to discontinue the use of book-entry transfers through DTC (or any successor securities depository). Under such circumstances, certificated Series 2006A Certificates are required to be delivered as described in the Trust Agreement.

*Payment of Series 2006A Certificates Upon Discontinuance of Book-Entry Only System.* Upon discontinuance of the book-entry only system for the Series 2006A Certificates, the principal portion or Prepayment Price of the Series 2006A Certificates will be payable at the designated corporate trust office of the Trustee, which is presently located in Jacksonville, Florida. Upon such discontinuance, the interest portion represented by the Series 2006A Certificates will be payable by check or draft of the Trustee, mailed to the registered owner at the address shown on the Series 2006A Certificate register maintained by the Trustee as of the 15th day of the month preceding the Interest Payment Date (the "Record Date"). Such interest portion may be paid by wire transfer within the United States to registered owners of \$1,000,000 or more in aggregate principal amount of Series 2006A Certificates, upon their written request received no later than the Record Date prior to an Interest Payment Date. The Trustee may charge such registered owner a reasonable fee for the cost of the wire transfer.

## SECURITY FOR THE SERIES 2006A CERTIFICATES

### General

The Series 2006A Certificates evidence undivided proportionate interests in Basic Lease Payments made by the School Board under the Series 2006A Leases. The Series 2006A Certificates are secured by and payable from the trust estate established for the Series 2006A Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006A Leases, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2006A Leases, and the Trust Agreement, which are not required to be remitted to the School Board or the Foundation pursuant to the Master Lease or the Trust Agreement.

Neither the Trustee, as assignee of the Foundation, nor the School Board has mortgaged or granted a security interest in their respective interests in the Series 2006A Facilities to the Trustee. Upon termination of the Series 2006A Leases, in the case of an event of non-appropriation or in the case of certain events of default, the Series 2006A-1 Lease provides that the School Board must surrender possession of the Series 2006A-1 Facilities to the Trustee as assignee of the Foundation for disposition by sale or re-letting of its interest in such Facilities, as provided in the Trust Agreement, and any proceeds of any such disposition will be applied to the payment of the Series 2006A Certificates, after payment of the expenses of the Trustee (except as provided under "Effect of Termination for Non-Appropriation or Default" herein). The School Board may not be dispossessed of the Series 2006A-2 Facilities or any other personal property financed, in whole or in part, with the proceeds of Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF ANY SERIES OF CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. See "THE SERIES 2006A LEASES - Effect of Termination for Non-Appropriation or Default" herein.

### Lease Payments

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2006A Leases and all other Leases will be made only from legally available funds appropriated for such purpose by the School Board. The Local Option Millage Levy (as defined herein) constitutes the primary source of funds to make Lease Payments and to pay all other amounts required to be paid by the School Board under the Series 2006A Leases and all other Leases (unless otherwise provided in such other Lease). See "DISTRICT REVENUES FOR CAPITAL PROJECTS – Local Capital Outlay Sources – The Local Option Capital Outlay Millage Levy" herein.

The Trust Agreement provides for the establishment and maintenance of separate Lease Payment Accounts for each group of Facilities to be financed by a series of Certificates issued under the Trust Agreement. Lease Payments due under the schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable solely from legally available funds appropriated by the School Board for such purpose; provided that Lease Payments with respect to a particular schedule and series of Certificates may be additionally and separately secured by a credit facility. There is no limit on the number of additional Projects that may be financed under the Master Lease. Such additional projects may be financed through the sale of additional series of Certificates under the Trust Agreement. THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE FOR A PORTION OF LEASE PAYMENTS DUE FOR ALL OF THE PROJECTS LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE FOR ALL SUCH LEASE PAYMENTS OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE MASTER LEASE.

**Limited Obligation of the School Board**

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. THE LEASE PAYMENTS ARE PAYABLE SOLELY FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE DEPARTMENT OF EDUCATION. NEITHER THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE TO THE TRUSTEE UNDER THE SERIES 2006A LEASE FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT ARE NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FOUNDATION, THE TRUSTEE NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006A LEASE. See "RISK FACTORS" herein.

**Additional Leases**

The School Board has previously entered into and may in the future enter into Additional Leases under the Master Lease. Failure to appropriate funds to make Lease Payments under the Series 2006A Lease, the Prior Leases (as described in the Summary Statement) or any Additional Lease will, or certain events of default under any such Lease may, result in the termination of the Lease Term of all Leases, including the Series 2006A Lease. Upon any such termination of the Lease Term of all Leases, the School Board must surrender all Facilities, including the Series 2006A Facilities (but not such Facilities specifically excluded under the applicable Leases) to the Trustee for sale or re-letting of the Trustee's interest. Except as provided under "Effect of Termination for Non-Appropriation or Default" herein, the proceeds of any disposition of the Series 2006A Facilities will be applied to the payment of the Series 2006A Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF THE SERIES 2006A CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of all Leases and the disposition of the Series 2006A Facilities will produce sufficient amounts to pay the Series 2006A Certificates.

In addition to the Series 2006A Lease, the School Board has previously entered into the Prior Leases. The School Board has caused the Trustee to issue the series of Certificates listed below under "Outstanding Certificates" pursuant to the Prior Leases.

At its February 15, 2006 meeting, the School Board authorized the execution and delivery of Schedule No. 2006B-1 and Schedule 2006B-2 to the Master Lease as it may be amended from time to time (together with the Master Lease, the "Series 2006B Leases") and intends to cause the Trustee to issue a series of Certificates in the aggregate principal amount of [\$200,000,000] pursuant thereto (the "Series 2006B Certificates"). The Series 2006B Certificates are expected to be issued on or about \_\_\_\_\_, 2006.

For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to pay Lease Payments or in the event of default by the School Board under any Lease, see "THE SERIES 2006A LEASES - Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default" and "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS -The Master Lease Purchase Agreement" herein.

**Outstanding Certificates**

The following is a listing of the series of Certificates (the "Prior Certificates") which the School Board has previously caused to be issued by the Trustee under the Master Trust Agreement and the outstanding principal balance of each series:

<u>Series of Certificates</u>	<u>Outstanding Principal Amount</u>
Series 1998A Certificates	\$130,315,000
Series 1998C Certificates	183,280,000

Series 2000A Certificates	20,105,000
Series 2000 QZAB Certificates	11,781,505*
Series 2001B Certificates	53,550,000
Series 2001 QZAB Certificates	7,332,820*
Series 2001C Certificates	22,830,000
Series 2002A Certificates	73,220,000
Series 2002B Certificates	73,580,000
Series 2003A Certificates	63,633,333
Series 2003B Certificates	137,780,000
Series 2003C Certificates	17,290,000
Series 2003D Certificates	163,545,000
Series 2003 QZAB Certificates	6,671,910*
Series 2004A Certificates	87,210,000
Series 2005A Certificates	56,380,000

\* Represents remaining sinking fund payment obligation net of earnings on guaranteed investment contracts.

### Additional Certificates

With respect to any Additional Lease, one or more series of Additional Certificates may be authorized by the Foundation at the request of the School Board and executed and delivered by the Trustee for the purpose of (a) financing the cost of acquisition, construction, installation and equipping of any Facilities or the completion thereof, (b) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, (c) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price (as described under "SECURITY FOR THE SERIES 2006A CERTIFICATES - Optional Prepayment Price") of, all or a portion of the Facilities financed from the proceeds of any series of Certificates previously executed and delivered, (d) funding a Reserve Account in an amount equal to the applicable Reserve Account Requirement, if any, (e) capitalizing the interest portion of Basic Lease Payments during construction, or (f) paying the applicable Costs of Issuance. The aggregate principal amount of Additional Certificates which may be executed and delivered under the provisions of the Trust Agreement is not limited, except as may be provided with respect to a particular series of Additional Certificates in any Supplemental Trust Agreement creating such series.

Unless otherwise set forth in the Supplemental Trust Agreement authorizing the issuance of more than one series of Certificates, each Certificate within a series of Certificates executed and delivered pursuant to the Trust Agreement shall rank *pari passu* and be equally and ratably secured under the Trust Agreement with each other Certificate of such series, but not with any Certificates of any other series (except for refunding certificates issued in the case of the partial refunding of a series of certificates or except for the issuance of completion certificates, respectively), without preference, priority or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Lease Payments available for payment to all Certificate holders are less than all amounts owed with respect to all series of Certificates on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificate holders of all series in accordance with the ratio that the principal balance of each series of Certificates Outstanding bears to the total amount of Certificates Outstanding under the Trust Agreement.

### Non-Appropriation Risk

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS FOR THE PURPOSE OF MAKING LEASE PAYMENTS. FOR A DISCUSSION OF REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF THE NON-APPROPRIATION OF FUNDS TO PAY LEASE PAYMENTS, SEE "THE SERIES 2006A LEASES - TERMINATION OF LEASE TERM" AND "- EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT." THERE CAN BE NO ASSURANCE THAT THE REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF NON-APPROPRIATION WILL PRODUCE SUFFICIENT AMOUNTS TO PAY THE SERIES 2006A CERTIFICATES AND THE OUTSTANDING CERTIFICATES.

**Optional Prepayment Price**

The School Board has the right to prepay all or a portion of the Basic Lease Payments represented by the Series 2006A Certificates and in connection therewith remove all or a portion of, as the case may be, the Series 2006A Facilities from the Series 2006A Leases and from the lien of the Series 2006A Ground Lease by paying the Purchase Option Price for the specific Series 2006A Facilities being purchased or, to the extent permitted by law, by substituting other facilities for the Series 2006A Facilities being acquired. No such partial prepayment of the Series 2006A Certificates which is accomplished by the removal of the specific Series 2006A Facilities from the Series 2006A Leases and from the lien of the Series 2006A Ground Lease may be made without the prior consent of the Insurer. The Purchase Option Price, as of each Lease Payment Date, is (i) the Basic Lease Payment then due plus the amount designated in the Series 2006A Leases, as the Remaining Principal Portion of the Purchase Option Price; (ii) minus any credits pursuant to the provisions of the Series 2006A Leases; (iii) plus an amount equal to the interest to accrue with respect to the Series 2006A Certificates to be prepaid as a result of the release of such Series 2006A Facilities from the Series 2006A-1 Lease or the Series 2006A-2 Lease, as the case may be, from such Lease Payment Date to the next available date for prepaying the Series 2006A Certificates; and (iv) plus an amount equal to any other amounts then due and owing under the Series 2006A-1 Lease or the Series 2006A-2 Lease, as the case may be, relating to such Series 2006A Facility, including any prepayment premiums payable on the Series 2006A Certificates prepaid.

**Bond Insurance**

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006A Certificates when due will be guaranteed under the financial guaranty insurance policy to be issued concurrently with the delivery of the Series 2006A Certificates by \_\_\_\_\_. See "FINANCIAL GUARANTY INSURANCE" herein.

**No Reserve Account for Series 2006A Certificates**

THERE IS NO RESERVE ACCOUNT ESTABLISHED FOR THE SERIES 2006A CERTIFICATES. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Lease Payments related to such series of Certificates. Each such Reserve Account shall secure only the series of Certificates for which it has been established. See "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - The Master Trust Agreement" herein.

**FINANCIAL GUARANTY INSURANCE**

THE INFORMATION IN THIS SECTION CONCERNING THE FINANCIAL GUARANTY INSURANCE POLICY AND THE INSURER HAS BEEN OBTAINED FROM \_\_\_\_\_; NEITHER THE SCHOOL BOARD, THE FOUNDATION NOR THE UNDERWRITERS TAKE RESPONSIBILITY FOR THE ACCURACY THEREOF.

The following information has been supplied by \_\_\_\_\_ to describe the financial guaranty insurance policy to be issued with respect to the Series 2006A Certificates. A specimen of the financial guaranty insurance policy is attached as Appendix F hereto.

**[INSERT SUMMARY OF FINANCIAL GUARANTY INSURANCE POLICY]**

**THE MASTER LEASE FACILITIES**

The Series 2006A Facilities will be financed under the School Board's existing Master Lease as part of the School Board's master lease purchase program (the "Master Lease Program") with the Foundation. The Facilities financed by the School Board under the Master Lease Program are subject to annual appropriation on an all or none basis. The District has \_\_\_\_\_ schools and related facilities subject to the Master Lease Program. Based on the District's full time equivalent enrollment approximately 361,550 K-12 students for the 2005-06 Fiscal Year, approximately \_\_\_\_\_% of the District's students attend classes in Facilities currently leased under the Master Lease (see "RISK FACTORS"). For a complete description of the Facilities under the Master Lease Program see "THE SERIES 2006A FACILITIES" and "THE PRIOR FACILITIES" herein.

Pursuant to the Master Lease, the School Board does not have the ability to stop payment on one Facility or some combination of Facilities only. The School Board's annual appropriation for Basic Lease Payments must be for all Facilities under the Master Lease Program or it must terminate all Facilities under the Master Lease Program (other than certain designated Facilities). In the event the School Board decides not to appropriate funds in its annual budget for all of such financed Facilities, the School Board would, at the Trustee's option, have to surrender such Facilities (except for certain designated Facilities currently consisting of approximately \_\_\_\_\_ percent of the Facilities subject to the Master Lease Program), including the Series 2006A Facilities, to the Trustee for the benefit of the Owners of the Certificates which financed such Facilities.

### THE SERIES 2006A FACILITIES

The Series 2006A Facilities consist of the acquisition, construction, installation and equipping of certain educational facilities, sites and equipment, the leasing of the Series 2006A-1 Facility Sites by the School Board to the Foundation pursuant to the Series 2006A Ground Lease and the subleasing of the Series 2006A-1 Facility Sites back to the School Board. The School Board will hold title to all of the Series 2006A-1 Facility Sites. All of the Series 2006A Facilities are located in the District. Under certain conditions set forth in the Series 2006A Leases, the School Board may substitute components for the Series 2006A Facilities. See -- Substitution of Facilities" below. The following is a brief general description of the schools and facilities which comprise the Series 2006A Facilities.

South Dade Senior High School Replacement/State School CCC-1: This Project is located at 28401 S.W. 167 Avenue, Homestead in the Southwest Benefit District. This project consists of the demolition and replacement of the existing high school facility. The new senior high school is designed for a total capacity of 3,600 student stations and necessary core spaces. Project costs include demolition, site development, furnishing, and equipping the facility.

Palm Lakes Elementary School Addition: This Project is located at 7450 West 16 Avenue, Hialeah in the Northwest Benefit District. The Project includes the addition of a detached two-story classroom building housing 24 classrooms, related restrooms and new cooling plant providing 506 student stations. Project costs include site development, furnishing, and equipping the facility.

Coral Reef Senior High School Addition: This Project is located at 10101 S.W. 152 Street, Richmond Heights in the East Benefit District. The Project includes the addition of a detached two-story classroom building housing 24 classrooms and related restrooms providing 440 student stations. Project costs include site development, furnishing, and equipping the facility.

Miami Palmetto Senior High School Addition: This Project is located at 7460 S.W. 118 Street, Pinecrest in the East Benefit District. The Project includes the addition of a detached two-story classroom building housing 24 classrooms, related restrooms and new chiller plant providing 600 student stations. Project costs include site development, furnishing, and equipping the facility.

Pinecrest Elementary School Addition: This Project is located at 10250 S.W. 57 Avenue, Pinecrest in the East Benefit District. The Project includes the addition of a detached two-story classroom building housing 24 classrooms, related restrooms, Physical Education shelter with storage, art and music building, pre-K classroom and chiller plant providing 480 student stations. Project costs include site development, furnishing, and equipping the facility.

Winston Park Elementary School Conversion to K-8 Facility: This Project is located at 13200 S.W. 79 Street, Kendall in the Southwest Benefit District. The Project consists of the construction of a new "middle learning center" building housing the necessary spaces to convert the existing school from a K-5 grade configuration to a K-8 facility. This building will provide classrooms for an additional 617 student stations, a cafeteria, an art and music suite and administrative spaces. Project costs include site development, furnishing, and equipping the facility.

Comprehensive Need (Various Facilities): These schools are located throughout the district. The scope of these projects varies from correction of outstanding campus deficiencies to remodeling and renovations of existing schools. Project costs include professional services such as architectural and engineering fees, construction costs, furnishings and equipment.

*Estimated Series 2006A Facilities Budget.* The following table sets forth the School Board's current estimates of the cost of each of the facilities comprising the Series 2006A Facilities. Actual costs may be greater or less than those shown.

Series 2006A Facilities

South Dade Senior High School Replacement/State School CCC-1	\$98,107,000
Palm Lakes Elementary School Addition	8,974,000
Coral Reef Senior High School Addition	9,070,000
Miami Palmetto Senior High School Addition	10,353,000
Pinecrest Elementry School Addition	10,146,000
Winston Park Elementary School Conversion to K-8 Facility	19,339,000
Comprehensive Need (Various Facilities)	<u>52,000,000</u>
Total	<u>\$207,989,000</u>

The foregoing reflects the current expectation of the School Board and the District as of the date of this Offering Statement as to the nature, scope and cost of the Series 2006A Facilities and is subject to change and amendment.

**Substitution of Facilities**

To the extent permitted by law and with the prior consent of the Insurer, the School Board may substitute for any portion of the Series 2006A Facilities described above other facilities owned by the School Board, provided such substituted facilities (a) have the same or greater remaining useful life, (b) have a fair market value equal to or greater than the Series 2006A Facilities for which they are substituted, (c) are of substantially equal usefulness as the Series 2006A Facilities to be replaced and provide essential governmental services, (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances, and (e) are approved for substitution by the Florida Department of Education. In order to effect such substitution, the Series 2006A Facilities to be replaced will be released from the encumbrance of the Series 2006A Leases and Series 2006A Ground Lease and the facilities to be substituted shall be incorporated into said Series 2006A Leases and Series 2006A Ground Lease.

There must also be delivered at the time of substitution an opinion of counsel as to the legality and validity of such substitution under the laws of the State, a policy of title insurance (if required by the Insurer) and an opinion of counsel as described in the Master Lease with respect to a substitute Facility Site. For purposes of the preceding paragraph, "fair market value" will be determined on the basis of an MAI appraisal performed by an appraiser jointly selected by the School Board and the Trustee.

**Relationship to District's General Obligation Bonds Capital Improvement Program**

Each of the projects described above and any additional projects financed or to be financed under the Master Lease are in addition to those facilities financed pursuant to the District's general obligation school bonds capital improvement program. See "THE CAPITAL IMPROVEMENT PROGRAM" herein. Generally, the educational facilities financed by the District under the Master Lease or similar lease purchase arrangements consist of facilities that were not included in the original authorization for the District's general obligation bonds capital improvement program.

**THE PRIOR FACILITIES**

The following provides a summarized description of the Facilities (collectively referred to as the "Prior Facilities") being lease-purchased under the Prior Leases and subject to the Master Lease. Under certain conditions set forth in the Master Lease, the School Board may substitute Facilities, modify the plans and specifications therefor or eliminate Facilities.

[List all schools/ancillary facilities by Lease Schedule]

**ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds to be received from the sale of the Series 2006A Certificates, exclusive of accrued interest, shall be applied as follows:

Sources of Funds:

Par Amount of Series 2006A Certificates	\$
Plus: Original Issue Premium	
<b>Total Sources of Funds</b>	<b>\$</b>

Uses of Funds:

Deposit to Series 2006A Acquisition Account	\$
Costs of Issuance <sup>(1)</sup>	
Underwriters' Discount	
<b>Total Uses of Funds</b>	<b>\$</b>

<sup>(1)</sup> Includes financial guaranty insurance premium, counsel fees and other costs of issuance.

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**SERIES 2006A CERTIFICATE PAYMENT SCHEDULE**

Payment requirements on the Series 2006A Certificates are as follows:

<b><u>Period Ended</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Portion</u></b>	<b><u>Period Total</u></b>
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## AGGREGATE PAYMENTS ON OUTSTANDING CERTIFICATES OF PARTICIPATION

The aggregate annual lease payment requirements on the District's outstanding Series 1998A Certificates, Series 1998C Certificates, Series 2000A Certificates, Series 2000B Certificates, Series 2000C Certificates, Series 2000D Certificates, Series 2001 QZAB Certificates, Series 2001B Certificates, Series 2001C Certificates, Series 2002 Certificates, Series 2003A Certificates, Series 2003B Certificates, Series 2003C Certificates, Series 2003D Certificates, the Series 2004A Certificates and the Series 2005A Certificates are set forth below.

iscal Year Ending June 30	Series 1998A Certificates	Series 1998C Certificates	Series 2000A Certificates <sup>(1)</sup>	Series 2000A QZAB Certificates <sup>(1)</sup>	Series 2001 QZAB Certificates <sup>(2)</sup>	Series 2001B Certificates <sup>(3)</sup>	Series 2001C Certificates <sup>(1)</sup>	Series 2002A and 2002B Certificates <sup>(3)</sup>	Series 2003A and 2003B Certificates <sup>(4)</sup>	Series 2003C Certificates	Series 2003D Certificates	Series 2003 QZAB Certificates <sup>(2)</sup>	Series 2004A Certificates <sup>(3)</sup>	Series 2005A Certificates <sup>(1)</sup>	Total
2006	\$7,091,293	\$23,586,446	\$4,557,839	\$1,472,688	\$733,282	\$3,747,041	\$2,494,430	\$13,184,700	\$13,184,700	\$4,797,850	\$7,862,166	\$476,565	\$4,013,138	\$8,533,214	\$93,266,177
2007	7,094,540	23,427,371	4,544,178	1,472,688	733,282	3,744,338	2,494,743	12,101,000	12,101,000	4,776,250	7,931,466	476,565	4,013,138	13,582,925	97,107,751
2008	16,783,769	12,371,473	4,537,741	1,472,688	733,282	3,745,893	2,495,130	10,715,267	11,911,450	4,731,000	9,543,766	476,565	4,250,438	4,962,925	88,725,717
2009	16,789,775	11,258,240	4,545,257	1,472,688	733,282	3,511,282	2,497,280	10,718,589	12,951,875	9,815,410	9,543,766	476,565	4,588,888	4,879,050	88,978,800
2010	16,790,463	11,582,731	4,521,393	1,472,688	733,282	3,992,976	2,495,605	10,715,671	11,724,775	4,740,625	15,004,579	476,565	4,585,963	4,711,550	88,808,242
2011	16,789,388	11,575,956		1,472,688	733,282	3,978,623	2,496,768	10,714,528	11,719,275		7,903,556	476,565	9,144,750	4,555,800	81,094,161
2012	16,784,975	11,576,581		1,472,688	733,282	3,732,174	986,461	10,715,021	11,422,175		7,732,134	476,565	9,135,425	3,117,000	79,640,747
2013	16,790,256	11,573,819		1,472,688	733,282	3,740,040	653,390	10,714,342	11,431,150		7,988,334	476,565	10,656,513	3,098,625	79,654,888
2014	16,788,263	11,572,013		1,472,688	733,282	3,735,833	1,316,525	10,713,223	11,445,600		22,460,173	476,565	10,980,150	2,996,625	79,561,700
2015	2,375,875	11,570,375		1,472,688	733,282	3,748,369	565,550	10,713,456	12,885,338		15,574,861	476,565	10,306,269	2,894,625	79,454,044
2016	2,381,750	11,565,875		1,472,688	733,282	3,748,369	463,250	10,713,456	12,885,338		15,574,861	476,565	10,306,269	2,894,625	79,454,044
2017	2,377,125	11,568,375		1,472,688	733,282	3,735,833	1,316,525	10,713,456	12,885,338		15,574,861	476,565	10,306,269	2,894,625	79,454,044
2018	2,377,125	16,805,750		1,472,688	733,282	3,748,369	463,250	10,713,456	12,885,338		15,574,861	476,565	10,306,269	2,894,625	79,454,044
2019	9,279,625	9,892,625		1,472,688	733,282	3,561,390	463,250	10,715,519	12,183,450		11,253,561	476,565	11,103,344	4,097,625	72,940,990
2020	9,261,000	9,889,375		1,472,688	733,282	3,914,143	463,250	10,715,519	12,225,300		11,198,839	476,565	11,092,063	3,846,750	72,775,421
2021	1,536,750	17,613,625		1,472,688	733,282	3,573,494	3,324,875	10,715,258	12,261,825		10,860,774	476,565	11,080,188	3,679,500	72,587,222
2022	1,540,500	17,599,750		1,472,688	733,282	3,735,999	3,324,375	10,713,112	12,278,463		10,877,204	476,565	11,080,188	3,512,250	71,948,384
2023	1,558,875	17,599,875		1,472,688	733,282	3,723,066	3,326,125	10,715,739	12,309,688		19,195,579	476,565	8,194,606	68,434,391	68,434,391
2024	1,537,000	17,576,875		1,472,688	733,282	3,735,079	3,326,125	10,712,701	12,349,975		19,195,579	476,565	8,194,606	68,434,391	68,434,391
2025	1,539,750	17,553,875		1,472,688	733,282	3,633,963	3,324,375	10,713,140	12,373,975		19,195,579	476,565	8,194,606	68,434,391	68,434,391
2026	10,468,125	1,276,125		1,472,688	733,282	3,648,131	3,324,375	10,714,478	19,765,725		6,228,125	476,565	11,028,638	4,014,000	52,274,293
2027	18,865,125			1,472,688	733,282	3,729,105	3,324,375	10,712,678	12,714,025		6,333,375	476,565	11,028,638	4,014,000	52,275,140
2028				1,472,688	733,282	3,729,105	3,324,375	10,712,678	12,714,025		6,333,375	476,565	11,028,638	4,014,000	52,275,140
2029				1,472,688	733,282	3,729,105	3,324,375	10,712,678	12,714,025		6,333,375	476,565	11,028,638	4,014,000	52,275,140
2030				1,472,688	733,282	3,729,105	3,324,375	10,712,678	12,714,025		6,333,375	476,565	11,028,638	4,014,000	52,275,140
2031				1,472,688	733,282	3,729,105	3,324,375	10,712,678	12,714,025		6,333,375	476,565	11,028,638	4,014,000	52,275,140
2032				1,472,688	733,282	3,729,105	3,324,375	10,712,678	12,714,025		6,333,375	476,565	11,028,638	4,014,000	52,275,140
	<u>\$196,781,345</u>	<u>\$282,017,110</u>	<u>\$22,706,407</u>	<u>\$11,781,505</u>	<u>\$7,332,820</u>	<u>\$27,156,579</u>	<u>\$12,353,099</u>	<u>\$246,430,236</u>	<u>\$335,889,000</u>	<u>\$19,045,725</u>	<u>\$228,312,061</u>	<u>\$6,671,910</u>	<u>\$132,381,956</u>	<u>\$72,482,464</u>	<u>\$1,768,342,231</u>

(1) The Series 2000A Certificates, the Series 2001C Certificates, the Series 2004A Certificates and the Series 2005A Certificates are expected to be paid from certain educational facilities impact fee revenues received from Miami-Dade County.

(2) Estimated Series 2000 QZAB, Series 2001 QZAB and Series 2003 QZAB lease payments are shown net of projected earnings on corresponding guaranteed investment contracts.

(3) Based on an assumed Auction Rate plus costs equaling 5.0%. This rate is assumed to be in effect until the final maturity of the Series 2001B Certificates and Series 2002 Certificates.

(4) Based on an assumed rate of 3.50% for the Series 2003A Term Rate Certificates after August 1, 2008 and an assumed rate of 3.50% for the Series 2003B Term Rate Certificates after May 1, 2011.

## THE MASTER LEASE PROGRAM

In order to provide for the lease purchase financing and refinancing from time to time of Facilities, the School Board has authorized the execution and delivery of the Master Lease between the School Board and the Foundation. Facilities to be leased from time to time will be identified on separate Schedules to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate Lease. See "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - The Master Lease Purchase Agreement."

In addition to the Series 2006A Leases, the School Board has previously entered into the Prior Leases for the financing of various educational facilities. In connection with the Leases, there are currently outstanding \$\_\_\_\_\_ aggregate principal amount of Certificates (as adjusted to reflect net sinking fund payments due on the Series 2000, 2001, and the 2003 QZAB Certificates). See "SECURITY FOR THE SERIES 2006A CERTIFICATES — Additional Leases" and "—Additional Certificates" and "—Outstanding Certificates" and "THE MASTER LEASE FACILITIES" herein.

In addition, the School Board may, in the future, also enter into lease purchase arrangements upon terms and conditions other than those in the Master Lease. Failure to make payments under any such lease agreement, or an event of default under any such lease agreement, will not affect the Lease Term or cause the termination of the Series 2006A Leases or any other Leases.

## THE SERIES 2006A LEASES

The following is a brief summary of certain provisions of the Series 2006A Leases, which is not intended to be definitive. Reference is made to "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - Master Lease Purchase Agreement" for the complete text.

### Authority

The Series 2006A Leases are entered into pursuant to the authority granted under Chapters 1000-1013, Florida Statutes, for the purpose of providing for the acquisition, construction, installation and equipping of the related Series Facilities.

### Terms of Leases

Under the Series 2006A-1 Lease, the Foundation leases to the School Board the Series 2006A-1 Facilities. The Series 2006A-1 Lease has an original Lease Term commencing on \_\_\_\_ 1, 2006 through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_ 1, 20\_\_, unless sooner terminated in accordance with the provisions of the Series 2006A-1 Lease.

Under the Series 2006A-2 Lease, the Foundation leases to the School Board the Series 2006A-2 Facilities. The Series 2006A-2 Lease has an original Lease Term commencing on \_\_\_\_ 1, 2006 through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_ 1, 20\_\_, unless sooner terminated in accordance with the provisions of the Series 2006A-2 Lease.

### Termination of Lease Term

The Lease Term of each Lease, including the Series 2006A Leases, will terminate upon the earliest of any of the following events:

- (a) Each Lease will terminate on the date set forth in such Lease;
- (b) All Leases will terminate in the event of non-appropriation of funds for the payment of Lease Payments;
- (c) All Leases will terminate upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Master Lease; and

(d) A particular Lease will terminate upon payment by the School Board of the Purchase Option Price of all the particular Facilities leased under such Lease by the School Board or upon provision for such payment pursuant to the Master Lease.

#### **Effect of Termination for Non-Appropriation or Default**

Upon termination of the Lease Term of the Series 2006A Leases for a reason referred to in (b) or (c) under "THE SERIES 2006A LEASES - Termination of Lease Term" above, the School Board is required to immediately surrender and deliver possession of all of the Series 2006A-1 Facilities financed under the Series 2006A-1 Lease to the Trustee. Upon such surrender, the Trustee will sell or re-let its interest in the Series 2006A-1 Facilities in such manner and to such person or persons for any lawful purpose as it, in its or the Insurer's sole discretion, determines to be appropriate. The proceeds, if any, derived from any such sale or reletting of the leasehold interest in the Series 2006A-1 Facilities will be applied first to the payment in full of the Series 2006A Certificates and then as described in the Series 2006A-1 Lease. IN NO EVENT WILL OWNERS OF A SERIES OF CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. For a discussion of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of the Series 2006A-1 Facilities to the Trustee, See "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - Master Lease Purchase Agreement." The foregoing notwithstanding, under the Series 2006A Leases, the School Board may not be dispossessed of any personal property financed, in whole or in part with the proceeds of the Series 2006A Certificates.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of the Series 2006A Leases for non-appropriation or default and the disposition of the Series 2006A Facilities will produce sufficient amounts to pay the outstanding Series 2006A Certificates. The federal income tax status of payments made to Series 2006A Certificate holders after such termination may also be adversely affected. See "TAX TREATMENT." Further, after such termination of the Lease Term of the Series 2006A Leases, transfer of the Series 2006A Certificates may be subject to the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that the market for the Series 2006A Certificates will not be impaired following termination of the Lease Term of the Series 2006A Leases.

#### **Lease Payments**

Subject to the conditions stated in the Series 2006A Leases, the School Board has expressed its current intent to make all Lease Payments due under the Series 2006A Leases. PROVIDED, HOWEVER, THAT NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE TO THE FOUNDATION UNDER THE SERIES 2006A LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND THE SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. All Lease Payments due under the Series 2006A Leases will be made from current or other funds authorized by law and regulations of the State Department of Education and appropriated for such purpose by the School Board, including Educational Facilities Impact Fee Revenues.

On the fifteenth (15<sup>th</sup>) day of the month immediately preceding an interest or principal payment date on the Series 2006A Certificates, the School Board is required to pay to the Trustee the Basic Lease Payment then due on such date, which amount corresponds to the next succeeding payment due on the Series 2006A Certificates.

Lease Payments due under the Series 2006A Leases may be reduced, when applicable, by amounts credited as follows:

(a) The Trustee will deposit into the corresponding Lease Payment Subaccount interest income in accordance with the Trust Agreement and apply such interest income as provided in the Trust Agreement.

(b) On completion of the acquisition and construction of the Facilities and upon the payment of all Costs of such Facilities or on termination of the Lease Term, the amounts, if any, remaining on deposit in the Acquisition Account will be transferred to the appropriate Lease Payment Subaccount to be applied to Basic Lease Payments next coming due under the Series 2006A Leases; provided, however, that if, upon delivery by the School

Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all Costs of the Facilities (including the failure of the School Board to acquire any component of such Facilities), there shall remain in the Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under the Series 2006A-1 Lease or the Series 2006A-2 Lease, as applicable, such remaining amount shall be transferred to the Prepayment Account.

(c) The Trustee will deposit in the corresponding Lease Payment Subaccount or the Prepayment Account, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation as provided for in the Series 2006A Leases to be applied to Basic Lease Payments under the Series 2006A Leases or the Prepayment Price of the Series 2006A Certificates.

### **Lease Covenants**

Under the Series 2006A Leases, the School Board is responsible for the acquisition, construction, installation and equipping of the Series 2006A Facilities pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction, installation and equipping of the Series 2006A Facilities. In the Series 2006A Leases, the School Board covenants that it will (i) maintain the Series 2006A Facilities at all times during the Lease Term in good repair and condition, (ii) pay applicable taxes, assessments, utility charges and other governmental charges, and (iii) provide applicable insurance coverage which may include self insurance, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements contained in the Series 2006A Leases.

### **Budget and Appropriation**

The cost and expense of the performance by the School Board of its obligations under the Series 2006A Leases and the incurrence of any liabilities of the School Board under such Lease including, without limitation, the payment of the corresponding Lease Payments and all other amounts required to be paid by the School Board under such Lease, are subject to and dependent upon appropriations being duly made from time to time by the School Board for such purposes. Under no circumstances will the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased under the Series 2006A Leases.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under the Series 2006A Leases, the Superintendent is required to include in the Superintendent's tentative budget proposal, in a separate line item, the funds necessary to make such Lease Payments, and such Series 2006A Leases will be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final official budget. If no such appropriation is made in the final adopted budget or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under Chapters 1000-1013, Florida Statutes, as amended, and applicable regulations thereunder, such Series 2006A Leases will terminate as of the date of adoption of the final official budget or the last date on which a final budget is required to have been adopted, whichever is earlier, and under which no appropriation has been made.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under the Leases, they will not be automatically renewed for the following Fiscal Year, and shall terminate on June 30 of the then current Fiscal Year. The School Board will, however, provide written notice of any non-appropriation of funds, as described above, to the Trustee and the Insurer within three business days after declaring its intent not to appropriate the funds necessary to make payments under such Lease. For a discussion of the effect of termination of the Lease Term of any Lease, including the Series 2006A Leases, see "THE SERIES 2006A LEASES - Effect of Termination for Non-Appropriation or Default" herein.

## THE FOUNDATION

Miami-Dade County School Board Foundation, Inc. (formerly known as Dade County School Board Foundation, Inc.) is a Florida not-for-profit corporation formed on February 29, 1988 for the purpose of acting as lessor in connection with "annual appropriation" capital financings for the School Board.

The President and Secretary of the Foundation is Dr. Rudolph F. Crew, Superintendent of Schools; the Vice President and Treasurer is Ofelia San Pedro. The sole member of the Foundation is the School Board. This sole membership is not assignable or otherwise transferable. There is no litigation pending against the Foundation.

Pursuant to the Series 2006A Assignment, the Foundation will assign and convey to the Trustee for the benefit of the Series 2006A Certificate holders all of the Foundation's right, title and interest, (i) as lessee of the Series 2006A-1 Facility Sites under the Series 2006A Ground Lease, (ii) as lessor of the Series 2006A-1 Facilities under the Series 2006A-1 Lease and (iii) as lessor of the Series 2006A-2 Facilities under the Series 2006A-2 Lease. This includes, without limitation, the right of the Trustee to receive for the benefit of Certificate holders all Basic Lease Payments and other amounts required to be paid by the School Board under the Series 2006A Leases.

Pursuant to the Prior Leases entered into under the Master Lease, the Foundation leases to the School Board certain educational Facilities. See "THE MASTER LEASE PROGRAM" and "MASTER LEASE FACILITIES" herein.

## THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA

### General Overview

The District is the fourth largest school system in the nation as measured by student enrollment. Located at the hub of the southeast coast of Florida and in the most populous area of the State, the geographic boundaries of the District are coterminous with those of Miami-Dade County, Florida. Miami-Dade County is the largest county in the southeastern United States in both land area and population with a current population of approximately 2.4 million and a land area of 2,209 square miles. The District services the unincorporated areas of Miami-Dade County and all 32 municipalities within the boundaries of Miami-Dade County, including the cities of Miami, Miami Beach, Coral Gables, Hialeah and Pinecrest.

As of June 30, 2005, the District consisted of 356 schools and vocational/technical centers, approximately 361,550 students and approximately 48,000 full and part-time employees, including over 22,000 full-time teachers and approximately 4,500 full-time paraprofessionals and technical staff. Management of the District is independent of the various municipal governments of Miami-Dade County, including Miami-Dade County itself. The Tax Collector of Miami-Dade County (the "County Tax Collector") collects the ad valorem school tax for the District, but Miami-Dade County exercises no control over its expenditure.

### Administration

*The School Board.* The School Board is a public corporation existing under the laws of the State of Florida, particularly Section 1001.40, Florida Statutes, and is the governing body of the District. The School Board consists of nine members elected from single member districts. The District switched to this form of governance in November of 1996.

Under existing statutes, the School Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools, and programs for gifted students and handicapped students, including students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

The School Board also has broad financial responsibilities, including the approval of the annual budget, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls.

The Chair of the School Board and the Vice Chair of the School Board are elected by the members of the School Board annually. The Superintendent of Schools is the ex-officio Secretary of the School Board.

*School Board Members.* The following are brief resumes of the members of the School Board with the expirations of their respective terms as indicated:

AGUSTIN J. BARRERA, CHAIR, was elected to the School Board in November 2002 to represent District 6. Mr. Barrera is an engineer by profession and has been active in community organizations for several years. In November 2005 Mr. Barrera was chosen by his colleagues to serve as Chairman of the School Board. He has been a member of the The Kiwanis Club of Little Havana since 1994 and has served on its Board of Directors from 1996-2000 and as President from 2001-2003. Mr. Barrera was involved with Front Porch Florida from 2000-2002, a program established by Governor Jeb Bush. This program focuses on the family and empowers the resident of the designated Front Porch community to define and resolve neighborhood problems. From 2001 to 2002 he served as Chair for the Riverside Community Council Education Committee and a member of the Miami-Dade County Public Schools Overcrowding Task Force. Mr. Barrera received his Associates Degree from Miami-Dade Community College and his Bachelor of Design from the College of Architecture at the University of Florida. He is currently Director of Operations at Leo A. Daly, Architecture\*Planning\*Engineering\*Interiors. His term expires in November 2006.

PERLA TABARES HANTMAN, VICE CHAIR, was elected to the Board in 1996 and re-elected in 1998 and 2002 to represent District 4. In 1999, she was nominated and unanimously elected as Chair of the School Board and served three terms in that position. Ms. Hantman attended the University of Havana, Cuba, and Barry University in Miami, where she earned a Bachelor's Degree. In 1991, Ms. Hantman was awarded a Doctor of Humanities, Honoris Causa degree from Gregorian University of Rome, Italy. Ms. Hantman began her public service career working for the Cuban Refugee Program in the Department of Health, Education and Welfare (HEW). She later worked for the U.S. Department of State in the United States Foreign Service at the American Embassy in Mexico City. Ms. Hantman has been appointed by several Florida governors to various State executive positions, including the Florida Board of Regents, where she was a member for six years, and the Metropolitan Planning Organization where she currently serves her second term. In 1997, she received the Stephen P. Clark Children's Award for Outstanding Miami-Dade County Educator. Ms. Hantman received Florida International University's Distinguished Service Medallion in Community Service in April 2000 and in 2004 she received the university's College of Law "Enma Tarafa Legal Excellence Award." In 2005, Ms. Hantman was appointed to serve on the Board of Directors of the New World School of the Arts. Ms. Hantman served as Chair of the School Board's Facilities Planning and Construction Committee and the Legislative Relations, Public Relations and Personnel Services Committee. She presently chairs the School Board's Innovation, Efficiency and Governmental Relations Committee. Her term expires in November 2006.

FRANK J. BOLAÑOS, MEMBER, was appointed to the School Board by Governor Jeb Bush in July, 2001, elected in 2002 and re-elected in 2004 to represent District 5. In November 2004 Mr. Bolaños was unanimously chosen by his colleagues to serve as Chairman of the School Board. Mr. Bolaños serves on the Boards of Directors of CAMACOL, Florida Theatrical Association, Dade Education Fund and Carlos Albizu University Foundation. He has previously held seats with the Stars Hope Scholarship Program, Diabetes Foundation, Arthritis Foundation, Junta Patriótica Cubana, Municipios de Cuba en el Exilio, Asociacion Interamericana de Hombres de Empresa (AIHE), United Way of Miami-Dade County, Executive Board of the New World School of Arts, FIU Alumni Association, Story Theatre (For Children) and the Executive Committees of the Greater Miami Chamber of Commerce and the World Trade Center. Prior to his appointment to the School Board, Mr. Bolaños served as a Councilman of the Doral Community Council. Mr. Bolaños is an executive with over 20 years of experience with a focus on strategic planning, business market expansion, and business management. Throughout his career he has successfully crafted and adapted his business and marketing techniques to several sectors, including the insurance, healthcare, printing, and publishing industries. Mr. Bolaños, in his current position as Regional Director for BellSouth's The Real Yellow Pages, represents the company in contacts with civic, professional, and business organizations. His scope of responsibility spans over 16 cities throughout four southeastern states. He is a frequent and sought-after speaker for seminars and conferences. Mr. Bolaños has an A.A. degree from Miami-Dade Community College, a B.A. from Florida International University and has completed numerous executive business courses and seminars including the Strategic Planning Executive Training Seminar at Harvard School of Business. His term expires in November 2008.

EVELYN LANGLIEB GREER, MEMBER, was elected to the School Board in 2004 to represent District 9. Ms. Greer was the co-founder and first mayor of the Village of Pinecrest from 1996 to 2004. She is president, founder and CEO of Greer Properties, Inc., a diversified real estate developer and operator of real properties in the State of Florida, including construction of new properties, renovation and redevelopment, and acquisition of existing properties. Ms. Greer, a cum laude graduate of Barnard College with a B.A. in economics, received her J.D. from Columbia University School of Law. She is also an attorney since 1973 with Hogan, Greer & Shapiro, P.A., a commercial law practice which specializes in real estate transactions, corporate and commercial matters. Ms. Greer has been a member of the Miami-Dade County Superintendent Search Committee, the Joint Task Force on School Overcrowding, and is a current member of Our Kids, a state authorized foster care privatization effort. She is currently a director of both City National Bank of Florida and Fusion Telecommunications, Inc. Ms. Greer has been a trustee of Barnard College, Columbia University since 1995, and Vice-Chair, Board of Visitors, of Columbia University School of Law since 1996. Her term expires in November 2008.

DR. ROBERT B. INGRAM, MEMBER, was elected to the Board in 1998 and re-elected in 2000 and 2004 to represent District 1. He serves as a Full Professor and Assistant to the President for Urban Affairs at Florida Memorial University. Dr. Ingram's academic credentials include a Ph.D. in Applied Behavioral Science from Union Institute, Cincinnati, Ohio, as well as a Masters Degree in Administration and Supervision of Adult Education and a Bachelor of Science degree in Urban Justice from Florida International University. Dr. Ingram has been a police officer in the Miami Police Department, the Chief of Police in Opa-Locka, Florida, the Mayor of Opa-Locka and the President of the National Conference of Black Mayors and City Manager of South Miami, Florida. Dr. Ingram has received numerous awards for his dedicated community service and fostering of positive race relations. His term expires in November 2008.

DR. MARTIN KARP, MEMBER, was elected to the School Board in November 2004 to represent District 3. At the University of Miami, he earned a Doctor of Education in Educational Leadership, a Master of Science in Education, and a Bachelor of Business Administration in Marketing. At Syracuse University's Newhouse School of Public Communications, he earned a masters degree in a joint M.S. and M.B.A. program. As an educator in the Miami-Dade County Public Schools, Dr. Karp helped create a gifted program, which began as a unique joint effort between a private and public school. He founded, coordinated, and produced a children's television show, WKDZ Kids' World. On the PBS affiliate in Miami, WPBT-TV channel 2, Dr. Karp provided assistance for educational programs. He created two educational radio talk shows, which he produced and hosted on local A.M. stations. Dr. Karp began volunteering in South Florida in 1982 when he started S.H.O.P. (Senior Handicapped Outreach Program). He founded a countywide District-approved contest sponsored by the Miami-Dade Police Department and Humane Society of Greater Miami. He started the H.O.P.E. (Help Overcome Pet Euthanasia) Contest ten years ago and more than 2,500 students have participated. On the School Board, he serves as the Chairperson for the School Support Accountability Committee and the Vice-Chairperson for the Innovation, Efficiency and Government Relations Committee. He serves as a member of the Instructional Excellence and Community Engagement Committee. His term expires in November 2008.

ANA RIVAS LOGAN, MEMBER, was elected to the School Board in November 2004 to represent District 7. Ms. Logan received her Bachelor's Degree from Florida International University and started working for the District as a middle school teacher. Ms. Logan later served in several administrative positions before working as the Assistant Principal at Miami Senior High School and Kinloch Park Elementary School. She earned an advanced degree from Nova Southeastern University's Master of Science Computer Science Education program and completed some post-graduate work in Educational Leadership. She teaches computer courses as an Adjunct Professor at Miami-Dade Community College. Ms. Logan has been and continues to be extensively involved with the community in numerous organizations. For Ms. Logan, education is more than a career; it is a lifetime of commitment to the best education possible for all children. Ms. Logan's term expires in November 2008.

DR. MARTA PÉREZ, MEMBER, was elected to the Board in 1998 and re-elected in 2002 to represent District 8. She was employed by the Miami-Dade County School System as a middle school teacher from 1974 to 1979. In 1996, Dr. Perez was elected as Community Councilwoman for Area 10 and became the first chairperson for that council. In 1996 she received her Doctorate in Philosophy from the University of Miami. While serving on the School Board, Dr. Perez has been an active member of the Elementary and Secondary School Committee, Investment Advisory Selection Committee, School Operations Committee and is the Chairperson for the Financial Affairs Committee. Dr. Perez is currently the Vice-President of the Miami-Dade School Readiness Coalition and has been elected President of the South Florida Consortium of School Boards. She is also the Miami-Dade County School Board delegate to the Florida School Boards Association where she is the Chair of the Multicultural Committee. Dr. Perez became the first Hispanic in history to earn the distinction of being a Certified School Board Member. She is a member of the National School Boards Association, Council of Urban Boards of Education

and of the Council of Great City Schools. Dr. Perez is also a member of the League of Woman Voters, National Parkinson's Foundation, University of Miami Amigos Association and the Coalition of Hispanic American Women. She has also been honored with the following awards: Academic Excellence from the Graduate School of the University of Miami, Women and Power Award, American Bahamian Federation Award for Civic Leadership and Community Service, and One Nation Public Service Award. Other distinctions honoring Dr. Perez include her nomination to Phi Delta Kappa's (Education Honor Society) "Legislature of the Year," 1998, certified Parliamentarian in Florida, membership in Phi Kappa Phi Honor Society, and Phi Lambda Pi Honor Society. Her term expires in November 2006.

DR. SOLOMON C. STINSON, MEMBER, was elected to the School Board in November 1996 and re-elected in 1998 and 2002 to represent District 2 after working 36 years in education. Starting out as a teacher, he rose through the ranks to attain the position of Deputy Superintendent of Schools. Dr. Stinson is associated with a number of professional and civic organizations. He has a B.S. from Alabama State University; a M.A. in school administration and supervision from the University of Iowa; and a Ph.D. in school administration from the University of Iowa. He is certified in science, math, social studies, elementary education, administration and supervision and adult education. His term expires in November 2006.

### **Biographical Information for Certain Administrators**

The following is biographical information for certain administrators of the District:

DR. RUDOLPH F. CREW, SUPERINTENDENT OF SCHOOLS, was appointed Superintendent in April 2004 and assumed his position on July 1, 2004. Immediately before his appointment, he served as Director of District Reform Initiatives at the Stupski Foundation, a private philanthropic foundation created in 1996 to support the improvement of public education. As Director of District Reform, Dr. Crew led a team that centered on a fundamental belief in strong leadership and effective teaching. Prior to joining the Stupski Foundation, he served as Executive Director of the Institute for K-12 Leadership, a partnership of the University of Washington in Seattle and WestEd based in San Francisco. In his 25 years as an educator, his career has taken him to Boston, Sacramento, Washington State, and to New York City where he served as Chancellor of New York Public Schools from 1995 to 1999. Throughout that body of work, he has dedicated his talents and his energies to ensuring a quality education for children of all backgrounds. Dr. Crew's guiding principle in his work as an educator has always been to provide the means by which all students can achieve high standards. He established the Math and Science Institute (a forerunner of the Institute for K-12 Leadership) and created a Superintendent's and Principals' Institute to cultivate and nurture school leadership. Dr. Crew devotes time to service on numerous boards, including the Lincoln Center for the Performing Arts, the New York Philharmonic and the Washington Association for Black School Educators. He is a recipient of many awards, including the NAACP Educational Leadership Award, the Arthur Ashe Leadership Award, and the Association of California School Administrators Administrator of the Year Award. Dr. Crew holds a Doctor of Education degree in Educational Administration and a Master of Education degree in Urban Education from the University of Massachusetts at Amherst, and a Bachelor of Arts degree in Management from Babson College in Wellesley, Massachusetts.

OFELIA SAN PEDRO, DEPUTY SUPERINTENDENT, BUSINESS OPERATIONS, was appointed Deputy Superintendent on July 14, 2004 and assumed her position July 19, 2004. As Deputy Superintendent, she is responsible for Financial Operations, Office of Facilities, Transportation, Food & Nutrition, Business Process Improvement and Information Technology. Prior to joining the District, Ms. San Pedro was a corporate executive for over 25 years. Ms. San Pedro most recently served as Vice President of Global Procurement at Ryder System Inc., responsible for a procurement budget in excess of \$2 billion. She was also President of Ryder Energy Distribution, a \$500 million subsidiary of Ryder System. Earlier in her career, Ms. San Pedro served as an Adjunct Professor of Industrial Engineering for the University of Miami from 1980-1990. She received both her Bachelor of Science in Industrial Engineering and her Master of Business Administration from the University of Miami.

MARTIN A. BERKOWITZ, CHIEF FINANCIAL OFFICER, was appointed Chief Financial Officer in December 2004 and assumed his position on January 2, 2005. He oversees all accounting, financial reporting, budgeting, treasury, and procurement activities for the District. From 2002 through 2004, Mr. Berkowitz served as COO and later CEO of the National Veteran Business Development Corporation, a non-profit organization dedicated to helping veterans succeed as entrepreneurs. Prior to that, he spent 25 years at Prudential Financial where he held a series of positions within the finance function, including CFO of Investment Operations and Controller of the Company. Mr. Berkowitz currently serves on the Boards of Directors of Annuity and Life Re (Holdings) Ltd., and Recruiting New Teachers. He is a graduate of the University of Massachusetts, and received a MBA from St. John's University.

SILVIA R. ROJAS, TREASURER, was appointed Treasurer in September 2005 and assumed her position on September 8, 2005. Her current responsibilities include the District's investments management, cash management, debt management and check distribution. Ms. Rojas joined the District in 1984 with the Office of Management and Compliance Audits. She received a Bachelors of Business Administration from Florida International University in 1983. Ms. Rojas became a Certified Public Accountant in 1986 and a Certified Government Finance Officer in 1996. She is a member of the Government Finance Officers Association, participated in the Nominating Committee for the Florida Government Finance Officers Association and is also a member of the Association of Financial Professionals.

**Personnel, Teacher Salaries and Student Enrollment [UPDATE]**

As of June 30, 2005, the District had approximately 48,000 employees. The School Board negotiates contracts with five exclusive bargaining agents representing five unions: (i) United Teachers of Dade ("UTD"); (ii) American Federation of State, County and Municipal Employees ("AFSCME"), Local 1184; (iii) Dade County School Maintenance Employee Committee ("DCSMEC"); (iv) Florida State Lodge, Fraternal Order of Police (representing the District's law enforcement officers) ("FOP"); and (v) the Dade County Schools Administrators Association, Local 77 ("DCSAA") representing professional and technical employees. The UTD, AFSCME and DCSAA contracts are effective from July 1, 2003 to June 30, 2006. The FOP contract is effective from July 1, 2004 to June 30, 2007 and provides for a unit average increase of 5% for each of the three years. The DCSMEC contract is effective October 1, 2002 to June 30, 2006. All of the union contracts, with the exception of FOP which has a three year successor contract, had wage reopener provisions for fiscal year 2004-2005 with notice by April 1, 2004. The reopener provision was exercised by each of the bargaining agents. Each of the four union contracts (UTD, AFSCME, DCSAA, and DCSMEC) has been ratified and approved by the School Board for the 2004-2005 reopener. These four union contracts contain wage and health insurance reopener provisions for the 2005-2006 fiscal year. Under Florida law, public employees are not permitted to strike.

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA**

**NUMBER OF PERSONNEL  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30	(1) INSTRUCTIONAL	(2) ADMINISTRATIVE	OTHER INSTRUCTIONAL	(3) OTHER NON- INSTRUCTIONAL	(4) PART-TIME HOURLY	TOTAL
2005	22,570	1,993	2,457	10,643	10,754	48,417
2004	21,701	1,916	2,338	10,485	10,424	46,864
2003	21,780	1,932	2,478	10,731	10,283	47,204
2002	21,932	2,116	2,727	10,916	10,636	48,327
2001	21,399	2,189	2,417	10,592	10,828	47,425
2000	20,760	1,951	2,373	10,385	10,417	45,886
1999	20,116	1,911	2,232	10,042	10,028	44,329
1998	19,536	1,848	2,083	9,747	10,284	43,498
1997	19,193	1,881	2,112	9,603	10,053	42,842
1996	18,868	1,861	2,762	9,465	10,160	43,116

(1) Elementary and Secondary Teachers, Exceptional Student Teachers, Other Teachers, Guidance/Psychological Counselors, Librarians and Other Professional Instructional Staff.

(2) Officials, Administrators and Managers (Instructional and Non-Instructional), Consultants, Supervisors of Instruction, Principals, Assistant Principals, Community School Coordinators and Other Professional/Technical and Non-Instructional Staff.

(3) Teacher's Aides.

(4) Technicians, Investigators, Patrol Officers, Clerical and Secretarial Staff, Service Workers (including ~~full~~ Food Service Workers) and skilled Crafters and Laborers.

SOURCE: The School Board of Miami-Dade County - Department of Research Services.

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
TEACHERS' BASE SALARIES (10 MONTHS)  
LAST TEN FISCAL YEARS**

Fiscal Year Ended <u>June 30,</u>	Minimum <u>Salary</u>	Maximum <u>Salary</u>	Average <u>Salary</u>
2005	\$33,275	\$68,325	\$45,873
2004	33,275	67,425	45,053
2003	33,275	65,625	45,905
2002	32,425	64,275	45,416
2001	32,275	63,275	44,527
2000	30,000	61,000	42,980
1999	28,650	59,500	42,105
1998	28,150	58,500	42,308
1997	28,150	57,500	41,002
1996	28,000	56,000	40,255

SOURCE: The School Board of Miami-Dade County – Department of Research Services.

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
MIAMI-DADE COUNTY POPULATION AND SCHOOL  
DISTRICT STUDENT ENROLLMENT  
LAST TEN FISCAL YEARS<sup>(1)</sup>**

Fiscal Year Ended <u>June 30,</u>	Miami-Dade County <u>Population<sup>(2)</sup></u>	School <u>Enrollment</u>
2005	2,402,105	361,550
2004	2,372,418	369,578
2003	2,342,739	371,482
2002	2,313,047	374,725
2001	2,283,319	368,453
2000	2,253,485	360,202
1999	2,221,630	352,595
1998	2,189,719	345,861
1997	2,157,208	340,904
1996	2,124,885	333,444

<sup>(1)</sup> This chart does not include enrollment in adult centers or vocational technical centers.

<sup>(2)</sup> Population as of April 1.

SOURCE: Miami-Dade County Population - Miami-Dade County Department of Planning and Zoning; Student Enrollment - The School Board of Miami-Dade County - Department of Research Services.

## **Budget Process**

Florida law requires the School Board to adopt in each fiscal year a tentative budget and a final budget, each of which is required to be balanced with available funds. Revenues derived from ad valorem property taxes are budgeted, as required by Florida law, on the application of millage levies to 95 percent of the non-exempt assessed valuation of property in Miami-Dade County.

The Superintendent is responsible for recommending the tentative budget to the School Board. Florida law further requires the School Board to advertise its intent to adopt the tentative budget, including a proposed tax millage, within twenty-nine (29) days after certification of taxable property by the Property Appraiser of Miami-Dade County (the "County Property Appraiser") which is required by law to occur by July 1, unless extended.

The School Board is required to hold a public hearing on the tentative budget and the proposed tax millage within five (5) days, but not earlier than two (2) days, after advertisement. At the hearing, the School Board adopts a tentative budget and a resolution stating the millage rate to be levied, and sets the date for the public hearing on the final budget. Following the hearing on the tentative budget, all property owners are notified by the County Property Appraiser, usually in mid-August, of the date, time and place of the hearing on the final budget; the proposed millage rate; and the millage rate which would have had to be levied to raise the same ad valorem property tax revenue as was raised in the preceding year.

A public hearing and adoption of the final budget and tax millage are required within eighty (80) days, but not earlier than sixty-five (65) days, after the taxable property certification by the County Property Appraiser. This public hearing usually occurs early in September.

In no event may the millage rate adopted at the final budget hearing exceed the millage rate adopted at the tentative budget hearing unless each taxpayer within the District is sent notice by mail of the taxes under the tentative adopted millage rate and the taxes under the higher rate to be adopted at the final budget hearing. The final budget is submitted to the Department of Education of the State of Florida. After the final budget hearing, the School Board must certify the final millage rate to the County Tax Collector, the County Property Appraiser and the State Department of Revenue.

## **Fiscal Year 2005 – Status**

On June 30, 2005, the District concluded its 2005 fiscal year. The District's ending General Fund balance as of June 30, 2005 was **[\$222,067,000]**. The District prepared its final 2005 fiscal year budget which was presented and adopted at a public hearing held on September \_\_, 2005. The District may make revisions to the 2005 fiscal year budget in accordance with Florida law. **[UPDATE]**

In addition to the annual reports prepared by the District and submitted to the State Department of Education, the District's financial statements are audited by independent auditors. A copy of the General Purpose Financial Statements of the School Board for the fiscal year ended June 30, 2005 is presented as "APPENDIX B – BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA for THE FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT" herein.

## **District Financial Procedures**

The financial and accounting practices of the District are designed to conform to generally accepted accounting principles applicable to governmental units, and the accounting records meet the standards prescribed by the Florida State Department of Education, as required by law. The accounts of governmental and agency funds are maintained on a modified accrual basis of accounting, whereby revenues are recognized when they become available and measurable and expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when the interest is due. The Supplemental Early Retirement Trust Fund is maintained on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The financial records and accounts of the District are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources are classified for accounting and reporting purposes into funds or groups of accounts that are considered separate accounting entities, each with its own assets, liabilities, fund balances, revenues and expenditures. (See "APPENDIX B - BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD

OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT" herein.)

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## General Fund Operations

The following table summarizes General Fund operations, including Revenues, Expenditures and Changes in General Fund Balances for the five fiscal years ended June 30, 2001 through 2005:

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR GOVERNMENTAL FUNDS**  
**LAST FIVE FISCAL YEARS**  
**(IN THOUSANDS)**

<u>REVENUES</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Local Sources:					
Ad valorem taxes	\$1,230,305	\$1,129,023	\$1,030,705	\$ 961,591	\$ 903,884
Food Service Sales	35,957	34,988	34,627	32,294	30,383
Interest Income and Other	29,519	16,865	20,071	29,874	46,721
Net increase (decrease) on fair value of investments	(336)	(1,715)			
Local Grants and Other	<u>135,561</u>	<u>114,079</u>	<u>84,743</u>	<u>87,206</u>	<u>74,155</u>
Total Local Sources	<u>1,431,006</u>	<u>1,293,240</u>	<u>1,170,146</u>	<u>1,110,965</u>	<u>1,055,143</u>
State Sources:					
Florida Education Finance Program	1,045,087	1,122,153	1,129,605	1,097,551	1,266,189
Public Education Capital Outlay	55,096	60,357	11,980	18,483	38,167
Food Services	2,780	2,878	2,919	2,907	2,763
State Grants & Other	<u>439,798</u>	<u>317,165</u>	<u>254,305</u>	<u>301,175</u>	<u>216,056</u>
Total State Sources	<u>1,542,761</u>	<u>1,502,553</u>	<u>1,398,809</u>	<u>1,420,116</u>	<u>1,523,175</u>
Federal Sources:					
Federal Grants	319,326	297,373	253,598	205,563	189,077
Food Services	<u>89,883</u>	<u>86,287</u>	<u>87,109</u>	<u>83,451</u>	<u>79,073</u>
Total Federal Sources	<u>409,209</u>	<u>383,660</u>	<u>340,707</u>	<u>289,014</u>	<u>268,150</u>
TOTAL REVENUES	<u>\$3,382,976</u>	<u>\$3,179,453</u>	<u>\$2,909,662</u>	<u>\$2,820,095</u>	<u>\$2,846,468</u>
 <u>EXPENDITURES</u>					
Instructional Services	\$1,700,122	\$1,579,017	\$1,546,728	\$1,516,386	\$1,473,241
Instructional Support Services	284,079	276,043	253,048	244,385	239,802
Pupil Transportation Services	84,955	78,350	78,472	80,728	79,136
Plant Operation and Maintenance	345,533	323,947	293,190	299,229	302,099
School Administration	160,925	154,725	147,183	145,542	142,464
General Administration	114,920	99,977	102,057	100,136	95,488
Food Services	142,133	130,872	123,704	120,829	113,531
Capital Outlay	395,790	282,003	271,590	303,739	362,538
Debt Service	209,323	358,743	168,166	161,837	144,337
Other	<u>38,781</u>	<u>36,689</u>	<u>34,230</u>	<u>37,340</u>	<u>36,209</u>
TOTAL EXPENDITURES	<u>\$3,476,561</u>	<u>\$3,320,456</u>	<u>\$3,018,368</u>	<u>\$3,010,151</u>	<u>\$2,988,845</u>

SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005.

## Property Damage Insurance [UPDATE]

Currently, a group of 17 insurance companies headed by Lloyd's of London provides property damage insurance to the District. The District's property damage insurance coverage (covering buildings and contents) for the May 1, 2005 to May 1, 2006 period totals \$700 million, at a premium not to exceed \$24,500,000. The District's property damage insurance is negotiated effective May 1 of each year for a period of one year. The deductible per occurrence other than losses from a named hurricane is \$500,000. In the event of a hurricane, the deductible is 3% per value per site with a minimum deductible of \$1,000,000 per site.

The property damage insurance coverage in effect for the District in the prior coverage period was \$700 million. The maximum amount of insurance coverage available to the District in the insurance market as of May 1, 2005 was \$700 million; however the District is currently participating in some upper layers of coverage as a coinsurer, based on restrictions in available capacity within the carrier's Florida catastrophic aggregate limits. The District's maximum coinsurance liability is (i) \$8,250,000 in the case of a loss in excess of \$350 million but less than \$400 million and (ii) \$51,000,000 in the case of a loss in excess of \$500 million.

### [Insert description of effect of Hurricanes Katrina and Wilma on School Board Facilities]

## OPERATING REVENUES OF THE DISTRICT

The District derives its operating income from a variety of federal, state and local sources. The major categories of these income sources for the General Fund are briefly described below.

### State Sources

*Florida Educational Finance Program.* The major portion of State support is distributed under the provisions of the Florida Education Finance Program (FEFP), which was enacted by the State legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student (FTE) basis and through a formula that takes into account (i) varying program costs, (ii) cost differentials between districts, (iii) differences in per-student costs due to the density of student population, and (iv) the required level of local support. Program cost factors are determined by the State Legislature. The amount of FEFP funds disbursed by the State is adjusted three times during each year to reflect changes in FTE and in variables comprising the formula. See "RECENT CHANGES AFFECTING DISTRICT REVENUES - Reduced FEFP Funding under Revised District Cost Differential" for information on recent legislative action pertaining to the allocation of FEFP revenues.

To participate in FEFP funding, the District must levy a minimum millage for operating purposes which is set by the Florida State Department of Education. The FEFP revenues received by the District for fiscal year 2004-2005 were [\$\_\_\_\_\_]. The projected FEFP revenues for fiscal year 2005-2006 are [\$\_\_\_\_\_]. [UPDATE]

*State Categorical Programs.* These are special educational program lump-sum appropriations which supplement local school district revenues in order to enhance educational and support services. Among the categorical programs for which the largest appropriations are made are Class Size Reduction, Instructional Materials, Instructional Technology and Transportation. Allocations for these categorical appropriations are based on funding formulae and discretionary State Department of Education grants. The Class Size Reduction program was created in order to implement two amendments to the Florida Constitution approved by the voters of the State of Florida. See "RECENT CHANGES AFFECTING DISTRICT REVENUES - Constitutional Amendments". The majority of funds available from these programs require actual appropriation by the School Board for the purposes for which they were provided.

The 1991 Legislature eliminated most state categorical programs and flowed such funds through the FEFP. The State also created a Discretionary District Lottery Fund which districts may use to fund programs deemed appropriate for such funding by the School Board.

### Local Sources

Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property value). Chapter 1011, Florida Statutes, as amended, further limits the millage levy for operational purposes to an amount set each year by the State appropriations act. Within this operational limit, each school district desiring to participate in the State's appropriation of FEFP funds for current operations must levy the millage for "required local effort," which is set each year by the State Legislature. In addition to the "required local effort", school districts are entitled to levy up to .51 mills as non-voted current operating discretionary millage. Moreover, the 1994 State Legislature authorized school districts to levy not to exceed .25 mills for operating purposes designed to raise a maximum of \$50 per full-time equivalent student. For districts that cannot raise \$50 per student from the .25 mills, the State will provide the difference. The 2005 State Legislature modified the \$50 limit to a maximum of \$100 per student. See "AD VALOREM TAX PROCEDURES" herein. In addition to the operating levy limit, current law allows school districts to levy up to 2.0 mills for capital outlay and maintenance of school facilities. See "DISTRICT REVENUES FOR CAPITAL PROJECTS - Local Capital Outlay Sources" herein.

Budgeted revenues from ad valorem taxes are based on applying millage levies to 95 percent of the non-exempt assessed valuation of real and personal property within Miami-Dade County. See "AD VALOREM TAX PROCEDURES" herein.

### **Federal Sources**

Federal revenue sources received by the District and deposited in the General Fund were approximately [\$\_\_\_\_\_] in fiscal year 2004-2005. The amount projected to be received during the 2005-2006 fiscal year is approximately [\$\_\_\_\_\_]. In addition to these revenues, the District receives federal food services and federal grants for specific contracted programs. Total revenues of [\$\_\_\_\_\_] were received from federal sources in fiscal year 2004-2005. [UPDATE]

## **DISTRICT REVENUES FOR CAPITAL PROJECTS**

The District derives its revenues for capital projects from certain State and local sources. The major categories of these revenue sources are briefly described below.

### **State Sources**

The primary source of State educational funding contributions for the District's capital outlay requirements is the Florida Public Education Capital Outlay Program (PECO). PECO funds are derived from the gross receipts taxes for utility services levied pursuant to Chapter 203, Florida Statutes, and bonded pursuant to Article XII, Section 9 of the Florida Constitution. The method of allocating funds to the various school districts within the State is provided by State law based upon a statutory formula, a component of which is the number of students in the various districts and the proposed uses of the funds by the various districts. The State Commissioner of Education administers PECO and allocates or reallocates funds as authorized by law. PECO funds of \$23,562,902 were allocated to the District for fiscal year 2004-2005. Funding in the amount of \$\_\_\_\_\_ has been allocated to the District for fiscal year 2005-2006. [UPDATE]

In November 2002, Florida voters passed a constitutional amendment (Amendment 9) requiring school class sizes to be capped by the 2010 school year at 18 students in grades kindergarten through third, 22 in grades fourth through eighth and 25 in high schools. In 2003, the legislature created the Classrooms for Kids program and since then has appropriated \$670,000,000 statewide for the construction of new student stations. The District expects to receive the entire amount of State revenue bond proceeds from the Classrooms for Kids program to which it is entitled and to use such funds to construct new classroom space as provided by law. As of June 30, 2005, the District has been allocated [\$\_\_\_\_\_] and expects to receive actual funds from the State as cash flow requires. See "RECENT CHANGES AFFECTING DISTRICT REVENUES - Constitutional Amendments" for information regarding Amendment 9. [UPDATE]

Under the Act, the District may be entitled to receive other State revenues pursuant to other programs if the District achieves certain standards relating to its capital outlay efforts. Some of such revenues may be used to make lease purchase payments. It is not possible at this time to determine or estimate the amount of such state revenues, if any, that the District may receive in the future.

**State Indebtedness on Behalf of the District**

The State Board of Education Capital Outlay Bonds are serviced entirely by the State using a portion of the District's share of revenue derived from automobile registrations. The annual sinking fund requirements are determined by the State Board of Administration and amounts necessary to retire bonds and pay interest are withheld from amounts due to the District. Amounts withheld and in the custody of the State as of June 30, 2004 totaled \$3,088,360; and, at June 30, 2005, amounts withheld and in the custody of the State totaled[\$ \_\_\_\_\_]. [UPDATE]

**Local Capital Outlay Sources**

*The Local Option Capital Outlay Millage Levy.* In addition to the "required local effort" millage levy for operating purposes, school boards may set an additional non-voted millage pursuant to Section 1011.71(2), Florida Statutes, known as the "Local Option Millage Levy" for capital outlay and maintenance purposes. The Local Option Millage Levy constitutes the primary source of funds to make lease payments in respect of the Series 2006A Certificates, as well as any other certificates of participation issued in connection with the Master Lease. This levy may be up to 2.0 mills for new construction and remodeling; site acquisition and site improvement; auxiliary or ancillary facilities; maintenance, renovation, and repair of existing school plants; school bus purchases; driver's education vehicles and other motor vehicles; payment of costs directly related to compliance with state and federal environmental laws; payment of leasing relocatable education facilities and of renting and leasing educational facilities pursuant to Section 1013.15, Florida Statutes; payment of loans approved pursuant to Sections 1011.14 and 1011.15, Florida Statutes; and amounts payable pursuant to lease-purchase agreements for educational facilities and sites. Payments pursuant to lease-purchase agreements for educational facilities and sites are authorized in an amount not to exceed three-fourths of the proceeds of the 2.0 mills. The School Board is not required to levy any millage for capital outlay purposes in the future. Since revenues from the levy of the Local Option Millage Levy may be used for, but not pledged to, the payment of Basic Lease Payments under the Series Leases, the District's failure to levy all or a portion of the Local Option Millage Levy could have an adverse effect on the District's ability to make appropriations from which to make Basic Lease Payments on all the Leases. The School Board assessed a capital outlay and maintenance levy of 2.0 mills in fiscal year 2004-2005 and has assessed such 2.0 mills levy in each of the past ten years with the exception of the 1997-1998 fiscal year in which 1.996 mills were levied.

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The following table sets forth the millage levy that would provide 1.00x coverage of the maximum annual payments represented by the Series 1998A, Series 1998C, Series 2000A, Series 2000 QZAB, Series 2001 QZAB, Series 2001B, Series 2001C, Series 2002A, Series 2002B, Series 2003A, B, C and D, Series 2003 QZAB, Series 2004A, Series 2005A and Series 2006A Certificates, assuming a 95% collection of the taxes levied:

**Anticipated Local Option Millage Levy Required  
to Cover Certificate Payments**

	Fiscal Year Ended <u>June 30, 2005</u>
Net Taxable Assessed Valuation	\$144,990,968,000 <sup>(1)</sup>
Funds Generated from 1 Mill Levy	\$137,741,420 <sup>(2)</sup>
Maximum Annual Lease Payments represented by the Series 1998A, Series 1998C, Series 2000A, Series 2000 QZAB, Series 2001 QZAB, Series 2001B, Series 2001C, Series 2002A, Series 2002B and Series 2003A, Series 2003B, Series 2003C, Series 2003 QZAB, Series 2003D, Series 2004A, Series 2005A and Series 2006A Certificates <sup>(3), (4), (5), (6)</sup>	\$ _____
Minimum Millage Levy Required to Produce 1.00x Coverage of Maximum Annual Lease Payments represented by the Series 1998A, Series 1998C, Series 2000A, Series 2000 QZAB, Series 2001 QZAB, Series 2001B, Series 2001C, Series 2002A, Series 2002B and Series 2003A, Series 2003B, Series 2003C, Series 2003 QZAB and Series 2003D, Series 2004A and Series 2006A Certificates <sup>(3), (4), (5), (6)</sup>	_____ mills

- (1) Based on Miami-Dade County's certified roll for the fiscal year ending September 30, 2005. The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of the preceding January 1.
- (2) Calculated using 95% of the net taxable assessed valuation for the fiscal year ending September 30, 2005.
- (3) The Series 2000A Certificates, Series 2001C Certificates, Series 2004A Certificates and the Series 2005A Certificates are expected to be paid from certain educational facilities impact fee revenues received from Miami-Dade County. An Auction Rate plus costs equaling 5.00% is assumed for the Series 2001B Certificates and the Series 2002A and Series 2002B Certificates.
- (4) Assumes a rate of 3.50% for the Series 2003A Term Rate Certificates after August 1, 2008 and a rate of 3.50% for the Series 2003B Term Rate Certificates after May 1, 2011.
- (5) Assumes only three-fourths of such levy is available to make lease payments.
- (6) Assumes that \$ \_\_\_\_\_ aggregate principal amount of Series 2006A Certificates are issued at a true interest cost of \_\_\_\_ %.

Source: School District of Miami-Dade County, Florida.

*General Obligation Debt.* In addition to the School Board-set levies, qualified electors, by referendum, may vote an additional millage levy for District operation and capital outlay purposes, as prescribed by the Florida Constitution and applicable statutes. Qualified electors within the District may authorize issuance of general obligation bonds to be retired by a millage levy. On March 8, 1988, pursuant to Florida Statutes, Section 1010.41, qualified electors of the District approved a referendum authorizing the School Board to issue general obligation bonds in an aggregate principal amount not exceeding \$980 million to be issued from time to time. Subsequently, the District has issued all of the \$980 million of its general obligation school bonds the proceeds of which have been used to pay a portion of the cost of the District's Capital Improvement Program. Principal and interest on the authorized bonds will be paid from ad valorem school district taxes levied on all taxable real and personal property within the District, excluding exempt property as required by Florida law.

There are currently [\$ \_\_\_\_\_] of the District's general obligation bonds outstanding. [UPDATE]

## **Educational Facilities Impact Fees**

*General.* In order to assure that new residential development bears a proportionate share of the cost of capital expenditures necessary to provide educational facilities required as a result of such development, the Board of County Commissioners of the County enacted Ordinance No. 95-79 on May 2, 1995 (the "Educational Facilities Impact Fee Ordinance"). Pursuant to the Educational Facilities Impact fee Ordinance, any application for a building permit for new residential development within the County is subject to the imposition of an educational impact fee (the "Educational Facilities Impact Fee"). The Educational Facilities Impact Fee Ordinance and the Educational Facilities Impact Fee Administrative Procedures Manual approved by the County pursuant to Ordinance No. 95-152 enacted by the Board of County Commissioners on September 14, 1995 (the "Educational Facilities Impact Fee Manual") provide for the calculation, collection, deposit, transfer and expenditure of the Educational Facilities Impact Fees. Amounts collected by the County pursuant to the imposition of the Educational Facilities Impact Fees (the "Educational Facilities Impact Fee Revenues"), less certain administrative costs, are required to be transferred to the School Board for deposit in the trust account established for the corresponding Benefit District (as defined herein), as provided in the First Amended Interlocal Agreement dated September 28, 1995, by and between the County and the School Board (the "Educational Facilities Impact Fee Interlocal Agreement").

The amount of the Educational Facilities Impact Fee imposed on each new residential development is based on the capital cost required to serve the increased demand for capital educational facilities resulting from the proposed new residential development, together with impact fee administrative charges, as reflected by a formula set forth in the Educational Facilities Impact Fee Ordinance and the Educational Facilities Impact Fee Manual. For the purpose of ensuring that fee payers receive sufficient benefit for Educational Facilities Impact Fees paid, the Educational Facilities Impact Fee Ordinance establishes three (3) separate benefit districts whose collective geographical boundaries are coterminous with the geographical boundaries of the County. The three benefit districts (individually, a "Benefit District") are known as the "East Benefit District," the "Northwest Benefit District" and the "Southwest Benefit District."

The Educational Facilities Impact Fee Interlocal Agreement requires that the School Board expend certain minimum amounts per year within each Benefit District utilizing both long-term and short-term financings to fund the cost of additional facilities and capital assets. The Educational Facilities Impact Fee Interlocal Agreement also provides that the School Board may not utilize Educational Facilities Impact Fee Revenues as a full or partial replacement of the School Board's state and other local revenue sources for current or future capital assets, and that such Educational Facilities Impact Fee Revenues will be used only to fund additional facilities and capital assets necessitated by the impacts of new development that could not otherwise have been afforded, within the same Benefit District in which the funds are collected.

As indicated above, the Local Option Millage Levy constitutes the primary source of funds to make lease payments represented by the outstanding Certificates and any Additional Certificates issued in connection with the Master Lease or any other lease purchase arrangement entered into by the School Board. The School Board has, however, paid and expects to continue to pay the lease payments represented by the Series 2000A Certificates, Series 2001C Certificates, Series 2004A Certificates and Series 2005A Certificates from the Educational Facilities Impact Fee Revenues, to the extent that the same are received from the County and available to the School Board to make such payments. Lease payments represented by the Series 2006A Certificates are not payable from the Educational Facilities Impact Fees Revenues.

## **Obligations Under Unrelated Lease Purchase Agreements**

The School Board may, in the future, enter into lease purchase agreements upon terms and conditions other than those in the Master Lease. Unless otherwise expressly provided in this Offering Statement, failure to make payments under any such lease purchase agreements, or an event of default under any such lease purchase agreement, will not affect the Lease Term or cause the termination of the Series 2006A Leases or any other Leases. See "SECURITY FOR THE SERIES 2006A CERTIFICATES - Additional Leases" herein.

## **AD VALOREM TAX PROCEDURES**

### **Property Assessment**

Ad valorem taxes may be levied only by counties, school districts, municipalities and certain special districts. No ad valorem taxes may be levied by the State upon real estate or tangible personal property. Real and personal property valuation is

determined as of January 1 by the County Property Appraiser. Except as noted immediately below and under "Constitutional Amendment" below, all taxable real and tangible personal property must be assessed at 100 percent of fair market value.

The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are special exemptions for widows, hospitals, homesteads and homes for the aged and disabled veterans. The "homestead exemption" exempts from taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis, as of January 1 of the year of valuation. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than 100 percent of fair market value.

### **Constitutional Amendment**

By voter referendum held on November 2, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967-100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. The effective date of the amendment was January 5, 1993 and, pursuant to a ruling by the Supreme Court of the State of Florida it began to affect homestead property valuations commencing January 1, 1995 with 1994 assessed values being the base year for determining compliance.

### **Procedure for Ad Valorem Tax Collections**

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector based on the valuation as of January 1 of such year. On or about November 1 of the year of valuation, the County Tax Collector mails to each property owner on the assessment roll a notice of taxes levied by Miami-Dade County, the District and other taxing authorities. Taxes may be paid upon receipt of such notice with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which taxes were levied or within sixty (60) days after the mailing of the original tax notice of the final assessment rate, whichever is later. All taxes collected are remitted by the County Tax Collector to the governmental unit levying the taxes.

Delinquent real property taxes bear interest at the rate of one and one-half percent (1-1/2%) per month from April 1, or within sixty (60) days after the mailing of the original tax notice of the final assessment rate, whichever is later, until a tax certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the tax certificate. Delinquent tangible personal property taxes also bear interest at the rate of one and one-half percent (1-1/2%) per month from April 1 until paid. Delinquent personal property taxes must be advertised within forty-five (45) days after delinquency, and after May 1 the property is subject to warrant, levy, seizure and sale.

Florida law provides that real property tax liens and personal property tax liens are superior to all other liens, except prior United States Internal Revenue Service liens. The County Tax Collector advertises once each week for four weeks and sells tax certificates to the lowest bidder, based on the interest rate bid, commencing on or about June 1 of each year on substantially all real property with taxes due. Delinquent tax certificates not sold at auction revert to Miami-Dade County.

If the owner of real property subject to a tax certificate does not redeem the certificate within two years, the holder of the certificate is entitled to apply for a tax deed of sale. The highest bidder at such sale receives a tax deed for the property subject to the tax certificate. To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate bid on the tax certificate from the date of the sale of the tax certificate to the date of redemption. The interest rate on a tax certificate is a minimum of five percent, unless the interest bid on the certificate is a lower rate.

## Assessed Value of Taxable Property

The following table sets forth the assessed value of taxable property in the District for the last ten fiscal years:

### SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA ASSESSED VALUE OF TAXABLE PROPERTY (IN THOUSANDS) LAST TEN FISCAL YEARS

Fiscal Year Ended <u>June 30,</u>	Real Property Assessed <u>Value</u>	Personal Property Assessed <u>Value</u>	Real & Personal Property <u>Exemptions</u>	Net Assessed Property <u>Value(1)</u>
2005	\$163,469,000	\$14,066,893	\$32,544,925	\$144,990,968
2004	143,712,524	14,006,959	30,523,350	127,196,133
2003	129,013,310	13,976,717	28,044,422	114,945,605
2002	118,226,760	12,474,621	25,956,951	104,744,430
2001	109,228,601	12,185,632	25,066,038	96,408,195
2000	103,579,838	11,778,020	25,083,445	90,974,413
1999	98,507,821	11,345,006	24,013,747	85,839,080
1998	93,663,614	11,260,305	23,449,741	81,474,178
1997	89,669,244	9,271,171	21,400,726	77,539,689
1996	86,479,474	9,362,934	21,303,847	74,538,561

(1) The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year, property is valued as of January 1 of the preceding calendar year.

SOURCE: Miami-Dade County Property Appraiser and Finance Department

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**Ad Valorem Tax Levies and Collections**

The following table sets forth the amounts billed and the percent collected for ad valorem property taxes levied by the District:

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS (IN THOUSANDS)  
LAST TEN FISCAL YEARS\***

<u>Fiscal Year Ended June 30,</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Tax Collections To Tax Levy</u>
2005	\$889,599	\$87,207	\$292,151	\$1,268,957	\$1,230,305	97.0%
2004	824,313	87,594	256,875	1,168,782	1,129,023	96.6
2003	746,156	88,636	230,224	1,065,016	1,030,705	96.8
2002	693,727	90,117	212,539	996,383	961,591	96.5
2001	655,653	89,514	195,659	940,826	903,884	96.1
2000	605,189	90,042	181,902	877,133	848,120	96.7
1999	616,496	83,951	171,678	872,125	846,619	97.1
1998	599,650	90,110	162,622	852,382	830,726	97.5
1997	570,711	78,360	155,169	804,240	781,292	97.1
1996	550,395	75,844	149,300	775,539	756,374	97.5

SOURCE: The School Board of Miami-Dade County Office of Accounting and Office of Budget Management.  
\*Unaudited.

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**Ad Valorem Millage Rates**

The following table sets forth the amounts of ad valorem millage levied by the District and Miami-Dade County from 1996 through 2005:

<u>Fiscal Year</u>	<u>District General Millage Fund</u>	<u>District Debt Service Funds</u>	<u>District Capital Outlay Millage</u>	<u>District Total Millage</u>	<u>Miami-Dade County</u>	<u>Other</u>	<u>Total<sup>(2)</sup></u>
2005	6.090	0.597	2.00	8.687	5.94	.74	15.37
2004	6.418	0.682	2.00	9.100	5.97	.74	15.81
2003	6.482	0.770	2.00	9.252	5.89	.74	15.88
2002	6.528	0.848	2.00	9.376	5.71	1.08	16.17
2001	6.702	0.915	2.00	9.617	5.75	.74	16.11
2000	6.654	0.990	2.00	9.644	5.81	.74	16.19
1999	7.182	0.978	2.00	10.160	6.02	.74	16.92
1998	7.360	1.106	1.996	10.462	6.02	.75	17.23
1997	7.356	1.010	2.00	10.366	6.47	.71	17.55
1996	7.373	1.016	2.00	10.389	6.83	.69	17.91

(1) District fiscal year ends June 30; County fiscal year ends September 30.

(2) Excluding special district millages.

SOURCE: Miami-Dade County Finance Department and the School Board of Miami-Dade County - Office of Budget Management.

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**Annual Debt Service**

The following table sets forth the ratio of annual debt service for bonded debt to total governmental funds expenditures for the District:

**THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY  
RATIO OF ANNUAL DEBT SERVICE (IN THOUSANDS)  
FOR BONDED DEBT TO TOTAL GOVERNMENTAL FUNDS EXPENDITURES -  
TEN FISCAL YEARS\***

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	Total Debt Service <u>Expenditures<sup>(1)</sup></u>	Total Governmental Funds <u>Expenditures</u>	Ratio Of Debt Service Expenditures To Total Governmental Funds <u>Expenditures</u>
2005	\$95,970	\$36,788	\$132,758	\$3,476,561	3.82
2004 <sup>(2)</sup>	247,955	40,581	288,536	3,320,456	8.69
2003	55,245	42,423	97,668	3,018,368	3.24
2002	52,605	45,297	97,902	3,010,151	3.25
2001	50,140	48,188	98,328	2,988,845	3.29
2000	48,535	50,940	99,475	2,725,885	3.65
1999	42,455	52,104	94,559	2,704,174	3.49
1998	40,000	55,777	95,777	2,562,687	3.74
1997	32,595	48,308	80,903	2,578,142	3.14
1996	30,565	39,821	70,386	2,505,383	2.81

(1) Excludes dues and fees which are considered insignificant.

(2) 2004 figures reflect remarketing of \$189,940,000 principal amount of the District's general obligation bonds, Series 1993, 1994 and 1994A.

\*Unaudited.

SOURCE: The School Board of Miami-Dade County - Office of Accounting.

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**Current Debt Ratios and Bonded Debt Per Capita**

The following table sets forth the current debt ratios and the bonded debt per capita for the District:

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA  
CURRENT DEBT RATIOS AND BONDED DEBT PER CAPITA OF  
THE DISTRICT - DIRECT AND OVERLAPPING DEBT<sup>(1)</sup>**

Factors:	
Assessed Valuation <sup>(2)</sup>	\$177,535,893,000
Net Taxable Assessed Valuation	144,990,968,000
Miami-Dade County Florida ("County") Debt Net of Reserves (as of September 30, 2003)	
General Obligation	\$ 221,553,560
Special Obligation <sup>(3)</sup>	<u>1,150,289,001</u>
Combined Direct Debt (as of September 30, 2003)	<u>\$1,371,842,561</u>
Overlapping Debt, Net of Reserves <sup>(4)</sup>	
General Obligation	\$ 995,215,220
Special Obligation <sup>(5)</sup>	<u>496,779,218</u>
Combined Overlapping Debt	<u>\$1,491,994,438</u>
Population of Miami-Dade County (estimated 2005)	2,402,105
Assessed Valuation Per Capita	\$ 73,908
Net Taxable Assessed Valuation Per Capita	\$ 60,360
Debt Ratios:	
Net Direct County General Obligation Debt as a percent of Net Taxable Assessed Valuation	0.15%
Net Direct County and Overlapping General Obligation Debt as a percent of Net Taxable Assessed Valuation	0.84%
Net Direct County General Obligation Debt per Capita	\$ 92
Net Direct County General and Special Obligation Debt per Capita	\$ 571
Net Direct County and Overlapping General Obligation Debt per Capita	\$ 507
Net Direct County and Overlapping General Obligation and Special Obligation Debt per Capita	\$ 1,192

- (1) Most recent data available for Miami-Dade County and municipalities within Miami-Dade County is as of September 30, 2004.
- (2) Projected assessed valuation as of January, 2004 reflects 100% of assessed values as mandated by Florida Law.
- (3) Special or limited obligation debt is payable from revenue sources other than enterprise funds and ad valorem taxes.
- (4) Overlapping debt is comprised of debt issued by municipalities within Miami-Dade County as of September 30, 2003 and District bonded debt as of June 30, 2004.
- (5) Special obligation debt does not include the District's outstanding Certificates of Participation.

\*Unaudited.

SOURCE: Miami-Dade County Finance Department and The School Board of Miami-Dade County Office of the Controller.

**Outstanding TAN and RAN Issues**

On June 28, 2005, the School Board issued \$55,000,000 of its Revenue Anticipation Notes, Series 2005 (the "2005 RANs"). Such 2005 RANs bear interest at 4.00% and mature on June 27, 2006.

On July 21, 2005, the School Board issued \$105,000,000 of its Tax Anticipation Notes, Series 2005 (the "2005 TANs"). Such 2005 TANs bear interest at 4.00% and mature on June 27, 2006.

## THE CAPITAL IMPROVEMENT PROGRAM

### Overview of the Program

In May 1988, the District outlined the first phase of a detailed program to implement a capital outlay plan (the "Capital Improvement Program"), the financing of a portion of which included the proceeds of the sale of general obligation school bonds. The Capital Improvement Program, designated the District's "Annual and Long-Range Educational Facilities Plan" (the "Plan") was, at its inception, and continues to be through annual updating, one of the most comprehensive school district capital outlay programs developed in the United States.

The Plan is updated annually to reflect the District's long range capital construction program resulting from accelerated student enrollment growth, and improvements and additions to non-school sites.

From the end of fiscal year 1988 to June 30, 2005, the student population in grades Pre-K through 12 increased from 254,235 to about 361,550 students, an approximately 4% average annual overall increase.

The current Plan includes system expansion of [69,097] additional student stations, which will require the purchase and preparation of [18] sites, the building of [42] new school facilities, and [31] additions, including [six] conversions of elementary schools to K-8 centers. Five year needs for existing facilities, as well as educational enhancements are also included in the Plan. Existing facilities needs include [18] full or partial school replacements, remodeling/renovations at [216] campuses, and general improvements/stabilization projects at [307] facilities. [UPDATE]

As part of the funding for the Capital Improvement Program, the District has issued \$980,000,000 of its General Obligation School Bonds since 1989, [\$\_\_\_\_\_] of which remain outstanding as of June 30, 2005. See "APPENDIX B – BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT - Notes to the General Purpose Financial Statements -- Note 10. Long-Term Bonds Payable" herein.

In addition to the District's Capital Improvement Program financed through the issuance of the School Board's General Obligation School Bonds, the District has undertaken numerous capital improvements financed under the Master Lease or similar lease purchase arrangements. For a summary of the debt service associated with these obligations, see "AGGREGATE PAYMENTS ON OUTSTANDING CERTIFICATES OF PARTICIPATION" herein.

The following schedule sets forth the Capital Improvement Program from fiscal year 2002 to fiscal year 2005 and estimates for the 2006 fiscal year by categories of Capital Expenditures and Revenue Sources (in thousands):

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**THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
CAPITAL IMPROVEMENT PROGRAM  
ACTUAL AND PROJECTED APPROPRIATIONS AND REVENUES  
(IN THOUSANDS)  
FISCAL YEARS ENDED  
JUNE 30**

[INSERT 2005 & 2006 FIGURES]

<b>Expenditure Category</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Budgeted 2006*</u>
Site and Site Improvements	\$3,935	\$7,962	\$32,457		
Buildings	150,896	117,389	78,643		
Remodeling	58,007	66,655	72,680		
Equipment	19,841	12,816	12,949		
Motor Vehicles & Buses	12,531	10,327	10,134		
Library Books/AV Equip	2,858	1,067	3,663		
Transfers to Gen. Fund	115,286	107,141	122,047		
Transfers to Debt Service	64,232	65,255	259,834		
Int. Payments on RANs/Dues & Fees	-	3,633	1,475		
Ending Balances	565,654	775,197	787,250		
Reserves/Contingency	-0-	-0-	0		
Year Total	\$993,240	\$1,167,442	\$1,381,132		
<b>Revenue Sources</b>					
GO Bond & Remarketing Proceeds	\$-0-	\$-0-	213,087		
Public Education					
Capital Outlay (PECO)	19,743	11,979	60,357		
Classrooms First Program	-0-	-0-	-0		
<b>State Revenue</b>		-0-			
SIT Awards (School					
Infrastructure Thrift)	-0-	-0-	-0		
Effort Index Grants	8,843	-0-	10,706		
K-3 & K-12 Class Size Reduction	-0-	-0-	4,556		
Proceeds Local Option					
Capital Outlay Millage	201,411	220,819	245,943		
State Capital Outlay & Debt Service	1,989	1,873	1,693		
Impact Fees	29,296	27,860	44,074		
SBE Bond Sale	1,933	-0-	1,269		
Master Lease COPs	-0-	326,977	-0		
RANs	43,215	-0-	0		
Impact Fee COPs	-0-	-0-	0		
Qualified Zone Academy Bonds	-0-	-0-	9,744		
Other	2,376	1,825	5,964		
Interest on Investments	15,719	10,455	8,542		
Beginning Balance	668,715	565,654	775,197		
Year Total	\$993,240	\$1,167,442	\$1,381,132		

\* Budgeted as of \_\_\_\_\_, 200\_

SOURCE: The School Board of Miami-Dade County - Office of Budget Management.

## RECENT CHANGES AFFECTING DISTRICT REVENUES

### Constitutional Amendments

In the November 5, 2002 general election, the voters of the State of Florida approved two amendments to the State Constitution that may affect the District's operations. Amendment 9 to the State Constitution requires that the State Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Legislation implementing Amendment 9 was passed by the Florida Legislature during the 2003 special legislative session and signed into law on June 9, 2003. Amendment 9 and such legislation is referred to herein as the "Class Size Legislation."

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten - 3<sup>rd</sup> grade, 22 for grades 4 - 8 and 25 for grades 9 - 12. These maximums must be implemented by the beginning of the 2010 school year. School districts that presently exceed these class size maximums are required to reduce the average number of students per class in each of these grade groupings by at least two students each year, beginning with the 2003-2004 fiscal year.

The Class Size Legislation further creates an "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program, the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding programs for capital outlays and operating expenditures necessary in relation to these mandated class size reductions.

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars. Failure to reduce class sizes by at least two students each year until the constitutional maximum is met may result in transfer of class size reduction operating funds to fixed capital outlay appropriations, required implementation of year-round schools, double sessions, extended school year or rezoning, implementation of a state-mandated constitutional compliance plan or withholding of various State funds.

The District presently exceeds the constitutional class size maximums. In 2004-05, the District-wide class size averages were 24.03 (Pre-K through grade 3), 24.96 (grades 4 through 8) and 24.96 (grades 9-12). The 9-12 District-wide average meets the Class Size Legislation mandate but the District does not meet the school level or individual class size maximum. There can be no assurances that the District will be able to reduce its class sizes in the manner and at the times mandated by the Class Size Legislation. While the Class Size Legislation suggests that the State Legislature, and not local school districts, is generally responsible for the cost of compliance, it is uncertain what effect implementation might have upon the District. There can be no assurance that funds will be sufficient to meet the capital and facility needs of the District required by the Class Size Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

In the November 5, 2002 general election, the voters of the State of Florida also approved Amendment 8 to the State Constitution which provides that every 4-year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State no later than the 2005 school year.

In furtherance thereof, Section 411.012, Florida Statutes, created a voluntary universal pre-kindergarten education program for four-year olds within the Agency for Workforce Innovation and directed the State Board of Education to conduct a study and make recommendations for this education program regarding curriculum and standards, quality of instruction, delivery system, assessment and evaluation, funding and best practices.

During the 2004-A special session, the Florida Legislature passed House Bill 1-A, codified in Part V of Chapter 1002, Florida Statutes, which creates a statewide Voluntary Pre-kindergarten Education Program. House Bill 1-A, as codified in Part V, Chapter 1002, Florida Statutes is referred to herein as the "Pre-K Legislation." Among other things, the Pre-K Legislation provides eligibility and enrollment requirements, authorizes parents to enroll their children in a school-year pre-kindergarten ("Pre-K") program delivered by a private Pre-K provider, a summer program delivered by a public school or

private Pre-K provider or, if offered in a school district that meets class-size reduction requirements, a school year Pre-K program delivered by a public school. The Pre-K Legislation also requires school districts to deliver summer Pre-K programs and permits school districts to deliver school-year Pre-K programs. Additionally, the Pre-K Legislation appropriates State funds to finance the Pre-K programs and provides the method for calculating the funds allocated to each Pre-K program provider.

The Pre-K Legislation provides State funding for the Pre-K programs. It is uncertain what effect implementation of and compliance with the Pre-K Legislation might have upon the District. There can be no assurance that the Pre-K Legislation and compliance therewith will not adversely affect the District. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Pre-K Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District, which may have an adverse impact on the District's ability to appropriate funds for Lease Payments.

### **Reduced FEFP Funding under Revised District Cost Differential**

Section 1011.62, Florida Statutes, sets forth the method for distributing FEFP funds to the State's school districts. The formula for computing the amount available to each school district is adjusted by such district's "district cost differential", a price level index used to determine differences in costs among the various school districts. Section 1011.62(2), Florida Statutes, utilizes the Florida Price Level Index (the "FPLI") published by the Bureau of Economic and Business Research at the University of Florida (the "BEBR") to determine the district cost differential.

The Florida Senate commissioned a study by the BEBR to determine whether the current FPLI accurately measures cost differences among school districts. The BEBR study concluded that the FPLI should be adjusted to measure not only differences in the price of consumption among the State's school districts, but also to measure district differences in the cost of hiring personnel. The BEBR terms the new version of the FPLI the "Amenity Adjusted FPLI".

During the 2004 legislative session, the Florida Legislature elected to adopt the Amenity Adjusted FPLI as the price level index for determining cost differences among school districts and implemented the new methodology in fiscal years 2004-2005 and 2005-2006. This new methodology adversely impacted the District's finances by reducing the amount of FEFP funding allocated to the District in fiscal years 2004-2005 and 2005-2006 and will continue to adversely impact District finances in future years. Under the prior formula, the District would have received an additional \$91.0 million in each of fiscal years 2004-2005 and 2005-2006 as a result of the district cost differential; under the new formula the District will receive approximately \$64.3 million in fiscal year 2004-2005 and \$39.8 million in fiscal year 2005-2006, representing a reduction of \$26.7 million and \$51.2 million, respectively. The Florida Legislature reduced the impact of decreased FEFP funding by allocating an additional \$14.2 million to the District in fiscal year 2004-2005 and an additional \$13 million in fiscal year 2005-2006 from the State's general revenue fund. There can be no assurance that the Legislature will make similar adjustments in the future.

The District filed a lawsuit against the State Department of Education and the Florida Legislature on June 30, 2004 seeking to block implementation of the new funding formula. The State Circuit Court ruled against the District on June 10, 2005 finding that the plaintiffs failed to show that the Florida Legislature's actions concerning the district cost differential were illegal or unconstitutional. The District has not yet determined whether it will seek to file an appeal of the Court's ruling. The outcome of any such appeal, if filed, cannot be predicted at this time. [UPDATE]

### **RISK FACTORS**

Each purchaser of Series 2006A Certificates is subject to certain risks and each prospective purchaser of Series 2006A Certificates is encouraged to read this Offering Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the market price of the Series 2006A Certificates to an extent that cannot be determined.

#### **Annual Right of the School Board to Terminate the Series 2006A Leases**

Although the School Board has determined that the Series 2006A Facilities and the Prior Facilities are necessary to its operations and currently intends to continue the Series 2006A Leases in force and effect for the maximum Lease Term and has

covenanted in the Series 2006A Leases that the Superintendent will include a sufficient amount in the tentative budget to enable the School Board to make the corresponding Lease Payments due in each Fiscal Year, the School Board is not required to appropriate funds for Basic Lease Payments. If for any Fiscal Year the School Board does not approve a final budget which appropriates sufficient funds from legally available revenues, or if no final budget is adopted as of the last day upon which a final budget is required to have been adopted under State law for payment of its obligations under the Series 2006A Leases, or any other Lease under the Master Lease, each respective Lease shall terminate as of the date of adoption of the final official budget, or such last day, whichever is earlier.

THE LIKELIHOOD THAT THE SERIES 2006A LEASES WILL BE TERMINATED AS THE RESULT OF AN EVENT OF NON-APPROPRIATION IS DEPENDENT UPON CERTAIN FACTORS THAT ARE BEYOND THE CONTROL OF THE SERIES 2006A CERTIFICATE HOLDERS, INCLUDING THE CONTINUING FUTURE UTILITY OF THE FINANCED FACILITIES, AND OTHER FACILITIES OF THE SCHOOL BOARD AND CHANGES IN POPULATION OR DEMOGRAPHICS WITHIN THE COUNTY.

#### **Limitation Upon Disposition; Ability to Sell or Relet**

Following an event of default under the Series 2006A Leases or an Event of Non-Appropriation, the Trustee, as assignee of the Foundation, may take possession of the Series 2006A-1 Facilities and sell or relet the leasehold interests therein. The Trustee's ability to actually achieve such a disposition of the Series 2006A-1 Facilities is limited by its inability to convey fee simple title to such Series 2006A-1 Facilities, and by the governmental nature of each of the Series 2006A-1 Facilities. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or reletting of the Trustee's interest in the Series 2006A-1 Facilities because of the essential governmental nature thereof. There can be no assurance that the remedies available to the Trustee upon any such termination of the Series 2006A Leases and the disposition of the Series 2006A-1 Facilities will provide sufficient amounts to pay the outstanding Series 2006A Certificates.

#### **Tax Effect Upon Termination**

Upon termination of the Series 2006A Leases there is no assurance that payments made by the Trustee or the Insurer with respect to the Series 2006A Certificates and designated as interest will be excludable from gross income for federal income tax purposes or that the ownership or disposition of the Series 2006A Certificates will not be subject to Florida's intangible personal property tax. See "TAX TREATMENT" herein.

#### **Applicability of Securities Laws**

After termination of the Series 2006A Leases the transfer of a Series 2006A Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2006A Certificates will not be impaired following termination of the Series 2006A Leases.

#### **Local Option Capital Outlay Millage Revenue**

The amount which can be realized by the School Board derived from the levy of the Local Option Millage Levy can be affected by a variety of factors not within the School Board's control including, without limitation, fluctuations in the level of the assessed valuation of property within the District. Additionally, the School Board is not legally required to impose the Local Option Millage Levy. See "SECURITY FOR THE SERIES 2006A CERTIFICATES - Limited Obligation of the School Board" and "DISTRICT REVENUES FOR CAPITAL PROJECTS - Local Capital Outlay Sources" herein.

#### **State Revenues**

A large portion of the District's funding is derived from State sources. See "DISTRICT REVENUES FOR CAPITAL PROJECTS - State Revenue Sources" and "RECENT CHANGES AFFECTING DISTRICT REVENUES" herein. A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized. The State has experienced some significant shortfalls in sales tax revenues in recent years which have resulted in cuts to school budgets.

### **Additional Indebtedness**

The School Board may issue additional indebtedness other than in connection with the Master Lease secured by or payable from revenues which would otherwise be available to make Lease Payments without the consent of the Series 2006A Certificate holders. The incurrence of such additional indebtedness by the School Board may adversely affect the School Board's ability to make Basic Lease Payments under the Series 2006A Leases.

### **No Right of Certificate Holders to Direct Remedies**

Termination of the Master Lease, in and of itself, will not result in termination of the Insurer's Policy. Unless the Insurer is in default of its payment obligations under the Policy, the Insurer is entitled to control and direct any of the rights or remedies of the Trustee including the right to direct the Trustee as to whether or not to re-let or sell the Facilities. Upon the occurrence of an Event of Default under the Trust Agreement, the Insurer may elect to redeem all of the Series 2006A Certificates outstanding, in which case the principal and interest represented by the Series 2006A Certificates shall become due and payable immediately. If the Insurer does not elect to redeem all Series 2006A Certificates outstanding, it has an obligation to continue to make payments to Series 2006A Certificate holders in accordance with the original schedule of Basic Lease Payments represented by the outstanding Series 2006A Certificates. However, the Insurer has no fiduciary responsibility to the Series 2006A Certificate holders with respect to the direction of such remedies and has no obligation to preserve the exclusion from gross income for federal income tax purpose of amounts paid to Series 2006A Certificate holders by the Insurer and designated as interest.

## **LITIGATION**

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 2006A Certificates, (ii) questioning or affecting the validity of the Series 2006A Leases or the obligation of the School Board to make Lease Payments, (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2006A Certificates or (iv) challenging the existence of the Board or the District or the powers of the several offices of the officials of the Board or the titles of the officials holding their respective offices.

Various suits and claims arising in the ordinary course of School Board operations are pending against the District. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of the School Board, the liabilities that may arise from such actions would not result in losses that would materially affect the financial position of the District or the School Board or the results of its operations.

## **RATINGS**

Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services ("S&P") have assigned ratings of "Aaa" and "AAA," respectively, to the Series 2006A Certificates with the understanding that upon delivery of the Series 2006A Certificates, a policy insuring the payment when due of the Basic Lease Payments represented by the Series 2006A Certificates will be issued by the Insurer. Moody's and S&P have also assigned underlying ratings of "\_\_\_" and "\_\_\_," respectively, to the Series 2006A Certificates without regard to the Policy. An explanation concerning the significance of the ratings given by Moody's may be obtained from Moody's at 99 Church Street, New York, New York 10007, (212) 553-0470. An explanation of the ratings given by S&P may be obtained from S&P at 25 Broadway, New York, New York 10004, (212) 208-8000. Certain information and materials concerning the Series 2006A Certificates, the School Board and the District were furnished to Moody's and S&P by the School Board. Either rating service may raise, lower or withdraw its ratings at any time. If a downward change or withdrawal should occur, it could have an adverse effect on the resale price of the Series 2006A Certificates.

## **TAX TREATMENT**

The Internal Revenue Code of 1986, as amended (the "Code"), includes certain requirements which the School Board must continue to meet subsequent to the issuance and delivery of the Series 2006A Certificates in order that the portion of the Basic Lease Payments designated and paid as interest to the holders of the Series 2006A Certificates be and remain excluded

from gross income for federal income tax purposes. Non-compliance may cause the portion of the Basic Lease Payments designated and paid as interest to the Series 2006A Certificate holders to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Series 2006A Certificates, regardless of the date on which such non-compliance occurs or is ascertained. The School Board has covenanted in the Series 2000A Lease and the Series 2001C Lease to comply with such requirements in order to maintain the exclusion from federal gross income of the portion of the Basic Lease Payments designated and paid as interest to the Series 2006A Certificate holders.

In the opinion of Co-Special Tax Counsel, assuming compliance by the School Board with the aforementioned covenants, under existing statutes, regulations, rulings and judicial decisions, prior to the termination of the Master Lease resulting from an Event of Non-Appropriation or Event of Default thereunder, the portion of the Basic Lease Payments designated and paid as interest to the Series 2006A Certificate holders is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. However, the portion of the Basic Lease Payments designated and paid as interest to the Series 2006A Certificate holders is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. However, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2006A Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

Co-Special Tax Counsel is further of the opinion that the Series 2006A Leases and the Series 2006A Certificates are exempt from the Florida intangible personal property tax. However, no opinion is expressed with respect to the payment or reporting of intangible personal property tax following termination of the Master Lease.

Except as described above, Co-Special Tax Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the portion of the Basic Lease Payments designated and paid as interest to the Series 2006A Certificate holders, or the ownership or disposition of the Series 2006A Certificates. Prospective purchasers of Series 2006A Certificates should be aware that the ownership of Series 2006A Certificates may result in other collateral federal tax consequences, including the following: (i) the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2006A Certificates or, in the case of a financial institution, that portion of the owner's interest expense allocable to the portion of the Basic Lease Payments designated and paid as interest to the Series 2006A Certificate holders; (ii) with respect to certain property and casualty insurance companies, the Code reduces the deduction for loss reserves by fifteen percent (15%) of the sum of certain items, including the portion of the Basic Lease Payments designated and paid as interest to Series 2006A Certificate holders; (iii) the portion of the Basic Lease Payments designated and paid as interest to certain foreign corporate Series 2006A Certificate holders doing business in the United States could be subject to a branch profits tax imposed by the Code; (iv) passive investment income, including the portion of the Basic Lease Payments designated and paid as interest to Series 2006A Certificate holders may be subject to federal income taxation for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than twenty-five percent (25%) of the gross receipts of such Subchapter S corporation is passive investment income; and (v) the Code requires recipients of certain Social Security and Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts and accruals of the portion of the Basic Lease Payments designated and paid as interest to the Certificate holders.

#### **ORIGINAL ISSUE DISCOUNT AND PREMIUM**

The initial offering prices of \$\_\_\_\_\_ of the Series 2006A Certificates maturing on \_\_\_\_\_, 20\_\_ and \$\_\_\_\_\_ of the Series 2006A Certificates maturing on \_\_\_\_\_, 20\_\_ (collectively, the "Discount Series 2006A Certificates") are less than the stated principal amounts thereof. Under the Code, the difference between the principal amount of the Discount Series 2006A Certificates and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Series 2006A Certificates of the same maturity was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income; however, such interest is taken into account for purposes of determining the alternative minimum tax imposed on corporations and may result in the collateral federal tax consequences described above under "TAX TREATMENT." Original issue discount will accrue actuarially over the term of a Discount Series 2005A Certificate at a constant interest rate. A purchaser who acquires a Discount Series 2005A Certificate in the initial offering at a price equal to the initial offering price thereof as set forth on the inside cover page of this Offering Statement will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Series 2005A Certificate and will increase its adjusted basis in such Discount Series 2005A Certificate by the amount of such accruing

discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Series 2005A Certificate. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Series 2006A Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Prospective purchasers of Discount Series 2006A Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of Discount Series 2006A Certificates and with respect to the State and local tax consequences of owning and disposing of Discount Series 2006A Certificates.

\$ \_\_\_\_\_ of the Series 2006A Certificates maturing on \_\_\_\_\_, 20\_\_ and \$ \_\_\_\_\_ of the Series 2006A Certificates maturing on \_\_\_\_\_, 20\_\_ (collectively, the "Noncallable Premium Certificates"), and \$ \_\_\_\_\_ of the Series 2006A Certificates maturing on \_\_\_\_\_, 20\_\_ and \$ \_\_\_\_\_ of the Series 2006A Certificates maturing on \_\_\_\_\_, 20\_\_ (collectively, the "Callable Premium Certificates"), were sold at a price in excess of the amount payable at maturity in the case of the Noncallable Premium Certificates and to their earlier call date in the case of the Callable Premium Certificates. The difference between the amount payable at maturity of the Noncallable Premium Certificates and the tax basis to the purchaser and the difference between the amount payable at the call date of the Callable Premium Certificates that minimizes the yield to a purchaser of a Callable Premium Certificate and the tax basis to the purchaser (other than a purchaser who holds a Noncallable or Callable Premium Certificate as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium". Bond premium is amortized for federal income tax purposes over the term of a Noncallable Premium Certificate and over the period to the call date of a Callable Premium Certificate that minimizes the yield to the purchaser of the Callable Premium Certificate. A purchaser of a Noncallable Premium Certificate or a Callable Premium Certificate is required to decrease his adjusted basis in the Noncallable Premium Certificate or Callable Premium Certificate, respectively, by the amount of amortizable bond premium attributable to each taxable year he holds the Noncallable Premium Certificate or Callable Premium Certificate. The amount of amortizable bond premium attributable to each taxable year is determined at a constant interest rate compounded actuarially. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of the Noncallable Premium Certificate and Callable Premium Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Noncallable Premium Certificate or Callable Premium Certificates and with respect to the state and local consequences of owning and disposing of Noncallable Premium Certificate or Callable Premium Certificates.

#### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the School Board make full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to payment of principal or interest at any time after December 31, 1975. The School Board is not and has not been, since December 31, 1975, in default as to payment of principal of or interest on its bonds or other debt obligations.

#### **CERTAIN LEGAL MATTERS**

Certain legal matters in connection with the authorization, execution, delivery and sale of the Series 2006A Certificates are subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, and The Knox Firm, Miami, Florida, Co-Special Tax Counsel. The proposed form of such opinion is included as "APPENDIX D - Form of Legal Opinion of Co-Special Tax Counsel" herein. Certain legal matters will be passed upon by JulieAnn Rico Allison, Esquire, Counsel to the School Board and the Foundation. Certain legal matters will be passed on for the Underwriters by Liebler, Gonzalez & Portuondo, P.A., Miami, Florida, and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Co-Counsel to the Underwriters.

#### **UNDERWRITING**

The Underwriters set forth on the cover page hereof have agreed to purchase the Series 2006A Certificates at a price of \$ \_\_\_\_\_ (which represents the \$ \_\_\_\_\_ principal amount of the Series 2006A Certificates, plus net original issue [discount] [premium] of \$ \_\_\_\_\_ and less an Underwriters' discount of \$ \_\_\_\_\_). The Underwriters will purchase all of the Series 2006A Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions contained in a Contract of Purchase and the approval of certain legal matters by counsel.

The Underwriters may offer and sell the Series 2006A Certificates to certain dealers and others at prices lower than the respective public offering prices stated herein. After the initial public offering, the respective offering prices may be changed from time to time by the Underwriters.

#### **FINANCIAL ADVISOR**

De Lara Associates of New York, New York is serving as financial advisor (the "Financial Advisor") to the School Board. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Offering Statement.

#### **INDEPENDENT AUDITORS**

The Basic Financial Statements of the School Board as of and for the year ended June 30, 2005 included in this Offering Statement have been audited by Ernst & Young LLP, independent auditors, as stated in their report appearing in "APPENDIX B – BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT" herein. Ernst & Young LLP did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to Ernst & Young LLP, and Ernst & Young LLP's opinion, insofar as it relates to the amounts included for discretely presented component units, is based solely on the reports of other auditors. As discussed in note 1 to the Basic Financial Statements, the School Board of Miami-Dade County, Florida has implemented a new financial reporting model, as required by the Government Accounting Standards Board Statement (GASB) 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments- Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, as of July 1, 2001.

Ernst & Young LLP has not participated in the offering of the Series 2006A Certificates.

#### **FORWARD LOOKING STATEMENTS**

This offering statement contains certain "forward-looking statements" concerning the School Board's or the District's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the School Board or District. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

#### **CONTINUING DISCLOSURE**

The School Board has covenanted and undertaken for the benefit of the Series 2006A Certificate holders to provide certain financial information and operating data relating to the District and the Series 2006A Certificates in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. Such covenant shall only apply so long as the Series 2006A Certificates remain outstanding. The undertaking shall also terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the School Board with each Nationally Recognized Municipal Securities Information Repository (the "NRMSIRs") described in the Form of Dissemination Agent Agreement attached hereto as Appendix D, as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be filed by the School Board with the Municipal Securities Rulemaking Board or the NRMSIRs and the SID. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in Appendix D - Form of Dissemination Agent Agreement dated and to be delivered at the time of issuance of the Series 2006A Certificates. These undertakings have been made in order to assist the Underwriters in complying with the Rule.

**MISCELLANEOUS**

The information contained herein is subject to change without notice and no implication is to be derived therefrom or from the sale of the Series 2006A Certificates that there has been no change in the affairs of the School Board or the District from the date hereof. The references, excerpts and summaries of all documents and resolutions referenced herein do not purport to be complete statements of the provisions of such documents and resolutions, and reference is directed to all such documents, agreements and resolutions for full and complete statements of all matters of fact relating to the Series 2006A Certificates, the security for and the repayment of the Series 2006A Certificates and the rights and obligations of the holders thereof. Complete copies of such documents and resolutions may be obtained by request to Silvia R. Rojas, Treasurer, Office of Treasury Management, Room 615, School Board Administration Building, 1450 NE Second Avenue, Miami, Florida 33132 (Phone: 305-995-1684 or Fax: 305-995-2387) or during the offering period for the Series 2006A Certificates, from the Financial Advisor: De Lara Associates, New York, New York (Phone: (212) 580-8768 or Fax: (212) 580-3079).

This Offering Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Offering Statement involving matters of opinion or of estimates, whether or not expressly so stated are intended as such and not as representations of fact. No representation is made that any such statements will be realized. Neither this Offering Statement nor any statement which may have been made orally or in writing is to be construed as a contract or agreement between the School Board and the purchasers or the holders of any of the Series 2006A Certificates.

This Offering Statement has been duly executed and delivered on behalf of the District by the authority of the School Board.

**THE SCHOOL BOARD OF MIAMI-DADE  
COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chair

**APPENDIX A**

**ECONOMY AND DESCRIPTIVE STATISTICS  
OF THE DISTRICT AND MIAMI-DADE COUNTY, FLORIDA**

The following highlights the economy of Miami-Dade County and the District.

**Population**

The following table reflects historical trends and forecasts future population growth in Miami-Dade County:

**Historical and Projected Population  
in Miami-Dade County, Florida**

<u>Year</u>	<u>Population in Incorporated Areas</u>	<u>Population in Unincorporated Areas</u>	<u>Total Population</u>	<u>Percent Growth in Total Population</u>
Trends				
1960	582,713	352,334	935,047	N/A
1970	730,425	537,367	1,267,792	35.6%
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	1,088,655	1,224,382	2,313,047	1.3
2003	1,100,442	1,242,297	2,342,739	1.3
2004	1,265,077	1,107,341	2,372,418	1.3
2005	1,297,087	1,105,018	2,402,105	1.3
Forecast				
2010	1,331,000	1,220,000	2,551,000	6.1
2015	1,383,000	1,320,000	2,703,000	6.0

**SOURCE:** 1960 to 1990 and 2000 figures from U.S. Census Bureau, decennial census reports. 2005, 2010 and 2015 estimates from Miami-Dade County Department of Planning and Zoning, 2005.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

The following table presents a breakdown of Miami-Dade County's population by age since 1990 and forecasts population within each age category through 2030.

**Estimated Population By Age  
Miami-Dade County, Florida 1990 to 2030<sup>(1)</sup>**

<u>Year</u>	<u>UNDER 16 YEARS</u>		<u>16 TO 64 YEARS</u>		<u>65 YEARS AND OLDER</u>		<u>Total</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
<b>Trends</b>							
1990	427,719	21.7%	1,266,715	64.4%	272,566	13.9%	1,967,000
2000	495,375	22.0	1,457,435	64.7	300,552	13.3	2,253,362
2005	522,487	21.7	1,558,005	64.9	321,613	13.4	2,402,105
<b>Forecasts</b>							
2010	534,919	21.0%	1,675,516	65.7%	340,854	13.3%	2,551,289
2015	568,328	21.0	1,762,652	65.2	372,142	13.8	2,703,122
2020	587,943	20.6	1,859,961	65.1	410,285	14.3	2,858,189
2025	624,806	20.7	1,930,253	63.9	464,741	15.4	3,019,800
2030	651,014	20.4	2,011,989	63.1	524,789	16.5	3,187,792

(1) Forecasts are figures developed by Miami-Dade County Department of Planning and Zoning, Research Section. The 1990 census figures were adjusted for census undercount.

SOURCE: U.S. Bureau of Census. Decennial Census Reports for 1990 and 2000. Miami-Dade County Department of Planning and Zoning, Research Section.

**Largest Employers**

The District is southeast Florida's largest single employer and Florida's second largest employer, public and private. The following is a listing of Miami-Dade County's ten (10) largest public and private employers:

**Miami-Dade County's Ten Largest  
Public Employers (2005)**

<u>Employers</u>	<u>Employees</u>
Miami-Dade County Public Schools	48,417
Miami-Dade County	32,265
U.S. Federal Government	20,100
State of Florida	18,900
Jackson Memorial Hospital	11,700
Miami Dade Community College	7,500
Florida International University	5,000
City of Miami	3,954
VA Medical Center	2,018
City of Miami Beach	1,839

**Miami-Dade County's Ten Largest  
Private Employers (2005)**

<u>Employers</u>	<u>Employees</u>
Baptist Health Systems of South Florida	10,300
University of Miami, Inc.	9,079
American Airlines	9,000
United Parcel Service	5,000
BellSouth	4,800
Winn-Dixie Stores	4,616
Precision Response Corporation	4,196
Publix Supermarkets, Inc.	4,000
Florida Power & Light Company	3,665
Burdines Macy's	3,368

SOURCE: Miami-Dade County Public Schools information obtained from School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report, fiscal year ended June 30, 2005. Beacon Council, Research Department (Data based on most recent responses to survey performed by Beacon Council in 2004. Employers may be excluded at their request). (Unaudited).

**MIAMI-DADE COUNTY, FLORIDA  
TAXABLE ASSESSED VALUATION (IN THOUSANDS) FOR PRINCIPAL TAXPAYERS<sup>(1)</sup>**

<u>TAXPAYER</u>	<u>BUSINESS OR USE</u>	<u>Miami-Dade County Taxes Levied (in thousands)</u>	<u>2005 Net Taxable Assessed Real and Personal Property Value (in thousands)</u>	<u>Percent of Taxpayer's Net Assessed Real and Personal Property Value to Countywide Net Assessed Property Value</u>
Florida Power & Light Company	Utility	\$46,617	\$2,150,174	1.47%
BellSouth Telecommunications, Inc.	Utility	21,479	990,720	0.68
SDG Dadeland Associates	Commerce	8,586	396,000	0.27
Graham Companies	Real Estate	7,511	346,457	0.24
Jose Milton	Real Estate	7,119	328,360	0.23
SRI Miami Venture LP	Real Estate	5,958	274,800	0.19
Turnberry Associates	Real Estate	5,416	249,805	0.17
Crescent Heights Acquisition, Inc.	Real Estate	4,989	230,121	0.16
Federated Department Stores	Commerce	3,934	181,442	0.12
Flagler Development Co.	Real Estate	<u>3,863</u>	<u>178,199</u>	<u>0.12</u>
Total		<u>\$115,473</u>	<u>\$5,326,077</u>	<u>3.65%</u>

(1) Unaudited

SOURCE: Miami-Dade County Property Appraiser.

**MIAMI-DADE COUNTY, FLORIDA  
COMPARISON OF UNEMPLOYMENT RATES  
MIAMI-DADE COUNTY, THE STATE OF FLORIDA, THE UNITED STATES  
1996 to 2005**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005<sup>(1)</sup></u>
Miami-Dade County	8.0%	7.6%	7.0%	5.9%	5.1%	6.0%	6.6%	6.0%	5.6%	4.7%
Florida	5.3	5.0	4.5	4.0	3.8	4.6	5.7	5.3	4.8	4.2%
United States	5.4	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.2%

(1) Six month average, January – June 2005.

SOURCE: The Beacon Council.

**MIAMI-DADE COUNTY, FLORIDA  
CONSTRUCTION ACTIVITY**

**PROPERTY VALUE AND CONSTRUCTION  
1996-2005  
Last Ten Fiscal Years  
(Unaudited)**

<u>Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>		<u>Real Property</u>		
	<u>Number of Buildings</u>	<u>Value (in thousands)</u>	<u>Number of Units</u>	<u>Value (in thousands)</u>	<u>Commercial (in thousands)</u>	<u>Residential (in thousands)</u>	<u>Nontaxable (in thousands)</u>
1996	670	\$299,348	6,629	\$455,715	\$29,660,302	\$56,819,172	\$19,727,547
1997	698	325,797	10,422	643,489	29,888,568	59,780,676	20,094,504
1998	596	442,924	8,597	679,105	30,168,469	63,495,144	20,270,274
1999	495	489,353	9,998	781,734	31,680,533	66,827,289	20,914,594
2000	601	513,457	8,360	687,205	32,137,670	71,442,168	21,304,769
2001	525	616,442	9,882	845,123	33,219,426	76,087,033	22,747,425
2002	498	722,077	8,805	751,940	32,650,542	85,606,675	23,648,584
2003	397	697,100	9,373	819,753	29,999,821	99,013,490	24,661,795
2004	794	359,033	9,603	982,420	27,473,191	116,239,333	26,120,760
2005	914	273,735	8,893	1,031,757	23,855,015	139,613,985	28,092,146

Source: Miami-Dade County Finance Department

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**  
**DEMOGRAPHIC STATISTICS – 1996-2005**  
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Approximate Median Age</u>	<u>School Enrollment (Pre-K-12)</u>
2005	2,402,105	\$ (1)	(1)	361,550
2004	2,372,418	(1)	36.6	369,578
2003	2,342,739	27,593	37.0	371,482
2002	2,313,047	26,995	36.9	374,725
2001	2,283,319	26,410	35.9	368,453
2000	2,253,485	25,626	35.6	360,202
1999	2,221,630	24,050	35.0	352,595
1998	2,189,719	23,216	35.0	345,861
1997	2,157,208	21,888	35.0	340,904
1996	2,124,885	21,360	35.0	333,444

SOURCE: Population, per capita income, median age - Miami-Dade County Department of Planning and Zoning; Student Enrollment - The School Board of Miami-Dade County –Office of Evaluation and Research.

(1) Information not available at time of publication.

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**  
**ATTENDANCE DATA – 1996-2005**  
(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>		
		<u>Average Daily Attendance</u>	<u>Percent of Change</u>	<u>Percent of Membership</u>
2005	359,122	337,098	1.25	93.87%
2004	354,847	332,944	(1.01)	93.95
2003	357,847	336,353	(0.51)	93.99
2002	360,436	338,073	1.50	93.80
2001	355,095	333,076	1.10	93.80
2000	352,461	329,460	2.33	93.47
1999	344,899	321,944	0.86	93.34
1998	341,916	319,185	1.97	93.35
1997	336,383	313,025	2.10	93.06
1996	330,578	306,581	3.56	92.74

SOURCE: The School Board of Miami-Dade County - Division Attendance Services.

**APPENDIX B**

GENERAL PURPOSE FINANCIAL STATEMENTS  
OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY,  
FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2005  
AND INDEPENDENT AUDITORS' REPORT

**APPENDIX C**

**FORMS OF CERTAIN LEGAL DOCUMENTS**

Series 2006A Ground Lease  
Master Lease  
Schedule 2006A-1  
Schedule 2006A-2  
Master Trust Agreement  
Series 2006A Supplemental Trust Agreement  
Series 2006A Assignment Agreement

**APPENDIX D**

**FORM OF DISSEMINATION AGENT AGREEMENT**

**APPENDIX E**

**FORM OF LEGAL OPINION OF CO-SPECIAL TAX COUNSEL**

**APPENDIX F**

**FORM OF FINANCIAL GUARANTY INSURANCE POLICY**

## PRELIMINARY OFFERING STATEMENT DATED \_\_\_\_\_, 2006

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: (See "RATINGS" herein)

*In the opinion of Co-Special Tax Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, the interest portion of the Basic Lease Payments paid to the Series 2006B Certificate holders is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX TREATMENT" for a description of the alternative minimum tax on corporations and certain other federal tax consequences of ownership of the Series 2006B Certificates. However, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2006B Certificates following termination of the Series 2006B Leases as a result of non-appropriation of funds or the occurrence of an event of default thereunder. Co-Special Tax Counsel is further of the opinion that the Series 2006B Certificates and the Series 2006B Leases are exempt from the Florida intangible personal property tax; provided, however, that no opinion is expressed with respect to the payment or reporting of intangible personal property tax on the Series 2006B Certificates following termination of the Series 2006B Leases.*

§ \_\_\_\_\_ \*

**CERTIFICATES OF PARTICIPATION, SERIES 2006B**  
**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 Miami-Dade County School Board Foundation, Inc., as Lessor**

Dated: Date of Delivery

Due: As shown on the inside cover page hereof

The Certificates of Participation, Series 2006B (the "Series 2006B Certificates") offered hereby evidence undivided proportionate interests in Basic Lease Payments to be made by The School Board of Miami-Dade County, Florida (the "School Board"), acting as the governing body of the School District of Miami-Dade County, Florida (the "District"), pursuant to a Master Lease Purchase Agreement dated as of August 1, 1994 (the "Master Lease"), as supplemented by (i) Schedule 2006B-1 dated as March 1, 2006 (together with the Master Lease, the "Series 2006B-1 Lease") and (ii) Schedule 2006B-2 dated as of March 1, 2006 (together with the Master Lease, the "Series 2006B-2 Lease" and, together with the Series 2006B-1 Lease, the "Series 2006B Leases"), which leases provide for the lease purchase financing of certain real property and educational facilities by the School Board. The Series 2006B Leases and any other leases entered into pursuant to the Master Lease shall be referred to collectively as the "Leases".

The interest portion of the Basic Lease Payments represented by the Series 2006B Certificates is payable on May 1 and November 1 of each year, commencing November 1, 2006. When issued, the Series 2006B Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Series 2006B Certificates (the "Beneficial Owners") will not receive physical delivery of the Series 2006B Certificates. Ownership by the Beneficial Owners of the Series 2006B Certificates will be evidenced through a book-entry only system of registration. As long as Cede & Co. is the registered owner as nominee of DTC, payment of the principal portion and interest portion of the Basic Lease Payments represented by the Series 2006B Certificates will be made directly to Cede & Co., which will in turn remit such payments to the DTC Participants for subsequent disbursement to the Beneficial Owners. The principal portion of the Basic Lease Payments represented by the Series 2006B Certificates is payable on the dates and in the amounts set forth on the inside cover page hereof, upon surrender at the designated corporate trust office of The Bank of New York Trust Company, N.A., Jacksonville, Florida (successor by acquisition to NationsBank of Florida, N.A.), as Trustee. Individuals may purchase beneficial interests in the Series 2006B Certificates in the amount of \$5,000 or integral multiples thereof.

The principal portions of Basic Lease Payments represented by the Series 2006B Certificates are subject to optional, mandatory and extraordinary prepayment prior to maturity as described herein.

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONIES TO MAKE LEASE PAYMENTS. LEASE PAYMENTS ARE PAYABLE FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE STATE OF FLORIDA DEPARTMENT OF EDUCATION. NEITHER THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2006B LEASES FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FOUNDATION, THE TRUSTEE NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006B LEASES. SEE "RISK FACTORS" HEREIN.

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006B Certificates will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2006B Certificates by \_\_\_\_\_ (the "Insurer"). See "FINANCIAL GUARANTY INSURANCE" herein.

[Insert Insurer logo]

*The Series 2006B Certificates are offered when, as and if delivered and received by the Underwriters, subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, and The Knox Firm, Miami, Florida, Co-Special Tax Counsel, and certain other conditions. Certain legal matters will be passed upon for the School Board and the Foundation by their Counsel, Julie Ann Rico Allison, Esq., Miami, Florida and for the Underwriters by their Co-Counsel, Liebler, Gonzalez & Portuondo, P.A., Miami, Florida and Bryant Miller Olive, Miami, Florida. It is expected that settlement on the Series 2006B Certificates will occur through the facilities of DTC, in New York, New York, on or about March \_\_, 2006.*

*This cover page contains certain information for quick reference only. It is not a summary of the transaction. Investors must read the entire Offering Statement to obtain information essential to the making of an informed investment decision.*

## UBS SECURITIES

Dated: \_\_\_\_\_, 2006

\_\_\_\_\_  
\*Preliminary, subject to change

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND INITIAL CUSIP NOS.**

The initial term of the Series 2006B-1 Lease commences on \_\_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_\_ 1, 20\_\_ unless earlier terminated as described herein. The initial term of the Series 2006B-2 Lease commences on \_\_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_\_ 1, 20\_\_ unless earlier terminated as described herein. The School Board has previously and may in the future enter into other Leases under the Master Lease. Failure to appropriate funds to pay lease payments under any such Lease, or certain events of default under any such Lease, will result in the termination of all Leases, including the Series 2006B Leases. Upon any such termination, any proceeds of the disposition of leased facilities will be applied to payment of the related series of Certificates, all as further described herein. In no event will owners of the Series 2006B Certificates have any interest in or right to any proceeds of the disposition of facilities leased under any Lease other than the Series 2006B Leases, to the extent provided in this Offering Statement. Co-Special Tax Counsel will express no opinion as to tax exemption or the effect of securities laws with respect to the Series 2006B Certificates following an event of non-appropriation or certain events of default under the Master Lease which result in termination of the lease term of all Leases. Transfer of the Series 2006B Certificates may be subject to compliance with the registration provisions of state and federal securities laws following an event of non-appropriation or certain events of default under the Master Lease which result in termination of the lease term of all Leases. (See "TAX TREATMENT" and "RISK FACTORS" herein). An event of non-appropriation or certain events of default under the Master Lease which result in termination of the lease term of all Leases will not result in termination of the financial guaranty insurance policy issued by \_\_\_\_\_.

**THE SCHOOL DISTRICT OF  
MIAMI-DADE COUNTY, FLORIDA**  
Miami-Dade County Public Schools  
1450 N.E. 2nd Avenue  
Miami, Florida 33132

**BOARD MEMBERS**

Agustin J. Barrera, Chair  
Perla Tabares Hantman, Vice Chair  
Frank J. Bolaños  
Evelyn Langlieb Greer  
Dr. Robert B. Ingram  
Dr. Martin Karp  
Ana Rivas Logan  
Dr. Marta Pérez  
Dr. Solomon C. Stinson

**DISTRICT OFFICIALS**

**Superintendent of Schools**

Dr. Rudolph F. Crew

**Deputy Superintendent, Business Operations**

Ofelia San Pedro

**Chief Financial Officer**

Martin A. Berkowitz

**Treasurer**

Silvia R. Rojas

**CO-SPECIAL TAX COUNSEL**

Greenberg Traurig, P.A.  
Miami, Florida

The Knox Firm  
Miami, Florida

**SCHOOL BOARD ATTORNEY**

JulieAnn Rico Allison, Esquire

**FINANCIAL ADVISOR**

De Lara Associates  
New York, New York

No dealer, broker, sales representative or other person has been authorized by the School Board or the Underwriters to give any information or to make any representations, other than those contained in this Offering 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 Offering Statement does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of the Series 2006B Certificates by any person in any jurisdiction to which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Offering Statement has been obtained from the School Board, \_\_\_\_\_ (the "Insurer"), DTC and other sources that are considered to be reliable and, while not guaranteed as to accuracy or completeness, is believed to be correct. However, such is not to be construed as a representation of the School Board, the Foundation, the Trustee, the Financial Advisor or the Underwriters. Any statements in this Offering Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the School Board, the Foundation, the Trustee, the Financial Advisor and the Underwriters expressly make no representations that such estimates, assumptions and opinions will be realized or fulfilled. Neither Ernst & Young LLP nor any other independent accountants have compiled, examined, or performed any procedures with respect to any projected, forecasted or estimated financial information contained in this Offering Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability and assume no responsibility for, and disclaim any association with, any projected or estimated financial information. Any information, estimates, assumptions and matters of opinion contained in this Offering Statement are subject to change without notice, and neither the delivery of this Offering Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the School Board since the date hereof or the earliest date as of which such information was given. The Underwriters have provided the following sentence for inclusion in this Offering Statement. The Underwriters have reviewed the information in this Offering Statement in accordance with, and as part of, their responsibility 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.

UPON ISSUANCE, THE SERIES 2006B CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR LOCAL GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2006B CERTIFICATES FOR SALE.

CERTAIN STATEMENTS CONTAINED IN THIS OFFERING STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFERING STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2006B CERTIFICATES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFERING STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE SCHOOL BOARD, THE FOUNDATION OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2006B CERTIFICATES.

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

THIS OFFERING 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 OFFERING 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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## SUMMARY STATEMENT

THE INFORMATION CONTAINED IN THIS SUMMARY STATEMENT IS SUBJECT IN ALL RESPECTS TO THE MORE COMPLETE INFORMATION CONTAINED IN THIS OFFERING STATEMENT AND THE OFFERING OF THE SERIES 2006B CERTIFICATES TO POTENTIAL PURCHASERS IS MADE ONLY BY MEANS OF THE ENTIRE OFFERING STATEMENT. UNDER NO CIRCUMSTANCES SHALL THIS SUMMARY STATEMENT BE REMOVED FROM THE REMAINDER OF THE OFFERING STATEMENT.

Capitalized terms, if not otherwise defined, have the meanings set forth for such terms in “APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS” herein.

### **The District and the School Board**

The School District of Miami-Dade County, Florida (formerly known as the School District of Dade County, Florida and hereinafter referred to as the “District”) covers the same geographic area as Miami-Dade County, Florida (formerly known as Dade County, Florida and hereinafter referred to as the “County” or “Miami-Dade County”) and encompasses 32 incorporated municipalities. As of June 30, 2005, the District included 356 schools and vocational/technical centers, approximately 361,550 students and approximately 48,000 full and part-time employees, including approximately 22,000 full-time teachers and 4,500 full-time paraprofessionals and technical staff. The School Board of Miami-Dade County, Florida (formerly known as The School Board of Dade County, Florida, and hereinafter referred to as the “School Board”) is the governing body of the District. See “APPENDIX A - ECONOMY AND DESCRIPTIVE STATISTICS OF THE DISTRICT AND MIAMI-DADE COUNTY, FLORIDA” herein.

### **The Master Lease**

The School Board entered into a Master Lease Purchase Agreement, dated as of August 1, 1994 (the “Master Lease”), between the Miami-Dade County School Board Foundation, Inc., a Florida not-for-profit corporation (formerly known as the Dade County School Board Foundation, Inc. and hereinafter referred to as the “Foundation”), as lessor, and the School Board, as lessee, for the purpose of lease-purchasing from time to time certain educational facilities, sites and equipment (the “Facilities”) from the Foundation. Facilities to be leased from time to time are identified on separate lease schedules (each a “Schedule”) attached to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate lease agreement (individually a “Lease” and collectively the “Leases”). See “APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - The Master Lease Purchase Agreement” herein.

The School Board has previously entered into the following Leases under the Master Lease (collectively referred to herein as the “Prior Leases”):

(i) a Series 1994A Lease dated as of August 1, 1994, as amended and restated as of June 1, 1998 and as further amended and restated as of November 1, 1998 (the “Amended and Restated Series 1994A Lease”);

(ii) a Series 1996A-1 Lease and Series 1996A-2 Lease each dated as of April 15, 1996, each amended and restated as of November 1, 1998 (collectively, the “Amended and Restated Series 1996A Leases”);

(iii) a Series 1996B-1 Lease, dated as of August 15, 1996, as amended and restated as of June 1, 1998 and as further amended and restated as of November 1, 1998 (the “Amended and Restated Series 1996B-1 Lease”); and

(iv) a Series 1996B-2 Lease, dated as of August 15, 1996, as amended and restated as of November 1, 1998 (the “Amended and Restated Series 1996B-2 Lease” and, together with the Amended and Restated Series 1994A Lease, the Amended and Restated Series 1996A Leases and the Amended and Restated Series 1996B-1 Lease, the “Amended and Restated Leases”).

In conjunction with the Amended and Restated Series 1994A Lease and the Amended and Restated Series 1996B-1 Lease, the Trustee issued \$132,500,000 Certificates of Participation, Series 1998A, dated June 1, 1998, of which \$130,315,000 aggregate principal amount is currently outstanding. In conjunction with the Amended and Restated Leases the Trustee issued \$283,700,000 Certificates of Participation, Series 1998C, dated November 1, 1998, of which \$183,280,000 aggregate principal amount is currently outstanding.

(v) a Series 1998B-1 Lease, dated as of June 1, 1998, as amended and restated as of January 1, 2002 and as further amended and restated as of March 1, 2003, and a Series 1998B-2 Lease, dated as of June 1, 1998, as amended and restated as of March 1, 2003 (collectively, the "Amended and Restated Series 1998B Leases") and in conjunction therewith the Trustee issued \$63,633,333.30 Certificates of Participation, Series 2003A, dated March 1, 2003, all of which are currently outstanding.

(vi) a Series 2000A Lease, dated September 15, 2000, as amended and restated on January 1, 2001, June 15, 2001, September 1, 2001 and August 1, 2004 (the "Amended and Restated Series 2000A Lease") and in conjunction therewith the Trustee issued \$100,720,000 Certificates of Participation, Series 2000A, dated September 15, 2000, of which \$20,105,000 aggregate principal amount is currently outstanding (the "Series 2000A Certificates) and \$87,210,000 Certificates of Participation, Series 2004A, all of which are currently outstanding (the "Series 2004A Certificates").

(vii) a Series 2000 QZAB Lease, dated December 21, 2000 (the "Series 2000 QZAB Lease") and in conjunction therewith the Trustee issued \$24,508,000 Certificates of Participation, Series 2000 QZAB, dated December 21, 2000, for which the School Board has remaining sinking fund payment obligations of \$11,781,505.

(viii) a Series 2001-1 Lease and a Series 2001-2 Lease, each dated as of May 1, 2001, as amended and restated as of March 1, 2003 (collectively, the "Amended and Restated Series 2001 Leases") and in conjunction therewith the Trustee issued \$54,650,000 Certificates of Participation, Series 2001B, of which \$53,550,000 are currently outstanding, and \$137,780,000 Certificates of Participation, Series 2003B, all of which are currently outstanding.

(ix) a Series 2001 QZAB Lease, dated June 1, 2001 (the "Series 2001 QZAB Lease") and in conjunction therewith the Trustee issued \$15,000,000 Certificates of Participation, Series 2001 QZAB, for which the School Board has remaining sinking fund payment obligations of \$7,332,820.

(x) a Series 2001C Lease dated as of September 1, 2001, as amended and restated on December 1, 2003 and on August 1, 2004 (the "Amended and Restated Series 2001C Lease") and in conjunction therewith the Trustee issued \$42,235,000 Certificates of Participation, Series 2001C, of which \$22,830,000 aggregate principal amount is currently outstanding, and the Series 2004A Certificates referred to above;

(xi) a Series 2002-1 Lease and a Series 2002-2 Lease, each dated as of December 1, 2002 (collectively, the "Series 2002 Leases"), and in conjunction therewith the Trustee issued \$75,000,000 Certificates of Participation, Series 2002A, of which \$73,220,000 are currently outstanding, and \$75,000,000 Certificates of Participation, Series 2002B, of \$73,580,000 which are currently outstanding.

(xii) a Series 1988 Lease, dated as of May 5, 2003 (the "Series 1988 Lease"), and in conjunction therewith the Trustee issued \$24,170,000 Certificates of Participation, Series 2003C, of which \$17,290,000 are currently outstanding;

(xiii) a Series 2003D-1 Lease and a Series 2003D-2 Lease, each dated as of June 1, 2003 (collectively, the "Series 2003D Leases"), and in conjunction therewith the Trustee issued \$165,210,000 Certificates of Participation, Series 2003D, of which \$163,545,000 are currently outstanding.

(xiv) a Series 2003 QZAB Lease dated as of December 18, 2003 (the "Series 2003 QZAB Lease", and in connection therewith the Trustee issued \$9,743,635 Certificates of Participation, Series 2003 QZAB, for which the School Board has remaining sinking fund payment obligations of \$6,671,910.

(xv) a Series 2005A Lease dated as of June 1, 2005 (the "Series 2005A Lease"), and in connection therewith the Trustee issued \$56,380,000 Certificates of Participation, Series 2005A, all of which are currently outstanding.

### **The Master Lease Facilities**

The School Board currently has \_\_\_\_ schools and related facilities under the Master Lease. Based on the District's full time equivalent enrollment of approximately 361,550 K-12 students for the 2005-06 Fiscal Year, approximately \_\_\_\_% of the District's students currently attend classes in Facilities being lease-purchased by the School Board under the Master Lease. See "THE MASTER LEASE FACILITIES" and "THE PRIOR FACILITIES."

### **Purpose of Series 2006B Certificates**

The Series 2006B Leases (as defined below) are being entered into by the School Board and the Series 2006B Certificates are being issued for the principal purpose of providing funds sufficient to finance the cost of acquisition and construction of the Series 2006B Facilities (as defined below). See "PURPOSE OF THE SERIES 2006B CERTIFICATES" herein.

### **The Financing Documents**

The Foundation has entered into a Master Trust Agreement dated as of August 1, 1994 (the "Master Trust Agreement"), with The Bank of New York Trust Company, N.A., Jacksonville, Florida (successor by acquisition to NationsBank of Florida, N.A.), as Trustee (the "Trustee") and the Foundation has authorized the execution and delivery of a Series 2006B Supplemental Trust Agreement dated as of March 1, 2006 (the "Series 2006B Supplemental Trust Agreement") with the Trustee, pursuant to which the Series 2006B Certificates will be executed and secured under the Master Trust Agreement. The Master Trust Agreement together with the Series 2006B Supplemental Trust Agreement shall be referred to as the "Trust Agreement."

The School Board will hold title to the five sites on which the Series 2006B-1 Facilities are and will be located. All of such sites are located within the District. Pursuant to the Series 2006B-1 Ground Lease dated as of March 1, 2006 between the School Board and the Foundation (the "Series 2006B Ground Lease"), the School Board will lease the Series 2006B Facility Sites (as defined herein) to the Foundation for an initial term of \_\_ years subject to Permitted Encumbrances (as defined in the Series 2006B Ground Lease). Pursuant to the Series 2006B Assignment Agreement dated as of March 1, 2006 (the "Series 2006B Assignment"), the Foundation will assign by outright and absolute title to the Trustee, for the benefit of the owners of the Series 2006B Certificates, substantially all of its right, title and interest in the Series 2006B Ground Lease and the Series 2006B Leases, including its right to receive Basic Lease Payments thereunder.

See "SECURITY FOR THE SERIES 2006B CERTIFICATES" and "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS" herein.

### **Security for the Series 2006B Certificates**

The Series 2006B Certificates evidence undivided proportionate interests in Basic Lease Payments to be made by the School Board under the Series 2006B Leases. The Series 2006B Certificates are secured by and payable from the Trust Estate established pursuant to the Trust Agreement. Neither the Foundation nor the School Board has or will mortgage or grant a security interest in their respective interests in the Series 2006B Facilities to the Trustee. However, upon termination of the Series 2006B Leases or any Additional Lease (as defined herein) in the case of an event of non-appropriation or in the case of certain events of default, each such lease provides that the School Board must surrender possession of the Facilities (other than Facilities consisting of property excluded under the terms of the applicable Lease) to the Trustee as assignee of the Foundation for disposition by sale or re-letting of its interest in the Facilities, as provided in the Trust Agreement. Except as provided under "Effect of Termination for Non-Appropriation or Default" herein, the proceeds of any such disposition of the Series 2006B Facilities will be applied solely to the payment of the Series 2006B Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF THE SERIES 2006B CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. Further, the Foundation has agreed in the Series 2006B Assignment that, upon any such termination of the Series 2006B Leases, upon request of the Trustee, it will transfer its interest in the Series 2006B Facilities to the Trustee or to a transferee designated by the Trustee for the remaining term of the Series 2006B Ground Lease. The foregoing notwithstanding, the School Board may not be dispossessed of any personal property financed, in whole or in part, with the proceeds of Certificates. See "SECURITY FOR THE SERIES 2006B CERTIFICATES," "THE SERIES 2006B FACILITIES" and "THE SERIES 2006B LEASES" herein.

### **Liability of the School Board**

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. THE LEASE PAYMENTS ARE PAYABLE SOLELY FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS

OF THE DEPARTMENT OF EDUCATION. NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2006B LEASES FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE DISTRICT AND THE SCHOOL BOARD IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FOUNDATION, THE TRUSTEE NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006B LEASES. See "RISK FACTORS" herein.

#### **Lease Payments**

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2006B Leases and all other Leases will be made only from legally available funds appropriated for such purpose by the School Board. See "SECURITY FOR THE SERIES 2006B CERTIFICATES - Lease Payments" and "Limited Obligation of the School Board", and "DISTRICT REVENUES FOR CAPITAL PROJECTS" herein. The Trustee will collect directly from the School Board all of the Basic Lease Payments.

#### **Local Option Millage Levy**

Pursuant to law, the School Board may set an additional non-voted millage known as the "Local Option Millage Levy", in an amount not to exceed 2.0 mills, for capital outlay and maintenance purposes. Up to three-fourths of the proceeds of the 2.0 mills may be expended for payments under lease-purchase agreements for educational facilities and sites. The Local Option Millage Levy constitutes the primary source of funds to make lease payments represented by the Series 2006B Certificates and any other certificates of participation issued in connection with the Master Lease or any other lease purchase arrangement entered into by the School Board. See "SECURITY FOR THE SERIES 2006B CERTIFICATES – Limited Obligation of the School Board" and "DISTRICT REVENUES FOR CAPITAL PROJECTS – Local Capital Outlay Sources" herein.

#### **Bond Insurance**

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006B Certificates, when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2006B Certificates by \_\_\_\_\_ (the "Insurer"). See "FINANCIAL GUARANTY INSURANCE" herein.

#### **Additional Leases**

As noted above under "Master Lease", the School Board has previously entered into Prior Leases, is entering into the Series 2006B Leases, and may in the future enter into other leases under the Master Lease in order to acquire additional Facilities (an "Additional Lease" or "Additional Leases," as the case may be). Failure to appropriate funds to pay Lease Payments under any existing Lease or Additional Lease will, and an event of default under any Additional Lease may, result in the termination of the Lease Term of all Leases, including the Series 2006B Leases. Upon any such termination of the Lease Term of all Leases, the School Board must surrender possession of all Facilities, including the Series 2006B Facilities (but not such Facilities as may be specifically excluded under the terms of any Additional Lease) to the Trustee for the remaining term of the Series 2006B Ground Lease. The Trustee, as assignee of the Foundation, may sell or re-let its interest in the Series 2006B Facilities for the remainder of the term of the Series 2006B Ground Lease. Except as provided under "Effect of Termination for Non-Appropriation or Default" herein, the proceeds of any disposition of the Series 2006B Facilities will be applied to the payment of the Series 2006B Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF ANY SERIES OF CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the disposition of the corresponding Facilities will produce sufficient amounts to pay the outstanding series of the Certificates to which such Leases and Facilities correspond. See "SECURITY FOR THE SERIES 2006B CERTIFICATES" and "THE SERIES 2006B LEASES" herein.

The School Board may, in the future, also enter into lease purchase agreements upon terms and conditions other than those in the Master Lease. Unless otherwise expressly provided in this Offering Statement, failure to make payments under any such lease purchase agreement, or an event of default under any such lease agreement, will not affect the Lease Term or cause the termination of the Series 2006B Leases or any other Leases. See "SECURITY FOR THE SERIES 2006B CERTIFICATES - Additional Leases" herein.

**Additional Series of Certificates**

With respect to any Additional Lease, one or more series of Certificates in addition to the Series 2006B Certificates, may be authorized by the Foundation at the request of the School Board and executed and delivered by the Trustee for the purposes set forth in the Trust Agreement. The aggregate principal amount of Additional Certificates which may be executed and delivered under the provisions of the Trust Agreement is not limited. See "SECURITY FOR THE SERIES 2006B CERTIFICATES – Additional Certificates" herein.

**Optional Prepayment**

Certain of the Series 2006B Certificates are subject to optional prepayment prior to maturity. See "THE SERIES 2006B CERTIFICATES - Prepayment - Optional Prepayment" herein.

**Mandatory Sinking Fund Prepayment**

The Series 2006B Certificates maturing on \_\_\_\_\_ 1, 20\_\_ are subject to mandatory prepayment in part, by operation of a sinking fund as described herein. See "THE SERIES 2006B CERTIFICATES - Prepayment - Mandatory Sinking Fund Prepayment" herein.

**Extraordinary Prepayment**

The Series 2006B Certificates are subject to extraordinary prepayment at any time in an amount equal to the principal portion of Basic Lease Payments prepaid under the Series 2006B Leases, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, (a) in whole or in part, if there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series 2006B-1 Facilities as a result of damage to, destruction or condemnation of any portion of the Series 2006B-1 Facilities and an election is made by the School Board under the Series 2006B-1 Lease to apply the amount to the prepayment of the principal portion of Basic Lease Payments, or (b) in whole, at the election of the Insurer, if the Lease Term of all Leases is terminated because funds have not been appropriated for Lease Payments under all Leases or an event of default has occurred under any Lease and the Lease Term of all Leases is terminated. See "THE SERIES 2006B CERTIFICATES B Prepayment B Extraordinary Prepayment."

**The Foundation**

The Foundation is a Florida not-for-profit corporation organized in February, 1988 for the purpose of acting as lessor under lease purchase agreements (such as the Master Lease) with the School Board and holding title to the educational facilities constituting Projects (excepting such Facilities and other equipment and similarly excluded items which are titled in the name of the School Board) under such lease purchase agreements. The Board of Directors of the Foundation consists of the members of the School Board; its officers are School Board members and employees. There presently is no litigation pending against the Foundation.

**[End of Summary Statement]**

OFFERING STATEMENT

\$ \_\_\_\_\_ \*  
CERTIFICATES OF PARTICIPATION, SERIES 2006B

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

INTRODUCTION

This Offering Statement, including the cover page, inside cover page, the summary statement and appendices hereto, is provided to furnish information in connection with the sale and delivery of \$ \_\_\_\_\_ \* aggregate principal amount of Certificates of Participation, Series 2006B (the "Series 2006B Certificates").

The Series 2006B Certificates evidence undivided proportionate interests of the owners thereof in the Basic Lease Payments to be made by the School Board under the Series 2006B Leases (as defined herein). The Series 2006B Certificates are being executed and delivered pursuant to a Master Trust Agreement dated as of August 1, 1994, as supplemented by a Series 2006B Supplemental Trust Agreement dated as of March 1, 2006 (the "Trust Agreement"), each between the Miami-Dade County School Board Foundation, Inc., a Florida not-for-profit corporation (the "Foundation"), and The Bank of New York Trust Company, N.A., Jacksonville, Florida (successor by acquisition to NationsBank of Florida, N.A.), as trustee (the "Trustee").

In November, 1997, the voters of Dade County voted to rename Dade County, Florida as Miami-Dade County, Florida. As a result, by appropriate actions taken by each entity, the Dade County School Board, the School District of Dade County, Florida and the Dade County School Board Foundation, Inc. are now known as the "Miami-Dade County School Board," the "School District of Miami-Dade County, Florida," and the "Miami-Dade County School Board Foundation, Inc.," respectively.

The School Board, as the governing body of the School District of Miami-Dade County, Florida (the "District"), has entered into a Master Lease Purchase Agreement dated as of August 1, 1994 (the "Master Lease"), between the Foundation, as lessor and the School Board, as lessee, for the purpose of lease purchasing from time to time certain educational facilities, sites, and equipment (the "Facilities") from the Foundation, as well as funding acquisition costs associated with such Facilities. Facilities to be lease purchased from time to time are identified on separate lease schedules (each a "Schedule") attached to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate lease agreement (individually a "Lease" and collectively the "Leases"). Commencing as of \_\_\_\_\_ 1, 2006, the School Board will lease certain Series 2006B Facilities as identified in the Series 2006B Leases (herein defined). The Series 2006B Certificates are being issued in order to provide funds to finance the cost of acquisition and construction of the Series 2006B Facilities. See "PURPOSE OF THE SERIES 2006B CERTIFICATES" and "THE SERIES 2006B FACILITIES" herein.

The School Board currently has \_\_\_\_\_ schools and related facilities under the Master Lease. Based on the District's full time equivalent enrollment of approximately 361,550 K-12 students for the 2005-06 Fiscal Year, approximately \_\_\_\_\_ % of the District's students currently attend classes in Facilities being lease-purchased by the School Board under the Master Lease. See "THE MASTER LEASE FACILITIES" and "THE PRIOR FACILITIES."

Pursuant to the applicable provisions of Florida law, including particularly Florida Statutes, Chapters 1000-1013, and a resolution adopted by the School Board on February 15, 2006, the School Board has authorized the execution and delivery of (i) Schedule 2006B-1 dated as March 1, 2006 to the Master Lease as it may be amended from time to time (together with the Master Lease, the "Series 2006B-1 Lease") and (ii) Schedule 2006B-2 dated as of March 1, 2006 to the Master Lease as it may be amended from time to time (together with the Master Lease, the "Series 2006B-2 Lease" and, together with the Series 2006B-1 Lease, the "Series 2006B Leases").

\*Preliminary, subject to change

The initial term of the Series 2006B-1 Lease commences as of \_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through and including \_\_\_\_ 1, 20\_\_, unless earlier terminated as described herein. The Series 2006-1 Facilities to be lease purchased by the School Board under the Series 2006B-1 Lease include certain real property and educational facilities, as more particularly described herein (the "Series 2006B-1 Facilities"). See "THE SERIES 2006B LEASES" and "THE SERIES 2006B FACILITIES" herein.

The initial term of the Series 2006B-2 Lease commences as of \_\_\_\_ 1, 2006 and continues through and including June 30, 2006, and is automatically renewable annually thereafter through and including \_\_\_\_ 1, 20\_\_, unless earlier terminated as described herein. The Series 2006B-2 Facilities to be lease purchased by the School Board under the Series 2006B-2 Lease include certain educational facilities and equipment, as more particularly described herein (the "Series 2006B-2 Facilities" and, together with the Series 2006B-1 Facilities, the "Series 2006B Facilities"). See "THE SERIES 2006B LEASES" and "THE SERIES 2006B FACILITIES" herein.

The School Board will hold title to the \_\_\_\_ sites on which the Series 2006B-1 Facilities are located (the "Series 2006B Facility Sites"). All of such sites are located within the District.

Pursuant to the Series 2006B-1 Ground Lease dated as of March 1, 2006 (the "Series 2006B Ground Lease"), the School Board will lease the Series 2006B Facility Sites to the Foundation for an initial term commencing \_\_\_\_ 1, 2006 and ending \_\_\_\_ 1, 20\_\_, subject to Permitted Encumbrances (as defined in the Series 2006B Ground Lease) and subject to extension or earlier termination as provided therein. See "THE SERIES 2006B FACILITIES" and "APPENDIX C B FORMS OF CERTAIN LEGAL DOCUMENTS B The Series 2006B Ground Lease" herein.

Pursuant to the Series 2006B Assignment Agreement dated as of March 1, 2006 (the "Series 2006B Assignment") between the Foundation and the Trustee, the Foundation has irrevocably assigned to the Trustee for the benefit of the owners of the Series 2006B Certificates, substantially all of its right, title and interest in and to the Series 2006B Ground Lease and the Series 2006B Leases, including the right to receive the Basic Lease Payments and all other amounts due under the Series 2006B Leases. See "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - Series 2006B Assignment Agreement" herein.

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006B Certificates when due will be guaranteed under a financial guaranty insurance policy (the "Policy") issued concurrently with the delivery of the Series 2006B Certificates by \_\_\_\_\_ ("\_\_\_\_\_" or the "Insurer"). See "FINANCIAL GUARANTY INSURANCE" herein.

Brief descriptions of the School Board, the District, the Policy and the Series 2006B Facilities are included in this Offering Statement together with summaries of certain provisions of the Series 2006B Certificates, the Master Lease, the Series 2006B Leases, the Trust Agreement, the Series 2006B Ground Lease and the Series 2006B Assignment. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Master Lease, the Series 2006B Leases, the Trust Agreement, the Series 2006B Ground Lease and the Series 2006B Assignment are qualified in their entirety by reference to the respective complete documents. Copies of the documents may be obtained upon written request and payment of the costs of duplication to the Trustee at 10161 Centurion Parkway, 2nd Floor, Jacksonville, Florida 32256. Capitalized terms used herein and not otherwise defined will have the meanings given them in "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS" herein.

#### **PURPOSE OF SERIES 2006B CERTIFICATES**

The Series 2006B Certificates are being issued for the principal purpose of providing funds sufficient to: (i) finance the cost of acquisition and construction of the Series 2006B Facilities and (ii) pay costs associated with the issuance of the Series 2006B Certificates. The Series 2006B Facilities to be financed consist of certain educational facilities. See "THE SERIES 2006B FACILITIES" herein.

## THE SERIES 2006B CERTIFICATES

### General

The Series 2006B Certificates will be dated the date of delivery, will mature in the years and principal amounts and accrue interest at the rates set forth on the inside cover page of this Offering Statement. The Series 2006B Certificates shall initially be issued exclusively in "book-entry" form and ownership of one fully registered Series 2006B Certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity, will be initially registered in the name of "Cede & Co." as nominee of The Depository Trust Company, New York, New York ("DTC"). See "THE SERIES 2006B CERTIFICATES - Book-Entry Only System" herein. Individual purchases will be made in increments of \$5,000 or integral multiples thereof.

The principal of the Series 2006B Certificates payable at maturity or earlier prepayment thereof shall represent undivided proportionate interests in the principal portion of the Basic Lease Payments due on each of the dates set forth in the Series 2006B Lease with respect to the Series 2006B Certificates. The interest component of Basic Lease Payments represented by the Series 2006B Certificates is payable on each May 1 and November 1, commencing November 1, 2006 (each such date an "Interest Payment Date"). Said interest component represents undivided proportionate interests in the interest portion of Basic Lease Payments due in respect of each Interest Payment Date for the Series 2006B Certificates to and including the maturity or earlier prepayment of the Series 2006B Certificates.

The principal portion and interest portion of Basic Lease Payments represented by the Series 2006B Certificates are payable in the manner set forth under "THE SERIES 2006B CERTIFICATES - Book-Entry Only System" herein.

### Prepayment

*Optional Prepayment.* Series 2006B Certificates maturing on or before \_\_\_\_\_ 1, 20\_\_ shall not be subject to prepayment at the option of the School Board.

Series 2006B Certificates maturing on \_\_\_\_\_ 1, 20\_\_ (the "Series 2006B Term Certificates") shall be subject to prepayment on or after \_\_\_\_\_ 1, 20\_\_, at the option of the School Board from prepayments of Basic Lease Payments made by the School Board pursuant to the Series 2006B Leases, in whole or in part on any Interest Payment Date, and if in part, in such order of maturity of Series 2006B Certificates corresponding to the due dates of the principal portions of Basic Lease Payments under the Series 2006B Leases designated by the School Board to be prepaid, and by lot within a maturity in such manner as the Trustee may determine, at a Prepayment Price equal to 100% of the principal portion of the Basic Lease Payments represented by the Series 2006B Certificates or portions thereof to be prepaid, together with interest accrued to the Prepayment Date.

*Mandatory Sinking Fund Prepayment.* Series 2006B Term Certificates are subject to mandatory prepayment prior to maturity in part, from payments of the principal portion of Basic Lease Payments under the Series 2006B Leases, through the operation of a sinking fund, on each \_\_\_\_\_ 1 in the years and in the amounts set forth below at a Prepayment Price equal to 100% of the principal portion of the Basic Lease Payments represented by the Series 2006B Certificates or portions thereof to be prepaid, together with interest accrued to the Prepayment Date:

<u>_____ 1 of the Year</u>	<u>Principal Amount</u>
	\$

\*Final Maturity

*Extraordinary Prepayment.* Series 2006B Certificates shall be subject to extraordinary prepayment in whole or in part at any time, and if in part, in inverse order of maturity or on a proportional basis, as shall be designated by the School Board, and by lot within a maturity in such manner as the Trustee determines to be fair and appropriate, in an amount equal to

the principal portion of Basic Lease Payments prepaid under the Series 2006B-1 Lease, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if there are Net Proceeds equal to or greater than ten percent (10%) of the remaining principal portion of the Basic Lease Payments relating to the Series 2006B-1 Facilities as a result of damage, destruction or condemnation (by an entity other than the School Board) of any portion of the Series 2006B-1 Facilities and an election is made by the School Board under the Master Lease to apply the amount to the prepayment in part of the principal portions of Basic Lease Payments relating to the Series 2006B-1 Facilities and represented by the Series 2006B Certificates.

At the election of the Insurer, the Series 2006B Certificates are subject to extraordinary prepayment in whole at any time, at a Prepayment Price of par plus the interest accrued to the Prepayment Date, if the Lease Term of the Series 2006B Leases is terminated either because funds have not been appropriated for Lease Payments under the Series 2006B Leases or any other Lease or the School Board has defaulted under the Series 2006B Leases or any other Lease.

### **Selection**

If less than all of the Series 2006B Certificates are called for prepayment, the particular Series 2006B Certificates or portions thereof to be prepaid will be in multiples of \$5,000 and, except as noted above, the Series 2006B Certificates or portions thereof shall be prepaid in such order of maturity as provided in "Prepayment" above. The portion of any Series 2006B Certificate of a denomination of more than \$5,000 to be prepaid will be in the principal amount of \$5,000 or any integral multiple thereof, and, in selecting portions of such Series 2006B Certificates for prepayment, the Trustee will treat each such Series 2006B Certificate as representing that number of Series 2006B Certificates in \$5,000 denominations which is obtained by dividing the principal amount of such Series 2006B Certificate to be prepaid in part by \$5,000.

The foregoing notwithstanding, as long as a book-entry only system is used for determining ownership of Series 2006B Certificates, if less than all of the Certificates with the same maturity date are to be prepaid, DTC and the DTC Participants (as defined herein) shall determine, by lot, which of the Certificates with the same maturity date are to be prepaid. See "Book-Entry Only System".

### **Notice of Prepayment**

When prepayment of Series 2006B Certificates is required, the Trustee will mail a copy of the notice required by the Trust Agreement, postage prepaid, not less than thirty (30) days before the Prepayment Date in the case of optional prepayments, sinking fund prepayment or prepayment due to damage, destruction or condemnation of the applicable Facilities, and not less than five (5) days nor more than ten (10) days before the Prepayment Date in the case of prepayment for termination of the Lease Term in the event of non-appropriation or in certain events of default under any Lease, to the Holders of any Series 2006B Certificates or portions thereof to be prepaid, at their last addresses appearing upon the Series 2006B Certificates registry books, but any defect in the notice to a particular Series 2006B Certificate holder will not affect the validity of the proceedings for the prepayment of Series 2006B Certificates.

### **Effect of Prepayment**

If, on the Prepayment Date, moneys for the payment of the Prepayment Price of the Series 2006B Certificates or portions thereof to be prepaid are held by the Trustee and available therefor on the Prepayment Date and if notice of prepayment has been given as described above, then from and after the Prepayment Date, the interest portion of the Series 2006B Certificates or the portion thereof called for prepayment will cease to accrue. If such moneys are not available on the Prepayment Date, the principal portion represented by such Series 2006B Certificates or portions thereof will continue to bear interest until paid at the same rate as would have accrued had such Series 2006B Certificates not been called for prepayment.

### **Book-Entry Only System**

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE FOUNDATION AND THE SCHOOL BOARD BELIEVE TO BE RELIABLE, BUT NEITHER THE FOUNDATION NOR THE SCHOOL BOARD TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company, New York, New York, will act as securities depository for the Series 2006B Certificates. The Series 2006B Certificates will be issued as fully-registered securities registered in the name of Cede & Co.

(DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2006B Certificate will be issued for each maturity of the Series 2006B Certificates, as set forth on the inside cover page hereof, and will be deposited with DTC.

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

Purchases of Series 2006B Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2006B Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2006B Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2006B Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2006B Certificates, except in the event that use of the book-entry system for the Series 2006B Certificates is discontinued.

To facilitate subsequent transfers, all Series 2006B Certificates 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 2006B Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2006B Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2006B Certificates 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 2006B Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2006B Certificates, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2006B Certificates may wish to ascertain that the nominee holding the Series 2006B Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

The Trustee will send redemption notices to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2006B Certificates unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Foundation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2006B Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

The Trustee will make payments of principal of, premium, if any, and interest on the Series 2006B Certificates to DTC or such other nominee, as may be requested by an authorized representative or DTC, as registered owner of the Series 2006B Certificates. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the School Board or the Foundation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE FOUNDATION, THE SCHOOL BOARD NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS, DIRECT OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM DIRECT OR INDIRECT PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 2006B CERTIFICATES, FOR THE ACCURACY OF RECORDS OF DTC, CEDE & CO. OR ANY DIRECT OR INDIRECT PARTICIPANT WITH RESPECT TO THE SERIES 2006B CERTIFICATES OR THE PROVIDING OF NOTICE OR PAYMENT OF PRINCIPAL, OR INTEREST, OR ANY PREMIUM ON THE SERIES 2006B CERTIFICATES, TO DIRECT OR INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS, OR THE SELECTION OF SERIES 2006B CERTIFICATES FOR REDEMPTION.

Neither the Foundation, the School Board nor the Trustee can give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Series 2006B Certificates paid to DTC or its nominee, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2006B Certificates, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

DTC may discontinue providing its services as securities depository with respect to the Series 2006B Certificates at any time by giving reasonable notice to the School Board, the Foundation or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2006B Certificates are required to be printed and delivered. In addition, the School Board, at the direction of the School Board, may determine to discontinue the use of book-entry transfers through DTC (or any successor securities depository). Under such circumstances, certificated Series 2006B Certificates are required to be delivered as described in the Trust Agreement.

*Payment of Series 2006B Certificates Upon Discontinuance of Book-Entry Only System.* Upon discontinuance of the book-entry only system for the Series 2006B Certificates, the principal portion or Prepayment Price of the Series 2006B Certificates will be payable at the designated corporate trust office of the Trustee, which is presently located in Jacksonville, Florida. Upon such discontinuance, the interest portion represented by the Series 2006B Certificates will be payable by check or draft of the Trustee, mailed to the registered owner at the address shown on the Series 2006B Certificate register maintained by the Trustee as of the 15th day of the month preceding the Interest Payment Date (the "Record Date"). Such interest portion may be paid by wire transfer within the United States to registered owners of \$1,000,000 or more in aggregate principal amount of Series 2006B Certificates, upon their written request received no later than the Record Date prior to an Interest Payment Date. The Trustee may charge such registered owner a reasonable fee for the cost of the wire transfer.

## SECURITY FOR THE SERIES 2006B CERTIFICATES

### General

The Series 2006B Certificates evidence undivided proportionate interests in Basic Lease Payments made by the School Board under the Series 2006B Leases. The Series 2006B Certificates are secured by and payable from the trust estate established for the Series 2006B Certificates (the "Trust Estate") pursuant to the Trust Agreement. The Trust Estate consists of all estate, right, title and interest of the Trustee in and to the Basic Lease Payments under the Series 2006B Leases, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Master Lease and the Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Series 2006B Leases, and the Trust Agreement, which are not required to be remitted to the School Board or the Foundation pursuant to the Master Lease or the Trust Agreement.

Neither the Trustee, as assignee of the Foundation, nor the School Board has mortgaged or granted a security interest in their respective interests in the Series 2006B Facilities to the Trustee. Upon termination of the Series 2006B Leases, in the case of an event of non-appropriation or in the case of certain events of default, the Series 2006B-1 Lease provides that the School Board must surrender possession of the Series 2006B-1 Facilities to the Trustee as assignee of the Foundation for disposition by sale or re-letting of its interest in such Facilities, as provided in the Trust Agreement, and any proceeds of any such disposition will be applied to the payment of the Series 2006B Certificates, after payment of the expenses of the Trustee (except as provided under "Effect of Termination for Non-Appropriation or Default" herein). The School Board may not be dispossessed of the Series 2006B-2 Facilities or any other personal property financed, in whole or in part, with the proceeds of Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF ANY SERIES OF CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. See "THE SERIES 2006B LEASES - Effect of Termination for Non-Appropriation or Default" herein.

### Lease Payments

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2006B Leases and all other Leases will be made only from legally available funds appropriated for such purpose by the School Board. The Local Option Millage Levy (as defined herein) constitutes the primary source of funds to make Lease Payments and to pay all other amounts required to be paid by the School Board under the Series 2006B Leases and all other Leases (unless otherwise provided in such other Lease). See "DISTRICT REVENUES FOR CAPITAL PROJECTS – Local Capital Outlay Sources – The Local Option Capital Outlay Millage Levy" herein.

The Trust Agreement provides for the establishment and maintenance of separate Lease Payment Accounts for each group of Facilities to be financed by a series of Certificates issued under the Trust Agreement. Lease Payments due under the schedules to the Master Lease are subject to annual appropriation by the School Board on an all-or-none basis and are payable solely from legally available funds appropriated by the School Board for such purpose; provided that Lease Payments with respect to a particular schedule and series of Certificates may be additionally and separately secured by a credit facility. There is no limit on the number of additional Projects that may be financed under the Master Lease. Such additional projects may be financed through the sale of additional series of Certificates under the Trust Agreement. THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE FOR A PORTION OF LEASE PAYMENTS DUE FOR ALL OF THE PROJECTS LEASED UNDER THE MASTER LEASE; IT MUST BUDGET AND APPROPRIATE FOR ALL SUCH LEASE PAYMENTS OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE MASTER LEASE.

### Limited Obligation of the School Board

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. THE LEASE PAYMENTS ARE PAYABLE SOLELY FROM FUNDS APPROPRIATED BY THE SCHOOL BOARD FOR SUCH PURPOSE FROM CURRENT OR OTHER FUNDS AUTHORIZED BY LAW AND REGULATIONS OF THE DEPARTMENT OF EDUCATION. NEITHER THE DISTRICT, THE SCHOOL BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE TO THE TRUSTEE UNDER THE SERIES 2006B LEASE FROM ANY SOURCE OF TAXATION. THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT ARE NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NEITHER THE FOUNDATION, THE TRUSTEE NOR ANY CERTIFICATE HOLDER MAY COMPEL THE LEVY OF ANY AD VALOREM TAXES BY THE SCHOOL BOARD TO PAY ANY SUMS, INCLUDING THE BASIC LEASE PAYMENTS, DUE UNDER THE SERIES 2006B LEASE. See "RISK FACTORS" herein.

### Additional Leases

The School Board has previously entered into and may in the future enter into Additional Leases under the Master Lease. Failure to appropriate funds to make Lease Payments under the Series 2006B Lease, the Prior Leases (as described in the Summary Statement) or any Additional Lease will, or certain events of default under any such Lease may, result in the termination of the Lease Term of all Leases, including the Series 2006B Lease. Upon any such termination of the Lease Term of all Leases, the School Board must surrender all Facilities, including the Series 2006B Facilities (but not such Facilities specifically excluded under the applicable Leases) to the Trustee for sale or re-letting of the Trustee's interest. Except as provided under "Effect of Termination for Non-Appropriation or Default" herein, the proceeds of any disposition of the Series 2006B Facilities will be applied to the payment of the Series 2006B Certificates. EXCEPT AS PROVIDED UNDER "EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN, IN NO EVENT WILL OWNERS OF THE SERIES 2006B CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of all Leases and the disposition of the Series 2006B Facilities will produce sufficient amounts to pay the Series 2006B Certificates.

In addition to the Series 2006B Lease, the School Board has previously entered into the Prior Leases. The School Board has caused the Trustee to issue the series of Certificates listed below under "Outstanding Certificates" pursuant to the Prior Leases.

At its February 15, 2006 meeting, the School Board authorized the execution and delivery of Schedule No. 2006A-1 and Schedule 2006A-2 to the Master Lease as it may be amended from time to time (together with the Master Lease, the "Series 2006A Leases") and intends to cause the Trustee to issue a series of Certificates in the aggregate principal amount of [\$215,000,000] pursuant thereto (the "Series 2006A Certificates"). The Series 2006A Certificates are expected to be issued on or about \_\_\_\_\_, 2006.

For a discussion of remedies available to the Trustee in the event of the non-appropriation of funds to pay Lease Payments or in the event of default by the School Board under any Lease, see "THE SERIES 2006B LEASES - Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default" and "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS -The Master Lease Purchase Agreement" herein.

### Outstanding Certificates

The following is a listing of the series of Certificates (the "Prior Certificates") which the School Board has previously caused to be issued by the Trustee under the Master Trust Agreement and the outstanding principal balance of each series:

<u>Series of Certificates</u>	<u>Outstanding Principal Amount</u>
Series 1998A Certificates	\$130,315,000
Series 1998C Certificates	183,280,000

Series 2000A Certificates	20,105,000
Series 2000 QZAB Certificates	11,781,505*
Series 2001B Certificates	53,550,000
Series 2001 QZAB Certificates	7,332,820*
Series 2001C Certificates	22,830,000
Series 2002A Certificates	73,220,000
Series 2002B Certificates	73,580,000
Series 2003A Certificates	63,633,333
Series 2003B Certificates	137,780,000
Series 2003C Certificates	17,290,000
Series 2003D Certificates	163,545,000
Series 2003 QZAB Certificates	6,671,910*
Series 2004A Certificates	87,210,000
Series 2005A Certificates	56,380,000

\* Represents remaining sinking fund payment obligation net of earnings on guaranteed investment contracts.

#### **Additional Certificates**

With respect to any Additional Lease, one or more series of Additional Certificates may be authorized by the Foundation at the request of the School Board and executed and delivered by the Trustee for the purpose of (a) financing the cost of acquisition, construction, installation and equipping of any Facilities or the completion thereof, (b) financing the cost of increasing, improving, modifying, expanding or replacing any Facilities, (c) paying or providing for the payment of the principal portion and interest portion of the Basic Lease Payments with respect to, or the Purchase Option Price (as described under "SECURITY FOR THE SERIES 2006B CERTIFICATES - Optional Prepayment Price") of, all or a portion of the Facilities financed from the proceeds of any series of Certificates previously executed and delivered, (d) funding a Reserve Account in an amount equal to the applicable Reserve Account Requirement, if any, (e) capitalizing the interest portion of Basic Lease Payments during construction, or (f) paying the applicable Costs of Issuance. The aggregate principal amount of Additional Certificates which may be executed and delivered under the provisions of the Trust Agreement is not limited, except as may be provided with respect to a particular series of Additional Certificates in any Supplemental Trust Agreement creating such series.

Unless otherwise set forth in the Supplemental Trust Agreement authorizing the issuance of more than one series of Certificates, each Certificate within a series of Certificates executed and delivered pursuant to the Trust Agreement shall rank *pari passu* and be equally and ratably secured under the Trust Agreement with each other Certificate of such series, but not with any Certificates of any other series (except for refunding certificates issued in the case of the partial refunding of a series of certificates or except for the issuance of completion certificates, respectively), without preference, priority or distinction of any such Certificate over any other such Certificate, except that to the extent that Basic Lease Payments available for payment to all Certificate holders are less than all amounts owed with respect to all series of Certificates on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificate holders of all series in accordance with the ratio that the principal balance of each series of Certificates Outstanding bears to the total amount of Certificates Outstanding under the Trust Agreement.

#### **Non-Appropriation Risk**

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS FOR THE PURPOSE OF MAKING LEASE PAYMENTS. FOR A DISCUSSION OF REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF THE NON-APPROPRIATION OF FUNDS TO PAY LEASE PAYMENTS, SEE "THE SERIES 2006B LEASES - TERMINATION OF LEASE TERM" AND "- EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT." THERE CAN BE NO ASSURANCE THAT THE REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF NON-APPROPRIATION WILL PRODUCE SUFFICIENT AMOUNTS TO PAY THE SERIES 2006B CERTIFICATES AND THE OUTSTANDING CERTIFICATES.

### **Optional Prepayment Price**

The School Board has the right to prepay all or a portion of the Basic Lease Payments represented by the Series 2006B Certificates and in connection therewith remove all or a portion of, as the case may be, the Series 2006B Facilities from the Series 2006B Leases and from the lien of the Series 2006B Ground Lease by paying the Purchase Option Price for the specific Series 2006B Facilities being purchased or, to the extent permitted by law, by substituting other facilities for the Series 2006B Facilities being acquired. No such partial prepayment of the Series 2006B Certificates which is accomplished by the removal of the specific Series 2006B Facilities from the Series 2006B Leases and from the lien of the Series 2006B Ground Lease may be made without the prior consent of the Insurer. The Purchase Option Price, as of each Lease Payment Date, is (i) the Basic Lease Payment then due plus the amount designated in the Series 2006B Leases, as the Remaining Principal Portion of the Purchase Option Price; (ii) minus any credits pursuant to the provisions of the Series 2006B Leases; (iii) plus an amount equal to the interest to accrue with respect to the Series 2006B Certificates to be prepaid as a result of the release of such Series 2006B Facilities from the Series 2006B-1 Lease or the Series 2006B-2 Lease, as the case may be, from such Lease Payment Date to the next available date for prepaying the Series 2006B Certificates; and (iv) plus an amount equal to any other amounts then due and owing under the Series 2006B-1 Lease or the Series 2006B-2 Lease, as the case may be, relating to such Series 2006B Facility, including any prepayment premiums payable on the Series 2006B Certificates prepaid.

### **Bond Insurance**

The scheduled payment of the principal portion and the interest portion of Basic Lease Payments represented by the Series 2006B Certificates when due will be guaranteed under the financial guaranty insurance policy to be issued concurrently with the delivery of the Series 2006B Certificates by \_\_\_\_\_. See "FINANCIAL GUARANTY INSURANCE" herein.

### **No Reserve Account for Series 2006B Certificates**

THERE IS NO RESERVE ACCOUNT ESTABLISHED FOR THE SERIES 2006B CERTIFICATES. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Lease Payments related to such series of Certificates. Each such Reserve Account shall secure only the series of Certificates for which it has been established. See "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - The Master Trust Agreement" herein.

## **FINANCIAL GUARANTY INSURANCE**

THE INFORMATION IN THIS SECTION CONCERNING THE FINANCIAL GUARANTY INSURANCE POLICY AND THE INSURER HAS BEEN OBTAINED FROM \_\_\_\_\_; NEITHER THE SCHOOL BOARD, THE FOUNDATION NOR THE UNDERWRITERS TAKE RESPONSIBILITY FOR THE ACCURACY THEREOF.

The following information has been supplied by \_\_\_\_\_ to describe the financial guaranty insurance policy to be issued with respect to the Series 2006B Certificates. A specimen of the financial guaranty insurance policy is attached as Appendix F hereto.

**[INSERT SUMMARY OF FINANCIAL GUARANTY INSURANCE POLICY]**

## **THE MASTER LEASE FACILITIES**

The Series 2006B Facilities will be financed under the School Board's existing Master Lease as part of the School Board's master lease purchase program (the "Master Lease Program") with the Foundation. The Facilities financed by the School Board under the Master Lease Program are subject to annual appropriation on an all or none basis. The District has \_\_\_\_\_ schools and related facilities subject to the Master Lease Program. Based on the District's full time equivalent enrollment approximately 361,550 K-12 students for the 2005-06 Fiscal Year, approximately \_\_\_\_\_% of the District's students attend classes in Facilities currently leased under the Master Lease (see "RISK FACTORS"). For a complete description of the Facilities under the Master Lease Program see "THE SERIES 2006B FACILITIES" and "THE PRIOR FACILITIES" herein.

Pursuant to the Master Lease, the School Board does not have the ability to stop payment on one Facility or some combination of Facilities only. The School Board's annual appropriation for Basic Lease Payments must be for all Facilities under the Master Lease Program or it must terminate all Facilities under the Master Lease Program (other than certain designated Facilities). In the event the School Board decides not to appropriate funds in its annual budget for all of such financed Facilities, the School Board would, at the Trustee's option, have to surrender such Facilities (except for certain designated Facilities currently consisting of approximately \_\_\_\_\_ percent of the Facilities subject to the Master Lease Program), including the Series 2006B Facilities, to the Trustee for the benefit of the Owners of the Certificates which financed such Facilities.

### **THE SERIES 2006B FACILITIES**

The Series 2006B Facilities consist of the acquisition, construction, installation and equipping of certain educational facilities, sites and equipment, the leasing of the Series 2006B-1 Facility Sites by the School Board to the Foundation pursuant to the Series 2006B Ground Lease and the subleasing of the Series 2006B-1 Facility Sites back to the School Board. The School Board will hold title to all of the Series 2006B-1 Facility Sites. All of the Series 2006B Facilities are located in the District. Under certain conditions set forth in the Series 2006B Leases, the School Board may substitute components for the Series 2006B Facilities. See -- "Substitution of Facilities" below. The following is a brief general description of the schools and facilities which comprise the Series 2006B Facilities.

South Hialeah Elementary School Addition: This Project is located at 265 East 5 Street, Hialeah in the East Benefit District. The Project includes the addition of a detached three-story classroom building housing 30 classrooms, related restrooms, media center, and kitchen/dining/stage building providing 636 student stations. Project costs include site development, furnishing, and equipping the facility.

South Miami Elementary School Conversion to K-8 Facility: This Project is located at 6800 S.W. 60 Street, South Miami in the East Benefit District. The Project consists of the construction of a new 3-story "middle learning center" building housing 36 classrooms with detached kitchen, art, music building, and other necessary spaces to convert the existing school from a K-5 grade configuration to a K-8 facility. This building will provide classrooms for an additional 550 student stations, a cafeteria, an art and music suite and administrative spaces. Project costs include site development, furnishing, and equipping the facility.

Early Childhood Center 1: This Project is located at N.W. 194 Street and N.W. 79 Avenue, Hialeah Gardens in the Northwest Benefit District. The Project consists of the construction of a stand alone facility that will house students from grades K-2. The building will provide classrooms for 396 student stations along with a cafeteria/stage, auxiliary and administrative spaces. Project costs include site development, furnishing, and equipping the facility.

Early Childhood Center 2 at Marjory Stoneman Douglas Elementary School: This Project is located at 11901 S.W. 2 Street, Sweetwater in the Southwest Benefit District. The Project consists of the construction of a stand alone facility that will house students from grades K-2. The building will provide classrooms for 396 student stations along with a cafeteria/stage, auxiliary and administrative spaces. Project costs include site development, furnishing, and equipping the facility.

Early Childhood Center 3: This Project is located at S.W. 157 Avenue and S.W. 45 Street, Kendall in the Southwest Benefit District. The Project consists of the construction of a stand alone facility that will house students from grades K-2. The building will provide classrooms for 396 student stations along with a cafeteria/stage, auxiliary and administrative spaces. Project costs include site development, furnishing, and equipping the facility.

Chapman, Naranja, Redland Relief Elementary School/SS A1: This Project is located at S.W. 112 Avenue and S.W. 236 Street, Redland in the East Benefit District. The new elementary school is designed for a total capacity of 826 student stations and necessary core spaces. Project costs include site development, furnishing, and equipping the facility.

Joella Good, C.D. Wyche, Palm Springs North Relief Elementary School/SS U1: This Project is located at N.W. 194 Street and N.W. 79 Avenue, Hialeah Gardens in the Northwest Benefit District. The new elementary school is designed for a total capacity of 1,239 student stations and necessary core spaces. Project costs include site development, furnishing, and equipping the facility.

E.R. Graham, Ben Sheppard Relief Elementary School/SS V1: This Project is located at N.W. 92 Avenue and N.W.

199 Street, Miami Lakes in the Northwest Benefit District. The new elementary school is designed for a total capacity of 1,239 student stations and necessary core spaces. Project costs include site development, furnishing, and equipping the facility.

Ponce de Leon Middle School Restoration and Renovations: This project is located at 5801 Augusto Street, Coral Gables in the East Benefit District. This project entails the restoration of a historically significant campus. The scope includes structural restoration of existing buildings along with major remodeling and renovation throughout the facility. Project costs include site development, furnishing, and equipping the facility.

Comprehensive Needs (Various Facilities): These schools are located throughout the District. The scope of these projects varies from correction of outstanding campus deficiencies to remodeling and renovations of existing schools. Project costs include professional services such as architectural and engineering fees, construction costs, furnishings and equipment.

*Estimated Series 2006B Facilities Budget.* The following table sets forth the School Board’s current estimates of the cost of each of the facilities comprising the Series 2006B Facilities. Actual costs may be greater or less than those shown.

Series 2006B Facilities

South Hiialeah Elementary School Addition	\$22,206,000
South Miami Elementary School Conversion to K-8 Facility	21,308,000
Early Childhood Center 1	5,824,000
Early Childhood Center 2 at Marjory Stoneman Douglas Elementary School	7,207,000
Early Childhood Center 3	5,824,000
Chapman, Naranja, Redland Relief Elementary School/SS A1	20,549,000
Joella Good, C.D. Wyche, Palm Springs North Relief Elementary School/SS U1	31,863,000
E.R. Graham, Ben Sheppard Relief Elementary School/SS V1	22,188,000
Ponce de Leon Middle School Restoration and Renovations	10,367,000
Comprehensive Needs (Various Facilities)	<u>47,800,000</u>
	<u>\$195,136,000</u>
 Total	

The foregoing reflects the current expectation of the School Board and the District as of the date of this Offering Statement as to the nature, scope and cost of the Series 2006B Facilities and is subject to change and amendment.

**Substitution of Facilities**

To the extent permitted by law and with the prior consent of the Insurer, the School Board may substitute for any portion of the Series 2006B Facilities described above other facilities owned by the School Board, provided such substituted facilities (a) have the same or greater remaining useful life, (b) have a fair market value equal to or greater than the Series 2006B Facilities for which they are substituted, (c) are of substantially equal usefulness as the Series 2006B Facilities to be replaced and provide essential governmental services, (d) are free and clear of all liens and encumbrances, except Permitted Encumbrances, and (e) are approved for substitution by the Florida Department of Education. In order to effect such substitution, the Series 2006B Facilities to be replaced will be released from the encumbrance of the Series 2006B Leases and Series 2006B Ground Lease and the facilities to be substituted shall be incorporated into said Series 2006B Leases and Series 2006B Ground Lease.

There must also be delivered at the time of substitution an opinion of counsel as to the legality and validity of such substitution under the laws of the State, a policy of title insurance (if required by the Insurer) and an opinion of counsel as described in the Master Lease with respect to a substitute Facility Site. For purposes of the preceding paragraph, “fair market value” will be determined on the basis of an MAI appraisal performed by an appraiser jointly selected by the School Board and the Trustee.

**Relationship to District’s General Obligation Bonds Capital Improvement Program**

Each of the projects described above and any additional projects financed or to be financed under the Master Lease are in addition to those facilities financed pursuant to the District’s general obligation school bonds capital improvement program. See “THE CAPITAL IMPROVEMENT PROGRAM” herein. Generally, the educational facilities financed by the District under the Master Lease or similar lease purchase arrangements consist of facilities that were not included in the original authorization for the District’s general obligation bonds capital improvement program.

**THE PRIOR FACILITIES**

The following provides a summarized description of the Facilities (collectively referred to as the "Prior Facilities") being lease-purchased under the Prior Leases and subject to the Master Lease. Under certain conditions set forth in the Master Lease, the School Board may substitute Facilities, modify the plans and specifications therefor or eliminate Facilities.

[List all schools/ancillary facilities by Lease Schedule]

**ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds to be received from the sale of the Series 2006B Certificates, exclusive of accrued interest, shall be applied as follows:

Sources of Funds:

Par Amount of Series 2006B Certificates	\$
Plus: Original Issue Premium	
Total Sources of Funds	\$

Uses of Funds:

Deposit to Series 2006B Acquisition Account	\$
Costs of Issuance <sup>(1)</sup>	
Underwriters’ Discount	
Total Uses of Funds	\$

<sup>(1)</sup> Includes financial guaranty insurance premium, counsel fees and other costs of issuance.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**SERIES 2006B CERTIFICATE PAYMENT SCHEDULE**

Payment requirements on the Series 2006B Certificates are as follows:

<b><u>Period Ended</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Portion</u></b>	<b><u>Period Total</u></b>
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**AGGREGATE PAYMENTS ON OUTSTANDING  
CERTIFICATES OF PARTICIPATION  
[UPDATE]**

The aggregate annual lease payment requirements on the District's outstanding Series 1998A Certificates, Series 1998C Certificates, Series 2000A Certificates, Series 2000B Certificates, Series 2000C Certificates, Series 2000D Certificates, Series 2000E Certificates, Series 2001 QZAB Certificates, Series 2001B Certificates, Series 2001C Certificates, Series 2002 Certificates, Series 2003A Certificates, Series 2003B Certificates, Series 2003C Certificates, Series 2003D Certificates, the Series 2004A Certificates and the Series 2005A Certificates are set forth below.

iscal Year Ending June 30	Series 1998A Certificates	Series 1998C Certificates	Series 2000A Certificates <sup>(1)</sup>	Series 2000 QZAB Certificates <sup>(1)</sup>	Series 2001 QZAB Certificates <sup>(1)</sup>	Series 2001B Certificates <sup>(2)</sup>	Series 2001C Certificates <sup>(1)</sup>	Series 2002A and 2002B Certificates <sup>(3)</sup>	Series 2003A and 2003B Certificates <sup>(4)</sup>	Series 2003C Certificates	Series 2003D Certificates	Series 2003 QZAB Certificates <sup>(2)</sup>	Series 2004A Certificates <sup>(1)</sup>	Series 2005A Certificates <sup>(1)</sup>	Total
2006	\$7,091,293	\$23,586,446	\$4,557,839	\$1,472,688	\$733,282	\$3,747,041	\$2,494,430	\$10,715,522	\$13,184,700	\$4,797,850	\$7,862,166	\$476,565	\$4,013,138	\$8,593,214	\$93,266.1
2007	7,094,540	23,427,371	4,544,178	1,472,688	733,282	3,744,338	2,494,743	10,715,267	12,101,000	4,776,250	7,951,466	476,565	4,013,138	13,582,925	97,107.7
2008	16,783,769	12,371,473	4,537,741	1,472,688	733,282	3,743,893	2,493,130	10,713,592	11,911,450	4,731,000	9,543,766	476,565	4,250,438	4,962,925	88,725.7
2009	16,789,775	11,258,240	4,545,257	1,472,688	733,282	3,511,282	2,497,280	10,718,889	12,951,875	4,740,625	9,815,410	476,565	4,588,888	4,879,050	88,978.8
2010	16,790,463	11,582,731	4,521,393	1,472,688	733,282	3,992,976	2,495,605	10,715,671	11,724,775		15,004,579	476,565	4,585,963	4,711,550	88,808.2
2011	16,789,388	11,575,956		1,472,688	733,282	3,515,862	2,494,093	10,712,949	11,719,275		7,903,556	476,565	9,144,750	4,555,800	81,094.1
2012	16,784,975	11,576,381		1,472,688	733,282	3,978,623	2,496,768	10,714,528	11,422,175		7,732,134	476,565	9,155,425	3,117,000	79,640.7
2013	16,790,256	11,573,819		1,472,688	733,282	3,732,174	986,461	10,714,021	11,431,150		7,988,334	476,565	10,656,513	3,098,625	79,654.8
2014	16,788,263	11,572,013		1,472,688	733,282	3,740,040	653,390	10,714,342	11,445,600		9,461,440	476,565	10,980,150	2,996,625	79,561.7
2015	2,375,875	11,570,375		1,472,688	733,282	3,735,833	1,316,525	10,713,223	12,871,300		22,460,173	476,565	10,306,269	2,894,625	79,454.0
2016	2,381,750	11,565,875		1,472,688	733,282	3,745,673	365,550	10,713,456	12,885,338		15,574,861	476,565	11,028,638	4,097,625	73,015.3
2017	2,377,125	11,568,375		1,472,688	733,282	3,748,369	463,250	10,712,685	12,910,188		15,567,099	476,565	11,103,344	4,014,000	72,940.9
2018	2,377,125	16,805,750		1,472,688	733,282	3,914,143	463,250	10,715,519	12,183,450		11,253,561	476,565	11,092,063	3,846,750	72,775.4
2019	9,279,625	9,892,625		1,472,688	733,282	3,896,258	3,324,875	10,718,276	12,261,825		10,860,774	476,565	11,080,188	3,679,500	72,587.2
2020	9,261,000	9,889,375		1,472,688	733,282	3,739,999	3,324,375	10,713,112	12,278,463		11,198,839	476,565	8,208,450	3,512,250	71,948.3
2021	1,536,750	17,613,625		1,472,688	733,282	3,735,079	3,326,125	10,715,739	12,309,688		10,877,204	476,565	8,194,606	68,421.3	68,421.3
2022	1,538,875	17,579,875		1,472,688	733,282	3,723,066		10,712,701	12,349,975		19,195,579	476,565	8,194,606	68,421.3	68,421.3
2023	1,537,000	17,576,875		1,472,688	733,282	3,735,079		10,711,473	12,373,975		6,368,099	476,565	8,194,606	68,421.3	68,421.3
2024	1,539,750	17,553,875		1,472,688	733,282	3,639,963		10,713,975	12,416,163		6,339,897	476,565	8,194,606	68,421.3	68,421.3
2025	10,468,125	1,276,125		1,472,688	733,282	3,648,131		10,713,017	19,765,725		6,412,250	476,565	8,194,606	68,421.3	68,421.3
2026	18,865,125			1,472,688	733,282	3,789,020		10,714,478	31,535,788		6,228,125	476,565	8,194,606	68,421.3	68,421.3
2027				1,472,688	733,282	3,729,105		10,712,678	8,954,725		6,235,500	476,565	8,194,606	68,421.3	68,421.3
2028				1,472,688	733,282	3,720,092			8,972,100		30,078,625	476,565	8,194,606	68,421.3	68,421.3
2029				1,472,688	733,282	3,728,319			8,988,975			476,565	8,194,606	68,421.3	68,421.3
2030				1,472,688	733,282							476,565	8,194,606	68,421.3	68,421.3
2031				1,472,688	733,282							476,565	8,194,606	68,421.3	68,421.3
2032				1,472,688	733,282							476,565	8,194,606	68,421.3	68,421.3
	<b>\$196,781,345</b>	<b>\$289,017,110</b>	<b>\$22,706,407</b>	<b>\$11,781,505</b>	<b>\$7,332,820</b>	<b>\$97,156,579</b>	<b>\$32,353,099</b>	<b>\$246,430,236</b>	<b>\$333,889,000</b>	<b>\$19,045,725</b>	<b>\$298,312,061</b>	<b>\$6,671,910</b>	<b>\$132,381,956</b>	<b>\$72,482,464</b>	<b>\$1,768,342.2</b>

(1) The Series 2000A Certificates, the Series 2001C Certificates, the Series 2004A Certificates and the Series 2005A Certificates are expected to be paid from certain educational facilities impact fee revenues received from Miami-Dade County.

(2) Estimated Series 2000 QZAB, Series 2001 QZAB, Series 2003 QZAB, Series 2004 QZAB, Series 2005A Certificates and the Series 2002 Certificates.

(3) Based on an assumed Auction Rate plus costs equaling 5.0%. The rate is assumed to be in effect until the final maturity of the Series 2001B Certificates and the Series 2002 Certificates.

(4) Based on an assumed rate of 3.50% for the Series 2003A Term Rate Certificates after August 1, 2008 and an assumed rate of 3.50% for the Series 2003B Term Rate Certificates after May 1, 2011.

## **THE MASTER LEASE PROGRAM**

In order to provide for the lease purchase financing and refinancing from time to time of Facilities, the School Board has authorized the execution and delivery of the Master Lease between the School Board and the Foundation. Facilities to be leased from time to time will be identified on separate Schedules to the Master Lease. Upon execution and delivery thereof, each Schedule, together with the provisions of the Master Lease, will constitute a separate Lease. See "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - The Master Lease Purchase Agreement."

In addition to the Series 2006B Leases, the School Board has previously entered into the Prior Leases for the financing of various educational facilities. In connection with the Leases, there are currently outstanding \$\_\_\_\_\_ aggregate principal amount of Certificates (as adjusted to reflect net sinking fund payments due on the Series 2000, 2001, and the 2003 QZAB Certificates). See "SECURITY FOR THE SERIES 2006B CERTIFICATES— Additional Leases" and "—Additional Certificates" and "—Outstanding Certificates" and "THE MASTER LEASE FACILITIES" herein.

In addition, the School Board may, in the future, also enter into lease purchase arrangements upon terms and conditions other than those in the Master Lease. Failure to make payments under any such lease agreement, or an event of default under any such lease agreement, will not affect the Lease Term or cause the termination of the Series 2006B Leases or any other Leases.

## **THE SERIES 2006B LEASES**

The following is a brief summary of certain provisions of the Series 2006B Leases, which is not intended to be definitive. Reference is made to "APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - Master Lease Purchase Agreement" for the complete text.

### **Authority**

The Series 2006B Leases are entered into pursuant to the authority granted under Chapters 1000-1013, Florida Statutes, for the purpose of providing for the acquisition, construction, installation and equipping of the related Series Facilities.

### **Terms of Leases**

Under the Series 2006B-1 Lease, the Foundation leases to the School Board the Series 2006B-1 Facilities. The Series 2006B-1 Lease has an original Lease Term commencing on \_\_\_\_ 1, 2006 through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_ 1, 20\_\_, unless sooner terminated in accordance with the provisions of the Series 2006B-1 Lease.

Under the Series 2006B-2 Lease, the Foundation leases to the School Board the Series 2006B-2 Facilities. The Series 2006B-2 Lease has an original Lease Term commencing on \_\_\_\_ 1, 2006 through and including June 30, 2006, and is automatically renewable annually thereafter through \_\_\_\_ 1, 20\_\_, unless sooner terminated in accordance with the provisions of the Series 2006B-2 Lease.

### **Termination of Lease Term**

The Lease Term of each Lease, including the Series 2006B Leases, will terminate upon the earliest of any of the following events:

- (a) Each Lease will terminate on the date set forth in such Lease;
- (b) All Leases will terminate in the event of non-appropriation of funds for the payment of Lease Payments;
- (c) All Leases will terminate upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Master Lease; and

(d) A particular Lease will terminate upon payment by the School Board of the Purchase Option Price of all the particular Facilities leased under such Lease by the School Board or upon provision for such payment pursuant to the Master Lease.

#### **Effect of Termination for Non-Appropriation or Default**

Upon termination of the Lease Term of the Series 2006B Leases for a reason referred to in (b) or (c) under “THE SERIES 2006B LEASES - Termination of Lease Term” above, the School Board is required to immediately surrender and deliver possession of all of the Series 2006B-1 Facilities financed under the Series 2006B-1 Lease to the Trustee. Upon such surrender, the Trustee will sell or re-let its interest in the Series 2006B-1 Facilities in such manner and to such person or persons for any lawful purpose as it, in its or the Insurer’s sole discretion, determines to be appropriate. The proceeds, if any, derived from any such sale or reletting of the leasehold interest in the Series 2006B-1 Facilities will be applied first to the payment in full of the Series 2006B Certificates and then as described in the Series 2006B-1 Lease. IN NO EVENT WILL OWNERS OF A SERIES OF CERTIFICATES HAVE ANY INTEREST IN OR RIGHT TO ANY PROCEEDS OF THE DISPOSITION OF FACILITIES FINANCED WITH THE PROCEEDS OF ANOTHER SERIES OF CERTIFICATES. For a discussion of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of the Series 2006B-1 Facilities to the Trustee, See “APPENDIX C - FORMS OF CERTAIN LEGAL DOCUMENTS - Master Lease Purchase Agreement.” The foregoing notwithstanding, under the Series 2006B Leases, the School Board may not be dispossessed of any personal property financed, in whole or in part with the proceeds of the Series 2006B Certificates.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of the Series 2006B Leases for non-appropriation or default and the disposition of the Series 2006B Facilities will produce sufficient amounts to pay the outstanding Series 2006B Certificates. The federal income tax status of payments made to Series 2006B Certificate holders after such termination may also be adversely affected. See “TAX TREATMENT.” Further, after such termination of the Lease Term of the Series 2006B Leases, transfer of the Series 2006B Certificates may be subject to the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that the market for the Series 2006B Certificates will not be impaired following termination of the Lease Term of the Series 2006B Leases.

#### **Lease Payments**

Subject to the conditions stated in the Series 2006B Leases, the School Board has expressed its current intent to make all Lease Payments due under the Series 2006B Leases. PROVIDED, HOWEVER, THAT NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE TO THE FOUNDATION UNDER THE SERIES 2006B LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND THE SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. All Lease Payments due under the Series 2006B Leases will be made from current or other funds authorized by law and regulations of the State Department of Education and appropriated for such purpose by the School Board, including Educational Facilities Impact Fee Revenues.

On the fifteenth (15<sup>th</sup>) day of the month immediately preceding an interest or principal payment date on the Series 2006B Certificates, the School Board is required to pay to the Trustee the Basic Lease Payment then due on such date, which amount corresponds to the next succeeding payment due on the Series 2006B Certificates.

Lease Payments due under the Series 2006B Leases may be reduced, when applicable, by amounts credited as follows:

(a) The Trustee will deposit into the corresponding Lease Payment Subaccount interest income in accordance with the Trust Agreement and apply such interest income as provided in the Trust Agreement.

(b) On completion of the acquisition and construction of the Facilities and upon the payment of all Costs of such Facilities or on termination of the Lease Term, the amounts, if any, remaining on deposit in the Acquisition Account will be transferred to the appropriate Lease Payment Subaccount to be applied to Basic Lease Payments next coming due under the Series 2006B Leases; provided, however, that if, upon delivery by the School

Board of a Certificate of Acceptance indicating completion of the acquisition, construction, installation and payment of all Costs of the Facilities (including the failure of the School Board to acquire any component of such Facilities), there shall remain in the Acquisition Account an amount greater than the amount of Basic Lease Payments coming due in the immediately following Fiscal Year under the Series 2006B-1 Lease or the Series 2006B-2 Lease, as applicable, such remaining amount shall be transferred to the Prepayment Account.

(c) The Trustee will deposit in the corresponding Lease Payment Subaccount or the Prepayment Account, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation as provided for in the Series 2006B Leases to be applied to Basic Lease Payments under the Series 2006B Leases or the Prepayment Price of the Series 2006B Certificates.

### **Lease Covenants**

Under the Series 2006B Leases, the School Board is responsible for the acquisition, construction, installation and equipping of the Series 2006B Facilities pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction, installation and equipping of the Series 2006B Facilities. In the Series 2006B Leases, the School Board covenants that it will (i) maintain the Series 2006B Facilities at all times during the Lease Term in good repair and condition, (ii) pay applicable taxes, assessments, utility charges and other governmental charges, and (iii) provide applicable insurance coverage which may include self insurance, including property and liability insurance, all in accordance with the terms and provisions relating to these requirements contained in the Series 2006B Leases.

### **Budget and Appropriation**

The cost and expense of the performance by the School Board of its obligations under the Series 2006B Leases and the incurrence of any liabilities of the School Board under such Lease including, without limitation, the payment of the corresponding Lease Payments and all other amounts required to be paid by the School Board under such Lease, are subject to and dependent upon appropriations being duly made from time to time by the School Board for such purposes. Under no circumstances will the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased under the Series 2006B Leases.

Unless the School Board, at a public meeting held prior to the end of the then current Fiscal Year, gives notice of its intent not to appropriate the funds necessary to make the Lease Payments coming due in the following Fiscal Year under the Series 2006B Leases, the Superintendent is required to include in the Superintendent's tentative budget proposal, in a separate line item, the funds necessary to make such Lease Payments, and such Series 2006B Leases will be automatically renewed on June 30 of the current Fiscal Year, for the following Fiscal Year, subject to appropriation being made by the School Board in the final official budget. If no such appropriation is made in the final adopted budget or if no official budget is adopted as of the last day on which a final budget is required to have been adopted under Chapters 1000-1013, Florida Statutes, as amended, and applicable regulations thereunder, such Series 2006B Leases will terminate as of the date of adoption of the final official budget or the last date on which a final budget is required to have been adopted, whichever is earlier, and under which no appropriation has been made.

If the School Board declares its intent at such public meeting prior to the end of the then current Fiscal Year not to appropriate the funds necessary to make Lease Payments under the Leases, they will not be automatically renewed for the following Fiscal Year, and shall terminate on June 30 of the then current Fiscal Year. The School Board will, however, provide written notice of any non-appropriation of funds, as described above, to the Trustee and the Insurer within three business days after declaring its intent not to appropriate the funds necessary to make payments under such Lease. For a discussion of the effect of termination of the Lease Term of any Lease, including the Series 2006B Leases, see "THE SERIES 2006B LEASES - Effect of Termination for Non-Appropriation or Default" herein.

## THE FOUNDATION

Miami-Dade County School Board Foundation, Inc. (formerly known as Dade County School Board Foundation, Inc.) is a Florida not-for-profit corporation formed on February 29, 1988 for the purpose of acting as lessor in connection with "annual appropriation" capital financings for the School Board.

The President and Secretary of the Foundation is Dr. Rudolph F. Crew, Superintendent of Schools; the Vice President and Treasurer is Ofelia San Pedro. The sole member of the Foundation is the School Board. This sole membership is not assignable or otherwise transferable. There is no litigation pending against the Foundation.

Pursuant to the Series 2006B Assignment, the Foundation will assign and convey to the Trustee for the benefit of the Series 2006B Certificate holders all of the Foundation's right, title and interest, (i) as lessee of the Series 2006B-1 Facility Sites under the Series 2006B Ground Lease, (ii) as lessor of the Series 2006B-1 Facilities under the Series 2006B-1 Lease and (iii) as lessor of the Series 2006B-2 Facilities under the Series 2006B-2 Lease. This includes, without limitation, the right of the Trustee to receive for the benefit of Certificate holders all Basic Lease Payments and other amounts required to be paid by the School Board under the Series 2006B Leases.

Pursuant to the Prior Leases entered into under the Master Lease, the Foundation leases to the School Board certain educational Facilities. See "THE MASTER LEASE PROGRAM" and "MASTER LEASE FACILITIES" herein.

## THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA

### General Overview

The District is the fourth largest school system in the nation as measured by student enrollment. Located at the hub of the southeast coast of Florida and in the most populous area of the State, the geographic boundaries of the District are coterminous with those of Miami-Dade County, Florida. Miami-Dade County is the largest county in the southeastern United States in both land area and population with a current population of approximately 2.4 million and a land area of 2,209 square miles. The District services the unincorporated areas of Miami-Dade County and all 32 municipalities within the boundaries of Miami-Dade County, including the cities of Miami, Miami Beach, Coral Gables, Hialeah and Pinecrest.

As of June 30, 2005, the District consisted of 356 schools and vocational/technical centers, approximately 361,550 students and approximately 48,000 full and part-time employees, including over 22,000 full-time teachers and approximately 4,500 full-time paraprofessionals and technical staff. Management of the District is independent of the various municipal governments of Miami-Dade County, including Miami-Dade County itself. The Tax Collector of Miami-Dade County (the "County Tax Collector") collects the ad valorem school tax for the District, but Miami-Dade County exercises no control over its expenditure.

### Administration

*The School Board.* The School Board is a public corporation existing under the laws of the State of Florida, particularly Section 1001.40, Florida Statutes, and is the governing body of the District. The School Board consists of nine members elected from single member districts. The District switched to this form of governance in November of 1996.

Under existing statutes, the School Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools, and programs for gifted students and handicapped students, including students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

The School Board also has broad financial responsibilities, including the approval of the annual budget, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls.

The Chair of the School Board and the Vice Chair of the School Board are elected by the members of the School Board annually. The Superintendent of Schools is the ex-officio Secretary of the School Board.

*School Board Members.* The following are brief resumes of the members of the School Board with the expirations of their respective terms as indicated:

AGUSTIN J. BARRERA, CHAIR, was elected to the School Board in November 2002 to represent District 6. Mr. Barrera is an engineer by profession and has been active in community organizations for several years. In November 2005 Mr. Barrera was chosen by his colleagues to serve as Chairman of the School Board. He has been a member of the The Kiwanis Club of Little Havana since 1994 and has served on its Board of Directors from 1996-2000 and as President from 2001-2003. Mr. Barrera was involved with Front Porch Florida from 2000-2002, a program established by Governor Jeb Bush. This program focuses on the family and empowers the resident of the designated Front Porch community to define and resolve neighborhood problems. From 2001 to 2002 he served as Chair for the Riverside Community Council Education Committee and a member of the Miami-Dade County Public Schools Overcrowding Task Force. Mr. Barrera received his Associates Degree from Miami-Dade Community College and his Bachelor of Design from the College of Architecture at the University of Florida. He is currently Director of Operations at Leo A. Daly, Architecture\*Planning\*Engineering\*Interiors. His term expires in November 2006.

PERLA TABARES HANTMAN, VICE CHAIR, was elected to the Board in 1996 and re-elected in 1998 and 2002 to represent District 4. In 1999, she was nominated and unanimously elected as Chair of the School Board and served three terms in that position. Ms. Hantman attended the University of Havana, Cuba, and Barry University in Miami, where she earned a Bachelor's Degree. In 1991, Ms. Hantman was awarded a Doctor of Humanities, Honoris Causa degree from Gregorian University of Rome, Italy. Ms. Hantman began her public service career working for the Cuban Refugee Program in the Department of Health, Education and Welfare (HEW). She later worked for the U.S. Department of State in the United States Foreign Service at the American Embassy in Mexico City. Ms. Hantman has been appointed by several Florida governors to various State executive positions, including the Florida Board of Regents, where she was a member for six years, and the Metropolitan Planning Organization where she currently serves her second term. In 1997, she received the Stephen P. Clark Children's Award for Outstanding Miami-Dade County Educator. Ms. Hantman received Florida International University's Distinguished Service Medallion in Community Service in April 2000 and in 2004 she received the university's College of Law "Enma Tarafa Legal Excellence Award." In 2005, Ms. Hantman was appointed to serve on the Board of Directors of the New World School of the Arts. Ms. Hantman served as Chair of the School Board's Facilities Planning and Construction Committee and the Legislative Relations, Public Relations and Personnel Services Committee. She presently chairs the School Board's Innovation, Efficiency and Governmental Relations Committee. Her term expires in November 2006.

FRANK J. BOLAÑOS, MEMBER, was appointed to the School Board by Governor Jeb Bush in July, 2001, elected in 2002 and re-elected in 2004 to represent District 5. In November 2004 Mr. Bolaños was unanimously chosen by his colleagues to serve as Chairman of the School Board. Mr. Bolaños serves on the Boards of Directors of CAMACOL, Florida Theatrical Association, Dade Education Fund and Carlos Albizu University Foundation. He has previously held seats with the Stars Hope Scholarship Program, Diabetes Foundation, Arthritis Foundation, Junta Patriótica Cubana, Municipios de Cuba en el Exilio, Asociacion Interamericana de Hombres de Empresa (AIHE), United Way of Miami-Dade County, Executive Board of the New World School of Arts, FIU Alumni Association, Story Theatre (For Children) and the Executive Committees of the Greater Miami Chamber of Commerce and the World Trade Center. Prior to his appointment to the School Board, Mr. Bolaños served as a Councilman of the Doral Community Council. Mr. Bolaños is an executive with over 20 years of experience with a focus on strategic planning, business market expansion, and business management. Throughout his career he has successfully crafted and adapted his business and marketing techniques to several sectors, including the insurance, healthcare, printing, and publishing industries. Mr. Bolaños, in his current position as Regional Director for BellSouth's The Real Yellow Pages, represents the company in contacts with civic, professional, and business organizations. His scope of responsibility spans over 16 cities throughout four southeastern states. He is a frequent and sought-after speaker for seminars and conferences. Mr. Bolaños has an A.A. degree from Miami-Dade Community College, a B.A. from Florida International University and has completed numerous executive business courses and seminars including the Strategic Planning Executive Training Seminar at Harvard School of Business. His term expires in November 2008.

EVELYN LANGLIEB GREER, MEMBER, was elected to the School Board in 2004 to represent District 9. Ms. Greer was the co-founder and first mayor of the Village of Pinecrest from 1996 to 2004. She is president, founder and CEO of Greer Properties, Inc., a diversified real estate developer and operator of real properties in the State of Florida, including construction of new properties, renovation and redevelopment, and acquisition of existing properties. Ms. Greer, a cum laude graduate of Barnard College with a B.A. in economics, received her J.D. from Columbia University School of Law. She is also an attorney since 1973 with Hogan, Greer & Shapiro, P.A., a commercial law practice which specializes in real estate transactions, corporate and commercial matters. Ms. Greer has been a member of the Miami-Dade County Superintendent Search Committee, the Joint Task Force on School Overcrowding, and is a current member of Our Kids, a state authorized foster care privatization effort. She is currently a director of both City National Bank of Florida and Fusion Telecommunications, Inc. Ms. Greer has been a trustee of Barnard College, Columbia University since 1995, and Vice-Chair, Board of Visitors, of Columbia University School of Law since 1996. Her term expires in November 2008.

DR. ROBERT B. INGRAM, MEMBER, was elected to the Board in 1998 and re-elected in 2000 and 2004 to represent District 1. He serves as a Full Professor and Assistant to the President for Urban Affairs at Florida Memorial University. Dr. Ingram's academic credentials include a Ph.D. in Applied Behavioral Science from Union Institute, Cincinnati, Ohio, as well as a Masters Degree in Administration and Supervision of Adult Education and a Bachelor of Science degree in Urban Justice from Florida International University. Dr. Ingram has been a police officer in the Miami Police Department, the Chief of Police in Opa-Locka, Florida, the Mayor of Opa-Locka and the President of the National Conference of Black Mayors and City Manager of South Miami, Florida. Dr. Ingram has received numerous awards for his dedicated community service and fostering of positive race relations. His term expires in November 2008.

DR. MARTIN KARP, MEMBER, was elected to the School Board in November 2004 to represent District 3. At the University of Miami, he earned a Doctor of Education in Educational Leadership, a Master of Science in Education, and a Bachelor of Business Administration in Marketing. At Syracuse University's Newhouse School of Public Communications, he earned a masters degree in a joint M.S. and M.B.A. program. As an educator in the Miami-Dade County Public Schools, Dr. Karp helped create a gifted program, which began as a unique joint effort between a private and public school. He founded, coordinated, and produced a children's television show, WKDZ Kids' World. On the PBS affiliate in Miami, WPBT-TV channel 2, Dr. Karp provided assistance for educational programs. He created two educational radio talk shows, which he produced and hosted on local A.M. stations. Dr. Karp began volunteering in South Florida in 1982 when he started S.H.O.P. (Senior Handicapped Outreach Program). He founded a countywide District-approved contest sponsored by the Miami-Dade Police Department and Humane Society of Greater Miami. He started the H.O.P.E. (Help Overcome Pet Euthanasia) Contest ten years ago and more than 2,500 students have participated. On the School Board, he serves as the Chairperson for the School Support Accountability Committee and the Vice-Chairperson for the Innovation, Efficiency and Government Relations Committee. He serves as a member of the Instructional Excellence and Community Engagement Committee. His term expires in November 2008.

ANA RIVAS LOGAN, MEMBER, was elected to the School Board in November 2004 to represent District 7. Ms. Logan received her Bachelor's Degree from Florida International University and started working for the District as a middle school teacher. Ms. Logan later served in several administrative positions before working as the Assistant Principal at Miami Senior High School and Kinloch Park Elementary School. She earned an advanced degree from Nova Southeastern University's Master of Science Computer Science Education program and completed some post-graduate work in Educational Leadership. She teaches computer courses as an Adjunct Professor at Miami-Dade Community College. Ms. Logan has been and continues to be extensively involved with the community in numerous organizations. For Ms. Logan, education is more than a career; it is a lifetime of commitment to the best education possible for all children. Ms. Logan's term expires in November 2008.

DR. MARTA PÉREZ, MEMBER, was elected to the Board in 1998 and re-elected in 2002 to represent District 8. She was employed by the Miami-Dade County School System as a middle school teacher from 1974 to 1979. In 1996, Dr. Perez was elected as Community Councilwoman for Area 10 and became the first chairperson for that council. In 1996 she received her Doctorate in Philosophy from the University of Miami. While serving on the School Board, Dr. Perez has been an active member of the Elementary and Secondary School Committee, Investment Advisory Selection Committee, School Operations Committee and is the Chairperson for the Financial Affairs Committee. Dr. Perez is currently the Vice-President of the Miami-Dade School Readiness Coalition and has been elected President of the South Florida Consortium of School Boards. She is also the Miami-Dade County School Board delegate to the Florida School Boards Association where she is the Chair of the Multicultural Committee. Dr. Perez became the first Hispanic in history to earn the distinction of being a Certified School Board Member. She is a member of the National School Boards Association, Council of Urban Boards of Education

and of the Council of Great City Schools. Dr. Perez is also a member of the League of Woman Voters, National Parkinson's Foundation, University of Miami Amigos Association and the Coalition of Hispanic American Women. She has also been honored with the following awards: Academic Excellence from the Graduate School of the University of Miami, Women and Power Award, American Bahamian Federation Award for Civic Leadership and Community Service, and One Nation Public Service Award. Other distinctions honoring Dr. Perez include her nomination to Phi Delta Kappa's (Education Honor Society) "Legislature of the Year," 1998, certified Parliamentarian in Florida, membership in Phi Kappa Phi Honor Society, and Phi Lambda Pi Honor Society. Her term expires in November 2006.

DR. SOLOMON C. STINSON, MEMBER, was elected to the School Board in November 1996 and re-elected in 1998 and 2002 to represent District 2 after working 36 years in education. Starting out as a teacher, he rose through the ranks to attain the position of Deputy Superintendent of Schools. Dr. Stinson is associated with a number of professional and civic organizations. He has a B.S. from Alabama State University; a M.A. in school administration and supervision from the University of Iowa; and a Ph.D. in school administration from the University of Iowa. He is certified in science, math, social studies, elementary education, administration and supervision and adult education. His term expires in November 2006.

### **Biographical Information for Certain Administrators**

The following is biographical information for certain administrators of the District:

DR. RUDOLPH F. CREW, SUPERINTENDENT OF SCHOOLS, was appointed Superintendent in April 2004 and assumed his position on July 1, 2004. Immediately before his appointment, he served as Director of District Reform Initiatives at the Stupski Foundation, a private philanthropic foundation created in 1996 to support the improvement of public education. As Director of District Reform, Dr. Crew led a team that centered on a fundamental belief in strong leadership and effective teaching. Prior to joining the Stupski Foundation, he served as Executive Director of the Institute for K-12 Leadership, a partnership of the University of Washington in Seattle and WestEd based in San Francisco. In his 25 years as an educator, his career has taken him to Boston, Sacramento, Washington State, and to New York City where he served as Chancellor of New York Public Schools from 1995 to 1999. Throughout that body of work, he has dedicated his talents and his energies to ensuring a quality education for children of all backgrounds. Dr. Crew's guiding principle in his work as an educator has always been to provide the means by which all students can achieve high standards. He established the Math and Science Institute (a forerunner of the Institute for K-12 Leadership) and created a Superintendent's and Principals' Institute to cultivate and nurture school leadership. Dr. Crew devotes time to service on numerous boards, including the Lincoln Center for the Performing Arts, the New York Philharmonic and the Washington Association for Black School Educators. He is a recipient of many awards, including the NAACP Educational Leadership Award, the Arthur Ashe Leadership Award, and the Association of California School Administrators Administrator of the Year Award. Dr. Crew holds a Doctor of Education degree in Educational Administration and a Master of Education degree in Urban Education from the University of Massachusetts at Amherst, and a Bachelor of Arts degree in Management from Babson College in Wellesley, Massachusetts.

OFELIA SAN PEDRO, DEPUTY SUPERINTENDENT, BUSINESS OPERATIONS, was appointed Deputy Superintendent on July 14, 2004 and assumed her position July 19, 2004. As Deputy Superintendent, she is responsible for Financial Operations, Office of Facilities, Transportation, Food & Nutrition, Business Process Improvement and Information Technology. Prior to joining the District, Ms. San Pedro was a corporate executive for over 25 years. Ms. San Pedro most recently served as Vice President of Global Procurement at Ryder System Inc., responsible for a procurement budget in excess of \$2 billion. She was also President of Ryder Energy Distribution, a \$500 million subsidiary of Ryder System. Earlier in her career, Ms. San Pedro served as an Adjunct Professor of Industrial Engineering for the University of Miami from 1980-1990. She received both her Bachelor of Science in Industrial Engineering and her Master of Business Administration from the University of Miami.

MARTIN A. BERKOWITZ, CHIEF FINANCIAL OFFICER, was appointed Chief Financial Officer in December 2004 and assumed his position on January 2, 2005. He oversees all accounting, financial reporting, budgeting, treasury, and procurement activities for the District. From 2002 through 2004, Mr. Berkowitz served as COO and later CEO of the National Veteran Business Development Corporation, a non-profit organization dedicated to helping veterans succeed as entrepreneurs. Prior to that, he spent 25 years at Prudential Financial where he held a series of positions within the finance function, including CFO of Investment Operations and Controller of the Company. Mr. Berkowitz currently serves on the Boards of Directors of Annuity and Life Re (Holdings) Ltd., and Recruiting New Teachers. He is a graduate of the University of Massachusetts, and received a MBA from St. John's University.

SILVIA R. ROJAS, TREASURER, was appointed Treasurer in September 2005 and assumed her position on September 8, 2005. Her current responsibilities include the District's investments management, cash management, debt management and check distribution. Ms. Rojas joined the District in 1984 with the Office of Management and Compliance Audits. She received a Bachelors of Business Administration from Florida International University in 1983. Ms. Rojas became a Certified Public Accountant in 1986 and a Certified Government Finance Officer in 1996. She is a member of the Government Finance Officers Association, participated in the Nominating Committee for the Florida Government Finance Officers Association and is also a member of the Association of Financial Professionals.

**Personnel, Teacher Salaries and Student Enrollment [UPDATE]**

As of June 30, 2005, the District had approximately 48,000 employees. The School Board negotiates contracts with five exclusive bargaining agents representing five unions: (i) United Teachers of Dade ("UTD"); (ii) American Federation of State, County and Municipal Employees ("AFSCME"), Local 1184; (iii) Dade County School Maintenance Employee Committee ("DCSMEC"); (iv) Florida State Lodge, Fraternal Order of Police (representing the District's law enforcement officers) ("FOP"); and (v) the Dade County Schools Administrators Association, Local 77 ("DCSAA") representing professional and technical employees. The UTD, AFSCME and DCSAA contracts are effective from July 1, 2003 to June 30, 2006. The FOP contract is effective from July 1, 2004 to June 30, 2007 and provides for a unit average increase of 5% for each of the three years. The DCSMEC contract is effective October 1, 2002 to June 30, 2006. All of the union contracts, with the exception of FOP which has a three year successor contract, had wage reopener provisions for fiscal year 2004-2005 with notice by April 1, 2004. The reopener provision was exercised by each of the bargaining agents. Each of the four union contracts (UTD, AFSCME, DCSAA, and DCSMEC) has been ratified and approved by the School Board for the 2004-2005 reopener. These four union contracts contain wage and health insurance reopener provisions for the 2005-2006 fiscal year. Under Florida law, public employees are not permitted to strike.

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA**

**NUMBER OF PERSONNEL  
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	(1) INSTRUCTIONAL	(2) ADMINISTRATIVE	OTHER INSTRUCTIONAL	(3) OTHER NON-INSTRUCTIONAL	(4) PART-TIME HOURLY	TOTAL
2005	22,570	1,993	2,457	10,643	10,754	48,417
2004	21,701	1,916	2,338	10,485	10,424	46,864
2003	21,780	1,932	2,478	10,731	10,283	47,204
2002	21,932	2,116	2,727	10,916	10,636	48,327
2001	21,399	2,189	2,417	10,592	10,828	47,425
2000	20,760	1,951	2,373	10,385	10,417	45,886
1999	20,116	1,911	2,232	10,042	10,028	44,329
1998	19,536	1,848	2,083	9,747	10,284	43,498
1997	19,193	1,881	2,112	9,603	10,053	42,842
1996	18,868	1,861	2,762	9,465	10,160	43,116

(1) Elementary and Secondary Teachers, Exceptional Student Teachers, Other Teachers, Guidance/Psychological Counselors, Librarians and Other Professional Instructional Staff.

(2) Officials, Administrators and Managers (Instructional and NonInstructional), Consultants, Supervisors of Instruction, Principals, Assistant Principals, Community School Coordinators and Other Professional/Technical and NonInstructional Staff.

(3) Teacher's Aides.

(4) Technicians, Investigators, Patrol Officers, Clerical and Secretarial Staff, Service Workers (including full-time Food Service Workers) and skilled Crafters and Laborers.

SOURCE: The School Board of MiamiDade County—Department of Research Services.

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
TEACHERS' BASE SALARIES (10 MONTHS)  
LAST TEN FISCAL YEARS**

Fiscal Year Ended <u>June 30,</u>	Minimum <u>Salary</u>	Maximum <u>Salary</u>	Average <u>Salary</u>
2005	\$33,275	\$68,325	\$45,873
2004	33,275	67,425	45,053
2003	33,275	65,625	45,905
2002	32,425	64,275	45,416
2001	32,275	63,275	44,527
2000	30,000	61,000	42,980
1999	28,650	59,500	42,105
1998	28,150	58,500	42,308
1997	28,150	57,500	41,002
1996	28,000	56,000	40,255

SOURCE: The School Board of Miami-Dade County – Department of Research Services.

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
MIAMI-DADE COUNTY POPULATION AND SCHOOL  
DISTRICT STUDENT ENROLLMENT  
LAST TEN FISCAL YEARS<sup>(1)</sup>**

Fiscal Year Ended <u>June 30,</u>	Miami-Dade County <u>Population<sup>(2)</sup></u>	School <u>Enrollment</u>
2005	2,402,105	361,550
2004	2,372,418	369,578
2003	2,342,739	371,482
2002	2,313,047	374,725
2001	2,283,319	368,453
2000	2,253,485	360,202
1999	2,221,630	352,595
1998	2,189,719	345,861
1997	2,157,208	340,904
1996	2,124,885	333,444

<sup>(1)</sup> This chart does not include enrollment in adult centers or vocational technical centers.

<sup>(2)</sup> Population as of April 1.

SOURCE: Miami-Dade County Population - Miami-Dade County Department of Planning and Zoning; Student Enrollment - The School Board of Miami-Dade County - Department of Research Services.

**Budget Process**

Florida law requires the School Board to adopt in each fiscal year a tentative budget and a final budget, each of which is required to be balanced with available funds. Revenues derived from ad valorem property taxes are budgeted, as required by Florida law, on the application of millage levies to 95 percent of the non-exempt assessed valuation of property in Miami-Dade County.

The Superintendent is responsible for recommending the tentative budget to the School Board. Florida law further requires the School Board to advertise its intent to adopt the tentative budget, including a proposed tax millage, within twenty-nine (29) days after certification of taxable property by the Property Appraiser of Miami-Dade County (the "County Property Appraiser") which is required by law to occur by July 1, unless extended.

The School Board is required to hold a public hearing on the tentative budget and the proposed tax millage within five (5) days, but not earlier than two (2) days, after advertisement. At the hearing, the School Board adopts a tentative budget and a resolution stating the millage rate to be levied, and sets the date for the public hearing on the final budget. Following the hearing on the tentative budget, all property owners are notified by the County Property Appraiser, usually in mid-August, of the date, time and place of the hearing on the final budget; the proposed millage rate; and the millage rate which would have had to be levied to raise the same ad valorem property tax revenue as was raised in the preceding year.

A public hearing and adoption of the final budget and tax millage are required within eighty (80) days, but not earlier than sixty-five (65) days, after the taxable property certification by the County Property Appraiser. This public hearing usually occurs early in September.

In no event may the millage rate adopted at the final budget hearing exceed the millage rate adopted at the tentative budget hearing unless each taxpayer within the District is sent notice by mail of the taxes under the tentative adopted millage rate and the taxes under the higher rate to be adopted at the final budget hearing. The final budget is submitted to the Department of Education of the State of Florida. After the final budget hearing, the School Board must certify the final millage rate to the County Tax Collector, the County Property Appraiser and the State Department of Revenue.

#### **Fiscal Year 2005 – Status**

On June 30, 2005, the District concluded its 2005 fiscal year. The District's ending General Fund balance as of June 30, 2005 was [**\$222,067,000**]. The District prepared its final 2005 fiscal year budget which was presented and adopted at a public hearing held on September \_\_, 2005. The District may make revisions to the 2005 fiscal year budget in accordance with Florida law. [**UPDATE**]

In addition to the annual reports prepared by the District and submitted to the State Department of Education, the District's financial statements are audited by independent auditors. A copy of the General Purpose Financial Statements of the School Board for the fiscal year ended June 30, 2005 is presented as "APPENDIX B – BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA for THE FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT" herein.

#### **District Financial Procedures**

The financial and accounting practices of the District are designed to conform to generally accepted accounting principles applicable to governmental units, and the accounting records meet the standards prescribed by the Florida State Department of Education, as required by law. The accounts of governmental and agency funds are maintained on a modified accrual basis of accounting, whereby revenues are recognized when they become available and measurable and expenditures are recorded in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when the interest is due. The Supplemental Early Retirement Trust Fund is maintained on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The financial records and accounts of the District are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources are classified for accounting and reporting purposes into funds or groups of accounts that are considered separate accounting entities, each with its own assets, liabilities, fund balances, revenues and expenditures. (See "APPENDIX B - BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT" herein.)

## General Fund Operations

The following table summarizes General Fund operations, including Revenues, Expenditures and Changes in General Fund Balances for the five fiscal years ended June 30, 2001 through 2005:

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR GOVERNMENTAL FUNDS**  
**LAST FIVE FISCAL YEARS**  
**(IN THOUSANDS)**

<u>REVENUES</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Local Sources:</b>					
Ad valorem taxes	\$1,230,305	\$1,129,023	\$1,030,705	\$ 961,591	\$ 903,884
Food Service Sales	35,957	34,988	34,627	32,294	30,383
Interest Income and Other	29,519	16,865	20,071	29,874	46,721
Net increase (decrease) on fair value of investments	(336)	(1,715)			
Local Grants and Other	<u>135,561</u>	<u>114,079</u>	<u>84,743</u>	<u>87,206</u>	<u>74,155</u>
<b>Total Local Sources</b>	<b><u>1,431,006</u></b>	<b><u>1,293,240</u></b>	<b><u>1,170,146</u></b>	<b><u>1,110,965</u></b>	<b><u>1,055,143</u></b>
<b>State Sources:</b>					
Florida Education					
Finance Program	1,045,087	1,122,153	1,129,605	1,097,551	1,266,189
Public Education Capital Outlay	55,096	60,357	11,980	18,483	38,167
Food Services	2,780	2,878	2,919	2,907	2,763
State Grants & Other	<u>439,798</u>	<u>317,165</u>	<u>254,305</u>	<u>301,175</u>	<u>216,056</u>
<b>Total State Sources</b>	<b><u>1,542,761</u></b>	<b><u>1,502,553</u></b>	<b><u>1,398,809</u></b>	<b><u>1,420,116</u></b>	<b><u>1,523,175</u></b>
<b>Federal Sources:</b>					
Federal Grants	319,326	297,373	253,598	205,563	189,077
Food Services	<u>89,883</u>	<u>86,287</u>	<u>87,109</u>	<u>83,451</u>	<u>79,073</u>
<b>Total Federal Sources</b>	<b><u>409,209</u></b>	<b><u>383,660</u></b>	<b><u>340,707</u></b>	<b><u>289,014</u></b>	<b><u>268,150</u></b>
<b>TOTAL REVENUES</b>	<b><u>\$3,382,976</u></b>	<b><u>\$3,179,453</u></b>	<b><u>\$2,909,662</u></b>	<b><u>\$2,820,095</u></b>	<b><u>\$2,846,468</u></b>
 <b>EXPENDITURES</b>					
Instructional Services	\$1,700,122	\$1,579,017	\$1,546,728	\$1,516,386	\$1,473,241
Instructional Support Services	284,079	276,043	253,048	244,385	239,802
Pupil Transportation Services	84,955	78,350	78,472	80,728	79,136
Plant Operation and Maintenance	345,533	323,947	293,190	299,229	302,099
School Administration	160,925	154,725	147,183	145,542	142,464
General Administration	114,920	99,977	102,057	100,136	95,488
Food Services	142,133	130,872	123,704	120,829	113,531
Capital Outlay	395,790	282,003	271,590	303,739	362,538
Debt Service	209,323	358,743	168,166	161,837	144,337
Other	<u>38,781</u>	<u>36,689</u>	<u>34,230</u>	<u>37,340</u>	<u>36,209</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$3,476,561</u></b>	<b><u>\$3,320,456</u></b>	<b><u>\$3,018,368</u></b>	<b><u>\$3,010,151</u></b>	<b><u>\$2,988,845</u></b>

SOURCE: The School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005.

## **Property Damage Insurance [UPDATE]**

Currently, a group of 17 insurance companies headed by Lloyd's of London provides property damage insurance to the District. The District's property damage insurance coverage (covering buildings and contents) for the May 1, 2005 to May 1, 2006 period totals \$700 million, at a premium not to exceed \$24,500,000. The District's property damage insurance is negotiated effective May 1 of each year for a period of one year. The deductible per occurrence other than losses from a named hurricane is \$500,000. In the event of a hurricane, the deductible is 3% per value per site with a minimum deductible of \$1,000,000 per site.

The property damage insurance coverage in effect for the District in the prior coverage period was \$700 million. The maximum amount of insurance coverage available to the District in the insurance market as of May 1, 2005 was \$700 million; however the District is currently participating in some upper layers of coverage as a coinsurer, based on restrictions in available capacity within the carrier's Florida catastrophic aggregate limits. The District's maximum coinsurance liability is (i) \$8,250,000 in the case of a loss in excess of \$350 million but less than \$400 million and (ii) \$51,000,000 in the case of a loss in excess of \$500 million.

### **[Insert description of effect of Hurricanes Katrina and Wilma on School Board Facilities]**

## **OPERATING REVENUES OF THE DISTRICT**

The District derives its operating income from a variety of federal, state and local sources. The major categories of these income sources for the General Fund are briefly described below.

### **State Sources**

*Florida Educational Finance Program.* The major portion of State support is distributed under the provisions of the Florida Education Finance Program (FEFP), which was enacted by the State legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student (FTE) basis and through a formula that takes into account (i) varying program costs, (ii) cost differentials between districts, (iii) differences in per-student costs due to the density of student population, and (iv) the required level of local support. Program cost factors are determined by the State Legislature. The amount of FEFP funds disbursed by the State is adjusted three times during each year to reflect changes in FTE and in variables comprising the formula. See "RECENT CHANGES AFFECTING DISTRICT REVENUES - Reduced FEFP Funding under Revised District Cost Differential" for information on recent legislative action pertaining to the allocation of FEFP revenues.

To participate in FEFP funding, the District must levy a minimum millage for operating purposes which is set by the Florida State Department of Education. The FEFP revenues received by the District for fiscal year 2004-2005 were [\$\_\_\_\_\_]. The projected FEFP revenues for fiscal year 2005-2006 are [\$\_\_\_\_\_]. [UPDATE]

*State Categorical Programs.* These are special educational program lump-sum appropriations which supplement local school district revenues in order to enhance educational and support services. Among the categorical programs for which the largest appropriations are made are Class Size Reduction, Instructional Materials, Instructional Technology and Transportation. Allocations for these categorical appropriations are based on funding formulae and discretionary State Department of Education grants. The Class Size Reduction program was created in order to implement two amendments to the Florida Constitution approved by the voters of the State of Florida. See "RECENT CHANGES AFFECTING DISTRICT REVENUES - Constitutional Amendments". The majority of funds available from these programs require actual appropriation by the School Board for the purposes for which they were provided.

The 1991 Legislature eliminated most state categorical programs and flowed such funds through the FEFP. The State also created a Discretionary District Lottery Fund which districts may use to fund programs deemed appropriate for such funding by the School Board.

### **Local Sources**

Local revenue for District operating support is derived almost entirely from ad valorem real and tangible personal property taxes. In addition, the District earns interest on cash invested and collects other miscellaneous revenues.

The Florida Constitution limits the non-voted millage rate that school boards may levy on an annual basis for operational funds to 10 mills (\$10 per \$1,000 of taxable real and personal property value). Chapter 1011, Florida Statutes, as amended, further limits the millage levy for operational purposes to an amount set each year by the State appropriations act. Within this operational limit, each school district desiring to participate in the State's appropriation of FEFP funds for current operations must levy the millage for "required local effort," which is set each year by the State Legislature. In addition to the "required local effort", school districts are entitled to levy up to .51 mills as non-voted current operating discretionary millage. Moreover, the 1994 State Legislature authorized school districts to levy not to exceed .25 mills for operating purposes designed to raise a maximum of \$50 per full-time equivalent student. For districts that cannot raise \$50 per student from the .25 mills, the State will provide the difference. The 2005 State Legislature modified the \$50 limit to a maximum of \$100 per student. See "AD VALOREM TAX PROCEDURES" herein. In addition to the operating levy limit, current law allows school districts to levy up to 2.0 mills for capital outlay and maintenance of school facilities. See "DISTRICT REVENUES FOR CAPITAL PROJECTS - Local Capital Outlay Sources" herein.

Budgeted revenues from ad valorem taxes are based on applying millage levies to 95 percent of the non-exempt assessed valuation of real and personal property within Miami-Dade County. See "AD VALOREM TAX PROCEDURES" herein.

### **Federal Sources**

Federal revenue sources received by the District and deposited in the General Fund were approximately [\$\_\_\_\_\_] in fiscal year 2004-2005. The amount projected to be received during the 2005-2006 fiscal year is approximately [\$\_\_\_\_\_]. In addition to these revenues, the District receives federal food services and federal grants for specific contracted programs. Total revenues of [\$\_\_\_\_\_] were received from federal sources in fiscal year 2004-2005. [UPDATE]

## **DISTRICT REVENUES FOR CAPITAL PROJECTS**

The District derives its revenues for capital projects from certain State and local sources. The major categories of these revenue sources are briefly described below.

### **State Sources**

The primary source of State educational funding contributions for the District's capital outlay requirements is the Florida Public Education Capital Outlay Program (PECO). PECO funds are derived from the gross receipts taxes for utility services levied pursuant to Chapter 203, Florida Statutes, and bonded pursuant to Article XII, Section 9 of the Florida Constitution. The method of allocating funds to the various school districts within the State is provided by State law based upon a statutory formula, a component of which is the number of students in the various districts and the proposed uses of the funds by the various districts. The State Commissioner of Education administers PECO and allocates or reallocates funds as authorized by law. PECO funds of \$23,562,902 were allocated to the District for fiscal year 2004-2005. Funding in the amount of \$\_\_\_\_\_ has been allocated to the District for fiscal year 2005-2006. [UPDATE]

In November 2002, Florida voters passed a constitutional amendment (Amendment 9) requiring school class sizes to be capped by the 2010 school year at 18 students in grades kindergarten through third, 22 in grades fourth through eighth and 25 in high schools. In 2003, the legislature created the Classrooms for Kids program and since then has appropriated \$670,000,000 statewide for the construction of new student stations. The District expects to receive the entire amount of State revenue bond proceeds from the Classrooms for Kids program to which it is entitled and to use such funds to construct new classroom space as provided by law. As of June 30, 2005, the District has been allocated [\$\_\_\_\_\_] and expects to receive actual funds from the State as cash flow requires. See "RECENT CHANGES AFFECTING DISTRICT REVENUES - Constitutional Amendments" for information regarding Amendment 9. [UPDATE]

Under the Act, the District may be entitled to receive other State revenues pursuant to other programs if the District achieves certain standards relating to its capital outlay efforts. Some of such revenues may be used to make lease purchase payments. It is not possible at this time to determine or estimate the amount of such state revenues, if any, that the District may receive in the future.

**State Indebtedness on Behalf of the District**

The State Board of Education Capital Outlay Bonds are serviced entirely by the State using a portion of the District's share of revenue derived from automobile registrations. The annual sinking fund requirements are determined by the State Board of Administration and amounts necessary to retire bonds and pay interest are withheld from amounts due to the District. Amounts withheld and in the custody of the State as of June 30, 2004 totaled \$3,088,360; and, at June 30, 2005, amounts withheld and in the custody of the State totaled [\$\_\_\_\_\_]. [UPDATE]

**Local Capital Outlay Sources**

*The Local Option Capital Outlay Millage Levy.* In addition to the "required local effort" millage levy for operating purposes, school boards may set an additional non-voted millage pursuant to Section 1011.71(2), Florida Statutes, known as the "Local Option Millage Levy" for capital outlay and maintenance purposes. The Local Option Millage Levy constitutes the primary source of funds to make lease payments in respect of the Series 2006B Certificates, as well as any other certificates of participation issued in connection with the Master Lease. This levy may be up to 2.0 mills for new construction and remodeling; site acquisition and site improvement; auxiliary or ancillary facilities; maintenance, renovation, and repair of existing school plants; school bus purchases; driver's education vehicles and other motor vehicles; payment of costs directly related to compliance with state and federal environmental laws; payment of leasing relocatable education facilities and of renting and leasing educational facilities pursuant to Section 1013.15, Florida Statutes; payment of loans approved pursuant to Sections 1011.14 and 1011.15, Florida Statutes; and amounts payable pursuant to lease-purchase agreements for educational facilities and sites. Payments pursuant to lease-purchase agreements for educational facilities and sites are authorized in an amount not to exceed three-fourths of the proceeds of the 2.0 mills. The School Board is not required to levy any millage for capital outlay purposes in the future. Since revenues from the levy of the Local Option Millage Levy may be used for, but not pledged to, the payment of Basic Lease Payments under the Series Leases, the District's failure to levy all or a portion of the Local Option Millage Levy could have an adverse effect on the District's ability to make appropriations from which to make Basic Lease Payments on all the Leases. The School Board assessed a capital outlay and maintenance levy of 2.0 mills in fiscal year 2004-2005 and has assessed such 2.0 mills levy in each of the past ten years with the exception of the 1997-1998 fiscal year in which 1.996 mills were levied.

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The following table sets forth the millage levy that would provide 1.00x coverage of the maximum annual payments represented by the Series 1998A, Series 1998C, Series 2000A, Series 2000 QZAB, Series 2001 QZAB, Series 2001B, Series 2001C, Series 2002A, Series 2002B, Series 2003A, B, C and D, Series 2003 QZAB, Series 2004A, Series 2005A and Series 2006B Certificates, assuming a 95% collection of the taxes levied:

**Anticipated Local Option Millage Levy Required  
to Cover Certificate Payments**

	Fiscal Year Ended <u>June 30, 2005</u>
Net Taxable Assessed Valuation	\$144,990,968,000 <sup>(1)</sup>
Funds Generated from 1 Mill Levy	\$137,741,420 <sup>(2)</sup>
Maximum Annual Lease Payments represented by the Series 1998A, Series 1998C, Series 2000A, Series 2000 QZAB, Series 2001 QZAB, Series 2001B, Series 2001C, Series 2002A, Series 2002B and Series 2003A, Series 2003B, Series 2003C, Series 2003 QZAB, Series 2003D, Series 2004A, Series 2005A and Series 2006B Certificates <sup>(3), (4), (5), (6)</sup>	\$ _____
Minimum Millage Levy Required to Produce 1.00x Coverage of Maximum Annual Lease Payments represented by the Series 1998A, Series 1998C, Series 2000A, Series 2000 QZAB, Series 2001 QZAB, Series 2001B, Series 2001C, Series 2002A, Series 2002B and Series 2003A, Series 2003B, Series 2003C, Series 2003 QZAB and Series 2003D, Series 2004A and Series 2006B Certificates <sup>(3), (4), (5), (6)</sup>	_____ mills

- (1) Based on Miami-Dade County's certified roll for the fiscal year ending September 30, 2005. The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of the preceding January 1.
- (2) Calculated using 95% of the net taxable assessed valuation for the fiscal year ending September 30, 2005.
- (3) The Series 2000A Certificates, Series 2001C Certificates, Series 2004A Certificates and the Series 2005A Certificates are expected to be paid from certain educational facilities impact fee revenues received from Miami-Dade County. An Auction Rate plus costs equaling 5.00% is assumed for the Series 2001B Certificates and the Series 2002A and Series 2002B Certificates.
- (4) Assumes a rate of 3.50% for the Series 2003A Term Rate Certificates after August 1, 2008 and a rate of 3.50% for the Series 2003B Term Rate Certificates after May 1, 2011.
- (5) Assumes only three-fourths of such levy is available to make lease payments.
- (6) Assumes that \$ \_\_\_\_\_ aggregate principal amount of Series 2006B Certificates are issued at a true interest cost of \_\_\_\_%.

Source: School District of Miami-Dade County, Florida.

*General Obligation Debt.* In addition to the School Board-set levies, qualified electors, by referendum, may vote an additional millage levy for District operation and capital outlay purposes, as prescribed by the Florida Constitution and applicable statutes. Qualified electors within the District may authorize issuance of general obligation bonds to be retired by a millage levy. On March 8, 1988, pursuant to Florida Statutes, Section 1010.41, qualified electors of the District approved a referendum authorizing the School Board to issue general obligation bonds in an aggregate principal amount not exceeding \$980 million to be issued from time to time. Subsequently, the District has issued all of the \$980 million of its general obligation school bonds the proceeds of which have been used to pay a portion of the cost of the District's Capital Improvement Program. Principal and interest on the authorized bonds will be paid from ad valorem school district taxes levied on all taxable real and personal property within the District, excluding exempt property as required by Florida law.

There are currently [\$ \_\_\_\_\_] of the District's general obligation bonds outstanding. [UPDATE]

## **Educational Facilities Impact Fees**

*General.* In order to assure that new residential development bears a proportionate share of the cost of capital expenditures necessary to provide educational facilities required as a result of such development, the Board of County Commissioners of the County enacted Ordinance No. 95-79 on May 2, 1995 (the "Educational Facilities Impact Fee Ordinance"). Pursuant to the Educational Facilities Impact fee Ordinance, any application for a building permit for new residential development within the County is subject to the imposition of an educational impact fee (the "Educational Facilities Impact Fee"). The Educational Facilities Impact Fee Ordinance and the Educational Facilities Impact Fee Administrative Procedures Manual approved by the County pursuant to Ordinance No. 95-152 enacted by the Board of County Commissioners on September 14, 1995 (the "Educational Facilities Impact Fee Manual") provide for the calculation, collection, deposit, transfer and expenditure of the Educational Facilities Impact Fees. Amounts collected by the County pursuant to the imposition of the Educational Facilities Impact Fees (the "Educational Facilities Impact Fee Revenues"), less certain administrative costs, are required to be transferred to the School Board for deposit in the trust account established for the corresponding Benefit District (as defined herein), as provided in the First Amended Interlocal Agreement dated September 28, 1995, by and between the County and the School Board (the "Educational Facilities Impact Fee Interlocal Agreement").

The amount of the Educational Facilities Impact Fee imposed on each new residential development is based on the capital cost required to serve the increased demand for capital educational facilities resulting from the proposed new residential development, together with impact fee administrative charges, as reflected by a formula set forth in the Educational Facilities Impact Fee Ordinance and the Educational Facilities Impact Fee Manual. For the purpose of ensuring that fee payers receive sufficient benefit for Educational Facilities Impact Fees paid, the Educational Facilities Impact Fee Ordinance establishes three (3) separate benefit districts whose collective geographical boundaries are coterminous with the geographical boundaries of the County. The three benefit districts (individually, a "Benefit District") are known as the "East Benefit District," the "Northwest Benefit District" and the "Southwest Benefit District."

The Educational Facilities Impact Fee Interlocal Agreement requires that the School Board expend certain minimum amounts per year within each Benefit District utilizing both long-term and short-term financings to fund the cost of additional facilities and capital assets. The Educational Facilities Impact Fee Interlocal Agreement also provides that the School Board may not utilize Educational Facilities Impact Fee Revenues as a full or partial replacement of the School Board's state and other local revenue sources for current or future capital assets, and that such Educational Facilities Impact Fee Revenues will be used only to fund additional facilities and capital assets necessitated by the impacts of new development that could not otherwise have been afforded, within the same Benefit District in which the funds are collected.

As indicated above, the Local Option Millage Levy constitutes the primary source of funds to make lease payments represented by the outstanding Certificates and any Additional Certificates issued in connection with the Master Lease or any other lease purchase arrangement entered into by the School Board. The School Board has, however, paid and expects to continue to pay the lease payments represented by the Series 2000A Certificates, Series 2001C Certificates, Series 2004A Certificates and Series 2005A Certificates from the Educational Facilities Impact Fee Revenues, to the extent that the same are received from the County and available to the School Board to make such payments. Lease payments represented by the Series 2006B Certificates are not payable from the Educational Facilities Impact Fees Revenues.

### **Obligations Under Unrelated Lease Purchase Agreements**

The School Board may, in the future, enter into lease purchase agreements upon terms and conditions other than those in the Master Lease. Unless otherwise expressly provided in this Offering Statement, failure to make payments under any such lease purchase agreements, or an event of default under any such lease purchase agreement, will not affect the Lease Term or cause the termination of the Series 2006B Leases or any other Leases. See "SECURITY FOR THE SERIES 2006B CERTIFICATES - Additional Leases" herein.

## **AD VALOREM TAX PROCEDURES**

### **Property Assessment**

Ad valorem taxes may be levied only by counties, school districts, municipalities and certain special districts. No ad valorem taxes may be levied by the State upon real estate or tangible personal property. Real and personal property valuation is

determined as of January 1 by the County Property Appraiser. Except as noted immediately below and under "Constitutional Amendment" below, all taxable real and tangible personal property must be assessed at 100 percent of fair market value.

The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are special exemptions for widows, hospitals, homesteads and homes for the aged and disabled veterans. The "homestead exemption" exempts from taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis, as of January 1 of the year of valuation. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than 100 percent of fair market value.

### **Constitutional Amendment**

By voter referendum held on November 2, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967-100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. The effective date of the amendment was January 5, 1993 and, pursuant to a ruling by the Supreme Court of the State of Florida it began to affect homestead property valuations commencing January 1, 1995 with 1994 assessed values being the base year for determining compliance.

### **Procedure for Ad Valorem Tax Collections**

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector based on the valuation as of January 1 of such year. On or about November 1 of the year of valuation, the County Tax Collector mails to each property owner on the assessment roll a notice of taxes levied by Miami-Dade County, the District and other taxing authorities. Taxes may be paid upon receipt of such notice with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which taxes were levied or within sixty (60) days after the mailing of the original tax notice of the final assessment rate, whichever is later. All taxes collected are remitted by the County Tax Collector to the governmental unit levying the taxes.

Delinquent real property taxes bear interest at the rate of one and one-half percent (1-1/2%) per month from April 1, or within sixty (60) days after the mailing of the original tax notice of the final assessment rate, whichever is later, until a tax certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the tax certificate. Delinquent tangible personal property taxes also bear interest at the rate of one and one-half percent (1-1/2%) per month from April 1 until paid. Delinquent personal property taxes must be advertised within forty-five (45) days after delinquency, and after May 1 the property is subject to warrant, levy, seizure and sale.

Florida law provides that real property tax liens and personal property tax liens are superior to all other liens, except prior United States Internal Revenue Service liens. The County Tax Collector advertises once each week for four weeks and sells tax certificates to the lowest bidder, based on the interest rate bid, commencing on or about June 1 of each year on substantially all real property with taxes due. Delinquent tax certificates not sold at auction revert to Miami-Dade County.

If the owner of real property subject to a tax certificate does not redeem the certificate within two years, the holder of the certificate is entitled to apply for a tax deed of sale. The highest bidder at such sale receives a tax deed for the property subject to the tax certificate. To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate bid on the tax certificate from the date of the sale of the tax certificate to the date of redemption. The interest rate on a tax certificate is a minimum of five percent, unless the interest bid on the certificate is a lower rate.

### Assessed Value of Taxable Property

The following table sets forth the assessed value of taxable property in the District for the last ten fiscal years:

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
ASSESSED VALUE OF TAXABLE PROPERTY (IN THOUSANDS)  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30,</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Real &amp; Personal Property Exemptions</u>	<u>Net Assessed Property Value(1)</u>
2005	\$163,469,000	\$14,066,893	\$32,544,925	\$144,990,968
2004	143,712,524	14,006,959	30,523,350	127,196,133
2003	129,013,310	13,976,717	28,044,422	114,945,605
2002	118,226,760	12,474,621	25,956,951	104,744,430
2001	109,228,601	12,185,632	25,066,038	96,408,195
2000	103,579,838	11,778,020	25,083,445	90,974,413
1999	98,507,821	11,345,006	24,013,747	85,839,080
1998	93,663,614	11,260,305	23,449,741	81,474,178
1997	89,669,244	9,271,171	21,400,726	77,539,689
1996	86,479,474	9,362,934	21,303,847	74,538,561

(1) The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year, property is valued as of January 1 of the preceding calendar year.

SOURCE: Miami-Dade County Property Appraiser and Finance Department

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**Ad Valorem Tax Levies and Collections**

The following table sets forth the amounts billed and the percent collected for ad valorem property taxes levied by the District:

**SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
DISTRICT PROPERTY TAX LEVIES AND COLLECTIONS (IN THOUSANDS)  
LAST TEN FISCAL YEARS\***

Fiscal Year Ended <u>June 30,</u>	General Fund	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	<u>Total</u>	Total Tax <u>Collections</u>	Percent Of Total Tax Collections <u>To Tax Levy</u>
2005	\$889,599	\$87,207	\$292,151	\$1,268,957	\$1,230,305	97.0%
2004	824,313	87,594	256,875	1,168,782	1,129,023	96.6
2003	746,156	88,636	230,224	1,065,016	1,030,705	96.8
2002	693,727	90,117	212,539	996,383	961,591	96.5
2001	655,653	89,514	195,659	940,826	903,884	96.1
2000	605,189	90,042	181,902	877,133	848,120	96.7
1999	616,496	83,951	171,678	872,125	846,619	97.1
1998	599,650	90,110	162,622	852,382	830,726	97.5
1997	570,711	78,360	155,169	804,240	781,292	97.1
1996	550,395	75,844	149,300	775,539	756,374	97.5

SOURCE: The School Board of Miami-Dade County Office of Accounting and Office of Budget Management.  
\*Unaudited.

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**Ad Valorem Millage Rates**

The following table sets forth the amounts of ad valorem millage levied by the District and Miami-Dade County from 1996 through 2005:

<u>Fiscal Year</u>	<u>District General Millage Fund</u>	<u>District Debt Service Funds</u>	<u>District Capital Outlay Millage</u>	<u>District Total Millage</u>	<u>Miami-Dade County</u>	<u>Other</u>	<u>Total<sup>(2)</sup></u>
2005	6.090	0.597	2.00	8.687	5.94	.74	15.37
2004	6.418	0.682	2.00	9.100	5.97	.74	15.81
2003	6.482	0.770	2.00	9.252	5.89	.74	15.88
2002	6.528	0.848	2.00	9.376	5.71	1.08	16.17
2001	6.702	0.915	2.00	9.617	5.75	.74	16.11
2000	6.654	0.990	2.00	9.644	5.81	.74	16.19
1999	7.182	0.978	2.00	10.160	6.02	.74	16.92
1998	7.360	1.106	1.996	10.462	6.02	.75	17.23
1997	7.356	1.010	2.00	10.366	6.47	.71	17.55
1996	7.373	1.016	2.00	10.389	6.83	.69	17.91

(1) District fiscal year ends June 30; County fiscal year ends September 30.

(2) Excluding special district millages.

SOURCE: Miami-Dade County Finance Department and the School Board of Miami-Dade County - Office of Budget Management.

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**Annual Debt Service**

The following table sets forth the ratio of annual debt service for bonded debt to total governmental funds expenditures for the District:

**THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY  
RATIO OF ANNUAL DEBT SERVICE (IN THOUSANDS)  
FOR BONDED DEBT TO TOTAL GOVERNMENTAL FUNDS EXPENDITURES -  
TEN FISCAL YEARS\***

Fiscal Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	Total Debt Service <u>Expenditures</u> <sup>(1)</sup>	Total Governmental Funds <u>Expenditures</u>	Ratio Of Debt Service Expenditures To Total Governmental Funds <u>Expenditures</u>
2005	\$95,970	\$36,788	\$132,758	\$3,476,561	3.82
2004 <sup>(2)</sup>	247,955	40,581	288,536	3,320,456	8.69
2003	55,245	42,423	97,668	3,018,368	3.24
2002	52,605	45,297	97,902	3,010,151	3.25
2001	50,140	48,188	98,328	2,988,845	3.29
2000	48,535	50,940	99,475	2,725,885	3.65
1999	42,455	52,104	94,559	2,704,174	3.49
1998	40,000	55,777	95,777	2,562,687	3.74
1997	32,595	48,308	80,903	2,578,142	3.14
1996	30,565	39,821	70,386	2,505,383	2.81

(1) Excludes dues and fees which are considered insignificant.

(2) 2004 figures reflect remarketing of \$189,940,000 principal amount of the District's general obligation bonds, Series 1993, 1994 and 1994A.

\*Unaudited.

SOURCE: The School Board of Miami-Dade County - Office of Accounting.

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**Current Debt Ratios and Bonded Debt Per Capita**

The following table sets forth the current debt ratios and the bonded debt per capita for the District:

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA  
CURRENT DEBT RATIOS AND BONDED DEBT PER CAPITA OF  
THE DISTRICT - DIRECT AND OVERLAPPING DEBT<sup>(1)</sup>**

<b>Factors:</b>	
Assessed Valuation <sup>(2)</sup>	\$177,535,893,000
Net Taxable Assessed Valuation	144,990,968,000
 Miami-Dade County Florida ("County") Debt Net of Reserves (as of September 30, 2003)	
General Obligation	\$ 221,553,560
Special Obligation <sup>(3)</sup>	<u>1,150,289,001</u>
Combined Direct Debt (as of September 30, 2003)	<u>\$1,371,842,561</u>
 Overlapping Debt, Net of Reserves <sup>(4)</sup>	
General Obligation	\$ 995,215,220
Special Obligation <sup>(5)</sup>	<u>496,779,218</u>
Combined Overlapping Debt	<u>\$1,491,994,438</u>
 Population of Miami-Dade County (estimated 2005)	
Assessed Valuation Per Capita	2,402,105
Net Taxable Assessed Valuation Per Capita	\$ 73,908
	\$ 60,360
 <b>Debt Ratios:</b>	
Net Direct County General Obligation Debt as a percent of Net Taxable Assessed Valuation	0.15%
Net Direct County and Overlapping General Obligation Debt as a percent of Net Taxable Assessed Valuation	0.84%
Net Direct County General Obligation Debt per Capita	\$ 92
Net Direct County General and Special Obligation Debt per Capita	\$ 571
Net Direct County and Overlapping General Obligation Debt per Capita	\$ 507
Net Direct County and Overlapping General Obligation and Special Obligation Debt per Capita	\$ 1,192

- (1) Most recent data available for Miami-Dade County and municipalities within Miami-Dade County is as of September 30, 2004.
  - (2) Projected assessed valuation as of January, 2004 reflects 100% of assessed values as mandated by Florida Law.
  - (3) Special or limited obligation debt is payable from revenue sources other than enterprise funds and ad valorem taxes.
  - (4) Overlapping debt is comprised of debt issued by municipalities within Miami-Dade County as of September 30, 2003 and District bonded debt as of June 30, 2004.
  - (5) Special obligation debt does not include the District's outstanding Certificates of Participation.
- \*Unaudited.

SOURCE: Miami-Dade County Finance Department and The School Board of Miami-Dade County Office of the Controller.

**Outstanding TAN and RAN Issues**

On June 28, 2005, the School Board issued \$55,000,000 of its Revenue Anticipation Notes, Series 2005 (the "2005 RANs"). Such 2005 RANs bear interest at 4.00% and mature on June 27, 2006.

On July 21, 2005, the School Board issued \$105,000,000 of its Tax Anticipation Notes, Series 2005 (the "2005 TANs"). Such 2005 TANs bear interest at 4.00% and mature on June 27, 2006.

## THE CAPITAL IMPROVEMENT PROGRAM

### Overview of the Program

In May 1988, the District outlined the first phase of a detailed program to implement a capital outlay plan (the "Capital Improvement Program"), the financing of a portion of which included the proceeds of the sale of general obligation school bonds. The Capital Improvement Program, designated the District's "Annual and Long-Range Educational Facilities Plan" (the "Plan") was, at its inception, and continues to be through annual updating, one of the most comprehensive school district capital outlay programs developed in the United States.

The Plan is updated annually to reflect the District's long range capital construction program resulting from accelerated student enrollment growth, and improvements and additions to non-school sites.

From the end of fiscal year 1988 to June 30, 2005, the student population in grades Pre-K through 12 increased from 254,235 to about 361,550 students, an approximately 4% average annual overall increase.

The current Plan includes system expansion of [69,097] additional student stations, which will require the purchase and preparation of [18] sites, the building of [42] new school facilities, and [31] additions, including [six] conversions of elementary schools to K-8 centers. Five year needs for existing facilities, as well as educational enhancements are also included in the Plan. Existing facilities needs include [18] full or partial school replacements, remodeling/renovations at [216] campuses, and general improvements/stabilization projects at [307] facilities. [UPDATE]

As part of the funding for the Capital Improvement Program, the District has issued \$980,000,000 of its General Obligation School Bonds since 1989, [\$\_\_\_\_\_] of which remain outstanding as of June 30, 2005. See "APPENDIX B - BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT - Notes to the General Purpose Financial Statements -- Note 10. Long-Term Bonds Payable" herein.

In addition to the District's Capital Improvement Program financed through the issuance of the School Board's General Obligation School Bonds, the District has undertaken numerous capital improvements financed under the Master Lease or similar lease purchase arrangements. For a summary of the debt service associated with these obligations, see "AGGREGATE PAYMENTS ON OUTSTANDING CERTIFICATES OF PARTICIPATION" herein.

The following schedule sets forth the Capital Improvement Program from fiscal year 2002 to fiscal year 2005 and estimates for the 2006 fiscal year by categories of Capital Expenditures and Revenue Sources (in thousands):

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**THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA  
CAPITAL IMPROVEMENT PROGRAM  
ACTUAL AND PROJECTED APPROPRIATIONS AND REVENUES  
(IN THOUSANDS)  
FISCAL YEARS ENDED  
JUNE 30**

[INSERT 2005 & 2006 FIGURES]

<b>Expenditure Category</b>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Budgeted 2006*</u>
Site and Site Improvements	\$3,935	\$7,962	\$32,457		
Buildings	150,896	117,389	78,643		
Remodeling	58,007	66,655	72,680		
Equipment	19,841	12,816	12,949		
Motor Vehicles & Buses	12,531	10,327	10,134		
Library Books/AV Equip	2,858	1,067	3,663		
Transfers to Gen. Fund	115,286	107,141	122,047		
Transfers to Debt Service	64,232	65,255	259,834		
Int. Payments on RANs/Dues & Fees	-	3,633	1,475		
Ending Balances	565,654	775,197	787,250		
Reserves/Contingency	-0-	-0-	0		
<b>Year Total</b>	<b>\$993,240</b>	<b>\$1,167,442</b>	<b>\$1,381,132</b>		
<b>Revenue Sources</b>					
GO Bond & Remarketing Proceeds	\$-0-	\$-0-	213,087		
Public Education					
Capital Outlay (PECO)	19,743	11,979	60,357		
Classrooms First Program	-0-	-0-	-0		
<b>State Revenue</b>		-0-			
SIT Awards (School Infrastructure Thrift)	-0-	-0-	-0		
Effort Index Grants	8,843	-0-	10,706		
K-3 & K-12 Class Size Reduction	-0-	-0-	4,556		
Proceeds Local Option					
Capital Outlay Millage	201,411	220,819	245,943		
State Capital Outlay & Debt Service	1,989	1,873	1,693		
Impact Fees	29,296	27,860	44,074		
SBE Bond Sale	1,933	-0-	1,269		
Master Lease COPs	-0-	326,977	-0		
RANs	43,215	-0-	0		
Impact Fee COPs	-0-	-0-	0		
Qualified Zone Academy Bonds	-0-	-0-	9,744		
Other	2,376	1,825	5,964		
Interest on Investments	15,719	10,455	8,542		
Beginning Balance	668,715	565,654	775,197		
<b>Year Total</b>	<b>\$993,240</b>	<b>\$1,167,442</b>	<b>\$1,381,132</b>		

\* Budgeted as of \_\_\_\_\_, 200\_

SOURCE: The School Board of Miami-Dade County - Office of Budget Management.

## RECENT CHANGES AFFECTING DISTRICT REVENUES

### Constitutional Amendments

In the November 5, 2002 general election, the voters of the State of Florida approved two amendments to the State Constitution that may affect the District's operations. Amendment 9 to the State Constitution requires that the State Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Legislation implementing Amendment 9 was passed by the Florida Legislature during the 2003 special legislative session and signed into law on June 9, 2003. Amendment 9 and such legislation is referred to herein as the "Class Size Legislation."

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten - 3<sup>rd</sup> grade, 22 for grades 4 - 8 and 25 for grades 9 - 12. These maximums must be implemented by the beginning of the 2010 school year. School districts that presently exceed these class size maximums are required to reduce the average number of students per class in each of these grade groupings by at least two students each year, beginning with the 2003-2004 fiscal year.

The Class Size Legislation further creates an "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program, the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding programs for capital outlays and operating expenditures necessary in relation to these mandated class size reductions.

The Class Size Legislation requires each school board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars. Failure to reduce class sizes by at least two students each year until the constitutional maximum is met may result in transfer of class size reduction operating funds to fixed capital outlay appropriations, required implementation of year-round schools, double sessions, extended school year or rezoning, implementation of a state-mandated constitutional compliance plan or withholding of various State funds.

The District presently exceeds the constitutional class size maximums. In 2004-05, the District-wide class size averages were 24.03 (Pre-K through grade 3), 24.96 (grades 4 through 8) and 24.96 (grades 9-12). The 9-12 District-wide average meets the Class Size Legislation mandate but the District does not meet the school level or individual class size maximum. There can be no assurances that the District will be able to reduce its class sizes in the manner and at the times mandated by the Class Size Legislation. While the Class Size Legislation suggests that the State Legislature, and not local school districts, is generally responsible for the cost of compliance, it is uncertain what effect implementation might have upon the District. There can be no assurance that funds will be sufficient to meet the capital and facility needs of the District required by the Class Size Legislation. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

In the November 5, 2002 general election, the voters of the State of Florida also approved Amendment 8 to the State Constitution which provides that every 4-year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State no later than the 2005 school year.

In furtherance thereof, Section 411.012, Florida Statutes, created a voluntary universal pre-kindergarten education program for four-year olds within the Agency for Workforce Innovation and directed the State Board of Education to conduct a study and make recommendations for this education program regarding curriculum and standards, quality of instruction, delivery system, assessment and evaluation, funding and best practices.

During the 2004-A special session, the Florida Legislature passed House Bill 1-A, codified in Part V of Chapter 1002, Florida Statutes, which creates a statewide Voluntary Pre-kindergarten Education Program. House Bill 1-A, as codified in Part V, Chapter 1002, Florida Statutes is referred to herein as the "Pre-K Legislation." Among other things, the Pre-K Legislation provides eligibility and enrollment requirements, authorizes parents to enroll their children in a school-year pre-kindergarten ("Pre-K") program delivered by a private Pre-K provider, a summer program delivered by a public school or

private Pre-K provider or, if offered in a school district that meets class-size reduction requirements, a school year Pre-K program delivered by a public school. The Pre-K Legislation also requires school districts to deliver summer Pre-K programs and permits school districts to deliver school-year Pre-K programs. Additionally, the Pre-K Legislation appropriates State funds to finance the Pre-K programs and provides the method for calculating the funds allocated to each Pre-K program provider.

The Pre-K Legislation provides State funding for the Pre-K programs. It is uncertain what effect implementation of and compliance with the Pre-K Legislation might have upon the District. There can be no assurance that the Pre-K Legislation and compliance therewith will not adversely affect the District. Further, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Pre-K Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District, which may have an adverse impact on the District's ability to appropriate funds for Lease Payments.

### **Reduced FEFP Funding under Revised District Cost Differential**

Section 1011.62, Florida Statutes, sets forth the method for distributing FEFP funds to the State's school districts. The formula for computing the amount available to each school district is adjusted by such district's "district cost differential", a price level index used to determine differences in costs among the various school districts. Section 1011.62(2), Florida Statutes, utilizes the Florida Price Level Index (the "FPLI") published by the Bureau of Economic and Business Research at the University of Florida (the "BEBR") to determine the district cost differential.

The Florida Senate commissioned a study by the BEBR to determine whether the current FPLI accurately measures cost differences among school districts. The BEBR study concluded that the FPLI should be adjusted to measure not only differences in the price of consumption among the State's school districts, but also to measure district differences in the cost of hiring personnel. The BEBR terms the new version of the FPLI the "Amenity Adjusted FPLI".

During the 2004 legislative session, the Florida Legislature elected to adopt the Amenity Adjusted FPLI as the price level index for determining cost differences among school districts and implemented the new methodology in fiscal years 2004-2005 and 2005-2006. This new methodology adversely impacted the District's finances by reducing the amount of FEFP funding allocated to the District in fiscal years 2004-2005 and 2005-2006 and will continue to adversely impact District finances in future years. Under the prior formula, the District would have received an additional \$91.0 million in each of fiscal years 2004-2005 and 2005-2006 as a result of the district cost differential; under the new formula the District will receive approximately \$64.3 million in fiscal year 2004-2005 and \$39.8 million in fiscal year 2005-2006, representing a reduction of \$26.7 million and \$51.2 million, respectively. The Florida Legislature reduced the impact of decreased FEFP funding by allocating an additional \$14.2 million to the District in fiscal year 2004-2005 and an additional \$13 million in fiscal year 2005-2006 from the State's general revenue fund. There can be no assurance that the Legislature will make similar adjustments in the future.

The District filed a lawsuit against the State Department of Education and the Florida Legislature on June 30, 2004 seeking to block implementation of the new funding formula. The State Circuit Court ruled against the District on June 10, 2005 finding that the plaintiffs failed to show that the Florida Legislature's actions concerning the district cost differential were illegal or unconstitutional. The District has not yet determined whether it will seek to file an appeal of the Court's ruling. The outcome of any such appeal, if filed, cannot be predicted at this time. [UPDATE]

### **RISK FACTORS**

Each purchaser of Series 2006B Certificates is subject to certain risks and each prospective purchaser of Series 2006B Certificates is encouraged to read this Offering Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the market price of the Series 2006B Certificates to an extent that cannot be determined.

#### **Annual Right of the School Board to Terminate the Series 2006B Leases**

Although the School Board has determined that the Series 2006B Facilities and the Prior Facilities are necessary to its operations and currently intends to continue the Series 2006B Leases in force and effect for the maximum Lease Term and has

covenanted in the Series 2006B Leases that the Superintendent will include a sufficient amount in the tentative budget to enable the School Board to make the corresponding Lease Payments due in each Fiscal Year, the School Board is not required to appropriate funds for Basic Lease Payments. If for any Fiscal Year the School Board does not approve a final budget which appropriates sufficient funds from legally available revenues, or if no final budget is adopted as of the last day upon which a final budget is required to have been adopted under State law for payment of its obligations under the Series 2006B Leases, or any other Lease under the Master Lease, each respective Lease shall terminate as of the date of adoption of the final official budget, or such last day, whichever is earlier.

THE LIKELIHOOD THAT THE SERIES 2006B LEASES WILL BE TERMINATED AS THE RESULT OF AN EVENT OF NON-APPROPRIATION IS DEPENDENT UPON CERTAIN FACTORS THAT ARE BEYOND THE CONTROL OF THE SERIES 2006B CERTIFICATEHOLDERS, INCLUDING THE CONTINUING FUTURE UTILITY OF THE FINANCED FACILITIES, AND OTHER FACILITIES OF THE SCHOOL BOARD AND CHANGES IN POPULATION OR DEMOGRAPHICS WITHIN THE COUNTY.

#### **Limitation Upon Disposition; Ability to Sell or Relet**

Following an event of default under the Series 2006B Leases or an Event of Non-Appropriation, the Trustee, as assignee of the Foundation, may take possession of the Series 2006B-1 Facilities and sell or relet the leasehold interests therein. The Trustee's ability to actually achieve such a disposition of the Series 2006B-1 Facilities is limited by its inability to convey fee simple title to such Series 2006B-1 Facilities, and by the governmental nature of each of the Series 2006B-1 Facilities. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or reletting of the Trustee's interest in the Series 2006B-1 Facilities because of the essential governmental nature thereof. There can be no assurance that the remedies available to the Trustee upon any such termination of the Series 2006B Leases and the disposition of the Series 2006B-1 Facilities will provide sufficient amounts to pay the outstanding Series 2006B Certificates.

#### **Tax Effect Upon Termination**

Upon termination of the Series 2006B Leases there is no assurance that payments made by the Trustee or the Insurer with respect to the Series 2006B Certificates and designated as interest will be excludable from gross income for federal income tax purposes or that the ownership or disposition of the Series 2006B Certificates will not be subject to Florida's intangible personal property tax. See "TAX TREATMENT" herein.

#### **Applicability of Securities Laws**

After termination of the Series 2006B Leases the transfer of a Series 2006B Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2006B Certificates will not be impaired following termination of the Series 2006B Leases.

#### **Local Option Capital Outlay Millage Revenue**

The amount which can be realized by the School Board derived from the levy of the Local Option Millage Levy can be affected by a variety of factors not within the School Board's control including, without limitation, fluctuations in the level of the assessed valuation of property within the District. Additionally, the School Board is not legally required to impose the Local Option Millage Levy. See "SECURITY FOR THE SERIES 2006B CERTIFICATES - Limited Obligation of the School Board" and "DISTRICT REVENUES FOR CAPITAL PROJECTS - Local Capital Outlay Sources" herein.

#### **State Revenues**

A large portion of the District's funding is derived from State sources. See "DISTRICT REVENUES FOR CAPITAL PROJECTS - State Revenue Sources" and "RECENT CHANGES AFFECTING DISTRICT REVENUES" herein. A significantly large percentage of such State revenues is generated from the levy of the State sales tax. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized. The State has experienced some significant shortfalls in sales tax revenues in recent years which have resulted in cuts to school budgets.

### **Additional Indebtedness**

The School Board may issue additional indebtedness other than in connection with the Master Lease secured by or payable from revenues which would otherwise be available to make Lease Payments without the consent of the Series 2006B Certificate holders. The incurrence of such additional indebtedness by the School Board may adversely affect the School Board's ability to make Basic Lease Payments under the Series 2006B Leases.

### **No Right of Certificate Holders to Direct Remedies**

Termination of the Master Lease, in and of itself, will not result in termination of the Insurer's Policy. Unless the Insurer is in default of its payment obligations under the Policy, the Insurer is entitled to control and direct any of the rights or remedies of the Trustee including the right to direct the Trustee as to whether or not to re-let or sell the Facilities. Upon the occurrence of an Event of Default under the Trust Agreement, the Insurer may elect to redeem all of the Series 2006B Certificates outstanding, in which case the principal and interest represented by the Series 2006B Certificates shall become due and payable immediately. If the Insurer does not elect to redeem all Series 2006B Certificates outstanding, it has an obligation to continue to make payments to Series 2006B Certificate holders in accordance with the original schedule of Basic Lease Payments represented by the outstanding Series 2006B Certificates. However, the Insurer has no fiduciary responsibility to the Series 2006B Certificate holders with respect to the direction of such remedies and has no obligation to preserve the exclusion from gross income for federal income tax purpose of amounts paid to Series 2006B Certificate holders by the Insurer and designated as interest.

### **LITIGATION**

There is no litigation now pending or threatened (i) to restrain or enjoin the issuance or sale of the Series 2006B Certificates, (ii) questioning or affecting the validity of the Series 2006B Leases or the obligation of the School Board to make Lease Payments, (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution or delivery of the Series 2006B Certificates or (iv) challenging the existence of the Board or the District or the powers of the several offices of the officials of the Board or the titles of the officials holding their respective offices.

Various suits and claims arising in the ordinary course of School Board operations are pending against the District. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of the School Board, the liabilities that may arise from such actions would not result in losses that would materially affect the financial position of the District or the School Board or the results of its operations.

### **RATINGS**

Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services ("S&P") have assigned ratings of "Aaa" and "AAA," respectively, to the Series 2006B Certificates with the understanding that upon delivery of the Series 2006B Certificates, a policy insuring the payment when due of the Basic Lease Payments represented by the Series 2006B Certificates will be issued by the Insurer. Moody's and S&P have also assigned underlying ratings of "\_\_\_" and "\_\_\_," respectively, to the Series 2006B Certificates without regard to the Policy. An explanation concerning the significance of the ratings given by Moody's may be obtained from Moody's at 99 Church Street, New York, New York 10007, (212) 553-0470. An explanation of the ratings given by S&P may be obtained from S&P at 25 Broadway, New York, New York 10004, (212) 208-8000. Certain information and materials concerning the Series 2006B Certificates, the School Board and the District were furnished to Moody's and S&P by the School Board. Either rating service may raise, lower or withdraw its ratings at any time. If a downward change or withdrawal should occur, it could have an adverse effect on the resale price of the Series 2006B Certificates.

### **TAX TREATMENT**

The Internal Revenue Code of 1986, as amended (the "Code"), includes certain requirements which the School Board must continue to meet subsequent to the issuance and delivery of the Series 2006B Certificates in order that the portion of the Basic Lease Payments designated and paid as interest to the holders of the Series 2006B Certificates be and remain excluded from gross income for federal income tax purposes. Non-compliance may cause the portion of the Basic Lease Payments

designated and paid as interest to the Series 2006B Certificate holders to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Series 2006B Certificates, regardless of the date on which such non-compliance occurs or is ascertained. The School Board has covenanted in the Series 2000A Lease and the Series 2001C Lease to comply with such requirements in order to maintain the exclusion from federal gross income of the portion of the Basic Lease Payments designated and paid as interest to the Series 2006B Certificate holders.

In the opinion of Co-Special Tax Counsel, assuming compliance by the School Board with the aforementioned covenants, under existing statutes, regulations, rulings and judicial decisions, prior to the termination of the Master Lease resulting from an Event of Non-Appropriation or Event of Default thereunder, the portion of the Basic Lease Payments designated and paid as interest to the Series 2006B Certificate holders is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations. However, the portion of the Basic Lease Payments designated and paid as interest to the Series 2006B Certificate holders is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. However, no opinion is expressed with respect to the federal income tax consequences of any payments received with respect to the Series 2006B Certificates following termination of the Master Lease as a result of non-appropriation of funds or the occurrence of an event of default thereunder.

Co-Special Tax Counsel is further of the opinion that the Series 2006B Leases and the Series 2006B Certificates are exempt from the Florida intangible personal property tax. However, no opinion is expressed with respect to the payment or reporting of intangible personal property tax following termination of the Master Lease.

Except as described above, Co-Special Tax Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the portion of the Basic Lease Payments designated and paid as interest to the Series 2006B Certificate holders, or the ownership or disposition of the Series 2006B Certificates. Prospective purchasers of Series 2006B Certificates should be aware that the ownership of Series 2006B Certificates may result in other collateral federal tax consequences, including the following: (i) the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2006B Certificates or, in the case of a financial institution, that portion of the owner's interest expense allocable to the portion of the Basic Lease Payments designated and paid as interest to the Series 2006B Certificate holders; (ii) with respect to certain property and casualty insurance companies, the Code reduces the deduction for loss reserves by fifteen percent (15%) of the sum of certain items, including the portion of the Basic Lease Payments designated and paid as interest to Series 2006B Certificate holders; (iii) the portion of the Basic Lease Payments designated and paid as interest to certain foreign corporate Series 2006B Certificate holders doing business in the United States could be subject to a branch profits tax imposed by the Code; (iv) passive investment income, including the portion of the Basic Lease Payments designated and paid as interest to Series 2006B Certificate holders may be subject to federal income taxation for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than twenty-five percent (25%) of the gross receipts of such Subchapter S corporation is passive investment income; and (v) the Code requires recipients of certain Social Security and Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts and accruals of the portion of the Basic Lease Payments designated and paid as interest to the Certificate holders.

#### ORIGINAL ISSUE DISCOUNT AND PREMIUM

The initial offering prices of \$\_\_\_\_\_ of the Series 2006B Certificates maturing on \_\_\_\_\_, 20\_\_ and \$\_\_\_\_\_ of the Series 2006B Certificates maturing on \_\_\_\_\_, 20\_\_ (collectively, the "Discount Series 2006B Certificates") are less than the stated principal amounts thereof. Under the Code, the difference between the principal amount of the Discount Series 2006B Certificates and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Series 2006B Certificates of the same maturity was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income; however, such interest is taken into account for purposes of determining the alternative minimum tax imposed on corporations and may result in the collateral federal tax consequences described above under "TAX TREATMENT." Original issue discount will accrue actuarially over the term of a Discount Series 2005A Certificate at a constant interest rate. A purchaser who acquires a Discount Series 2005A Certificate in the initial offering at a price equal to the initial offering price thereof as set forth on the inside cover page of this Offering Statement will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Series 2005A Certificate and will increase its adjusted basis in such Discount Series 2005A Certificate by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Series 2005A

Certificate. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Series 2006B Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Prospective purchasers of Discount Series 2006B Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of Discount Series 2006B Certificates and with respect to the State and local tax consequences of owning and disposing of Discount Series 2006B Certificates.

\$ \_\_\_\_\_ of the Series 2006B Certificates maturing on \_\_\_\_\_, 20\_\_ and \$ \_\_\_\_\_ of the Series 2006B Certificates maturing on \_\_\_\_\_, 20\_\_ (collectively, the "Noncallable Premium Certificates"), and \$ \_\_\_\_\_ of the Series 2006B Certificates maturing on \_\_\_\_\_, 20\_\_ and \$ \_\_\_\_\_ of the Series 2006B Certificates maturing on \_\_\_\_\_, 20\_\_ (collectively, the "Callable Premium Certificates"), were sold at a price in excess of the amount payable at maturity in the case of the Noncallable Premium Certificates and to their earlier call date in the case of the Callable Premium Certificates. The difference between the amount payable at maturity of the Noncallable Premium Certificates and the tax basis to the purchaser and the difference between the amount payable at the call date of the Callable Premium Certificates that minimizes the yield to a purchaser of a Callable Premium Certificate and the tax basis to the purchaser (other than a purchaser who holds a Noncallable or Callable Premium Certificate as inventory, stock in trade or for sale to customers in the ordinary course of business) is "bond premium". Bond premium is amortized for federal income tax purposes over the term of a Noncallable Premium Certificate and over the period to the call date of a Callable Premium Certificate that minimizes the yield to the purchaser of the Callable Premium Certificate. A purchaser of a Noncallable Premium Certificate or a Callable Premium Certificate is required to decrease his adjusted basis in the Noncallable Premium Certificate or Callable Premium Certificate, respectively, by the amount of amortizable bond premium attributable to each taxable year he holds the Noncallable Premium Certificate or Callable Premium Certificate. The amount of amortizable bond premium attributable to each taxable year is determined at a constant interest rate compounded actuarially. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of the Noncallable Premium Certificate and Callable Premium Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Noncallable Premium Certificate or Callable Premium Certificates and with respect to the state and local consequences of owning and disposing of Noncallable Premium Certificate or Callable Premium Certificates.

#### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the School Board make full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to payment of principal or interest at any time after December 31, 1975. The School Board is not and has not been, since December 31, 1975, in default as to payment of principal of or interest on its bonds or other debt obligations.

#### **CERTAIN LEGAL MATTERS**

Certain legal matters in connection with the authorization, execution, delivery and sale of the Series 2006B Certificates are subject to the approving legal opinion of Greenberg Traurig, P.A., Miami, Florida, and The Knox Firm, Miami, Florida, Co-Special Tax Counsel. The proposed form of such opinion is included as "APPENDIX D - Form of Legal Opinion of Co-Special Tax Counsel" herein. Certain legal matters will be passed upon by JulieAnn Rico Allison, Esquire, Counsel to the School Board and the Foundation. Certain legal matters will be passed on for the Underwriters by Liebler, Gonzalez & Portuondo, P.A., Miami, Florida, and Bryant Miller Olive, Miami, Florida, as Co-Counsel to the Underwriters.

#### **UNDERWRITING**

The Underwriters set forth on the cover page hereof have agreed to purchase the Series 2006B Certificates at a price of \$ \_\_\_\_\_ (which represents the \$ \_\_\_\_\_ principal amount of the Series 2006B Certificates, plus net original issue [discount] [premium] of \$ \_\_\_\_\_ and less an Underwriters' discount of \$ \_\_\_\_\_). The Underwriters will purchase all of the Series 2006B Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions contained in a Contract of Purchase and the approval of certain legal matters by counsel.

The Underwriters may offer and sell the Series 2006B Certificates to certain dealers and others at prices lower than

the respective public offering prices stated herein. After the initial public offering, the respective offering prices may be changed from time to time by the Underwriters.

### FINANCIAL ADVISOR

De Lara Associates of New York, New York is serving as financial advisor (the "Financial Advisor") to the School Board. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Offering Statement.

### INDEPENDENT AUDITORS

The Basic Financial Statements of the School Board as of and for the year ended June 30, 2005 included in this Offering Statement have been audited by Ernst & Young LLP, independent auditors, as stated in their report appearing in "APPENDIX B – BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2005 AND INDEPENDENT AUDITORS' REPORT" herein. Ernst & Young LLP did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to Ernst & Young LLP, and Ernst & Young LLP's opinion, insofar as it relates to the amounts included for discretely presented component units, is based solely on the reports of other auditors. As discussed in note 1 to the Basic Financial Statements, the School Board of Miami-Dade County, Florida has implemented a new financial reporting model, as required by the Government Accounting Standards Board Statement (GASB) 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments- Omnibus, and* GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, as of July 1, 2001.

Ernst & Young LLP has not participated in the offering of the Series 2006B Certificates.

### FORWARD LOOKING STATEMENTS

This offering statement contains certain "forward-looking statements" concerning the School Board's or the District's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the School Board or District. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

### CONTINUING DISCLOSURE

The School Board has covenanted and undertaken for the benefit of the Series 2006B Certificate holders to provide certain financial information and operating data relating to the District and the Series 2006B Certificates in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. Such covenant shall only apply so long as the Series 2006B Certificates remain outstanding. The undertaking shall also terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12(b)(5) (the "Rule") by legislative, judicial or administrative action. The Annual Report will be filed by the School Board with each Nationally Recognized Municipal Securities Information Repository (the "NRMSIRs") described in the Form of Dissemination Agent Agreement attached hereto as Appendix D, as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be filed by the School Board with the Municipal Securities Rulemaking Board or the NRMSIRs and the SID. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in Appendix D - Form of Dissemination Agent Agreement dated and to be delivered at the time of issuance of the Series 2006B Certificates. These undertakings have been made in order to assist the Underwriters in complying with the Rule.

## MISCELLANEOUS

The information contained herein is subject to change without notice and no implication is to be derived therefrom or from the sale of the Series 2006B Certificates that there has been no change in the affairs of the School Board or the District from the date hereof. The references, excerpts and summaries of all documents and resolutions referenced herein do not purport to be complete statements of the provisions of such documents and resolutions, and reference is directed to all such documents, agreements and resolutions for full and complete statements of all matters of fact relating to the Series 2006B Certificates, the security for and the repayment of the Series 2006B Certificates and the rights and obligations of the holders thereof. Complete copies of such documents and resolutions may be obtained by request to Silvia R. Rojas, Treasurer, Office of Treasury Management, Room 615, School Board Administration Building, 1450 NE Second Avenue, Miami, Florida 33132 (Phone: 305-995-1684 or Fax: 305-995-2387) or during the offering period for the Series 2006B Certificates, from the Financial Advisor: De Lara Associates, New York, New York (Phone: (212) 580-8768 or Fax: (212) 580-3079).

This Offering Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Offering Statement involving matters of opinion or of estimates, whether or not expressly so stated are intended as such and not as representations of fact. No representation is made that any such statements will be realized. Neither this Offering Statement nor any statement which may have been made orally or in writing is to be construed as a contract or agreement between the School Board and the purchasers or the holders of any of the Series 2006B Certificates.

This Offering Statement has been duly executed and delivered on behalf of the District by the authority of the School Board.

**THE SCHOOL BOARD OF MIAMI-DADE  
COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chair

**APPENDIX A**

**ECONOMY AND DESCRIPTIVE STATISTICS  
OF THE DISTRICT AND MIAMI-DADE COUNTY, FLORIDA**

The following highlights the economy of Miami-Dade County and the District.

**Population**

The following table reflects historical trends and forecasts future population growth in Miami-Dade County:

**Historical and Projected Population  
in Miami-Dade County, Florida**

<u>Year</u>	<u>Population in Incorporated Areas</u>	<u>Population in Unincorporated Areas</u>	<u>Total Population</u>	<u>Percent Growth in Total Population</u>
Trends				
1960	582,713	352,334	935,047	N/A
1970	730,425	537,367	1,267,792	35.6%
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	1,088,655	1,224,382	2,313,047	1.3
2003	1,100,442	1,242,297	2,342,739	1.3
2004	1,265,077	1,107,341	2,372,418	1.3
2005	1,297,087	1,105,018	2,402,105	1.3
Forecast				
2010	1,331,000	1,220,000	2,551,000	6.1
2015	1,383,000	1,320,000	2,703,000	6.0

**SOURCE:** 1960 to 1990 and 2000 figures from U.S. Census Bureau, decennial census reports. 2005, 2010 and 2015 estimates from Miami-Dade County Department of Planning and Zoning, 2005.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

The following table presents a breakdown of Miami-Dade County's population by age since 1990 and forecasts population within each age category through 2030.

**Estimated Population By Age  
Miami-Dade County, Florida 1990 to 2030<sup>(1)</sup>**

<u>Year</u>	<u>UNDER 16 YEARS</u>		<u>16 TO 64 YEARS</u>		<u>65 YEARS AND OLDER</u>		<u>Total</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
<b>Trends</b>							
1990	427,719	21.7%	1,266,715	64.4%	272,566	13.9%	1,967,000
2000	495,375	22.0	1,457,435	64.7	300,552	13.3	2,253,362
2005	522,487	21.7	1,558,005	64.9	321,613	13.4	2,402,105
<b>Forecasts</b>							
2010	534,919	21.0%	1,675,516	65.7%	340,854	13.3%	2,551,289
2015	568,328	21.0	1,762,652	65.2	372,142	13.8	2,703,122
2020	587,943	20.6	1,859,961	65.1	410,285	14.3	2,858,189
2025	624,806	20.7	1,930,253	63.9	464,741	15.4	3,019,800
2030	651,014	20.4	2,011,989	63.1	524,789	16.5	3,187,792

(1) Forecasts are figures developed by Miami-Dade County Department of Planning and Zoning, Research Section. The 1990 census figures were adjusted for census undercount.

SOURCE: U.S. Bureau of Census. Decennial Census Reports for 1990 and 2000. Miami-Dade County Department of Planning and Zoning, Research Section.

**Largest Employers**

The District is southeast Florida's largest single employer and Florida's second largest employer, public and private. The following is a listing of Miami-Dade County's ten (10) largest public and private employers:

**Miami-Dade County's Ten Largest  
Public Employers (2005)**

<u>Employers</u>	<u>Employees</u>
Miami-Dade County Public Schools	48,417
Miami-Dade County	32,265
U.S. Federal Government	20,100
State of Florida	18,900
Jackson Memorial Hospital	11,700
Miami Dade Community College	7,500
Florida International University	5,000
City of Miami	3,954
VA Medical Center	2,018
City of Miami Beach	1,839

**Miami-Dade County's Ten Largest  
Private Employers (2005)**

<u>Employers</u>	<u>Employees</u>
Baptist Health Systems of South Florida	10,300
University of Miami, Inc.	9,079
American Airlines	9,000
United Parcel Service	5,000
BellSouth	4,800
Winn-Dixie Stores	4,616
Precision Response Corporation	4,196
Publix Supermarkets, Inc.	4,000
Florida Power & Light Company	3,665
Burdines Macy's	3,368

SOURCE: Miami-Dade County Public Schools information obtained from School Board of Miami-Dade County, Florida Comprehensive Annual Financial Report, fiscal year ended June 30, 2005. Beacon Council, Research Department (Data based on most recent responses to survey performed by Beacon Council in 2004. Employers may be excluded at their request). (Unaudited).

**MIAMI-DADE COUNTY, FLORIDA  
TAXABLE ASSESSED VALUATION (IN THOUSANDS) FOR PRINCIPAL TAXPAYERS<sup>(1)</sup>**

<u>TAXPAYER</u>	<u>BUSINESS OR USE</u>	<u>Miami-Dade County Taxes Levied (in thousands)</u>	<u>2005 Net Assessed Real and Personal Property Value (in thousands)</u>	<u>Percent of Taxpayer's Net Assessed Real and Personal Property Value to Countywide Net Assessed Property Value</u>
Florida Power & Light Company	Utility	\$46,617	\$2,150,174	1.47%
BellSouth Telecommunications, Inc.	Utility	21,479	990,720	0.68
SDG Dadeland Associates	Commerce	8,586	396,000	0.27
Graham Companies	Real Estate	7,511	346,457	0.24
Jose Milton	Real Estate	7,119	328,360	0.23
SRI Miami Venture LP	Real Estate	5,958	274,800	0.19
Turnberry Associates	Real Estate	5,416	249,805	0.17
Crescent Heights Acquisition, Inc.	Real Estate	4,989	230,121	0.16
Federated Department Stores	Commerce	3,934	181,442	0.12
Flagler Development Co.	Real Estate	3,863	178,199	0.12
Total		<u>\$115,473</u>	<u>\$5,326,077</u>	<u>3.65%</u>

(1) Unaudited

SOURCE: Miami-Dade County Property Appraiser.

**MIAMI-DADE COUNTY, FLORIDA  
COMPARISON OF UNEMPLOYMENT RATES  
MIAMI-DADE COUNTY, THE STATE OF FLORIDA, THE UNITED STATES  
1996 to 2005**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005<sup>(1)</sup></u>
Miami-Dade County	8.0%	7.6%	7.0%	5.9%	5.1%	6.0%	6.6%	6.0%	5.6%	4.7%
Florida	5.3	5.0	4.5	4.0	3.8	4.6	5.7	5.3	4.8	4.2%
United States	5.4	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.2%

(1) Six month average, January – June 2005.

SOURCE: The Beacon Council.

**MIAMI-DADE COUNTY, FLORIDA  
CONSTRUCTION ACTIVITY**

**PROPERTY VALUE AND CONSTRUCTION  
1996-2005  
Last Ten Fiscal Years  
(Unaudited)**

<u>Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>		<u>Real Property</u>		
	<u>Number of Buildings</u>	<u>Value (in thousands)</u>	<u>Number of Units</u>	<u>Value (in thousands)</u>	<u>Commercial (in thousands)</u>	<u>Residential (in thousands)</u>	<u>Nontaxable (in thousands)</u>
1996	670	\$299,348	6,629	\$455,715	\$29,660,302	\$56,819,172	\$19,727,547
1997	698	325,797	10,422	643,489	29,888,568	59,780,676	20,094,504
1998	596	442,924	8,597	679,105	30,168,469	63,495,144	20,270,274
1999	495	489,353	9,998	781,734	31,680,533	66,827,289	20,914,594
2000	601	513,457	8,360	687,205	32,137,670	71,442,168	21,304,769
2001	525	616,442	9,882	845,123	33,219,426	76,087,033	22,747,425
2002	498	722,077	8,805	751,940	32,650,542	85,606,675	23,648,584
2003	397	697,100	9,373	819,753	29,999,821	99,013,490	24,661,795
2004	794	359,033	9,603	982,420	27,473,191	116,239,333	26,120,760
2005	914	273,735	8,893	1,031,757	23,855,015	139,613,985	28,092,146

Source: Miami-Dade County Finance Department

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**  
**DEMOGRAPHIC STATISTICS – 1996-2005**  
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Approximate Median Age</u>	<u>School Enrollment (Pre-K-12)</u>
2005	2,402,105	\$ (1)	(1)	361,550
2004	2,372,418	(1)	36.6	369,578
2003	2,342,739	27,593	37.0	371,482
2002	2,313,047	26,995	36.9	374,725
2001	2,283,319	26,410	35.9	368,453
2000	2,253,485	25,626	35.6	360,202
1999	2,221,630	24,050	35.0	352,595
1998	2,189,719	23,216	35.0	345,861
1997	2,157,208	21,888	35.0	340,904
1996	2,124,885	21,360	35.0	333,444

SOURCE: Population, per capita income, median age - Miami-Dade County Department of Planning and Zoning; Student Enrollment - The School Board of Miami-Dade County –Office of Evaluation and Research.

(1) Information not available at time of publication.

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**  
**ATTENDANCE DATA – 1996-2005**  
(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>		
		<u>Average Daily Attendance</u>	<u>Percent of Change</u>	<u>Percent of Membership</u>
2005	359,122	337,098	1.25	93.87%
2004	354,847	332,944	(1.01)	93.95
2003	357,847	336,353	(0.51)	93.99
2002	360,436	338,073	1.50	93.80
2001	355,095	333,076	1.10	93.80
2000	352,461	329,460	2.33	93.47
1999	344,899	321,944	0.86	93.34
1998	341,916	319,185	1.97	93.35
1997	336,383	313,025	2.10	93.06
1996	330,578	306,581	3.56	92.74

SOURCE: The School Board of Miami-Dade County - Division Attendance Services.

**APPENDIX B**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY,  
FLORIDA FOR FISCAL YEAR ENDED JUNE 30, 2005  
AND INDEPENDENT AUDITORS' REPORT**

**APPENDIX C**

**FORMS OF CERTAIN LEGAL DOCUMENTS**

**Series 2006B Ground Lease  
Master Lease  
Schedule 2006B-1  
Schedule 2006B-2  
Master Trust Agreement  
Series 2006B Supplemental Trust Agreement  
Series 2006B Assignment Agreement**

**APPENDIX D**

**FORM OF DISSEMINATION AGENT AGREEMENT**

**APPENDIX E**

**FORM OF LEGAL OPINION OF CO-SPECIAL TAX COUNSEL**

**APPENDIX F**

**FORM OF FINANCIAL GUARANTY INSURANCE POLICY**