

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: REPORT ON AWARD OF \$197,830,000 FORWARD INTEREST RATE SWAPS & AUTHORIZING RESOLUTION 06-28 AMENDING SCHEDULES AND OTHER DOCUMENTS RELATED TO THE SERIES 2002A, 2002B & 2003A CERTIFICATES OF PARTICIPATION

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

The District executed and awarded on Monday April 3, 2006 the competitive placement of \$197,830,000 notional amount Forward Interest Rate Swaps associated with the Series 2002A, 2002B, & 2003A Certificates of Participation (COP's). These COP's were originally issued on a variable rate basis. The Interest Rate Swaps will permit us to fix the rate on these instruments at today's low level of interest rates. Details of the award are as follows:

| | SERIES | NOTIONAL AMOUNT | EFFECTIVE DATE | TERMINATION DATE | WINNING BID * | SWAP PROVIDER |
|---------|---------------|------------------------|-----------------------|-------------------------|----------------------|-------------------------------|
| SWAP I | 2002A | 69,765,000 | 4/1/2007 | 8/1/2027 | 3.809% | Royal Bank of Canada |
| | 2002B | 70,115,000 | 4/1/2007 | 8/1/2027 | 3.809% | Royal Bank of Canada |
| SWAP II | 2003A | 57,440,000 | 8/1/2008 | 8/1/2027 | 3.872% | Merrill Lynch Capital Markets |

** The winning bid excludes cost of issuance for Bond Counsel and Financial Advisory Services, which when added increase the rates by 0.012% to 3.821% and 3.884% respectively. The rate on the 2003A Series is slightly higher because of the longer forward period and the longer average life of the associated debt.*

Most swaps executed by Florida School Districts to date have been negotiated. The District was able to achieve more favorable rates via a competitive sale in that the spreads to "mid-market" were 1.5 and 0.3 basis points higher respectively, while under a negotiated sale the swap rates are generally 5 to 10 basis points higher. A 10 basis point increase would represent approximately \$1.6 million in additional costs. Mid-market is determined by the District's Derivative Financial Advisor, Swap Financial Group, and is addressed in their attached Results of Competitive Swap Bid Memorandum (Attachment A) dated April 4, 2006.

The competitive sale also permitted the District to set favorable credit and business terms up front on the Term Sheet. Attachment B is a schedule prepared by Greenberg Traurig, P.A., the District's Bond Counsel, outlining the different favorable terms the District was able to achieve under a Competitive Sale. These favorable terms did not affect the approved bidder's participation in the sale. Of the 14 bidders contacted 12 were pre-approved and chose to bid on the 2002A and 2002B Series. Nine of these also were pre-approved and chose to bid on the 2003A Series. Approval was subject to credit standards and insurer's pre-qualification.

The District was able to obtain an approximate present value savings of \$12.2 million by executing a fixed forward swap as opposed to an issuance of new, fixed Certificates of Participation (COP's), of a similar maturity, on the same day.

As stated in the Board Item dated March 15, 2006 authorizing the sale and award, the fundamental objective is replacing uncertainty with certainty at a time of low long-term interest rates for a portion of the District's Capital Plan. By fixing existing variable rate debt, the District will have the flexibility to issue additional variable rate debt in the future in response to changing market conditions. The swap is a hedge that requires ongoing monitoring by staff and annual reports to the Board as required by the District's Debt Management Policies under the proposed revision to Board Rule 6Gx13- 3A-1.012. In addition, the Governmental Accounting Standard Board requires ongoing disclosures in a footnote to the Audited Financial Statements. Disclosures include the significant terms, the fair value of the swap and any applicable risks. Risks on the swaps include counter party risk, basis risk, and termination risk.

Costs of Issuance on the swaps are as follows:

| | |
|-------------------------|-----------|
| Greenberg Traurig, P.A. | \$118,440 |
| Swap Financial Group | 62,000 |
| DeLara Associates | 10,000 |

The execution and award of the Swap is the culmination of work performed by staff, the Treasury Advisory Committee, and the professional consultants that based on best practices crafted a solution for the District that was highly beneficial as outlined above and in the Board Item dated March 15, 2006. Best practices include procuring a Derivatives Financial Advisor that was able to successfully manage the competitive placement of the swaps. In addition, Swap Financial Group provided services related to drafting Swap Policies incorporated in the District's Debt Management Policies, portfolio analysis, evaluation of derivative proposals, training of staff and ongoing support. Maximum total costs per year are \$125,000 under a two year contract.

Resolution 06-28 is requesting authority to amend the schedules and certain other documents related to the associated outstanding COP's Series 2002A, 2002B, & 2003A. The applicable documents must be amended, among other things, to provide for a prioritization of Additional Lease Payments in the event that there are not sufficient funds to pay all Additional Lease Payments. The Additional Lease Payments include those related to the swap transactions. This is a condition of the Insurer(s) on the swap transactions.

An additional amendment is being requested to utilize unused proceeds from the Series 2002A and 2002B Certificates to provide funding for a modular at Ernest Graham Elementary. The District experienced certain construction savings in the 2002A & 2002B COP's, namely in the Doral Senior High School Project, which will allow up to \$8.5 million to fund the modular at Ernest Graham Elementary.

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

- 1) receive the report on Award of \$197,830,000 Forward Interest Rate Swaps, and
- 2) approve Resolution 06-28 (Attachment C) amending schedules related to the Series 2002A, 2002B & 2003A Certificates of Participation

Swap Financial Group

Swap Financial Group, LLC
76 South Orange Avenue, Suite 6
South Orange, NJ 07079
(973) 378-5500, fax (973) 378-5575

MEMORANDUM

To: Silvia Rojas
School Board of Miami-Dade County

From: Peter Shapiro

Concerning: Results of Competitive Swap Bid

Date: April 4, 2006

Below are the results of the competitive placement of the three forward-starting interest rate swaps entered into by the School Board of Miami-Dade County (the "Board") on April 3, 2006. The swaps are being used to create synthetic fixed rate exposure associated with the debt of three outstanding Certificates of Participation (COPs) issuances of the Board (Series 2002A, 2002B and 2003A) starting in 2007 and 2008.

Prior to the bid, Swap Financial Group distributed a bid package on behalf of the Board to fourteen different counterparties. Participation was strong despite highly asymmetrical credit and business terms favorable to the Board, including one-way collateralization requirements and ratings-based termination events tilted strongly in the Board's favor. Of the fourteen solicited counterparties, twelve decided to submit bids. The outcome of the bidding showed quite clearly that the favorable terms had no negative effect whatsoever on swap pricing.

The auction was conducted between 11:00 and 11:35 AM Eastern Time on April 3, 2006. Throughout this time, markets remained stable, with the 10-year Treasury Note yielding 4.86%. At 11:00 AM, the swaps associated with Series 2002A and 2002B (the "Group I Swaps") were bid together. These swaps are nearly identical in structure and are both insured by Ambac. Eligible counterparties submitted bids in the form of a single fixed rate that the Board would pay on both swaps. Following the award of the Group I Swaps, bids were received for the "Group II Swap" (associated with the 2003A COPs) at 11:30 AM. For the purpose of counterparty diversification, the winning swap provider from Group I was precluded from bidding on the Group II Swap. All bids that were received are shown on following page (listed in alphabetical order) and the winning bids appear in bold.

| <i>Swap Provider</i> | <i>Group I (2002A and 2002B)</i> | <i>Group II (2003A)</i> |
|---------------------------------|--------------------------------------|-----------------------------|
| Bear Stearns Financial Products | 3.8190% | 3.9040% |
| BNP Paribas | 3.8097% | 3.8870% |
| Citibank | 3.8690% | 3.9470% |
| Depfa Bank | 3.8280% | 3.8975% |
| Deutsche Bank | 3.8210% | 3.8960% |
| Dexia | 3.8098% | 3.8792% |
| Goldman Sachs Capital Markets | 3.8273% | - |
| JPMorgan Chase Bank | 3.8310% | 3.8917% |
| Merrill Lynch Capital Markets | 3.8320% | 3.8720% |
| Morgan Stanley Capital Services | 3.8180% | 3.8980% |
| Rice Financial | 3.8300% | - |
| Royal Bank of Canada | 3.8090% | - |

In the auction, Royal Bank of Canada and Merrill Lynch Capital Services offered the lowest fixed rates to be paid by the Board for the Group I and Group II swaps, respectively. The Group II swap rate is slightly higher due to the longer forward period and longer average life of the associated debt. These rates exclude the cost of the Board's professional fees incurred in connection with the transactions. Including these fees, the all-in fixed rates are 0.012% higher, or 3.8210% and 3.8840% respectively.

The decision to use competitive bidding for the swaps produced discernible benefits in the rates achieved. Based on our models, the winning bids were 1.5 basis points and 0.3 basis points from the theoretical "mid-market" swap rate for each of the two swaps. We determined the mid-market level through the use of multiple rigorous modeling systems that our firm maintains, and confirmed the accuracy of our models through checking with several swap providers (other than the winning bidder). The term "mid-market" refers to the half-way point between the bid and the offered sides of the market - a point at which no swap provider would be willing to trade, as the provider couldn't even cover his costs, not to mention earn a profit. By comparison, in a negotiated transaction, the swap rate is generally between 5 and 10 basis points above the mid-market level.

The swaps were designed to provide the Board with known future fixed rates for the financing of its capital needs. An alternative approach the Board could have used instead of the swaps was a forward sale of conventional COPs. As a point of comparison with the swaps, we examined market rates for such COPs at the same time that the swaps were priced. Using data provided by Municipal Market Data Inc. ("MMD"), and making appropriate adjustments for the scheduled forward sale dates, we estimate that the conventional COPs would have been priced at 4.55% and 4.78%, respectively, or 74 basis points and 91 basis points higher than the corresponding swap rates. To make an apples-to-apples comparison, however, the swap rates should be adjusted upward by 26 basis points, to reflect the on-going costs (auction fees or remarketing and liquidity fees) of the associated variable rate bonds. With this adjustment, the swap rates are better by 48 basis points and 65 basis points, respectively. In present value terms, the aggregate financial benefit is equal to approximately \$12,200,000, using the relevant swap rates as

the discount factor. It is important to point out that the two types of transactions are not precisely comparable, as each entails different risks and benefits.

Part of the relative benefit of the swaps stems from the lower cost of using swaps to lock in forward rates. The forward premiums on the Group I Swap and Group II Swap were 1.3 bps and 3.2 bps, respectively (equivalent to a present value of \$145,000 and \$166,000). This compares with forward premiums for a forward sale of COPs that is estimated at 15 bps and 30 bps respectively (equivalent to a present value of \$1,695,000 and \$1,560,000).

COMPETITIVE VERSUS NEGOTIATED INTEREST RATE EXCHANGE
AGREEMENT

Competitive bidding of an interest rate exchange agreement gives the School Board the opportunity to require certain provisions in the agreement. Below are some of the provisions that the bidders had to agree to.

- Minimum Ratings
Negotiated: typically minimum ratings (which trigger various adverse consequences) are the same for both parties
Competitive: the minimum ratings are more favorable for the School Board, with a higher minimum rating (A-/A3) required of the swap providers than that required of the School Board (BBB-/Baa3) – this differential is reflective of the lower likelihood of default by public entities as opposed to financial corporations
- Specified Indebtedness
Negotiated: specified indebtedness (which also could trigger various adverse consequences) for the counterparty (the School Board) covers all obligations of the counterparty or, if limited, covers all obligations of the counterparty to the swap provider pursuant to any agreement
Competitive: specified indebtedness for the School Board is limited to other obligations under the Master Lease
- Transferability
Negotiated: typically does not provide the counterparty with the ability to assign its rights and obligations under the swap agreement
Competitive: permits the School Board, subject to certain conditions, to assign its rights and obligations under the swap agreement, allowing significantly more flexibility to the School Board if it decides it wants to exit the agreement in advance of its scheduled maturity
- Replacement
Negotiated: typically does not give the counterparty the right to replace the swap provider as an alternative to an early termination upon a downgrade of the swap provider's ratings
Competitive: gives the School Board the option to replace the swap provider rather than call an event of early termination upon a downgrade of the swap provider's ratings
- Deferral of Termination Payments
Negotiated: usually requires immediate payment by counterparty upon an early termination
Competitive: The School Board is given time to amend the budget and appropriate for termination payments

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

RESOLUTION NO. 06 - 28

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, IN CONNECTION WITH INTEREST RATE EXCHANGE AGREEMENTS PREVIOUSLY AUTHORIZED, AUTHORIZING CERTAIN AMENDMENTS REQUESTED BY THE PROVIDERS OF INTEREST RATE EXCHANGE AGREEMENTS AND AUTHORIZING EXECUTION OF A THIRD AMENDMENT AND RESTATEMENT OF SCHEDULE 1998B-1, A SECOND AMENDMENT AND RESTATEMENT OF SCHEDULE 1998B-2, AN AMENDMENT AND RESTATEMENT OF SCHEDULE 2002-1 AND AN AMENDMENT AND RESTATEMENT OF SCHEDULE 2002-2, TO THE MASTER LEASE PURCHASE AGREEMENT, A SECOND AMENDMENT TO SERIES 1998B GROUND LEASE, AND A FIRST AMENDMENT TO SERIES 2002 GROUND LEASE FOR SUCH PURPOSE; AUTHORIZING THE ADDITION OF ERNEST GRAHAM ELEMENTARY SCHOOL TO THE LIST OF SERIES 2002-1 FACILITIES AND AUTHORIZING AMENDMENT TO THE SERIES 2002 GROUND LEASE AND SCHEDULE 2002-1 FOR SUCH PURPOSE; 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 (“Facilities”) from time to time by entering into a Master Lease Purchase Agreement dated as of August 1, 1994 (the “Master Lease”), and related leases; and

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

WHEREAS, the School Board and the Foundation have heretofore entered into a Series 2002 Ground Lease dated as of December 1, 2002 (the “Original Series 2002 Ground Lease), and Schedule 2002-1 dated as of December 1, 2002, to the Master Lease for the lease-purchase financing of the Series 2002-1 Facilities specified therein (the Master Lease together with Schedule 2002-1, the “Original Series 2002-1 Lease”) and Schedule 2002-2 dated as of December 1, 2002, to the Master Lease for the lease-purchase financing of the Series 2002-2 Facilities specified therein (the Master Lease together with Schedule 2002-2, the “Original Series 2002-2 Lease” and the Original Series 2002-2 Lease together with the Original Series 2002-1 Lease, the “Original Series 2002 Leases”); and

WHEREAS, the School Board and the Foundation have heretofore entered into a Series 1998B Ground Lease, dated as of June 1, 1998 (as amended by a First Amendment to Series 1998B Ground Lease, the “Original Series 1998B Ground Lease”) and Schedule 1998B-1 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, to the Master Lease for the lease-purchase financing of the Series 1998B-1 Facilities specified therein (the Master Lease together with Schedule 1998B-1, the “Original Series 1998B-1 Lease”) and Schedule 1998B-2 dated as of June 1, 1998, as amended and restated as of March 1, 2003, to the Master Lease for the lease-purchase financing of the Series 1998B-2 Facilities specified therein (the Master Lease together with Schedule 1998B-2, the “Original Series 1998B-2 Lease” and the Original Series 1998B-2 Lease together with the Original Series 1998B-1 Lease, the “Original Series 1998B Leases”); 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, to accomplish the lease-purchase financing of the Series 2002-1 Facilities and the Series 2002-2 Facilities, the School Board caused the issuance of two series of Certificates of Participation 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 Original Series 2002 Leases (the “Series 2002A Certificates” and the “Series 2002B Certificates”) pursuant to the Series 2002 Supplemental Trust Agreement dated as of December

1, 2002, between the Foundation and the Trustee (the "Series 2002 Supplemental Trust Agreement"); and

WHEREAS, to accomplish the refinancing of the lease-purchase of the Series 1998B-1 Facilities and the Series 1998B-2 Facilities, the School Board caused the issuance of Certificates of Participation 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 Original Series 1998B Leases (the "Series 2003A Certificates") pursuant to the Series 2003A Supplemental Trust Agreement dated as of March 1, 2003, between the Foundation and the Trustee (the "Series 2003A Supplemental Trust Agreement"); and

WHEREAS, the Foundation assigned substantially all of its interest in the Original Series 2002 Ground Lease and the Original Series 2002 Leases to the Trustee pursuant to a Series 2002 Assignment Agreement dated as of December 1, 2002; and

WHEREAS, the Foundation assigned substantially all of its interest in the Original Series 1998B Ground Lease and the Original Series 1998B Leases to the Trustee pursuant to a Series 1998B Assignment Agreement dated as of June 1, 1998; and

WHEREAS, the School Board has determined to add Ernest Graham Elementary School to the list of Series 2002-1 Facilities financed under the Series 2002-1 Lease and encumbered under the Series 2002 Ground Lease; and

WHEREAS, the School Board has authorized the execution and delivery of interest rate exchange agreements in connection with (i) the Series 2002A and Series 2002B Certificates (collectively, the "Series 2002 Swap Agreement"); and (ii) the Series 2003A Certificates (the "Series 2003A Swap Agreement"); and

WHEREAS, the provider of the Series 2002 Swap Agreement will be Royal Bank of Canada (the "Series 2002 Swap Provider") and certain of the obligations of the School Board under the Series 2002 Swap Agreement will be insured by Ambac Assurance Corporation (in such capacity, the "Series 2002 Swap Insurer") and the provider of the Series 2003A Swap Agreement will be Merrill Lynch Capital Services (the "Series 2003A Swap Provider") and certain of the obligations of the School Board under the Series 2003A Swap Agreement will be insured by MBIA Insurance Corporation (in such capacity, the "Series 2003A Swap Insurer"); and

WHEREAS, in connection with the Series 2002 Swap Agreement, the Series 2002 Swap Insurer has requested amendments to the Original Series 2002-1 Lease, the Original Series 2002-2 Lease, and the Original Series 2002 Ground Lease; and

WHEREAS, in connection with the Series 2003A Swap Agreement, the Series 2003A Swap Insurer has requested amendments to the Original Series 1998B-1 Lease, the Original Series 1998B-2 Lease, the Original Series 1998B Ground Lease and the Series 2003A Supplemental Trust Agreement; and

WHEREAS, the School Board desires to make the modifications requested by the Series 2002 Swap Insurer and the Series 2003A Swap Insurer; and

WHEREAS, the School Board has on the date hereof, after due notice as required by law, held an open, public meeting on the proposal of entering into the First Amendment to the Series 2002 Ground Lease for the purpose of adding Ernest Graham Elementary School, at which meeting a copy of the First Amendment to Series 2002 Ground Lease in substantially final form has been available for inspection and review by the public; and

WHEREAS, the School Board has obtained the consent of Ambac Assurance Corporation, as the insurer of the Series 2002A and Series 2002B Certificates, to the amendment of the Original Series 2002 Ground Lease, and the Original Series 2002-1 and Original Series 2002-2 Leases; and

WHEREAS, there have been presented to this meeting forms of a Third Amended and Restated Schedule 1998B-1, Second Amended and Restated Schedule 1998B-2, a Second Amendment to Series 1998B Ground Lease, First Amendment to Series 2003A Supplemental Trust Agreement, Amended and Restated Schedule 2002-1, Amended and Restated Schedule 2002-2, and First Amendment to Series 2002 Ground Lease;

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

Section 1. Schedule 1998B-1 to the Master Lease Purchase Agreement, dated as of June 1, 1998, as amended and restated as of January 1, 2002, as further amended and restated as of March 1, 2003, and as further amended and restated as of April 1, 2006 (the "Third Amended and Restated Schedule 1998B-1"), substantially in the form submitted to this meeting and attached hereto as **Exhibit A-1**, Schedule 1998B-2 to the Master Lease Purchase Agreement, dated as of June 1, 1998, as amended and restated as of March 1, 2003, and as further amended and restated as of April 1, 2006 (the "Second Amended and Restated Schedule 1998B-2"), substantially in the form submitted to this meeting and attached hereto as **Exhibit A-2**, Schedule 2002-1 to the Master Lease Purchase Agreement, dated as of December 1, 2002, as amended and restated as of April 1, 2006 (the "Amended and Restated Schedule 2002-1"), substantially in the form submitted to this meeting and attached hereto as **Exhibit A-3** and Schedule 2002-2 to the Master Lease Purchase Agreement, dated as of December 1, 2002, as amended and restated as of April 1, 2006 (the "Amended and Restated Schedule 2002-2"), substantially in the form submitted to this meeting and attached hereto as **Exhibit A-4** are each 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 said Third Amended and Restated Schedule 1998B-1, Second Amended and Restated Schedule 1998B-2, Amended and Restated Schedule 2002-1 and Amended and Restated Schedule 2002-2. The execution respectively of said Third Amended and Restated Schedule 1998B-1, Second Amended and Restated Schedule 1998B-2, Amended and Restated Schedule

2002-1 and Amended and Restated Schedule 2002-2 by the Chair, Vice Chair, Superintendent or Deputy Superintendent, Business Operations 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 the Amended and Restated Schedule 2002-1 and the recording thereof in the Official Public Records of Miami-Dade County.

Section 2. The Second Amendment to Series 1998B Ground Lease between the School Board and the Trustee substantially in the form submitted to this meeting and attached hereto as **Exhibit B-1** and the First Amendment to Series 2002 Ground Lease between the School Board and the Trustee substantially in the form submitted to this meeting and attached hereto as **Exhibit B-2** are each 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 said First Amendment to Series 2002 Ground Lease and Second Amendment to Series 1998B Ground Lease. The execution and delivery, respectively, of said First Amendment to Series 2002 Ground Lease and Second Amendment to Series 1998B Ground Lease by the Chair, Vice Chair, Superintendent or Deputy Superintendent, Business Operations 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 the First Amendment to Series 2002 Ground Lease and the recording thereof in the Official Public Records of Miami-Dade County.

Section 3. 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, and to take all actions and steps, including without limitation to change the dated dates of any and all documents, on behalf of the School Board which are necessary or desirable in connection with the addition of Ernest Graham Elementary School to the list of Series 2002-1 Facilities encumbered under the Series 2002 Ground Lease, in connection with the Series 2002 Swap Agreement and the Series 2003A Swap Agreement, and the execution and delivery and compliance with the provisions of the Third Amended and Restated Schedule 1998B-1, Second Amended and Restated Schedule 1998B-2, Amended and Restated Schedule 2002-1, Amended and Restated Schedule 2002-2, the First Amendment to Series 2002 Ground Lease, the Second Amendment to Series 1998B Ground Lease, and the First Amendment to Series 2003A Supplemental Trust Agreement, including without limitation, any additional amendments to documents related to the Series 2002A and Series 200B Certificates and Series 2003A Certificates and which are not inconsistent with the terms and provisions of this Resolution.

Section 4. 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 5. This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of April, 2006.

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

[SEAL]

Attest:

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

Approved as to form and legality:

School Board Attorney

EXHIBIT A-1

FORM OF SCHEDULE 1998B-1

Dated as of June 1, 1998

as Amended and Restated as of January 1, 2002

as further Amended and Restated as of March 1, 2003

and as further Amended and Restated as of April 1, 2006

EXHIBIT A-2

FORM OF SCHEDULE 1998B-2

Dated as of June 1, 1998

as Amended and Restated as of March 1, 2003

and as further Amended and Restated as of April 1, 2006

EXHIBIT A-3

**FORM OF SCHEDULE 2002-1
Dated as of December 1, 2002
as Amended and Restated as of April 1, 2006**

EXHIBIT A-4

**FORM OF SCHEDULE 2002-2
Dated as of December 1, 2002
as Amended and Restated as of April 1, 2006**

EXHIBIT B-1

**FORM OF SECOND AMENDMENT TO
SERIES 1998B GROUND LEASE**

EXHIBIT B-2

**FORM OF FIRST AMENDMENT TO
SERIES 2002 GROUND LEASE**

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