

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: AUCTION RATE CERTIFICATES OF PARTICIPATION (COP),
SERIES 2001B, 2002A&B, & 2007C CONVERSION UPDATE
AND ADOPTION OF RESOLUTION 08-21 REPEALING
RESOLUTION 08-14, AUTHORIZING AMENDMENTS TO
PROVIDE FOR CONVERSION TO ADDITIONAL INTEREST
RATE MODES FOR SERIES 2007C COP, AUTHORIZING THE
REFUNDING OF ANY OF THE SERIES 2001B, 2002A&B, &
2007C COP, AND AUTHORIZING THE TERMINATION AND
REPLACEMENT OF 2002A&B SWAPS, IF NEED BE.

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO DISTRICT
STRATEGIC PLAN:** IMPROVE FINANCIAL SERVICES

The tax exempt auction market has continued to experience unprecedented volatility with high interest rate resets and numerous failed auctions. The actual and, in some cases, anticipated, loss of "AAA" rating status has caused a near shut down of the auction securities market as the usual money market fund buyers are restricted to holding insured securities rated not less than AA. As discussed in Board Item E27 approved by the Board on February 13, 2008, the District's staff and its finance team have continued to explore the most cost effective means of eliminating the District's exposure to the currently volatile short term municipal debt market. The continued instability of the bond insurers has made the marketing of insured debt increasingly expensive and the demand scarce. It is likely that over time the insurance situation will be resolved and the municipal markets will recover and stabilize.

Under Board Item E-27 the Board adopted Resolutions 08-12, 08-13, and 08-14 authorizing the conversion and remarketing of the Certificate of Participation (COP) Series 2001B, 2002A&B, & 2007C, respectively. Because market conditions are so volatile, the resolutions were drafted to provide as much flexibility as possible for conditions that were anticipated at that time. Since the Board approved E-27 the respective series are on schedule to be converted and remarketed as anticipated, but require additional Board authorization due to the following subsequent events necessitating alternative strategies be employed:

\$90,825,000 7-day auction rate Series 2007C with FGIC insurance: Moody's Investors Services and S&P downgrading FGIC to A3 and A respectively. As a result, Goldman Sachs has declined to underwrite the 2007C Certificates with FGIC as the bond insurer. Rate reset to 6.13% on February 26, 2008 down from 11.50% the previous week.

\$68,070,000 35 day auction rate, Series 2002A COPs & \$68,070,000 35 day auction rate, Series 2002B COPs with AMBAC insurance: S&P affirmed AMBAC's, AAA rating, but kept it on credit watch. AMBAC and Wachovia a potential credit facility provider did not agree to terms that would allow a conversion to Variable Rate Demand Obligations (VRDO). The VRDO market

has also been impacted by the same confluence of problems impacting the auction rate market. On February 21, 2008 the auction for the Series 2002B COPs failed and reset at a 4.148% (formula driven rate) down from 4.15% on the last reset date.

\$51,450,000 35 day auction rate Series 2001B COPs with MBIA insurance: Both Moody's Investors Services and S&P affirmed the AAA ratings and changed from negative watch to negative outlook, meaning ratings change is not imminent.

Currently the interests of the insurers are at odds with those of the issuers and with the credit facility providers. Under the current conditions of very low demand for municipal debt, it is recommended that the auction rate certificates be privately placed with Dexia Credit Local for an initial period of one year. Utilizing this structure will allow the securities to retain the bond insurance that has already been paid for and which will likely have a value once the rating situation is addressed, while providing a low interest rate relative to what would be available in the market. The current rate for the proposed structure is 3.01% (12 month LIBOR + 30bps). This strategy will limit the District's exposure to wide fluctuations in the variable rate markets and provide the flexibility to convert to fixed or variable rate structures at a more opportune time within the next 12 months with the option to negotiate a continuation of the Dexia program past the 12 month initial period. The Dexia program provides for rates which may reset based on LIBOR indices on a monthly, quarterly, semi-annual basis or be locked in for one year at the District's option.

The alternative strategy requires that Resolution 08-14, conversion of the Series 2007C COPs, be repealed and replaced by Resolution 08-21 approving amendments to documents to allow for the interest rate mode proposed by Dexia. Exhibits A-1 through E will be distributed to the Board under separate cover.

In addition, many issuers are choosing to forgo the insurance on their auction rate securities to avoid insurer consents for conversion. In order to terminate the insurance the COPs would have to be refunded as opposed to remarketed. As an alternative structure Resolution 08-21 also provides for the option to refund any of the auction rate COPs and in the case of the Series 2002A&B Certificates also authorizes termination and replacement of the associated swaps, if need be.

The Treasury Advisory Committee at its meeting of March 6, 2008 reviewed all alternative strategies and recommended the School Board approve Resolution 08-21. It was determined it is in the District's best interest to have alternative strategies available to timely convert the auction rate securities. At the request of the District, the Treasury Advisory Committee will be meeting monthly through June 2008 to be apprised of continuing market conditions and to provide feedback to the District's staff and finance team, as well as recommendations to the Board, as needed.

Revised

RECOMMENDED: That The School Board of Miami-Dade County, Florida, adopt Resolution 08-21 repealing Resolution 08-14, authorizing amendments to provide for conversion to additional interest rate modes for Series 2007C COPs, authorizing the refund of any of the Series 2001B, 2002A&B, & 2007C COPs, and authorizing the termination and replacement of 2002A&B Swap, if need be.

RESOLUTION 08-21

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, SUPPLEMENTING RESOLUTIONS 08-12 AND 08-13 AND REPEALING RESOLUTION 08-14; AUTHORIZING THE CONVERSION OF INTEREST RATE MODES WITH RESPECT TO THE \$90,825,000 AGGREGATE PRINCIPAL AMOUNT OF CERTIFICATES OF PARTICIPATION, SERIES 2007C PREVIOUSLY ISSUED TO FINANCE THE LEASE-PURCHASE OF CERTAIN EDUCATIONAL FACILITIES AND EQUIPMENT, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDED AND RESTATED SCHEDULE 2007-1 AND SCHEDULE 2007-2 TO THE MASTER LEASE PURCHASE AGREEMENT TO PROVIDE FOR ADDITIONAL INTEREST RATE MODES FOR THE SERIES 2007C CERTIFICATES; APPROVING THE FORM OF AN AMENDED AND RESTATED SERIES 2007 SUPPLEMENTAL TRUST AGREEMENT WHICH PROVIDES FOR ADDITIONAL INTEREST RATE MODES; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2007C REMARKETING AGREEMENT AND APPOINTING A REMARKETING AGENT THEREUNDER; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2007C TENDER AGENT AGREEMENT AND APPOINTING A TENDER AGENT THEREUNDER; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REMARKETING CIRCULAR AND AUTHORIZING ITS DISTRIBUTION AND USE BY THE REMARKETING AGENT IN CONNECTION WITH THE REMARKETING OF THE SERIES 2007C CERTIFICATES; AUTHORIZING THE REFUNDING OF THE SERIES 2007C CERTIFICATES AS AN ALTERNATIVE TO REMARKETING; AUTHORIZING THE REFUNDING OF THE SERIES 2001B CERTIFICATES AND SERIES 2002 CERTIFICATES AS AN ALTERNATIVE TO THE REMARKETING AUTHORIZED BY RESOLUTIONS 08-12 AND 08-13, RESPECTIVELY, AND AUTHORIZING THE AMENDMENT, REPLACEMENT OR TERMINATION OF THE INTEREST RATE SWAP ARRANGEMENTS RELATED TO THE SERIES 2002 CERTIFICATES IF NECESSARY OR DESIRABLE TO CARRY OUT THE CONVERSION AND REMARKETING OR REFUNDING OF THE SERIES 2002 CERTIFICATES OR OTHERWISE IN THE BEST INTEREST OF THE DISTRICT; AUTHORIZING THE PROCUREMENT OF THE ISSUANCE OF LIQUIDITY SUPPORT OR LIQUIDITY AND CREDIT SUPPORT FOR THE SERIES 2007C CERTIFICATES AND THE EXECUTION AND DELIVERY OF DOCUMENTS AND AGREEMENTS IN CONNECTION THEREWITH; 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 and educational facilities (the "Facilities") from time to time by entering into a Master Lease Purchase Agreement dated as of August 1, 1994 (the "Master Lease"), and related agreements; and

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

WHEREAS, the School Board and the Foundation have entered into (i) a Series 2007 Ground Lease dated as of May 1, 2007, and (ii) Schedules 2007-1 and 2007-2 to the Master Lease, each dated as of May 1, 2007 (which Schedules together with the Master Lease is herein referred to as the "Series 2007 Lease"), pursuant to which the School Board leased certain real property to the Foundation and subleased from the Foundation such real property and leased the improvements thereon, known respectively as the "Series 2007-1 Facility Sites" and the "Series 2007 Facilities"; 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 2007 Facilities, two series of certificates of participation were issued on a parity basis consisting of (i) \$101,265,000 in original aggregate principal amount of Certificates of Participation, Series 2007B (the "Series 2007B Certificates"), which Series 2007B Certificates were initially issued as fixed rate certificates, and (ii) \$90,825,000 in original aggregate principal amount of Certificates of Participation, Series 2007C (the "Series 2007C Certificates"), which Series 2007C Certificates were initially issued as auction rate certificates, each 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 2007 Lease, pursuant to the Trust Agreement, as supplemented by a Series 2007 Supplemental Trust Agreement dated as of May 1, 2007 (as the same may be amended from time to time in accordance with its terms, the "Series 2007 Supplemental Trust Agreement"; the Trust Agreement supplemented by the Series 2007

Supplemental Trust Agreement is referred to herein as the "Series 2007 Trust Agreement") between the Foundation and the Trustee; and

WHEREAS, the interest portion of basic lease payments represented by the Series 2007C Certificates is currently being calculated at an auction rate determined every 7 days pursuant to auction procedures and in accordance with the Series 2007 Trust Agreement; and

WHEREAS, the capital markets, and particularly the market for auction rate securities such as the Series 2007C Certificates, have experienced unprecedented disruptions related to escalating rates of default on subprime mortgage obligations and a resulting general contraction of available liquidity; and

WHEREAS, the disruption in the market for auction rate securities has caused the District to experience significant escalations in the interest rates on the Series 2007C Certificates, which escalations show no signs of abating in the near future; and

WHEREAS, the School Board has determined that it is in its best interest to convert the auction rate mode with respect to the Series 2007C Certificates from the auction rate mode to a different interest rate mode (the "Conversion") so that the interest portion of basic lease payments represented by the Series 2007C Certificates may be calculated at a daily rate, weekly rate, short-term rate, index floating rate or long-term rate; and

WHEREAS, to accomplish the Conversion (i) the School Board and the Foundation may enter into an Amended and Restated Schedule 2007-1 ("Amended and Restated Schedule 2007-1") and Amended and Restated Schedule 2007-2 ("Amended and Restated Schedule 2007-2") and (ii) the Foundation and the Trustee may enter into an amendment and restatement of the Series 2007 Supplemental Trust Agreement (the "Amended and Restated Series 2007 Supplemental Trust Agreement"), each of which would provide, among other things, for an index floating rate mode as an alternative method for calculating the interest portion of the basic lease payments in addition to the daily rate mode, weekly rate mode, short-term rate mode, long-term rate mode and auction rate mode; and

WHEREAS, in connection with the remarketing of the Series 2007C Certificates simultaneously with the Conversion, the School Board may enter into a Remarketing Agreement (the "Series 2007C Remarketing Agreement") which provides for such initial remarketing as well as ongoing remarketings, if applicable, with a Remarketing Agent designated therein, and a Tender Agent Agreement (the "Series 2007C Tender Agent Agreement") with the Trustee and a Tender Agent designated therein; and

WHEREAS, the School Board may, if required or if it deems advisable, obtain liquidity support or liquidity and credit support for the Series 2007C Certificates following the Conversion (the "Series 2007C Liquidity Facility") from a financial institution with long-term ratings from Standard & Poor's Ratings Service and Moody's Investors Service in one of the two highest rating categories (without regard to qualifiers within such categories) and if applicable for the mode to which the Series 2007C Certificates are to be converted, a short-term rating in the one of the two highest short-term rating categories from Standard & Poor's Ratings Service and in the highest short-term rating category from Moody's Investors Service (the "Series 2007C Liquidity Provider"); and

WHEREAS, in order to be prepared for changes in the financial market which may occur prior to such conversion and remarketing and which may make it more advantageous to refund rather than remarket the Series 2007C Certificates, the School Board wishes to authorize the refunding of the Series

2007C Certificates as an alternative to remarketing and to make changes in the documents approved herein to enable such refunding;

WHEREAS, the School Board has heretofore adopted Resolution 08-12, authorizing the conversion of the interest rate mode related to the Series 2001B Certificates pursuant to an Amended and Restated Schedule 2001-1, an Amended and Restated Schedule 2001-2 and an Amended and Restated Series 2001B Supplemental Trust Agreement and the remarketing of the Series 2001B Certificates pursuant to a Remarketing Agreement (as each such term is defined in Resolution 08-12), and in order to be prepared for changes in the financial market which may occur prior to such conversion and remarketing and which may make it more advantageous to refund rather than remarket the Series 2001B Certificates, now wishes to supplement Resolution 08-12 to provide for the refunding of the Series 2001B Certificates as an alternative to remarketing;

WHEREAS, the School Board has heretofore adopted Resolution 08-13, authorizing the conversion of the interest rate mode related to the Series 2002 Certificates pursuant to an Amended and Restated Schedule 2002-1, an Amended and Restated Schedule 2002-2 and an Amended and Restated Series 2002 Supplemental Trust Agreement and the remarketing of the Series 2002 Certificates pursuant to a Remarketing Agreement (as each such term is defined in Resolution 08-13), and in order to be prepared for changes in the financial market which may occur prior to such conversion and remarketing and which may make it more advantageous to refund rather than remarket the Series 2002 Certificates, now wishes to supplement Resolution 08-13 to provide for the refunding of the Series 2002 Certificates as an alternative to remarketing and to provide for the replacement or termination of the interest rate swap arrangements related to the Series 2002 Certificates;

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

Section 1 The recitals to this Resolution are incorporated in this Resolution as findings.

Section 2 The discretion given in this Resolution to the Superintendent or his designee to take certain actions is subject to the following: (a) consultation with the finance team, co-special tax counsel, disclosure counsel and the School Board Attorney's Office, (b) such actions are reasonably anticipated to lower the District's exposure to risk of loss, and (c) such actions are taken within six months of the date hereof.

Section 3 The School Board hereby authorizes the Conversion of the Series 2007C Certificates and the remarketing of the Series 2007C Certificates. In connection with the Conversion, the particular interest rate mode to which the Series 2007C Certificates are converted shall be determined by the Superintendent or his designee as he or she shall deem to be in the best interest of the District based on the then prevailing market conditions.

Section 4 The Amended and Restated Schedule 2007-1, substantially in the form submitted to this meeting and attached hereto as **Exhibit A-1**, and the Amended and Restated Schedule 2007-2, substantially in the form submitted to this meeting and attached hereto as **Exhibit A-2**, are hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent or his designee, and the Chair or Vice Chair and the Secretary or Assistant Secretary, upon such approval by the Superintendent or his designee, are hereby authorized and directed to execute Amended and Restated Schedule 2007-1 and Amended and Restated Schedule 2007-2. The execution of Amended and Restated

Schedule 2007-1 and Amended and Restated Schedule 2007-2 by the Chair or Vice Chair and the Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof.

Section 5 The form of Amended and Restated Series 2007 Supplemental Trust Agreement submitted to this meeting and attached hereto as **Exhibit B** is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent or his designee. The execution and delivery of the Amended and Restated Series 2007 Supplemental Trust Agreement by the Foundation and the Trustee shall constitute conclusive evidence of the approval thereof.

Section 6 The form of Series 2007C Remarketing Agreement between the School Board and the Remarketing Agent, submitted to this meeting and attached hereto as **Exhibit C**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The Chair or Vice Chair, upon such approval by the Superintendent, is hereby authorized and directed to execute the Series 2007C Remarketing Agreement. The execution and delivery of the Series 2007C Remarketing Agreement shall constitute conclusive evidence of the approval thereof. The Chair or Vice Chair and the Secretary or Assistant Secretary are hereby authorized to take such actions and to execute such commitments, agreements, certificates, and instruments as shall be necessary or desirable to select and appoint a Remarketing Agent under the Series 2007C Remarketing Agreement.

Section 7 The form of Series 2007C Tender Agent Agreement between the School Board, the Trustee and the Tender Agent, submitted to this meeting and attached hereto as **Exhibit D**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The Chair or Vice Chair, upon such approval by the Superintendent, is hereby authorized and directed to execute the Series 2007C Tender Agent Agreement. The execution and delivery of the Series 2007C Tender Agent Agreement shall constitute conclusive evidence of the approval thereof. The Chair or Vice Chair and the Secretary or Assistant Secretary are hereby authorized to take such actions and to execute such commitments, agreements, certificates, and instruments as shall be necessary or desirable to select and appoint a Tender Agent under the Series 2007C Tender Agent Agreement.

Section 8 The Series 2007C Liquidity Provider shall be approved by the Superintendent. Upon approval of the Series 2007C Liquidity Provider by the Superintendent, the Chair, the Vice Chair and the Secretary are each hereby authorized and directed to take such actions (including, without limitation, approval of changes to the documents herein approved) and to execute such documents, contracts, instruments and certificates (including, without limitation, a Standby Certificate Purchase Agreement or Letter of Credit Reimbursement Agreement), the form of which has been approved by the Superintendent, as shall be necessary or desirable to procure the issuance of the Series 2007C Liquidity Facility by the Series 2007C Liquidity Provider, and the execution and delivery of any such documents, contracts, instruments and certificates by the Chair, the Vice Chair and/or the Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof.

Section 9 The form of Remarketing Circular submitted to this meeting and attached hereto as **Exhibit E** (the "Series 2007C Remarketing Circular") is hereby approved, and the School Board hereby authorizes the distribution and use by the Remarketing Agent of the Series 2007C Remarketing Circular in connection with the remarketing of the Series 2007C Certificates. If, between the date hereof and the mailing of the Series 2007C Remarketing Circular it is necessary to make insertions, modifications and changes in the Remarketing Circular, the Chair, the Vice Chair, the Superintendent, the Deputy Superintendent, Business Operations, the Chief Financial Officer or the Treasurer is hereby authorized to approve such insertions, changes and modifications.

Section 10 In order to be prepared for changes in the financial market which may occur prior to such conversion and remarketing and which may make it more advantageous to refund rather than remarket the Series 2007C Certificates, the School Board may wish to cause the refunding of the Series 2007C Certificates as an alternative to remarketing. The School Board hereby authorizes such refunding with refunding certificates issued pursuant to the previously approved Amended and Restated Schedule 2007-1, Amended and Restated Schedule 2007-2 and Amended and Restated Series 2007 Supplemental Trust Agreement with such changes as are necessary or appropriate to reflect such refunding and the issuance of a new series of certificates ("Series 2007C Refunding Certificates") and which the Superintendent has determined are in the best interest of the District. Execution and delivery of the Amended and Restated Schedule 2007-1, and Amended and Restated Schedule 2007-2 in a form appropriate for the Series 2007C Refunding Certificates by the Chair or Vice Chair and Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof and of the Amended and Restated Series 2007 Supplemental Trust Agreement. The School Board authorizes the sale of the Series 2007C Refunding Certificates through a public offering or private placement pursuant to a certificate purchase agreement or private placement agreement substantially on the same terms as are provided in Part A of the previously approved Series 2007C Remarketing Agreement with such changes as are necessary or appropriate to reflect such refunding and the issuance of Series 2007C Refunding Certificates (the "Series 2007C Purchase Contract") and which the Superintendent has determined are in the best interest of the District. The execution and delivery of the Series 2007C Purchase Contract by the Chair or Vice Chair and Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof. The School Board authorizes the distribution and use by the underwriters of an official statement in substantially the form of the Series 2007C Remarketing Circular with such changes as are necessary or appropriate to reflect such refunding and the issuance of Series 2007C Refunding Certificates.

Section 11 The School Board has heretofore adopted Resolution 08-12 authorizing the conversion of the interest rate mode related to the Series 2001B Certificates pursuant to an Amended and Restated Schedule 2001-1, an Amended and Restated Schedule 2001-2 and an Amended and Restated Series 2001B Supplemental Trust Agreement and the remarketing of the Series 2001B Certificates pursuant to a Remarketing Agreement and a Remarketing Circular (as each such term is defined in Resolution 08-12). In order to be prepared for changes in the financial market which may occur prior to such conversion and remarketing and which may make it more advantageous to refund rather than remarket the Series 2001B Certificates, the School Board may wish to cause the refunding of the Series 2001B Certificates as an alternative to remarketing. The School Board hereby supplements Resolution 08-12 and authorizes such refunding with refunding certificates issued pursuant to the previously approved Amended and Restated Schedule 2001-1, Amended and Restated Schedule 2001-2 and Amended and Restated Series 2007 Supplemental Trust Agreement with such changes as are necessary or appropriate to reflect such refunding and the issuance of a new series of certificates ("Series 2001B Refunding Certificates") and which the Superintendent has determined are in the best interest of the District. Execution and delivery of the Amended and Restated Schedule 2001-1, and Amended and Restated Schedule 2001-2 in a form appropriate for the Series 2001B Refunding Certificates by the Chair or Vice Chair and Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof and of the Amended and Restated Series 2007 Supplemental Trust Agreement. The School Board authorizes the sale of the Series 2001B Refunding Certificates through a public offering or private placement pursuant to a certificate purchase agreement or private placement agreement substantially on the same terms as are provided in Part A of the previously approved Remarketing Agreement with such changes as are necessary or appropriate to reflect such refunding and the issuance of Series 2001B Refunding Certificates (the "Series 2001B Purchase Contract") and which the Superintendent has

determined are in the best interest of the District. The execution and delivery of the Series 2001B Purchase Contract by the Chair or Vice Chair and Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof. The School Board authorizes the distribution and use by the underwriters of an official statement in substantially the form of the Remarketing Circular approved by Resolution 08-12, with such changes as are necessary or appropriate to reflect such refunding and the issuance of Series 2001B Refunding Certificates.

The Chair, the Vice Chair, the Secretary, the Superintendent, the Deputy Superintendent, Business Operations, the Chief Financial Officer, the Treasurer and the 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, and which are not inconsistent with the terms and provisions of Resolution 08-12 as supplemented by this Resolution.

Section 12 The School Board has heretofore adopted Resolution 08-13 authorizing the conversion of the interest rate mode related to the Series 2002 Certificates pursuant to an Amended and Restated Schedule 2002-1, an Amended and Restated Schedule 2002-2 and an Amended and Restated Series 2002 Supplemental Trust Agreement and the remarketing of the Series 2002 Certificates pursuant to a Remarketing Agreement and a Remarketing Circular (as each such term is defined in Resolution 08-13). In order to be prepared for changes in the financial market which may occur prior to such conversion and remarketing and which may make it more advantageous to refund rather than remarket the Series 2002 Certificates, the School Board may wish to cause the refunding of the Series 2002 Certificates as an alternative to remarketing. The School Board hereby supplements Resolution 08-13 and authorizes such refunding with refunding certificates issued pursuant to the previously approved Amended and Restated Schedule 2002-1, Amended and Restated Schedule 2002-2 and Amended and Restated Series 2007 Supplemental Trust Agreement with such changes as are necessary or appropriate to reflect such refunding and the issuance of a new series of certificates ("Series 2002 Refunding Certificates") and which the Superintendent has determined are in the best interest of the District. Execution and delivery of the Amended and Restated Schedule 2002-1, and Amended and Restated Schedule 2002-2 in a form appropriate for the Series 2002 Refunding Certificates by the Chair or Vice Chair and Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof and of the Amended and Restated Series 2007 Supplemental Trust Agreement. The School Board authorizes the sale of the Series 2002 Refunding Certificates through a public offering or private placement pursuant to a certificate purchase agreement or private placement agreement substantially on the same terms as are provided in Part A of the previously approved Remarketing Agreement with such changes as are necessary or appropriate to reflect such refunding and the issuance of Series 2002 Refunding Certificates (the "Series 2002 Purchase Contract") and which the Superintendent has determined are in the best interest of the District. The execution and delivery of the Series 2002 Purchase Contract by the Chair or Vice Chair and Secretary or Assistant Secretary shall constitute conclusive evidence of the approval thereof. The School Board authorizes the distribution and use by the underwriters of an official statement in substantially the form of the Remarketing Circular approved by Resolution 08-13, with such changes as are necessary or appropriate to reflect such refunding and the issuance of Series 2002 Refunding Certificates.

Resolution 08-13 further authorized the amendment of the existing interest rate swap arrangements related to the Series 2002 Certificates. If necessary, appropriate or desirable to consummate the transactions contemplated by Resolution 08-13 as supplemented by this Resolution or otherwise in the best interest of the District, the Chair, the Vice Chair, the Secretary, the Superintendent, the Deputy Superintendent, Business Operations, the Chief Financial Officer, the Treasurer and the School Board Attorney are each authorized to amend or terminate the existing interest rate swap arrangements related to the 2002 Certificates, including without limitation, execution and delivery of any amendments or

agreements (including agreements to replace existing interest rate swap arrangements with new arrangements that have substantially similar terms to the existing interest rate swap arrangements and that place the District in a substantially similar or better financial position *vis a vis* such interest rate swap arrangements as are now in effect) with respect thereto not inconsistent with the terms of the Series 2002 Trust Agreement (as defined in Resolution 08-13), Resolution 08-13 as supplemented by this Resolution, applicable law and other applicable agreements. In the event that the existing swap arrangements are terminated, the School Board authorizes the application of any source of funds legally available to the District toward the satisfaction of any termination payment that may be due from the District.

The Chair, the Vice Chair, the Secretary, the Superintendent, the Deputy Superintendent, Business Operations, the Chief Financial Officer, the Treasurer and the 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, and which are not inconsistent with the terms and provisions of Resolution 08-13 as supplemented by this Resolution.

Section 13 It is hereby found and declared that, in the event that the School Board deems it to be in the best interest of the District to cause the issuance of Series 2001B Refunding Certificates, Series 2002 Refunding Certificates and/or Series 2007C Refunding Certificates, a negotiated sale of the Series 2001B Refunding Certificates, Series 2002 Refunding Certificates and/or Series 2007C Refunding Certificates is found to be necessary due to the current unsettled state of the capital markets and the unprecedented disruption of the market for auction rate securities, the need for flexibility in the timing of such a refunding, and the complex nature of "annual appropriation" tax exempt securities such as the Series 2001 Lease, the Series 2002 Lease and the Series 2007 Lease (collectively, the "Leases") as evidenced by the Series 2001B Certificates, the Series 2002 Certificates and the Series 2007C Certificates, respectively (collectively, the "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 Certificates; the School Board will not be adversely affected if the Certificates are not sold pursuant to a competitive sale.

Section 14 The Chair, the Vice Chair, the Secretary, the Superintendent, the Deputy Superintendent, Business Operations, the Chief Financial Officer, the Treasurer and the School Board Attorney are each authorized and directed to execute and deliver all additional documents, contracts, instruments and certificates including, without limitation, documents relating to the provision by the Series 2007C Liquidity Provider of the Series 2007C Liquidity Facility, and to take all actions and steps including, without limitation, to change the dated date of any and all documents in the event of a delay in the Conversion of the Series 2007C Certificates and to make such modifications and changes to the documents as is necessary to conform to the particular interest rate mode to which the Series 2007C Certificates are converted, and to incur such costs on behalf of the School Board which are necessary or desirable in connection with the Conversion of the Series 2007C Certificates or the execution and delivery and compliance with the provisions of the Series 2007C Remarketing Agreement, Series 2007C Tender Agent Agreement and any agreement entered into with the Series 2007C Liquidity Provider, and which are not inconsistent with the terms and provisions of this Resolution. In connection with the Conversion of the Series 2007C Certificates, the Superintendent is hereby authorized to take such steps as may be necessary to implement the Conversion, and to convert among interest rate modes, including the execution of additional documents and the incurrence of additional obligations as he shall deem to be in the best interests of the School Board.

Section 15 It is hereby found and determined that all formal actions of the School Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the governing body of the School Board, and that all deliberations of the governing body of the School Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 16 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 17 All resolutions or portions thereof previously adopted by the School Board which are inconsistent with the terms and provisions of this Resolution are hereby repealed to the extent of such inconsistency.

Section 18 This Resolution shall take effect immediately upon its adoption.

Adopted this 12th day of March, 2008.

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

Attest:

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

EXHIBIT A-1

AMENDED AND RESTATED SCHEDULE 2007-1

EXHIBIT A-2

AMENDED AND RESTATED SCHEDULE 2007-2

EXHIBIT B

AMENDED AND RESTATED SERIES 2007 SUPPLEMENTAL TRUST AGREEMENT

EXHIBIT C

FORM OF SERIES 2007C REMARKETING AGREEMENT

EXHIBIT D

FORM OF SERIES 2007C TENDER AGENT AGREEMENT

EXHIBIT E

FORM OF SERIES 2007C REMARKETING CIRCULAR