

Financial Services
Richard H. Hinds, Chief Financial Officer

**SUBJECT: APPROVAL OF RESOLUTION 14-002 AUTHORIZING THE
ISSUANCE OF UP TO \$81,000,000 COP SERIES 2014A
REFUNDING THE \$76,685,000 TERM RATE CERTIFICATES, COP
SERIES 2011A**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

On November 14, 2013 the Treasury Advisory Committee reviewed the proposals received from the Authorized Underwriters under a Request for Financing Alternative – 2011A Term Rate Certificates. The \$76.7 million Term Rate Certificates maturing on May 1, 2031 are subject to a mandatory tender on May 1, 2014.

The Committee recommended that the Board authorize the refunding of \$76.7 million Term Rate Certificates with a 10 year mandatory tender to be sold on a competitive basis to the 11 underwriting firms who had submitted Financing Alternative proposals from the Board authorized list. At the time of the mandatory tenders the district is protected by allowing the certificates to continue to be held at a higher default interest rate if reissuance is impacted by market disruption. Estimated cost of issuance will not exceed \$300,000.

Exhibits to Resolution No. 14-002 will be distributed under separate cover.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve Resolution 14-002 authorizing the issuance of up to \$81,000,000 COP Series 2014A refunding the \$76,685,000 Term Rate Certificate COP Series 2011A.

RESOLUTION 14-002

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZING EXECUTION OF AMENDED AND RESTATED SCHEDULE 2001-1 AND AMENDED AND RESTATED SCHEDULE 2001-2 TO THE MASTER LEASE PURCHASE AGREEMENT; APPROVING THE FORM OF A SERIES 2014A SUPPLEMENTAL TRUST AGREEMENT; AUTHORIZING A COMPETITIVE SALE OF SERIES 2014A CERTIFICATES OF PARTICIPATION IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$81,000,000 FOR THE PURPOSE OF REFINANCING A PORTION OF THE OBLIGATIONS OF THE SCHOOL BOARD UNDER THE SERIES 2001-1 AND SERIES 2001-2 LEASES THROUGH A CURRENT REFUNDING OF A PORTION OF THE SERIES 2011A CERTIFICATES OF PARTICIPATION; APPROVING THE FORM OF A PRELIMINARY OFFERING STATEMENT AND AUTHORIZING ITS DISTRIBUTION AND USE IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2014A CERTIFICATES; AUTHORIZING EXECUTION AND DELIVERY OF A FINAL OFFERING STATEMENT FOR THE SERIES 2014A CERTIFICATES; AUTHORIZING EXECUTION OF AN ESCROW DEPOSIT AGREEMENT AND DISCLOSURE DISSEMINATION AGENT AGREEMENT; AUTHORIZING THE ISSUANCE OF THE SERIES 2014A CERTIFICATES WITHOUT CREDIT ENHANCEMENT OR IF CREDIT ENHANCED THE ACCEPTANCE OF A COMMITMENT FOR THE ISSUANCE OF A MUNICIPAL BOND INSURANCE POLICY; 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 Sections 1001.42(11) and 1013.15(2), Florida Statutes, to enter into leases or lease purchase arrangements of sites and educational facilities for school purposes; and

WHEREAS, Miami-Dade County School Board Foundation, Inc. (the "Foundation"), a not-for-profit corporation, has been formed to lease purchase certain real property, educational facilities 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, as the same may be supplemented and amended from time to time (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 a Series 2001 Ground Lease dated as of May 1, 2001, and Schedule 2001-1 and Schedule 2001-2, each dated as of May 1, 2001 ("Schedule 2001-1" and "Schedule 2001-2", respectively, which Schedules together with the Master Lease are herein collectively referred to as the "Original Series 2001 Lease"), pursuant to which the School Board leased certain real and personal property to the Foundation (the "Series 2001 Facilities") and subleased from the Foundation such real property (the "Series 2001 Facility Sites") and leased the improvements thereon; 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 Mellon 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 provide funds for the acquisition and/or construction of the Series 2001 Facilities, Certificates of Participation, Series 2001A were issued in the aggregate principal amount of \$133,650,000 (the "Series 2001A Certificates") and Certificates of Participation, Series 2001B were issued in the aggregate principal amount of \$54,650,000 (the "Series 2001B Certificates") pursuant to the Trust Agreement, as supplemented by a Series 2001 Supplemental Trust Agreement dated as of May 1, 2001 between the Foundation and the Trustee; and

WHEREAS, the Foundation assigned substantially all of its interest in the Series 2001 Ground Lease and the Original Series 2001 Lease to the Trustee pursuant to a Series 2001 Assignment Agreement dated as of May 1, 2001 (the "Series 2001 Assignment Agreement"); and

WHEREAS, pursuant to the provisions of Sections 7.3 of the Master Lease and Section 302 of the Trust Agreement, the Foundation and the School Board may direct the Trustee to issue refunding Certificates; and

WHEREAS, as a result of a decline in interest rates the School Board refinanced a portion of its obligations under the Original Series 2001 Lease and refunded the Series 2001A

Certificates through the amendment and restatement of Schedule 2001-1, dated as of May 1, 2001, as amended and restated as of March 1, 2003, and Schedule 2001-2, dated as of May 1, 2001, as amended and restated as of March 1, 2003 (together with the Master Lease, the "Prior Series 2001 Lease"), and the issuance, pursuant to a Series 2003B Supplemental Trust Agreement, of refunding Certificates of Participation, Series 2003B, in the aggregate principal amount of \$137,780,000 (the "Series 2003B Certificates"), representing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board pursuant to the Prior Series 2001 Lease on a parity with the owners of the Series 2001B Certificates; and

WHEREAS, the outstanding Series 2003B Certificates were issued in a Term Rate Mode which ended on May 1, 2011, at which time the Series 2003B Certificates were subject to mandatory tender; and

WHEREAS, the School Board determined that it was in the best interest of the District to refinance rather than remarket a portion of its obligations under the Original Series 2001 Lease and to current refund the outstanding Series 2003B Certificates through the further amendment and restatement of Schedule 2001-1 and Schedule 2001-2, and the issuance, pursuant to a Series 2011A Supplemental Trust Agreement, of refunding Certificates of Participation, Series 2011A, in the aggregate principal amount of \$139,055,000 (the "Series 2011A Certificates"), representing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board pursuant to the Series 2001 Lease on a parity with the owners of the Series 2001B Certificates; and

WHEREAS, \$76,685,000 of the outstanding Series 2011A Certificates were issued in a Term Rate Mode which will terminate on May 1, 2014 (the "Series 2011A TRC"), at which time the Series 2011A TRC Certificates are subject to mandatory tender; and

WHEREAS, the School Board has determined that it is in the best interest of the District to refinance rather than remarket a portion of its obligations under the Original Series 2001 Lease and to current refund the outstanding Series 2011A TRC Certificates through the further amendment and restatement of Schedule 2001-1 and Schedule 2001-2, and the issuance, pursuant to a Series 2014A Supplemental Trust Agreement, of refunding Certificates of Participation, Series 2014A, in an aggregate principal amount not to exceed \$81,000,000 (the "Series 2014A Certificates"), representing undivided proportionate interests of the owners thereof in Basic Lease Payments to be made by the School Board pursuant to the Series 2001 Lease on a parity with the owners of the Series 2001B Certificates and the Outstanding Series 2011A Certificates; and

WHEREAS, the proceeds of the Series 2014A Certificates will be deposited with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") under an Escrow Deposit Agreements (the "Escrow Deposit Agreement") to be entered into by the School Board and the Escrow Agent and invested in Government Obligations (as defined therein) until used to pay the Series 2011A TRC Certificates on their payment dates and maturity dates, as the case may be; and

WHEREAS, if deemed to be in the best interest of the School Board, payments represented by the Series 2014A Certificates shall be insured by an insurance policy (the "Policy") issued by a municipal bond insurance company whose municipal bond insurance policies result in ratings on insured obligations from Standard & Poor's Ratings Services and Moody's Investors Service which are higher than ratings on the School Board's uninsured Certificates of Participation (the "Insurer");

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

Section 1 Amended and Restated Schedule 2001-1 and Amended and Restated Schedule 2001-2, substantially in the forms submitted to this meeting and attached hereto as **Exhibits A-1** and **A-2**, respectively, 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 Amended and Restated Schedule 2001-1 and Amended and Restated Schedule 2001-2. The execution of Amended and Restated Schedule 2001-1 and Amended and Restated Schedule 2001-2 by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Section 2 The form of Series 2014A Supplemental Trust Agreement between the Foundation and the Trustee, substantially in the form submitted to this meeting and attached hereto as **Exhibit B**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, including, without limitation, insertions, modifications and changes as may be necessary or desirable to effectuate the initial interest rate mode or modes in which the Series 2014A Certificates are issued. The execution and delivery of the Series 2014A Supplemental Trust Agreement by the Foundation and the Trustee shall constitute conclusive evidence of the approval thereof.

Section 3 The Board finds that a competitive sale of the Series 2014A Certificates is in the best interests of the District and hereby authorizes a competitive sale of the Series 2014A Certificates in the aggregate principal amount of not exceeding \$81,000,000. Each of the Superintendent of Schools, the Chief Financial Officer and the Treasurer of the District is hereby authorized to prepare and publish a summary notice of sale for the Series 2014A Certificates, to prepare and distribute an official invitation to bid for the Series 2014A Certificates and related documents, and to prepare a Preliminary Official Statement for distribution in connection with such official invitation to bid. The forms of the official notice of sale and summary notice of sale shall be substantially in the forms set forth in **Exhibit C**, attached hereto. The Series 2014A Certificates shall be offered at public sale on a date to be determined in the discretion of the Superintendent of Schools, the Chief Financial Officer or the Treasurer of the District without further authorization from the Board. Each of the Superintendent of Schools, the Chief Financial Officer and the Treasurer of the District is hereby authorized and directed to publish, or cause to be published, the official or summary form of notice of sale in *The Bond Buyer*, a financial newspaper published and/or of general circulation in the Borough of Manhattan, City and State of New York and, in the discretion of the Superintendent of Schools, the Chief Financial Officer or the Treasurer of the District, in a newspaper of general circulation in the area of the District

one time not less than 10 days prior to such date of sale. The Board hereby separately authorizes and directs the Chair or Vice Chair, the Superintendent, the Chief Financial Officer, the Treasurer, and the School Board Attorney to take all actions necessary to consummate such sale, upon the terms and conditions set forth in the official invitation to bid.

The Board and its officers are hereby authorized and directed to take such action as the Board or its officers deem necessary or desirable to obtain a securities rating for the Series 2014A Certificates from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Service.

The Superintendent, the Chief Financial Officer and the Treasurer, acting separately or with another named officer and in consultation with and upon the advice of the District's Financial Advisor, Board Attorney, and Co-Bond Counsel, are authorized to receive bids for the purchase of the Series 2014A Certificates and to award the Series 2014A Certificates to the lowest responsive bidder as evidenced by the execution of the Certificate of Award (as hereinafter defined), without further action by the Board.

Characteristics of the Series 2014A Certificates or any installment thereof, determined on the basis of the bids and the provisions of this Resolution, shall be set forth in a certificate of the District awarding the Series 2014A Certificates (the "Certificate of Award") to the successful purchaser thereof and in the Series 2014A Supplemental Trust Agreement. The Certificate of Award shall be executed by the Superintendent, the Chief Financial Officer or the Treasurer, upon satisfaction of the conditions specified below, without further action by the Board.

This delegation of the District is expressly made subject to the following conditions, the failure of any of which shall render the successful bid voidable at the option of the District. The conditions for execution of the Certificate of Award are:

(i) The form of Certificate of Award shall be approved by Co-Bond Counsel to the District;

(ii) The net interest cost rate for the Series 2014A Certificates, based upon their award to the successful bidder, shall not exceed the interest rate limitation contained in Section 215.84, Florida Statutes;

(iii) Prior to award of the Series 2014A Certificates to the successful bidder, the District shall receive from the successful bidder a truth-in-bonding statement as required by Section 218.385(2) and (3), Florida Statutes; and

(iv) The successful bidder (the "Purchaser") shall comply with such other conditions as requested by Co-Bond Counsel to the District.

The proceeds from the sale of the Series 2014A Certificates shall be used by the School Board to (i) refinance a portion of its obligations under the Series 2001 Lease through the current refunding of the Series 2011A TRC Certificates and (ii) to pay the costs associated with the issuance of the Series 2014A Certificates including, but not limited to, rating agency, financial advisory and attorneys' fees, premium for a Policy, if any, initial costs related to a Liquidity

Facility, if any, and the cost of preparation and dissemination of the preliminary and final Offering Statements for the Series 2014A Certificates.

Section 4 The form of Preliminary Offering Statement relating to fixed rate and/or floating rate Series 2014A Certificates (the "Preliminary Offering Statement"), submitted to this meeting and attached hereto as **Exhibit D**, is hereby approved, and the School Board hereby authorizes the distribution and use of the Preliminary Offering Statement by the Underwriters in connection with the public offering for sale of Series 2014A Certificates. If, between the date hereof and the mailing of the Preliminary Offering Statement it is necessary or desirable to make insertions, modifications and changes to the Preliminary Offering Statement, the Chair, the Vice Chair, the Superintendent, the Chief Financial Officer or the Treasurer are hereby authorized to approve such insertions, changes and modifications. Each of the Chair, the Vice Chair, the Superintendent and the Treasurer is further authorized to deem the Preliminary Offering Statement "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), in the form as mailed, and in furtherance thereof to execute a certificate evidencing same substantially in the form attached hereto as **Exhibit E**.

Section 5 The Superintendent is hereby authorized to have prepared and the Chair or Vice Chair and the Secretary are hereby authorized to execute a final Offering Statement relating to the Series 2014A Certificates (the "Offering Statement"). The Offering Statement shall be substantially in the form of the Preliminary Offering Statement, with such changes as shall be approved by the Superintendent as necessary to conform to the details of such Series 2014A Certificates and such other insertions, modifications and changes as may be approved by the Superintendent. The execution and delivery of the Offering Statement by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof. The School Board hereby authorizes the Offering Statement for the Series 2014A Certificates and the information contained therein to be used in connection with the offering and sale of the Series 2014A Certificates.

Section 6 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 (the "Disclosure Agreement") to be dated the date of delivery of the Series 2014A Certificates, 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. The Disclosure Agreement shall be substantially in the form attached hereto as **Exhibit F** with such changes, amendments, modifications, omissions and additions as shall be approved by the Chair or Vice Chair who is hereby authorized to execute and deliver the Disclosure Agreement. Notwithstanding any other provision of this Resolution, the Series 2001 Lease or the Series 2014A Supplemental Trust Agreement, failure of the School Board to comply with the Disclosure Agreement shall not be considered an event of default under the Series 2014A Supplemental Trust Agreement; provided, however, any Series 2014A Certificate holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School Board to comply with its obligations under this Section 7 and the Disclosure Agreement.

Section 7 An Escrow Deposit Agreement between the School Board and the Escrow Agent substantially in the form submitted to this meeting and attached hereto as **Exhibit G**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are hereby authorized and directed to executed the Escrow Deposit Agreement. The execution and delivery of the Escrow Deposit Agreement by the Chair or Vice Chair and the Secretary and the Trustee serving as Escrow Agent shall constitute conclusive evidence of the approval thereof.

Section 8 Upon approval of an Insurer, if any, 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 a Policy from the Insurer.

Section 9 The Chair, the Vice Chair, the Secretary, the Superintendent, 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 issuance by an Insurer of a Policy and documents relating to the implementation of a book-entry only system of registration of the Series 2014A Certificates, and to take all actions and steps including, without limitation, to change the series designation or the dated date of any and all documents, on behalf of the School Board which are necessary or desirable in connection with the issuance of the Series 2014A Certificates, the execution and delivery and compliance with the provisions of the Series 2001 Lease, the Series 2001 Ground Lease, the Trust Agreement, the Series 2014A Supplemental Trust Agreement, the Series 2001 Assignment Agreement, the Escrow Deposit Agreement and the Disclosure Agreement, or the refinancing of the Series 2001-1 Facilities and the Series 2001-2 Facilities, and which are not inconsistent with the terms and provisions of this Resolution.

Section 10 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 School Board, and that all deliberations of the School Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 11 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 12 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 13 This Resolution shall take effect immediately upon its adoption.

Adopted this 15th day of January, 2014.

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

Attest:

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

Approved as to form:

School Board Attorney