11. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:

Forward Interest Rate Swaps:

Objectives: The District entered into forward interest rate swaps (referred to herein collectively as "Swaps") in order to lower its cost of capital and protect against rising interest rates. The Swaps are a hedge on the District's floating rate debt and were executed to manage its mix of fixed and floating rate exposure in its on-going borrowing program.

Summary of Swap Transactions by Category:

Forward Synthetic Fixed Rate Swap Transactions

Date of Execution	Notional Amount Outstanding	Effective Date	Termination Date	Associated Certificates	Fixed Payable Swap Rate	Variable Receivable Swap Rate	Counterparty Credit Rating at June 30, 2009	Fair Value at June 30, 2009
04-03-2006	$65,935,000	04-01-07	08-01-2027	COP 2002A	3.821%	70% 1Mo LIBOR	Aaa/AA-	($6,650,239)
04-03-2006	$66,260,000	04-01-07	08-01-2027	COP 2002B	3.821%	70% 1Mo LIBOR	Aaa/AA-	($6,671,769)
04-03-2006	$57,440,000	08-01-08	07-15-2027	COP 2008C	3.909%	70% 1Mo LIBOR	A2/A	($7,035,864)

Swap Payments and Associated Debt: As of June 30, 2009, debt service requirements and net swap payments were as follows (in thousands):

Fiscal Year	Principal	Interest	Swap Net Interest	Total Interest
2009	$3,945	$3,505	$4,109	$7,614

Using rates as of June 30, 2009, debt service requirements for variable rate debt and net Swap payment, assuming current interest rates remain the same, are as follows (in thousands):

Fiscal Year	Principal	Interest	Swap Net Interest	Total Interest
2010	$ 4,155	$ 1,663	$ 6,788	$ 8,451
2011	$ 4,375	$ 1,539	$ 6,406	$ 7,945
2012	$ 4,915	$ 1,489	$ 6,437	$ 7,926
2013	$ 4,865	$ 1,438	$ 6,273	$ 7,711
2014	$ 5,125	$ 1,379	$ 6,096	$ 7,475
2015 - 2019	$ 40,425	$ 5,882	$ 27,157	$ 33,039
2020 - 2024	$ 49,025	$ 3,851	$ 20,950	$ 24,801
2025 - 2028	$ 76,750	$ 1,127	$ 9,898	$ 11,025
Total	**$ 189,635**	**$ 18,368**	**$ 90,005**	**$ 108,373**

Risk Disclosure:

Credit Risk. The Swaps rely upon the performance of the third parties who serve as swap counterparties, and as a result the District is exposed to credit risk, or the risk that a swap counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown in the columns labeled Fair Value in the tables above. All Fair Values have been calculated using the Par Value Method. To mitigate credit risk, the District maintains strict credit standards for swap counterparties. The current swap counterparties have ratings in single-A category or better. To further mitigate credit risk, the District's swap documents require counterparties to post collateral for the District's benefit if they are downgraded below a designated threshold.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

11. **OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT – CERTIFICATES OF PARTICIPATION, Continued:**

Basis Risk. The District's Swaps expose the District to basis risk should the relationship between the floating rates the District will receive on the swaps (70% of LIBOR) fall short of the variable rate on the associated certificates the expected savings may not be realized. The Series 2002A & B were originally issued as insured auction rate certificates whose floating rate was expected to correspond closely with the floating rate the District would receive on the swaps. Because of the severe disruption in the auction rate market in early 2008, the floating rate on the certificates rose sharply and the District chose to enter into a private placement of the certificates. Although the rates are lower, the rate on the certificates relative to floating rate market benchmarks, is higher than originally anticipated when the swaps were first executed, creating a higher all-in cost to the District. As of June 30, 2009, the variable rate was 0.35%, while the LIBOR rate was 0.32% and 0.31% on the 2002A & 2002B certificates, respectively, and the District received 0.22% (70%) on both. As of June 30, 2009 the Series 2008C variable rate was 0.27%, while the LIBOR rate was 0.32% and the District received 0.22% (70%).

Termination Risk. The District's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards the District or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. The District views such events to be remote at this time. If at the time of the termination a swap has a negative value, the District would be liable to the counterparty for a payment equal to the fair value of such swap.

EXHIBIT A

TERMS OF INDEX FLOATING RATE

All terms not otherwise defined herein shall have the meanings ascribed thereto in the Amended and Restated Series 2002 Supplemental Trust Agreement, dated as of March 7, 2008 (the *"Series 2002 Supplemental Trust Agreement"*), supplementing the Master Trust Agreement, dated as of August 1, 1994 (the "Master Trust Agreement" and together with the Series 2002 Supplemental Trust Agreement, the *"Trust Agreement"*), by and among Miami-Dade County School Board Foundation, Inc., and The Bank of New York Trust Company, N.A. (successor in interest to NationsBank of Florida, N.A.), as trustee.

The terms of the Series 2002 Certificates while the Series 2002 Interest is calculated at the Index Floating Rate shall be as follows:

DEFINITIONS:

"Bank" means Dexia Credit Local, acting through its New-York Branch.

"Bank's Fees" means $10,000 payable up-front to the Bank by the Miami-Dade County School Board on March 28, 2008.

"Bank's Legal Counsel Fees" means $20,000 payable up-front to the Bank's Legal Counsel by the School Board on March 28, 2008, and $20,000 payable up-front on the date of conversion to the SIFMA Rate.

"Date of LIBOR Conversion" means March 28, 2008, with respect to the Series 2002B Certificates, and April 15, 2008, with respect to the Series 2002A Certificates.

"Initial Interest Accrual Period" means, as to any LIBOR Certificate, the period commencing on and including the respective Date of LIBOR Conversion and ending on (but excluding) the first LIBOR Interest Payment Date.

"Interpolated LIBOR" shall be equal to the straight-line interpolation between X-month LIBOR and Y-month LIBOR based on the actual number of days in the interest accrual period, determined by the Bank on the second Business Day prior to the Conversion Date with respect to the Series 2002B Certificates, and on the second Business Day prior to the First Interest Payment Date with respect to both series of the Series 2002 Certificates, using the following formula:

Interpolated LIBOR = 1-month LIBOR + A / B * (Y-month LIBOR – X-month LIBOR)

Where: *A* is the number of days from the end of the X-month period to the LIBOR Interest Payment Date and *B* is the number of days between the end of the X-month period and end of the Y-month period.

"LIBOR Applicable Margin" means 0.30% for any Interest Accrual Period from the Date of LIBOR Conversion to and including May 14, 2009, and thereafter 0.75% for each LIBOR Interest Accrual Period to the earliest of (i) the Maturity Date, (ii) the date on which all of the Certificates are converted to SIFMA Certificates or Fixed Rate Certificates, (iii) the date of Conversion, and (iv) the date of any prepayment in whole of the Series 2002 Certificates.

"LIBOR Certificates" shall mean any Series 2002 Certificate while the Series 2002 Interest represented thereby is calculated at the LIBOR Rate.

"LIBOR Rate" means for (a) for the first two Interest Accrual Periods, Interpolated LIBOR and (b) for any other LIBOR Interest Accrual Period One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or Twelve-Month LIBOR, plus in each case the LIBOR Applicable Margin; *provided* that the LIBOR Rate for any LIBOR Interest Accrual Period may not be more than the Maximum Rate. The LIBOR Rate for the Initial Interest Accrual Period will be set prior to the Date of LIBOR Conversion.

"LIBOR Interest Accrual Period" means, as to any LIBOR Certificates, the Initial Interest Accrual Period and thereafter the periods between subsequent LIBOR Interest Payment Dates.

"LIBOR Interest Payment Dates" means May 15, 2008 (the *"First Interest Payment Date"*), August 1, 2008 (the *"Second Interest Payment Date"*), and thereafter (a) for One-Month LIBOR, the 1st of each successive calendar month, (b) for Three-Month LIBOR, the 1st day of each successive third calendar month, (c) for Six-Month LIBOR, the 1st day of each successive sixth calendar month, and (d) for Twelve-Month LIBOR, the 1st day of the month which is the twelfth month following the first day of the applicable LIBOR Interest Accrual Period, and thereafter, the first day of each successive twelfth calendar month.

"LIBOR" means the per annum rate for deposits in United States dollars for one month (*"One-Month LIBOR"*), three month (*"Three-Month LIBOR"*), six months (*"Six-Month LIBOR"*) or twelve months (*"Twelve-Month LIBOR"*) appearing on the Bloomberg British Bankers' Association Official BBP LIBOR, Fixings Page (the *"Official BBA LIBOR Fixings Page"*, as defined below) as of 11:00 a.m. London, England, time, on the second Business Day preceding the first calendar day of each Interest Accrual Period (in each case, a *"LIBOR Determination Date"*), rounded, if necessary, upward to the nearest one-hundredth of one percent (0.01%). "Official BBA LIBOR Fixings Page" means the display designated as page 1 of the "Official BBA LIBOR Fixings" on the Bloomberg Financial Markets Commodities News Service (or such other page as may replace the Official BBA LIBOR Fixings Page on that service, or a comparable service as determined by the Bank, for the purpose of displaying London interbank offered rates of major banks).

If LIBOR does not appear on the Official BBA LIBOR Fixings Page on a LIBOR Determination Date, the Bank will request the principal London office of each of two major banks (other than the Bank or a Bank-owned or Bank-affiliated bank) that are engaged in transactions in the London interbank market, as selected by the Bank, to provide the Bank with its offered quotation for United States dollar deposits for one month to prime banks in the

London interbank market as of 11:00 a.m., London, England, time, on such date. If at least two such major banks provide the Bank such offered quotations, LIBOR on such date will be the arithmetic mean, rounded, if necessary, upward to the nearest one-hundredth of one percent (0.01%) of such quotations. If on such date fewer than two of the major banks provide the Bank with such an offered quotation, LIBOR on such date will be the arithmetic mean, rounded, if necessary, upward to the nearest one-hundredth of one percent (0.01%), of the offered rates that two leading banks in the City of New York (other than the Bank or a Bank-owned or Bank-affiliated bank), as selected by the Bank, are quoting as of 11:00 a.m., New York City time, on such date to leading European banks for United States dollar deposits for one month; *provided, however,* that if two such New York banks are not quoting as described above, LIBOR for the next ensuing LIBOR Interest Accrual Period will be the LIBOR applicable to the immediately preceding LIBOR Interest Accrual Period.

"Maximum Rate" means the lesser of (i) 20% per annum, and (ii) the maximum rate permitted by applicable law.

"SIFMA Certificates" shall mean any Series 2002 Certificate while Series 2002 Interest represented thereby is calculated at the SIFMA Rate.

"SIFMA Conversion" means the change in calculation of Series 2002 Interest from a LIBOR Rate to a SIFMA Rate.

"SIFMA Interest Payment Dates" mean each February 1 and August 1 beginning on the first such date which is at least 30 days after the date of SIFMA Conversion.

"SIFMA Rate" shall mean 0.75% plus the Securities Industry and Financial Markets Association Municipal Swap Index (the *"SIFMA Index"*) that is produced by Municipal Market Data or its successors as determined each Thursday of each calendar week (each such date an *"Adjustment Date"*) and as effective for the period beginning on an Adjustment Date and ending on the day immediately preceding the immediately succeeding Adjustment Date; *provided* that the SIFMA Rate for any SIFMA Interest Accrual Period may not be more than the Maximum Rate.

"SIFMA Interest Accrual Period" as to any SIFMA Certificate, means the periods between each SIFMA Interest Payment Dates.

SELECTION OF LIBOR RATE

The School Board has given irrevocable written notice to the Bank electing the Six-Month LIBOR as the basis for the LIBOR Rate to be in effect for the period commencing on August 1, 2008, and ending on but not including August 1, 2009. February 1, 2008, will be the third Interest Payment Date.

CONVERSION OF LIBOR CERTIFICATES INTO SIFMA CERTIFICATES:

After the School Board shall have received written notice from the Bank consenting to SIFMA Conversion, the School Board may, upon irrevocable written notice to the Bank, elect as of any LIBOR Interest Payment Date to convert the LIBOR Certificates in whole, but in an amount not less than $20,000,000, into SIFMA Certificates by providing notice to the Bank as set forth below.

The School Board's request for SIFMA Conversion must be received by the Bank not later than 1 p.m. (Eastern time) at least twenty Business Days in advance of the date of SIFMA Conversion, specifying: (i) the proposed date of SIFMA Conversion and (ii) the aggregate amount of LIBOR Certificates to be converted to SIFMA Certificates.

A SIFMA Conversion is subject to the condition precedent that the Trustee shall have received a Favorable Opinion on or prior to the proposed date of SIFMA Conversion (and the School Board agrees to use its best efforts to obtain the same), and such other reasonable conditions as the Bank may specify to the School Board prior to the SIFMA Conversion.

CHANGE OF LIBOR MODE; FIXED RATE

The School Board may, upon irrevocable written notice to the Bank, elect as of any LIBOR Interest Payment Date for the period accruing from August 1, 2009, and ending on the Maturity Date, to change the Outstanding LIBOR Certificates to either One-Month LIBOR, Three-Month LIBOR, Six-Month LIBOR or Twelve-Month LIBOR by providing notice to the Bank as set forth below.

The notice of change in LIBOR Rate must be received by the Bank not later than 1 p.m. (Eastern time) at least ten Business Days in advance of the date of August 1, 2009, specifying: (i) the proposed date of change in LIBOR Rate and (ii) the aggregate principal amount of Basic Lease Payments represented by LIBOR Certificates Outstanding.

The School Board may, upon written notice to the Bank upon the conditions determined by the Bank, elect as of any LIBOR Interest Payment Date, to convert the Outstanding LIBOR Certificates in whole but in an amount not less than $20,000,000 to a Fixed Rate by providing notice to the Bank as set forth below.

The notice of Conversion to a Fixed Rate must be received by the Bank not later than 1 p.m. (Eastern time) at least twenty Business Days in advance of the Conversion Date, specifying: (i) the proposed Conversion Date and (ii) the aggregate principal amount of Basic Lease Payments represented by LIBOR Certificates Outstanding.

A Fixed Rate Conversion is subject to the condition precedent that the Trustee shall have received a Favorable Opinion on or prior to the proposed date of Fixed Rate Conversion.

The Fixed Rate will be calculated by the Bank, based on assumptions, including without limitation the schedule of payments, interest payment dates, call-options, previously mutually

agreed by the Bank and the School Board. The price will be communicated by phone on a date mutually agreed to by the Bank and the School Board, at least five Business Days before such date of conversion. If the price is acceptable to the School Board, an Authorized School Board Representative will affirm its agreement on the phone by saying "DONE." The conversation will be recorded. The verbal agreement will then be confirmed via a confirmation fax to be signed by the Bank and the School Board. The Fixed Rate will become effective on the date of conversion to a Fixed Rate.

INTEREST PAYMENTS:

The Series 2002 Interest represented by LIBOR Certificates and SIFMA Certificates shall be payable in arrears on each LIBOR Interest Payment Date and SIFMA Interest Payment Date, respectively. Interest shall accrue on the aggregate unpaid Series 2002 principal from time to time outstanding. Series 2002 Interest shall be computed (i) on LIBOR Certificates, for the actual days elapsed on the basis of a 360-day year; and (ii) on SIFMA Certificates, for the actual days elapsed on the basis of a 365- or 366-day year.

If a LIBOR Interest Payment Date or SIFMA Interest Payment Date is not a Business Day, such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the LIBOR Interest Payment Date or SIFMA Interest Payment Date provided therefor and no adjustment will be made to the interest payment due on such payment day. Notwithstanding the day on which payment is made, the succeeding LIBOR Interest Accrual Period or SIFMA Interest Accrual Period, as the case may be, shall commence on such LIBOR Interest Payment Date or SIFMA Interest Payment Date.

OPTIONAL PREPAYMENT PROVISIONS:

Each LIBOR Certificate and SIFMA Certificate shall be subject to prepayment prior to the Maturity Date on any LIBOR Interest Payment Date and on any SIFMA Interest Payment Date on or after the third SIFMA Interest Payment Date, as applicable, at the option of the School Board, upon not less than twenty days irrevocable written notice from the School Board to the Bank, in whole or in part, in minimum denominations of $100,000, and subject to the procedures of DTC, by lot within a maturity and among maturities selected by School Board, at a prepayment price equal to 100% of the principal amount of Basic Lease Payments represented by the Series 2002 Certificates or portions thereof to be prepaid, plus in each case accrued interest thereon to the date of prepayment.

FUNDING INDEMNITY PROVISIONS

If the Bank shall incur any loss, cost or expense (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Bank to fund or maintain any LIBOR Certificates or SIFMA Certificates or the relending or reinvesting of such deposits or amounts paid or prepaid to the Bank) as a result of:

(a) any payment, prepayment or conversion of LIBOR Certificates or SIFMA Certificates on a date other than the last day of a LIBOR Interest Accrual Period or a SIFMA Interest Accrual Period, as applicable,

(b) any failure to make any payment of Series 2002 principal represented by any LIBOR Certificate or SIFMA Certificate when due (whether by acceleration or otherwise), or

(c) any acceleration of the maturity of any LIBOR Certificate or SIFMA Certificate.

then, upon the demand of the Bank, the School Board shall pay to the Bank such amount as will reimburse the Bank for such loss, cost or expense. If the Bank makes such a claim for compensation, it shall provide to the School Board, a certificate setting forth the amount of such loss, cost or expense in reasonable detail and the amounts shown on such certificate shall be conclusive if reasonably determined.

MAKE WHOLE PROVISIONS

If the Bank shall incur any loss, cost or expense as a result of a determination that the interest component of the Certificates is not excludable from gross income of the owners thereof for federal income tax purposes, then, upon the demand of the Bank, the School Board shall pay to the Bank such amount as will reimburse the Bank for such loss, cost or expense. If the Bank makes such a claim for compensation, it shall provide to the School Board, a certificate setting forth the amount of such loss, cost or expense in reasonable detail and the amounts shown on such certificate shall be conclusive if reasonably determined.