



Reviving
THE river OF grass

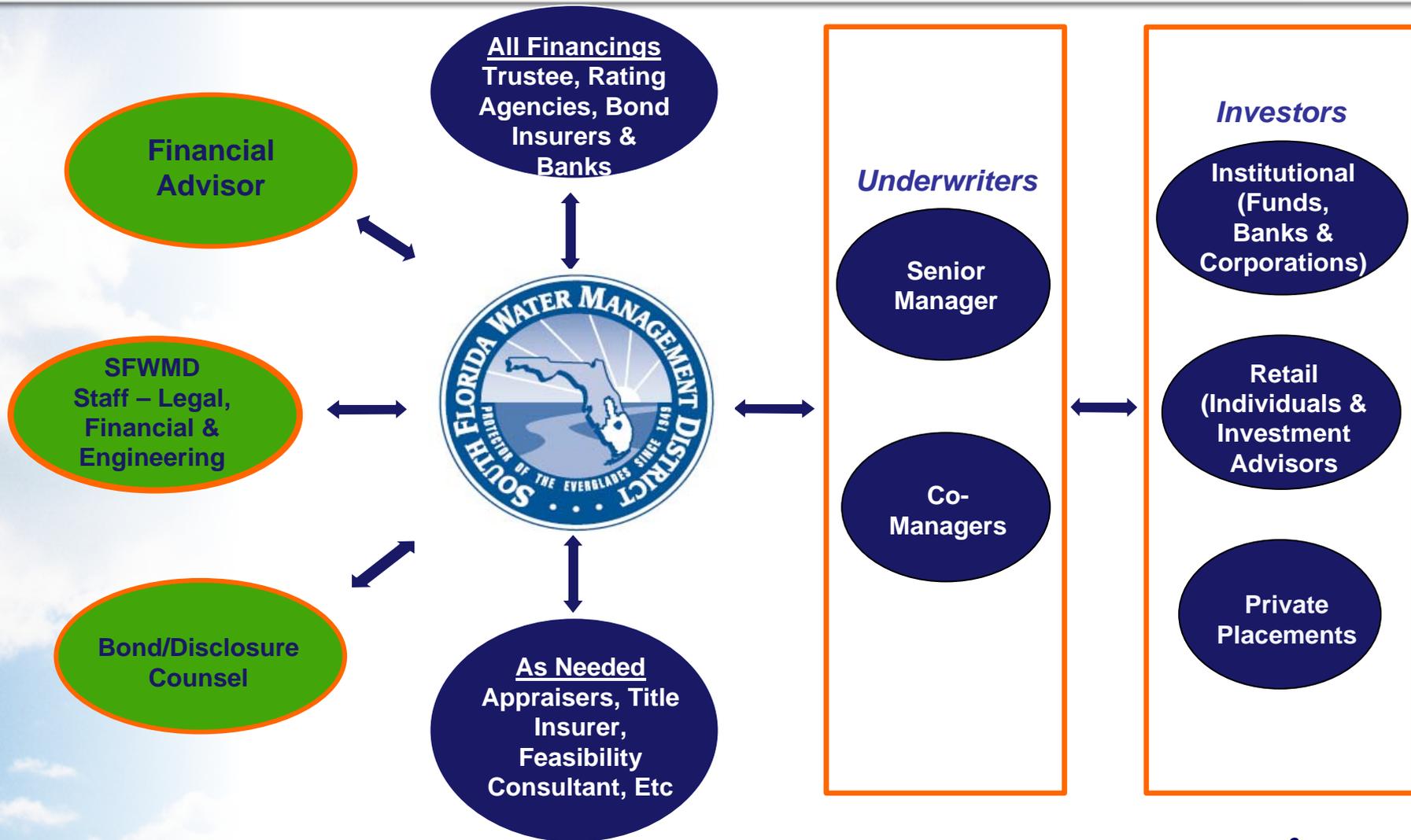
Financing

Paul E. Dumars, Sr.
Chief Financial Officer

Financing Timetable

- **September**
 - Distribute COPs Legal documents and Resolutions
 - Working Group calls and meetings to review COP Legal documents and Resolutions
- **October**
 - Distribute all COPs documents for Board agenda
 - Present Debt Policy Amendment to Audit and Finance Committee
 - Approve COPs Legal documents and Resolutions (Governing Board and Not for Profit Leasing Corporation)
 - Approve Debt Policy Amendment (Governing Board)
 - File for Validation
- **November/December**
 - Validation hearing pending assigned court date

Financing Team





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**Financing – Bond Resolution/COP
Documents**

Randy Hanna

Bond Counsel, Bryant Miller Olive

Resolution authorizing Lease Purchase Program

- Establishes a lease purchase financing program to finance and refinance District capital projects, programs and works of the District.
- Authorizes the District to enter into a Master Lease Purchase Agreement with the South Florida Water Management District Leasing Corp. which was established in 2006 for the original lease purchase program.
- Lease purchase program not limited geographically or to just one program or project.
- Initial project to be financed will be the River of Grass Acquisition Project.

Resolution authorizing Lease Purchase Program

- Approves the form of a Master Trust Agreement by and between Leasing Corp. and a corporate trustee pursuant to which Certificates of Participation are to be issued to finance lease purchased projects.
- Authorizes entering into Ground Lease Agreements between the District and Leasing Corp.
- Approves the form of Assignment Agreement that Leasing Corp will enter into with the corporate trustee pursuant to which Leasing Corp assigns certain interests under lease purchase agreements to the corporate trustee allowing corporate trustee to step into the shoes of Leasing Corp.
- Authorizes General Counsel and Bond Counsel to file for validation in Circuit Court in Palm Beach County to validate the Lease Purchase Program.

Leasing Corp. Resolution Authorizing Lease Purchase Program

- Establishes Leasing Corp. as the Lessor in the lease purchase program with the District.
- Authorizes Leasing Corp. to enter into Master Lease Purchase Agreement, as the Lessor, with the District, acting as the lessee.
- Authorizes Leasing Corp. to enter into the Master Trust Agreement pursuant to which pursuant to which Certificates of Participation are to be issued to finance lease purchased projects.

Leasing Corp. Resolution Authorizing Lease Purchase Program

- Authorizes Leasing Corp. to enter into Ground Lease Agreements with the District.
- Authorizes Leasing Corp. to enter into Assignment Agreement with corporate trustee pursuant to which Leasing Corp assigns certain interests under lease purchase agreements to the corporate trustee allowing corporate trustee to step into the shoes of Leasing Corp.



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Financing – Market Conditions

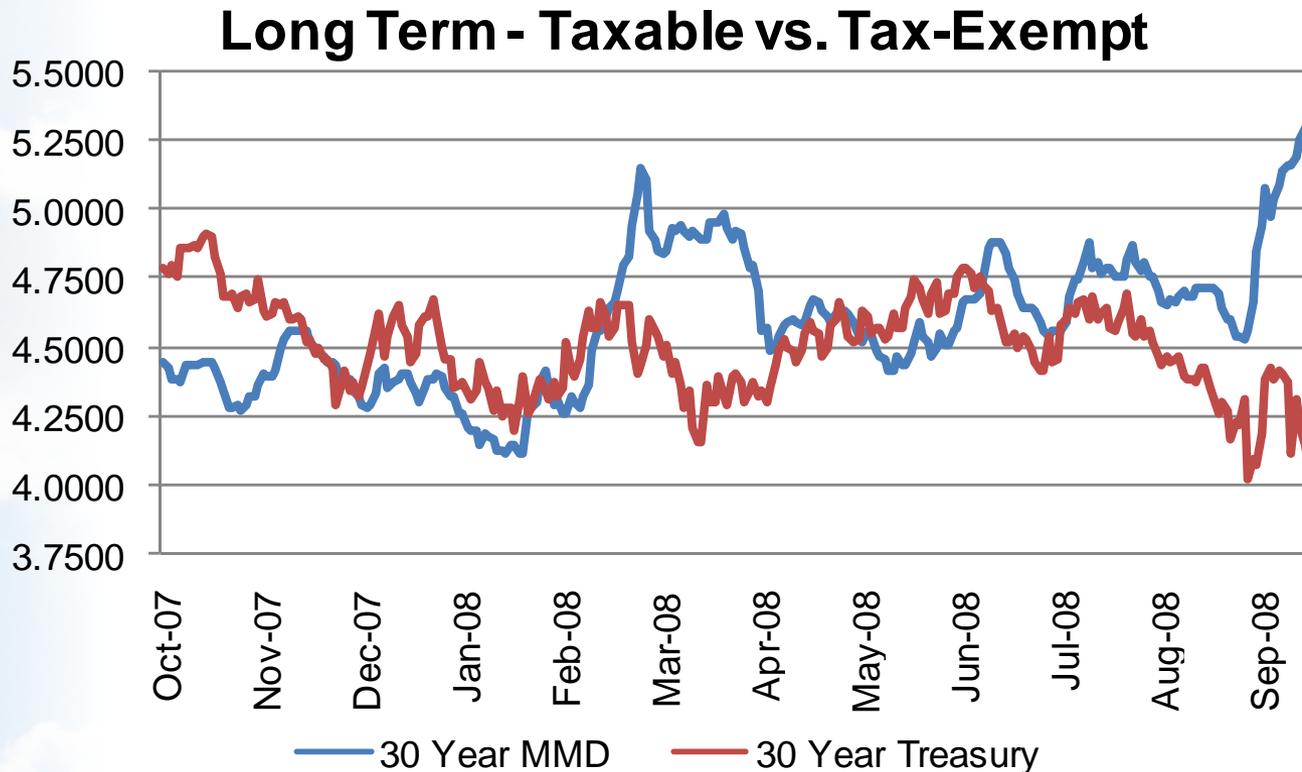
Dave Moore
PFM Group

Market Unrest

- Subprime market related problems continue to challenge the global financial markets.
 - **March** - *JP Morgan acquires Bear Stearns*
 - **September** - *Fed takes Freddie and Fannie Mae into conservatorship; Bank of America announces bid to acquire Merrill Lynch; Lehman Brothers fails; U.S. Government takes over American International Group (AIG); and Reserve Primary (money market) “broke the buck”*
 - **October** - *President Bush signs the financial support plan into law*

Market Unrest

- Market status – Municipal market credits remain strong, but dislocation “froze” the market during the last two weeks.

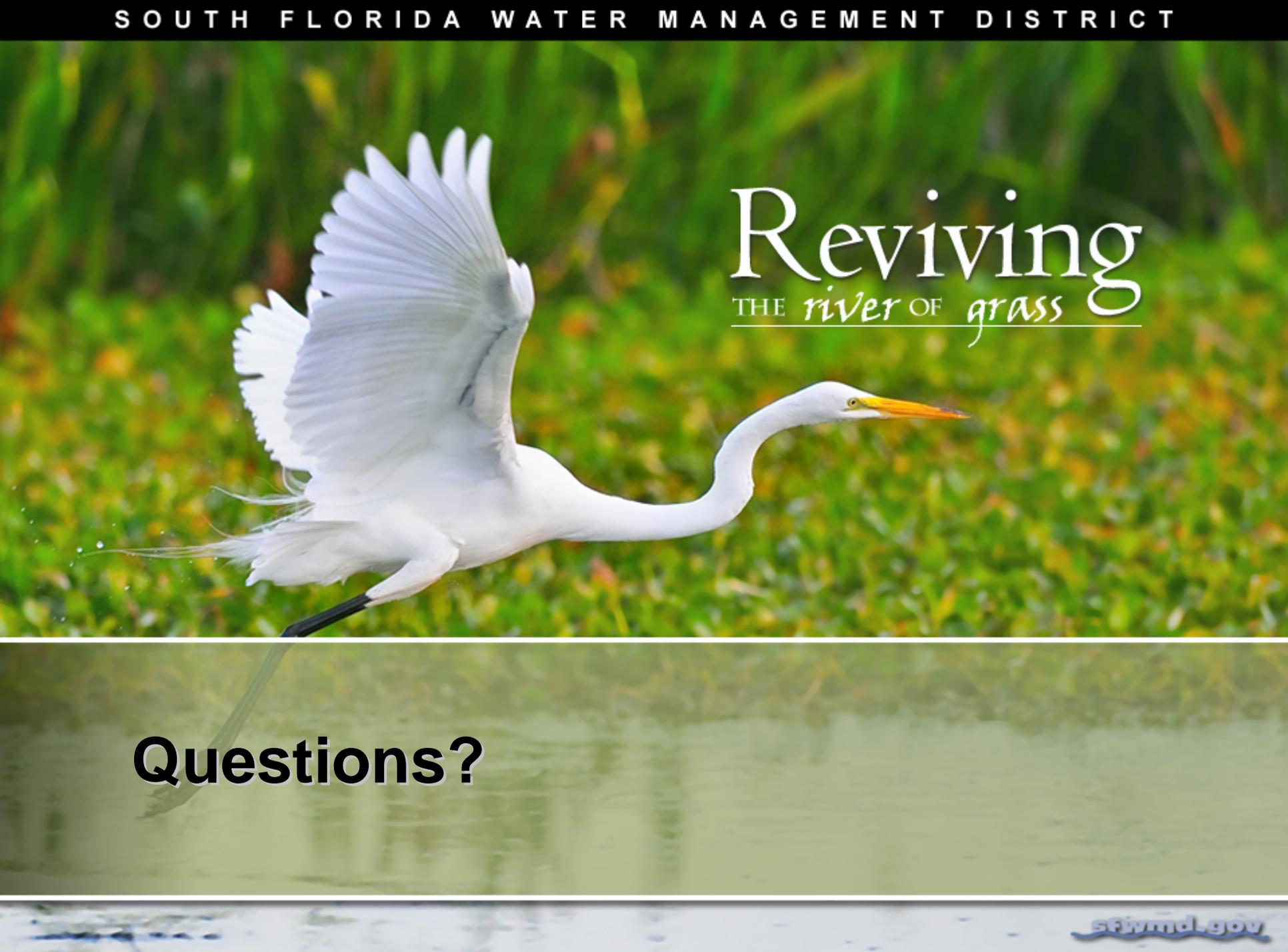


Moving Forward

- While few financings are moving forward at this time, the municipal market began to “thaw out” late last week
- What is required in order for the municipal market to move forward?
 - Technical corrections – No liquidity, forced sales and other factors outside the municipal market are driving the market.
 - Logic to return to investing – There is a disconnect between markets. Taxable yields are materially LOWER than Tax-exempt yields.
 - LIQUIDITY – “Cash is king”

Moving Forward

- The District's Plan of Finance
 - The Plan of Finance will be refined to meet the final transaction structure (leases, sale of assets, etc)
 - Strong AA and AAA credit ratings will be the most desired credits
 - District is currently AA rated
 - Market conditions will shape the structure (private placements versus traditional debt, etc)



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Questions?