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**SERIES 2010B SUPPLEMENTAL TRUST AGREEMENT**

**by and among**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee**

**and**

**FINANCING CORPORATION FOR THE  
SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA,  
as Lessor**

**and**

**SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA,  
as Lessee**

**Dated as of August 1, 2010**

*Relating to*  
**Certificates of Participation**  
**(School Board of Sarasota County, Florida Master Lease Program),**  
**Series 2010B**  
**Evidencing an Undivided Proportionate Interest of the Owners**  
**thereof in Basic Rent Payments to be made under a Master Lease-Purchase**  
**Agreement by the School Board of Sarasota County, Florida**

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## **SERIES 2010B SUPPLEMENTAL TRUST AGREEMENT**

**THIS SERIES 2010B SUPPLEMENTAL TRUST AGREEMENT**, dated as of August 1, 2010 (the "Series 2010B Supplemental Trust Agreement"), amending and supplementing the Master Trust Agreement, dated as of June 1, 2003 (the "Trust Agreement"), by and among **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement (the "Trustee"), the **FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, a not-for-profit educational corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the **SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, acting as the governing body of the School District of Sarasota County, Florida (the "Board").

### **WITNESSETH:**

**WHEREAS**, the Board has heretofore deemed it in its best interests to lease-purchase certain real and/or personal property from time to time and has heretofore entered into a Master Lease-Purchase Agreement, dated as of June 1, 2003 (the "Lease Agreement"), between the Corporation, as lessor, and the Board, as lessee; and

**WHEREAS**, pursuant to the Lease Agreement, the Board may from time to time, by execution of a Lease Schedule to the Lease Agreement (a "Lease Schedule"), direct the Corporation to acquire, construct and lease-purchase to the Board the items of property described in such Lease Schedule (which items of property are collectively referred to herein as the "Projects"); and

**WHEREAS**, provision for the payment of the cost of acquiring, constructing and installing each Project will be made by the issuance and sale from time to time of a Series (as defined in the Trust Agreement) of Certificates of Participation issued under the Trust Agreement (the "Certificates"), which shall be secured by and be payable from the right of the Corporation to receive Basic Rent Payments (as defined in the Trust Agreement) to be made by the Board pursuant to the Lease Agreement and related Lease Schedule; and

**WHEREAS**, the Trustee has agreed to deliver a Series of Certificates pursuant to and upon receipt of a Request and Authorization (as defined in the Trust Agreement) from the Corporation and the Board and the terms of this Series 2010B Supplemental Trust Agreement; and

**WHEREAS**, the Corporation has assigned by absolute outright assignment to the Trustee all of its right, title and interest in and to the Lease Agreement and the Lease Payments (as defined in the Trust Agreement), other than its rights of indemnification, its obligations pursuant to Section 6.03 of the Lease Agreement and its right to enter into Lease Schedules from time to time, pursuant to the Assignment of Lease Agreement,

dated as of June 1, 2003, as amended and supplemented, particularly as amended by that certain Fourth Amendment to Assignment of Lease Agreement, dated as of August 1, 2010 (collectively, the "Assignment of Lease Agreement"), each between the Corporation and the Trustee; and

**WHEREAS**, the each Series of Certificates (other than Completion Certificates or partial Refunding Certificates) shall be secured independently from each other Series of Certificates; and

**WHEREAS**, simultaneously herewith, the Board and the Corporation shall enter into Lease Schedule No. 2010B, dated as of the date hereof, for the lease-purchase of various educational facilities more particularly described in said Lease Schedule No. 2010B (the "Series 2010B Project"); and

**WHEREAS**, the Trustee has received a Request and Authorization from the Corporation and the Board relating to the issuance of \$\_\_\_\_\_ aggregate principal amount of "Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2010B Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida" (the "Series 2010B Certificates"); and

**WHEREAS**, the proceeds of the Series 2010B Certificates shall be used pursuant to the Trust Agreement, as amended and supplemented hereby, to finance or reimburse the Board for the costs of acquisition, construction, installation and equipping the Series 2010B Project as well as paying costs of issuance; and

**WHEREAS**, the Series 2010B Certificates shall be secured in the manner provided in the Trust Agreement and shall have the terms and provisions contained in this Series 2010B Supplemental Trust Agreement; and

**WHEREAS**, all things necessary to make the Series 2010B Certificates, when authenticated by the Trustee and issued as provided herein and in the Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2010B Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2010B Certificates subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE, THIS SERIES 2010B SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:**

**ARTICLE I**  
**DEFINITIONS**

**SECTION 101. DEFINITIONS.** Capitalized words and terms which are defined in the Trust Agreement, shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Series 2010B Supplemental Trust Agreement, the following capitalized words and terms as used in this Series 2010B Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

**"Available Revenues"** means the moneys and revenues of the Board legally available under the Act to make the Lease Payments.

**"Credit Enhancer"** shall not be applicable with respect to the Series 2010B Certificates and any provisions of the Trust Agreement relating to a Credit Enhancer shall not apply to the Series 2010B Certificates.

**"Lease Schedule No. 2010B"** means Lease Schedule No. 2010B relating to the Series 2010B Project dated as of August 1, 2010 which shall be part of the Lease Agreement.

**"Permitted Investments"** shall mean:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)
    - Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
    - Senior Debt obligations
  - Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
    - Consolidated system-wide bonds and notes
  - Federal Home Loan Banks (FHL Banks)
    - Consolidated debt obligations
  - Federal National Mortgage Association (FNMA)
    - Senior debt obligations
    - Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
  - Student Loan Marketing Association (SLMA)
    - Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
  - Financial Corporation (FICO)
    - Debt obligations
  - Resolution Funding Corporation (REFCORP)
    - Debt obligations
4. Unsecured certificates of deposit, time deposits and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.
  5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.
  6. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.
  7. Money market funds rated "AAm" or "AAm-G" by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's and acceptable to the Insurer, provided that:

A. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach);

B. The Trustee or a third party acting solely as agent therefor or for the Board (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

C. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

D. All other requirements of S&P in respect of repurchase agreements shall be met; and

E. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the Board or the Trustee (who shall give such direction if so directed by the Insurer), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Board or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by S&P and Moody's, respectively.



11. Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "A" by S&P and "A" by Moody's; provided that, by the terms of the investment agreement:

A. interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

B. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Board and the Trustee hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

C. the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation or, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

D. the Board or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Board, the Trustee and the Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Insurer;

E. the investment agreement shall provide that if during its term:

(1) the provider's rating by either S&P or Moody's falls below "A" or "A," respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Board, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured

financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(2) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Board or the Trustee (who shall give such direction if so directed by the Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Board or Trustee, and

F. The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

G. the investment agreement must provide that if during its term:

(1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Board or the Trustee (who shall give such direction if so directed by the Credit Enhancer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Board or Trustee, as appropriate, and

(2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Board or Trustee, as appropriate.

12. Nonnegotiable Certificates of Deposit with a qualified public depository in accordance with Chapter 280, Florida Statutes.

13. Such other obligations as shall be permitted to be legal investments of the Board by the laws of the State.

14. Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, as amended.

15. Other forms of investments approved in writing by a majority of the Owners of the Series 2010B Certificates.

For purposes of the foregoing, compliance with any minimum rating requirement shall be determined at the time the investment is made; and the Trustee shall have no duty to monitor rating levels of investments on an ongoing basis.

**"Related Documents"** means the Trust Agreement, the Lease Agreement, the Ground Lease, the Assignment of Lease Agreement and the Assignment of Ground Lease, as may be supplemented and amended from time to time.

**"Reserve Requirement"** means, with respect to the Series 2010B Certificates, zero dollars (\$0.00).

**"Series 2010B Account of the Prepayment Fund"** means the account established in the Prepayment Fund established pursuant to Section 6.02 of the Trust Agreement and Section 401 hereof.

**"Series 2010B Certificates"** means the \$\_\_\_\_\_ aggregate principal amount of Certificates of Participation authorized to be issued under Section 4.01 of the Trust Agreement and Section 201 hereof.

**"Series 2010B Pledged Accounts"** means the Series 2010B Subaccount of the Project Account, the Series 2010B Subaccount of the Costs of Issuance Account, the Series 2010B Subaccount of the Principal Account, the Series 2010B Subaccount of the Interest Account and the Series 2010B Account of the Prepayment Fund.

**"Series 2010B Project"** means the property and improvements described as the "Series 2010B Project" in Lease Schedule No. 2010B, as the same may be amended or modified from time to time.

**"Series 2010B Subaccount of the Costs of Issuance Account"** means the subaccount established in the Costs of Issuance Account pursuant to Section 6.02 and 6.04 of the Trust Agreement and Section 401 hereof.

**"Series 2010B Subaccount of the Interest Account"** means the subaccount established in the Interest Account pursuant to Section 6.02 and 6.06 of the Trust Agreement and Section 401 hereof.

**"Series 2010B Subaccount of the Principal Account"** means the subaccount established in the principal account pursuant to Section 6.02 and 6.06 of the Trust Agreement and Section 4.01 hereof.

**"Series 2010B Subaccount of the Project Account"** means the subaccount established in the Project Account pursuant to Section 6.02 and 6.03 of the Trust Agreement and Section 401 hereof.

**"Series 2010B Supplemental Trust Agreement"** means this instrument, as amended and supplemented.

**"Trustee"** means Wells Fargo Bank, National Association and any successor or assign thereto.

**ARTICLE II**  
**THE SERIES 2010B CERTIFICATES**

**SECTION 201. AUTHORIZATION OF SERIES 2010B CERTIFICATES.** (a) There is hereby created a Series of Certificates to be issued under the Trust Agreement to be known as "Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2010B Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida." The aggregate principal amount of Series 2010B Certificates which may be issued is hereby expressly limited to \$\_\_\_\_\_; provided, however, Completion Certificates may be issued in the manner provided in Section 4.12 of the Trust Agreement. The Series 2010B Certificates shall be issued for the purposes of (a) financing the acquisition, construction, installation and equipping of certain educational facilities to be leased to the Board, and (b) paying Costs of Issuance of the Series 2010B Certificates. The Series 2010B Certificates shall bear interest from their dated date and shall be issuable as fully registered Certificates without coupons in denominations of \$5,000 and integral multiples thereof. The Series 2010B Certificates shall be lettered and numbered R-1 and upward.

(b) Except as otherwise provided in the Trust Agreement, each Series 2010B Certificate shall be dated as of their date of delivery. Interest on the Series 2010B Certificates shall be payable on each Payment Date, commencing [January 1, 2011]. The Series 2010B Certificates shall be payable in the manner provided in the Trust Agreement.

[Remainder of page intentionally left blank]

(c) The Series 2010B Certificates shall bear interest at the respective rates and shall mature on July 1 of each of the years in the respective principal amounts set opposite each year in the following schedule:

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(d) All of the Series 2010B Certificates shall be Serial Certificates. The Series 2010B Certificates shall be substantially in the form set forth in Exhibit B to the Trust Agreement.

**SECTION 202. ISSUANCE OF SERIES 2010B CERTIFICATES.** The Series 2010B Certificates shall be issued upon delivery to the Trustee of the documents referred to in Section 4.02(a) of the Trust Agreement and the payment of the purchase price therefor.

**SECTION 203. THE SERIES 2010B PROJECT.** The Series 2010B Project shall be acquired, constructed, installed and equipped as provided in the Trust Agreement, the Lease Agreement and Lease Schedule No. 2010B.

**SECTION 204. LETTER OF INSTRUCTIONS.** Attached hereto as Schedule 1 is the Letter of Instructions relating to the Series 2010B Certificates as required by Section 6.12 of the Trust Agreement. The Trustee, the Corporation and the Board agree to abide by the provisions of such Letter of Instructions in accordance with and to the extent of the terms of the Trust Agreement.

**SECTION 205. BOOK-ENTRY.** Notwithstanding the provisions set forth in Section 201 hereof or Section 4.06 of the Trust Agreement, the Series 2010B Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2010B Certificate for each of the maturities of the Series 2010B Certificates. Upon initial issuance, the ownership of each such Series 2010B Certificate shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Except as provided in this Section, all of the Series 2010B Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC. As long as the Series 2010B Certificates shall be registered in the name of Cede & Co., all payments of interest on the Series 2010B

Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2010B Certificates.

With respect to Series 2010B Certificates registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Board, the Corporation and the Trustee shall have no responsibility or obligation to any participant in the DTC book-entry program or to any indirect participant (collectively, a "Participant"). Without limiting the immediately preceding sentence, the Board, the Corporation and the Trustee shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2010B Certificates, (B) the delivery to any Participant or any other Person other than a Certificateholder, as shown in the registration books kept by the Trustee, of any notice with respect to the Series 2010B Certificates, including any notice of prepayment, or (C) the payment to any Participant or any other Person, other than a Certificateholder, as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest on the Series 2010B Certificates. The Board, the Corporation and the Trustee may treat and consider the Person in whose name each Series 2010B Certificate is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Series 2010B Certificate for the purpose of payment of principal of, premium, if any, and interest with respect to such Series 2010B Certificate, for providing notices with respect to such Series 2010B Certificate, for the purpose of registering transfers with respect to such Series 2010B Certificate, for the purpose of providing notices of prepayment, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2010B Certificates only to or upon the order of the respective holders, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2010B Certificates to the extent of the sum or sums so paid. No Person other than a holder, as shown in the registration books kept by the Trustee, shall receive a certificated Series 2010B Certificate evidencing the obligation of the Board to make payments of principal of, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the Board of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Trust Agreement with respect to transfers during certain time periods, the words "Cede & Co." herein shall refer to such new nominee of DTC; and upon receipt of such notice, the Board shall promptly deliver a copy of the same to the Trustee.

Upon (A) receipt by the Board of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2010B Certificates be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2010B

Certificates or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Board, in its sole discretion, that such book-entry only system is burdensome to the Board and upon compliance with applicable DTC policies and procedures, the Series 2010B Certificates shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders shall designate, in accordance with the provisions hereof. In such event, the Board shall issue and the Trustee shall authenticate, transfer and exchange Series 2010B Certificates of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the holders thereof in accordance with the provisions of the Trust Agreement. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Issuer Letter of Representations executed by the Board and delivered to DTC shall apply to the payment of principal of and interest on the Series 2010B Certificates.



**ARTICLE III**  
**APPLICATION OF SERIES 2010B CERTIFICATE PROCEEDS**

**SECTION 301. APPLICATION OF SERIES 2010B CERTIFICATE PROCEEDS.** The proceeds of the Series 2010B Certificates (not including any underwriting discount) shall be applied by the Trustee as follows:

(1) Deposit to the credit of the Series 2010B Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance of the Series 2010B Certificates (\$\_\_\_\_\_).

(2) Deposit to the credit of the Series 2010B Subaccount of the Project Account of the Project Fund the balance of the proceeds from the sale of the Series 2010B Certificates (\$\_\_\_\_\_).

All moneys on deposit in the Subaccounts described in this Section shall be applied in accordance with Section 401 hereof and shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement.

**ARTICLE IV  
ESTABLISHMENT OF SERIES 2010B PLEDGED ACCOUNTS**

**SECTION 401. ESTABLISHMENT OF SERIES 2010B PLEDGED ACCOUNTS.** In accordance with Section 6.02(b) of the Trust Agreement, there is hereby established with the Trustee, solely for the benefit of the Owners of the Series 2010B Certificates, the following accounts and subaccounts:

(a) The "School Board of Sarasota County, Florida Master Lease Series 2010B Subaccount of the Project Account."

(b) The "School Board of Sarasota County, Florida Master Lease Series 2010B Subaccount of the Costs of Issuance Account."

(c) The "School Board of Sarasota County, Florida Master Lease Series 2010B Subaccount of the Interest Account."

(d) The "School Board of Sarasota County, Florida Master Lease Series 2010B Subaccount of the Principal Account."

(e) The "School Board of Sarasota County, Florida Master Lease Series 2010B Account of the Prepayment Fund."

The moneys on deposit in the Accounts and Subaccounts described in this Section shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement. The moneys in the Series 2010B Pledged Accounts shall be invested solely in Permitted Investments.

**SECTION 402. SECURITY FOR SERIES 2010B CERTIFICATES.** The Series 2010B Certificates shall be secured in the manner provided in the Trust Agreement and shall receive all the benefits of the Trust Estate created thereunder; provided, such portion of the Trust Estate which is derived from the sale, re-letting or other disposition of the Series 2010B Project and, subject only to the provisions of the Trust Agreement permitting the application thereof for the other purposes set forth therein, any cash, securities and investments in the Series 2010B Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2010B Certificates. The Owners of the Series 2010B Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the sale, re-letting or other disposition of Projects, other than the Series 2010B Project, or any cash, securities and investments in the Pledged Accounts, other than the Series 2010B Pledged Accounts in the manner and to the extent provided in the Trust Agreement.

**ARTICLE V**  
**PREPAYMENT OF SERIES 2010B CERTIFICATES**

**SECTION 501. PREPAYMENT DATES AND PRICES OF SERIES 2010B CERTIFICATES; NOTICES.** (a) The Series 2010B Certificates are subject to prepayment only as provided in this Section. The Series 2010B Certificates are not subject to extraordinary prepayment prior to maturity pursuant to Section 5.08(c) of the Lease Agreement or Section 6.03(g) of the Master Trust Agreement.

(b) The Series 2010B Certificates maturing on or before July 1, 20\_\_ shall not be subject to prepayment at the option of the Board. The Series 2010B Certificates maturing on or after July 1, 20\_\_ may be prepaid from prepayments of Basic Rent made by the Board pursuant to the Lease Agreement, in whole or in part on July 1, 20\_\_ or any date thereafter, and if in part, in such order of maturities as may be designated by the Board, or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, at the Prepayment Price equal to 100% of the principal amount of the Series 2010B Certificates or portion thereof to be prepaid, plus accrued and unpaid interest thereon to the optional prepayment date.

(d) Notwithstanding the provisions of Section 5.04(a) of the Trust Agreement, notice of any prepayment of Series 2010B Certificates shall either (i) explicitly state that the proposed prepayment is conditioned on there being on deposit in the applicable fund or account on the prepayment date sufficient money to pay the full prepayment price of the Series 2010B Certificates to be prepaid, or (ii) be sent only if sufficient money to pay the full prepayment price of the Series 2010B Certificates to be prepaid is on deposit in the applicable fund or account. In the event the conditions stated in the notice of prepayment are not satisfied on the proposed prepayment date, such prepayment shall not occur and such notice of prepayment shall be of no further force or effect. Except as provided herein, the Series 2010B Certificates shall be called for prepayment upon the notice and in the manner provided in Article V of the Trust Agreement.

**ARTICLE VI  
MISCELLANEOUS**

**SECTION 601. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED.** Except as expressly modified or amended hereby, the Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Trust Agreement and this Series 2010B Supplemental Trust Agreement, the terms hereof shall control.

**SECTION 602. THIRD PARTY BENEFICIARIES.** Nothing in this Series 2010B Supplemental Trust Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee and the Board any rights, remedies or claims under or by reason of this Series 2010B Supplemental Trust Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Series 2010B Supplemental Trust Agreement contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Trustee and the Board.

**SECTION 603. COUNTERPARTS.** This Series 2010B Supplemental Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 604. HEADINGS.** Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series 2010B Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

**SECTION 605. LAWS.** This Series 2010B Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State.

**IN WITNESS WHEREOF**, the parties have executed this Series 2010B Supplemental Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Trustee

(SEAL)

By: \_\_\_\_\_  
Vice President

**FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, as Lessor

(SEAL)

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, as Lessee

(SEAL)

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Superintendent/Secretary

**LETTER OF INSTRUCTIONS**

School Board of Sarasota County, Florida  
Sarasota, Florida

Wells Fargo Bank, National Association  
Jacksonville, Florida

Financing Corporation for the  
School Board of Sarasota County, Florida  
Sarasota, Florida

Re: \$\_\_\_\_\_ Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2010B Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida

Ladies and Gentlemen:

This letter of instructions is intended to set forth certain duties and requirements regarding the payment of rebatable arbitrage to the United States Treasury in compliance with Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the tax-exempt treatment of interest on the above-referenced Certificates of Participation (the "Series 2010B Certificates"). The instructions contained in this letter are based upon said Section 148(f) of the Code and, by analogy, to the Regulations. However, it is not intended to be exhaustive.

The Series 2010B Certificates have been issued pursuant to a Master Trust Agreement, dated as of June 1, 2003, as amended and supplemented by the Series 2010B Supplemental Trust Agreement, dated as of August 1, 2010 (collectively, the "Trust Agreement"), among Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Financing Corporation for the School Board of Sarasota County, Florida, a Florida not-for-profit corporation, as lessor (the "Corporation"), and the School Board of Sarasota County, Florida, a school board of the State of Florida, as lessee (the "Board"). The Series 2010B Certificates represent undivided proportionate interests of the Owners

of the Series 2010B Certificates in the Basic Rent Payments to be made under a Master Lease-Purchase Agreement, dated as of June 1, 2003, as amended and supplemented by Lease Schedule No. 2010B, dated as of August 1, 2010 (collectively, the "Lease Agreement"), between the Corporation and the Board. Pursuant to an Assignment of Lease Agreement, dated as of June 1, 2003, as amended and supplemented, particularly as amended by a Fourth Amendment to Assignment of Lease Agreement, dated as of August 1, 2010, each between the Corporation and the Trustee, the Corporation has assigned all of its rights, title and interest in and to the Lease Agreement (other than certain rights and obligations specifically excepted therein), including, without limitation, the right to receive the Basic Rent Payments, when due, to the Trustee for the benefit of the Owners of the Series 2010B Certificates.

Since the requirements of said Section 148(f) are subject to amplification and clarification, it may be necessary to supplement or modify the instructions contained in this letter from time to time to reflect any additional or different requirements of said Section and the Regulations or to specify that actions set forth in this letter are no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of the interest on the Series 2010B Certificates.

For purposes of this letter, any instructions relating to a fund, account or subaccount established under the Trust Agreement shall be deemed to apply only to that portion of such fund, account or subaccount allocable to the Series 2010B Certificates.

**1. Tax Covenants.** Pursuant to the Trust Agreement, the Corporation and the Board have made certain covenants designed to assure that the Interest Component of the Basic Rent Payments is and shall remain excludable from gross income for purposes of federal income taxation. In order to preserve this exemption neither the Corporation nor the Board should, directly or indirectly, use or permit the use of any proceeds of the Series 2010B Certificates or the Lease Payments or any other funds or take or omit to take any action that would cause the Series 2010B Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code or that would cause the Interest Component of the Basic Rent Payments to be subject to be included in gross income for federal income tax purposes under the provisions of the Code. The Board must comply with all other requirements as shall be determined by Special Counsel to be necessary or appropriate to assure that the Interest Component of the Basic Rent Payments will be excludable from gross income for purposes of federal income taxation. To that end, the Corporation and the Board shall comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2010B Certificates.

**2. Definitions.** Capitalized terms used in this letter, but not otherwise defined herein, shall have the same meanings set forth in Exhibit A to the Trust Agreement and in the Board's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Series 2010B Certificates.

**"Certificate Year"** means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date; provided, however, that the Board may select any other day as the end of a Certificate Year if such selection is made prior to the earlier of the final maturity date of the Series 2010B Certificates or the fifth anniversary of the Issue Date.

**"Computation Date"** means (i) any date selected by the Board which is not more than 5 years later than the latter of (x) the date of issue or (y) the most recent Computation Date and (ii) the date all Series 2010B Certificates are finally paid or discharged; provided, however, that for purposes of paying any penalty due as a result of an election of the Board pursuant to Section 3(e) hereof, the Computation Date shall be the last day of each six-month period described in said Section 3(e).

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Computation Date"** means each date selected by the Board as a computation date pursuant to Section 1.148-3(e) of the Regulations and the Final Computation Date.

**"Fair Market Value"** means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

**"Final Computation Date"** means the date the Series 2010B Certificates are discharged.

**"Gross Proceeds"** means, with respect to the Series 2010B Certificates:

- (1) Amounts constituting Sale Proceeds of the Series 2010B Certificates.
- (2) Amounts constituting Investment Proceeds of the Series 2010B Certificates.
- (3) Amounts constituting Transferred Proceeds of the Series 2010B Certificates.
- (4) Other amounts constituting Replacement Proceeds of the Series 2010B Certificates.
- (5) Amounts that constitute Pledged Moneys (as defined below) and that are derived directly or indirectly from the Board (or a governmental unit of which the Board is a part) or any other person who substantially benefits from the issuance of the Series 2010B Certificates.

**"Investment Proceeds"** means any amounts actually or constructively received from investing proceeds of the Series 2010B Certificates.



**"Investment Property"** shall have the meaning as ascribed to such term in Section 148(b)(2) of the Code, which includes any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(e) of the Regulations.

**"Issue Date"** means \_\_\_\_\_, 2010.

**"Net Proceeds"** means Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

**"Nonpurpose Investment"** means any Investment Property in which Gross Proceeds are invested which is not an investment that is acquired to carry out the governmental purpose of the Series 2010B Certificates, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Series 2010B Certificates, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund as referenced in Section 1.148(b) of the Regulations.

**"Nonpurpose Payments"** shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

**"Nonpurpose Receipts"** shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

**"Pledged Moneys"** means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Series 2010B Certificates (or to reimburse a municipal bond insurer) or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Series 2010B Certificates (or to reimburse a municipal bond insurer) if the Board encounters financial difficulties.

**"Pre-Issuance Accrued Interest"** means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

**"Proceeds"** means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Certificates.

**"Qualified Administrative Costs"** means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the Board treats as a Qualified

Administrative Cost does not exceed the lesser of (a) \$35,000 (for calendar year 2010), or (b) the greater of (x) .2% of the "computational base;" or (y) \$4,000 and (2) the Board does not treat as Qualified Administrative Costs more than \$100,000 (for calendar year 2010) in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, "computational base" shall mean the amount the Board reasonably expects to be deposited in the guaranteed investment contract over the term of the contract or for investments other than guaranteed investment contracts, the amount of Gross Proceeds initially invested in such investments. The above-described safe harbor dollar amounts shall be increased each calendar year for cost-of-living adjustments pursuant to Section 1.148-5(e) of the Regulations.

**"Rebatable Arbitrage"** means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

**"Rebate Fund"** means the Rebate Fund established pursuant to the Trust Agreement and described in Section 3 hereof.

**"Regulations"** means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

**"Replacement Proceeds"** means amounts that have a sufficiently direct nexus to the Series 2010B Certificates or to the governmental purpose of the Series 2010B Certificates to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2010B Certificates were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Series 2010B Certificates if there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

**"Sale Proceeds"** means any amounts actually or constructively received by the Board from the sale of the Series 2010B Certificates, including amounts used to pay underwriters' discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Series 2010B Certificate and that is described in Section 1.148-4(b)(4) of the Regulations.

**"Special Counsel"** means Nabors, Giblin & Nickerson, P.A., Tampa, Florida or such other firm of nationally recognized bond counsel as may be selected by the Board.

**"Tax-Exempt Investment"** means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of these Rebate Instructions, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code meeting the requirements of Section 852(a) of the Code for the applicable taxable year; having only one class of stock authorized and outstanding; investing all of its assets in tax-exempt obligations to the extent practicable; and having at least 98 percent of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax-exempt obligations or (2) the weighted average value of its assets represented by investments in tax-exempt obligations.

**"Transferred Proceeds"** shall have the meaning provided therefor in Section 1.148-9 of the Regulations.

**"Universal Cap"** means the value of all then outstanding Series 2010B Certificates.

**"Value" (of a Series 2010B Certificate)** means with respect to a Series 2010B Certificate issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other Series 2010B Certificate, its present value.

**"Value" (of an Investment)** shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all purposes relating to arbitrage and rebate with respect to that investment on that date:

- (a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;
- (b) a fixed rate investment may be valued at its present value on such date; and
- (c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that;

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

**"Yield on the Series 2010B Certificates"** means, for all Computation Dates, the Yield expected as of the date hereof on the Series 2010B Certificates over the term of such Series 2010B Certificates computed by:

(1) using as the purchase price of the Series 2010B Certificates, the amount at which such Series 2010B Certificates were sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(2) assuming that all of the Series 2010B Certificates will be paid at their scheduled maturity dates or in accordance with any mandatory redemption requirements.

**"Yield"** means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of principal and interest on an obligation and all the payments for qualified guarantees paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Series 2010B Certificates on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded semi-annually. For this purpose the purchase price of a Nonpurpose Investment or Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of this letter, as of the date that it becomes allocated to Gross Proceeds of the Series 2010B Certificates.

### **3. Payment of Rebtable Arbitrage.**

(a) In order to maintain the exemption from federal income tax of the Interest Component of the Basic Rent Payments, the Trustee, upon the written direction of the Board in accordance with Section 6.12 of the Trust Agreement, shall pay the Rebtable

Arbitrage to the United States Government at the times and in the amounts determined herein from amounts on deposit in the Rebate Fund. For purposes of determining the Rebatable Arbitrage, the Board should cause the calculations to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Regulations relating to arbitrage rebate and, if the Board fails to retain such advisors for such purpose, the Trustee should retain such advisors for such purpose, but only at the expense of the Board.

(b) Within 30 days after any Computation Date, the Board must calculate or cause to be calculated the Rebatable Arbitrage or any penalty due pursuant to Section 3(d) below. The Board agrees to pay the Trustee the amount of the Rebatable Arbitrage for deposit to the Rebate Fund on or before the same must be remitted by the Trustee. Upon receipt of such Rebatable Arbitrage from the Board, but in no event later than 60 days following the Computation Date, the Trustee must remit (but only from amounts received from the Board) an amount which when added to the future value of previous rebate payments is not less than 90 percent (100 percent with respect to the Computation Date on the final repayment or retirement of the Series 2010B Certificates plus the income, if any, from the investment of the Rebatable Arbitrage due the United States Government after the final Computation Date) of the Rebatable Arbitrage.

Each payment must be accompanied by Internal Revenue Service Form 8038-T.

(c) The obligation to pay Rebatable Arbitrage to the United States, as described in this letter, shall be treated as satisfied with respect to the Series 2010B Certificates if (i) Gross Proceeds are expended for the governmental purpose of the Series 2010B Certificates by no later than the date which is six months after the Issue Date and if it is not anticipated that any other Gross Proceeds will arise during the remainder of the term of the Series 2010B Certificates and (ii) the requirement to pay Rebatable Arbitrage, if any, to the United States with respect to the portion of the Reserve Account allocable to the Series 2010B Certificates, if any, is met. For purposes described above, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations and meeting the requirements of Section 1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then, except as to amounts, if any, on deposit in the Reserve Account, Rebatable Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury

need be made. Use of Gross Proceeds to redeem Series 2010B Certificates shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, as determined by the Board, then the requirements described herein relating to the calculation of Rebatable Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six-month period. Any other amounts not described in this Section which constitute Gross Proceeds, other than a bona fide debt service fund, will be subject to rebate.

(d) As an alternative to Section 3(c) above, the obligation of the Board to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Series 2010B Certificates if the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 15% of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 60% of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

(iii) at least 100% of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this paragraph (d), 100% of the Gross Proceeds of the Series 2010B Certificates shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Series 2010B Certificates). If Gross Proceeds are in fact expended by such dates, then Rebatable Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the Board exercises due diligence to complete the project financed by the Series 2010B Certificates and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Series 2010B Certificates or (ii) \$250,000. Use of Gross Proceeds to redeem the Series 2010B Certificates shall not be treated as an expenditure of such Gross Proceeds. For purposes of this paragraph (d), "Gross Proceeds" shall be modified as described in paragraph (c) above.

(e) As an alternative to subsection (d) above, the obligation to pay Rebatale Arbitrage to the United States, as described in this letter, is treated as satisfied with respect to the Series 2010B Certificates if the "Available Construction Proceeds" (as defined in Section 148(f)(4)(C)(vi) of the Code) are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 10% of such Available Construction Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 45% of such Available Construction Proceeds are spent within the 1-year period beginning on the Issue Date;

(iii) at least 75% of such Available Construction Proceeds are spent within the eighteen-month period beginning on the Issue Date; and

(iv) at least 100% of such Available Construction Proceeds are spent within the 2-year period beginning on the Issue Date.

For purposes of this Section 3(e), the term Available Construction Proceeds means the Net Proceeds of the construction issue, increased by earnings on the Net Proceeds, earnings on amounts in the Reserve Account to the extent that such amounts were not funded from proceeds of the Series 2010B Certificates, and earnings on all of the foregoing earnings, and reduced by the amount, if any, of the Net Proceeds deposited to the Reserve Account and amounts used to pay issuance costs (including bond insurance premium).

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this paragraph (e), 100% of the Available Construction Proceeds of the Series 2010B Certificates is treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Available Construction Proceeds of the Series 2010B Certificates). Any failure to satisfy the final spending requirement shall be disregarded if the Board exercises due diligence to complete the project financed by the Series 2010B Certificates and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Series 2010B Certificates or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the Board fails to meet the expenditure requirements referred to above, the Board does not elect to pay, in lieu of the Rebatale Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Series 2010B Certificates which, as of the close of such period, are not spent as required by the

expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Series 2010B Certificates (including any refunding obligations issued with respect thereto) are no longer outstanding. The Board makes no election with respect to the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebatale Arbitrage to the United States pursuant to this paragraph (e), at least 75% of the Available Construction Proceeds of the Series 2010B Certificates must be used for construction expenditures with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code (subject in all respects to the provisions of Section 142(b)(1)(B) of the Code). The term "construction" includes reconstruction and rehabilitation of existing property. If only a portion of an issue is to be used for construction expenditures, such portion and such other portion of such issue may, at the election of the Board, be treated as a separate issue for purposes of this subsection (e) (although the remaining portion may not be entitled to the benefits of paragraph 3(d) hereof. The Board hereby elects not to treat any portion of the Series 2010B Certificates as a separate issue.

(f) The Board and the Trustee should keep or cause to be kept proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Series 2010B Certificates, including moneys derived from, pledged to, or to be used to make payments on the Series 2010B Certificates. Such records shall, at a minimum, be sufficient to enable the Board to calculate the Rebatale Arbitrage and, if necessary, shall specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price, (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, and (v) the dates of acquisition and disposition or maturity.

**4. Market Price Rules.** Except as provided below, the Board agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations ("Fair Market Value"). All investments required to be made pursuant to this letter shall be made to the extent permitted by law. In this regard, the Board agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds or on deposit in the Rebate Fund), for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal



obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in a bona fide arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) The Board makes a bona fide solicitation ("Bona Fide Solicitation") for the purchase of the investment that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers;

(2) The bid specifications include all terms of the bid that may directly or indirectly affect the yield or the cost of the investment;

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Board or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Board or any other person for purposes of satisfying these requirements;

(4) The terms of the bid specifications are such that there is a legitimate business purpose for each term other than to increase the purchase price or reduce the yield of the investment (e.g., for solicitations of Nonpurpose Investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the Board reasonably requires);

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Board's reasonably expected deposit and draw down schedule for the amounts to be invested;

(6) All potential providers have an equal opportunity to bid (e.g., no potential provider is given the opportunity to review other bids before providing a bid); and

(7) At least three providers are solicited for bids that have an established industry reputation as a competitive provider of the type of investments being purchased.

(ii) The bids received by the Board must meet all of the following requirements:

(1) The Board receives at least three bids from providers that the Board solicited under a Bona Fide Solicitation and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (c) (ii)(1) above is from a provider that has an established industry reputation as a competitive provider of the type of investments being purchased; and

(3) If the Board uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(iii) The winning bid must meet the following requirements:

(1) *Guaranteed investment contracts.* If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) *Other Nonpurpose Investments.* If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest bid is either the lowest cost bid for the portfolio or, if the Board compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Board from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting these requirements is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

(iv) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay) to third parties in connection with supplying the investment.

(d) The Board shall retain certificates and records documenting compliance with the above requirements until three years after the last outstanding Series 2010B Certificate is redeemed including, but not limited to, the following:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of Nonpurpose Investments other than guaranteed investment contracts, the purchase agreement or confirmation;

(ii) The receipt or other record of the amount actually paid by the Board for the investments, including a record of any administrative costs paid by the Board and the certification required in paragraph (c)(iv) above;

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results;

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and

(v) For purchase of Nonpurpose Investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted.

Certificates in substantially the forms of subparagraphs (v) and (vi) above must be obtained to evidence the foregoing.

**5. Records.** The Board and the Trustee should retain all records with respect to the calculations required by this letter for at least six years after the date on which the last of the principal of and interest on the Series 2010B Certificates has been paid, whether upon maturity, redemption, or acceleration thereof.

**6. Modification Upon Receipt of Special Counsel Opinion.** Notwithstanding any provision of this letter, if the Board and the Trustee shall receive an opinion of Special Counsel that any specified instructions set forth in this letter are no longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of the Interest Component of the Basic Rent Payments, the Board and the Trustee may conclusively rely on such opinion in complying with the requirements of this letter and the instructions contained in this letter shall be deemed to be modified to that extent. The provisions of this and the instructions contained in this letter may be amended or modified in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

**7. Accounting for Gross Proceeds.** In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the Board must adopt reasonable and consistently applied methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the Board agrees to comply.

**8. Administrative Costs of Investments.** Except as otherwise provided in this Section 8, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the Board such as employee salaries and office expenses and costs associated with computing Rebutable Arbitrage are not Qualified Administrative Costs.

Allocation and accounting rules are provided in Appendix I attached hereto.

**9. Board Obligations.** Except for any Rebatale Arbitrage which accrues prior to the date of termination of the Lease, the Board shall have no further obligations hereunder subsequent to the termination of the Lease Agreement.

**10. Trustee Obligations.** Except for matters set forth in Sections 3(a), (b) and (f) hereof and Section 6.12 of the Trust Agreement, the parties hereto agree that the Trustee shall have no further obligations hereunder or under the Trust Agreement relating to the matters set forth in this letter.

Respectfully submitted,

**NABORS, GIBLIN & NICKERSON, P.A.**

Acknowledged:

**SCHOOL BOARD OF SARASOTA  
COUNTY, FLORIDA**

By: \_\_\_\_\_  
Chair

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee**

By: \_\_\_\_\_  
Vice President

**FINANCING CORPORATION FOR THE  
SCHOOL BOARD OF SARASOTA  
COUNTY, FLORIDA**

By: \_\_\_\_\_  
President

**ALLOCATION AND ACCOUNTING RULES**

(a) General Rule. Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is "consistently applied" if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

(b) Allocation of Gross Proceeds to an Issue. Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) Allocation of Gross Proceeds to Investments. Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) Allocation of Gross Proceeds to Expenditures. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) Commingled Funds. Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable

ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This mark-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; or (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principle that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

(f) Universal Cap. Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of

any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

For purposes of this section, "working capital expenditures" include all expenditures other than "capital expenditures." "Capital expenditures" are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely



substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.