

PRELIMINARY OFFERING STATEMENT DATED FEBRUARY __, 2009

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: (See "RATINGS" herein)

In the opinion of Special Counsel, assuming continuing compliance by the School Board with various covenants in the herein described Trust Agreement and the Series 2009 Lease, under existing statutes, regulations, rulings and court decisions, the Interest Component of Basic Rent Payments received by the Owners of the Series 2009 Certificates (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such Interest Component will be included in the calculation of a corporation's alternative minimum taxable income and may be subject to other federal income tax consequences described herein under "TAX EXEMPTION." However, no opinion is expressed with respect to federal income tax consequences of any payments received with respect to the Series 2009 Certificates following termination of the Series 2009 Lease as a result of an Event of Non-Appropriation or Event of Default thereunder. See "TAX EXEMPTION" herein.

§ _____ *

**CERTIFICATES OF PARTICIPATION
(School Board of Sarasota County, Florida,
Master Lease Program), Series 2009
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**

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The Certificates of Participation (School Board of Sarasota County, Florida, Master Lease Program), Series 2009 (the "Series 2009 Certificates") evidence undivided proportionate interests in Basic Rent Payments (as defined herein) to be made by the School Board of Sarasota County, Florida (the "School Board") under a Master Lease-Purchase Agreement with the Financing Corporation for the School Board of Sarasota County, Florida, a Florida not-for-profit corporation (the "Corporation"), dated as of June 1, 2003, as amended and supplemented (the "Lease Agreement"), particularly as amended and supplemented by Lease Schedule No. 2009, dated as of March 1, 2009 (which Lease Agreement and Lease Schedule No. 2009 are herein collectively referred to as the "Series 2009 Lease"). Pursuant to an Assignment of Lease Agreement, dated as of June 1, 2003, as amended, particularly as amended by a Second Amendment to Assignment of Lease Agreement, dated as of March 1, 2009, the Corporation has assigned by absolute assignment to the herein described Trustee for the benefit of the

Owners of the Series 2009 Certificates all of its right, title and interest in and to the Series 2009 Lease, except certain rights relating to indemnification, the right to enter into additional Lease Schedules and its obligation not to impair the tax status of the Series 2009 Certificates, but including the right of the Corporation to receive herein defined Lease Payments.

The Series 2009 Certificates are being issued by Wells Fargo Bank, National Association, as Trustee (the "Trustee"), as fully registered certificates in denominations of \$5,000 or any integral multiple thereof, pursuant to the provisions of a Master Trust Agreement, dated as of June 1, 2003, as amended and supplemented, and particularly as amended and supplemented by the Series 2009 Supplemental Trust Agreement, dated as of March 1, 2009 (collectively, "Trust Agreement"), each among the Corporation, the School Board and the Trustee. Interest due with respect to the Series 2009 Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2009 (each, a "Payment Date") to Owners listed in the registration books on the 15th day (whether or not a business day) of the calendar month next preceding each Payment Date. The Principal Component of Basic Rent Payments represented by the Series 2009 Certificates is payable to Owners upon presentation, when due, at maturity or earlier prepayment. When issued, the Series 2009 Certificates will initially be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of Series 2009 Certificates (the "Beneficial Owners") will not receive physical delivery of Series 2009 Certificates. Ownership by Beneficial Owners of Series 2009 Certificates will be evidenced by book-entry only (without Certificates).

The Series 2009 Certificates are subject to optional and may be subject to mandatory prepayment prior to their stated maturities as set forth herein.

The Series 2009 Certificates are being issued for the principal purpose of providing funds to (1) finance the acquisition, construction and installation of certain educational facilities and (2) pay certain costs of issuance with respect to the Series 2009 Certificates.

If determined to be in the best interest of the District at the time of pricing, the District may elect to provide for municipal bond insurance with respect to the Series 2009 Certificates. In the event the District elects to provide for such insurance, the scheduled payment of principal of and interest on the Series 2009 Certificates when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Series 2009 Certificates by

THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE SERIES 2009 CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM THE SCHOOL BOARD'S AVAILABLE REVENUES

AND NEITHER THE CORPORATION, THE SCHOOL BOARD, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER THE SERIES 2009 LEASE EXCEPT FROM AVAILABLE REVENUES APPROPRIATED FOR SUCH PURPOSE. THE BASIC RENT PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE SCHOOL BOARD ON AN ALL-OR-NONE BASIS. THE SERIES 2009 CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE SCHOOL BOARD UNDER THE SERIES 2009 LEASE AND THE CONTRACTUAL OBLIGATIONS OF THE SCHOOL BOARD UNDER THE SERIES 2009 LEASE DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE SCHOOL BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE ISSUANCE OF THE SERIES 2009 CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE SCHOOL BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATSOEVER THEREFOR AND THE OWNERS OF THE SERIES 2009 CERTIFICATES WILL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION OF THE SCHOOL BOARD OR ANY OTHER GOVERNMENT ENTITY.

THE FAILURE OF THE SCHOOL BOARD TO APPROPRIATE FUNDS FOR BASIC RENT PAYMENTS SHALL, AND THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE LEASE AGREEMENT MAY, RESULT IN TERMINATION OF THE SERIES 2009 LEASE. SHOULD THIS OCCUR, THERE CAN BE NO ASSURANCE THAT THE REMAINING PRINCIPAL OR ACCRUED INTEREST ON THE SERIES 2009 CERTIFICATES WILL BE PAID. SPECIAL COUNSEL WILL EXPRESS NO OPINION AS TO TAX EXEMPTION OR EFFECT OF SECURITIES LAWS UPON TERMINATION OF THE SERIES 2009 LEASE. TRANSFER THEREAFTER OF ALL OR A PORTION OF A SERIES 2009 CERTIFICATE MAY BE SUBJECT TO COMPLIANCE WITH THE REGISTRATION PROVISIONS OF STATE AND FEDERAL SECURITIES LAWS. (SEE "TAX EXEMPTION" AND "RISK FACTORS" HEREIN.)

SEE INSIDE COVER FOR ADDITIONAL INFORMATION RELATED TO THE SERIES 2009 LEASE, THE SERIES 2004 LEASE, THE SERIES 2003 LEASE AND THE MATURITY SCHEDULE

The Series 2009 Certificates are offered when, as and if delivered by the Underwriter, subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the School Board and the Corporation by its Counsel, Williams

Parker Harrison Dietz & Getzen, Sarasota, Florida and by Nabors, Giblin & Nickerson, P.A., Disclosure Counsel. Public Financial Management, Inc., Orlando, Florida is serving as Financial Advisor to the School Board in connection with the issuance of the Series 2009 Certificates. The Series 2009 Certificates are expected to be delivered to the Underwriter through the offices of DTC in New York, New York on or about March __, 2009.

RBC Capital Markets

Citigroup Global Markets Inc.

Raymond James & Associates

Wachovia Bank, National Association

This Offering Statement is dated: March __, 2009

ADDITIONAL INFORMATION

The initial term of the Series 2009 Lease will commence as of the date of delivery of the Series 2009 Certificates and continue through and including June 30, 2009 and is automatically renewable annually thereafter through and including June 30, 2024, unless earlier terminated as described herein. The School Board may enter into other leases under the Lease Agreement in addition to the Series 2009 Lease and is currently a party to the following leases: the Series 2003 Lease, dated as of June 1, 2003 and the Series 2004 Lease, dated as of September 1, 2004. **As of January 27, 2009, of the District's 55 total operational schools, there were approximately 8 schools and 5 additions to schools and related facilities leased under the Lease Agreement. Such figures do not include the two schools constituting the Series 2009 Project that will also be subject to the Lease Agreement upon issuance of the Series 2009 Certificates. Based on the District's full time equivalent enrollment of approximately 40,680 students as of January 27, 2009, approximately 21% of the District's students are attending classes in Projects leased under the Lease Agreement during the Fiscal Year ending June 30, 2009. Such percentage does not include the approximately 2,145 additional student stations comprising the Series 2009 Project that will also be subject to the Lease Agreement upon issuance of the Series 2009 Certificates. (See "THE MASTER LEASED PROJECTS" and "THE SERIES 2009 PROJECT" herein).** When the School Board appropriates lease payments for any of its Projects leased under the Lease Agreement, it must appropriate lease payments for all other Projects leased under the Lease Agreement or none of them. Failure to appropriate funds to pay lease payments under any such Lease, or an event of default under any such Lease, will result in the termination of all Leases, including the Series 2009 Lease. Upon any such termination, any proceeds of the disposition of leased Projects (other than any Designated Equipment, as described herein) will be applied to payment of the related Series of Certificates, all as further described herein. In no event will owners of the Series 2009 Certificates have any interest in or right to any proceeds of the disposition of Projects leased under any Lease other than the Series 2009 Lease. The proceeds of any such disposition of the Projects leased under the Series 2009 Lease shall be applied only to the payment of the Series 2009 Certificates; provided, however, that in the event the School Board issues any Completion Certificates related to the Series 2009 Project or any refunding Certificates related thereto, the proceeds of any such disposition of the Series 2009 Project shall be applied on a pro rata basis to the payment of all of such Certificates. Special Counsel will express no opinion as to tax exemption or the effect of securities laws with respect to the Series 2009 Certificates following an event of non-appropriation or an event of default under the Lease Agreement which results in termination of the Series 2009 Lease. [Under certain circumstances, upon termination of the Lease Agreement, the Insurer, if any, may elect to accelerate all or a portion of the Series 2009 Certificates.] Transfers of the Series 2009 Certificates may be subject to compliance with the registration provisions of state and federal securities laws following an event of non-appropriation or an event of default under the Lease Agreement which results in

termination of the Lease Term (See "TAX MATTERS" and "RISK FACTORS" herein). [In the event, _____ issues a financial guaranty insurance policy with respect to all or a portion of the Series 2009 Certificates, an event of non-appropriation or certain events of default under the Lease Agreement which result in termination of the Lease Term will not result in termination of such financial guaranty insurance policy.]

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS
AND INITIAL CUSIP NUMBERS**

\$ _____ * Serial Series 2009 Certificates

<u>Maturity (July 1)*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial CUSIP Number</u>
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

*Preliminary, subject to change.

THE SCHOOL DISTRICT OF SARASOTA COUNTY, FLORIDA

The School Board

Caroline Zucker	Chair
Shirley Brown	Vice Chair
Dr. Kathy Kleinlein	Boardmember
Frank H. Kovach	Boardmember
Dr. Carol Todd	Boardmember

District Officials

Superintendent of Schools

Lori M. White

Assistant Superintendent

Dr. Hal Nelson

Chief Operating Officer

Scott Lempe

Chief Finance Officer

Mitsi Corcoran

Counsel to The Board

Williams Parker Harrison Dietz & Getzen
Sarasota, Florida

Special Counsel/Disclosure Counsel

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

Financial Advisor

Public Financial Management, Inc.
Orlando, Florida

This Offering Statement does not constitute an offer to sell the Series 2009 Certificates in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, sales representative or other person has been authorized to give any information or make any representations other than as contained in this Offering Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Offering Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of the Series 2009 Certificates by any person in any jurisdiction to which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Offering Statement has been obtained from representatives of the School Board, the Corporation, DTC (as defined herein), _____ (the "Insurer") and other sources that are considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. However, such information is not to be construed as a representation of the Trustee, the Financial Advisor or the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Offering Statement: The Underwriters have reviewed the information in this Offering Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

ANY STATEMENTS IN THIS OFFERING STATEMENT INVOLVING ESTIMATES, ASSUMPTIONS AND MATTERS OF OPINION, WHETHER OR NOT SO EXPRESSLY STATED, ARE INTENDED AS SUCH AND NOT AS REPRESENTATIONS OF FACT, AND THE SCHOOL BOARD, THE CORPORATION, THE TRUSTEE, THE FINANCIAL ADVISOR AND THE UNDERWRITERS EXPRESSLY MAKE NO REPRESENTATIONS THAT SUCH ESTIMATES, ASSUMPTIONS AND OPINIONS WILL BE REALIZED OR FULFILLED. ANY INFORMATION, ESTIMATES, ASSUMPTIONS AND MATTERS OF OPINION CONTAINED IN THIS OFFERING STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFERING STATEMENT, NOR ANY SALE MADE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE SCHOOL BOARD SINCE THE DATE HEREOF OR THE EARLIEST DATE AS OF WHICH SUCH INFORMATION WAS GIVEN.

UPON ISSUANCE, THE SERIES 2009 CERTIFICATES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND

EXCHANGE COMMISSION NOR ANY OTHER INDEPENDENT FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING STATEMENT OR APPROVED THE SERIES 2009 CERTIFICATES FOR SALE.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2009 CERTIFICATES, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2009 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

[Other than with respect to information concerning the Insurer contained under the caption "BOND INSURANCE OPTION" and "APPENDIX I - SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY" herein, none of the information in this offering statement has been supplied or verified by the Insurer and the Insurer makes no representation or warranty, express or implied, as to (1) the accuracy or completeness of such information; (2) the validity of the Series 2009 Certificates; or (3) the tax-exempt status of the interest on the Series 2009 Certificates.]

TABLE OF CONTENTS

Page	Page
INTRODUCTION.....	1
PURPOSE OF THE SERIES 2009	
CERTIFICATES.....	4
THE SERIES 2009 CERTIFICATES.....	4
Form and Denomination	4
Optional Prepayment	5
Mandatory Prepayment.....	5
No Extraordinary Prepayment	6
Notice of Prepayment	6
BOOK-ENTRY ONLY SYSTEM	7
SECURITY FOR THE SERIES 2009	
CERTIFICATES.....	10
General.....	10
Lease Payments.....	10
Limited Obligation of the School Board.....	11
Additional Leases	11
Additional Certificates	12
Non-Appropriation Risk	12
Bond Insurance Option	12
No Reserve Account for Series 2009	
Certificates	13
MUNICIPAL BOND INSURANCE	13
RISK FACTORS	13
Annual Right of the School Board to	
Terminate the Series 2009 Lease	14
No Right of Series 2009 Certificate Owners	
to Direct Remedies with Respect to	
Insured Certificates	14
Tax Exemption.....	15
Applicability of Securities Laws.....	15
Capital Outlay Millage Revenues	15
State Revenues.....	15
Limitation on Disposition; Ability to Sell or	
Relet	16
Additional Lease Schedules	16
Additional Indebtedness.....	16
Certain Constitutional Amendments.....	17
Property Insurance	17
THE MASTER LEASED PROJECTS	18
THE SERIES 2009 PROJECT	19
The Estimated Series 2009 Project Budget.....	19
THE PRIOR PROJECTS.....	20
The Series 2004 Project	20
The Series 1990 Project	20
Designated Equipment	22
THE SERIES 2009 LEASE.....	22
Lease Terms	22
Termination of Lease Term	22
Effect of Termination for Non-	
Appropriation or Default.....	23
Lease Payments.....	24
Insurance and Condemnation Proceeds	25
Lease Covenants	26
Budget and Appropriation.....	26
ESTIMATED SOURCES AND USES OF	
SERIES 2009 CERTIFICATE PROCEEDS	28
CERTIFICATE PAYMENT SCHEDULE.....	29
THE CORPORATION	30
THE SCHOOL DISTRICT OF SARASOTA	
COUNTY, FLORIDA	30
General.....	30
The School Board	31
Superintendent of Schools	31
Administration	32
Academics.....	33
Enrollment	34
Historical Growth	35
Employee Relations and Retirement	
Program.....	35
Constitutional Amendments Related to Class	
Size Legislation.....	37
Accounting and Funds	39
Budget Process.....	41
Auditing System	41
General Fund and Capital Project Fund	
Operations	42
AVAILABLE REVENUES FOR CAPITAL	
OUTLAY PROJECTS.....	46
State Sources.....	47
Special Revenue Sources	49
Local Sources.....	49
Future Projects	50
AD VALOREM TAXATION	51
Property Assessment Procedure.....	51
Recent Legislative Initiatives and	
Constitutional Amendments Concerning	
Ad Valorem Taxes	52
Collection of Taxes	55
Historical Millages.....	57
Assessed Valuation	58
Principal Taxpayers	59
ANTICIPATED CAPITAL OUTLAY	
MILLAGE LEVY REQUIRED TO COVER	
MAXIMUM PRINCIPAL AND INTEREST	
REQUIREMENTS ON THE	
CERTIFICATES.....	60
INVESTMENTS	60
LEGAL MATTERS	61
LITIGATION	62
TAX EXEMPTION.....	62
Opinion of Special Counsel	62
Internal Revenue Code of 1986	63
Collateral Tax Consequences.....	63
Other Tax Matters	64
Original Issue Discount.....	64
Original Issue Premium	65

RATINGS.....	65	UNDERWRITING	67
BASIC FINANCIAL STATEMENTS	66	ACCURACY AND COMPLETENESS OF	
CONTINUING DISCLOSURE.....	66	OFFERING STATEMENT	68
DISCLOSURE REQUIRED BY FLORIDA		AUTHORIZATION OF OFFERING	
BLUE SKY REGULATIONS	67	STATEMENT.....	69
FINANCIAL ADVISOR.....	67		

APPENDICES

APPENDIX A	GENERAL INFORMATION RELATING TO SARASOTA COUNTY, FLORIDA
APPENDIX B	EXCERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2008
APPENDIX C	DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS
APPENDIX D	FORM OF TRUST AGREEMENT
APPENDIX E	FORM OF SERIES 2009 LEASE
APPENDIX F	FORM OF LEASE ASSIGNMENT
APPENDIX G	FORM OF GROUND LEASE AND GROUND LEASE ASSIGNMENT
APPENDIX H	FORM OF OPINION OF SPECIAL COUNSEL
[APPENDIX I	SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY]
APPENDIX J	FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

OFFERING STATEMENT

Related To

§ _____*

**CERTIFICATES OF PARTICIPATION
(School Board of Sarasota County, Florida,
Master Lease Program), Series 2009
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**

INTRODUCTION

This Offering Statement, including the cover page, the inside cover page and appendices hereto, is provided to furnish information with respect to the School Board of Sarasota County, Florida (the "School Board"), and the sale and delivery of the Certificates of Participation (School Board of Sarasota County, Florida, Master Lease Program), Series 2009 (the "Series 2009 Certificates") which are being issued in the aggregate principal amount of \$_____* pursuant to a Master Trust Agreement, dated as of June 1, 2003, as amended and supplemented, particularly as amended and supplemented by a Series 2009 Supplemental Trust Agreement, dated as of March 1, 2009 (collectively, the "Trust Agreement"), each among the School Board, the Financing Corporation for the School Board of Sarasota County, Florida, a Florida not-for-profit corporation (the "Corporation"), and Wells Fargo Bank, National Association, as Trustee, Paying Agent and Registrar (the "Trustee").

The Series 2009 Certificates represent undivided proportionate interests of the owners thereof in the right to receive Basic Rent Payments (as defined herein) payable under a Master Lease-Purchase Agreement between the Corporation and the School Board, dated as of June 1, 2003, as amended and supplemented (the "Lease Agreement"), particularly as amended and supplemented by a Lease Schedule No. 2009, dated as of March 1, 2009 ("Lease Schedule No. 2009," and together with the Lease Agreement, the "Series 2009 Lease").

The School Board is the governing body of the School District of Sarasota County, Florida (the "District"), and has entered into the Lease Agreement for the purpose of lease purchasing from time to time certain educational facilities and, if applicable, sites from the Corporation. The educational facilities to be lease-purchased from time to time are identified on separate lease schedules (each a "Lease Schedule") attached to the Lease

* Preliminary, subject to change.

Agreement. Upon execution and delivery thereof, each Lease Schedule, together with the provisions of the Lease Agreement, constitutes a separate lease agreement (individually a "Lease" and collectively the "Leases").

The School Board has previously entered into Lease Schedule No. 2003, dated as of June 1, 2003, which is automatically renewable annually through and including June 30, 2010 (together with the Lease Agreement, the "Series 2003 Lease"). In connection therewith, \$59,865,000 aggregate principal amount of Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2003 (the "Series 2003 Certificates") were issued for the purpose of refinancing certain educational facilities which are being lease-purchased pursuant to the Series 2003 Lease (the "Series 1990 Project"). The Series 2003 Certificates are currently outstanding in the aggregate principal amount of \$18,230,000.

The School Board has previously also entered into Lease Schedule No. 2004, dated as of September 1, 2004, which is automatically renewable annually through and including June 30, 2015 (together with the Lease Agreement, the "Series 2004 Lease"). In connection therewith, \$50,000,000 aggregate principal amount of Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2004 (the "Series 2004 Certificates") were issued for the purpose of financing certain educational facilities which are being lease-purchased pursuant to the Series 2004 Lease (the "Series 2004 Project"). The Series 2004 Certificates are currently outstanding in the aggregate principal amount of \$36,510,000.

Pursuant to the applicable provisions of Florida law, including particularly Florida Statutes, Chapters 1000-1013, Florida Statutes, the School Board has, by a resolution adopted on February 17, 2009, authorized, among other things, the execution and delivery of Series 2009 Lease. The initial term of the Series 2009 Lease commences on the date of delivery of the Series 2009 Certificates and continues through and including June 30, 2009 and is annually renewable thereafter through and including June 30, 2024, unless earlier terminated as described herein. The educational facilities being lease-purchased by the School Board under the Series 2009 Lease consist of acquisition, construction and installation of a new elementary school and a replacement technical institute, as more particularly described herein (the "Series 2009 Project"). See "THE SERIES 2009 LEASE" and the "THE SERIES 2009 PROJECT" herein.

The right, title and interest of the Corporation in the Lease Agreement, including the right of the Corporation to receive Lease Payments (as defined herein), to use, sell and relet Projects, such as the Series 2009 Project, and to exercise remedies thereunder, other than its rights to indemnification, its right to enter into additional Lease Schedules and its obligation not to impair the tax status of the Series 2009 Certificates, have been irrevocably assigned by absolute assignment to the Trustee pursuant to an Assignment of Lease Agreement, dated as of June 1, 2003, as amended, particularly as amended by a Second Amendment to Assignment of Lease Agreement, dated as of March 1, 2009

(collectively, the "Assignment"). In connection with the execution and delivery of the Series 2009 Lease, the School Board is entering into a Ground Lease Agreement, dated as of March 1, 2009 (the "Ground Lease") with the Corporation whereby the School Board is granting to the Corporation for the benefit of the Series 2009 Certificate Owners a leasehold estate in and to the land on which the Series 2009 Project is located. The Corporation has assigned its rights under the Ground Lease to the Trustee for the benefit of the Owners of the Series 2009 Certificates and the Owners of any Completion Certificates related to the Series 2009 Project and any Certificates issued to refund the Series 2009 Certificates or such Completion Certificates pursuant to an Assignment of Ground Lease, dated as of March 1, 2009.

The following table provides a summary of the Leases that the School Board will be a party to following delivery of the Series 2009 Certificates, the Project financed or refinanced thereby, the final renewal date, the related Series of Certificates and the outstanding principal amount of each Series of Certificates.

<u>Lease</u>	<u>Related Project</u>	<u>Final Termination Date</u>	<u>Related Series of Certificates</u>	<u>Principal Amount Outstanding</u>
Series 2003 Lease	Series 1990 Project	June 30, 2010	Series 2003 Certificates	\$18,230,000
Series 2004 Lease	Series 2004 Project	June 30, 2015	Series 2004 Certificates	\$36,510,000
Series 2009 Lease	Series 2009 Project	June 30, 2024	Series 2009 Certificates	\$_____*

*Preliminary, subject to change.

The District has received a commitment from _____ (the "Insurer" or "_____") for the issuance of a financial guaranty insurance policy (the "Policy") to guarantee, when due, the payment of the principal of and interest on all or a portion of the Series 2009 Certificates. Based on market conditions in existence at the time of pricing, the District will determine whether or not to provide for insurance on all of the Series 2009 Certificates, some of the Series 2009 Certificates or none of the Series 2009 Certificates. In the event the District deems it in its best interest to insure all or a portion of the Series 2009 Certificates, _____ will issue the Policy simultaneously with the issuance of the Series 2009 Certificates. See "BOND INSURANCE OPTION" herein.

The School Board has covenanted and agreed for the benefit of the Series 2009 Certificate Owners to provide certain continuing disclosure information pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). See "CONTINUING DISCLOSURE" herein.

Upon satisfying certain requirements set forth in the Lease Agreement, the School Board may cause the Trustee to issue Additional Certificates from time to time pursuant

to the Master Trust Agreement in addition to the Series 2009 Certificates, the Series 2004 Certificates and the Series 2003 Certificates. See "SECURITY FOR THE SERIES 2009 CERTIFICATES - Additional Certificates" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS - Future Projects" herein.

Brief descriptions of the Series 2009 Certificates, the School Board, the Corporation, the Series 2009 Lease, the Trust Agreement, the Assignment, the Ground Lease and Assignment of Ground Lease are included in this Offering Statement. All references herein to the Series 2009 Certificates, the School Board, the Corporation, the Series 2009 Lease, the Trust Agreement and the Assignment are qualified in their entirety by reference to the respective complete documents. Copies of forms of the Trust Agreement, the Series 2009 Lease, the Assignment and the Ground Lease are included herein as Appendices D, E, F and G, respectively.

Unless otherwise indicated, capitalized terms used in this Offering Statement shall have the same meaning established in the documents referenced in the foregoing paragraph. See "APPENDIX C - DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS" hereto.

PURPOSE OF THE SERIES 2009 CERTIFICATES

The Series 2009 Certificates are being issued for the principal purposes of providing funds sufficient to: (1) finance the acquisition, construction and lease-purchase of the Series 2009 Project and (2) pay costs associated with the issuance of the Series 2009 Certificates.

THE SERIES 2009 CERTIFICATES

Form and Denomination

The Series 2009 Certificates are issuable as fully registered Certificates in denominations of \$5,000 or any integral multiple thereof. The Series 2009 Certificates shall be dated as of the date of delivery thereof and shall mature on July 1 in the years and in the principal amounts set forth on the inside cover page of this Offering Statement. The Interest Component of Basic Rent Payments represented by the Series 2009 Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2009 (each a "Payment Date"). Said Interest Component shall represent an undivided proportionate interest in the Interest Component of Basic Rent Payments due on the December 15 and June 15 preceding each Payment Date as set forth in the Series 2009 Lease to and including the maturity date of each Series 2009 Certificate, at the rates set forth on the inside cover page hereof. Interest will be paid by check or draft of the Trustee, as Paying Agent and Registrar, mailed on each Payment Date to the Owners of the Series 2009 Certificates listed in the registration books maintained by the Trustee on

the fifteenth day of the calendar month (whether or not a business day) next preceding each Payment Date (the "Record Date"). At the prior written request and expense of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2009 Certificates, interest may be payable by bank wire transfer to a bank account located in the continental United States and specified in writing by the Owner thereof to the Trustee at least five (5) days prior to the Record Date prior to such Payment Date.

The principal amount of the Series 2009 Certificates payable at maturity or upon prepayment thereof, whichever is earlier, shall represent an undivided proportionate interest in the Principal Component of Basic Rent Payments on each of the corresponding dates set forth in the Series 2009 Lease. The Principal Component of Basic Rent Payments represented by the Series 2009 Certificates is payable to the Owner thereof upon presentation, when due, at maturity or upon earlier prepayment, at the principal corporate trust office of the Trustee which is located in Minneapolis, Minnesota.

The Series 2009 Certificates will be issued exclusively in "book-entry" form and ownership of one fully registered Series 2009 Certificate for each maturity as set forth on the inside cover page, each in the aggregate principal amount of such maturity will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). For a description of how payment will be made through the offices of DTC so long as the Series 2009 Certificates are held in book-entry form, see "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Prepayment

The Series 2009 Certificates maturing on or before July 1, 20__ shall not be subject to prepayment at the option of the School Board. The Series 2009 Certificates maturing on or after July 1, 20__ may be prepaid from prepayments of Basic Rent made by the School Board pursuant to the Series 2009 Lease, 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 School 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 2009 Certificates or portion thereof to be prepaid, plus accrued and unpaid interest thereon to the optional Prepayment Date.

Mandatory Prepayment

The Series 2009 Certificates maturing on July 1, 20__ shall be subject to mandatory prepayment prior to maturity in part, from payments of the principal portion of Basic Rent Payments on each July 1 in the years and in the amounts set forth below at a Prepayment Price of par plus the interest accrued to the Prepayment Date:

July 1 of the Year

Principal Amount

*

*Final Maturity

No Extraordinary Prepayment

The Series 2009 Certificates are not subject to extraordinary prepayment from insurance or condemnation proceeds related to the Series 2009 Project prior to maturity. See "THE SERIES 2009 LEASE – Insurance and Condemnation Proceeds" herein for information relating to the required use of any such proceeds under the Series 2009 Lease.

Notice of Prepayment

Notice of prepayment of the Principal Component of Basic Rent Payments represented by any of the Series 2009 Certificates and of prepayment of such Series 2009 Certificates shall be mailed, postage prepaid, not more than sixty (60) days nor fewer than thirty (30) days prior to the date of prepayment to the Owners of such Series 2009 Certificates to be prepaid. Such mailing shall not be a condition precedent to such prepayment, and failure to mail any such notice, or any defect in such notice as mailed, shall not affect the validity of the proceeding for the prepayment of such Series 2009 Certificates.

Each such notice shall state: (1) the CUSIP numbers of all Series 2009 Certificates being prepaid, (2) the original issue date of such Series 2009 Certificates, (3) the maturity date and rate of interest borne by each Series 2009 Certificate being prepaid, (4) the prepayment date, (5) the Prepayment Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Series 2009 Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Series 2009 Certificate, the principal amount) of each Series 2009 Certificate to be prepaid, (8) that on such prepayment date there shall become due and payable upon each Series 2009 Certificate to be prepaid the prepayment price thereof, or the prepayment price of the specified portions of the principal thereof in the case of Series 2009 Certificates to be prepaid in part only, together with interest accrued thereon to the prepayment date, and that from and after such date interest thereon shall cease to accrue and be payable, and (9) that the Series 2009 Certificates to be prepaid, whether as a whole or in part, are to be surrendered for payment of the Prepayment Price at the designated corporate trust office of the Trustee at an address specified. Notice of any prepayment of Series 2009 Certificates shall also either (x) 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 2009 Certificates to be prepaid, or (y) be sent only if sufficient money to pay the full

prepayment price of the Series 2009 Certificates to be prepaid is on deposit in the applicable fund or account. In the event the conditions stated in a notice have not been satisfied on the proposed prepayment date, such prepayment shall not occur and such notice shall be of no further force or effect.

BOOK-ENTRY ONLY SYSTEM

THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE SCHOOL BOARD BELIEVES TO BE RELIABLE, BUT THE SCHOOL BOARD TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2009 Certificates. The Series 2009 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2009 Certificates and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard and Poor's highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange

Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2009 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2009 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2009 Certificates ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2009 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2009 Certificates, except in the event that use of the book-entry system for the Series 2009 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2009 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2009 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2009 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2009 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2009 documents. For example, Beneficial Owners of Series 2009 Certificates may wish to ascertain that the nominee holding the Series 2009 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2009 Certificates are being prepaid, DTC's practice is to determine by lot the amount of the

interest of each Direct Participant in such Certificates, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2009 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2009 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2009 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the School Board or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the School Board, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School Board and/or the Trustee for the Series 2009 Certificates. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2009 Certificates at any time by giving reasonable notice to the School Board. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2009 Certificates are required to be printed and delivered.

The School Board may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event, Series 2009 Certificates will be printed and delivered to DTC.

SECURITY FOR THE SERIES 2009 CERTIFICATES

General

The Series 2009 Certificates evidence undivided proportionate interests in Basic Rent Payments to be made by the School Board under the Series 2009 Lease, and are secured by and payable from the Trust Estate established pursuant to the Trust Agreement. The Trust Estate for the Series 2009 Certificates consists of all the estate, right, title and interest of the Trustee in and to the Basic Rent Payments under the Series 2009 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Lease Agreement and Trust Agreement, including investment earnings thereon, and any and all monies received by the Trustee pursuant to the Trust Agreement which are not required to be remitted to the School Board or the Corporation pursuant to the Lease Agreement or the Trust Agreement, including any and all amounts received pursuant to the corresponding Ground Lease.

Neither the Corporation nor the School Board will mortgage or grant a security interest in their respective interests in the Series 2009 Project to the Trustee. Upon termination of the Series 2009 Lease in the case of an Event of Non-Appropriation or in the case of certain Events of Default, however, the Series 2009 Lease provides that the School Board must surrender possession of its leasehold interest in the Series 2009 Project (other than Designated Equipment) to the Trustee as assignee of the Corporation for disposition of such leasehold interest by sale or re-letting of its interest in the Series 2009 Project as provided in the Trust Agreement, and any proceeds of any such disposition will be applied to the payment of the Series 2009 Certificates, after payment of all costs and expenses relating to collection of such monies and the fees and expenses of the Trustee. See "THE SERIES 2009 LEASE - Effect of Termination for Non-Appropriation or Default."

Lease Payments

All Lease Payments and all other amounts required to be paid by the School Board under the Series 2009 Lease and all other Leases will be made only from legally available funds specifically appropriated for such purpose by the School Board. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS" herein.

The Trust Agreement provides for the establishment and maintenance of Series 2009 Subaccounts of the Interest Account and Principal Account for the deposit of Basic Rent Payments appropriated and paid under the Series 2009 Lease. Separate Subaccounts of the Interest Account and Principal Account are established for each Series of Certificates issued under the Trust Agreement. Lease Payments due under all Lease Schedules to the Lease Agreement are subject to annual appropriation by the School Board on an all-or-none basis and are payable on a parity basis solely from legally available funds appropriated by the School Board for such purpose; provided that Lease

Payments with respect to a particular Lease Schedule and series of Certificates may be additionally and separately secured by a Credit Facility. There is no limit on the number of additional Projects that may be financed under the Lease Agreement. Such additional Projects may be financed through the sale of additional series of Certificates under the Trust Agreement. THE SCHOOL BOARD MAY NOT BUDGET AND APPROPRIATE FOR A PORTION OF LEASE PAYMENTS DUE WITH RESPECT TO THE PROJECTS LEASED UNDER THE LEASE AGREEMENT; IT MUST BUDGET AND APPROPRIATE FOR ALL SUCH LEASE PAYMENTS OR NONE OF THEM. THERE CAN BE NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE APPROPRIATED OR OTHERWISE BE MADE AVAILABLE TO MAKE ALL OF THE LEASE PAYMENTS DUE UNDER THE LEASE AGREEMENT.

Limited Obligation of the School Board

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS TO MAKE LEASE PAYMENTS. NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WILL BE OBLIGATED TO PAY, EXCEPT FROM APPROPRIATED FUNDS, ANY SUMS DUE UNDER THE SERIES 2009 LEASE FROM ANY SOURCE OF TAXATION WHATSOEVER. THE FULL FAITH AND CREDIT OF THE DISTRICT AND THE SCHOOL BOARD IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

Additional Leases

The School Board expects to enter into additional Lease Schedules under the Lease Agreement in addition to the Series 2009 Lease, the Series 2004 Lease and the Series 2003 Lease. Failure to appropriate funds to make Lease Payments under the Series 2009 Lease, the Series 2004 Lease, the Series 2003 Lease or any additional Lease will, or certain Events of Default under such Leases may, result in the termination of the Lease Term of all Leases, including the Series 2009 Lease. Upon any such termination of the Lease Term of all Leases, the School Board must surrender all Projects, including the Series 2009 Project (but not any Designated Equipment) to the Trustee for sale or re-letting of the Trustee's interest. The proceeds of any such disposition of the Series 2009 Project will be applied to the payment of the Series 2009 Certificates, after payment of all costs and expenses relating to collection of such monies and the fees and expenses of the Trustee. **In no event will owners of the Series 2009 Certificates have any interest in or right to any proceeds of the disposition of Projects financed with the proceeds of another Series of Certificates.** There can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Term of all Leases and the

disposition of the Projects will produce sufficient amounts to pay the outstanding Certificates.

For a discussion of remedies available to the Trustee in the Event of the Non-Appropriation of funds to pay Lease Payments, see "THE SERIES 2009 LEASE - Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default." For a discussion of remedies available to the Trustee in the Event of Default by the School Board under any Lease, see "THE SERIES 2009 LEASE - Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default" and "APPENDIX E - FORM OF SERIES 2009 LEASE."

Additional Certificates

With respect to any additional Lease, one or more Series of Certificates may be authorized by the Corporation at the request of the School Board and executed and delivered by the Trustee for the purpose of (1) financing the cost of acquisition, construction, installation and equipping of any Projects, (2) financing the cost of completing the acquisition, construction, installation and equipping of any Projects, (3) funding a Reserve Account in an amount equal to the applicable Reserve Account Requirement, if any, (4) capitalizing the interest portion of Basic Rent Payments during construction, or (5) paying the applicable Costs of Issuance. The aggregate principal amount of additional Certificates which may be executed and delivered under the provisions of the Trust Agreement is not limited. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS - Future Projects" herein.

Non-Appropriation Risk

THE SCHOOL BOARD IS NOT LEGALLY REQUIRED TO APPROPRIATE MONEYS FOR THE PURPOSE OF MAKING LEASE PAYMENTS. FOR A DISCUSSION OF REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF THE NON-APPROPRIATION OF FUNDS TO PAY LEASE PAYMENTS, SEE "THE SERIES 2009 LEASE - TERMINATION OF LEASE TERM" AND "- EFFECT OF TERMINATION FOR NON-APPROPRIATION OR DEFAULT" HEREIN. THERE CAN BE NO ASSURANCE THAT THE REMEDIES AVAILABLE TO THE TRUSTEE IN THE EVENT OF NON-APPROPRIATION WILL PRODUCE SUFFICIENT AMOUNTS TO PAY THE OUTSTANDING SERIES 2009 CERTIFICATES.

Bond Insurance Option

The District has received a commitment from _____ for the issuance of the Policy to guarantee, when due, the payment of the principal of and interest on all or a portion of the Series 2009 Certificates. Based on market conditions in existence at the time of pricing, the District will determine whether or not to provide for insurance on all

of the Series 2009 Certificates, some of the Series 2009 Certificates or none of the Series 2009 Certificates. In the event the District deems it in its best interest to provide for insurance on all or a portion of the Series 2009 Certificates, _____ will issue the Policy simultaneously with the issuance of the Series 2009 Certificates. See "BOND INSURANCE OPTION" herein.

No Reserve Account for Series 2009 Certificates

There is no Reserve Account for the Series 2009 Certificates. However, pursuant to a Supplemental Trust Agreement authorizing the issuance of any Series of Certificates, there may be established and maintained a separate Reserve Account to secure the payment of the principal and/or interest portion of the Basic Rent Payments related to such Series of Certificates. Each such Reserve Account shall secure only the Series of Certificates for which it has been established. See "APPENDIX D - FORM OF TRUST AGREEMENT."

MUNICIPAL BOND INSURANCE

At the option of the District, as determined at the time of pricing, payment of the principal and interest on the Series 2009 Certificates when due may be insured by the Policy issued by _____. The District may elect to provide for insurance with respect to all of the Series 2009 Certificates, some of the Series 2009 Certificates or none of the Series 2009 Certificates. In the event the District exercises its option to have _____ issue the Policy for all or a portion of the Series 2009 Certificates, the following provisions shall apply with respect to such insured Series 2009 Certificates.

_____ has supplied the following information for inclusion in this Offering Statement. No representation is made by the School Board or the Underwriters as to the accuracy or completeness of this information. See APPENDIX I hereto for a specimen of the Policy.

[To Come]

RISK FACTORS

THE PURCHASE OF THE SERIES 2009 CERTIFICATES IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2009 CERTIFICATES IS ENCOURAGED TO READ THIS OFFERING STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE MARKET PRICE OF THE SERIES 2009 CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

Annual Right of the School Board to Terminate the Series 2009 Lease

Although the School Board has determined that the Series 2009 Project is necessary to its operations and currently intends to continue the Series 2009 Lease with respect to the Series 2009 Project for the Maximum Lease Term, the School Board is not required to appropriate funds for Basic Rent Payments. If for any Fiscal Year the School Board does not approve a tentative Budget and a final Budget in accordance with State law which appropriates sufficient funds from Available Revenues providing for payment of all Lease Payments for all Projects under the Lease Agreement, the Lease Agreement shall terminate as of the last day of the then Initial Lease Term or last Renewal Lease Term for which moneys have been budgeted and appropriated with respect to the Series 2009 Project and all other Projects financed thereunder, and the School Board will not be obligated to make Lease Payments accruing or arising thereafter, and the School Board shall be required to surrender use, possession and control of the Series 2009 Project (other than certain Designated Equipment) and all other Projects to the Trustee within 30 Business Days after the date on which such Event of Non-Appropriation occurs.

The likelihood that the Lease Agreement will be terminated as the result of an Event of Non-Appropriation is dependent upon certain factors that are beyond the control of the Series 2009 Certificate Owners, including the continuing future utility of the Series 2009 Project and other Projects to the School Board, including the Series 1990 Project and the Series 2004 Project, and changes in population or demographics within Sarasota County.

No Right of Series 2009 Certificate Owners to Direct Remedies with Respect to Insured Certificates

[In the event the Policy is issued with respect to all or a portion of the Series 2009 Certificates, termination of the Lease Agreement, in and of itself, will not result in termination of the Policy issued by the Insurer. Unless the Insurer is in default of its payment obligations under the Policy, the Insurer is entitled to control and direct any of the rights or remedies of the Trustee including the right to direct the Trustee as to whether or not to re-let or sell the Series 2009 Project. Upon the occurrence of an Event of Default under the Trust Agreement, the Insurer may elect to accelerate the maturity of all of the insured Series 2009 Certificates outstanding, in which case the principal and interest represented by such Series 2009 Certificates shall become due and payable immediately. If the Insurer does not elect to accelerate the maturity of all insured Series 2009 Certificates outstanding, it has an obligation to continue to make payments to Series 2009 Certificate Owners in accordance with the original schedule of Basic Rent Payments represented by such Series 2009 Certificates. However, the Insurer has no fiduciary responsibility to the Series 2009 Certificate Owners with respect to the direction of such remedies and has no obligation to preserve the exclusion from gross income for federal income tax purposes of amounts paid to Series 2009 Certificate Owners by the Insurer and designated as interest.]

Tax Exemption

Upon termination of the Lease Agreement, there is no assurance that payments made by the Trustee [or the Insurer] with respect to the Series 2009 Certificates and designated as interest will be excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein.

Applicability of Securities Laws

After termination of the Lease Agreement, the transfer of a Series 2009 Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2009 Certificates (and, consequently, the market price thereof) will not be impaired following termination of the Lease Agreement.

Capital Outlay Millage Revenues

The amounts derived by the District from the levy of the Capital Outlay Millage can be affected by a variety of factors which are not within the School Board's control, including, without limitation, fluctuations in the assessed valuation of the property within the District and the amount of general business activity, growth and new construction which occurs within the District. Therefore, there can be no assurances that such revenues will not decrease in the event that such growth and new construction, for whatever reason, decreases or ceases altogether within Sarasota County. The maximum Capital Outlay Millage that may be levied and used for Lease Payments may also be adversely affected pursuant to changes in applicable law. See "AD VALOREM TAXATION - Recent Legislative Initiatives and Constitutional Amendments Concerning Ad Valorem Taxes" herein for information regarding recent legislation that reduces the maximum Capital Outlay Millage levy.

State Revenues

A large portion of the District's funding is derived from State sources. See "AVAILABLE REVENUES FOR CAPITAL OUTLAY PURPOSES - State Sources" herein. The amounts budgeted for distribution from the State to the District are subject to change in the event that projected revenues are not realized. Due to the current economic downturn, a large portion of the State's primary revenue source, sales tax, has been affected. Actual revenues are significantly lower than projected and the State has had to reduce their share of funding for education. In October, 2007, the State Legislature convened in a special session focused on reducing the State budget by approximately \$1.2 billion in response to such shortfalls. The District lost approximately \$4.6 million in revenues as a result of such budget cuts. Additional budget cuts were also made during the 2008 legislative session resulting in the District losing another \$15.5 million in revenues compared to the original Fiscal Year 2007-2008 budget. Moreover, the State

Legislature recently concluded a special session on January 16, 2009 focused on reducing the State budget by an additional estimated \$2.3 billion. The impact to the District is anticipated to be an approximately \$6.1 million reduction for the 2008-09 Fiscal Year. It is anticipated that additional cuts may occur during the next session of the State legislature, which convenes in March 2009.

Limitation on Disposition; Ability to Sell or Relet

Following an Event of Default under the Trust Agreement (which includes the occurrence of an Event of Default or an Event of Non-Appropriation under the Lease Agreement), the Trustee may take possession of the Series 2009 Project (other than any Designated Equipment). The Trustee's ability to actually achieve such a disposition of the Series 2009 Project is limited by its inability to convey fee simple title to such Project and the governmental nature of the Series 2009 Project. Moreover, it is possible that a court of competent jurisdiction could enjoin the sale or reletting of the Trustee's interest in the Series 2009 Project because of the essential governmental nature thereof. See "THE SERIES 2009 LEASE - Effect of Termination for Non-Appropriation or Default" herein.

Additional Lease Schedules

The School Board may enter into other Lease Schedules in addition to Lease Schedule No. 2009, Lease Schedule No. 2004 and Lease Schedule No. 2003. Failure to appropriate funds to make Lease Payments under any such Lease Schedule will, or an Event of Default under any such Lease may, result in the termination of all Lease Schedules, including Lease Schedule No. 2009. Upon any such termination of all Lease Schedules, the School Board must surrender all Projects (other than any Designated Equipment), including the Series 2009 Project (other than any Designated Equipment), to the Trustee for sale or lease. The proceeds of any such disposition of Projects will be applied to the payment of the applicable Certificates, after payment of all costs and expenses relating to the collection of such monies and the fees and expenses of the Trustee. In no event will owners of the Series 2009 Certificates have any interest in or right to any proceeds of the disposition of facilities financed or refinanced with the proceeds of another Series of Certificates (other than any Refunding Certificates or Completion Certificates related to the Series 2009 Project). There can be no assurance that the remedies available to the Trustee upon any such termination of all Lease Schedules and the disposition of the Series 2009 Project (other than any Designated Equipment) will produce sufficient amounts to pay the outstanding Series 2009 Certificates.

Additional Indebtedness

The School Board may issue additional indebtedness other than in connection with the Lease Agreement secured by or payable from revenues which would otherwise be

available to make Lease Payments without the consent of the Series 2009 Certificate holders. The incurrence of such additional indebtedness by the School Board may adversely affect the School Board's ability to make Basic Rent Payments under the Leases.

Certain Constitutional Amendments

See "THE SCHOOL DISTRICT OF SARASOTA COUNTY, FLORIDA – Constitutional Amendments Related to Class Size Legislation" and "AD VALOREM TAXATION - Recent Legislative Initiatives and Constitutional Amendments Concerning Ad Valorem Taxes" herein for information concerning certain amendments to the Florida Constitution and other proposed legislation that could materially adversely affect the School Board's financial situation.

Property Insurance

Principally as a result of the substantial property damage caused by hurricanes and other storms in Florida and other parts of the United States over the last several years, property insurance premiums have risen dramatically for Florida property owners. It has become impossible or economically impracticable for many school districts within the State, including the District, to obtain property insurance with the level of coverage they have historically secured. As a result, no assurance can be given that property and casualty insurance coverage may be obtained which will insure for the full replacement value of the Board's facilities, including the Series 2009 Project, leased under the Master Lease Program. The Board is currently unable to insure such full replacement value of all the Projects leased under the Lease Agreement.

The Board has covenanted in the Series 2009 Lease to procure and maintain throughout the Lease Term, subject to the requirements of State law, insurance against loss or damage to any part of the Projects by fire or lightning, with extended coverage and vandalism and malicious mischief insurance. Such extended coverage insurance will, as nearly as practicable, also cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. The Series 2009 Lease requires that such insurance be in an amount equal to the lesser of (i) one hundred percent (100%) of the replacement cost of the Projects, (ii) the Principal Component of the Basic Rent Payments then remaining unpaid, (iii) the amount of \$70,000,000 per occurrence or, (iv) such lesser amount as is available at commercially reasonable costs, as set forth in a Certificate of an Insurance Consultant filed with the Board, the Trustee and the Credit Enhancer, if any. Such insurance may be subject to deductible clauses not to exceed \$250,000 in the aggregate for any one loss or, in the case of windstorm damage, five percent (5%) of the replacement cost. For the current period ending May 1, 2009, the Board has obtained \$70,000,000 of insurance coverage for all perils, including windstorm, fire and other hazards. The current deductible for windstorm damage is 5% of damaged values with a \$250,000 minimum,

which is the only coverage available to the Board at commercially reasonable rates. The Board's deductible for all other perils is \$250,000. In the event the District suffers substantial damage to its property that is not covered by its current insurance or is not eligible for Federal reimbursement, the District's financial condition could be adversely impacted.

THE MASTER LEASED PROJECTS

The Series 2009 Project is being financed under the School Board's existing Lease Agreement as part of the School Board's master lease purchase program (the "Master Lease Program") with the Corporation. The Projects financed or refinanced by the School Board under the Master Lease Program are subject to annual appropriation on an all-or-none basis. **As of January 27, 2009, of the District's 55 total operational schools, there were approximately 8 schools and 5 additions to schools and related facilities leased under the Lease Agreement. Such figures do not include the two schools constituting the Series 2009 Project that will also be subject to the Lease Agreement upon issuance of the Series 2009 Certificates. Based on the District's full time equivalent enrollment of approximately 40,680 students as of January 27, 2009, approximately 21% of the District's students are attending classes in Projects leased under the Lease Agreement during the Fiscal Year ending June 30, 2009. Such percentage does not include the approximately 2,145 additional student stations comprising the Series 2009 Project that will also be subject to the Lease Agreement upon issuance of the Series 2009 Certificates.** Under certain conditions set forth in the Lease Agreement, prior to the Completion Date with respect thereto, the School Board may substitute or add components to the Projects and modify the plans and specifications thereof. For a complete description of the Projects under the Master Lease Program see "THE SERIES 2009 PROJECT" and "THE PRIOR PROJECTS" below.

Pursuant to the Lease Agreement, the School Board does not have the ability to appropriate Basic Rent Payments for one Project or some combination of Projects only. The School Board's annual appropriation for Basic Rent Payments must be for all Projects under the Master Lease Program or it must terminate all Projects under the Master Lease Program (other than certain Designated Equipment). In the event the School Board decides not to appropriate funds in its annual budget for all of such financed Projects, the School Board would, at the Trustee's option, have to surrender such Projects (except for certain Designated Equipment), including the Series 2009 Project to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Projects.

THE SERIES 2009 PROJECT

The Series 2009 Certificates are being issued to effect the lease purchase financing and acquisition, construction and equipping of the Series 2009 Project, the leasing of the Premises by the School Board to the Corporation pursuant to the Ground Lease and the subleasing of the Premises back to the School Board pursuant to the Series 2009 Lease. All of the facilities constituting the Series 2009 Project are located within the District. The Series 2009 Project consists of a new elementary school and a replacement technical school, each of which are generally described below.

Elementary School "I": This will be a new Elementary school for 920 student stations, which is scheduled to be completed in July of 2009. The new school will be built on a 32-acre site located at 4701 Huntsville Avenue, North Port, Florida. The new campus will be comprised of two buildings, which in aggregate will contain approximately 130,000 square feet of space. The school will contain nine kindergarten classrooms, 27 primary classrooms, 14 intermediate classrooms, three skills labs, a science lab, an art lab, a music lab, six resource rooms, ESE part- and full-time classrooms, administrative and counseling offices, a media center, a cafetorium and a covered play area. In total, there will be 50 classrooms. Site improvements will provide parking facilities with a student drop-off loop and a separate bus loop, as well as playfields and playgrounds.

Sarasota County Technical Institute Replacement - Phases IA & II: This will be a partial replacement of an existing school on an approximately 72-acre site located at 4748 Beneva Road, Sarasota, Florida. These phases are designed for 1,225 student stations. The gross area to be constructed or remodeled is 204,902 square feet. The new structures will include a three-story classroom building, a television production studio, a cafeteria, a culinary arts facility/restaurant, a mini conference center, a media center and an administration suite. Completion of these two phases is scheduled for May, 2010.

The Estimated Series 2009 Project Budget.

The following table sets forth the School Board's current estimates of the cost of the Series 2009 Projects to be leased under the Series 2009 Lease. Actual costs may be greater or less than those shown.

<u>Project Description</u>	<u>Design/ Construction</u>	<u>Equipment</u>	<u>Project Cost</u>
Elementary School "I"	\$22,060,000	\$3,236,500	\$24,643,500
Sarasota County Technical Institute Phases IA & II	<u>45,830,000</u>	<u>15,200,000</u>	<u>61,030,000</u>
Total	\$69,030,000	\$18,436,500	\$87,466,500

The foregoing reflects the current expectations of the School Board as of the date of this Offering Statement as to the nature, scope and cost of such corrective work and is

subject to change and amendment. Under certain conditions set forth in the Series 2009 Lease, the School Board may substitute components of the Series 2009 Project and modify the plans and specifications therefore. See "APPENDIX E – FORM OF SERIES 2009 LEASE" hereto.

THE PRIOR PROJECTS

The Series 2004 Project

The Series 2004 Project consists of acquisition, construction, installation and lease-purchase of the following three elementary schools:

1. Phillippi Shores Elementary. This is a new elementary school for 970 student stations, which was completed in July 2005 at a cost of \$16,539,351. The new school was built on a 13.2-acre site at the same location of the school which it replaced. The new campus is comprised of five buildings, which in aggregate contain approximately 112,000 square feet of space. The school contains administrative and counseling offices, a media center, a cafetorium, a custodial building, a covered play area and a two-story classroom wing. In total, there are 46 classrooms.

2. Venice Elementary School. This is a new elementary school located on an approximately 16-acre site located directly north of the school which it replaced. The new school building is a two story 111,386 square foot structure containing classrooms for 970 student stations. Site work included new bus and car parking areas, new playgrounds, developed storm water areas, and utility services. This school was completed in July 2005 at a cost of \$16,181,963.

3. Wilkinson Elementary School. This is a replacement and remodel of an existing school on a 19+ acre site. The school at completion is designed for 970 student stations. The gross area constructed or remodeled is 132,526 square feet. The new structures include a multipurpose building, media center, 2-story classroom building, administration building and a chiller plant. The remodeled area consists of 2 classroom buildings. This school was completed in October 2006 at a cost of \$18,135,078.

The Series 1990 Project

The Series 1990 Project consists of projects which were initially financed with proceeds derived from the Corporation's bonds which were issued in 1990 and refinanced under the Trust Agreement with proceeds of the Series 2003 Certificates and includes the following facilities:

1. Sarasota Middle School. This is a middle school for approximately 1,300 students, located on a 40 acre mid-county site, which was completed in August 1993 at a

cost of \$15,326,746. Approximately \$1,803,000 of Designated Equipment was purchased for this component of the 1990 Project.

2. Laurel Nokomis Middle School. This is a middle school for approximately 1,300 students, located on a 57.6-acre south county site, which was completed in August 1992 at a cost of \$18,563,838. Approximately \$1,803,000 of Designated Equipment was purchased for this component of the 1990 Project.

3. Booker Middle School. This is a middle school for approximately 1,300 students, located on a 42.4-acre north county site, which was completed in August 1993 at a cost of \$16,606,183. Approximately \$1,803,000 of Designated Equipment was purchased for this component of the 1990 Project.

4. Pine View School. This is a school for grades 2 through 12 on an approximately 40 acre tract of land which was completed in November 1993 at a cost of \$17,591,673. The school has a capacity of approximately 1,200 students. Approximately \$1,200,000 of Designated Equipment was purchased for this component of the 1990 Project

5. Oak Park Exceptional Student Educational Center. This is a 121,000 square foot building for the instruction of approximately 400 students (grades K-12) with varying handicaps or behavioral and emotional problems which was completed in May 1993 at a cost of \$15,491,367.

6. Transportation/Maintenance Facility. This is a transportation and maintenance facility of approximately 40,000 square feet located on 30 acres of a 77-acre site which was completed in October 1991 at a cost of \$7,223,668. The facilities provide maintenance and servicing for school buses and office space to administrative routing and driver training. Approximately \$720,000 of Designated Equipment was purchased for this facility.

7. North County Bus Depot. This is a concrete block walled building which houses approximately 100 buses and 100 cars, light maintenance and fueling operations. The Bus Depot was completed in September 1991 at a cost of \$1,247,165.

8. Purchasing Facilities. This is a concrete block walled building with structural steel framing and metal roof which provides facilities for the purchasing and housing of supplies, materials, furniture and equipment. The facility was completed in December 1992 at a cost of \$6,249,150. Approximately \$525,000 of Designated Equipment was purchased for this facility.

9. Toledo Blade Elementary. This is an elementary school which was completed in December 1992 at a cost of \$10,059,837. Approximately \$555,000 of Designated Equipment was purchased for this facility.

10. Venice High School Media Center. This is a new media center at Venice High School which was completed in February 1993 at a cost of \$3,709,301. Approximately \$500,000 of Designated Equipment was purchased for this Center.

Designated Equipment

The Series 2009 Project, and the other Projects under the Master Lease Program, include Designated Equipment which consists of certain facilities and equipment components not constituting fixtures of the educational facilities described above. Upon the occurrence of an Event of Non-Appropriation or an Event of Default, the Owners of the Series 2009 Certificates will have no rights to the components of the Series 2009 Project constituting Designated Equipment.

THE SERIES 2009 LEASE

The following is a brief summary of certain provisions of the Series 2009 Lease, and is not intended to be definitive. The Series 2009 Lease is provided in "APPENDIX E - FORM OF SERIES 2009 LEASE" hereto.

Lease Terms

Under the Series 2009 Lease, the Corporation leases to the School Board the Series 2009 Project. The Initial Term under the Series 2009 Lease commences on the date of delivery of the Series 2009 Certificates and continues to and including June 30, 2009 and is automatically renewable annually thereafter through and including June 30, 2024, unless sooner terminated in accordance with the provisions of the Series 2009 Lease.

Termination of Lease Term

As described under "SECURITY FOR THE SERIES 2009 CERTIFICATES - Additional Leases" the School Board is expected to enter into additional Leases. The Lease Term of the Leases, including the Series 2009 Lease, will terminate upon the earliest of any of the following events:

- (a) Each Lease will terminate on the last Payment Date set forth in such Lease (assuming all Lease Payments have been made);
- (b) All Leases will terminate upon an Event of Non-Appropriation of funds for the payment of any Lease Payments;
- (c) All Leases will terminate upon a default by the School Board with respect to any Lease and the termination of the Lease Term of all Leases by the Trustee pursuant to the Lease Agreement; and

(d) A particular Lease will terminate upon payment by the School Board of the purchase price of all of the particular Projects leased under such Lease by the School Board or upon provision for such payment pursuant to the Lease Agreement.

Effect of Termination for Non-Appropriation or Default

Upon termination of the Lease Term for a reason referred to in (b) or (c) under "THE SERIES 2009 LEASE - Termination of Lease Term" above, the School Board is required to surrender and deliver possession of all the Projects financed under all Leases to the Trustee, other than any Designated Equipment, as further described below. Upon such surrender, the Trustee will sell or re-let the School Board's leasehold interest in such Projects in such manner and to such person or persons for any lawful purpose as it, in its or the Insurer's, if any, sole discretion, determines to be appropriate. The proceeds derived from any such sale or re-letting of the leasehold interest in such Projects will be applied to the payment in full of the Certificates relating to such Projects, after payment of all costs and expenses relating to the collection of such monies and the fees and expenses of the Trustee and then as described in the corresponding Lease. **The proceeds of any such disposition of the Series 2009 Project will be applied solely to the payment of the Series 2009 Certificates; provided, however, that in the event the School Board issues any Completion Certificates related to the Series 2009 Project or any refunding Certificates related thereto, the proceeds of any such disposition of the Series 2009 Project shall be applied on a pro rata basis to the payment of all of such then outstanding Certificates.** Except as described in the preceding sentence, in no event will owners of the Series 2009 Certificates have any interest in or right to any proceeds of the disposition of Projects financed or refinanced with the proceeds of another Series of Certificates. For a description of the remedies available to the Trustee if the School Board refuses or fails to voluntarily deliver possession of the Project to the Trustee, see "APPENDIX E - FORM OF SERIES 2009 LEASE" hereto.

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under "THE SERIES 2009 LEASE - Termination of Lease Term" above, the School Board will be under no obligation to transfer possession of and/or title to any Designated Equipment to the Trustee, as assignee of the Corporation, and the Trustee will have no right under the Lease to involuntarily dispossess the School Board of the use and enjoyment of, or title to, any Designated Equipment.

There can be no assurance that the remedies available to the Trustee upon any termination of the Lease Term of the Leases for an Event of Non-Appropriation or default and the disposition of the corresponding Project will produce sufficient amounts to pay the outstanding Certificates. The federal income tax status of payments made to Certificate holders after such termination may also be adversely affected. See "TAX MATTERS" herein. Further, after such termination of the Lease Term of the Leases, transfer of Certificates may be subject to the registration provisions of applicable federal

and state securities laws. Accordingly, there is no assurance that the market for the Series 2009 Certificates will not be impaired following termination of the Lease Term of the Leases.

Lease Payments

Subject to the conditions stated in the Lease, the School Board has expressed its current intent to make all Lease Payments under the Series 2009 Lease; PROVIDED, HOWEVER, THAT NEITHER THE SCHOOL BOARD, THE DISTRICT, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, IS OBLIGATED TO PAY, EXCEPT FROM SPECIFICALLY APPROPRIATED FUNDS, ANY SUMS DUE TO THE CORPORATION UNDER THE LEASES FROM ANY SOURCE OF TAXATION, AND THE FULL FAITH AND CREDIT OF THE SCHOOL BOARD AND THE DISTRICT IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE THEREUNDER, AND SUCH SUMS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE SCHOOL BOARD OR THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE ISSUANCE OF THE SERIES 2009 CERTIFICATES WILL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE SCHOOL BOARD, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATSOEVER THEREFOR AND THE OWNERS OF THE SERIES 2009 CERTIFICATES WILL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION OF THE SCHOOL BOARD OR ANY OTHER GOVERNMENT ENTITY. All Lease Payments due under all Leases will be made from current or other funds authorized by law and regulations of the State Department of Education and appropriated for such purpose by the School Board.

On June 15 and December 15 of each year, the Basic Rent Payment Date preceding each Payment Date, the School Board is required to pay to the Trustee the Basic Rent Payment then due. The School Board is also required to pay, when due, additional Lease Payments and Supplemental Rent, consisting of, among other things, fees and expenses of the Trustee and the Corporation. Lease Payments due under a Lease may be reduced, when applicable, by amounts credited as follows:

(a) The Trustee will deposit into the appropriate account of the Lease Payment Fund interest income in accordance with the Trust Agreement and apply such interest income as provided in the Trust Agreement.

(b) On completion of the acquisition and construction of the corresponding Project and the payment of all Costs of the corresponding Project or upon termination of the Lease Term, the amounts, if any, remaining on deposit in the corresponding subaccount of the Project Account will be transferred to the related subaccounts of the Interest Account and Principal Account, to be applied to

Basic Rent Payments next coming due under the related Lease; provided, however, that if, upon completion of the acquisition, construction, installation and payment of all Costs of such Project, there shall remain in the corresponding subaccount of the Project Account an amount greater than the Prepayment Amount under such Lease, such remaining amount shall be transferred to the corresponding account of the Prepayment Fund; provided, if the excess amount then remaining in such subaccount of the Project Account is less than such Prepayment Amount or if there is no designated Prepayment Amount, such excess amount shall be deposited first, into the subaccount of the Interest Account established in relation to such Project to the extent necessary to fund such Account for the next two Payment Dates, and second, to the Principal Account established in relation to such Project. Pursuant to the Series 2009 Lease, no designated Prepayment Amount is established with respect to the Series 2009 Certificates.

(c) There will be deposited in the appropriate accounts of the Lease Payment Fund or the Prepayment Fund, as the case may be, Net Proceeds realized in the event of damage, destruction or condemnation as provided for in the related Lease, to be applied to Basic Rent Payments under such Lease or the Prepayment Price of the related Certificates. Pursuant to Lease Schedule No. 2009 and the Trust Agreement, the Net Proceeds of any insurance or condemnation award with respect to the Series 2009 Project shall be applied as described in "-Insurance and Condemnation Proceeds" below.

Insurance and Condemnation Proceeds

The School Board has agreed in the Series 2009 Lease and the Trust Agreement that notwithstanding the provisions set forth in Sections 5.08(c) and (d) of Lease Agreement, the School Board may elect not to repair, restore or replace the Series 2009 Project or any portion thereof which has been destroyed, damaged or lost or condemned, with the Net Proceeds of any insurance or condemnation award, by filing a certificate with the Trustee [and the Insurer] for the Series 2009 Certificates stating that (i) the Board has made such an election and (ii) it is not in the best interests of the Board to repair, restore or replace such Series 2009 Project or portion thereof. Upon such an election, the Board shall apply the Net Proceeds of such insurance or condemnation award to the acquisition, construction and installation of other Land, and/or Buildings to be used for educational purposes that will be subject to Lease Schedule No. 2009; provided that if [the Insurer consents thereto] such proceeds may be used for Equipment, the Costs of the other components of the Series 2009 Project or in connection with Projects to be used for other than instructional, educational purposes. See "THE SERIES 2009 CERTIFICATES – No Extraordinary Prepayment" herein.

Lease Covenants

Under the Leases, the School Board shall be responsible for acquisition, construction, installation and equipping of the Projects pursuant to the specifications of the School Board, including the letting of all contracts for the acquisition, construction, installation and equipping of the Projects. In the Leases, the School Board covenants that it will (1) maintain the Projects at all times during the Lease Term in good repair and condition, (2) pay applicable taxes, utility charges and other governmental charges, and (3) provide applicable insurance coverage, including property and liability insurance (which may be provided for through a self-insurance program of the School Board), all in accordance with the terms and provisions relating to these requirements, contained in the Leases.

Budget and Appropriation

The cost and expense of the performance by the School Board of its obligations under the Leases and the incurrence of any liabilities of the School Board under the Leases including, without limitation, the payment of all Lease Payments and all other amounts required to be paid by the School Board under all Leases, are subject to and dependent on appropriations being duly made from time to time by the School Board for such purpose. Under no circumstances will the failure of the School Board to appropriate sufficient funds constitute a default or require payment of a penalty, or in any way limit the right of the School Board to purchase or utilize educational facilities similar in function to those leased under any Lease.

The Series 2009 Lease shall initially terminate at the end of the Initial Lease Term (June 30, 2009) relating to the Series 2009 Project, but shall automatically be renewed for each Renewal Lease Term relating thereto; provided, that such automatic renewal shall not occur and the Series 2009 Lease shall terminate as of the end of the current Initial or applicable Renewal Lease Term if the School Board does not approve a tentative Budget and a final Budget in accordance with State law which appropriates sufficient funds from Available Revenues for such purpose to continue making Lease Payments in full for the next succeeding Renewal Lease Term for all Projects leased under the Lease Agreement beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments had been budgeted and appropriated (an "Event of Non-Appropriation"); provided, further, that in the event the School Board's tentative or final Budget for such ensuing Renewal Lease Term is not adopted prior to the expiration of the then current Initial Lease Term or Renewal Lease Term relating to a Project, the Lease Term relating thereto shall be deemed renewed pending the adoption of such tentative Budget and final Budget and the School Board shall be liable for any Lease Payments coming due during such period but only if the tentative Budget and final Budget makes available to the School Board moneys which may legally be used to make the Lease Payments coming due during such period. Upon the occurrence of an Event of Non-Appropriation, the Board will not be obligated to pay Lease Payments beyond the then current Fiscal Year

but will not be relieved of any obligations arising or accruing prior to such Event of Non-Appropriation including, without limitation, any obligation to deposit rebatable arbitrage in the Rebate Fund which may accrue prior to such Event of Non-Appropriation. The School Board must deliver notice of the Event of Non-Appropriation to the Corporation, each Credit Enhancer and the Trustee within at least three Business Days thereof.

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**ESTIMATED SOURCES AND USES
OF SERIES 2009 CERTIFICATE PROCEEDS**

Sources of Funds:

Par Amount of Series 2009 Certificates	\$ _____
Plus/Less: Net Original Issue Premium/Discount	_____
TOTAL SOURCES	\$ _____

Uses of Funds:

Deposit to Series 2009 Subaccount of the Project Account	\$ _____
Series 2009 Subaccount of Costs of Issuance Account ⁽¹⁾ ...	_____
TOTAL USES	\$ _____

⁽¹⁾ Includes, without limitation, Policy premium, if any, legal, accounting and financial advisory fees, printing costs, underwriter's discount and other costs associated with the issuance of the Series 2009 Certificates.

CERTIFICATE PAYMENT SCHEDULE

The following table set forth the debt service requirements for the Series 2003 Certificates, the Series 2004 Certificates and the Series 2009 Certificates.

Certificate Year Ending (July 1)	Series 2009 Certificates					
	<u>Series 2003 Certificates</u>	<u>Series 2004 Certificates</u>	<u>Principal or Amortization Component</u>	<u>Interest Component</u>	<u>Annual Total</u>	<u>Aggregate Total</u>
2009	\$9,557,475.00	\$6,083,798.76				
2010	9,566,112.50	6,082,348.76				
2011		6,081,355.00				
2012		6,085,425.00				
2013		6,081,750.00				
2014		6,082,550.00				
2015		6,084,750.00				
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
Total	\$19,123,587.50	\$42,581,977.52				

THE CORPORATION

The Corporation is a not-for-profit, single-purpose educational corporation created and existing under the Not For Profit Corporation Law of the State of Florida, Chapter 617, Florida Statutes. The Corporation is not a direct support organization of the School Board.

The membership in the Corporation is limited to the members of the School Board. Thus, the present members of the Board of Directors of the Corporation are as follows:

Members

Caroline Zucker

Shirley Brown

Dr. Kathy Kleinlein

Frank H. Kovach

Dr. Carol Todd

THE CORPORATION HAS BEEN ESTABLISHED AS A NOT-FOR-PROFIT, SINGLE-PURPOSE EDUCATIONAL CORPORATION FOR THE PRINCIPAL PURPOSE OF PROVIDING FOR LEASING, FINANCING AND THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE PROJECTS, INCLUDING THE SERIES 2009 PROJECT. ALL OF THE CORPORATION'S RIGHTS UNDER THE SERIES 2009 LEASE AND THE GROUND LEASE (EXCEPT ITS RIGHT TO BE REIMBURSED FOR CERTAIN EXPENSES AND TO BE INDEMNIFIED UPON THE HAPPENING OF CERTAIN EVENTS) HAVE BEEN ABSOLUTELY AND IRREVOCABLY ASSIGNED TO THE TRUSTEE. NO MEMBER, OFFICER, DIRECTOR OR EMPLOYEE OF THE CORPORATION SHALL EVER BE SUBJECT TO PERSONAL LIABILITY FOR ANY OBLIGATIONS ARISING OUT OF THE ISSUANCE OF THE SERIES 2009 CERTIFICATES, THE EXECUTION AND DELIVERY OF ANY SERIES 2009 CERTIFICATES, DOCUMENTS, AGREEMENTS OR OTHER INSTRUMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2009 CERTIFICATES OR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE SERIES 2009 PROJECT OR THE SERIES 2009 LEASE, SALE OR OTHER DISPOSAL THEREOF.

THE SCHOOL DISTRICT OF SARASOTA COUNTY, FLORIDA

General

The District is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001, Florida Statutes. The District is coterminous with Sarasota

County, Florida (the "County"). Management of the schools is independent of county and city governments. The County collects taxes for the District, but exercises no control over the levy of taxes or expenditures by the District.

The District is located on the southwest coast of Florida, approximately 35 miles south of St. Petersburg and 50 south of Tampa. As of January 27, 2009, the District included the operation of 55 schools, which provide public education for 40,680 full-time equivalent ("F.T.E.") students in kindergarten through grade 12 programs.

The School Board

The District is a body corporate existing under the laws of the State of Florida. The School Board is the governing body of the District, consisting of five members elected county-wide from five districts within the District for overlapping four-year terms. Under existing law, the School Board's duties and powers include, but are not limited to, the development of policies and rules for the efficient operation of the District; the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment, organization and operation of schools, including vocational and evening schools; establishment and operation of programs for gifted students and for students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

The School Board also has broad financial responsibilities, including the approval of the annual budget, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls. The annual budget and accounting reports must be filed with the State Department of Education.

The present members of the School Board, their respective offices, and the date their terms expire are as follows:

Caroline Zucker	Chair	2009
Shirley Brown	Vice Chair	2010
Dr. Kathy Kleinlein	Boardmember	2010
Frank H. Kovach	Boardmember	2009
Dr. Carol Todd	Boardmember	2010

Superintendent of Schools

The Superintendent of Schools is the chief executive officer and secretary of the School Board. The Superintendent, who is appointed by the School Board, oversees operations of the school system, makes policy recommendations to the School Board and

performs the duties assigned to the Superintendent by law and the regulations of the State Department of Education.

The Superintendent also prepares the annual budget for approval by the School Board, recommends the tax levy based upon needs illustrated by the budget, recommends debt issuance or borrowing plans of the School Board when necessary, provides recommendations for investment of available funds and keeps records with respect to all funds and financial transactions of the School Board.

Administration

Below is a list of the principle administrators of the District, and a brief description of each.

Lori M. White, Superintendent of Schools, has 34 years of educational experience within the District. Twenty years of this experience is at the administrative level, which includes serving as the Director of Curriculum for the District. Ms. White has provided District leadership for all schools and instructional departments for the past four years. She holds a Bachelor of Science and Master of Science in education from Florida State University. She is a member of the Florida Association of School Administrators and several other professional organizations.

Mitsi Corcoran, Chief Financial Officer, has 25 years of experience in public accounting, private industry and city, county and school municipal finance. She has a Bachelor's of Business Administration degree in Accounting from James Madison University in Harrisonburg, Virginia and is a Florida licensed Certified Public Accountant. She is a member of the Florida School Finance Officers Association, the national and Florida chapter of the Government Finance Officers Association, the Association of School Business Officials and both the American and Florida Institutes of Certified Public Accountants.

Scott Lempe, Chief Operating Officer, has been with the District since 2003. Prior to his current assignment, he spent 26 years in active duty Air Force, holding positions from aircraft mechanic to squadron commander, to the Chief of Personnel Programs for United States Central Command under the Command of General Tommy Franks. In this role he managed personnel programs impacting people from all four services assigned in the continental United States and 25 countries in the Arabian peninsula, the horn of Africa, and five former Soviet provinces. He has a bachelor's degree (summa cum laude) from Chapman University in Orange California in Computer Science and a Master of Science Degree in Manpower and Personnel Management from the Naval Post Graduate School, US Naval Academy. He is a graduate of Squadron Officer School, Air Command and Staff College, and the Department of Defense Executive Leadership Development Program.

Al Weidner, Deputy Chief Financial Officer, has been with the School Board of Sarasota County since 1982. He has been the Accounting Manager, Financial Manager, Assistant Director of Finance, Budget Director, Executive Director of Budget and was appointed Deputy Chief Financial Officer in December 2006. He received his Bachelor of Science degree in Business Administration from the College of New Jersey. He is an active member of the Government Finance Officers Association and the Florida School Finance Officers Association.

Carrie Hannabass, Treasurer, has 22 years of experience in school finance, all with the District. She started with the District in 1985 in the Facilities Services Department as the Budget, Account Payable and Payroll Accountant. She then moved to the Finance Department in 1987 as Capital Outlay and Debt Service Specialist, Accounting Manager in 1995, and in 2001 she became the Treasurer for the District. She holds a Bachelor of Arts degree in Accounting from the University of South Florida. She is a member of the Florida School Finance Officers Association, the Government Finance Officers Association and Association of School Business Officials.

Desiree Henegar, Assistant Budget Director, has 14 years of experience in school finance. She started her school finance experience with the School Board of Manatee County, Florida as an Internal Auditor in 1995 and was the Finance Manager when she left in 2007 to assume the position of Assistant Budget Director with the District. She earned a Bachelor's Degree in Business in 1990 and a Master's in Accountancy in 1991 both from the University of West Florida. She is a Certified Public Accountant and a member of the Government Finance Officers Association, the Florida School Finance Officers Association, the Southeastern Association of School Business Officials and currently serves as the President of the Florida Association of School Business Officials.

Academics

The School Board offers students a complete range of instructional services ranging from basic and standard instructional programs to special programs for gifted children, a full complement of vocational education for children with learning disabilities. The exceptional student education programs are available at different school sites.

The 22 elementary schools house kindergarten through the 5th grade. There are currently seven middle schools comprised of grades 6 through 8. The six senior high schools include grades 9 through 12 as well as the vocational programs. There is one school that combines elementary and middle and one school that combines grades 8 through 10. There is a gifted school with grades 2 through 12 and two special education schools. There is also an Adult & Community Education Center, the Sarasota County Technical Institute. In addition, there are four contracted second-chance schools and nine charter schools.

The elementary school program emphasizes basic skills including reading, writing, language arts and mathematics. Balanced curriculum also includes instruction in science, computer literacy, health, social studies, art, music and physical education. These programs are designed to build a strong foundation and each child is required to attain very specific levels for achievement before promotion to the next grade.

The secondary school program begins with middle school curriculum centering on english, math, science, computer literacy and social studies. Students are encouraged to begin developing their strengths and interests through electives such as art, music, foreign languages and vocational exploratory programs.

High school programs are designed to meet the needs of the college bound as well as vocational students. All of the high schools are fully accredited by the Southern Association of Colleges and Schools. Students who plan to continue their education into college may take a broad range of college preparatory courses, as well as advanced placement and honors courses.

Enrollment

The following table presents a summary of general statistical data regarding the District:

Summary of Statistical Data Five-Year History

<u>School Year</u>	<u>Number of Schools</u> ⁽¹⁾	<u>Number of Instructors</u>	<u>Fall Enrollment</u> ⁽²⁾	<u>Current Expenditures Per Student</u> ⁽³⁾
2008/09 ⁽⁴⁾	55	2,699	40,680	N/A
2007/08	52	3,027	42,534	\$10,913
2006/07	52	2,804	42,190	9,887
2005/06	51	2,928	41,689	9,293
2004/05	50	2,644	41,158	8,561

(1) Includes charter schools

(2) Excludes adult education students.

(3) For purposes of this summary, current expenditures includes those expenditures in the General and Special Revenue Funds.

(4) Figures as of January 27, 2009.

Historical Growth

The School Board has experienced the following F.T.E. Enrollment for School Years 2003/04 through 2007/08 and estimates the following F.T.E. Enrollment for the 2008/09 School Year (as of January 27, 2009):

<u>School Year</u>	<u>K-12 F.T.E. Enrollment</u>	<u>Percentage Change</u>
2008/09	40,680	(5.51)%
2007/08	43,053	1.09
2006/07	42,590	1.13
2005/06	42,113	1.41
2004/05	41,528	5.00
2003/04	39,548	N/A

Employee Relations and Retirement Program

The District currently employs approximately 4,733 full-time individuals. The following groups are all currently represented by the Sarasota Classified/Teachers Association:

- Teachers
- Para-professionals
- Clerical
- Custodial, Maintenance and Mechanics
- Bus Drivers and Bus Proctors
- Food Service Workers

Union members include both instructional personnel and classified personnel (custodians, maintenance, office, data processing, aides and transportation). The current employer contracts expire on June 30, 2009; provided employee salaries and benefits may be renegotiated annually.

The School Board does not administer a separate retirement plan for its officers and employees. However, pursuant to law, all officers and salaried employees are, with minor exceptions, members of defined retirement plans of the State of Florida administered by the Florida Department of Administration, Division of Retirement. The retirement plans of the State of Florida consist of contributory and non-contributory benefit plans. The plans provide for retirement, death and disability benefits and require contributions by employees and/or participating agencies as state percentages of compensation set by law as determined from time to time by the State Legislature. The plans' accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits, and other plan related matters are the

responsibility of the Florida Department of Administration, Division of Retirement, and are not computed on an individual agency basis.

The District's liability for participation in the plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions (including employee contributions) for the fiscal years ending June 30, 2006, June 30, 2007 and June 30, 2008 totaled \$17,713,926, \$23,724,441 and \$24,333,012, respectively, which were equal to the required contributions for each fiscal year. Additional information regarding the retirement programs is included in Notes 16 of the Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2008 included as Appendix B hereto.

Other Post Employment Benefit Program

In addition to its contributions under the State's retirement plan described above, the District provides other postemployment benefits ("OPEB") for certain of its retired employees in the form of an implicit rate subsidy, by providing access to health insurance plans requiring the use of a single "blended" or "common" rate for both active and retired employees. The offering of this health insurance coverage is required by Section 112.0801, Florida Statutes.

As with all governmental entities providing similar plans, the District was required to comply with the Governmental Accounting Standard's Board Statement No. 45 - Accounting and Financial Reporting by Employers for Postemployment Benefit Plans other than Pension Plans ("GASB 45") no later than its fiscal year ended June 30, 2009. The District has historically accounted for its OPEB contributions on a pay as you go basis. GASB 45 applies accounting methodology similar to that used for pension liabilities to OPEB and attempts to more fully reveal the costs of employment by requiring governmental units to include future OPEB costs in their financial statements. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. The District elected to implement GASB 45 for Fiscal Year 2006-07.

In anticipation of complying with GASB 45, the District retained AON (the "Actuary"), to actuarially review the District's OPEB liability and provide the District with a written valuation. The Actuary determined the District's accrued actuarial liability related to OPEB, which approximates the present value of all future expected postretirement medical premiums and administrative costs which are attributable to the past service of those retired and active employees, at \$23.0 million as of June 30, 2008 (utilizing the "entry age" method of calculation and assuming the annual required contribution remains unfunded and assuming the most conservative rate of return on investments (4.00%) used by the Actuary in making such valuation). The Actuary also determined the District's annual required contribution ("ARC"), which is the portion of the total accrued actuarial liability allocated to the current fiscal year needed to pay both

normal costs (current and future benefits earned) and to amortize the unfunded accrued liability (past benefits earned, but not previously provided for). The net OPEB obligation portion of the ARC requiring future disclosure is approximately \$2.53 million as of June 30, 2008, which reflects the District's approximately \$876,000 contribution toward its OPEB liability during Fiscal Year 2007-08. The calculation of the accrued actuarial liability is, by definition and necessity, based upon a number of assumptions, including interest rates on investments, average retirement age, life expectancy, healthcare costs per employee and insurance premiums, many of which factors are subject to future economic and demographic variations.

While the District does not know at this time what its OPEB liabilities will be in connection with GASB 45 compliance in the future or how much of the related ARC's it will need to budget in future years, it expects its OPEB liability to be significant, but manageable within its normal budgeting process. Additional information regarding the District's OPEB obligations is included in Note 18 to the Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2008 attached as Appendix B hereto.

Constitutional Amendments Related to Class Size Legislation

In the November 5, 2002 general election, the voters of the State of Florida approved two amendments to the State Constitution that have affected the District's operations. Amendment 9 to the State Constitution requires that the State Legislature provide funding for sufficient classrooms so that class sizes can be reduced to certain constitutional class size maximums by the beginning of the 2010 school year. Amendment 9 was implemented by the Florida Legislature during the 2003 special legislative session and signed into law on June 9, 2003. Amendment 9 and Section 1003.03, Florida Statutes, which implements Amendment 9, are referred to herein as the "Class Size Legislation."

The Class Size Legislation establishes constitutional class size maximums limiting students per class to no more than 18 for pre-kindergarten through 3rd grade, 22 for grades 4 through 8 and 25 for grades 9 through 12. These maximums must be implemented by the beginning of the 2010 school year. School districts that presently exceed these class size maximums are required to reduce the average number of students per class in each of these grade groupings by at least two students each year, beginning with the 2003-2004 fiscal year.

The Class Size Legislation further creates an "Operating Categorical Fund for Class Size Reduction," the "Classroom for Kids Program," the "District Effort Recognition Grant Program" and the "Class Size Reduction Lottery Revenue Bond Program" to provide funding programs for capital outlays and operating expenditures necessary in relation to these mandated class size reductions.

The Class Size Legislation requires each School Board to consider implementing various policies and methods to meet these constitutional class sizes, including encouraging dual enrollment courses, encouraging the Florida Virtual School, maximizing instructional staff, reducing construction costs, using joint-use facilities, implementing alternative class scheduling, redrawing attendance zones, implementing evening and multiple sessions and implementing year-round and non-traditional calendars. Failure to reduce class sizes by at least two students each year until the constitutional maximum is met may result in transfer of class size reduction operating funds to fixed capital outlay appropriations, required implementation of year-round schools, double sessions, extended school year or rezoning, implementation of a state-mandated constitutional compliance plan or withholding of various State funds.

The District presently complies with the requirements of the Class Size Legislation. However, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Class Size Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District.

In the November 5, 2002, general election, the voters of the State of Florida also approved Amendment 8 to the State Constitution which provides that every 4-year old child in the State shall be offered a free, high quality pre-kindergarten learning opportunity by the State no later than the 2005 school year. In furtherance thereof, Section 411.012, Florida Statutes, created a voluntary universal pre-kindergarten education program for four-year olds within the Agency for Workforce Innovation and directed the State School Board of Education to conduct a study and make recommendations for this education program regarding curriculum and standards, quality of instruction, delivery system, assessment and evaluation, funding and best practices.

During the 2004-A special session, the Florida Legislature passed House Bill 1-A, codified in Part V of Chapter 1002, Florida Statutes, which creates a statewide Voluntary Pre-kindergarten Education Program. House Bill 1-A, as codified in Part V, Chapter 1002, Florida Statutes, is referred to herein as the "Pre-K Legislation." Among other things, the Pre-K Legislation provides eligibility and enrollment requirements, authorizes parents to enroll their children in a school-year voluntary pre-kindergarten ("Voluntary Pre-K") program delivered by a private Pre-K provider, a summer program delivered by a public school or private Pre-K provider or, if offered in a school district that meets class-size reduction requirements, a school year Voluntary Pre-K program delivered by a public school. The Pre-K Legislation also requires school districts to deliver summer Voluntary Pre-K programs and permits school districts to deliver school-year Voluntary Pre-K programs. Additionally, the Pre-K Legislation appropriates State funds to finance the Voluntary Pre-K programs and provides the method for calculating the funds allocated to each Voluntary Pre-K program provider.

The Pre-K Legislation provides State funding for the Voluntary Pre-K programs. The District's Voluntary Pre-K Program is only offered during the summer months and for Summer 2009 the District had approximately 76 students in its Voluntary Pre-K Program. However, there can be no assurance that the District will have funds sufficient to meet the capital and facility needs of the District required by the Pre-K Legislation or that compliance therewith will not adversely affect other capital needs and operating costs of the District, which may have an adverse impact on the District's ability to appropriate funds for Lease Payments.

Accounting and Funds

Pursuant to Section 11.45, Florida Statutes, the financial operations of the District are subject to annual audit by the Auditor General of the State of Florida, or an independent auditor. Commenced with the 1999-00 Fiscal Year, the District is required to use independent auditors at least two out of every three years with the Auditor General's Office completing the audit once every three Fiscal Years. For the Fiscal Year ended June 30, 2007, Cherry, Bekaert & Holland, L.L.P., independent certified public accountants, conducted an audit of the District's financial statements, excerpted portions of said audit being included herein as Appendix B. Audit responsibilities assigned to the independent auditors or the Auditor General, include the presentation of an annual report on the District's financial statements, assessment of the adequacy of the District's control environment, and determination of the District's compliance with legal requirements. See "APPENDIX B - EXCERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2007 AND EXCERPTED PAGES FROM THE SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2009" hereto.

Accounting policies conform with generally accepted accounting principles applicable to state and local governmental units. The District implemented the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments ("GASB 34"), and related GASB pronouncements, during the Fiscal Year ended June 30, 2002. GASB 34 created new basic financial statements for reporting the District's financial activities. In addition to fund-basis financial statements, the financial statements now include government-wide financial statements prepared on the accrual basis of accounting that split the District's programs between governmental and business-type activities. The organization of such financial statements is as follows:

Basis of Presentation

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and statement of activities, present information

about the District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expenses are allocated to functions/programs of the primary government. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the District.

The effects of interfund activities have been eliminated from the government-wide financial statements. Interfund transactions, consisting of transactions involving the internal service funds, were eliminated by allocating the change in net assets of internal service funds in direct proportion as they were charged as expenses to the various functions.

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

Debt Service - Other Debt Service Fund - to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs on the long-term certificates of participation.

Capital Projects - Local Capital Improvement Tax Fund - to account for the financial resources generated by the local capital improvement tax levy to be used for

educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on capital leases for relocatable school buildings.

Capital Projects - Other Capital Projects - to account for the financial resources such as sales tax proceeds, impact fees, certificates of participation, etc.

Additionally, the District reports the following fund types:

Internal Service Funds - to account for the District's individual self-insurance programs.

Agency Funds - to account for resources of the school internal funds which are used to administer moneys collected at the District's schools in connection with school, student athletic, class and club activities.

Budget Process

State law requires the School Board to advertise its intent to adopt a tentative budget, including a capital outlay budget, within 25 days following the County Appraiser's official certification of taxable property, which usually occurs on or about July 1. The School Board holds a public hearing on the tentative budget and the proposed tax rates within five days of its advertisement, and officially adopts the tentative budget and tax rates at the hearing. Thereafter, the County Appraiser prepares tax millage notices for property owners within the District. The final budget and tax rate are fixed on or before September 18 of each year, following a final public hearing. In accordance with such requirements, the School Board adopted the 2008-09 Fiscal Year Budget on September 16, 2008.

The Superintendent of Schools is responsible for preparing the preliminary and tentative budgets for recommendation to the School Board. Florida law requires the School Board to adopt and maintain a balanced budget, in which anticipated revenues less certain required deductions, combined with beginning fund balances equal appropriations. Generally, the final budget is substantially the same as the tentative budget since the School Board's hiring plans and materials purchases have been determined before the final budget is adopted.

Auditing System

In addition to external and local internal audits, two other budget reviews are conducted. The Department of Education conducts regular financial compliance reviews of each school district to ensure that local districts comply with state regulations. In conjunction with this review, the Financial Management Section of the Department of Education reviews the cost reporting system of each district to ensure that the Financial and Program Costs Accounting and Reporting for Florida Schools is being properly implemented by the School Board.

General Fund and Capital Project Fund Operations

The following table summarizes results of operations for the General Fund for the 2004-05 through 2007-08 Fiscal Years (audited) and the adopted budget for the 2008-09 Fiscal Year.

Actual and Budgeted Statement of Operations for the General Fund School District of Sarasota County, Florida Summary of General Fund Operations

	Audited 2004-05	Audited 2005-06	Audited 2006-07	Audited 2007-08	Budget 2008-09
Reserved Fund Balance	\$5,080,282	\$6,228,656	\$3,807,396	\$4,480,699	\$5,374,137
Unreserved Fund Balance	61,010,094	55,368,156	47,308,999	54,670,550	56,579,914
Beginning Fund Balance	\$66,090,376	\$61,596,812	\$51,116,395	\$59,151,249	\$61,954,051
Revenue Federal	\$1,069,191	\$1,569,749	\$2,053,223	\$1,522,275	\$1,525,430
State FEFP	18,092,045	15,326,282	16,744,261	10,547,459	20,143,353
State - Other	45,956,894	54,762,892	66,148,711	73,879,977	78,712,327
Local - Millage	237,166,152	263,419,295	296,843,842	309,870,020	280,909,492
Interest	2,383,199	4,195,087	5,414,867	3,831,729	3,212,429
Other Local	5,727,715	5,921,142	6,681,468	6,438,763	5,003,345
TOTAL Revenues	\$310,395,196	\$345,194,447	\$393,886,372	\$406,090,223	\$389,506,376
Transfers In	\$15,711,568	\$16,090,399	\$15,286,818	\$16,396,417	\$15,288,001
Non Revenue Receipts & Adjustments	438,240	438,765	202,865	33,487	---
TOTAL Available	\$326,545,004	\$361,723,611	\$409,376,055	\$422,520,127	\$404,794,377
Expenses Salaries	\$203,897,284	\$228,780,124	\$245,478,219	\$264,000,655	\$259,770,055
Benefits	22,527,692	25,771,564	26,612,866	81,196,862	83,627,428
Non-Salary	103,748,530	116,842,397	128,408,087	73,810,646	78,795,092
TOTAL Expenses	\$330,173,506	\$371,394,085	\$400,499,172	\$419,008,163	\$422,192,575
Transfers Out	869,461	845,503	842,029	711,349	690,414
TOTAL Uses	\$331,042,967	\$372,239,588	\$401,341,201	\$419,719,512	\$422,822,989
Reserved Fund Balance	\$6,228,656	\$3,807,396	\$4,480,699	\$5,374,137	\$4,220,264
Unreserved Fund Balance	55,368,156	47,308,999	54,670,550	56,579,914	39,645,175
Ending Fund Balance	\$61,596,812	\$51,116,395	\$59,151,249	\$61,954,051	\$43,865,439

Source: School District of Sarasota County, Florida

Summary of Capital Projects Funds Revenues and Expenses

	Audited <u>2004-05</u>	Audited <u>2005-06</u>	Audited <u>2006-07</u>	Audited <u>2007-08</u>	Budget <u>2008-09</u>
Beginning Fund Balance, July 1	\$42,491,698	\$2,730,649	\$68,800,373	\$126,771,615	\$113,385,346
Revenues					
State Sources	\$6,255,825	\$3,122,097	\$27,382,352	\$ 19,952,115	\$ 3,509,455
Local Sources	<u>95,506,636</u>	<u>35,159,316</u>	<u>148,906,480</u>	<u>144,126,995</u>	<u>112,400,160</u>
TOTAL Revenues	\$101,762,461	\$38,281,413	\$176,288,832	\$164,079,110	\$115,909,615
Other Financing Sources					
Transfers In	----	----	----	\$ 41,521	----
Proceeds of Loans	----	----	----	----	----
Sale of Bonds	\$51,020,306	----	----	1,150,000	\$277,000,000
Sale of Fixed Assets	----	----	<u>\$5,065,250</u>	<u>46,646</u>	----
TOTAL Other Sources	\$51,020,306	\$ 0	\$5,065,250	\$ 1,238,167	\$277,000,000
Expenditures					
Buildings	\$3,804,682	\$56,413,400	\$26,227,748	\$ 90,927,593	\$365,522,390
Remodeling	17,050,183	20,252,236	26,236,002	27,002,879	22,886,592
Furniture/Equipment	7,957,323	10,100,811	19,830,546	15,220,935	27,811,537
Vehicles	1,093,120	4,114,786	2,548,301	201,752	6,307,035
Other	<u>10,250,766</u>	<u>14,706,442</u>	<u>17,997,741</u>	<u>13,324,835</u>	<u>20,544,512</u>
TOTAL Expenditures	\$100,156,074	\$105,587,675	\$92,840,338	\$146,677,994	\$443,072,066
Other Uses					
Transfers Out	(24,900,736)	(32,165,174)	(30,542,502)	(32,025,552)	(32,883,700)
Ending Fund Balance, June 30	\$70,204,527	\$12,180,211	\$126,771,615	\$113,385,346	\$30,339,195

Source: School District of Sarasota County, Florida

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**Direct and Overlapping
Long-Term Debt Statement**

	<u>General Obligation</u>	<u>Non-Self Supporting Revenue Debt</u>	<u>Self- Supporting Revenue Debt</u>
OVERLAPPING DEBT⁽¹⁾			
<u>Sarasota County, Florida</u>			
Second Guaranteed Entitlement Refunding Revenue Bonds, Series 1998		2,575,000	
Sales Tax Revenue Bonds, Series 2000		3,470,000	
Capital Improvement Refunding Revenue Bonds, Series 2002		9,170,000	
Limited Ad Valorem Tax Bonds, Environmentally Sensitive Lands Protection Program, Series 2002		18,840,000	
Sales Tax Revenue Bonds, Series 2002		7,240,000	
Communication Services Tax Bonds, Series 2005A		14,730,000	
Limited Ad Valorem Tax Bonds, Series 2005		16,030,000	
Communication Services Tax Bonds, Series 2005B		11,805,000	
Five-Cent Local Option Fuel Tax, Series 2005		13,840,000	
Communication Services Tax Bonds, Series 2006		17,220,000	
Solid Waste System Revenue Refunding Bonds, Series 1993			\$ 6,260,000
Utility System Revenue Refunding Bonds, Series 1996A			3,040,000
Stormwater Utility Revenue Bonds, Series 1999			21,495,000
Utility System Revenue Bonds, Series 2002A			14,755,000
Utility System Revenue Bonds, Series 2002B			8,650,000
Utility System Revenue Refunding Bonds, Series 2002C			62,915,000
Utility System Revenue Refunding Bonds, Series 2005A			53,450,000
Utility System Revenue Refunding Bonds, Series 2005A			48,650,000
Solid Waster Revenue Refunding Bonds, Series 2005	_____	_____	<u>38,280,000</u>
Totals	<u>\$0</u>	<u>\$114,920,000</u>	<u>\$257,495,000</u>

(Table Continued on Next Page)

DIRECT DEBT

District School Board of Sarasota County⁽²⁾

Certificates of Participation, Series 2003	\$18,230,000
Certificates of Participation, Series 2004	36,510,000
Qualified Zone Academy Bonds ⁽³⁾	1,299,696
Race Track Revenue Bonds	<u>1,855,000</u>

Self-Supporting State Bonds⁽⁴⁾⁽⁵⁾

Series 1999-A	\$2,100,000
Series 2000-A	310,000
Series 2003-A	815,000
Series 2004-A	1,035,000
Series 2005-B	7,825,000
Series 2006-A	<u>1,415,000</u>

Total Direct Debt 57,894,696 13,500,000

Total Direct and Overlapping Debt 0 \$172,814,696 \$270,995,000

- (1) Sarasota County, Florida long-term debt as of September 30, 2007. The Board of County Commissioners of Sarasota County is not responsible for the debt of the School Board or the underlying debt of the cities.
- (2) Certificates of Participation are subject to annual appropriation. The direct debt figures of the District are as of June 30, 2008.
- (3) With respect to such Bonds, the District made a single annual sinking fund payment of \$726,519. Such sinking fund installment is being invested pursuant to a guaranteed investment contract. The interest earnings, combined with the sinking fund installment, are expected to produce funds necessary to retire the \$1,299,696 amount due on November 16, 2021.
- (4) As of June 30, 2008. Such Bonds are issued by the State School Board of Education on behalf of the District and are secured by a pledge of the District's portion of the State assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for the Bonds.
- (5) Does not include the \$1,150,000 aggregate principal amount of Series 2009 Bonds issued in July 2008.

Source: Comprehensive Annual Financial Report of Sarasota County, Florida for the Fiscal Year Ended September 30, 2007; School Board of Sarasota County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008.

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**Sarasota County, Florida
Comparative Ratios of Bonded Debt
to Taxable Assessed Valuation and
Per Capita Indebtedness**

1.	Population (2007)	387,461
2.	Total Assessed Taxable Valuation (2008) ⁽¹⁾	\$55,824,860,201
3.	Direct and Overlapping General Obligation Debt ⁽²⁾	\$0
	a) As a Percent of Taxable Valuation	0.00%
	b) Per Capita	\$0.00
4.	Direct Non-Self Supporting Revenue and Direct General Obligation Debt ⁽³⁾	\$57,894,696
	a) As a percent of Taxable Valuation	0.1037%
	b) Per Capita	\$149.42
5.	Direct and Overlapping General Obligation and Non-Self Supporting Revenue Debt ⁽⁴⁾	\$172,814,696
	a) As a percent of Taxable Valuation	0.3096%
	b) Per Capita	\$446.02

⁽¹⁾ 2008 figure.

⁽²⁾ As of September 30, 2007.

⁽³⁾ As of June 30, 2009.

⁽⁴⁾ As of September 30, 2007 for Overlapping General Obligation Debt and Overlapping Non-Self Supporting Revenue Debt. As of June 30, 2008 for Direct Non-Self Supporting Revenue Debt and Direct General Obligation Debt.

AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS

The School Board derives its revenues for capital outlay projects from certain State and local sources. The major categories of these revenue sources are briefly described below. In Fiscal Year 2008-09, excluding any Certificate proceeds and existing fund balances, approximately 3.02% of the annual revenues for capital improvements are budgeted to be provided by State revenues, 80.10% are budgeted to be provided by local millage, 12.08% by local sales tax and 4.80% from other local sources.

State Sources

Capital Outlay. The primary source of state educational funding contributions to the School Board's capital outlay requirements is the Florida Public Education Capital Outlay Program (PECO). The method of allocation of funds to the district school boards is provided by state law based upon a statutory formula, components of which are the number of students in various districts and the proposed uses of the funds by the various districts. The Commissioner of Education administers the PECO program and allocates or reallocates funds as authorized by law. The amount of PECO allocated to the School Board was \$10,538,636 for Fiscal Year 2006-07, \$8,080,289 for Fiscal Year 2007-08 and is budgeted to be approximately \$3,093,362 for Fiscal Year 2008-09. PECO funds may be used to make the principal portion of lease-purchase payments on a new construction project, but only to the extent that the project otherwise qualifies for PECO funding.

The State Capital Outlay and Debt Service Funds ("C.O. and D.S.") also provides funds for the School Board's capital outlay requirements. C.O. and D.S. funds are derived from a portion of the revenues collected from motor vehicle license charges. The School Board received \$278,307 in C.O. and D. S. funds in Fiscal Year 2006-07, \$301,540 in Fiscal Year 2007-08 and expects to receive approximately \$316,093 in Fiscal Year 2008-09.

The District also receives a portion of the funds generated from the sale of lottery tickets. The actual amount distributed to school districts in a given year depends on the amount of lottery ticket sales for such year. While projections based on anticipated sales are available, it is difficult to accurately project the amount of lottery ticket sale revenues that will actually be received when formulating the School Board's budget.

On November 24, 1997, the Governor of the State of Florida signed into law a bill creating the "Public School Capital Outlay Program Act" (the "Act"). Among the several programs established by the Act is the "Classrooms First Program," which provides for the issuance by the State of revenue bonds, the proceeds of which will be distributed to the various school districts based upon a formula similar to the formula used in allocating PECO funds. The proceeds of such revenue bonds must be applied by a school district for new construction, remodeling, renovation or major repairs, with a priority on new, permanent classroom facilities. If a school district certifies that it has no unmet need for permanent classroom facilities or if its unmet needs are less than its proposed allocation of the revenue bond proceeds, it may choose to receive an annual distribution of state revenues in lieu of all or a portion of its allocation of state bond proceeds. Such annual distribution must be used to construct, renovate, remodel, repair or maintain educational facilities. Such funds, whether in the form of state revenue bond proceeds or annual distributions, may not be used to make lease purchase payments. In order to continue participation in the classroom First Programs, the District may be required to utilize additional State bonds payable from CO&DS funds in the future. The District did not receive a distribution in Fiscal Year 2006-07, but received \$1,191,521 in Fiscal Year

2007-08. However, the District has not budgeted for any such funds for the 2008-09 Fiscal Year.

Under the Act the District may be entitled to receive other state revenues pursuant to other programs if the District achieves certain standards relating to its capital outlay efforts. Some of such revenues may be used to make lease-purchase payments. It is not possible at this time to determine or estimate the amount of such state revenues, if any, that the District may receive in the future. See "RISK FACTORS – State Revenues" for information regarding State budget cuts that may adversely affect the District.

Operating Revenue. The three primary sources of educational funding from the State are (i) basic Florida Educational Finance Program ("FEFP") receipts, (ii) FEFP categorical program receipts, and (iii) certain other specified revenue sources.

The major portion of State support is distributed under the provisions of the FEFP, which was enacted by the Florida Legislature in 1973. Basic FEFP funds are provided on a weighted full-time equivalent student ("FTE") basis using a formula that takes into account varying program cost factors and district cost differentials. The program cost factors which are used to determine the level of each school district's FEFP funding are determined by the Florida Legislature. The amount of FEFP funds disbursed by the State is adjusted four times during each year to reflect changes in FTE and in variables comprising the weighing formula. In addition, the level of State funding is adjusted during each year to compensate for increases or decreases in ad valorem tax revenue resulting from adjustments to the valuation of non-exempt property in the County. General Fund receipts from FEFP were \$16.7 million for Fiscal Year 2006-07 and \$10.6 million for Fiscal Year 2007-08. General Fund receipts from FEFP are budgeted to be approximately \$13.4 million for Fiscal Year 2008-09.

FEFP categorical program receipts are lump sum appropriations from the State intended to supplement local school district revenues to enhance the delivery of educational and support services by each district. Among the larger categorical programs are the programs for school bus transportation and instructional material. Allocations for these categorical appropriations are based on funding formula and discretionary State Department of Education grants. The majority of the funds available require actual appropriation by the School Board for the purposes for which they were provided. Total State categorical aid increased from \$53.9 million in Fiscal Year 2006-07 to \$61.4 million for Fiscal Year 2007-08. FEFP categorical receipts are budgeted to be approximately \$54.5 million for Fiscal Year 2008-09. Of such amount, approximately \$43.1 million is dedicated to fund a portion of the costs related to the Class Size Legislation described herein under "SCHOOL DISTRICT OF SARASOTA COUNTY, FLORIDA - Constitutional Amendments Relating to Class Size Reduction."

Special Revenue Sources

The District also receives certain local, state and federal moneys, substantially all of which are restricted for specific programs. Programs funded with these special revenue sources in the past include school food service operations and programs financed through the Educational Handicapped Act, the Education Consolidation and Improvement Act and other federally financed programs.

Local Sources

Local revenue for school district support is derived primarily from real and tangible personal property taxes. See also "AD VALOREM TAXATION" herein. Effective May 1, 2004, the School Board, pursuant to County Ordinance No. 2004-025, began levying Educational System Impact Fees on building permits at the rate of \$2,032 for a single-family dwelling unit, \$474 for a multi-family dwelling unit and \$138 for a mobile home dwelling unit, with affordable housing exceptions to the impact fee. In addition, the School Board earns interest on cash invested and collects other miscellaneous revenues. The School Board is permitted by State law and the Constitution to assess property tax through any of five provisions, which are briefly described below.

(1) For operational purposes, the Florida legislature requires each school board desiring to participate in the allocation of State funds available to school districts to levy a non-voted millage rate that is determined annually and is referred to as the "district required local effort." See "AD VALOREM TAXATION - Historical Millages" herein.

(2) School boards are also authorized to levy an additional non-voted "discretionary millage" for operations, not to exceed an amount established annually by the Legislature. See "AD VALOREM TAXATION - Historical Millages" herein.

(3) School boards may levy an additional non-voted millage (the "Local Option Millage Levy") for capital outlay and maintenance purposes, pursuant to Section 1011.71(2), Florida Statutes. Currently, the Local Option Millage Levy may be up to 1.75 mills (previously 2.00 mills) and may be used to fund new construction, remodeling, site acquisition and improvement; maintenance and repair; school bus purchases; payments under lease purchase agreements and certain short-term loans. Payments from this millage for lease purchase agreements for educational facilities and sites currently may not exceed three-fourths the proceeds of the Local Option Millage Levy. Such portion of the Local Option Millage Levy is referred to herein as the Capital Outlay Millage. **The School Board is not required to levy any millage for capital outlay purposes in the future. Since revenues from the levy of the Capital Outlay Millage may be used for, but not pledged to, the payment of Lease Payments under the Leases, the failure of the School Board to levy all or a portion of the Capital Outlay Millage would have an adverse effect on Available Revenues from which the School Board may appropriate to make Lease Payments. SEE "AD VALOREM TAXATION – Recent**

Legislative Initiatives and Constitutional Amendments Concerning Ad Valorem Taxes" FOR INFORMATION CONCERNING RECENT LEGISLATION THAT MAY ADVERSELY AFFECT THE DISTRICT'S TAXABLE ASSESSED VALUATION, LOCAL OPTION MILLAGE LEVY AND THE CAPITAL OUTLAY MILLAGE AVAILABLE TO MAKE LEASE PAYMENTS.

(4) The School Board, with the approval of the qualified electorate of the District, may levy an additional millage for current operations and/or capital outlay purposes for a period of not to exceed four years. On March 19, 2002, the voters of Sarasota County approved a one mill operating property tax for a four year period that began with the 2002-03 Fiscal Year and continued through the 2005-06 Fiscal Year. On March 14, 2006, the electorate in Sarasota County approved an extension of such one mill operating levy through the 2009-10 Fiscal Year. The primary purpose of the millage is to improve or preserve a reasonable class size and provide quality pay for quality teachers.

(5) Tax levies for debt service on general obligation bonds may be assessed, with the approval of the qualified electorate of the School Board.

The School Board does not currently assess millage for the purpose set forth in paragraph (5) above. The School Board is assessing a Local Option Millage Levy of 1.75 mills for the 2008-09 Fiscal Year. See the table under "AD VALOREM TAXATION - Historical Millages" herein for a schedule of the millage actually assessed by the School Board over the past ten years. HOWEVER, ALSO SEE "AD VALOREM TAXATION – Recent Legislative Initiatives and Constitutional Amendments Concerning Ad Valorem Taxes" FOR INFORMATION CONCERNING RECENT LEGISLATION THAT MAY ADVERSELY AFFECT THE DISTRICT'S TAXABLE ASSESSED VALUATION, LOCAL OPTION MILLAGE LEVY AND THE CAPITAL OUTLAY MILLAGE AVAILABLE TO MAKE LEASE PAYMENTS. The School Board's total millage for Fiscal Year 2008-09 is 7.045 mills; the Florida Constitution imposes a cap of 10 mills, exclusive of millage levied for the purposes described in paragraph (5) above.

Future Projects

The School Board developed a school plant survey and its five year capital improvement program for purposes of building new schools, replacing existing schools and renovating schools and other facilities in 2005. The school plant survey has been updated from time to time since 2005 via spot surveys. It is anticipated that the School Board will fund the capital improvement program from various sources. Such sources may include the issuance of Additional Certificates.

AD VALOREM TAXATION

The following information is provided in view of the fact that a large portion of the School Board's revenues are derived from ad valorem taxation.

Local ad valorem property taxes are levied by the application of the millage rate to the assessed valuation of non-exempt property within the County. Under the laws of the State of Florida, the assessment of all properties and the collection of all county, municipal and school district property taxes are consolidated in the office of the County Property Appraiser and County Tax Collector.

Property Assessment Procedure

General. The laws of the State of Florida require that all taxable real and tangible personal property must be assessed at fair market value, with some exceptions. Real and personal property valuations are determined each year as of January 1 by the County Property Appraiser's Office. The County Property Appraiser submits the tax roll to the Florida Department of Revenue for review and determination of, among other things, whether the tax roll meets the requirements of Florida law regarding just valuation. Each tax payer is given notice by mail of the proposed property taxes and the assessed property value for the current year, and the dates, times and places at which budget hearings are scheduled to be held.

The property owner has the right to file an appeal of the determination of assessed value with the Property Appraisal Adjustment Board (the "Adjustment Board"), which considers petitions relating to assessments and exemptions. The Adjustment Board is composed of members of the School Board and the Board of County Commissioners. The decision of the Adjustment Board may be appealed to the Circuit Court. The Property Appraisal Adjustment Board certifies the assessment roll upon completion of the hearing of appeals to it. Millage rates are then computed by the various taxing authorities and certified to the Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll, which is then certified and turned over to the County Tax Collector.

Pursuant to Article VII, Section 6 of the Constitution and Section 196.031, Florida Statutes, the first \$25,000 of the assessed valuation of a homestead is exempt from taxation for any person who has title to a residence in such homestead on a permanent basis.

Save Our Homes Amendment. By voter referendum held on November 2, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U. S. City

Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. This amendment is known as the "Save Our Homes" amendment. The effective date of the amendment was January 1, 1995 and, thus, affected homestead property valuations commencing in 1995. Studies have been conducted analyzing the effect of this amendment on property values and tax collections in Florida since its effective date. Such studies conclude that while the assessed values of homestead property within the State have been lower due to the amendment, the impact on total property tax revenues for local governments within the State has been small due to growth in the total property tax base and the property tax revenues received with respect to non-homestead property. There is no assurance that such revenues will not be materially adversely affected in the future. See "Recent Legislative Initiatives Concerning Ad Valorem Taxes" below for information concerning recently passed legislation and other proposals that may affect the Save Our Homes amendment and ad valorem taxes in general.

In the November 7, 2006 general election, the voters of Florida approved Amendments 6 and 7 to the State Constitution, which provide for an increase in the homestead (ad valorem tax) exemption to \$50,000 from \$25,000 for certain low-income seniors effective January 1, 2007 and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans effective December 7, 2006, respectively. The extent to which these amendments may effect the ad valorem tax collections of the District in future years is not currently known. See "-- Recent Legislative Initiatives Concerning Ad Valorem Taxes" below for information concerning recently adopted legislation that could affect these Constitutional amendments.

Recent Legislative Initiatives and Constitutional Amendments Concerning Ad Valorem Taxes

Constitutional amendments related to ad valorem exemptions. On January 29, 2008, in a special election held in conjunction with Florida's presidential primary, the requisite number of voters approved amendments to the State Constitution exempting certain portions of a property's assessed value from taxation. The following is a brief summary of certain important provisions contained in the approved amendments:

1. Provides for an additional exemption for the assessed value of homestead property between \$50,000 and \$75,000, thus doubling the existing homestead exemption

for property with an assessed value equal to or greater than \$75,000. **This exemption does not apply to school district taxes.**

2. Permits owners of homestead property to transfer up to \$500,000 of their "Save Our Homes" benefit to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their "Save Our Homes" benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. The Save Our Homes amendment generally limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of three percent (3%) or the annual rate of inflation. **This exemption applies to all taxes, including school district taxes.**

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax. **This exemption applies to all taxes, including school district taxes.**

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10 year period, subject to extension by an affirmative vote of electors. **This limitation does not apply to school district taxes.**

The amendments are effective for the 2008 tax year (2008-09 fiscal year for local governments). While certain members of the Florida Legislature publicly indicated that they would seek to replace the ad valorem revenues lost by school districts with other revenue sources, the Florida Legislature approved significant budget cuts for education during its last session and approved further budget cuts for Fiscal Year 2008-09 during its recently concluded special session. See "RISK FACTORS - State Revenues." At this time, it is impossible to estimate with any certainty the level of impact that the constitutional amendments will have on the District, but the impact could be substantial.

A lawsuit challenging the constitutionality of at least part of the amendments was filed prior to the referendum approval by the voters. In Bruner v. Hartsfield, filed in the Circuit Court in and for Leon County, Florida in November 2007, new Florida homestead owners (having paid ad valorem taxes for the past four years) filed a class action lawsuit challenging the constitutionality of the Save Our Homes assessment cap and the portability provision. The lawsuit charges that Save Our Homes constitutes an unlawful residency requirement for tax benefits on substantially similar property, in violation of the State Constitution's Equal Protection provisions and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution. The lawsuit argues that the portability provision simply extends the unconstitutionality of the tax

shelters granted to long-term homeowners by Save Our Homes. The lawsuit requests a declaration of the unconstitutionality of both provisions and injunctive action preventing continued application of those provisions. On October 29, 2008, the Circuit Court dismissed the plaintiff's complaint with prejudice. The plaintiffs have appealed the decision to the First District Court of Appeals. At the present time, it is impossible to predict the plaintiffs' chances of success in an appeal or the impact to the Districts finances if an appeal is successful.

On October 18, 2007, the same Court, in Lanning v. Pilcher, a case filed by out-of-state residents challenging the constitutionality of the Save Our Homes assessment cap, rejected the plaintiffs arguments that the Save Our Homes assessment cap violates either the Commerce Clause or the Privileges and Immunities Clause of the U.S. Constitution or the Equal Protection Clause of either the U.S. or Florida Constitutions and dismissed the plaintiffs' allegations with prejudice. The Lanning Court noted that its decision was limited to the plaintiffs' complaints regarding the Save Our Homes assessment cap. The case is currently on appeal. A lawsuit brought by out-of-state residents (DeLuccio v. Havill) challenging the constitutionality of the Save Our Homes assessment cap and the portability provision was filed with the same Court on May 2, 2008 naming the School Boards of Lake, Manatee, Miami-Dade and Lee, among other defendants. The allegations and relief requested by the plaintiffs in each of these cases are very similar, except that the portability provision was not challenged in Lanning v. Pilcher since the case was filed prior to the approval of the amendments implementing portability. As noted above, this Court rejected such arguments in Lanning v Pilcher with similarly situated plaintiffs. On November 4, 2008, the Circuit Court in DeLuccio dismissed the plaintiffs' complaint with prejudice. The plaintiffs have appealed the decision to the First District Court of Appeals. At the present time, it is impossible to predict the likelihood of the plaintiffs' success on appeal in any of these lawsuits or, if successful, the impact of these lawsuits on the School Board's finances.

During recent years, various other legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in the State. Many of these proposals sought to provide for new or increased exemptions to ad valorem taxation, limit the amount of revenues that local governments could generate from ad valorem taxation or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. Additionally, there have been certain proposals seeking to reduce the "required local effort" millage for school districts and to replace such millage with other revenue source(s) or to require that certain percentages of school district funding be spent on particular activities. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the District or its finances.

Reduction in Local Option Millage Levy. The Florida Legislature concluded its 2008 session on May 2, 2008. In that session, the Florida Legislature, among other things, amended Section 1011.71(2), Florida Statutes, to reduce the maximum millage rate that school districts may levy for capital outlay and maintenance purposes (referred to in this Offering Statement as the Local Option Millage Levy) from 2.0 mills to 1.75 mills commencing with Fiscal Year 2008-09. In conjunction with such reduction, the Legislature increased the amount of the required local effort millage for school districts in the State which is expected to result in a net shift of the millage (and associated tax revenues) from capital outlay and maintenance purposes to operational purposes. This legislation became effective on July 1, 2008. As further discussed in "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" below, the Local Option Millage Levy constitutes the primary source of funds to make Lease Payments with respect to the Series 2009 Certificates, the Series 2003 Certificates and the Series 2004 Certificates, as well as any other Certificates issued in connection with the Lease Agreement. However, legislation provides that if the revenues generated from the reduced Local Option Millage Levy are insufficient to make payments under a lease-purchase agreement entered into prior to June 30, 2008, an amount up to the revenue generated from 0.25 mills of the operating levy may be utilized to make such lease payments.

Accordingly, while such reduction may not adversely affect the District's ability to make Lease Payments under the Series 2003 Lease or the Series 2004 Lease, it may adversely impact the District's ability to make Lease Payments under the Series 2009 Lease and its ability to finance additional educational facilities under the Master Lease Program in the future.

Collection of Taxes

All real and tangible personal property taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector based on the valuation as of January 1 of such year. On or about November 1 of the year of valuation, the County Tax Collector mails to each property owner on the assessment roll a notice of taxes levied by the County, the District and other taxing authorities. Taxes may be paid upon receipt of such notice with discounts at the rate of four percent if paid in the month of November, three percent if paid in the month of December, two percent if paid in the month of January and one percent if paid in the month of February. Taxes paid during the month of March are without discount. All unpaid taxes on real and tangible personal property become delinquent on April 1 of the year following the year in which taxes were levied or within sixty days after the mailing of the original tax notice of the final assessment rate, whichever is later. All taxes collected are remitted by the County Tax Collector to the governmental unit levying the taxes.

Delinquent real property taxes bear interest at the rate of one and one-half percent (1.5%) per month from April 1, or within sixty (60) days after the mailing of the original tax notice of the final assessment rate, whichever is later, until a tax certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the tax certificate. Delinquent tangible personal property taxes also bear interest at the rate of one and one-half percent (1.5%) per month from April 1 until paid. Tax certificates for delinquent personal property taxes must be advertised within forty-five (45) days after delinquency, and after May 1 the property is subject to warrant, levy, seizure and sale.

Florida law provides that real property tax liens and personal property tax liens are superior to all other liens, except prior United States Internal Revenue Service liens. The County Tax Collector advertises once each week for four weeks and sells tax certificates to the lowest bidder, based on the interest rate bid, commencing on or about June 1 of each year on substantially all real property with taxes due. Tax certificates not sold at auction revert to the County.

If the owner of real property subject to a tax certificate does not redeem the certificate within two years, the holder of the certificate is entitled to apply for a tax deed of sale. The highest bidder at such sale receives a tax deed for the property subject to the tax certificate. To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate bid on the tax certificate from the date of the sale of the tax certificate to the date of redemption. The interest rate on a tax certificate is a minimum of five percent, unless the interest bid on the certificate is a lower rate.

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Historical Millages

The following table contains historical and current millage levies and taxes collected for the District:

School District of Sarasota County Tax Levies with Collections by Purpose For the Fiscal Years 2001 through 2009

Tax Roll Year	School Fiscal Year	Taxable Assessed Value	Operating Millage	Local Option Levy - Capital Purposes ⁽²⁾	Debt Service Millage	Total Millage	Taxes Levied	Taxes Collected ⁽³⁾	Percent
2008	2008-09	\$55,824,860,201	5.295 ⁽¹⁾	1.750	0.0	6.0450	\$	\$	96.52
2007	2007-08	62,663,813,683	5.123 ⁽¹⁾	2.000	0.0	7.1230	446,354,341	430,826,836	96.70
2006	2006-07	58,915,964,000	5.210 ⁽¹⁾	2.000	0.0	7.2100	424,784,100	410,780,268	96.94
2005	2005-06	46,452,670,000	5.861 ⁽¹⁾	2.000	0.0	7.8610	365,164,439	353,981,193	96.20
2004	2004-05	38,776,492,000	6.366 ⁽¹⁾	2.000	0.0	8.3660	324,464,132	312,064,568	96.64
2003	2003-04	34,114,003,000	6.793 ⁽¹⁾	2.000	0.0	8.7930	300,036,373	289,957,169	96.79
2002	2002-03	29,899,430,000	7.287 ⁽¹⁾	2.000	0.0	9.2870	277,676,066	268,764,571	96.62
2001	2001-02	26,384,358,000	6.488	2.000	0.0	8.5440	223,950,431	216,384,335	96.74
2000	2000-01	23,814,783,000	6.544	2.000	0.0	8.5440	203,473,506	196,846,826	

- (1) Includes additional voted 1.0 mill operating levy. See "Available Revenues For Capital Outlay Projects - Local Sources" herein."
 (2) See "Ad Valorem Taxation – Recent Legislative Initiatives and Constitutional Amendments concerning Ad Valorem Taxes" for information concerning recently adopted legislation that may adversely affect the Local Option Millage Levy.
 (3) Represents collections through _____, 20__.

Source: School Board of Sarasota County, Florida Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2008; School Board of Sarasota County, Florida. Tax levy and collection figures for 2008 provided by the Sarasota County Tax Collector.

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Assessed Valuation

The following table shows the assessed value and taxable value for operating millages in each of the past ten years.

Sarasota County, Florida Assessed Valuations (In Thousands)

<u>Tax Roll Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Assessed Valuation</u>	<u>Exemptions</u>	<u>Taxable Assessed Valuation</u>
2007	\$78,936,448	\$6,365,749	\$85,302,197	\$22,638,384	\$62,663,813
2006	76,796,095	6,432,934	83,229,029	24,313,875	58,915,964
2005	58,973,841	4,380,022	63,353,863	16,901,193	46,452,670
2004	49,021,600	3,299,142	52,320,742	13,544,250	38,776,492
2003	42,072,743	3,081,984	45,154,727	11,040,724	34,114,003
2002	35,502,248	2,855,384	38,357,632	8,458,202	29,899,430
2001	30,329,859	2,871,128	33,200,987	6,816,629	26,384,358
2000	27,089,803	2,739,810	29,829,613	6,014,830	23,814,783
1999	24,851,893	2,599,624	27,451,517	5,541,230	21,910,287
1998	22,772,359	2,510,190	25,282,549	4,927,998	20,354,551

Source: School Board of Sarasota County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008.

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Principal Taxpayers

The following table shows the assessed valuation of real and tangible property owned by the ten largest holders of assessed property in the County as of January 1, 2008. No single taxpayer in the County pays as much as 1.0% of the total ad valorem taxes levied.

Sarasota County, Florida Principal Taxpayers Assessment for the Year Ended January 1, 2008

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Florida Power & Light Co.	Electric Utility	\$ 357,016,852	0.57%
Verizon Florida, Inc.	Telephone Utility	302,243,658	0.48
Westfield/Southgate & Sarasota Shoppingtown	Real Estate Leasing/Retail	155,897,378	0.25
HCA Doctors Hospital, Inc.	Hospital	125,635,723	0.20
The Glenridge on Palmer Ranch	Real Estate Leasing	103,496,354	0.17
Slab/Ritz Carlton Hotel Co.	Hospitality	99,650,877	0.16
Wal-Mart Stores/Sam's East Inc.	Retail	98,834,601	0.16
Osprey S A Ltd.	Commercial Realty	89,936,795	0.14
Venice HMA Inc.	Real Estate Leasing	85,401,968	0.14
MHC Mobile Home Communities	Real Estate Leasing	<u>74,525,823</u>	<u>0.12</u>
Total		\$1,492,640,029	2.39%

Source: Sarasota County Property Appraiser; School Board of Sarasota County, Florida Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2008.

**ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY REQUIRED TO COVER
MAXIMUM PRINCIPAL AND INTEREST REQUIREMENTS ON THE
CERTIFICATES**

The table below sets forth the estimated millage levy that would provide 1.00x coverage of the maximum Principal and Interest Requirements on the Series 2009 Certificates, the Series 2004 Certificates and the Series 2003 Certificates, assuming a 95% collection of the taxes levied.

	Fiscal Year <u>2008-09</u>
Taxable Assessed Valuation (2008)	\$55,824,860,201
Maximum Principal and Interest Requirements on the Series 2009 Certificates, the Series 2004 Certificates and the Series 2003 Certificates	\$ _____
Millage Levy Required to Produce 1.00x Coverage of maximum Principal and Interest Requirements on the Series 2009 Certificates, the Series 2004 Certificates and the Series 2003 Certificates	____ mills
Minimum Millage Levy Legally Required to Produce 1.00x Coverage of maximum Principal and Interest Requirements on the Series 2009 Certificates, the Series 2004 Certificates and the Series 2003 Certificates	____ mills

As noted above, the School Board is assessing a Local Option Millage Levy for Capital Purposes of 1.75 mills for the 2008-09 Fiscal Year. Pursuant to state statute, the School Board may not use more than 1.3125 mills of its current Local Option Millage Levy for Capital Purposes, or three-fourths of the actual levy, whichever is less, for the purposes of making lease payments on lease purchase obligations such as the Series 2009 Certificates, the Series 2004 Certificates and the Series 2003 Certificates. See the table under "AD VALOREM TAXATION" for a schedule of the millage actually assessed by the School Board over the past ten years.

INVESTMENTS

At June 30, 2007, the School Board had \$202.2 million invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary

freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 37% of their balance or \$4 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of January 31, 2009, the School Board had approximately \$106.5 million and \$8.1 million invested in Pool A and Pool B, respectively. None of the proceeds of the Series 2009 Certificates, the Series 2004 Certificates or the Series 2003 Certificates are invested in the Pool. Such funds are currently invested in other investments based on the guidelines established in the District's Investment Policy.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series 2009 Certificates are subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, whose approving opinion (a form of which is attached hereto as Appendix H) will be available at the time of delivery of the Series 2009 Certificates. Certain legal matters will be passed on for the School Board by Williams, Parker, Harrison, Dietz & Getzen, Sarasota, Florida, Counsel to the School Board.

LITIGATION

[To be reviewed by Counsel to the School Board]

Concurrently with the delivery of the Series 2009 Certificates, Counsel to the School Board will deliver an opinion which states, among other things, that there is no litigation or other proceedings pending or, to the best knowledge of the School Board, threatened against the School Board (1) that seeks to restrain or enjoin the issuance or delivery of the Series 2009 Certificates, the Series 2009 Lease or the Trust Agreement or (2) questioning or affecting the validity of the Series 2009 Certificates, the Series 2009 Lease or the Trust Agreement or any proceedings of the School Board with respect to the authorization, sale, execution or issuance of the Series 2009 Certificates or the transactions contemplated by this Offering Statement, the Series 2009 Lease, the Trust Agreement or any other agreement or instrument to which the School Board is a party in connection therewith and which is used or contemplated for use in the transactions contemplated by this Offering Statement or (3) questioning or affecting the creation, organization or existence of the School Board and which would have an adverse effect on the actions taken by the School Board with respect to the issuance of the Series 2009 Certificates.

The School Board experiences claims, litigation and various legal proceedings which individually are not expected to have a material adverse effect on its operations or financial condition, but may, in the aggregate, have a material impact thereon. There is no litigation, claim or series of claims currently pending or, to the best knowledge of the School Board, threatened that would have a material adverse consequence on the financial condition of the District.

TAX EXEMPTION

Opinion of Special Counsel

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2009 Certificates in order that the Interest Component of the Basic Rent Payments received by the Owners of the Series 2009 Certificates be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause such Interest Component to be included in federal gross income retroactive to the date of issuance of the Series 2009 Certificates, regardless of the date on which such non-compliance occurs or is ascertained. The School Board and the Corporation have covenanted in the Series 2009 Lease to comply with such requirements in order to maintain the exclusion from federal gross income of the Interest Component.

In the opinion of Special Counsel, the form of which is included as Appendix H hereto, assuming compliance with the aforementioned covenants, prior to the termination of the Series 2009 Lease resulting from an Event of Non-Appropriation or Event of Default thereunder, the Interest Component of the Basic Rent Payments is excludable from gross income and is not a specific item of tax preference for federal income tax purposes under existing statutes, regulations, rulings and court decisions. However, the Interest Component of the Basic Rent Payments is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations pursuant to the Code.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2009 Certificates, including among other things, restrictions relating to the use of investment of the proceeds of the Series 2009 Certificates and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2009 Certificates to the Treasury of the United States. Noncompliance with such provisions may result in the Interest Component of the Basic Rent Payments being included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2009 Certificates.

Collateral Tax Consequences

Except as described above, Special Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2009 Certificates. Prospective purchasers of Series 2009 Certificates should be aware that the ownership of Series 2009 Certificates may result in collateral tax consequences to various types of corporations relating to (1) the branch profits tax, (2) the denial of interest deductions to purchase or carry such Series 2009 Certificates, and (3) the inclusion of the Interest Component of the Basic Rent Payments in passive income for certain Subchapter S corporations. In addition, the Interest Component may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2009 CERTIFICATES AND THE RECEIPT OR ACCRUAL OF THE INTEREST COMPONENT OF THE BASIC RENT PAYMENTS MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE SERIES 2009 CERTIFICATE HOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2009 CERTIFICATE HOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

The Interest Component of the Basic Rent Payments may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2009 Certificates should consult their own tax advisors as to the income tax status of such Interest Component in their particular state or local jurisdiction.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2009 Certificates. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2009 Certificates. From time to time, legislative proposals are pending which could have an effect of both the federal tax consequences resulting from ownership of the Series 2009 Certificates and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2009 Certificates.

NOTWITHSTANDING THE FOREGOING, SPECIAL COUNSEL EXPRESSES NO OPINION REGARDING THE FEDERAL INCOME TAX OR FLORIDA TAX CONSEQUENCES RESULTING FROM THE OWNERSHIP OF THE SERIES 2009 CERTIFICATES OR THE RECEIPT BY THE OWNERS THEREOF OF PAYMENTS ON THE SERIES 2009 CERTIFICATES FOLLOWING THE TERMINATION OF THE LEASE AGREEMENT RESULTING FROM AN EVENT OF NON-APPROPRIATION OR EVENT OF DEFAULT THEREUNDER.

Original Issue Discount

Under the Code, the difference between the principal amount of the Series 2009 Certificates maturing on July 1 in the years 20__ through 20__ (the "Discount Certificates") and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Certificates of the same maturity was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income and which may result in the collateral tax consequences described above. Original issue discount will accrue over the term of a Discount Certificate at a constant interest rate compounded periodically. That portion of the original issue discount accruing during the period a purchaser holds a Discount Certificate will increase its adjusted basis in such Discount Certificate by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Certificates. Owners of Discount Certificates should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of

such Discount Certificates and with respect to the state and local tax consequences of owning and disposing of such Discount Certificates. No opinion is expressed with respect to the federal income tax consequences of any original issue discount with respect to the Discount Certificates following termination of the Lease Agreement as a result of an Event of Non-Appropriation or the occurrence of an Event of Default thereunder.

Original Issue Premium

The Series 2009 Certificates maturing on July 1 in the 20__ through 20__, inclusive, were offered at prices in excess of the principal amount thereof to achieve a yield based upon the maturity date (the "Premium Certificates"). Under the Code, the excess of the cost basis of a Premium Certificate over the amount payable at the maturity date of the Premium Certificate is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the period to the maturity date (or earlier prepayment date in the case of a callable Premium Certificate) of a Premium Certificate. A bondholder will therefore be required to decrease his basis in the Premium Certificate by the amount of the amortizable bond premium attributable to each taxable year he holds such Premium Certificate. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium is not deductible for federal income tax purposes.

RATINGS

[In the event all or a portion of the Series 2009 Certificates are insured, Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies ("S&P") and Fitch Ratings ("Fitch") are expected to assign the insured Series 2009 Certificates the ratings of "___," "___" and "___," respectively, based on the understanding that the Policy insuring the timely payment of the principal and interest in respect of such Series 2009 Certificates will be issued by _____ concurrently with the issuance of the Series 2009 Certificates.] Moody's, S&P and Fitch have [also] assigned the Series 2009 Certificates the underlying ratings of "Aa3," "AA-" and "AA-," respectively[, without regard to the issuance of the Policy by _____]. The ratings reflect only the views of Moody's, S&P and Fitch and an explanation of the significance of the ratings may be obtained only from Moody's, S&P and Fitch, respectively. An explanation of the rating given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0501. An explanation of the rating given by S&P may be obtained from S&P at 55 Water Street, 38th Floor, New York, New York 10041, (212) 438-2081. An explanation of the rating given by Fitch may be obtained from Fitch at One State Street Plaza, New York 10004, (212) 908-0500.

The School Board furnished to the rating agencies certain information and materials concerning the Series 2009 Certificates and the District. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance that the ratings mentioned above will remain in effect for any given period of time or that the ratings might not be lowered or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. The Underwriter has undertaken no responsibility to bring to the attention of the Owners of the Series 2009 Certificates any proposed change in or withdrawal of the rating or to oppose any such proposed revision or withdrawal. Any such downward change in or withdrawal of the rating might have an adverse effect on the market price or marketability of the Series 2009 Certificates.

BASIC FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report of the District for the Fiscal Year ended June 30, 2008 excerpted pages of which are included in this Offering Statement have been audited by Cherry, Bekaert & Holland, L.L.P., independent certified public accounts, as stated in their report appearing in APPENDIX B.

Cherry, Bekaert & Holland, L.L.P. has not performed any services in connection with the issuance of the Series 2009 Certificates and has not reviewed any of the information contained in this Offering Statement, other than the financial statements and their report appearing in APPENDIX B.

CONTINUING DISCLOSURE

The School Board has covenanted and undertaken for the benefit of the Series 2009 Certificate holders to provide certain financial information and operating data relating to the District and the Series 2009 Certificates in each year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. Such covenant shall only apply so long as the Series 2009 Certificates remain Outstanding under the Lease Agreement or the Series 2009 Lease has not been terminated. Such undertaking shall also terminate upon the termination of the continuing disclosure requirements of S.E.C. Rule 15c2-12 (the "Rule") by legislative, judicial or administration action. The Annual Report will be filed by the School Board with the Nationally Recognized Municipal Securities Information Repository (the "NRMSIR") described in the Form of Disclosure Dissemination Agent Agreement attached hereto as APPENDIX J. The notices of material events will be filed by the School Board with the Municipal Securities Rulemaking Board or the NRMSIR. The specific nature of the information to be contained in the Annual Report and the notices of material events are described in "APPENDIX J - FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT" delivered at the time of issuance of the Series 2009 Certificates. The

Disclosure Dissemination Agent Agreement shall be executed by the School Board and Digital Assurance Certification, L.L.C., as Dissemination Agent thereunder, prior to the issuance of the Series 2009 Certificates. These undertakings have been made in order to assist the Underwriter in complying with the Rule.

With respect to the Series 2009 Certificates, no party other than the School Board is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. The School Board has never failed to comply in any material respects with any previous undertaking pursuant to the Rule.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the District make a full and fair disclosure of any bonds or other debt obligations of such entity that have been in default as to principal or interest at any time after December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to Rule 69W-400.003, Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the District, and certain additional financial information, unless the District believes in good faith that such information would not be considered material by a reasonable investor. The District is not and has not been in default on any bond issued since December 31, 1975 which would be considered material by a reasonable investor.

FINANCIAL ADVISOR

The School Board has retained Public Financial Management, Inc., Orlando, Florida, as Financial Advisor with respect to the authorization and issuance of the Series 2009 Certificates. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Offering Statement.

UNDERWRITING

The Series 2009 Certificates are being purchased by RBC Capital Markets, together with the other Underwriters set forth on the cover page hereof (collectively, the "Underwriters"), at a price of \$_____ (which represents the par amount of the Series 2009 Certificates of \$_____, plus/less a net original issue premium/discount of \$_____ and less an Underwriters' discount of \$_____). The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2009

Certificates if any Series 2009 Certificates are purchased. The Series 2009 Certificates may be offered and sold to certain dealers (including dealers depositing such Series 2009 Certificates into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

ACCURACY AND COMPLETENESS OF OFFERING STATEMENT

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2009 Certificates, the security for the payment of the Series 2009 Certificates and the rights and obligations of the owners thereof.

Any statements made in this Offering Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Offering Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2009 Certificates.

The Appendices hereto are integral parts of this Offering Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF OFFERING STATEMENT

The execution and delivery of this Offering Statement has been duly authorized and approved by the School Board of Sarasota County, Florida. At the time of delivery of the Series 2009 Certificates, the undersigned will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Offering Statement (other than information herein relating to DTC, its book-entry only system [and the Insurer and its Policy]), as of its date and as of the date of delivery of the Series 2009 Certificates, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Offering Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

**THE SCHOOL BOARD OF SARASOTA
COUNTY, FLORIDA**

By: _____
Chair

By: _____
Superintendent of Schools

APPENDIX A

**GENERAL INFORMATION RELATING TO
SARASOTA COUNTY, FLORIDA**

APPENDIX A

GENERAL INFORMATION REGARDING SARASOTA COUNTY, FLORIDA

Locale, Area and Climate

Sarasota County is located on the southwest coast of Florida, approximately 35 miles south of St. Petersburg and 50 miles south of Tampa. The County is bounded by Manatee County to the north and east, DeSoto County also to the east, Charlotte County to the south, and the Gulf of Mexico to the west. The incorporated municipalities in the County include the County seat of Sarasota, and the municipalities of Venice, North Port, and the Town of Longboat Key. Land area of the County is 620 square miles; inland water area is 38 square miles. Average temperatures range from 62 degrees Fahrenheit in January to 82 degrees Fahrenheit in July. Average annual rainfall is 54 inches.

Population

The population of the County has grown dramatically in 50 years from 28,827 in 1950 to a resident population of 325,961 in 2000 according to the 2000 U.S. Census. The population of the County for the year 2007 was estimated to be 387,461. Projections indicate that over the next 3 years, the population will grow to approximately 400,600. The following table presents historical and projected population data for the County and for the State of Florida.

Sarasota County, Florida Historical and Projected Population Data

<u>Year</u>	<u>Sarasota County</u>	<u>Percentage Change/Decade</u>	<u>State of Florida</u>	<u>Percentage Change/Decade</u>
Historical				
1950	28,827	---	2,771,305	---
1960	76,895	166.7%	4,951,560	78.7%
1970	120,413	56.6	6,791,418	37.2
1980	202,251	68.0	9,746,961	43.5
1990	277,776	37.3	12,938,071	32.7
2000	325,961	17.3	15,982,824	23.5
2007	387,461	18.9	18,680,367	16.9
Projected ⁽¹⁾				
2010	400,600	3.4	19,308,100	3.4

(1) Median Assumptions

Source: University of Florida, Bureau of Economic Business Research.

Economy

The economy of Sarasota County is a blend of tourist and retirement industries, related service industries, light manufacturing and construction. Sarasota County ranks second only to Pinellas County on the West Coast of Florida as a year-round resort area. Approximately, 1.5 million tourists visit the County each year. Tourist accommodations, restaurant and other food services, entertainment and related support services are major industries in the County.

The County currently is experiencing a slow down in its economic environment, reflective of Florida's economy. Local indicators point to lower tax revenues. Per capita income is higher and the unemployment rate is lower than the Florida or national average.

The combination of cultural and recreational facilities, together with the continuing expansion of programs and facilities, makes Sarasota County an ideal retirement area. Retirees contribute an important stabilizing effect on the County's economy since their incomes are not usually affected by the cyclical nature of the economy and by unemployment levels.

Labor Force, Employment and Unemployment Statistics

Employment and unemployment information is presented in the following tables.

Sarasota County, Florida Labor Force and Unemployment Estimates⁽¹⁾ 1999-2008

Year Ended <u>12/31</u>	Sarasota County Civilian			Unemployment Rates		
	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Sarasota County</u>	<u>Florida</u>	<u>U.S.</u>
1999	157,321	153,772	3,549	2.3	3.9	4.2
2000	148,844	144,088	4,756	3.2	3.6	4.0
2001	150,087	144,230	5,857	3.9	4.8	4.7
2002	157,957	150,298	7,659	4.8	5.5	5.8
2003	161,414	154,068	7,346	4.6	4.7	5.6
2004	168,037	161,277	6,760	4.0	4.8	N/A
2005	173,064	167,355	5,729	3.3	3.8	5.1
2006	178,009	172,521	5,488	3.1	3.4	4.6
2007	178,448	170,749	7,699	4.3	4.6	4.8
2008	175,826	161,588	14,238	8.1 ⁽¹⁾	7.8 ⁽¹⁾	7.1

Source: Florida Research and Economic Database.

(1) Preliminary data as of December, 2008.

Sarasota County, Florida
Average Monthly Private Employment by Major Industry Group

	<u>2006</u>	<u>2007⁽¹⁾</u>
All Industries*	144,521	140,576
Agriculture, forestry, fishing and hunting	337	281
Mining	89	97
Utilities	568	571
Construction	17,930	15,423
Manufacturing	8,791	7,501
Wholesale Trade	4,325	4,223
Retail Trade	22,139	21,838
Transportation and warehousing	1,586	1,509
Information	2,931	2,804
Finance and Insurance	7,118	6,894
Real Estate and Rental/Leasing	3,541	3,655
Professional, Scientific and Technical Services	10,028	9,648
Management Companies	711	760
Administration and Support Services	13,360	523
Educational Services	1,417	552
Health Care and Social Assistance	22,936	23,735
Arts, Entertainment and Recreation	4,465	4,759
Accommodation and Food Services	15,205	188
Other Services	6,886	509
Unclassified	157	108

Source: Florida Statistical Abstract, 2008.

(1) Preliminary figures.

* Details may not add to totals due to editing and/or rounding.

Principal Employers

The following tables show the ten largest non-manufacturing employers in Sarasota County and the ten largest manufacturing employers.

Principal Employers Sarasota County, Florida June 30, 2008

<u>Employer</u>	<u>Type of Business</u>	<u>Total Employed</u>
School Board of Sarasota County	Education	5,447
Sarasota Memorial Hospital	Health Care	4,128
Sarasota County Government	Governing Entity	3,552
Publix Super Markets	Grocer	3,042
PGT Industries	Vinyl Enclosures	1,780
Wal-Mart	Retail	1,277
Bon Secours - Venice Hospital	Health Care	927
Nielson Media Research	Communication	700
Target	Retail	659
Sarasota Herald - Tribune	Newspaper publisher	533

Source: School Board of Sarasota County Comprehensive Annual Financial Report, Year Ended June 30, 2008.

Ten Largest Manufacturing Employers Sarasota County, Florida September 30, 2007

<u>Employer</u>	<u>Type of Business</u>	<u>Total Employed</u>
PGT Industries	Window and Door Manufacturer	1,780
Sun Hydraulics	Hydraulic Cartridge Valves	440
Forest Products Supply	Building Materials	370
ASO Corporation	Bandages	240
Pac-Tec	Plastic & Electrical Enclosures	203
L-3 Communications	Aviation Recorders	178
Teleflex, Inc.	Electronic Gauges	161
Parker Hannifin Corporation	Hydraulic Pumps and Valves	138
Honeywell	Electrical Components	113
King Plastic	Polymer Sheets, Slabs and Massive Shapes	109

Source: Sarasota County Comprehensive Annual Financial Report, Year Ended September 30, 2007.

Educational Facilities

Residents of Sarasota County are served by a variety of educational facilities. The public school system includes adult classes and a technical institute. The County also has special facilities for both gifted and handicapped children. A number of private and parochial schools also operate in the County.

The University of South Florida New College Campus and the Manatee Community College in Bradenton are public institutions of higher education. The Ringling School of Art and Design is one of the best-known institutions in the south for preparing students for practitioners of fine arts. Numerous additional educational opportunities are offered within the County in art, theater and music.

APPENDIX B

**EXCERPTED PAGES FROM THE COMPREHENSIVE ANNUAL FINANCIAL
REPORT OF THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA FOR
THE FISCAL YEAR ENDED JUNE 30, 2008**

APPENDIX C

DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS

APPENDIX D

FORM OF TRUST AGREEMENT

APPENDIX E

FORM OF SERIES 2009 LEASE

APPENDIX F

FORM OF ASSIGNMENT

APPENDIX G

FORM OF GROUND LEASE AND GROUND LEASE ASSIGNMENT

APPENDIX H

FORM OF TAX OPINION OF SPECIAL COUNSEL

APPENDIX I

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY

APPENDIX J

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT