

**SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA  
CERTIFICATE RESOLUTION**

RESOLUTION OF THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA, APPROVING THE LEASE OF CERTAIN LAND OWNED BY THE BOARD TO THE FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA IN CONNECTION WITH THE LEASE-PURCHASE FINANCING OF VARIOUS CAPITAL IMPROVEMENT PROJECTS FOR THE DISTRICT; AUTHORIZING THE EXECUTION AND DELIVERY OF LEASE SCHEDULE NO. 2008 RELATING TO THE LEASE-PURCHASE OF SAID PROJECTS; AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO ASSIGNMENT OF LEASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES 2008 SUPPLEMENTAL TRUST AGREEMENT WITH WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE, PURSUANT TO WHICH THE TRUSTEE WILL EXECUTE, AUTHENTICATE AND DELIVER NOT EXCEEDING \$96,000,000 INITIAL AGGREGATE PRINCIPAL AMOUNT OF CERTIFICATES OF PARTICIPATION (SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA MASTER LEASE PROGRAM), SERIES 2008 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; AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE AGREEMENT RELATING TO THE LEASE OF CERTAIN REAL PROPERTY; DELEGATING TO THE SUPERINTENDENT AND HIS OR HER DESIGNEES THE AUTHORITY TO ACCEPT BIDS PURSUANT TO A COMPETITIVE SALE OF SUCH CERTIFICATES OF PARTICIPATION IN ACCORDANCE WITH THE PARAMETERS SET FORTH HEREIN; DELEGATING TO THE CHAIR OR VICE-CHAIR AND SUPERINTENDENT THE AUTHORITY TO APPROVE THE FINAL TERMS AND DETAILS OF THE SERIES 2008 CERTIFICATES ONLY UPON SATISFACTION OF THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFERING STATEMENT AND THE EXECUTION AND

DELIVERY OF A FINAL OFFERING STATEMENT, A CONTINUING DISCLOSURE AGREEMENT AND VARIOUS RELATED DOCUMENTS WITH RESPECT TO SUCH CERTIFICATES OF PARTICIPATION UPON MEETING CERTAIN CONDITIONS SPECIFIED HEREIN; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the School Board of Sarasota County, Florida (the "Board"), as governing body of the School District of Sarasota County, Florida (the "District") desires to lease-purchase certain educational facilities comprised of new Elementary School "I" and replacement Sarasota County Technical Institute - Phases IA and II (collectively the "Series 2008 Project"); and

**WHEREAS**, the Board has heretofore determined that an appropriate way of financing such educational facilities is the lease-purchase of such educational facilities utilizing the Board's master lease-purchase financing program (the "Financing Program") with the Financing Corporation for the School Board of Sarasota County, Florida (the "Corporation") pursuant to that certain Master Lease-Purchase Agreement, dated as of June 1, 2003, between the Board and the Corporation, as amended and supplemented, in particular as supplemented by that certain Lease Schedule No. 2008 (collectively, the "Series 2008 Lease"); and

**WHEREAS**, as part of the Financing Program it is necessary that the Board lease to the Corporation the sites on which the components of the Series 2008 Project will be located, which sites (collectively, the "Premises") are identified in Exhibit A attached to the Ground Lease Agreement, between the Board and the Corporation (the "Ground Lease"), the form of which Ground Lease being presented to the Board prior to this meeting and is attached hereto as Exhibit A; and

**WHEREAS**, there has been submitted to this meeting the form of Preliminary Offering Statement in connection with the lease-purchase of the Series 2008 Project; and

**WHEREAS**, in accordance with Section 218.385, Florida Statutes, and pursuant to this Resolution, the Series 2008 Certificates shall be advertised for competitive bids pursuant to the hereinafter defined Official Notice of Sale, the form of which is attached hereto as Exhibit F; and

**WHEREAS**, due to the present volatility and uncertainty of the market for tax-exempt obligations such as the Series 2008 Certificates, it is desirable for the Board to be able to advertise and award the Series 2008 Certificates at the most advantageous time and date which shall be determined by the Superintendent or his or her designees; and, accordingly, the Board hereby determines to delegate the advertising and awarding of the Series 2008 Certificates to the Superintendent and his or her designees within the parameters described herein; and

**WHEREAS**, it is necessary and appropriate that the Board determine certain parameters for the terms and details of the Series 2008 Certificates and to delegate certain authority to the Superintendent and his or her designees for the award of the Series 2008 Certificates and the approval of the terms of the Series 2008 Certificates in accordance with the provisions hereof and of the Official Notice of Sale; and

**WHEREAS**, in the event Bond Counsel shall determine that the Series 2008 Certificates have not been awarded competitively in accordance with the provisions of Section 218.385, Florida Statutes, the Board shall adopt such resolutions and make such findings as shall be necessary to authorize and ratify a negotiated sale of the Series 2008 Certificates in accordance with said Section 218.385;

**NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA, ACTING AS THE GOVERNING BODY OF THE SCHOOL DISTRICT OF SARASOTA COUNTY, FLORIDA:**

**SECTION 1. DEFINITIONS.** The following terms shall have the following meanings herein, unless the text otherwise expressly requires. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

**"Act"** shall have the meaning ascribed thereto in the Trust Agreement.

**"Basic Rent Payments"** shall have the meaning ascribed to such term in the Trust Agreement.

**"Board"** means the School Board of Sarasota County, Florida, acting as the governing body of the District.

**"Chair"** means the Chair of the Board and, in his or her absence or unavailability, the Vice-Chair or such other person as may be duly authorized to act on his or her behalf.

**"Chief Finance Officer"** means the Chief Finance Officer of the District, and in his or her absence or unavailability, such other person as may be duly authorized to act on his or her behalf.

**"Corporation"** means the Financing Corporation for the School Board of Sarasota County, Florida, a Florida not-for-profit corporation and any successor thereto.

**"Disclosure Agreement"** means the Disclosure Dissemination Agent Agreement by and between the Board and Digital Assurance Certification, L.L.C., as dissemination agent, substantially in the form attached to the Preliminary Offering Statement as Appendix J.

**"District"** means the School District of Sarasota County, Florida, a public body corporate and politic, and any successor thereto.

**"Ground Lease"** means the Ground Lease Agreement, between the Board and the Corporation, the substantially final form of which is attached hereto as a part of Exhibit A.

**"Lease Schedule No. 2008"** means Lease Schedule No. 2008 to the Master Lease-Purchase Agreement between the Corporation and the Board, the substantially final form of which is attached hereto as Exhibit B.

**"Master Lease-Purchase Agreement"** means the Master Lease-Purchase Agreement dated as of June 1, 2003, between the Corporation and the Board, as amended and supplemented.

**"Official Notice of Sale"** means the Official Notice of Sale described in Section 9 hereof, the substantially final form of which is attached hereto as Exhibit F.

**"Preliminary Offering Statement"** means the Preliminary Offering Statement to be used in connection with the marketing of the Series 2008 Certificates, the substantially final form of which is attached hereto as Exhibit E.

**"Second Amendment to Assignment of Lease Agreement"** means the Second Amendment to Assignment of Lease Agreement, between the Board and the Trustee, the substantially final form of which is attached hereto as Exhibit D.

**"Secretary"** or **"Superintendent"** means the Superintendent of the District, who is the ex-officio Secretary of the Board and, in his or her absence or unavailability, any Interim Superintendent, Deputy Superintendent or such other person as may be duly authorized to act on his or her behalf.

**"Series 2008 Certificates"** means the Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2008 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, to be dated as of their date of issuance (or such other date as shall be set forth in the Official Notice of Sale or Offering Statement) and to be executed, authenticated and delivered by the Trustee under the Trust Agreement and the Series 2008 Supplemental Trust Agreement.

**"Series 2008 Lease"** means the Master Lease-Purchase Agreement, as amended and supplemented, pursuant to Lease Schedule No. 2008.

**"Series 2008 Project"** shall have the meaning as ascribed thereto in Lease Schedule No. 2008, as the same may be amended or modified from time to time in accordance with the Lease Agreement.

**"Series 2008 Supplemental Trust Agreement"** means the Series 2008 Supplemental Trust Agreement relating to the Series 2008 Certificates, among the Corporation, the Board and the Trustee, the substantially final form of which is attached hereto as Exhibit C.

**"Trust Agreement"** means the Master Trust Agreement, dated as of June 1, 2003, among the Corporation, the Board and the Trustee, as amended and supplemented, and particularly as amended and supplemented pursuant to the Series 2008 Supplemental Trust Agreement.

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

**SECTION 2. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

**SECTION 3. FINDINGS.** It is hereby found and determined that:

(A) The Board has heretofore established a master lease-purchase program for the lease-purchase financing of various projects in accordance with the terms of the Master Lease-Purchase Agreement and the Trust Agreement.

(B) The Board is authorized and empowered by the Act to enter into transactions such as that contemplated by this Resolution, the Master Lease-Purchase Agreement, Lease Schedule No. 2008, the Trust Agreement, the Disclosure Agreement, the Series 2008 Supplemental Trust Agreement and the Ground Lease and to fully perform its obligations thereunder in order to lease-purchase the Series 2008 Project.

(C) It is in the best interest of the Board that the Series 2008 Certificates be sold pursuant to a publicly noticed competitive sale in accordance with the terms hereof and of the Official Notice of Sale.

(D) The Series 2008 Certificates shall be secured solely as provided in the Trust Agreement, the Series 2008 Lease and the Ground Lease, it being understood that neither the Series 2008 Certificates nor the interest represented thereby shall be or constitute a general obligation of the Corporation or the District, the Board, Sarasota County or the State of Florida, or any political subdivision or agency thereof, a pledge of the faith and credit of the Corporation or the District, the Board, Sarasota County or the State of Florida, or any political subdivision or agency thereof, or a lien upon any property of or located within the boundaries of the District.

**SECTION 4. LEASE OF PREMISES.** All or a portion of the land constituting the Premises identified (or to be identified by supplemental Ground Lease) in Exhibit A attached to the Ground Lease and made a part hereof is hereby approved for leasing to the Corporation as part of the Financing Program in accordance with the terms and provisions of the Ground Lease.

**SECTION 5. APPROVAL OF GROUND LEASE.** Subject to satisfaction of all of the conditions set forth in Section 9(B) hereof, the Ground Lease, substantially in the form attached hereto as Exhibit A, is hereby approved in form by the Board with such changes, insertions, and additions as may be hereafter necessary in order to complete the documentation of the lease purchase financing of the Series 2008 Project in accordance with the terms thereof and the Board hereby authorizes and directs the Chair to execute the Ground Lease, and the Secretary to attest the same under the seal of the Board and to deliver the Ground Lease to the Corporation for its execution.

**SECTION 6. AUTHORIZATION OF LEASE-PURCHASE OF SERIES 2008 PROJECT.** Subject to satisfaction of all of the conditions set forth in Section 9(B) hereof, the Board hereby authorizes the lease-purchase of the Series 2008 Project in accordance with the terms of the Series 2008 Lease.

**SECTION 7. APPROVAL OF LEASE SCHEDULE NO. 2008.** Subject to satisfaction of all of the conditions set forth in Section 9(B) hereof, the Board hereby authorizes and directs the Chair to execute Lease Schedule No. 2008, and the Secretary to attest the same under the seal of the Board, and to deliver Lease Schedule No. 2008 to the Corporation for its execution. Lease Schedule No. 2008 shall be in substantially the form attached hereto as Exhibit B, with such changes, amendments, modifications, omissions and additions as may be approved by the Chair and in any event, including those changes necessary to reflect the terms and details of the Series 2008 Certificates determined in accordance with Section 9(B) hereof including, without limitation, the schedule of Basic Rent Payments. Execution by the Chair of Lease Schedule No. 2008 shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 8. APPROVAL OF SERIES 2008 SUPPLEMENTAL TRUST AGREEMENT.** Subject to satisfaction of all of the conditions set forth in Section 9(B) hereof, the Board hereby authorizes and directs the Chair to execute the Series 2008 Supplemental Trust Agreement, and the Secretary to attest the same under the seal of the Board and to deliver the Series 2008 Supplemental Trust Agreement to the Corporation and the Trustee for their execution. The Series 2008 Supplemental Trust Agreement shall be in substantially the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions as may be approved by said Chair, including the final terms and provisions of the Series 2008 Certificates determined in accordance with Section 9(B) hereof. Execution by the Chair of the Series 2008 Supplemental Trust Agreement shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 9. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2008 CERTIFICATES; DELEGATED PUBLIC COMPETITIVE SALE OF SERIES 2008 CERTIFICATES; OFFICIAL NOTICE OF SALE.**

(A) Subject to the requirements which must be satisfied in accordance with the provisions of Section 9(B) below prior to the issuance of the Series 2008 Certificates, the Board hereby authorizes the issuance of a Series of Certificates, to be known as the "Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2008," for the principal purpose of providing moneys for lease-purchasing the Series 2008 Project. The Series 2008 Certificates shall be issued only in accordance with the provisions of the Trust Agreement and all the provisions hereof and of the Trust Agreement shall be applicable thereto.

(B) Subject to full satisfaction of the conditions set forth in this Section 9(B), the Board hereby authorizes a delegated public competitive sale of the Series 2008 Certificates. The Series 2008 Certificates shall not be awarded to a purchaser until such time as all of the following conditions have been satisfied:

(1) Receipt by the Superintendent or her designees of a written offer to purchase the Series 2008 Certificates as part of a competitive bid, said offer to provide for, among other things, (i) the issuance of not exceeding \$96,000,000 initial aggregate principal amount of Series 2008 Certificates, (ii) a true interest cost of not more than 5.50% per annum, and (iii) the maturities of the Series 2008 Certificates with the final maturity no later than July 1, 2023.

(2) With respect to any redemption terms of the Series 2008 Certificates, the Series 2008 Certificates may be issued as noncallable or callable Certificates as set forth in the winning bid proposal. No call premium may exceed 1% of the par amount of that portion of the Series 2008 Certificates to be redeemed.

(3) Receipt by the Superintendent or her designees from the winning bidder(s) of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes.

(4) The issuance of the Series 2008 Certificates shall not exceed any debt limitation prescribed by law, and such Series 2008 Certificates, when issued, will be within the limits of all constitutional or statutory debt limitations.

(C) The form of the Official Notice of Sale attached hereto as Exhibit F and the terms and provisions thereof are hereby authorized and approved. The Superintendent or his or her designees are hereby authorized to make such changes, insertions and modifications as they shall deem necessary prior to the advertisement of such Official Notice of Sale. The Superintendent or his or her designees are hereby authorized to advertise and publish the Official Notice of Sale or a summary thereof at such time as

she/he shall deem necessary and appropriate, upon the advice of the District's Financial Advisor, to accomplish the public competitive sale of the Series 2008 Certificates.

(D) Notwithstanding the foregoing, in accordance with the provisions of the Official Notice of Sale, the Superintendent or his or her designees may, in their sole discretion, reject any and all bids.

**SECTION 10. APPROVAL OF SECOND AMENDMENT TO ASSIGNMENT OF LEASE AGREEMENT.** Subject to satisfaction of all of the conditions set forth in Section 9(B) hereof, the Board hereby approves the execution and delivery by officers of the Corporation of the Second Amendment to Assignment of Lease Agreement, in substantially the form attached hereto as Exhibit D, with such changes, amendments, modifications, omissions and additions as may be approved by said Corporation. Execution of the Second Amendment to Assignment of Lease Agreement by officers of the Corporation shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 11. PRELIMINARY OFFERING STATEMENT.** The use and distribution of the Preliminary Offering Statement, substantially in the form attached hereto as Exhibit E, for the purpose of offering the Series 2008 Certificates for sale is hereby authorized and ratified which such changes thereto as authorized representatives of the Board may approve prior to the distribution thereof. The Board hereby authorizes each of the Chair, the Superintendent or the Chief Finance Officer or their designees to deem the Preliminary Offering Statement final as of its date within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, except for such permitted omissions as permitted under such Rule. Execution of a certificate deeming the Preliminary Offering Statement final by the Chair, Superintendent or Chief Finance Officer or their designees shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 12. OFFERING STATEMENT.** The form, terms and provisions of the Offering Statement relating to the Series 2008 Certificates, shall be substantially as set forth in the Preliminary Offering Statement. The Chair and the Superintendent are each hereby authorized and directed to execute and deliver said Offering Statement in the name and on behalf of the Board, and thereupon to cause such Offering Statement to be delivered to the winning bidder(s) within seven business days of the date of the sale of the Series 2008 Certificates with such changes, amendments, modifications, omissions and additions as may be approved by said Chair. Said Offering Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Chair, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2008 Certificates to the public. Execution by the Chair and the Superintendent of the Offering Statement shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 13. APPOINTMENT OF TRUSTEE.** Wells Fargo Bank, National Association, Coral Springs, Florida, is hereby designated as Trustee.

**SECTION 14. APPROVAL OF DISCLOSURE AGREEMENT.** The Board hereby authorizes and directs the Chair to execute the Disclosure Agreement, and to deliver the Disclosure Agreement to Digital Assurance Certification, L.L.C., as dissemination agent thereunder, for its execution. The Disclosure Agreement shall be in substantially in the form attached to the Preliminary Offering Statement as Appendix J, with such changes, amendments, modifications, omissions and additions as may be approved by said Chair. Execution by the Chair of the Disclosure Agreement shall be deemed to be conclusive evidence of approval of such changes.

**SECTION 15. MUNICIPAL BOND INSURANCE.** The Board's financial advisor, Public Financial Management, Inc., has negotiated an insurance commitment with Financial Security Assurance Inc. ("Financial Security") to issue its municipal bond insurance policy securing payment of the principal of and interest components on the Series 2008 Certificates. The Chair, the Superintendent and the Chief Finance Officer are each hereby authorized to execute and deliver to Financial Security the Commitment for Municipal Bond Insurance (the "Insurance Commitment").

**SECTION 16. GENERAL AUTHORITY.** Subject to satisfaction of all of the requirements of Section 9(B) hereof, the members of the Board, the Superintendent, the Chief Finance Officer and the officers, attorneys and other agents or employees of the District are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements of this Resolution, the Series 2008 Lease, the Trust Agreement, the Series 2008 Supplemental Trust Agreement, the Ground Lease, the Offering Statement or the Disclosure Agreement for the full punctual and complete performance of all the terms, covenants and agreements contained herein or therein, and each member, employee, attorney and officer of the District and the Superintendent and his or her designees hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. The foregoing officers are authorized to change the dated date of the documents authorized herein or to change the designation of the Series 2008 Certificates, if necessary or desirable, for accomplishing the acts herein authorized.

**SECTION 17. SEVERABILITY AND INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof.

**SECTION 18. EFFECTIVE DATE.** This Resolution shall become effective immediately upon its adoption.

**ADOPTED** at a Regular Meeting this 3rd day of June, 2008.

**SCHOOL BOARD OF SARASOTA  
COUNTY, FLORIDA, ACTING AS THE  
GOVERNING BODY OF THE SCHOOL  
DISTRICT OF SARASOTA COUNTY,  
FLORIDA**

(SEAL)

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

ATTEST:

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

**EXHIBIT A**

**FORM OF GROUND LEASE**

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**GROUND LEASE AGREEMENT**

**by and between**

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

**and**

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

**Dated as of June 1, 2008**

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## **GROUND LEASE AGREEMENT**

**THIS GROUND LEASE AGREEMENT** (hereinafter referred to as this "Ground Lease") is made and entered into as of June 1, 2008, by and between the **SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, a school board duly organized and existing under the laws of the State of Florida (the "Board"), as lessor, acting as the governing body of the School District of Sarasota County, Florida, and the **FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, a single-purpose, not-for-profit corporation organized and existing under the laws of the State of Florida, having an office in Sarasota, Florida (the "Corporation"), as lessee.

Capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A to the Trust Agreement referred to herein.

**WHEREAS**, the Board is the owner of certain parcels of real property located in Sarasota County, Florida and described in Exhibit A hereto (which, together with any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land and together with all parcels of real property hereunder made subject to the Ground Lease, is hereinafter referred to as the "Premises"); and

**WHEREAS**, the Corporation desires to acquire a leasehold interest in the Premises and construct thereon certain educational facilities (together with the acquisition of certain Equipment, the "Series 2008 Project") and to lease the Series 2008 Project, including a sublease of the Premises, to the Board, all in accordance with the terms and provisions of the Lease Agreement; and

**WHEREAS**, the Corporation desires to locate each such educational facility on the real property comprising the Premises;

**WHEREAS**, the Board owns that certain real property more particularly described on Exhibit B attached hereto and made a part hereof ("Servient Property") which such Servient Property now has or will hereafter have certain buildings, structures and improvements erected and situated thereon (collectively, the "Servient Buildings"); and

**WHEREAS**, it is anticipated that the Series 2008 Project may be attached to the Servient Property for pedestrian and vehicular ingress, egress and access to and from and between the Premises and the public roads adjoining the Servient Property (hereinafter referred to as "Access"); and may further be dependent upon the Servient Property for utility and other enjoyment of the Premises which such services include, but are not

necessarily limited to, drainage, sewer and water service, electric and telephone service, gas service and parking of vehicles (collectively, the "Services"); and

**WHEREAS**, the Corporation desires to acquire from the Board, pursuant to this Ground Lease, and the Board is willing to grant to the Corporation, the right to utilize the Servient Property to the extent reasonably necessary for Access and for the Services and the Corporation and the Board desires to provide for the structural attachment of certain of the components of the Project to the Servient Buildings;

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the parties hereto agree as follows;

**SECTION 1. LEASED PREMISES.** (a) Pursuant to the terms and provisions hereof, the Board hereby leases, grants, demises and transfers the Premises and the Series 2008 Project, other than the Designated Equipment, to the Corporation; subject to certain limited use reservations as further described in Section 1(d) below. The Board hereby agrees to make all parcels of real property on which the Series 2008 Project is sited part of the Premises and subject to this Ground Lease.

(b) The aforesaid leasing, granting, demising and transfer of the Premises also includes the following rights ("Premises Rights") which such Premises Rights shall be deemed to be a part of the Premises:

(i) The right to utilize the Servient Property for Access and for the Services reasonably necessary to the full use and enjoyment of the Premises; provided that the locations on the Servient Property utilized for such purposes shall be reasonably agreed upon by the Corporation and the Board; and provided, further, that the Servient Property Rights shall include, but not necessarily be limited to, the right to utilize for such purposes any portion of the Servient Property (e.g., the Servient Property Rights shall include, but not necessarily be limited to, the right to utilize for appropriate purposes, any drives, parking areas, drainage facilities or sewer, water, gas, electric or telephone lines from time to time located upon the Servient Property, together with the right to "tie-in" or "connect" thereto). If the Lease Agreement terminates prior to the termination of this Ground Lease, the Corporation and the Board shall each have the right to install such meters or submeters as may be reasonably appropriate to the end that the Corporation is charged for consumption of such utilities on the Premises.

(ii) The Servient Buildings and the Series 2008 Project may contain certain elements, features or parts which are structural elements of both the Servient Buildings and the Series 2008 Project (hereinafter referred to as "Common Structural Elements"). Such Common Structural Elements include, but are not necessarily limited to the following:

(A) All utility lines, ducts, conduits, pipes and other utility fixtures and appurtenances which are located on or within either the Premises or the Series 2008 Project on the one hand or the Servient Property or Servient Buildings on the other hand and which, directly or indirectly, in any way, service the other.

(B) All division walls (hereinafter referred to as "Party Walls") between the Series 2008 Project and the Servient Buildings upon the common line between the Premises and the Servient Property (hereinafter referred to as the "Lot Line") provided that the mere fact that such a division wall is found not to be on the Lot Line shall not preclude that division wall from being the Party Wall.

(C) The roof and all roof support structures and any and all appurtenances to such roof and roof support structures including, without limitation, the roof covering, roof trim and roof drainage fixtures (collectively, the "Roofing") to the extent interrelated between the Series 2008 Project and the Servient Buildings. Should the Roofing of any building constituting a portion of the Project extend beyond the Lot Line, the right therefor is hereby granted and should the Roofing of the Servient Building extend beyond the Lot Line onto the premises, the right therefor is hereby reserved.

(D) The entire concrete floor slab or wood floor system if utilized in lieu thereof and all foundational and support structures and appurtenances thereto to the extent interrelated between the Series 2008 Project and the Servient Buildings (collectively referred to as "Flooring"). Should the Flooring of the Series 2008 Project extend beyond the Lot Line onto the Premises, the right therefor is hereby reserved.

(iii) The Premises Rights further include that right of the Series 2008 Project to encroach upon the Servient Property as a result of minor inaccuracies in survey, construction or reconstruction or due to settlement or movement. The encroaching Series 2008 Project shall remain undisturbed for as long as same exist and, for so long as such encroachment exists, that portion of the Servient Property on which same exists shall be deemed to be a part of the Premises. In addition, the Premises Rights include the right to utilize that portion of the Servient Property as may be reasonably necessary in order to maintain and repair the Series 2008 Project. The Premises Rights further include cross rights of support and use over, upon, across, under, through and into Common Structural Elements in favor of the Corporation (and like rights are hereby reserved unto the Board) for the continued use, benefit and enjoyment and continued support, service, maintenance and repair of all such Common Structural Elements.

(c) Subject to the Permitted Encumbrances, the Board hereby warrants that (i) the Board owns the Premises in fee simple title, has full and insurable title to the fee estate in the Premises and owns unencumbered all such right, title and interest; (ii) all consents to or approvals of this Ground Lease required by law or any agreements or indentures binding upon the Board have been obtained; (iii) the Board has the right to lease the Premises to the Corporation pursuant to the terms and provisions hereof and to grant to the Board the Premises Rights; and (iv) this Ground Lease complies with all the requirements and restrictions of record applicable to the Premises and the Servient Property. The Board represents and warrants that none of the Permitted Encumbrances has an adverse effect on the use of the Premises or the enjoyment of the leasehold estate therein created under this Ground Lease.

(d) To the extent there are located on the Premises any existing structures and/or facilities ("Existing Schools") that are being replaced under the scope of the Series 2008 Project, the Board reserves the exclusive right to use each such Existing School until the replacement school (being constructed under the scope of the Series 2008 Project) is completed and then occupied by the Board under the Lease Agreement.

**SECTION 2. TERM.** The initial term of this Ground Lease (the "Initial Ground Lease Term") shall be for the period commencing on the Commencement Date, and ending on the earlier of (a) the date on which the Series 2008 Certificates and any Completion Certificates related to the Series 2008 Project and any Certificates issued to refund the foregoing, have been paid or provision for payment of the Series 2008 Certificates has been made pursuant to Section 12.01 of the Trust Agreement and any Supplemental Rent arising under the Lease Agreement shall have been paid or provided for, or (b) July 1, 20\_\_ (both dates inclusive). As used herein, the expression "term hereof," "Ground Lease Term" or any similar expression refers collectively to the Initial Ground Lease Term and to any renewals of the Initial Ground Lease Term exercised by the Corporation or its assignee as provided in Section 22 hereof.

**SECTION 3. USE OF PREMISES.** (a) It is the express intent of the parties hereto that, for as long as no Event of Default or Event of Non-Appropriation under the Lease Agreement has occurred:

(i) the Premises shall be used by the Corporation as the site for acquisition, construction and installation of the Buildings comprising a portion of the Series 2008 Project;

(ii) the Buildings and Equipment comprising a portion of the Series 2008 Project shall be acquired, constructed and installed by the Board as agent for the Corporation as provided in Section 3.08 of the Lease Agreement; and

(iii) title to the Premises shall be in the Board upon commencement of the Ground Lease Term and title to all components of the Series 2008 Project,

other than Designated Equipment, shall be in name of Corporation pursuant to the Lease Agreement, and title to the Buildings comprising a portion of the Series 2008 Project constructed on the Premises shall remain severed from title to the Premises until the earlier of (A) the date on which the Series 2008 Certificates, any Completion Certificates related to the Series 2008 Project and any Certificates issued to refund the foregoing issued under the Trust Agreement shall no longer be Outstanding, and (B) the end of the Ground Lease Term.

(b) If the Lease Agreement has been terminated, the Corporation and each Permitted Transferee (as defined in Section 9(b) hereof) may use the Premises for any lawful purpose, in its sole discretion, and may alter, modify, add to or delete from the portions of the Series 2008 Project existing from time to time on the Premises.

(c) Neither the Corporation nor any Permitted Transferee shall use or permit the Premises to be used in violation of any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto.

(d) The Board may at any time place portable educational facilities on the Premises. Such portables shall be owned by the Board.

**SECTION 4. RENTAL.** (a) So long as the Lease Agreement has not been terminated, the Corporation or its assignee shall pay to the Board as and for rental for the Premises the sum of ten dollars (\$10.00) per annum, which sum shall be due in advance on the Commencement Date (pro rated) and annually thereafter on the first day of each Renewal Lease Term.

(b) From and after the date on which the Lease Agreement has been terminated, the Corporation or its assignee shall pay as and for rental for the Premises an amount determined by an M.A.I. appraisal to be the fair market rental for the Premises (the "Appraisal"), which Appraisal shall be prepared by an appraiser selected by the Corporation (with the consent of the Trustee as assignee of the Corporation); provided, however, that such fair market rental and the payment thereof shall be subject to the following adjustments and conditions:

(i) if the Lease Agreement has been terminated on a date other than June 30 of any year, the fair market rental determined pursuant to the Appraisal shall be pro rated for the number of days between the date terminated and the next succeeding July 1;

(ii) for each twelve-month period beginning on the July 1 next succeeding the date on which terminated and beginning on each succeeding July 1, the amount of the fair market rental determined by the Appraisal shall be adjusted by the percentage (positive or negative) which is equal to the Implicit Price Deflator of the Consumer Price Index published by the United States Department

of Commerce for the region of the United States where Florida is located or for the United States as a whole if not so published for such region;

(iii) the fair market rental due in any year shall be paid in the current year only to the extent that the moneys received by the Trustee as assignee of the Corporation from the exercise of the remedies permitted under the Lease Agreement during the preceding twelve months prior to such July 1 exceeded the Principal and Interest Requirements for such preceding twelve months and other amounts payable under the Lease Agreement; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (iii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future years to the extent that moneys received in such year from the exercise of the remedies permitted by the Lease Agreement exceed the Principal and Interest Requirements and the fair market rental due in such years; and

(iv) the failure to pay any portion of the fair market rental in any year due to insufficiencies of moneys realized from the exercise of the remedies permitted under the Lease Agreement (A) shall not give rise to any obligation to pay interest on such unpaid fair market rental, and (B) shall not constitute a default under this Ground Lease by the Corporation or the Trustee as the assignee of the Corporation.

**SECTION 5. OWNERSHIP OF IMPROVEMENTS AND SURRENDER OF PREMISES.** (a) The Corporation or its assignee shall at all times during the Ground Lease Term have a leasehold estate in the Premises with full right to vest the use, enjoyment and possession of such leasehold estate therein in a Permitted Transferee.

(b) Possession and use of the Premises, together with all improvements thereon, shall, upon the last day of the Ground Lease Term or earlier termination of this Ground Lease, automatically revert to the Board free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of this Ground Lease, the Corporation or its assignee shall peaceably and quietly surrender to the Board the Premises together with any improvements located in or upon the Premises. Upon such surrender of the Premises, the Corporation or any Permitted Transferee, at the reasonable request of the Board, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the Board all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Premises and the improvements thereon in the possession of the Corporation or any Permitted Transferee.

(c) Any personal property of the Corporation, any Permitted Transferee or any Person which shall remain on the Premises after expiration or earlier termination of the Ground Lease Term and for sixty (60) days after request by the Board for removal, shall, at the option of the Board, be deemed to have been abandoned and may be retained by the Board and the same may be disposed of, without accountability, in such manner as the Board may see fit.

(d) If the Corporation or any Permitted Transferee holds over or refuses to surrender possession of the Premises after expiration or earlier termination of this Ground Lease, the Corporation or any Permitted Transferee shall be a tenant at sufferance and shall pay a rental rate equal to the fair market rental of the Premises determined in the manner provided in Section 4(b) hereof.

(e) The provisions of Sections 5(a), 5(b) and 5(c) hereof shall not apply to vending machines or other commercial equipment or trade fixtures located in or about the Premises to the extent that such equipment is readily removable from the Premises without causing material harm or damage thereto and that such equipment is not owned by the Corporation or any Permitted Transferee.

**SECTION 6. BOARD'S INTEREST NOT SUBJECT TO CERTAIN LIENS.** It is mutually intended, stipulated and agreed that neither the fee simple title to nor any interest of the Board in the Premises may be subject to liens of any nature arising by reason of any act or omission of the Corporation or any Person claiming under, by or through the Corporation, including, but not limited to, mechanics' and materialmen's liens.

**SECTION 7. INSURANCE.** The Corporation covenants and agrees with the Board that the Corporation will cooperate with the Board in providing any information necessary for the Board to obtain and maintain in full force and effect insurance coverages desired by the Board or required by the Lease Agreement.

**SECTION 8. CONDITION OF PREMISES, UTILITIES, CONCEALED CONDITIONS.** (a) Except with regard to any environmental conditions and subject to the provisions of this Section 8, the Corporation agrees to accept the Premises in their presently existing condition, "as is."

(b) It is understood and agreed that the Board has determined that the Premises will safely or adequately support the Series 2008 Project, and hereby certifies same to the Corporation.

(c) The Board, at its sole expense, shall bring or cause to be brought to the Premises adequate connections for water, electrical power, storm sewerage and sewerage, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Premises water service and capacity sufficient for operation, heating,

ventilation and air conditioning equipment, and to the extent necessary to permit the Board to use the Series 2008 Project for the purposes intended or to permit such Series 2008 Project to comply with all requirements of law, the Corporation will provide and construct (but only to the extent of the proceeds of the Series 2008 Certificates available therefor) such roads, streets, sidewalks and other methods of ingress and egress necessary therefor. Nothing herein shall prohibit the Board from dedicating any such utilities or roads, streets and sidewalks to the appropriate governmental authority or duly constituted investor-owned utility as required or permitted by law, and the Corporation or the Trustee as assignee of the Corporation shall cooperate in such dedication by executing any deeds or other instruments required to effect such dedication.

**SECTION 9. LIMITATION ON LEASEHOLD MORTGAGES, ASSIGNMENT AND SUBLETTING.** (a) If the Lease Agreement has been terminated and subject to the terms and conditions herein provided, the Corporation may enter into a mortgage or mortgages of its leasehold interest created hereby in the Premises as security for the performance of its obligations under any financing obtained by the Corporation; provided, however, the fee title to the Premises shall not be subject to, or otherwise encumbered by, any such mortgage; provided, however, that each such leasehold mortgage shall be subject to the provisions of Section 9(d) hereof. Any such mortgage executed by the Corporation or its assignee pursuant to the provisions of the preceding sentence shall be hereinafter called a "Leasehold Mortgage" and the holder of any such mortgage shall be hereinafter called the "Leasehold Mortgagee."

(b) Except as expressly provided in this Section 9(b), the Corporation or its assignee shall not assign this Ground Lease, or any portion hereof, or sublease all or any portion of the Premises at any time. Except as expressly permitted in this Section 9(b), any purported assignment, partial assignment or sublease without the Board's prior written consent in violation of this Section 9(b) shall be null and void. So long as the Lease Agreement has not been terminated, (i) the Corporation may assign this Ground Lease to the Trustee for the benefit of the Owners of the Series 2008 Certificates, the Owners of any Completion Certificates related to the Series 2008 Project and the Owners of any Certificates issued to refund the foregoing, and (ii) the Corporation shall sublet all of the Premises to the Board (the "Initial Sublessee") under the Lease Agreement. If the Lease Agreement shall have been terminated, the Corporation or its assignee may sublet the Premises or assign its interest in this Ground Lease (a "Permitted Sublease") to any Person for any lawful purpose without the prior consent of the Board; provided, however, that no Permitted Sublease shall relieve the Corporation of any of its duties or obligations hereunder without the prior written consent of the Board; provided, however, that each Permitted Sublease shall be subject to the provisions of Section 9(d) hereof. "Permitted Transferee" shall mean a sublessee or assignee permitted by this Section 9(b).

(c) If the Lease Agreement shall have been terminated and the Corporation or its assignee proposes to create a Permitted Sublease of any portion of its interest in this

Ground Lease, the Corporation shall provide written notice thereof to the Board containing the names and addresses of the proposed assignee(s), sublessee(s) or transferee(s); provided, however, that failure to provide such notice shall not affect the validity or effectiveness of any Permitted Sublease to a Permitted Transferee.

(d) If the Lease Agreement shall have been terminated, nothing herein shall prevent the Corporation or its assignee from entering into a Leasehold Mortgage or a Permitted Sublease for individual parcels of land constituting the Premises. It shall not be necessary for a Leasehold Mortgage or a Permitted Sublease to cover all of the Premises.

**SECTION 10. UTILITY EASEMENTS.** So long as the Lease Agreement has not been terminated, the Board reserves the right to grant nonexclusive utility easements, licenses, rights-of-way and other rights or privileges in the nature of easements to others over, under, through, across or on the Premises but only to the extent reasonably necessary to provide services to the Premises or any other real property adjacent to the Premises; provided, however, that such grant and any use permitted thereby is not detrimental to the use or operation of the Premises or to any other uses permitted hereunder after the Ground Lease Term, will not impose any cost upon the Corporation or its assignee, will not weaken, diminish or impair lateral or subjacent support to the improvements to the Premises, including, without limitation the Series 2008 Project, will not impair or diminish the security of any Leasehold Mortgagee or Permitted Transferee hereunder and the Board agrees to indemnify and save harmless, but only from Available Revenues, the Corporation or its assignee and any Leasehold Mortgagee and Permitted Transferee (whether the interest of such party in the Premises arises prior or subsequent to such grants) against any loss, claim, liability or damages, including legal costs and defense arising or accruing from the use or exercise of such easement.

**SECTION 11. DUTIES DEEMED PERFORMED.** All obligations of the Corporation hereunder which are assumed by the Initial Sublessee shall be deemed, as between the Board and the Corporation hereunder, fully performed whether or not such Initial Sublessee actually performs same.

**SECTION 12. TAXES AND FEES.** (a) The Board represents and warrants that this Ground Lease is and will be exempt from ad valorem and intangible taxation. However, for as long as the Lease Agreement is in effect, should the Premises thereon or any interest therein ever become subject to any such taxes, the Board agrees to pay any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Premises or the Series 2008 Project, or any interest in this Ground Lease, or any possessory right which the Corporation or its assignee may have in or to the Premises thereon by reason of its use or occupancy thereof or otherwise.

(b) Notwithstanding the foregoing provision, either the Board or the Corporation shall, after notifying the other party hereto of its intention to do so, have the right in its own name or behalf, or in the name and behalf of the other party hereto, to contest in good faith by all appropriate proceedings the amount, applicability or validity of any such tax or assessment, and in connection with such contest, the Board may refrain from paying such tax or assessment. Each party shall, upon request by the other party hereto, assist and cooperate with the other party hereto in any such proceedings.

(c) In the event that the Board shall fail to pay any of the items required under this Section 12, the Corporation or its assignee may, at its sole option, pay the same and any amounts so advanced therefor by it shall become an additional obligation of the Board and Supplemental Rent under the Lease Agreement.

**SECTION 13. DEFAULT BY THE CORPORATION.** (a) Each of the following events shall be deemed a default by the Corporation hereunder and a breach of this Ground Lease:

(i) If the Corporation or its assignee shall fail to pay, when due, any rent or portion thereof, or any other sum, if any, which the Corporation or its assignee is obligated to pay under the terms and provisions of this Ground Lease, and such rent or other sums, if any, remain unpaid for a period of thirty (30) days after receipt of written notice to the Corporation from the Board;

(ii) If the Corporation or its assignee shall attempt to mortgage the leasehold estate hereby created in violation of Section 9(a) hereof or to assign this Ground Lease, or any portion thereof, or to sublease any portion of the Premises or the Series 2008 Project in violation of Section 9(b) hereof; or

(iii) If the Corporation or its assignee shall use the Premises for any purposes not permitted by this Ground Lease, and such use shall continue for a period of thirty (30) days after the Board shall have given written notice to the Corporation or its assignee to desist from such use.

(b) In the event that the item of default set forth in Section 13(a)(iii) above is of such a nature that it cannot be remedied within the time limits therein set forth, then the Corporation shall have such additional time as is reasonably necessary to cure such default provided that such Corporation diligently commences the curing of such default within such time and proceeds to completely cure the same in a timely and diligent manner.

(c) In the event that any Permitted Transferee or Leasehold Mortgagee exists of record at the time that a default occurs hereunder, the Board shall give notice thereof to each such Permitted Transferee and Leasehold Mortgagee and each such party shall have thirty (30) additional days from receipt of such notice to cure such default; provided,

however, that if the default is of such a nature that the same cannot be cured in such time, then such party shall have such additional time as is reasonably necessary to cure such default provided that such party diligently commences the curing of such default within such time and proceeds completely to cure same within a timely and diligent manner.

**SECTION 14. REMEDIES OF BOARD.** Upon the occurrence of any event of default as set forth in Section 13 hereof which has not been cured (and is not in the process of being cured) under Section 13(b) or 13(c) hereof, but not otherwise, the Board may take whatever action at law or in equity may appear necessary or desirable to enforce its rights hereunder; provided, the Board shall not have the right to terminate this Ground Lease until such time as the Series 2008 Certificates, any Completion Certificates related to the Series 2008 Project and any Certificates issued to refund the foregoing have been paid or provision for payment has been made pursuant to the terms and provisions of the Trust Agreement. The Board shall have recourse solely against the leasehold estate of the Corporation or its assignee in the Premises, and any proceeds thereof, for the payment of any liabilities of the Corporation or its assignee hereunder.

**SECTION 15. NO WAIVERS.** No waiver by either party hereto at any time of any of the terms, conditions, covenants or agreements of this Ground Lease, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same, nor of any other term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof by the other party hereto. No delay, failure or omission of the Board to re-enter the Premises, nor by either party hereto to exercise any right, power, privilege or option arising from any default shall impair any right, power, privilege or option, or be construed to be a waiver of any such default, relinquishment thereof or acquiescence therein, and no notice by either party hereto shall be required to restore or revive time as being of the essence hereof after waiver by the Board of default in one or more instances. No option, right, power, remedy or privilege of the Board shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options or remedies given to each party by this Ground Lease are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law.

**SECTION 16. QUIET ENJOYMENT.** The Board agrees that the Corporation and any Permitted Transferee, upon the payment of the rent and all other payments and charges, if any, to be paid by the Corporation or its assignee under the terms of this Ground Lease, and observing and keeping the agreements and covenants of this Ground Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Premises during the term of this Ground Lease, without hindrance or molestation from the Board or anyone claiming by, through or under the Board.

**SECTION 17. TERMS BINDING UPON SUCCESSORS.** All the terms, conditions and covenants of this Ground Lease shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

**SECTION 18. CONDEMNATION.** In the event that any Person, public or private, shall by virtue of eminent domain or condemnation proceedings, or by purchase in lieu thereof, at any time during the term of this Ground Lease acquire title to the Premises:

(a) For as long as the Lease Agreement has not been terminated, the Net Proceeds resulting therefrom shall be applied pursuant to the Lease Agreement.

(b) If the Lease Agreement shall have been terminated, (i) if such Person acquires title to such substantial portion thereof that the Corporation determines that it cannot economically make use of the residue for the lawful purposes intended by this Ground Lease, such acquisition of title shall terminate this Ground Lease, effective as of the date on which the condemning party takes possession thereof, and the Net Proceeds resulting therefrom shall be applied first to payment of the amount secured by any Leasehold Mortgage then outstanding hereunder, second, on a pro rata basis, to payment of any outstanding Series 2008 Certificates, any Completion Certificates related to the Series 2008 Project, and any Certificates issued to refund the foregoing and, third, the balance, if any shall be paid to the Board and the Corporation, as their respective interests may appear; and (ii) if such Person acquires title to a portion of the Premises only, and the Corporation determines that it can economically make beneficial use of the residue thereof for the lawful purposes intended by this Ground Lease, then this Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the Board and the Corporation, as their respective interests appear.

(c) It is understood that the foregoing provisions of this Section 18 shall not in any way restrict the right of the Board or the Corporation to appeal the award made by any court or other public agency in any condemnation proceeding.

**SECTION 19. NON-MERGER OF LEASEHOLD.** There shall be no merger of this Ground Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same Person may acquire or hold, directly or indirectly, this Ground Lease or leasehold estate hereby created or any interest in this Ground Lease or in such leasehold estate and the fee estate in the Premises or any interest in such fee estate. There shall be no merger of this Ground Lease with the Lease Agreement by reason of the fact that the Board is the owner of the fee title to the Premises and the leasehold estate in all or a portion of the Series 2008 Project created under the Lease Agreement or by reason of the fact that the Corporation is the owner of the leasehold estate in the Premises created hereby and is the owner of the fee title in the Series 2008 Project as provided in the Lease Agreement.

**SECTION 20. MEMORANDUM OF GROUND LEASE.** Unless mutually agreed to the contrary, simultaneously with the execution of this Ground Lease, the Board and the Corporation shall each execute, acknowledge and deliver a Memorandum of Ground Lease with respect to this Ground Lease. Said Memorandum of

Ground Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Ground Lease.

**SECTION 21. CHANGES TO PROPERTY DESCRIPTION.** The Board reserves the right to substitute other land for, or add land to all or any portion of the premises described in Exhibit A hereto, as same may be supplemented by supplements to this Ground Lease from time to time. Upon such substitution the Memorandum of Ground Lease will be supplemented to reflect the change in legal description. Any such supplement shall be substantially in the form of Exhibit C attached hereto. Each substitution of a parcel of land subject to the provisions of this Ground Lease shall require the consent of the Credit Enhancer. Such consent by the Credit Enhancer shall only be required if the Credit Enhancer is not in default of its payment obligations under its Credit Facility or municipal Bond insurance policy.

**SECTION 22. OPTION TO RENEW.** In the event that the Lease Agreement shall have been terminated, and the Corporation, or the Trustee as the assignee of the Corporation, excludes the Board from possession of the Series 2008 Project, the Board grants to the Corporation and the Trustee the right and option to renew this Ground Lease for a period not to exceed ten years at a fair market rental to be determined, adjusted and paid in the manner and under the conditions set forth in Section 4(b) of this Ground Lease.

**SECTION 23. ESTOPPEL CERTIFICATES.** The Board, at any time and from time to time, upon not fewer than thirty (30) days prior written notice from the Corporation or the Trustee as assignee of the Corporation, will execute, acknowledge and deliver to the Corporation, the Trustee as assignee of the Corporation or any Permitted Transferee, a certificate of the Board certifying that this Ground Lease is unmodified (or, if there have been any modifications, identifying the same), that this Ground Lease is in full force and effect, if it is; and that there is no default hereunder (or, if so, specifying the default). It is intended that any such certificate may be relied upon by the Corporation or the Trustee as assignee of the Corporation or any Permitted Transferee.

**SECTION 24. NONRECOURSE OBLIGATION OF THE CORPORATION.** Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating to this Ground Lease or any of the transactions contemplated hereby, the parties hereto hereby acknowledge and agree that upon the assignment by the Corporation of its rights hereunder to the Trustee pursuant to the Assignment of Lease Agreement and Assignment of Ground Lease Agreement, the Corporation shall have no further obligation, liability or responsibility hereunder and no party hereto nor their successors or assigns shall look to the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed.

**SECTION 25. NO RECOURSE UNDER AGREEMENT.** All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Ground Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the payment of rent pursuant to Section 4 hereof or for any claim based thereon under this Ground Lease Agreement against any member, officer, employee or agent of the parties hereto.

**SECTION 26. RADON GAS.** Section 404.056, Florida Statutes, requires that the following notification be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

**SECTION 27. MISCELLANEOUS.** (a) This Ground Lease shall be governed by, and be construed in accordance with, the laws of the State of Florida.

(b) Any notice required or desired to be given hereunder, or any items required or desired to be delivered hereunder, may be served or delivered personally or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Board: School Board of Sarasota County, Florida  
1960 Landings Boulevard  
Sarasota, Florida 34231  
Attention: Superintendent

If to the Corporation: Financing Corporation for the School Board  
of Sarasota County, Florida  
c/o School Board of Sarasota County, Florida  
1960 Landings Boulevard  
Sarasota, Florida 34231  
Attention: Superintendent

If to the Trustee: Wells Fargo Bank, National Association  
210 North University Drive, Suite 302  
Coral Springs, Florida 33071  
Attention: Corporate Trust Services

or such other address or party as the party to be served may direct by written notice to the other party. If such notice is sent or delivery is made by registered or certified mail, such

notice or delivery shall be deemed served, made and effective seventy-two (72) hours after posting.

(c) It is mutually acknowledged and agreed by the parties hereto that this Ground Lease contains the entire agreement between the Board and the Corporation with respect to the subject matter of this Ground Lease; that there are no verbal agreements, representations, warranties or other understandings affecting the same.

(d) Nothing herein contained shall be deemed to create a partnership or joint venture, nor shall the relationship between the parties be construed as principal and agent, or other than as landlord and tenant.

(e) The table of contents, headings and captions of this Ground Lease are inserted solely for convenience of reference, and under no circumstances shall they be treated or construed as part of, or as affecting, this Ground Lease.

(f) For purposes of computing any period of a number of days hereunder for notices or performance (but not for actual days of interest) of ten (10) days or fewer, Saturdays, Sundays and holidays shall be excluded.

(g) Any provision of this instrument in violation of the laws of the State of Florida shall be ineffective to the extent of such violation, without invalidating the remaining provisions of this instrument. In no event shall the Corporation or its assigns have any cause of actions against the officers or employees of the Board, or against any elected official of the Board based upon or materially related to any finding by any court that any or all provisions of this instrument violate Florida law.

(h) Nothing in this Ground Lease, expressed or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancer and the Board any rights, remedies or claims under or by reason of this Ground Lease or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Ground Lease contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Credit Enhancer and the Board.

(i) This Ground Lease Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

(j) This Ground Lease may not be amended or modified without the prior written consent of the Credit Enhancer. Any action taken hereunder which requires or permits the consent, notice, direction or request of the Lessor or the Trustee, shall also require or permit the consent, notice, direction or request of the Credit Enhancer, which consent, direction or request shall not be unreasonably withheld.

**IN WITNESS WHEREOF**, the Board and the Corporation have caused this Ground Lease to be executed in duplicate, either of which may be considered an original, the day and year first above written.

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

(SEAL)

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

ATTEST:

By: \_\_\_\_\_  
Superintendent/Secretary

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

(SEAL)

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

ATTEST:

By: \_\_\_\_\_  
Secretary

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF SARASOTA            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2008, by Dr. Kathy Kleinlein and Lori M. White, the Chair and Superintendent/Secretary, respectively, of the SARASOTA COUNTY SCHOOL BOARD. Such person(s) did not take an oath and:

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Name:  
Notary Public, State of Florida  
My Commission Expires:

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF SARASOTA                )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2008, by Dr. Kathy Kleinlein and Lori M. White, the President and Secretary, respectively, of the FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA. Such person(s) did not take an oath and:

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Name:  
Notary Public, State of Florida  
My Commission Expires:

**PREMISES DESCRIPTION**

**LEGAL DESCRIPTIONS FOR SCHOOL BOARD  
SERIES 2008 CERTIFICATES**

1. Elementary School "I"

Lot 1, Elementary School "I" in North Port, as per plat thereof recorded in Plat Book \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Sarasota County, Florida.

2. Sarasota County Technical Institute - Phases IA & II

[To Come]

**DESCRIPTION OF SERVIENT PROPERTY**

[To Come]

**[FIRST, SECOND, THIRD, ETC.]  
GROUND LEASE SUPPLEMENT**

This [First, Second, Third, etc.] Ground Lease Supplement ("Subject Supplement") is made and entered into as of \_\_\_\_ by the **SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA** (the "Board") acting as the governing body of the School District of Sarasota County, Florida (the "District") and **FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA** a single-purpose Florida not-for-profit corporation (the "Corporation"). All capitalized terms used herein and not otherwise defined shall have the meaning set forth therefor in the "Ground Lease" as hereinafter set forth.

**W I T N E S S E T H:**

**WHEREAS**, the Board and the Corporation entered into a certain Ground Lease Agreement (the "Ground Lease") a memorandum of which was recorded in Official Records Book \_\_\_\_ at Page \_\_\_\_ of the Public Records of Sarasota County, Florida; and

**WHEREAS**, the Board owns that certain real property more particularly described in Exhibit A attached hereto and made a part hereof ("Subject Parcel"); and

**WHEREAS**, the Subject Parcel is a portion of the Project and, as such, is to be subject to the Ground Lease as contemplated thereby; and

**NOW, THEREFORE**, in consideration of the premises and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by each party hereto by the other party hereto, the parties hereto do hereby acknowledge and agree as follows:

1. The foregoing recitations are true and correct and are incorporated herein by reference.

2. The Subject Parcel is hereby declared to be a part of the Premises (as defined in the Ground Lease) which constitutes a portion of the Project and, therefore, is a part of the Premises as set forth in the Ground Lease with the leasehold estate, operation and effect of the Ground Lease applying to the Subject Parcel as fully and to the same extent as if the Subject Parcel were described in the Ground Lease and therein set forth to be a part of the Premises.

3. The Ground Lease, as modified by previous Ground Lease Supplements and as modified hereby remains in full force and effect in accordance with the terms and provisions thereof.

**IN WITNESS WHEREOF**, each of the parties hereto have caused this Subject Supplement to be executed by their duly authorized officers or agents, all as of the day and year first above written.

**SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**

ATTEST:

\_\_\_\_\_  
Its:

By: \_\_\_\_\_  
Its:

(SEAL)

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

ATTEST:

\_\_\_\_\_  
Title:

By: \_\_\_\_\_  
Title:

(SEAL)

**SIMULTANEOUS ASSIGNMENT**

All of the rights of Financing Corporation for the School Board of Sarasota County, Florida hereunder are hereby assigned without recourse or warranty to Wells Fargo Bank, National Association, as Trustee, as successor in interest to and assignee of Financing Corporation for the School Board of Sarasota County under the Assignment.

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

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

Title:

Dated: \_\_\_\_\_

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF \_\_\_\_\_            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_, respectively, of the \_\_\_\_\_. Such person(s) did not take an oath and:

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Name:  
Notary Public, State of Florida  
My Commission Expires:

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF \_\_\_\_\_            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_, respectively, of the \_\_\_\_\_. Such person(s) did not take an oath and:

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Name:  
Notary Public, State of Florida  
My Commission Expires:

**EXHIBIT B**

**FORM OF LEASE SCHEDULE NO. 2008**

**LEASE SCHEDULE NO. 2008**

**Schedule No. 2008  
to the  
Master Lease-Purchase Agreement,  
dated as of June 1, 2003  
between  
Financing Corporation for the  
School Board of Sarasota County (the "Corporation")  
and  
School Board of Sarasota County, Florida (the "Board")**

**THIS LEASE SCHEDULE NO. 2008** (the "Lease Schedule") is hereby entered into under and pursuant to that certain Master Lease-Purchase Agreement, dated as of June 1, 2003 (the "Lease Agreement"), pursuant to which the Corporation has agreed to lease-purchase to the Board and the Board has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Lease Agreement, the Series 2008 Project as herein described. All defined terms not otherwise defined herein shall have the respective meanings therefor set forth in the Lease Agreement. Reference to "Lease Agreement" herein shall include the terms of this Lease Schedule.

1. Series 2008 Project. The leased property, which is described in Section 6 of this Lease Schedule (the "Series 2008 Project"), and has an estimated Maximum Cost of \$\_\_\_\_\_, shall be acquired, constructed and installed, and lease-purchased, by the Board from the Corporation pursuant to the terms of the Lease Agreement.

2. Commencement Date; Lease Term; Other Definitions. For purposes of this Lease Schedule and the Lease Agreement:

(a) The Commencement Date for the Series 2008 Project is \_\_\_\_\_, 2008.

(b) The Initial Lease Termination Date of the lease of the Series 2008 Project shall be June 30, 20\_\_\_. The Maximum Lease Term shall commence on the Commencement Date hereof and terminate on July 1, 2023.

(c) The Estimated Completion Date is \_\_\_\_\_, 20\_\_.

3. Certificates of Participation.

(a) The Certificates of Participation issued under the Trust Agreement and related to this Lease Schedule are identified as "Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2008

Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida" (the "Series 2008 Certificates").

(b) The Credit Enhancer for the Series 2008 Certificates shall be Financial Security Assurance Inc. ("Financial Security").

(c) The Reserve Requirement for the Series 2008 Subaccount established in the Reserve Account under the Trust Agreement shall be zero (\$0.00).

(d) The Optional Prepayment Date for the Series 2008 Certificates shall be July 1, 20\_\_.

(e) The Prepayment Amount for purposes of 6.03(g) of the Trust Agreement is zero (\$0.00).

(f) The Closure Date of the Series 2008 Subaccount of the Project Account established for the Series 2008 Certificates, for purposes of Section 6.03(g) of the Trust Agreement, shall be \_\_\_\_\_, 20\_\_.

4. Basic Rent and Basic Rent Payment Dates. The Basic Rent payable by the Board to the Corporation with respect to the Series 2008 Project under the Lease Agreement is described in Schedule A attached hereto. The Basic Rent Payment Dates with respect to the Series 2008 Certificates shall be June 15 and December 15 of each year, commencing December 15, 2008.

5. Use of Certificate Proceeds. The proceeds of the Series 2008 Certificates (net of underwriters' discount) shall be disbursed as follows:

Deposit to Series 2008 Subaccount of Project Account established for the Series 2008 Certificates .....	\$
Deposit to Series 2008 Subaccount of Costs of Issuance Account established for the Series 2008 Certificates .....	\$*

\* \_\_\_\_\_ of which shall be wired directly to Financial Security at closing.

6. The Series 2008 Project. The Project Description, Project Budget and Project Schedule for the Series 2008 Project are attached hereto as Schedule B.

7. Designated Equipment. The Designated Equipment for the Series 2008 Project is attached hereto as part of Schedule B.

8. The Land. A description of the Land, including any Ground Leases, is attached as Schedule C attached hereto.

9. Title Insurance. For purposes of Section 6.03(c) of the Trust Agreement, the amount of title insurance applicable to each site on which the Series 2008 Project shall be located shall be the lesser of (i) \$1,000,000 per each Series 2008 Project site, (ii) the fair market or agreed upon value of each site or (iii) the amount agreed upon between the Board and the Credit Enhancer.

10. Other Documents. The documents required by Section 3.01(c) of the Lease Agreement to be submitted with this Lease Schedule are attached hereto as Schedule D.

11. Assignment of Lease Agreement. The Corporation hereby acknowledges that all Lease Payments and its rights, title and interest in this Lease Schedule and, with certain exceptions, the Lease Agreement have been assigned to the Trustee pursuant to the Assignment of Lease Agreement, dated as of June 1, 2003, as supplemented and amended pursuant to a Second Amendment to Assignment of Lease Agreement between the Corporation and the Trustee, dated as of June 1, 2008, and that all of its right, title and interest in the Ground Lease Agreement, dated as of June 1, 2008, between the Board and the Corporation (the "Ground Lease"), have been assigned to the Trustee pursuant to the Assignment of Ground Lease, dated as of June 1, 2008, from the Corporation to the Trustee.

12. Other Permitted Encumbrances. Those encumbrances set forth in the title policies delivered in connection with any Project component site.

13. Certification Required by Lease Agreement. Pursuant to Section 3.01(c)(ii) of the Lease Agreement, the Board hereby reaffirms the Board's covenants, representations and warranties made under the Lease Agreement, except as modified hereby, and further certifies that no default has occurred and is continuing under the Lease Agreement.

14. Section 5.08(c) and (d) of Lease Agreement Not Applicable. Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of Lease Agreement, the Board may elect not to repair, restore or replace the Series 2008 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 Credit Enhancer for the Series 2008 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 2008 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 the Series 2008 Lease; provided that if the Credit Enhancer consents thereto such proceeds may be used for Equipment, the Costs of the

other components of the Series 2008 Project or in connection with Facilities to be used for other than instructional, educational purposes. The provisions of Section 5.08(d) of the Lease Agreement shall not apply to the Series 2008 Project.

15. Credit Enhancer Notices. Copies of all notices required to be given to a Credit Enhancer pursuant to the Lease Agreement shall be given to Financial Security at the following address:

Financial Security Assurance Inc.  
351 West 52<sup>nd</sup> Street  
New York, New York 10019  
Attention: Managing Director - Surveillance  
Re: Policy No.: \_\_\_\_\_  
Telephone: (212) 826-0100  
Telecopier: (212) 339-3556

16. Special Terms and Conditions Required by Financial Security. For purposes of this Lease Schedule, the following provisions shall apply:

(a) Financial Security shall be deemed to be a third party beneficiary to the Lease Agreement. Any self-insurance reserve funds maintained by the Board pursuant to Section 5.07 of the Lease Agreement shall be held by the Trustee.

(b) The Board and the Corporation agree not to make any amendments to the Lease Agreement described in Sections 6.05(a)(v) and 6.05(b) of the Lease Agreement without obtaining the prior written consent of Financial Security. The Board may not amend the Ground Lease or this Lease Schedule or take any other action to release any of the Projects constituting the Series 2008 Project or any of the Project Sites constituting the Series 2008 Project Sites without the prior written consent of Financial Security.

(c) The Board, to the extent permitted by law, but solely from Available Revenues in accordance with the provisions of the Trust Agreement and the Lease Agreement, hereby agrees to pay or reimburse Financial Security any and all charges, fees, costs and expenses which Financial Security may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in respect of the Lease Agreement, the Trust Agreement, the Ground Lease or the Assignment Agreement (each, a "Related Document"), (ii) the pursuit of any remedies under the Lease Agreement or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to, or related to, the Lease Agreement or any other Related Documents whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Lease Agreement or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of Financial Security to honor its obligations under the Municipal Bond Insurance Policy.

(d) In determining whether any amendment, consent, waiver, or other action to be taken, or any failure to take action, under the Lease Agreement would adversely affect the security for the Series 2008 Certificates or the rights of the Owners of Series 2008 Certificates, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Municipal Bond Insurance Policy.

(e) Information to be Provided to Financial Security. The Board agrees to provide the following information to Financial Security:

(1) the annual audited financial statements of the District within 30 days of completion thereof;

(2) the final Budget of the Board within 30 days of approval thereof;

(3) upon delivery of the audited financial statements described in clause (e)(1) above, a certificate of the chief financial officer of the Board or his/her designee stating that, to the best of such individual's knowledge following reasonable inquiry, no Event of Default has occurred under the Lease Agreement, or if an Event of Default has occurred, specifying the nature thereof and if the Board has the right to cure such Event of Default pursuant to Section 7.02 of the Lease Agreement, stating in reasonable detail the steps, if any, being taken by the Board to cure such Event of Default;

(4) Notice of the commencement of any proceeding by or against the Board commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(5) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2008 Certificates;

(6) All reports, notices and correspondence to be delivered to Owners of the Series 2008 Certificates under the terms of the Related Documents.

(f) There shall be no grace period for failure to pay in full any Supplemental Rent under the Lease Agreement.

(g) (1) Unless otherwise waived in writing by Financial Security, the following provisions shall apply; provided that compliance with paragraphs (g)(2)(v), (vi) and (vii) below shall not be required and such paragraphs shall be of no force or effect so long as the amount generated by (i) 80% of the Board's legally available capital outlay millage assuming a 95% collection rate based on the most current certified taxable assessed valuation available at the time of calculation, plus (ii) 80% of the amount derived from legally available sales tax monies, shall produce an amount sufficient to

cover maximum annual debt service on the Board's lease and other Debt Obligations payable from such legally available capital outlay millage and/or legally available sales tax monies. For the purposes of the above test, maximum annual debt service shall be calculated at the same rates as in the budgeting requirements of (g)(2) below and (unhedged) fixed rate debt shall be calculated at the actual payment requirements thereof. For purposes of the above test, the amount of legally available capital outlay millage shall be the maximum millage rate that the Lessee may levy and use to make lease payments pursuant to law. Legally available sales tax monies shall include voter approved sales tax levies that are legally available to the Board to make lease payments (i) as specifically authorized in the referendum approving such sales tax and as otherwise authorized by law, including any necessary resolutions of the Board or (ii) to the extent Financial Security receives an opinion to such effect in form and substance satisfactory to, and from counsel reasonably acceptable to, Financial Security. The amount of legally available sales tax monies for purposes of such calculation shall be based on a reasonable estimate by the Lessee of such taxes derived from historical collections of such tax in such jurisdiction or from collections of an existing similar sales tax in such jurisdiction. If any portion of the legally available capital outlay millage or legally available sales tax monies shall have a stated expiration date, then the revenues calculated above must be adjusted for such expiring taxes and 80% of the remaining tax revenues may not be less than the maximum annual debt service coming due after such tax expiration. The above test shall be performed annually upon preparation of the following year's budget.

The provisions of paragraph (g)(2)(vi) below shall only apply to swaps entered into after the first date of non-compliance with the above coverage requirement. The provisions of paragraph (g)(2)(vii) below shall apply only to swaps entered into after the first date of non-compliance with such covenant unless such non-compliance was caused by the incurrence of additional debt by or on behalf of the Board.

For purposes of the above test, "Debt Obligations" shall mean all bonds, notes or other instruments, contracts or agreements evidencing indebtedness of the Board or borrowed money and shall include capital-leases and lease-purchase agreements.

(2) For purposes of adopting an annual budget meeting the requirements of Section 4.05(c) of the Lease Agreement to effect the renewal of the Lease Agreement for an additional Renewal Lease Term, the Board agrees that each such budget, if adopted by the Board, shall include the actual amounts of Lease Payments, if known, and to the extent such amounts cannot be determined at the time of preparation of such notice, estimated annual fees and payments and all other Supplemental Rent Payments. In order to make such estimates, the Board agrees that it will utilize the following estimates and methodologies:

(i) while the interest portion of Basic Rent Payments pursuant to any Lease Schedule is calculated at a variable rate (i.e. the corresponding Certificates

are variable rate) and a Qualified Swap Agreement (defined in paragraph (viii) below) is in effect, the Board's budget adopted to satisfy the requirements of Section 4.05(c) under the Lease Agreement, will include an amount at least equal to the fixed rate payment payable by the Board under such Qualified Swap Agreement; provided, however, that in the event the payment by the provider of the Qualified Swap Agreement is not computed at the actual interest rate payable on the related Certificates, the Board will also include in such budget adopted to satisfy the requirements of Section 4.05(c) of the Lease Agreement, an additional (i) .25% of the principal amount of the Basic Rent Payments represented by the related Certificates if the payment by the swap provider is calculated based upon a tax-exempt index (the "Tax-Exempt Margin") or (ii) .50% of the principal amount of the Basic Rent Payments represented by the related Certificates if the payment by the swap provider is calculated based upon a taxable index (the "Taxable Margin");

(ii) while the interest portion of Basic Rent Payments for any Lease Schedule is calculated at a variable rate (i.e. the corresponding Certificates are variable rate) and a Qualified Swap Agreement (defined in paragraph (viii) below) is not in effect, the Board's budget adopted to satisfy the requirements of Section 4.05(c) of the Lease Agreement will include the greater of (i) the amount of the swap payment to be made by the Board (or if the swap payment is a floating amount, such amount shall be computed based upon the rate of calculation used in computing the most recent payment to the swap provider), if any, plus (a) the Tax-Exempt Margin if such swap payment is based on a tax-exempt index or (b) the Taxable Margin if such swap payment is based upon a taxable index, (ii) the average rate at which the interest portion of Basic Rent Payments payable under such Lease Schedule had been determined for the prior 12 months, plus 1.00% on the principal amount of the related Certificates if such Certificates bear interest at a variable rate, or (iii) the most recent actual rate of interest on the related Certificates plus 1.00%;

(iii) in the event the Board is obligated to pay the variable rate payment under any swap agreement and a Qualified Swap Agreement (defined in paragraph (viii) below) is in effect, the Board's budget adopted to satisfy the requirements of Section 4.05(c) of the Lease Agreement will include the interest portion of Basic Rent Payments in respect of the related Certificates in an amount equal to the average net interest cost on the related Certificates (i.e. actual interest expense after giving effect to net swap payments) over the preceding 12 month period plus (a) the Tax-Exempt Margin if such swap payment is based upon a tax-exempt index and (b) the Taxable Margin if such swap payment is based upon a taxable index; and

(iv) while the interest portion of Basic Rent Payments is calculated at a fixed rate (i.e. the corresponding Certificates are fixed rate) and the Board is required to make a variable rate payment under a swap that is not a Qualified Swap Agreement (defined in paragraph (viii) below), the Board's budget adopted to satisfy the requirements of Section 4.05(c) of the Lease Agreement will include an amount equal to the greater of (a) the amount specified in paragraph (iii) above and (b) the actual interest rate on the corresponding Certificates.

(v) If the test set forth in (g)(1) above is not satisfied, the Board agrees that not more than 25% of the total principal amount of outstanding obligations of the Board secured by capital leases shall be variable rate obligations. For purposes of this determination the following shall apply: (a) variable rate obligations hedged by a Qualified Swap Agreement shall not be included as variable rate obligations; and (b) an early termination under a Qualified Swap Agreement or a failure of a swap agreement to remain a Qualified Swap Agreement shall not cause the principal amount of variable rate obligations to exceed 25% unless a substitute Qualified Swap Agreement has not been entered into within 60 days from the date of such early termination or failure to remain a Qualified Swap Agreement.

(vi) If the test set forth in (g)(1) above is not satisfied, then any termination payment payable by the Board under a swap agreement relating to a Lease Schedule entered into thereafter shall be insured by an insurance company rated "AAA" or "Aaa" by at least two major rating agencies.

(vii) If the test set forth in (g)(1) above is not satisfied, not more than the greater of (i) \$50,000,000 and (ii) 25% of the total principal amount of outstanding obligations of the Board secured by capital leases shall be subject to swap agreements with any single counterparty (treating each entity that is separately capitalized and has a separate rating as a separate counterparty for such purpose).

(viii) For purposes of this Lease Schedule "Qualified Swap Agreement" means a swap agreement with a swap provider (i) rated at least "AA-" by S&P or "Aa3" by Moody's (or whose obligations are unconditionally guaranteed by an entity so rated), at the time the swap agreement is entered into and (ii) following any downgrade of such provider (or guarantor) is rated at least "BBB" by S&P and "Baa2" by Moody's and has collateralized its Obligations with a zero Threshold as such terms are defined in the Credit Support Annex (the "CSA") to the Schedule to such swap agreement.

(h) The Board agrees to amend its budget, by emergency budget if necessary, subject to and in accordance with requirements of applicable law, if amounts due under the Lease Agreement in any Fiscal Year for which a Renewal Lease Term is in effect exceed the amount budgeted therefor.

(i) No contract shall be entered into or any action taken by which the rights of Financial Security or security for or sources of payment of the Series 2008 Certificates may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of Financial Security.

(j) The right to exercise remedies under the Lease Agreement for an Event of Default or an Event of Non-Appropriation shall be limited to (i) a Credit Enhancer that insures, guarantees or supports payment of principal and interest payable on a series of Certificates or (ii) the holders of the Certificates (with the consent of such Credit Enhancer, if any).

(k) Any swap termination payment to be made by the Lessee in connection with any Series of Certificates may only be Supplemental Lease Payments (i.e. they shall not be considered Basic lease Payments).

(l) Liens or Encumbrances. There shall be no liens or encumbrances on the Land, other than Permitted Encumbrances.

**IN WITNESS WHEREOF**, each of the parties hereto have caused this Lease Schedule No. 2008 to be executed by their proper corporate officers, all as of the 1st day of June, 2008.

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

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

(SEAL)

Attest: \_\_\_\_\_  
Secretary

**SCHOOL BOARD OF SARASOTA  
COUNTY, FLORIDA**

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

(SEAL)

Attest: \_\_\_\_\_  
Superintendent/Secretary

**SCHEDULE A**

**TOTAL BASIC RENT SCHEDULE**

(Rent due on June 15 and December 15 next preceding each  
Certificate Payment Date)

## **BASIC RENT SCHEDULE BY GROUP**

[See attached exhibits]

**SERIES 2008 PROJECT DESCRIPTION, SERIES 2008 PROJECT BUDGET,  
PROJECT SCHEDULE AND DESIGNATED EQUIPMENT**

PROJECT DESCRIPTION AND SCHEDULE

1. 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.

2. 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.

Under certain conditions set forth in the Master Lease, the Board may substitute or add components to the above described Project and modify the Plans and Specifications thereof. [The Series 2008 Project was approved by the Board in connection with the Board's Capital Improvement Program].

ESTIMATED PROJECT BUDGET\*

<u>Elementary School "I"</u>	\$ _____
<u>South County Technical School Replacement - Phases I &amp; II</u>	_____
Total	\$ _____

\_\_\_\_\_  
\* Excludes investment earnings.

ESTIMATED DRAWDOWN SCHEDULE

## DESIGNATED EQUIPMENT

All equipment components not constituting fixtures of the educational facilities described under the heading "PROJECT DESCRIPTION AND SCHEDULE" above.

**EXHIBIT A TO SCHEDULE B**

**EDUCATIONAL PLANT SURVEY EXCERPTS RELATED  
TO THE PROJECT COMPONENTS**

**SCHEDULE C**

**DESCRIPTION OF THE LAND**

**LEGAL DESCRIPTIONS FOR SCHOOL BOARD**  
**2008 LEASE REVENUE BONDS**

## **SCHEDULE D**

### **DOCUMENTS REQUIRED BY SECTION 3.01(C) OF THE LEASE AGREEMENT**

1. Resolution of the School Board.
2. Certificate of School Board.
3. Ground Lease Agreement.
4. Series 2008 Supplemental Trust Agreement.
5. Memorandum of Lease with respect to Series 2008 Project.
6. Memorandum of Ground Lease with respect to Series 2008 Project.

**EXHIBIT C**

**FORM OF SERIES 2008 SUPPLEMENTAL TRUST AGREEMENT**

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**SERIES 2008 SUPPLEMENTAL TRUST AGREEMENT**

**by and among**

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

**and**

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

**and**

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

**Dated as of June 1, 2008**

***Relating to*  
Certificates of Participation  
(School Board of Sarasota County, Florida Master Lease Program),  
Series 2008**

**Evidencing an Undivided Proportionate Interest of the Owners  
thereof in Basic Rent Payments to be made under a Master Lease-Purchase  
Agreement by the School Board of Sarasota County, Florida**

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## **SERIES 2008 SUPPLEMENTAL TRUST AGREEMENT**

**THIS SERIES 2008 SUPPLEMENTAL TRUST AGREEMENT**, dated as of June 1, 2008 (the "Series 2008 Supplemental Trust Agreement"), supplementing the Master Trust Agreement, dated as of June 1, 2003, as amended and supplemented (the "Trust Agreement"), by and among **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association with corporate trust powers qualified to accept trusts of the type set forth in the Trust Agreement (the "Trustee"), the **FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, a not-for-profit educational corporation duly organized and existing under the laws of the State of Florida (the "Corporation"), and the **SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, acting as the governing body of the School District of Sarasota County, Florida (the "Board").

### **W I T N E S S E T H :**

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

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

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

**WHEREAS**, the Trustee has agreed to deliver a Series of Certificates pursuant to and upon receipt of a Request and Authorization (as defined in the Trust Agreement) from the Corporation and the Board and the terms of this Series 2008 Supplemental Trust Agreement; and

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

Lease Schedules from time to time, pursuant to the Assignment of Lease Agreement, dated as of June 1, 2003, as amended and supplemented, particularly as amended by that certain Second Amendment to Assignment of Lease Agreement, dated as of June 1, 2008 (collectively, the "Assignment of Lease Agreement"), each between the Corporation and the Trustee; and

**WHEREAS**, the Board has heretofore caused the Trustee to execute, authenticate and deliver, under the Trust Agreement, \$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"), Evidencing an Undivided Proportionate Interest of the Owners thereof in certain Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida, which Series 2003 Certificates are currently outstanding in the aggregate principal amount of \$26,940,000; and

**WHEREAS**, the proceeds of the Series 2003 Certificates were principally used to refinance the costs of acquisition, construction and installation of various educational facilities (the "Series 1990 Project") as more particularly described in Lease Schedule No. 2003, dated as of June 1, 2003, as amended and supplemented; and

**WHEREAS**, the Board has heretofore cause the Trustee to execute, authenticate and deliver, under the Trust Agreement, \$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"), Evidencing an Undivided Proportionate Interest of the Owners thereof in certain Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida, which Series 2004 Certificates are currently outstanding in the aggregate principal amount of \$41,110,000; and

**WHEREAS**, the proceeds of the Series 2004 Certificates were principally used to finance the costs of acquisition, construction and installation of various educational facilities (the "Series 2004 Project") as more particularly described in Lease Schedule No. 2004, dated as of September 1, 2004, as amended and supplemented; and

**WHEREAS**, the Series 2008 Certificates shall be secured independently from each other Series of Certificates; and

**WHEREAS**, the Board and the Corporation shall enter into Lease Schedule No. 2008, dated as of the date hereof, for the lease-purchase of various educational facilities more particularly described in said Lease Schedule No. 2008; and

**WHEREAS**, the Trustee has received a Request and Authorization from the Corporation and the Board relating to the issuance of \$\_\_\_\_\_ aggregate principal amount of "Certificates of Participation (School Board of Sarasota County, Florida

Master Lease Program), Series 2008 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"; and

**WHEREAS**, with the issuance of the Series 2008 Certificates the Trustee is executing, authenticating and delivering \$\_\_\_\_\_ aggregate principal amount of Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2008 (the "Series 2008 Certificates"); and

**WHEREAS**, the Series 2008 Certificates shall be secured in the manner provided in the Trust Agreement and shall have the terms and provisions contained in this Series 2008 Supplemental Trust Agreement; and

**WHEREAS**, all things necessary to make the Series 2008 Certificates, when authenticated by the Trustee and issued as provided herein and in the Trust Agreement, the valid, binding and legal obligations according to the terms thereof, have been done and performed, and the creation, execution and delivery of this Series 2008 Supplemental Trust Agreement, and the creation, execution and issuance of the Series 2008 Certificates subject to the terms hereof, have in all respects been duly authorized;

**NOW, THEREFORE, THIS SERIES 2008 SUPPLEMENTAL TRUST AGREEMENT WITNESSETH:**

**ARTICLE I**  
**DEFINITIONS**

**SECTION 101. DEFINITIONS.** Words and terms which are defined in the Trust Agreement, shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent. In addition to the words and terms elsewhere defined in this Series 2008 Supplemental Trust Agreement, the following words and terms as used in this Series 2008 Supplemental Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

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

**"Financial Security"** or **"Insurer"** or **"Credit Enhancer"** means Financial Security Assurance Inc., a New York Stock Exchange insurance company and the issuer of the Municipal Bond Insurance Policy or any successor thereof.

**"Lease Schedule No. 2008"** means Lease Schedule No. 2008 relating to the Series 2008 Project dated as of June 1, 2008 which shall be part of the Lease Agreement.

**"Municipal Bond Insurance Policy"** or **"Policy"** means the municipal bond insurance policy issued by Financial Security guaranteeing the scheduled payment when due of the principal and interest in respect of the Series 2008 Certificates as provided therein.

**"Related Documents"** means the Trust Agreement, the Lease Agreement, the Ground Lease, the Assignment of Lease Agreement and the Assignment of Ground Lease as supplemented and amended.

**"Reserve Requirement"** means, with respect to the Series 2008 Certificates, zero dollars (\$0.00).

**"Series 2008 Account of the Prepayment Fund"** means the account established in the Prepayment Fund established pursuant to Section 6.02 of the Trust Agreement and Section 401 hereof.

**"Series 2008 Certificates"** means the \$\_\_\_\_\_ aggregate principal amount of Certificates of Participation authorized to be issued under Section 4.01 of the Trust Agreement and Section 201 hereof.

**"Series 2008 Pledged Accounts"** means the Series 2008 Subaccount of the Project Account, the Series 2008 Subaccount of the Costs of Issuance Account, the Series

2008 Subaccount of the Principal Account, the Series 2008 Subaccount of the Interest Account and the Series 2008 Account of the Prepayment Fund.

**"Series 2008 Project"** means the property and improvements described as the "Series 2008 Project" in Lease Schedule No. 2008, as the same may be amended or modified from time to time.

**"Series 2008 Subaccount of the Costs of Issuance Account"** means the subaccount established in the Costs of Issuance Account pursuant to Section 6.02 and 6.04 of the Trust Agreement and Section 401 hereof.

**"Series 2008 Subaccount of the Interest Account"** means the subaccount established in the Interest Account pursuant to Section 6.02 and 6.06 of the Trust Agreement and Section 401 hereof.

**"Series 2008 Subaccount of the Principal Account"** means the subaccount established in the principal account pursuant to Section 6.02 and 6.06 of the Trust Agreement and Section 4.01 hereof.

**"Series 2008 Subaccount of the Project Account"** means the subaccount established in the Project Account pursuant to Section 6.02 and 6.03 of the Trust Agreement and Section 401 hereof.

**"Series 2008 Supplemental Trust Agreement"** means this instrument, as amended and supplemented.

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

**ARTICLE II  
THE SERIES 2008 CERTIFICATES**

**SECTION 201. AUTHORIZATION OF SERIES 2008 CERTIFICATES.**

(a) There is hereby created a Series of Certificates to be issued under the Trust Agreement to be known as "Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2008 Evidencing an Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida." The aggregate principal amount of Series 2008 Certificates which may be issued is hereby expressly limited to \$\_\_\_\_\_; provided, however, Completion Certificates may be issued in the manner provided in Section 4.12 of the Trust Agreement. The Series 2008 Certificates shall be issued for the purposes of (a) financing the acquisition, construction and installation of certain educational and related facilities to be leased to the Board, and (b) paying Costs of Issuance of the Series 2008 Certificates. The Series 2008 Certificates shall bear interest from their dated date and shall be issuable as fully registered Certificates without coupons in denominations of \$5,000 and integral multiples thereof. The Series 2008 Certificates shall be lettered and numbered R-1 and upward.

(b) Except as otherwise provided in the Trust Agreement, each Series 2008 Certificate shall be dated as of their date of delivery. Interest on the Series 2008 Certificates shall be payable on each Payment Date, commencing January 1, 2009. The Series 2008 Certificates shall be payable in the manner provided in the Trust Agreement.

(c) The Series 2008 Certificates shall bear interest at the respective rates and shall mature on July 1 of each of the years in the respective principal amounts set opposite each year in the following schedule:

<u>Principal Amount</u>	<u>Maturity (July 1)</u>	<u>Interest Rate</u>
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(d) The Series 2008 Certificates maturing on July 1 in the years 20\_\_ through 20\_\_, inclusive, shall be Serial Certificates. The Series 2008 Certificates maturing on July 1, 20\_\_ shall be Term Certificates. The Series 2008 Certificates shall be substantially in the form set forth in Exhibit B to the Trust Agreement.

**SECTION 202. ISSUANCE OF SERIES 2008 CERTIFICATES.** The Series 2008 Certificates shall be issued upon delivery to the Trustee of the documents referred to in Section 4.02(a) of the Trust Agreement and the payment of the purchase price therefor.

**SECTION 203. THE SERIES 2008 PROJECT.** The Series 2008 Project shall be acquired, constructed and installed as provided in the Trust Agreement, the Lease Agreement and Lease Schedule No. 2008.

**SECTION 204. LETTER OF INSTRUCTIONS.** Attached hereto as Schedule 1 is the Letter of Instructions relating to the Series 2008 Certificates as required by Section 6.12 of the Trust Agreement. The Trustee, the Corporation and the Board agree to abide by the provisions of such Letter of Instructions in accordance with and to the extent of the terms of the Trust Agreement.

**SECTION 205. SECTION 5.08(C) AND (D) OF LEASE AGREEMENT NOT APPLICABLE.** Notwithstanding the provisions set forth in Sections 5.08(c) and (d) of Lease Agreement, the Board may elect not to repair, restore or replace the Series 2008 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 Credit Enhancer for the Series 2008 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 2008 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. 2008; provided that if the Credit Enhancer consents thereto such proceeds may be used for Equipment, the Costs of the other components of the Series 2008 Project or in connection with Projects to be used for other than instructional, educational purposes. The provisions of Section 5.08(d) of the Lease Agreement shall not apply to the Series 2008 Project.

**SECTION 206. BOOK-ENTRY.** Notwithstanding the provisions set forth in Section 201 hereof or Section 4.06 of the Trust Agreement, the Series 2008 Certificates shall be initially issued in the form of a separate single certificated fully registered Series 2008 Certificate for each of the maturities of the Series 2008 Certificates. Upon initial issuance, the ownership of each such Series 2008 Certificate shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Except as provided in this Section, all of the Series

2008 Certificates shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC. As long as the Series 2008 Certificates shall be registered in the name of Cede & Co., all payments of interest on the Series 2008 Certificates shall be made by the Trustee by check or draft or by wire transfer to Cede & Co., as Holder of the Series 2008 Certificates.

With respect to Series 2008 Certificates registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Board, the Corporation and the Trustee shall have no responsibility or obligation to any participant in the DTC book-entry program or to any indirect participant (collectively, a "Participant"). Without limiting the immediately preceding sentence, the Board, the Corporation and the Trustee shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2008 Certificates, (B) the delivery to any Participant or any other Person other than a Certificateholder, as shown in the registration books kept by the Trustee, of any notice with respect to the Series 2008 Certificates, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Certificateholder, as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest on the Series 2008 Certificates. The Board, the Corporation and the Trustee may treat and consider the Person in whose name each Series 2008 Certificate is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Series 2008 Certificate for the purpose of payment of principal of, premium, if any, and interest with respect to such Series 2008 Certificate, for providing notices with respect to such Series 2008 Certificate, for the purpose of registering transfers with respect to such Series 2008 Certificate, for the purpose of providing notices of prepayment, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Series 2008 Certificates only to or upon the order of the respective holders, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2008 Certificates to the extent of the sum or sums so paid. No Person other than a holder, as shown in the registration books kept by the Trustee, shall receive a certificated Series 2008 Certificate evidencing the obligation of the Board to make payments of principal of, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the Board of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Trust Agreement with respect to transfers during certain time periods, the words "Cede & Co." herein shall refer to such new nominee of DTC; and upon receipt of such notice, the Board shall promptly deliver a copy of the same to the Trustee.

Upon (A) receipt by the Board of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2008 Certificates be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2008 Certificates or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Board, in its sole discretion, that such book-entry only system is burdensome to the Board and upon compliance with applicable DTC policies and procedures, the Series 2008 Certificates shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders shall designate, in accordance with the provisions hereof. In such event, the Board shall issue and the Trustee shall authenticate, transfer and exchange Series 2008 Certificates of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the holders thereof in accordance with the provisions of the Trust Agreement. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Issuer Letter of Representations executed by the Board and delivered to DTC shall apply to the payment of principal of and interest on the Series 2008 Certificates.

**ARTICLE III**  
**APPLICATION OF SERIES 2008 CERTIFICATE PROCEEDS**

**SECTION 301. APPLICATION OF SERIES 2008 CERTIFICATE PROCEEDS.** The proceeds of the Series 2008 Certificates (not including any underwriting discount) shall be applied by the Trustee as follows:

(1) Deposit to the credit of the Series 2008 Subaccount of the Costs of Issuance Account an amount equal to the Costs of Issuance of the Series 2008 Certificates (\$\_\_\_\_\_) (\$\_\_\_\_\_ of which shall be wired directly to Financial Security upon delivery in order to pay the Municipal Bond Insurance Policy premium);

(2) Deposit to the credit of the Series 2008 Subaccount of the Project Account of the Project Fund the balance of the proceeds from the sale of the Series 2008 Certificates (\$\_\_\_\_\_).

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

**ARTICLE IV**  
**ESTABLISHMENT OF SERIES 2008 PLEDGED ACCOUNTS**

**SECTION 401. ESTABLISHMENT OF SERIES 2008 PLEDGED ACCOUNTS.** In accordance with Section 6.02(b) of the Trust Agreement, there is hereby established with the Trustee, solely for the benefit of the Owners of the Series 2008 Certificates, the following accounts and subaccounts:

(a) The "School Board of Sarasota County, Florida Master Lease Series 2008 Subaccount of the Project Account."

(b) The "School Board of Sarasota County, Florida Master Lease Series 2008 Subaccount of the Costs of Issuance Account."

(c) The "School Board of Sarasota County, Florida Master Lease Series 2008 Subaccount of the Interest Account."

(d) The "School Board of Sarasota County, Florida Master Lease Series 2008 Subaccount of the Principal Account."

(e) The "School Board of Sarasota County, Florida Master Lease Series 2008 Account of the Prepayment Fund."

The moneys on deposit in the Accounts and Subaccounts described in this Section shall be disbursed by the Trustee in the manner and for the purposes described in the Trust Agreement. The moneys in the Series 2008 Pledged Accounts shall be invested solely in Permitted Investments.

**SECTION 402. SECURITY FOR SERIES 2008 CERTIFICATES.** The Series 2008 Certificates shall be secured in the manner provided in the Trust Agreement and shall receive all the benefits of the Trust Estate created thereunder; provided, such portion of the Trust Estate which is derived from the sale, re-letting or other disposition of the Series 2008 Project and any cash, securities and investments in the Series 2008 Pledged Accounts shall be utilized solely for the benefit of the Owners of the Series 2008 Certificates. The Owners of the Series 2008 Certificates shall have no claim against, nor receive any benefits from, any portion of the Trust Estate derived from the sale, re-letting or other disposition of Projects, other than the Series 2008 Project, or any cash, securities and investments in the Pledged Accounts, other than the Series 2008 Pledged Accounts.

**SECTION 403. CREDIT ENHANCEMENT.** The Series 2008 Certificates shall be further secured by the Municipal Bond Insurance Policy issued by Financial Security, which shall be the Credit Enhancer and Insurer for the Series 2008 Certificates. Financial Security shall have all the rights provided for such Credit Enhancer under the terms of the Trust Agreement and under the terms hereof and the Related Documents.



**ARTICLE VI**  
**PROVISIONS RELATING TO SERIES 2008 CERTIFICATES**

**SECTION 601. PROVISIONS REGARDING MUNICIPAL BOND INSURANCE POLICY; ADDITIONAL OBLIGATIONS OF THE BOARD.** The following provisions relating to the Series 2008 Certificates shall apply so long as Financial Security's Municipal Bond Insurance Policy is in full force and effect:

(a) Notwithstanding the provisions of Exhibit A to the Trust Agreement, for all purposes of the Trust Agreement related to the investment of the proceeds of the Series 2008 Certificates or amounts on deposit in the Series 2008 Pledged Accounts, **"Permitted Investments,"** means:

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

2. Federal Housing Administration debentures.

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

- Federal Home Loan Mortgage Corporation (FHLMC)

Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

Senior Debt obligations

- Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)

Consolidated system-wide bonds and notes

- Federal Home Loan Banks (FHL Banks)
  - Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
  - Senior debt obligations
    - Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- Student Loan Marketing Association (SLMA)
  - Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
- Financial Corporation (FICO)
  - Debt obligations
- Resolution Funding Corporation (REFCORP)
  - Debt obligations

4. Unsecured certificates of deposit, time deposits and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated "A-1" or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

7. Money market funds rated "AAm" or "AAm-G" by S&P, or better.

8. "State Obligations," which means:

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

guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

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

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

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

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

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

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

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

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

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

10. Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated at least "A" by S&P and Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-

term debt rated at least "A" by S&P and Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "A" or better by S&P and Moody's and acceptable to Financial Security, provided that:

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

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

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

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

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

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

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

A. interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Series 2008 Certificates;

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

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

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

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

(1) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Board, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody's to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(2) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Board or the Trustee, if directed by the Board (who, in either case, shall give such direction if so directed by Financial Security), within 10 days of receipt of such direction, repay the principal of and

accrued but unpaid interest on the investment, in either case with no penalty or premium to the Board or Trustee, and

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

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

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

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

12. Subject to the prior written approval of Financial Security, such other obligations as shall be permitted to be legal investments of the Board by the laws of the State.

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

(b) (i) Permitted Investments (except investment agreements) in Trust Agreement funds and accounts shall be valued by the Trustee at the market value thereof, exclusive of accrued interest, not less often than annually or as frequently as reasonably deemed necessary by Financial Security. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored within one year of the valuation date.

(ii) The Trustee shall terminate any repurchase agreement upon a failure of the counterparty thereto to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the repo securities, liquidate the collateral.

(iii) The Trustee shall give notice to any provider of an investment agreement in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid.

(iv) The Trustee shall, upon actual knowledge of a default under a repurchase or investment agreement or the withdrawal or suspension of either of the ratings of an investment agreement or repurchase provider or a drop in the ratings thereon below "AA" or "Aa," as appropriate, or "AAA" or "Aaa," as appropriate, in the case of a foreign bank, so notify Financial Security, and if so directed by Financial Security, shall demand further collateralization of the agreement or termination thereof and liquidation of the collateral.

(c) Notice of optional prepayment of the Series 2008 Certificates, other than any notice that refers to Series 2008 Certificates that are to be prepaid from proceeds of Refunding Securities or amounts to be provided by Financial Security in its discretion, may be given only if sufficient moneys to pay the prepayment price of such prepaid Series 2008 Certificates have been deposited with the Trustee or the Board has informed the Trustee in writing that it has on hand such amount of moneys and such moneys are designated to be used solely for the prepayment of the Series 2008 Certificates.

(d) Notwithstanding the provisions of Section 11.01 of the Trust Agreement, but subject to Section 601(x) of this Supplemental Trust Agreement, any Supplemental Trust Agreement entered into pursuant to Section 11.01(j) of the Trust Agreement and any amendments of Section 11.03 of the Trust Agreement shall require the prior written consent of Financial Security.

(e) For purposes of Section 12.01 of the Trust Agreement, "Refunding Securities", as it relates to defeasance of the Series 2008 Certificates, shall mean (i) direct non-callable obligations of the United States, (ii) evidences of ownership of proportionate interests in future interest and principal payments on such direct obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and such underlying obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated or (iii) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively (or any combination thereof) and shall be authorized to be used to effect defeasance of the Series 2008 Certificates, unless Financial Security otherwise approves. In the event of an advance refunding of the Series 2008 Certificates (A) the Board shall cause to be delivered to Financial Security and the Trustee, on the deposit date and upon any reinvestment of the defeasance amount, a Verification verifying the sufficiency of the escrow established to pay the Series 2008 Certificates in full on the maturity date or earlier redemption date, (B) the escrow agreement executed in connection with the defeasance of the Series 2008 Certificates shall provide that no (1) substitution of a Refunding Security shall be permitted except with another Refunding Security and upon

delivery of a new Verification, and (2) reinvestment of a Refunding Security shall not be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (C) there shall be delivered an opinion of nationally recognized bond counsel to the effect that the Series 2008 Certificates are no longer "Outstanding" under the Trust Agreement; each Verification and defeasance opinion shall be addressed to the Board, the Trustee and Financial Security. In the event a forward purchase agreement will be employed in the refunding, such agreement shall be subject to the approval of Financial Security and shall be accompanied by such opinions of counsel as may be required by Financial Security. Financial Security shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

(f) Financial Security shall be provided by the Trustee or the Board, as the case may be, with the following information:

(i) Annual audited financial statements of the District within 30 days of completion thereof and the Board's final budget within 30 days after the approval thereof by the Board;

(ii) Notice of any failure of the Board to make any required deposit into the Lease Payment Fund within two Business Days of the Trustee's knowledge thereof; notice of any other default or an Event of Non-Appropriation known to the Trustee within five Business Days after knowledge thereof, provided, however, that notice of Non-Appropriation shall be given immediately;

(iii) Notice of the advance refunding or prepayment, other than mandatory sinking fund prepayment, of any of the Series 2008 Certificates, including the principal amount, maturities and CUSIP numbers thereof;

(iv) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto; and

(v) Such additional information as Financial Security from time to time may reasonably request.

(g) Financial Security shall be provided with a full original transcript of all proceedings relating to the execution of any amendment or supplement to the Trust Agreement, the Ground Lease, the Assignment Agreement or the Lease Agreement (collectively, the "Related Documents").

(h) All reports, notices and correspondence to be delivered pursuant to the Trust Agreement, this Series 2008 Supplemental Trust Agreement, the Lease Agreement, the Ground Lease and the Assignment Agreement shall also be delivered to Financial Security.

(i) Claims Upon the Municipal Bond Insurance Policy:

(i) If, on the third Business Day prior to the related Payment Date there is not on deposit with the Trustee after making all transfers and deposits required under the Trust Agreement, the Series 2008 Supplemental Trust Agreement and the Lease Agreement, moneys sufficient to pay the principal of and interest in respect of the Series 2008 Certificates due on such Payment Date, the Trustee shall give notice to Financial Security and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest in respect of the Series 2008 Certificates due on such Payment Date, the Trustee shall make a claim under the Municipal Bond Insurance Policy and give notice to Financial Security and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest in respect of the Series 2008 Certificates and the amount required to pay principal of the Series 2008 Certificates, confirmed in writing to Financial Security and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Municipal Bond Insurance Policy.

(ii) At the time of the execution and delivery of the Series 2008 Supplemental Trust Agreement, and for all purposes of the Trust Agreement, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Series 2008 Certificates referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Municipal Bond Insurance Policy in trust on behalf of the Series 2008 Certificate Owners and shall deposit any amount paid under the Municipal Bond Insurance Policy in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as principal and interest payments are to be made with respect to the Series 2008 Certificates under the sections hereof regarding payment of Series 2008 Certificates. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. However, the amount of any payment of principal of or interest in respect of the Series 2008 Certificates to be paid from the Policy Payments Account shall be noted as provided in (iv) below. Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

In the event the Series 2008 Certificates are subject to mandatory sinking fund prepayment, upon receipt of the moneys due, if the Series 2008 Certificates are not registered under a book-entry system of registration, affected Series 2008 Certificate Owners shall surrender their Series 2008 Certificates to the Trustee who shall authenticate and deliver to such Series 2008 Certificate Owner a new Series 2008 Certificate or Series 2008 Certificates in an aggregate principal amount equal to the unredeemed portion of the Series 2008 Certificate surrendered, and upon maturity or other advancement of maturity and receipt of the moneys due, Series 2008 Certificate Owners shall surrender their Series 2008 Certificates for cancellation. The Trustee shall designate any portion of payment of principal on Series 2008 Certificates paid by Financial Security, whether by virtue of mandatory sinking fund prepayment, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2008 Certificates registered to the then current Series 2008 Certificate Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2008 Certificate to Financial Security, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2008 Certificate shall have no effect on the amount of principal or interest payable by the Board on any Series 2008 Certificate or the subrogation rights of Financial Security.

(iii) In the event the maturity of the Series 2008 Certificates is accelerated, Financial Security may elect, in its sole discretion, to pay accelerated principal and interest accrued or accreted, as applicable, on such principal to the date of acceleration (to the extent unpaid by the Board) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued or accreted, as applicable to the acceleration date as provided above, Financial Security's obligations under the Policy with respect to such Series 2008 Certificates shall be fully discharged.

(iv) Financial Security shall be entitled to pay principal or interest on the Series 2008 Certificates that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Series 2008 Certificates as a result of acceleration of the maturity thereof in accordance with the Trust Agreement, whether or not Financial Security has received a Notice of Nonpayment (as such terms are defined in the Policy) or a claim upon the Policy.

(v) Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to Financial Security.

(vi) The Trustee shall keep a complete and accurate record of all funds deposited by Financial Security into the Policy Payments Account and the

allocation of such funds to payment of interest on and principal paid in respect of any Series 2008 Certificate. Financial Security shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Trustee.

(vii) Subject to and conditioned upon payment of any interest or principal with respect to the Series 2008 Certificates by or on behalf of Financial Security, each Series 2008 Certificate Owner, by its purchase of Series 2008 Certificates, hereby assigns to Financial Security, but only to the extent of payments made by Financial Security with respect to such Series 2008 Certificates, all rights to the payment of interest or principal on the Series 2008 Certificates, including, without limitation, any amounts due to the Series 2008 Certificate Owners which are then due for payment in respect of securities law violations arising from the offer and sale of the Series 2008 Certificates. Financial Security may exercise any option, vote, right, power of the like with respect to Series 2008 Certificates to the extent it has made a principal payment pursuant to the Municipal Bond Insurance Policy. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to Financial Security in respect of such payments. The Trustee shall take such action and deliver such instruments as may be reasonably requested or required by Financial Security to effectuate the purpose or provisions of this paragraph (vii). The Trustee agrees that Financial Security shall be subrogated to all of the rights to payment of the Owners of the Series 2008 Certificates or in relation thereto to the extent that any payment of principal or interest was made to such Owners with payments made under the Municipal Bond Insurance Policy by Financial Security.

(viii) The Trustee shall promptly notify Financial Security of either of the following as to which it has actual knowledge: (A) the commencement of any proceeding by or against the Board or the Corporation commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") and (B) the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer (a "Preference Claim") of any payment of principal of, or interest in respect of, the Series 2008 Certificates. Each Owner, by its purchase of Series 2008 Certificates, and the Trustee hereby agrees that Financial Security may at any time during the continuation of an Insolvency Proceeding direct all matters relating to such Insolvency Proceeding in respect of the Series 2008 Certificates, including, without limitation, (1) all matters relating to any Preference Claim, (2) the direction of any appeal of any order relating to any Preference Claim and (3) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, Financial Security shall be subrogated to the rights of the Trustee (on behalf of the Owners) and each Owner in any Insolvency Proceeding to the extent it is subrogated pursuant to the Municipal Bond Insurance

Policy, including, without limitation, any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding.

(ix) Financial Security shall, to the extent it makes any payment of principal of or interest in respect of the Series 2008 Certificates, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy.

(j) In the event of a partial defeasance relating to a Group of the Series 2008 Project pursuant to Section 4.06 of the Lease Agreement, the Trustee shall not release or terminate the Lessor's leasehold estate in such Group pursuant to Section 4.07 of the Lease Agreement unless the Board has delivered to the Trustee the prior written consent of Financial Security, which consent shall not be unreasonably withheld.

(k) Subject to Section 601(x) of this Supplemental Trust Agreement, the rights granted under the Related Documents to Series 2008 Certificates Owners and any Credit Enhancer to request, consent to or direct any action are rights granted to Financial Security in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by Financial Security of such rights is merely an exercise of Financial Security's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Series 2008 Certificate Owners nor does such action evidence any position of Financial Security, positive or negative, as to whether Series 2008 Certificate Owner consent is required in addition to consent of Financial Security.

(l) To the extent permitted by law, the Board shall pay to Financial Security, but solely from Available Revenues in accordance with the provisions of the Trust Agreement and the Lease Agreement, interest on any payments made by Financial Security (other than payments made by Financial Security pursuant to the Municipal Bond Insurance Policy which are paid to Financial Security pursuant to its rights of subrogation thereunder) on behalf of, or advanced to, the Board including, without limitation, any amounts payable by the Board in connection with the Series 2008 Certificates or the Lease Agreement. The Board also agrees to pay to Financial Security, but solely from Available Revenues in accordance with the provisions of the Trust Agreement and the Lease Agreement, interest on any and all amounts as are paid under the Municipal Bond Insurance Policy and any and all amounts as are described above from the date paid by Financial Security until payment thereof in full at the Late Payment Rate. "Late Payment Rate" shall mean a per annum rate equal to the lower of (i) three percent above the interest rate that JP Morgan Chase Bank, N.A. ("JP Morgan") publicly announces from time to time as its prime lending rate ("Prime Rate"), such interest rate to change on the effective date of each change in the announced Prime Rate and (ii) the maximum interest rate permitted to be paid by the Board under applicable law; provided that with respect to payments paid to and received by Financial Security pursuant to its subrogation rights under the Trust Agreement the amount of the Series 2008 Certificates

interest rate shall be subtracted from the Late Payment Rate. In the event JP Morgan ceases to announce its Prime Rate, the Prime Rate shall be the prime rate of such national bank as Financial Security shall designate.

(m) The Board, to the extent permitted by law, but solely from Available Revenues in accordance with the provisions of the Trust Agreement and the Lease Agreement, hereby agrees to pay or reimburse Financial Security any and all charges, fees, costs and expenses which Financial Security may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Municipal Bond Insurance Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Related Documents (as defined in Section 601(g) herein above), including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Corporation or the Board or any affiliate thereof) relating to any of the Related Documents, any party to any of the Related Documents or the transaction contemplated by the Related Documents (the "Transaction"), (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Related Documents, or the pursuit of any remedies under any of the Related Documents, or (iv) any amendment, waiver or other action with respect to, or related to, any Related Document whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of Financial Security spent in connection with the actions described in clauses (ii) - (iv) above; and Financial Security reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of any of the Related Documents.

(n) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Board, to the extent permitted by law and only with respect to any obligations incurred prior to termination of the Lease Agreement (or during any holdover period and regardless of whether a claim therefor occurs after termination of the Lease Agreement), agrees to pay or reimburse Financial Security any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which Financial Security or its officers, directors, shareholders, employees, agents and each Person, if any, who controls within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Related Documents (as defined in paragraph (g) above) by reason of:

(i) any omission or action (other than of or by Financial Security or DTC) in connection with the offering, issuance, sale, remarketing or delivery of the Series 2008 Certificates;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Corporation or the Board in connection with any transaction arising from or relating to the Related Documents;

(iii) the violation by the Board of any law, rule or regulation, or any judgment, order or decree applicable to it;

(iv) the breach by the Board of any representation, warranty or covenant under any of the Related Documents or the occurrence, in respect of the Board, under any of the Related Documents of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in any Offering Statement with respect to the Series 2008 Certificates, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an Offering Statement with respect to the Series 2008 Certificates and furnished by Financial Security in writing expressly for use therein.

(o) Payments required to be made to Financial Security shall be payable solely from the Lease Payments and funds held under the Trust Agreement. Payments owing to Financial Security pursuant to Sections 601(m) and (n) herein above shall be considered Supplemental Rent under the Lease Agreement and shall be paid directly to Financial Security.

(p) Amounts paid by Financial Security under the Policy shall not be deemed paid for purposes of the Trust Agreement and the Series 2008 Certificates to which such amounts relate shall remain Outstanding and continue to be due and owing until paid by the Board in accordance with the Trust Agreement. The Trust Agreement shall not be discharged unless all amounts due or to become due to Financial Security have been paid in full. Notwithstanding the foregoing, the Board shall not be obligated to pay any such amounts subsequent to an Event of Nonappropriation.

(q) Any modification or amendment to the Master Trust Agreement or any other Related Documents (as defined in paragraph (g) above) shall be sent to S&P and Moody's, at least 10 day prior to the effective date thereof.

(r) Any notices sent pursuant to the Related Documents shall be sent to Financial Security pursuant to Section 601(h) hereof.

(s) Any notices sent to Financial Security shall, until otherwise notified in writing by Financial Security, be sent to the following address:

Financial Security Assurance Inc.  
31 West 52nd Street  
New York, New York 10019  
Attention: Managing Director - Surveillance  
Re: Policy No. 209977-N  
Telephone: (212) 826-0100  
Telecopier: (212) 339-3556

In each case in which notice or other communication refers to an Event of Default or Event of Non-Appropriation, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(t) At the time of issuance of any Additional Certificates, no Event of Default shall have occurred and be continuing unless such default shall be cured as a result of the issuance of such Additional Certificates.

(u) The Corporation and the Board agree to not substitute a Building for any of the Buildings described as part of the Series 2008 Project in Lease Schedule No. 2008 without the prior written consent of Financial Security. The Corporation and the Board, however, may add additional Buildings and Equipment to the Series 2008 Project without the consent of Financial Security.

(v) Financial Security shall be deemed to be the sole holder of the Series 2008 Certificates for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2008 Certificates are entitled to take pursuant to Article VIII (pertaining to defaults and remedies) and Article IX (pertaining to the Trustee) of the Trust Agreement. The Trustee shall take no action with respect to such Articles except with the consent, or at the direction, of Financial Security. The maturity of Series 2008 Certificates shall not be accelerated without the consent of Financial Security.

(w) Financial Security is hereby deemed to be a third party beneficiary to the Trust Agreement.

(x) The rights of Financial Security to direct or consent to Board, Trustee or Certificateholder actions under the Trust Agreement or the Related Documents (defined in Section 601(g) above) shall be suspended during any period in which Financial

Security is in default in its payment obligations under the Policy (except to the extent of amounts previously paid by Financial Security and due and owing to Financial Security) and shall be of no force or effect in the event the Policy is no longer in effect or Financial Security asserts that the Policy is not in effect or Financial Security shall have provided written notice that it waives such rights.

(y) Anything to the contrary notwithstanding, the Board shall have no further obligation to appropriate funds for any obligations arising under the Trust Agreement or the Lease Agreement, upon and following the termination of the Lease Agreement as a result of an Event of Non-Appropriation.

**ARTICLE VII  
MISCELLANEOUS**

**SECTION 701. PROVISIONS OF TRUST AGREEMENT NOT OTHERWISE MODIFIED.** Except as expressly modified or amended hereby, the Trust Agreement shall remain in full force and effect. To the extent of any conflict between the terms of the Trust Agreement and this Series 2008 Supplemental Trust Agreement, the terms hereof shall control.

**SECTION 702. THIRD PARTY BENEFICIARIES.** Nothing in this Series 2008 Supplemental Trust Agreement, express or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, the Credit Enhancer and the Board any rights, remedies or claims under or by reason of this Series 2008 Supplemental Trust Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Series 2008 Supplemental Trust Agreement contained by or on behalf of the Corporation or the Board shall be for the sole and exclusive benefit of the Corporation, and its assignee, the Trustee, the Credit Enhancer and the Board.

**SECTION 703. COUNTERPARTS.** This Series 2008 Supplemental Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 704. HEADINGS.** Any heading preceding the text of the several Articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series 2008 Supplemental Trust Agreement, nor shall they affect its meaning, construction or effect.

**SECTION 705. LAWS.** This Series 2008 Supplemental Trust Agreement shall be construed and governed in accordance with the laws of the State.

**IN WITNESS WHEREOF**, the parties have executed this Series 2008 Supplemental Trust Agreement by their officers thereunto duly authorized as of the date and year first written above.

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

(SEAL)

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

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

(SEAL)

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

ATTEST:

\_\_\_\_\_  
Secretary

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

(SEAL)

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

ATTEST:

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

**LETTER OF INSTRUCTIONS**

School Board of Sarasota County, Florida  
Sarasota, Florida

Wells Fargo Bank, National Association  
Coral Springs, Florida

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

Re: \$ \_\_\_\_\_ Certificates of Participation (School Board of Sarasota County, Florida Master Lease Program), Series 2008 Evidencing An Undivided Proportionate Interest of the Owners thereof in Basic Rent Payments to be made under a Master Lease-Purchase Agreement by the School Board of Sarasota County, Florida

Ladies and Gentlemen:

This letter of instructions is intended to set forth certain duties and requirements regarding the payment of rebatable arbitrage to the United States Treasury in compliance with Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code") to the extent necessary to preserve the tax-exempt treatment of interest on the above-referenced Certificates of Participation (the "Series 2008 Certificates"). The instructions contained in this letter are based upon said Section 148(f) of the Code and, by analogy, to the Regulations. However, it is not intended to be exhaustive.

The Series 2008 Certificates have been issued pursuant to a Master Trust Agreement, dated as of June 1, 2003, as amended and supplemented, including, in particular, by the Series 2008 Supplemental Trust Agreement, dated as of June 1, 2008 (collectively, the "Trust Agreement"), among Wells Fargo Bank, National Association, as trustee (the "Trustee"), the Financing Corporation for the School Board of Sarasota County, Florida, a Florida not-for-profit corporation, as lessor (the "Corporation"), and the School Board of Sarasota County, Florida, a school board of the State of Florida, as lessee (the "Board"). The Series 2008 Certificates represent undivided proportionate

interests of the Owners of the Series 2008 Certificates in the Basic Rent Payments to be made under a Master Lease-Purchase Agreement, dated as of June 1, 2003, as amended and supplemented, in particular as amended and supplemented by Lease Schedule No. 2008, dated as of June 1, 2008 (collectively, the "Lease Agreement"), between the Corporation and the Board. Pursuant to an Assignment of Lease Agreement, dated as of June 1, 2003, as amended and supplemented, particularly as amended by a Second Amendment to Assignment of Lease Agreement, dated as of June 1, 2008, each between the Corporation and the Trustee, the Corporation has assigned all of its rights, title and interest in and to the Lease Agreement (other than certain rights and obligations specifically excepted therein), including, without limitation, the right to receive the Basic Rent Payments, when due, to the Trustee for the benefit of the Owners of the Series 2008 Certificates.

Since the requirements of said Section 148(f) are subject to amplification and clarification, it may be necessary to supplement or modify the instructions contained in this letter from time to time to reflect any additional or different requirements of said Section and the Regulations or to specify that actions set forth in this letter are no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of the interest on the Series 2008 Certificates.

For purposes of this letter, any instructions relating to a fund, account or subaccount established under the Trust Agreement shall be deemed to apply only to that portion of such fund, account or subaccount allocable to the Series 2008 Certificates.

**1. Tax Covenants.** Pursuant to the Trust Agreement, the Corporation and the Board have made certain covenants designed to assure that the Interest Component of the Basic Rent Payments is and shall remain excludable from gross income for purposes of federal income taxation. In order to preserve this exemption neither the Corporation nor the Board should, directly or indirectly, use or permit the use of any proceeds of the Series 2008 Certificates or the Lease Payments or any other funds or take or omit to take any action that would cause the Series 2008 Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code or that would cause the Interest Component of the Basic Rent Payments to be subject to be included in gross income for federal income tax purposes under the provisions of the Code. The Board must comply with all other requirements as shall be determined by Special Counsel to be necessary or appropriate to assure that the Interest Component of the Basic Rent Payments will be excludable from gross income for purposes of federal income taxation. To that end, the Corporation and the Board shall comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2008 Certificates.

**2. Definitions.** Capitalized terms used in this letter, but not otherwise defined herein, shall have the same meanings set forth in Exhibit A to the Trust Agreement and in the Board's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Series 2008 Certificates.

**"Certificate Year"** means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date; provided, however, that the Board may select any other day as the end of a Certificate Year if such selection is made prior to the earlier of the final maturity date of the Series 2008 Certificates or the fifth anniversary of the Issue Date.

**"Computation Date"** means (i) any date selected by the Board which is not more than 5 years later than the latter of (x) the date of issue or (y) the most recent Computation Date and (ii) the date all Series 2008 Certificates are finally paid or discharged; provided, however, that for purposes of paying any penalty due as a result of an election of the Board pursuant to Section 3(e) hereof, the Computation Date shall be the last day of each six-month period described in said Section 3(e).

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

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

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

**"Final Computation Date"** means the date the Series 2008 Certificates are discharged.

**"Gross Proceeds"** means, with respect to the Series 2008 Certificates:

- (1) Amounts constituting Sale Proceeds of the Series 2008 Certificates.
- (2) Amounts constituting Investment Proceeds of the Series 2008 Certificates.
- (3) Amounts constituting Transferred Proceeds of the Series 2008 Certificates.
- (4) Other amounts constituting Replacement Proceeds of the Series 2008 Certificates.
- (5) Amounts that constitute Pledged Moneys (as defined below) and that are derived directly or indirectly from the Board (or a governmental unit of which the Board is a part) or any other person who substantially benefits from the issuance of the Series 2008 Certificates.

**"Investment Proceeds"** means any amounts actually or constructively received from investing proceeds of the Series 2008 Certificates.

**"Investment Property"** means any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(b) of the Regulations.

**"Issue Date"** means \_\_\_\_\_, 2008.

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

**"Nonpurpose Investment"** shall have the meaning ascribed to such term in Section 148 of the Code and shall include any Investment Property in which Gross Proceeds are invested which is not acquired to carry out the governmental purpose of the Series 2008 Certificates, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Series 2008 Certificates, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund.

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

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

**"Pledged Moneys"** means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Series 2008 Certificates (or to reimburse a municipal bond insurer) or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Series 2008 Certificates (or to reimburse a municipal bond insurer) if the Board encounters financial difficulties.

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

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

**"Qualified Administrative Costs"** means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the Board treats as a Qualified Administrative Cost does not exceed the lessor of (a) \$34,000, or (b) .2% of the

"computational base;" and (2) the Board does not treat as Qualified Administrative Costs more than \$95,000 in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, "computational base" shall mean the amount the Board reasonably expects to be deposited in the guaranteed investment contract over the term of the contract or for investments other than guaranteed investment contracts, the amount of Gross Proceeds initially invested.

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

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

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

**"Replacement Proceeds"** means amounts that have a sufficiently direct nexus to the Series 2008 Certificates or to the governmental purpose of the Series 2008 Certificates to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Series 2008 Certificates were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Series 2008 Certificates if there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

**"Sale Proceeds"** means any amounts actually or constructively received by the Board from the sale of the Series 2008 Certificates, including amounts used to pay underwriters' discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Series 2008 Certificate and that is described in Section 1.148-4(b)(4) of the Regulations.

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

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

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

**"Universal Cap"** means the value of all then outstanding Series 2008 Certificates.

**"Value" (of a Series 2008 Certificate)** means with respect to a Series 2008 Certificate issued with not more than two percent original issue discount or original issue premium, the outstanding principal amount, plus accrued unpaid interest; for any other Series 2008 Certificate, its present value.

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

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

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

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

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

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

**"Yield on the Series 2008 Certificates"** means, for all Computation Dates, the Yield expected as of the date hereof on the Series 2008 Certificates over the term of such Series 2008 Certificates computed by:

(1) using as the purchase price of the Series 2008 Certificates, the amount at which such Series 2008 Certificates were sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(2) assuming that all of the Series 2008 Certificates will be paid at their scheduled maturity dates or in accordance with any mandatory redemption requirements.

**"Yield"** means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of principal and interest on an obligation and all the payments for qualified guarantees paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Series 2008 Certificates on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded semi-annually. For this purpose the purchase price of a Nonpurpose Investment or Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of this letter, as of the date that it becomes allocated to Gross Proceeds of the Series 2008 Certificates.

### **3. Payment of Rebatable Arbitrage.**

(a) In order to maintain the exemption from federal income tax of the Interest Component of the Basic Rent Payments, the Trustee, upon the written direction of the Board in accordance with Section 6.12 of the Trust Agreement, shall pay the Rebatable Arbitrage to the United States Government at the times and in the amounts determined herein from amounts on deposit in the Rebate Fund. For purposes of determining the Rebatable Arbitrage, the Board should cause the calculations to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Regulations relating to arbitrage

rebate and, if the Board fails to retain such advisors for such purpose, the Trustee should retain such advisors for such purpose, but only at the expense of the Board.

(b) Within 30 days after any Computation Date, the Board must calculate or cause to be calculated the Rebatale Arbitrage or any penalty due pursuant to Section 3(d) below. The Board agrees to pay the Trustee the amount of the Rebatale Arbitrage for deposit to the Rebate Fund on or before the same must be remitted by the Trustee. Upon receipt of such Rebatale Arbitrage from the Board, but in no event later than 60 days following the Computation Date, the Trustee must remit (but only from amounts received from the Board) an amount which when added to the future value of previous rebate payments is not less than 90 percent (100 percent with respect to the Computation Date on the final repayment or retirement of the Series 2008 Certificates plus the income, if any, from the investment of the Rebatale Arbitrage due the United States Government after the final Computation Date) of the Rebatale Arbitrage.

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

(c) The obligation to pay Rebatale Arbitrage to the United States, as described in this letter, shall be treated as satisfied with respect to the Series 2008 Certificates if (i) Gross Proceeds are expended for the governmental purpose of the Series 2008 Certificates by no later than the date which is six months after the Issue Date and if it is not anticipated that any other Gross Proceeds will arise during the remainder of the term of the Series 2008 Certificates and (ii) the requirement to pay Rebatale Arbitrage, if any, to the United States with respect to the portion of the Reserve Account allocable to the Series 2008 Certificates, if any, is met. For purposes described above, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (as defined in Section 1.148-1 of the Regulations and meeting the requirements of Section 1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then, except as to amounts, if any, on deposit in the Reserve Account, Rebatale Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem Series 2008 Certificates shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, as determined by the Board, then the requirements described herein relating to the calculation of Rebatale Arbitrage and the payment

thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six-month period. Any other amounts not described in this Section which constitute Gross Proceeds, other than a bona fide debt service fund, will be subject to rebate.

(d) As an alternative to Section 3(c) above, the obligation of the Board to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Series 2008 Certificates if the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

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

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

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

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this paragraph (d), 100% of the Gross Proceeds of the Series 2008 Certificates shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Series 2008 Certificates). If Gross Proceeds are in fact expended by such dates, then Rebatable Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the Board exercises due diligence to complete the project financed by the Series 2008 Certificates and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Series 2008 Certificates or (ii) \$250,000. Use of Gross Proceeds to redeem the Series 2008 Certificates shall not be treated as an expenditure of such Gross Proceeds. For purposes of this paragraph (d), "Gross Proceeds" shall be modified as described in paragraph (c) above.

(e) As an alternative to subsection (d) above, the obligation to pay Rebatable Arbitrage to the United States, as described in this letter, is treated as satisfied with respect to the Series 2008 Certificates if the "Available Construction Proceeds" (as defined in Section 148(f)(4)(c)(vi) of the Code) are expended for the governmental purposes of the issue within the periods set forth below:

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

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

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

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

For purposes of this Section 3(e), the term Available Construction Proceeds means the Net Proceeds of the construction issue, increased by earnings on the Net Proceeds, earnings on amounts in the Reserve Account to the extent that such amounts were not funded from proceeds of the Series 2008 Certificates, and earnings on all of the foregoing earnings, and reduced by the amount, if any, of the Net Proceeds deposited to the Reserve Account and amounts used to pay issuance costs (including bond insurance premium).

As set forth in Section 148(f)(4)(B)(iv)(III) of the Code, for purposes of the expenditure requirements set forth in this paragraph (e), 100% of the Available Construction Proceeds of the Series 2008 Certificates is treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Available Construction Proceeds of the Series 2008 Certificates). Any failure to satisfy the final spending requirement shall be disregarded if the Board exercises due diligence to complete the project financed by the Series 2008 Certificates and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Series 2008 Certificates or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the Board fails to meet the expenditure requirements referred to above, the Board does not elect to pay, in lieu of the Rebatable Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Series 2008 Certificates which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Series 2008 Certificates (including any refunding obligations issued with respect thereto) are no longer outstanding. The Board makes no election with respect to the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebatable Arbitrage to the United States pursuant to this paragraph (e), at least 75% of the Available Construction Proceeds of the Series 2008 Certificates must be used for construction expenditures with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code (subject in all respects

to the provisions of Section 142(b)(1)(B) of the Code). The term "construction" includes reconstruction and rehabilitation of existing property. If only a portion of an issue is to be used for construction expenditures, such portion and such other portion of such issue may, at the election of the Board, be treated as a separate issue for purposes of this subsection (e) (although the remaining portion may not be entitled to the benefits of paragraph 3(d) hereof. The Board hereby elects not to treat any portion of the Series 2008 Certificates as a separate issue.

(f) The Board and the Trustee should keep or cause to be kept proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Series 2008 Certificates, including moneys derived from, pledged to, or to be used to make payments on the Series 2008 Certificates. Such records shall, at a minimum, be sufficient to enable the Board to calculate the Rebatale Arbitrage and, if necessary, shall specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price, (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, and (v) the dates of acquisition and disposition or maturity.

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

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

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

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance

escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

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

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

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

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

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

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

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

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

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

(1) The Board receives at least three bids from providers that the Board solicited under a Bona Fide Solicitation and that do not have a

material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

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

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

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

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

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

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

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series

Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

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

(d) The Board shall retain certificates and records documenting compliance with the above requirements until three years after the last outstanding Series 2008 Certificate is redeemed including, but not limited to, the following:

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

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

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

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

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

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

**5. Records.** The Board and the Trustee should retain all records with respect to the calculations required by this letter for at least six years after the date on which the last of the principal of and interest on the Series 2008 Certificates has been paid, whether upon maturity, redemption, or acceleration thereof.

**6. Modification Upon Receipt of Special Counsel Opinion.** Notwithstanding any provision of this letter, if the Board and the Trustee shall receive an opinion of Special Counsel that any specified instructions set forth in this letter are no

longer required or that some further or different action is required to maintain or assure the exclusion from federal gross income of the Interest Component of the Basic Rent Payments, the Board and the Trustee may conclusively rely on such opinion in complying with the requirements of this letter and the instructions contained in this letter shall be deemed to be modified to that extent. The provisions of this and the instructions contained in this letter may be amended or modified in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

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

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

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

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

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

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

Respectfully submitted,

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

Acknowledged:

**SCHOOL BOARD OF SARASOTA  
COUNTY, FLORIDA**

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

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

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

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

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

**ALLOCATION AND ACCOUNTING RULES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**EXHIBIT D**

**FORM OF SECOND AMENDMENT TO ASSIGNMENT OF  
LEASE AGREEMENT**

This document prepared by:

John R. Stokes, Esq.  
Nabors, Giblin & Nickerson, P.A.  
2502 Rocky Point Drive  
Suite 1060  
Tampa, Florida 33607

---

**SECOND AMENDMENT TO  
ASSIGNMENT OF LEASE AGREEMENT**

**by and between**

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

**and**

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

**Dated as of June 1, 2008**

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**SECOND AMENDMENT TO  
ASSIGNMENT OF LEASE AGREEMENT**

**THIS SECOND AMENDMENT TO ASSIGNMENT OF LEASE AGREEMENT**, is made and entered into as of June 1, 2008, by and between the **FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**, a not-for-profit corporation duly organized and validly existing under the laws of the State of Florida (the "Corporation") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association with corporate trust powers duly qualified to enter into this Second Amendment to Assignment of Lease Agreement, not in its individual capacity but solely as trustee (the "Trustee");

**W I T N E S S E T H:**

In the joint and initial exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

**SECTION 1. RECITALS.** (a) The Corporation and the Board have entered into the Master Lease-Purchase Agreement, dated as of June 1, 2003 (which, together with all amendments and Lease Schedules thereto, shall be referred to herein as the "Lease Agreement"), between the Corporation and the Board, whereby the Corporation has agreed to lease to the Board, and the Board has agreed to lease from the Corporation, the Projects, as described in the Lease Agreement.

(b) The Corporation and Trustee have entered into the Assignment of Lease Agreement, dated as of June 1, 2003, as amended and supplemented as hereinafter described (the "Assignment Agreement"), which Assignment Agreement has been recorded at Official Records Book (Instrument #2003119205) of the Public Records of Sarasota County, Florida.

(c) The Corporation and Trustee amended the Assignment Agreement to acknowledge Lease Schedule No. 2004 by entering in the First Amendment to Assignment of Lease Agreement, dated as September 1, 2004 (the "First Amendment to Assignment Agreement"), which First Amendment to Assignment Agreement has been recorded at Official Records (Instrument #2004179733) of the Public Records of Sarasota County, Florida.

(d) The Corporation and the Trustee deem it necessary to further amend the Assignment Agreement to acknowledge Lease Schedule No. 2008 by entering into this Second Amendment to Assignment of Lease Agreement (the "Second Amendment to Assignment Agreement").

(e) The Certificates shall be issued from time to time in order to finance or refinance the acquisition, construction, installation and equipping of the Projects and the

proceeds of the Certificates shall be deposited with the Trustee and shall be held and applied in accordance with the Trust Agreement.

(f) Pursuant to the Lease Agreement, the Board is obligated to make certain Lease Payments to the Corporation, or its assignee. In order to secure the Certificates, the Corporation is willing to assign and transfer its rights and interests under the Lease Agreement to the Trustee for the benefit of the Owners of the Certificates.

(g) Each of the parties hereto has authority to enter into this Second Amendment to Assignment Agreement, and has taken all actions necessary to authorize its officer to enter into it.

(h) The capitalized words and terms used in this Second Amendment to Assignment Agreement, but not otherwise defined herein, shall have the meanings assigned to such words and terms in Exhibit A to the Lease Agreement.

**SECTION 2. ASSIGNMENT.** The Corporation, for good and valuable consideration received, does hereby irrevocably sell, assign and transfer to the Trustee, for the benefit of the Owners of the Certificates, all of its right, title and interest in the Lease Agreement, as amended and supplemented, in particular as supplemented by Lease Schedule No. 2008 (other than the right to receive indemnification pursuant to the Lease Agreement, the right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement), including its right to receive Lease Payments from the Board under the Lease Agreement and its right to use, sell and re-let the Projects (under the circumstances contemplated by the Lease Agreement), and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement. All rights of the Corporation in each Lease Schedule shall be assigned to the Trustee upon execution and delivery thereof. The Lease Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement. Except for any Lease Schedules which are hereafter attached to the Lease Agreement and hereafter assigned by the Corporation to the Trustee pursuant to an amendment to this Assignment of Lease Agreement, the sale, assignment and conveyance of the rights, title and interest of the Corporation under and to the Lease Agreement are immediately complete and effective for all purposes.

**SECTION 3. ACCEPTANCE.** The Trustee hereby accepts such assignment in trust for the purpose of securing payment of the Certificates and securing the rights of the Owners of the Certificates issued pursuant to the Trust Agreement.

**SECTION 4. CONFLICTS; ASSIGNMENT AGREEMENT TO CONTINUE IN FORCE.** Except as herein expressly amended and supplemented, the Assignment Agreement and all the terms and provisions thereof are and shall remain in full force and effect; provided, however, that in the event of a conflict between the terms of this Second Amendment to Assignment Agreement and the Assignment Agreement, the terms of this Second Amendment to Assignment Agreement shall govern.

**SECTION 5. COUNTERPARTS.** This Second Amendment to Assignment Agreement may be executed in counterparts, and each of said counterparts shall be deemed an original for all purposes of this Second Amendment to Assignment Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

**SECTION 6. LAW.** This Second Amendment to Assignment Agreement shall be construed under the laws of the State of Florida.

**IN WITNESS WHEREOF**, the parties have executed this Second Amendment to Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

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

(SEAL)

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

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

Name: Dr. Kathy Kleinlein

Title: President

Address: 1960 Landings Blvd.  
Sarasota, Florida 34231

ATTEST:

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

Name: Lori M. White

Title: Secretary

Address: 1960 Landings Blvd.  
Sarasota, Florida 34231

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

(SEAL)

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

Witness: \_\_\_\_\_

Name: \_\_\_\_\_

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

Name: \_\_\_\_\_

Title: Vice President

Address: Corporate Trust Division

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF SARASOTA            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2008, by Dr. Kathy Kleinlein and Lori M. White, the President and Secretary, respectively, of the FINANCING CORPORATION FOR THE SCHOOL BOARD OF SARASOTA COUNTY. Such person(s) did not take an oath and:

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced \_\_\_\_\_ as identification.

(SEAL)

\_\_\_\_\_  
Name:  
Notary Public, State of Florida  
My Commission Expires:

STATE OF FLORIDA                    )  
  ) SS:  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2008, by \_\_\_\_\_, Vice-President of Wells Fargo Bank, National Association. Such person(s) did not take an oath and:

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced \_\_\_\_\_ as identification.

(SEAL)

---

Name:  
Notary Public, State of Florida  
My Commission Expires:

**EXHIBIT E**

**FORM OF PRELIMINARY OFFERING STATEMENT**

**PRELIMINARY OFFERING STATEMENT DATED \_\_\_\_\_, 2008**

**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 Lease Agreement, under existing statutes, regulations, rulings and court decisions, the Interest Component of Basic Rent Payments received by the Owners of the Series 2008 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 2008 Certificates following termination of the Lease Agreement 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 2008**

**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 2008 (the "Series 2008 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. 2008, dated as of June 1, 2008 (which Lease Agreement and Lease Schedule No. 2008 are herein collectively referred to as the "Series 2008 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 June 1, 2008, the Corporation has assigned by absolute assignment to the herein described Trustee for the benefit of the Owners of

the Series 2008 Certificates all of its right, title and interest in and to the Series 2008 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 2008 Certificates, but including the right of the Corporation to receive herein defined Lease Payments.

The Series 2008 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 2008 Supplemental Trust Agreement, dated as of June 1, 2008 (collectively, "Trust Agreement"), each among the Corporation, the School Board and the Trustee. Interest due with respect to the Series 2008 Certificates is payable on January 1 and July 1 of each year, commencing January 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 2008 Certificates is payable to Owners upon presentation, when due, at maturity or earlier prepayment. When issued, the Series 2008 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 2008 Certificates (the "Beneficial Owners") will not receive physical delivery of Series 2008 Certificates. Ownership by Beneficial Owners of Series 2008 Certificates will be evidenced by book-entry only (without Certificates).

The Series 2008 Certificates are subject to optional and mandatory prepayment prior to their stated maturities as set forth herein.

The Series 2008 Certificates are being issued for the principal purpose of providing funds to (1) finance the acquisition, construction and installation of certain school facilities and (2) pay certain costs of issuance with respect to the Series 2008 Certificates, including a municipal bond insurance premium.

**Electronic bids for the Series 2008 Certificates will be received by the School Board via the Bidcomp/Parity Competitive Bidding System until 11:00 a.m., Eastern Daylight Savings time, on \_\_\_\_\_, 2008 or such other date or time as is determined by the School Board and communicated to the marketplace in accordance with the Official Notice of Sale.**

The scheduled payment of principal of and interest on the Series 2008 Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2008 Certificates by Financial Security Assurance Inc.

**[Insert FSA Logo]**

**THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE SERIES 2008 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 2008 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 2008 CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE SCHOOL BOARD UNDER THE SERIES 2008 LEASE AND THE CONTRACTUAL OBLIGATIONS OF THE SCHOOL BOARD UNDER THE SERIES 2008 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 2008 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 2008 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 2008 LEASE. SHOULD THIS OCCUR, THERE CAN BE NO ASSURANCE THAT THE REMAINING PRINCIPAL OR ACCRUED INTEREST ON THE SERIES 2008 CERTIFICATES WILL BE PAID. SPECIAL COUNSEL WILL EXPRESS NO OPINION AS TO TAX EXEMPTION OR EFFECT OF SECURITIES LAWS UPON TERMINATION OF THE SERIES 2008 LEASE. TRANSFER THEREAFTER OF ALL OR A PORTION OF A SERIES 2008 CERTIFICATE MAY BE SUBJECT TO COMPLIANCE WITH THE REGISTRATION PROVISIONS OF STATE AND FEDERAL SECURITIES LAWS. (SEE "TAX EXEMPTION" AND "RISK FACTORS" HEREIN.) TERMINATION OF THE SERIES 2008 LEASE, IN AND OF ITSELF, WILL NOT RESULT IN TERMINATION OF THE MUNICIPAL BOND INSURANCE POLICY ISSUED BY FINANCIAL SECURITY ASSURANCE INC.

SEE INSIDE COVER FOR ADDITIOINAL INFORMATION RELATED TO THE SERIES 2008 LEASE, THE SERIES 2004 LEASE, THE SERIES 2003 LEASE AND THE MATURITY SCHEDULE

*The Series 2008 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 2008 Certificates. The Series 2008 Certificates are expected to be delivered to the Underwriter through the offices of DTC in New York, New York on or about \_\_\_\_\_, 2008.*

This Offering Statement is dated: \_\_\_\_\_, 2008

## ADDITIONAL INFORMATION

The initial term of the Series 2008 Lease will commence as of the date of delivery of the Series 2008 Certificates and continue through and including June 30, 2008 and is automatically renewable annually thereafter through and including June 30, 2023, unless earlier terminated as described herein. The School Board may enter into other leases under the Lease Agreement in addition to the Series 2008 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 1, 2008, of the District's 52 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 2008 Project that will also be subject to the Lease Agreement upon issuance of the Series 2008 Certificates. Based on the District's full time equivalent enrollment of approximately 41,194 students as of April 30, 2008, approximately 20% of the District's students are attending classes in Projects leased under the Lease Agreement during the Fiscal Year ending June 30, 2008. Such percentage does not include the approximately 2,145 additional students that are expected to attend classes in the facilities comprising the Series 2008 Project upon completion of such Project. (See "THE MASTER LEASED PROJECTS" and "THE SERIES 2008 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 2008 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 2008 Certificates have any interest in or right to any proceeds of the disposition of Projects leased under any Lease other than the Series 2008 Lease. The proceeds of any such disposition of the Projects leased under the Series 2008 Lease shall be applied only to the payment of the Series 2008 Certificates; provided, however, that in the event the School Board issues any Completion Certificates related to the Series 2008 Project or any refunding Certificates related thereto, the proceeds of any such disposition of the Series 2008 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 2008 Certificates following an event of non-appropriation or an event of default under the Lease Agreement which results in termination of the Series 2008 Lease. Under certain circumstances, upon termination of the Lease Agreement, the Insurer may elect to accelerate all or a portion of the Series 2008 Certificates. Transfers of the Series 2008 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 Master Lease which results in termination of the Lease Term (See "TAX MATTERS" and "RISK FACTORS" herein).

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

\$ \_\_\_\_\_ \* Serial Series 2008 Certificates

<u>Principal Amount*</u>	<u>Maturity (July 1)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial CUSIP Number</u>
	2009			
	2010			
	2011			
	2012			
	2013			
	2014			
	2015			
	2016			
	2017			
	2018			
	2019			
	2020			
	2021			
	2022			
	2023			

\*Preliminary, subject to change. Amounts may be increased or decreased after submission of bids as described in the Official Notice of Sale under "Adjustment of Principal Amounts."

\*\*May be combined into one or more Term Certificates as described in the Official Notice of Sale under "Designation of Term Certificates."

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

**The School Board**

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

**District Officials**

**Superintendent of Schools**

Lori M. White

**Associate Superintendent for  
Business Services**

Scott Lempe

**Chief Finance Officer**

Mitsi Corcoran

**Counsel to The Board**

Williams, Parker, Harrison, Dietz & Getzen, P.A.  
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 2008 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 2008 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), Financial Security Assurance Inc. (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 Underwriter.

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 UNDERWRITER 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 2008 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 2008 CERTIFICATES FOR SALE.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2008 CERTIFICATES, THE UNDERWRITER MAY OVERALLOT OR EFFECT

TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2008 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 "MUNICIPAL BOND INSURANCE" and "APPENDIX I - SPECIMEN MUNICIPAL BOND 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 2008 Certificates; or (3) the tax-exempt status of the interest on the Series 2008 Certificates.

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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 2008  
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 2008 (the "Series 2008 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 2008 Supplemental Trust Agreement, dated as of June 1, 2008 (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 2008 Certificates represent proportionate undivided 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. 2008, dated as of June 1, 2008 ("Lease Schedule No. 2008," and together with the Lease Agreement, the "Series 2008 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 Agreement. Upon execution and delivery thereof, each Lease Schedule, together with the

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\*Preliminary, subject to change.

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 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 \$26,940,000.

The School Board has previously also entered into Lease Schedule No. 2004, dated as of September 1, 2004, which is automatically renewable 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 \$41,110,000.

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 May 20, 2008, authorized, among other things, the execution and delivery of Series 2008 Lease. The initial term of the Series 2008 Lease commences on the date of delivery of the Series 2008 Certificates and continues through and including June 30, 2008 and is annually renewable thereafter through and including June 30, 2023, unless earlier terminated as described herein. The educational facilities being lease-purchased by the School Board under the Series 2008 Lease consist of acquisition, construction and installation of a new elementary school and a replacement technical institute, as more particularly described herein (the "Series 2008 Project"). See "THE SERIES 2008 LEASE" and the "THE SERIES 2008 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 2008 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 2008 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 June 1, 2008 (collectively, the "Assignment"). In connection with the execution and delivery of the

Series 2008 Lease, the School Board is entering into a Ground Lease Agreement, dated as of June 1, 2008 (the "Ground Lease") with the Corporation whereby the School Board is granting to the Corporation for the benefit of the Series 2008 Certificate Owners a leasehold estate in and to the land on which the Series 2008 Project is located. The Corporation has assigned its right under the Ground Lease to the Trustee for the benefit of the Owners of the Series 2008 Certificates pursuant to an Assignment of Ground Lease, dated as of June 1, 2008.

The following table provides a summary of the leases that the School Board will be a party to following delivery of the Series 2008 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	\$26,940,000
Series 2004 Lease	Series 2004 Project	June 30, 2015	Series 2004 Certificates	\$41,110,000
Series 2008 Lease	Series 2008 Project	June 30, 2023	Series 2008 Certificates	\$_____*

\*Preliminary, subject to change.

The scheduled payment of principal and interest in respect of the Series 2008 Certificates when due will be guaranteed under an insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2008 Certificates by Financial Security Assurance Inc. (the "Insurer" or "Financial Security"). See "MUNICIPAL BOND INSURANCE" herein.

The School Board has covenanted and agreed for the benefit of the Series 2008 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 2008 Certificates, the Series 2004 Certificates and the Series 2003 Certificates. See "SECURITY FOR THE SERIES 2008 CERTIFICATES - Additional Certificates" and "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS - Future Projects" herein.

Brief descriptions of the Series 2008 Certificates, the School Board, the Corporation, the Series 2008 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 2008 Certificates, the School Board, the Corporation, the Series 2008 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 2008 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 2008 CERTIFICATES**

The Series 2008 Certificates are being issued for the principal purposes of providing funds sufficient to: (1) finance the acquisition, construction and lease-purchase of the Series 2008 Project and (2) pay costs associated with the issuance of the Series 2008 Certificates, including the Policy premium.

## **THE SERIES 2008 CERTIFICATES**

### **Form and Denomination**

The Series 2008 Certificates are issuable as fully registered Certificates in denominations of \$5,000 or any integral multiple thereof. The Series 2008 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 2008 Certificates is payable on January 1 and July 1 of each year, commencing January 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 2008 Lease to and including the maturity date of each Series 2008 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 2008 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 2008 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 2008 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 2008 Lease. The Principal Component of Basic Rent Payments represented by the Series 2008 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 2008 Certificates will be issued exclusively in "book-entry" form and ownership of one fully registered Series 2008 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 2008 Certificates are held in book-entry form see "BOOK-ENTRY ONLY SYSTEM" herein.

### **Optional Prepayment**

The Series 2008 Certificates maturing on or before July 1, 20\_\_ shall not be subject to prepayment at the option of the School Board. The Series 2008 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 2008 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 2008 Certificates or portion thereof to be prepaid, plus accrued and unpaid interest thereon to the optional Prepayment Date.

### **Mandatory Prepayment**

The Series 2008 Certificates maturing on July 1, 20\_\_ are 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**

\*

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\*Final Maturity

## **No Extraordinary Prepayment**

The Series 2008 Certificates are not subject to extraordinary prepayment from insurance or condemnation proceeds related to the Series 2008 Project prior to maturity. See "THE SERIES 2008 LEASE – Insurance and Condemnation Proceeds" herein for information relating to the required use of any such proceeds under the Series 2008 Lease.

## **Notice of Prepayment**

Notice of prepayment of the Principal Component of Basic Rent Payments represented by any of the Series 2008 Certificates and of prepayment of such Series 2008 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 2008 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 2008 Certificates.

Each such notice shall state: (1) the CUSIP numbers of all Series 2008 Certificates being prepaid, (2) the original issue date of such Series 2008 Certificates, (3) the maturity date and rate of interest borne by each Series 2008 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 2008 Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Series 2008 Certificate, the principal amount) of each Series 2008 Certificate to be prepaid, (8) that on such prepayment date there shall become due and payable upon each Series 2008 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 2008 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 2008 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 2008 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 2008 Certificates to be prepaid, or (y) be sent only if sufficient money to pay the full prepayment price of the Series 2008 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 2008 Certificates. The Series 2008 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 2008 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Series 2008 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2008 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2008 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 2008 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 2008 Certificates, except in the event that use of the book-entry system for the Series 2008 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2008 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 2008 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 2008 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2008 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 2008 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2008 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2008 documents. For example, Beneficial Owners of Series 2008 Certificates may wish to ascertain that the nominee holding the Series 2008 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2008 Certificates are being redeemed, 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 2008 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 2008 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 2008 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 2008 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 2008 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 2008 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 2008 Certificates will be printed and delivered to DTC.

## **SECURITY FOR THE SERIES 2008 CERTIFICATES**

### **General**

The Series 2008 Certificates evidence undivided proportionate interests in Basic Rent Payments to be made by the School Board under the Series 2008 Lease, and are secured by and payable from the Trust Estate established pursuant to the Trust Agreement. The Trust Estate for the Series 2008 Certificates consists of all the estate, right, title and interest of the Trustee in and to the Basic Rent Payments under the Series 2008 Lease, and all amounts held in the funds and accounts under the Trust Agreement in accordance with the provisions of the Lease 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 2008 Project to the Trustee. Upon termination of the Series 2008 Lease in the case of an Event of Non-Appropriation or in the case of certain Events of Default, however, the Series 2008 Lease provides that the School Board must surrender possession of its leasehold interest in the Series 2008 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 2008 Project as provided in the Trust Agreement, and any proceeds of any such disposition will be applied to the payment of the Series 2008 Certificates. See "THE SERIES 2008 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 2008 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 2008 Subaccounts of the Interest Account and Principal Account for the deposit of Basic Rent Payments appropriated and paid under the Series 2008 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 FOR 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 2008 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 2008 Lease, the Series 2004 Lease and the Series 2003 Lease. Failure to appropriate funds to make Lease Payments under the Series 2008 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 2008 Lease. Upon any such termination of the Lease Term of all Leases, the School Board must surrender all Projects, including the Series 2008 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 2008 Project will be applied solely to the payment of the Series 2008 Certificates. **In no event will owners of the Series 2008 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 2008 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 2008 LEASE - Termination of Lease Term" and "- Effect of Termination for Non-Appropriation or Default" and "APPENDIX E - FORM OF SERIES 2008 LEASE."

## **Additional Certificates**

With respect to any Additional Lease, one or more Series of Additional 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 2008 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 2008 CERTIFICATES.

### **MUNICIPAL BOND INSURANCE**

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

#### **The Policy**

Concurrently with the issuance of the Series 2008 Certificates, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the Series 2008 Certificates (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2008 Certificates when due as set forth in the form of the Policy included as an exhibit to this Offering Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

## **Financial Security Assurance Inc.**

Financial Security is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At December 31, 2007, Financial Security's consolidated policyholders' surplus and contingency reserves were approximately \$2,703,119,716 and its total net unearned premium reserve was approximately \$2,274,576,959 in accordance with statutory accounting principles. At December 31, 2007, Financial Security's consolidated shareholder's equity was approximately \$2,962,301,379 and its total net unearned premium reserve was approximately \$1,796,984,819 in accordance with generally accepted accounting principles.

The consolidated financial statements of Financial Security included in, or as exhibits to, the annual and quarterly reports filed after December 31, 2007 by Holdings with the Securities and Exchange Commission are hereby incorporated by reference into this Offering Statement. All financial statements of Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Offering Statement and before the termination of the offering of the Series 2008 Certificates shall be deemed incorporated by reference into this Offering Statement. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Series 2008 Certificates, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Series 2008 Certificates or the advisability of investing in the Series 2008 Certificates. Financial Security makes no representation regarding the Offering Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the School Board the information presented under this caption for inclusion in the Offering Statement.

## **RISK FACTORS**

THE PURCHASE OF THE SERIES 2008 CERTIFICATES IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2008 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 2008 CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

### **Annual Right of the School Board to Terminate the Series 2008 Lease**

Although the School Board has determined that the Series 2008 Project is necessary to its operations and currently intends to continue the Series 2008 Lease with respect to the Series 2008 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 which appropriates sufficient funds from Available Revenues providing for payment of its obligations 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 2008 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 2008 Project (other than certain Designated Equipment) and all other Projects to the Trustee within 30 Business Days.

**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 2008 Certificate Owners, including the continuing future utility of the Series 2008 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 2008 Certificate Owners to Direct Remedies**

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 2008 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 Series 2008 Certificates outstanding, in which case the principal and interest represented by the Series 2008 Certificates shall become due and payable immediately. If the Insurer does not elect to accelerate the maturity of all Series 2008 Certificates outstanding, it has an

obligation to continue to make payments to Series 2008 Certificate Owners in accordance with the original schedule of Basic Rent Payments represented by the Series 2008 Certificates. However, the Insurer has no fiduciary responsibility to the Series 2008 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 2008 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 2008 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 2008 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 2008 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.

### **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. The State Legislature recently ended the current session focused on reducing the State budget by an estimated \$5.7 billion in response to such shortfall. This is in addition to budget cuts previously made in a special session held in Fall 2007. The impact to the district for the current fiscal year was

approximately \$15.5 million and is anticipated to be an approximately \$5.5 million reduction for the 2008-09 fiscal year.

### **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 2008 Project (other than any Designated Equipment). Due to the governmental nature of the Series 2008 Project, it is not certain whether a court would permit the exercise of the remedies to sell, relet or dispose of the Series 2008 Project.

### **Additional Lease Schedules**

The School Board may enter into other Lease Schedules in addition to Lease Schedule No. 2008, 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. 2008. Upon any such termination of all Lease Schedules, the School Board must surrender all Projects (other than any Designated Equipment), including the Series 2008 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. In no event will owners of the Series 2008 Certificates have any interest in or right to any proceeds of the disposition of facilities financed with the proceeds of another Series of Certificates (other than any Refunding Certificates or Completion Certificates related to the Series 2008 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 2008 Project (other than any Designated Equipment) will produce sufficient amounts to pay the outstanding Series 2008 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 2008 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, the District currently is not in complete compliance with the property insurance requirements contained within the Lease Agreement provisions. The insurers for all of the outstanding Certificates (including Financial Security which has issued an insurance commitment to insure the Series 2008 Certificates) have agreed to waive non-compliance with these provisions for a period of time. If the District is unable to secure property insurance in the future that allows it to comply fully with the property insurance provisions contained within the Lease Agreement, it will seek the insurers' consent to amend such provisions or request additional waivers. 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. Notwithstanding the foregoing, the District received a letter from the State of Florida Department of Insurance noting the District's current property insurance coverage appears reasonable.

### **THE MASTER LEASED PROJECTS**

The Series 2008 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 1, 2008, of the District's 52 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 2008 Project that will also be subject to the Lease Agreement upon issuance of the Series 2008 Certificates. Based on the District's full time equivalent enrollment of approximately 41,194 students as of April 30, 2008, approximately 20% of the District's students are attending classes in Projects leased under the Lease Agreement during the Fiscal Year ending June 30, 2008. Such percentage does not include the approximately 2,145 additional students that are expected to attend classes in the facilities comprising the Series 2008 Project upon completion of such Project.** Under certain conditions set forth in the Lease Agreement,

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 2008 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 2008 Project to the Trustee for the benefit of the Owners of the Certificates which financed or refinanced such Projects.

### **THE SERIES 2008 PROJECT**

The Series 2008 Certificates are being issued to effect the lease purchase financing and acquisition, construction and equipping of the Series 2008 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 2008 Lease. All of the facilities constituting the Series 2008 Project are located within the District. The Series 2008 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 2008 Project Budget.**

The following table sets forth the School Board's current estimates of the cost of the Series 2008 Projects to be leased under the Series 2008 Lease. Actual costs may be greater or less than those shown.

<u>Project Description</u>	<u>Design/ Construction</u>	<u>Equipment<sup>(1)</sup></u>	<u>Project Cost</u>
Elementary School "I"	\$29,220,947	\$ 6,187,200	\$ 35,408,147
Sarasota County Technical Institute Phases IA & II	<u>60,565,000</u>	<u>22,535,000</u>	<u>83,100,000</u>
Total	\$89,785,947	\$28,722,200	\$118,508,147

(1) Equipment costs will be paid from other legally available funds of the District rather than proceeds of the Series 2008 Certificates.

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 2008 Lease, the School Board may substitute components of the Series 2008 Project and modify the plans and specifications therefore. See "APPENDIX E – FORM OF SERIES 2008 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 2008 Project, and the other Projects under the Master Lease Program, include Designated Equipment which consists of 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 2008 Certificates will have no rights to the components of the Series 2008 Project constituting Designated Equipment.

### **THE SERIES 2008 LEASE**

The following is a brief summary of certain provisions of the Series 2008 Lease, and is not intended to be definitive. The Series 2008 Lease is provided in "APPENDIX E - FORM OF SERIES 2008 LEASE" hereto.

### **Lease Terms**

Under the Series 2008 Lease, the Corporation leases to the School Board the Series 2008 Project. The Initial Term under the Series 2008 Lease commences on the date of delivery of the Series 2008 Certificates and continues to and including June 30, 2008 and is automatically renewable annually thereafter through and including June 30,

2023, unless sooner terminated in accordance with the provisions of the Series 2008 Lease.

### **Termination of Lease Term**

As described under "SECURITY FOR THE SERIES 2008 CERTIFICATES - Additional Leases" the School Board is expected to enter into Additional Leases. The Lease Term of the Leases, including the Series 2008 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 in the 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 2008 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 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 first to the payment in full of the Certificates relating to such Projects and then as described in the corresponding Lease. **The proceeds of any such disposition of the Series 2008 Project will be applied solely to the payment of the Series 2008 Certificates; provided, however, that in the event the School Board issues any Completion Certificates related to the Series 2008 Project or any refunding Certificates related thereto, the proceeds of any such disposition of the Series 2008 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 2008 Certificates have any interest in or right to any proceeds of the

disposition of Projects financed 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 2008 LEASE" hereto.

Upon termination of the Lease Term for the reasons referred to in (b) or (c) under "THE SERIES 2008 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 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 2008 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 2008 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. 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. Pursuant to Lease Schedule No. 2008, this provision is not applicable to the Series 2008 Lease or the Series 2008 Project.

(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. 2008 and the Trust Agreement, this provision is not applicable to the Series 2008 Lease or the Series 2008 Project. See "-Insurance and Condemnation Proceeds" below for information regarding the required application of any such funds under the Trust Agreement and Series 2008 Lease.

### **Insurance and Condemnation Proceeds**

The School Board has agreed in the Series 2008 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 2008 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 2008 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 2008 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. 2008; provided that if the

Insurer consents thereto such proceeds may be used for Equipment, the Costs of the other components of the Series 2008 Project or in connection with Projects to be used for other than instructional, educational purposes. See "THE SERIES 2008 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 2008 Lease shall initially terminate at the end of the Initial Lease Term (June 30, 2008) relating to the Series 2008 Project, but shall automatically be renewed for each Renewal Lease Term relating thereto; provided, that such automatic renewal shall not occur and the Series 2008 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 2008 CERTIFICATE PROCEEDS**

**Sources of Funds:**

Par Amount of Series 2008 Certificates .....	\$ _____
Plus/Less: Net Original Issue Premium/Discount .....	_____
 TOTAL SOURCES .....	 \$ _____

**Uses of Funds:**

Deposit to Series 2008 Subaccount of the Project Account	\$ _____
Series 2008 Subaccount of Costs of Issuance Account <sup>(1)</sup> ...	_____
 TOTAL USES .....	 \$ _____

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<sup>(1)</sup> Includes, without limitation, Policy premium, legal, accounting and financial advisory fees, printing costs, underwriter's discount and other costs associated with the issuance of the Series 2008 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 2008 Certificates.

Certificate Year Ending (July 1)	Series 2008 Certificates					
	Series 2003 Certificates	Series 2004 Certificates	Principal or Amortization Component	Interest Component	<u>Annual Total</u>	<u>Aggregate Total</u>
2008	\$9,563,775.00	\$6,083,798.76				
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						
Total	\$28,687,362.50	\$48,665,776.28				

## **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

Dr. Kathy Kleinlein  
Carolina Zucker  
Shirley Brown  
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 2008 PROJECT. ALL OF THE CORPORATION'S RIGHTS UNDER THE 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 2008 CERTIFICATES, THE EXECUTION AND DELIVERY OF ANY SERIES 2008 CERTIFICATES, DOCUMENTS, AGREEMENTS OR OTHER INSTRUMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2008 CERTIFICATES OR THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE SERIES 2008 PROJECT OR THE 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 June 30, 2007, the District included the operation of 52 schools, which provide public education for 43,053 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:

Dr. Kathy Kleinlein	Chair	2010
Caroline Zucker	Vice Chair	2008
Shirley Brown	Boardmember	2010
Frank H. Kovach	Boardmember	2008
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 six middle schools comprised of grades 6 through 8, with a new middle school scheduled to open in August 2008. The five 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, a school for teen parents and eight charter schools with a new charter school scheduled to open in August 2008.

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<sup>(1)</sup></u>	<u>Number of Instructors</u>	<u>Fall Enrollment<sup>(2)</sup></u>	<u>Current Expenditures Per Student<sup>(3)</sup></u>
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
2003/04	46	2,408	39,519	7,846

(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.

## Historical Growth/Projections

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:

<u>School Year</u>	<u>K-12 F.T.E. Enrollment</u>	<u>Percentage Change</u>
2008/09	43,704	1.51%
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 5,831 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, 2005, June 30, 2006, and June 30, 2007 totaled \$15,545,294, \$17,713,926 and \$23,724,441, respectively, which were equal to the required contributions for each fiscal year.

#### *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 will be 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 ending June 30, 2008. 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 \$9.2 million as of June 30, 2007 (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 \$1.49 million. 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.

### **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 may affect 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 passed 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. While the Class Size Legislation suggests that the State Legislature, and not local school districts, is generally responsible for the cost of compliance, it is uncertain what effect implementation might have upon the District or the School Board. There can be no assurance that these funds will be sufficient to meet the capital and facility needs of the District required by the Class Size Legislation. Further, 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 2007 the District had approximately \_\_\_ students in its Voluntary Pre-K Program. It is uncertain at this time what effect implementation of and compliance with

the Pre-K Legislation might have upon the District or the School Board. There can be no assurance that the Pre-K Legislation and compliance therewith will not adversely affect the District. Further, 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 BASIC FINANCIAL STATEMENTS OF THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2007" 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.

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 several 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 2007-08 Fiscal Year Budget on September 11, 2007.

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 2003-04 through 2006-07 Fiscal Years (audited) and the adopted budget for the 2007-08 Fiscal Year.

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

	Audited 2003-04	Audited 2004-05	Audited 2005-06	Audited 2006-07	Budgeted 2007-08
Cash Fund Balance	\$2,873,005	\$5,080,282	\$6,228,656	\$3,807,396	\$4,480,699
Reserved Fund Balance	53,656,681	61,010,094	55,368,156	47,308,999	54,670,550
Beginning Fund Balance	\$56,529,686	\$66,090,376	\$61,596,812	\$51,116,395	\$59,151,249
Revenue Federal	\$1,122,050	\$1,069,191	\$1,569,749	\$2,053,223	\$2,097,378
State FEFP	16,697,408	18,092,045	15,326,282	16,744,261	21,551,841
State B Other	36,264,205	45,956,894	54,762,892	66,148,711	81,599,934
Local B Millage	223,682,403	237,166,152	263,419,295	296,843,842	299,153,508
Interest	969,469	2,383,199	4,195,087	5,414,867	5,143,714
Other Local	5,134,645	5,727,715	5,921,142	6,681,468	6,672,121
TOTAL Revenues	\$283,870,180	\$310,395,196	\$345,194,447	\$393,886,372	\$416,218,496
Transfers In	\$14,808,536	\$15,711,568	\$16,090,399	\$15,286,818	\$5,756,801
Non Revenue Receipts & Adjustments	852,318	438,240	438,765	202,865	-
TOTAL Available	\$299,531,034	\$326,545,004	\$361,723,611	\$409,376,055	\$421,975,297
Expenses Salaries	\$179,834,865	\$203,897,284	\$228,780,124	\$245,478,219	\$266,178,357
Benefits	18,691,332	22,527,692	25,771,564	26,612,866	83,049,429
Non-Salary	90,729,455	103,748,530	116,842,397	128,408,087	78,302,258
TOTAL Expenses	\$289,255,652	\$330,173,506	\$371,394,085	\$400,499,172	\$427,530,044
Transfers Out	721,198	869,461	845,503	842,029	762,103
TOTAL Uses	\$289,976,850	\$331,042,967	\$372,239,588	\$401,341,201	\$428,292,147
Cash Fund Balance	\$5,080,282	\$6,228,656	\$3,807,396	\$4,480,699	\$4,500,000
Reserved Fund Balance	61,010,094	55,368,156	47,308,999	54,670,550	48,334,399
Ending Fund Balance	\$66,090,376	\$61,596,812	\$51,116,395	\$59,151,249	\$52,834,399

Source: School District of Sarasota County, Florida

## Summary of Capital Projects Funds Revenues and Expenses

	Audited <u>2003-04</u>	Audited <u>2004-05</u>	Audited <u>2005-06</u>	Audited <u>2006-07</u>	Budgeted <u>2007-08</u>
Beginning Fund Balance, July 1	\$51,436,296	\$42,491,698	\$2,730,649	\$68,800,373	\$131,771,615
Revenues					
State Sources	\$4,497,358	\$6,255,825	\$3,122,097	\$27,382,352	\$17,729,418
Local Sources	<u>80,750,555</u>	<u>95,506,636</u>	<u>35,159,316</u>	<u>148,906,480</u>	<u>146,644,577</u>
TOTAL Revenues	\$85,247,913	\$101,762,461	\$38,281,413	\$176,288,832	\$164,373,995
Other Financing Sources					
Transfers In	\$400,000	----	----	----	----
Proceeds of Loans	-0-	----	----	----	29,000,000
Sale of Bonds	982,858	51,020,306	----	----	----
Sale of Fixed Assets	<u>111,500</u>	<u>----</u>	<u>----</u>	<u>5,065,250</u>	<u>----</u>
TOTAL Other Sources	\$1,494,358	\$51,020,306	\$ 0	\$5,065,250	\$29,000,000
Expenditures					
Buildings	\$42,667,249	\$3,804,682	\$56,413,400	\$26,227,748	\$189,823,955
Remodeling	16,710,682	17,050,183	20,252,236	26,236,002	37,570,993
Furniture/Equipment	8,415,333	7,957,323	10,100,811	19,830,546	34,960,927
Vehicles	2,611,233	1,093,120	4,114,786	2,548,301	4,797,378
Other	<u>8,027,384</u>	<u>10,250,766</u>	<u>14,706,442</u>	<u>17,997,741</u>	<u>27,390,900</u>
TOTAL Expenditures	\$78,431,881	\$100,156,074	\$105,587,675	\$92,840,338	\$294,544,133
Other Uses					
Transfers Out	\$23,295,718	(24,900,736)	(32,165,174)	(25,542,501)	(20,907,018)
Ending Fund Balance, June 30	\$36,450,968	\$70,204,527	\$12,180,211	\$131,771,616	\$10,694,439

Source: School District of Sarasota County, Florida

## Direct and Overlapping Long-Term Debt Statement

	<u>General Obligation</u>	<u>Non-Self Supporting Revenue Debt</u>	<u>Self- Supporting Revenue Debt</u>
<b>OVERLAPPING DEBT<sup>(1)</sup></b>			
<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<sup>(2)</sup>

Certificates of Participation, Series 2003	\$26,940,000
Certificates of Participation, Series 2004	41,110,000
Race Track Revenue Bonds	<u>2,215,000</u>

Self-Supporting State Bonds<sup>(3)</sup>

Series 1998-A	\$ 460,000
Series 1999-A	2,235,000
Series 2000-A	465,000
Series 2003-A	850,000
Series 2004-A	1,080,000
Series 2005-A	7,825,000
Series 2006-A	<u>1,465,000</u>

Total Direct Debt 70,265,000 14,380,000

Total Direct and Overlapping Debt \$1,685,000 \$185,185,000 \$271,875,000

- (1) Sarasota County, Florida long-term debt as of September 30, 2007. The School 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, 2007.
- (3) 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.

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 Statement Report Year Ended June 30, 2007.

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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 (2007)	\$62,685,251,050
3.	Direct and Overlapping General Obligation Debt <sup>(1)</sup>	\$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 <sup>(2)</sup>	\$70,265,000
	a) As a percent of Taxable Valuation	0.1121%
	b) Per Capita	\$181.35
5.	Direct and Overlapping General Obligation and Non-Self Supporting Revenue Debt <sup>(3)</sup>	\$185,185,000
	a) As a percent of Taxable Valuation	0.2954%
	b) Per Capita	\$477.95

<sup>(1)</sup> As of September 30, 2007.

<sup>(2)</sup> As of June 30, 2007.

<sup>(3)</sup> As of September 30, 2007 for Overlapping General Obligation Debt and Overlapping Non-Self Supporting Revenue Debt. As of June 30, 2007 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 2007-08, excluding any Certificate proceeds and existing fund balances, approximately 11.21% of the annual revenues for capital improvements will be provided by State revenues, 74.16% will be provided by local millage, 8.90% by local sales tax and 5.73% 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 \$7,418,890 for Fiscal Year 2005-06, \$10,538,636 for Fiscal Year 2006-07 and is budgeted to be approximately \$8,080,289 for Fiscal Year 2007-08. 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 \$345,819 in C.O. and D.S. funds in Fiscal Year 2005-06, \$278,307 in Fiscal Year 2006-07 and expects to receive approximately \$208,053 in Fiscal Year 2007-08.

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 ended 2006-07 and has not budgeted for any such funds for the 2007-08 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 \$15.3 million for Fiscal Year 2005-06 and \$16.7 million for Fiscal Year 2006-07. General Fund receipts from FEFP are budgeted to be approximately \$21.6 million for Fiscal Year 2007-08.

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 \$42.0 million for Fiscal Year 2005-06 to \$53.9 million in Fiscal Year 2006-07. FEFP categorical receipts are budgeted to be approximately \$65.6 million for Fiscal Year 2007-08. Of such amount, approximately \$44.1 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 2 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 assessed a Local Option Millage Levy of 2 mills for the 2007-08 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 2007-08 is 7.123 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. 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**

Legislative ad valorem taxes reduction initiative for Cities and Counties. During a special legislative session held between June 12 and June 14, 2007, the Florida Legislature adopted a property tax plan which could significantly impact ad valorem tax collections for Florida local governments. One component of the adopted legislation requires counties, cities and special districts to roll back their millage rates for the 2007-08 fiscal year to a level that, with certain adjustments and exceptions, will generate the same level of ad valorem tax revenue as in fiscal year 2006-07; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates will be determined after first reducing 2006-07 ad valorem tax revenues by zero to nine percent (0% to 9%). In addition, the legislation limits how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. School districts are not required to comply with these particular provisions of the legislation.

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 will be 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 in the recently concluded 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.

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 Remarketing Circular 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, it is

expected that the State's Commissioner of Education will increase the amount of the required local effort millage for each school district in the State by 0.25 mills, 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. Unless vetoed by the Governor of the State, this legislation will become effective on the earlier of the date it is signed into law by the Governor or July 1, 2008. As further discussed in "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" above, the Local Option Millage Levy constitutes the primary source of funds to make Lease Payments with respect to the Series 2008 Certificates, the Series 2003 Certificates and the Series 2004 Certificates, as well as any other Certificates issued in connection with the Master Lease. However, the legislation does provide 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 2008B Leases, it may adversely impact the District's ability to finance additional educational facilities under the Master Lease Program in the future.

Actions of the Florida Taxation and Budget Reform Commission. The Florida Taxation and Budget Reform Commission (the "TBRC") was established by constitutional amendment in 1988 and met for the first time in 1990. Changes adopted by voters in 1998 called for the TBRC to begin deliberations in 2007 and established future meetings to occur every 20 years thereafter. The TBRC is comprised of 29 members and, among other things, reviews policy as it relates to the ability of state and local governments to tax and adequately fund governmental operations. The TBRC has the power to submit constitutional amendments to the voters without prior legislative approval. The TBRC concluded its deliberations on May 2, 2008 and has proposed a series of constitutional amendments to be placed on the ballot in the November 2008 general election. Among the proposed amendments are amendments that would (1) eliminate the required local effort for education funding from property taxes and reduce the maximum millage rate authorized for school purposes from 10 mills to 5 mills beginning in January 2010 and require that the Florida Legislature replace the resulting loss of revenue for the funding of education through one or more of the following: a one percentage point (1%) increase in the State sales tax rate, a repeal of certain sales tax exemptions, a reduction in State spending and/or new tax sources (see "AVAILABLE REVENUES FOR CAPITAL OUTLAY PROJECTS – Local Sources" above) and (2) require that at least 65% of the school funding received by school districts be spent on classroom instruction rather than on administration. In order to take effect, such amendments must be approved by at least 60% of the votes cast at the November 2008 general election. At the present time, it is impossible to predict if the constitutional amendments proposed by the TBRC will be approved by the voters. If approved, the fiscal impact of the adoption of such amendments could, however, be significant.

## 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.

## 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 1998 through 2006

Tax Roll Year	School Fiscal Year	Taxable Assessed Value	Operating Millage	Local Option Millage Levy - Capital Purposes <sup>(2)</sup>	Debt Service Millage	Total Millage	Taxes Levied	Taxes Collected	Percent
2006	2006-07	\$58,915,964,000	5.210 <sup>(1)</sup>	2.000	0.0	7.2100	\$424,784,100	\$410,780,268	96.70%
2005	2005-06	46,452,670,000	5.861 <sup>(1)</sup>	2.000	0.0	7.8610	365,164,439	353,981,193	96.94
2004	2004-05	38,776,492,000	6.366 <sup>(1)</sup>	2.000	0.0	8.3660	324,464,132	312,064,568	96.20
2003	2003-04	34,114,003,000	6.793 <sup>(1)</sup>	2.000	0.0	8.7930	300,036,373	289,957,169	96.64
2002	2002-03	29,899,430,000	7.287 <sup>(1)</sup>	2.000	0.0	9.2870	277,676,066	268,764,571	96.79
2001	2001-02	26,384,358,000	6.488	2.000	0.0	8.5440	223,950,431	216,384,335	96.62
2000	2000-01	23,814,783,000	6.544	2.000	0.0	8.5440	203,473,506	196,846,826	96.74
1999	1999-00	21,910,287,000	6.537	2.000	0.0	8.5370	187,048,120	180,952,049	96.74
1998	1998-99	20,354,551,000	7.229	2.000	0.0	9.2290	187,852,151	181,515,685	96.63

- (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.

Source: School Board of Sarasota County, Florida Comprehensive Annual Financial Statement Report June 30, 2007.

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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)

Tax Roll Year	Real Property	Personal Property	Assessed Valuation	Exemptions	Taxable Assessed Valuation
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 Statement Report Year Ended June 30, 2007.

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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 September 30, 2007. 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 September 30, 2007

<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; Sarasota County, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2007.

**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 2008 Certificates, the Series 2004 Certificates and the Series 2003 Certificates, assuming a 95% collection of the taxes levied.

	Fiscal Year <u>2007-08</u>
Taxable Assessed Valuation (2007)	\$62,685,251,050
Maximum Principal and Interest Requirements on the Series 2008 Certificates and the Series 2003 Certificates	\$ _____
Millage Levy Required to Produce 1.00x Coverage of maximum Principal and Interest Requirements	____ mills
Minimum Millage Levy Legally Required to Produce 1.00x Coverage of maximum Principal and Interest Requirements	____ mills

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As noted above, the School Board assessed a Local Option Millage Levy for Capital Purposes of 2.0 mills for the 2007-08 Fiscal Year. Pursuant to state statute, the School Board may not use more than 1.50 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 2008 Certificates, the Series 2004 Certificates and the Series 2003 Certificates. **HOWEVER, ALSO SEE "AD VALOREM TAXATION – Recent Legislative Initiatives and Constitutional Amendments Concerning Ad Valorem Taxes" FOR INFORMATION CONCERNING RECENT LEGISLATION THAT MAY AFFECT THE DISTRICT'S TAXABLE ASSESSED VALUATION, LOCAL OPTION MILLAGE LEVY AND THE CAPITAL OUTLAY MILLAGE AVAILABLE TO MAKE LEASE PAYMENTS.** 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.

**The School Board currently has \$156.1 million and \$17.3 million invested in Pool A and Pool B, respectively. None of the proceeds of the Series 2008 Certificates or the Prior 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 2008 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

2008 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**

Concurrently with the delivery of the Series 2008 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 2008 Certificates, the Series 2008 Lease or the Trust Agreement or (2) questioning or affecting the validity of the Series 2008 Certificates, the Series 2008 Lease or the Trust Agreement or any proceedings of the School Board with respect to the authorization, sale, execution or issuance of the Series 2008 Certificates or the transactions contemplated by this Offering Statement, the Series 2008 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 2008 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 2008 Certificates in order that the Interest Component of the Basic Rent Payments received by the Owners of the Series 2008 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 2008 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

2008 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 Lease Agreement 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 2008 Certificates, including among other things, restrictions relating to the use of investment of the proceeds of the Series 2008 Certificates and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2008 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 2008 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 2008 Certificates. Prospective purchasers of Series 2008 Certificates should be aware that the ownership of Series 2008 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 2008 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 2008 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 2008 CERTIFICATE HOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2008 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 2008 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 2008 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 2008 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 2008 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 2008 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 2008 CERTIFICATES OR THE RECEIPT BY THE OWNERS THEREOF OF PAYMENTS ON THE SERIES 2008 CERTIFICATES FOLLOWING THE TERMINATION OF THE LEASE AGREEMENT RESULTING FROM AN EVENT OF NON-APPROPRIATION OR EVENT OF DEFAULT THEREUNDER.

## **Treatment of Issuance Discount**

Under the Code, the difference between the principal amount of the Series 2008 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.

### **Tax Treatment of Issuance Premium**

The Series 2008 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**

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 Series 2008 Certificates the ratings of "Aaa," "AAA" and "AAA," respectively, based on the understanding that the Policy insuring the timely payment of the principal and interest in respect of the Series 2008 Certificates will be issued by Financial Security concurrently with the issuance of the Series 2008 Certificates. Moody's, S&P and Fitch have also assigned the Series 2008 Certificates the underlying ratings of "\_\_," "\_\_" and "\_\_," respectively, without regard to the issuance of the Policy by Financial Security. 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.

The School Board furnished to the rating agencies certain information and materials concerning the Series 2008B 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 2008B 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 2008B Certificates.

Each of Moody's, Fitch and S&P (collectively referred to hereinafter as the "Rating Agencies") has recently released statements on the potential effects of downturns in the market for structured finance instruments, including collateralized debt obligations and residential mortgage backed securities, on the claims-paying ability of the bond insurance companies, including Financial Security. See "MUNICIPAL BOND INSURANCE – Financial Security Assurance Inc." In various releases, the Rating Agencies have each outlined the processes that they intend to follow in evaluating the effect of this risk on their respective ratings of financial guarantors. For some financial guarantors, the result of such evaluations could be a ratings affirmation, a change in rating outlook, a review for downgrade, or a downgrade. Potential investors are directed to the Rating Agencies for additional information on their respective evaluations of the financial guaranty industry and individual financial guarantors, including Financial Security.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements of the District for the Fiscal Year ended June 30, 2007, excerpted page 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 2008 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 2008 Certificate holders to provide certain financial information and operating data relating to the District and the Series 2008 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 2008 Certificates remain Outstanding under the Lease Agreement or the Series 2008 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 each

Nationally Recognized Municipal Securities Information Repository (the "NRMSIRs") described in the Form of Continuing Disclosure Agreement attached hereto as APPENDIX J, as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events will be filed by the School Board with the Municipal Securities Rulemaking Board or the NRMSIRs and with the SID. 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 CONTINUING DISCLOSURE AGREEMENT" delivered at the time of issuance of the Series 2008 Certificates. These undertakings have been made in order to assist the Underwriter in complying with the Rule.

With respect to the Series 2008 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.

### **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 2008 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 2008 Certificates are being purchased by the Underwriter, at a price of \$\_\_\_\_\_ (which represents the par amount of the Series 2008 Certificates of \$\_\_\_\_\_, plus/less a net original issue premium/discount of \$\_\_\_\_\_ and less an Underwriter's discount of \$\_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2008 Certificates if any Series 2008 Certificates are purchased. The Series 2008 Certificates may be offered and sold to certain dealers (including dealers depositing such Series 2008 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 Underwriter.

### **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 2008 Certificates, the security for the payment of the Series 2008 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 2008 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 2008 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 2008 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 B**

**EXCERPTED PAGES FROM THE BASIC FINANCIAL  
STATEMENTS OF THE SCHOOL BOARD OF SARASOTA COUNTY,  
FLORIDA FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

## **APPENDIX C**

### **DEFINITIONS APPLICABLE TO THE BASIC DOCUMENTS**

**APPENDIX D**

**FORM OF TRUST AGREEMENT**

**APPENDIX E**

**FORM OF SERIES 2008 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 MUNICIPAL BOND INSURANCE POLICY**

**APPENDIX J**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**EXHIBIT F**

**FORM OF OFFICIAL NOTICE OF SALE**

## OFFICIAL NOTICE OF SALE

§ \_\_\_\_\_ \*

**Certificates of Participation**  
**(The School Board of Sarasota County, Florida**  
**Master Lease Program), Series 2008**  
**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**

**NOTICE IS HEREBY GIVEN** that proposals will be received electronically via Bidcomp/Parity Competitive Bidding System ("*PARITY*") in the manner described below, until 11:00 a.m., Eastern Daylight Savings time, on June \_\_, 2008 on behalf of the School Board of Sarasota County, Florida (the "School Board") for the purchase of all of the above-referenced Certificates of Participation, Series 2008 (the "Certificates").

Bids must be submitted electronically via *PARITY* in accordance with this Official Notice of Sale, until at least 11:00 a.m., Eastern Daylight Savings time, and no bid will be received after the time for receiving bids specified above. The time and date of the bid submission may be changed by the School Board upon 24 hours notice or as soon as practicable and will be announced by TM3 News Service ("TM3") by notice given not later than 2:00 p.m., Eastern Daylight Savings time, on the last business day prior to the announced date for receipt of bids or as soon as practicable. To the extent any instructions or directions set forth in *PARITY* conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about *PARITY* and to subscribe in advance of the bid, potential bidders may contact *PARITY* at (212) 404-8102. In the event of a malfunction in the electronic bidding process, the bid date will automatically change to the next business day as confirmed in a communication through TM3.

### **Disclaimer**

Each prospective electronic bidder must be a subscriber to the Bidcomp Competitive Bidding System. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to view the bid form on *PARITY* and to access *PARITY* for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the School Board nor *PARITY*, shall have any duty or obligation to provide or assure access to *PARITY* to any prospective bidder, and neither the School Board nor *PARITY* shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*. The

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\*Preliminary, subject to change.

School Board is using *PARITY* as a communication mechanism, and not as the School Board's agent, to conduct the electronic bidding for the Certificates. The School Board is not bound by any advice and determination of *PARITY* to the effect that any particular bid complies with the terms of this Official Notice of Sale and, in particular, the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via *PARITY* are the sole responsibility of the bidders; and the School Board is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Certificates, the prospective bidder should telephone *PARITY* at (212) 404-8102 and notify the School Board's Financial Advisor, Public Financial Management, Inc. at (407) 648-2208 or by facsimile at (407) 648-1323.

All Certificates shall be in fully registered form in the denominations of \$5,000 each or any integral multiple thereof, shall be dated their date of delivery, and shall bear interest payable semi-annually on January 1 and July 1 commencing January 1, 2009, until their respective maturity. The Certificates shall be issued in fully-registered book entry only form through a program qualified with The Depository Trust Company, New York, New York ("DTC"), as securities depository, and shall be registered in the name of Cede & Co., as nominee for DTC. All payments of principal, semiannual interest and redemption premiums, if any, on the Certificates shall be paid by Wells Fargo Bank, National Association, Coral Springs, Florida, as paying agent and bond registrar by wire transfer to Cede & Co.

The Certificates are being issued pursuant to the Constitution and laws of the State of Florida, including a resolution duly adopted by the School Board of the School Board on May 20, 2008 (the "Certificate Resolution") and other applicable provisions of law. Capitalized terms used, but not otherwise defined herein, have the respective meanings assigned such terms in the Certificate Resolution.

**Maturity Schedule**

The Certificates will be dated their date of delivery and will mature on July 1 of the following years in the following principal amounts\*:

<u>Year</u> <u>(July 1)</u>	<u>Principal Amount*</u>
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	

Interest will be calculated on the basis of a 360-day year of twelve 30-day months.

**Designation of Term Certificates**

Bidders in their bids may specify that the annual principal amounts coming due in any two or more consecutive years on and after July 1, 20\_\_ may be combined into one or more term certificates (the "Term Certificate"), with mandatory prepayment occurring prior to the maturity of such Term Certificate on each July 1 of the preceding consecutive years. Bidders may specify one or more of such Term Certificates for the Certificates. All principal amounts due on and before July 1, 20\_\_ shall be serial Certificates. In the event a bidder chooses to designate a Term Certificate, the form of mandatory prepayment provision provided below will be utilized.



THE SCHOOL BOARD WILL NOT ACCEPT AND WILL REJECT ANY BID FOR LESS THAN ALL OF THE ABOVE DESCRIBED CERTIFICATES. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS FOR ANY REASON. NO FACSIMILE BIDS WILL BE ACCEPTED.

### **Terms of Sale**

Bidders shall state in their proposals the rate or rates of interest to be paid on all the Certificates, on which rate or rates their proposals are based and submitted. The rates so earned must be in multiples of 1/8 or 1/20 of 1%, and the highest rate may not exceed the lowest rate by more than 4%. Bidders may specify more than one rate of interest to be borne by the Certificates but may not specify more than one rate for the Certificates of any single maturity. A zero rate may not be named for any maturity.

No bid will be accepted for less than all of the Certificates, or for less than [ninety-nine and one-half percent (99.5%) of the par value or greater than one hundred three percent (103%)] of par thereof, plus accrued interest, if any. No more than one (1) bid from any bidder will be considered. All bids received shall be considered by the Superintendent of the School Board or his or her designee(s) (collectively, the "Superintendent") within three (3) hours of the deadline for receiving bids on the bidding date, and unless all bids are rejected, the Certificates shall be awarded by the Superintendent on said date to the best bidder whose proposal will result in the lowest true interest cost to the School Board; provided that all of the conditions in the Certificate Resolution have been satisfied. The Original Purchaser (the "Original Purchaser") shall pay accrued interest, if any, from the date of the Certificates to the date of delivery and payment of the purchase price. All bids remain firm until an award is made.

As promptly as reasonably practicable after the bids are opened, the School Board will notify the bidder to whom the Certificates will be awarded, if and when such award is made.

### **Insurance**

The School Board has received a commitment from Financial Security Assurance Inc. (the "Insurer") of its intent to issue a municipal bond insurance policy insuring payment of principal and interest on the Certificates, when due. The cost of municipal bond insurance will be paid by the School Board. Information regarding the bond insurance commitment may be obtained from the financial advisor to the School Board, Public Financial Management, Inc., 300 S. Orange Avenue, Suite 1170; Orlando, Florida 32801; Tel: (407) 648-2208.

## Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Certificates via *PARITY*. Bids will be communicated electronically to the School Board by 11:00 a.m., Eastern Daylight Savings time, on \_\_\_\_\_, 2008. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via *PARITY*, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Certificates, or (3) withdraw its proposed bid. Once the bids are communicated electronically via *PARITY* to the School Board, each bid will constitute an irrevocable offer to purchase the Certificates on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on *PARITY* shall constitute the official time.

### *1. Good Faith Deposit*

All bidders must submit a "Good Faith Deposit" (the "Deposit") in the form of a Financial Surety Bond identifying the bidder from an insurance company licensed to issue such a bond in the State of Florida in the amount of \$\_\_\_\_\_, unconditionally and irrevocably guaranteeing payment of the \$\_\_\_\_\_ Deposit by the successful bidder. Such Financial Surety Bond must be submitted to the School Board no later than 5:00 p.m. Eastern Daylight Savings time, on the day prior to the sale. The Financial Surety Bond must identify the Bidder whose Deposit is guaranteed by such Financial Surety Bond.

### *2. Submission of Deposit*

If the School Board selects a winning bid, then such successful bidder is required to submit its Deposit to the School Board in the form of a wire transfer not later than 2:00 p.m. Eastern Daylight Savings time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the School Board to satisfy the Deposit requirement. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the School Board to be applied in part payment for the Certificates and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of the bid, the proceeds thereof will be retained as and for full liquidated damages. Any checks of unsuccessful bidders will be returned promptly after the Certificates are awarded.

**Notwithstanding anything herein to the contrary, the School Board will not accept any bids and will not issue the Certificates unless the Certificates satisfy the preconditions for issuance of the Certificates established by the Certificate Resolution of the School Board, adopted on [May 20,] 2008 (the "Certificate Resolution").**

### 3. *Amendment of Notice*

Amendments hereto and notices, if any, pertaining to this offering shall be made through I-Deal at their website of [www.tm3.com](http://www.tm3.com). The School Board may revise this Official Notice of Sale by written notice to prospective bidders at the place of sale at the time of sale for submission of bids by publishing notice of any revisions on TM3 News Service at or before the time for submission of bids. Any bid submitted shall be in accordance with, and incorporate by reference, this Official Notice of Sale including any revisions made pursuant to this paragraph.

The School Board reserves the right to postpone, from time to time, the date established for the receipt of bids. Any such postponement will be announced by TM3 by notice given not later than 2:00 p.m., Eastern Daylight Savings time, on the last business day prior to the announced date for the receipt of bids or as soon as practicable. If any date fixed for the receipt of bids and the sale of the Certificates is postponed, any alternative sale date (the "Alternative Sale Date") will be announced via TM3 News Service at least 48 hours prior to such Alternative Sale Date. In addition, the School Board reserves the right, on the date established for the receipt of bids, to reject all bids and establish a subsequent Alternative Sale Date. If all bids are rejected and an Alternative Sale Date for receipt of bids is established, notice of the Alternative Sale Date will be announced via TM3 News Service not less than 48 hours prior to such Alternative Sale Date. On any such Alternative Sale Date, any bidder may submit a bid for the purchase of the Certificates in conformity in all respects with the provisions of this Official Notice of Sale except for the date of sale and except for the changes announced by TM3 News Service at the time the sale date and time are announced.

#### **Adjustment of Principal Amounts**

If, after final computation of the bids, the School Board determines in its sole discretion that the funds necessary to accomplish the purposes of the Certificates are greater or less than the proceeds of the sale of the Certificates, the School Board reserves the right to adjust each maturity amount of the Certificates and to correspondingly adjust the Certificate issue size, all calculations to be rounded to the nearest \$5,000, but in no event greater or less than 15%. Furthermore, the School Board reserves the right to adjust maturity amounts to achieve substantially level debt service, without substantially changing the Certificate issue size.

In the event of any such adjustment, no rebidding or recalculation of the Bids submitted will be required or permitted. The purchase price of the Certificates will be computed by taking the adjusted par amount of the Certificates and: (1) either subtracting the aggregate original issue discount or adding the aggregate original issue premium, as applicable, computed based on the adjusted par amounts of each maturity of the Certificates and the prices provided by the underwriters, and (2) subtracting the amount obtained by multiplying the per bond dollar amount of the underwriters' spread by the

adjusted par amount of the Certificates. The Certificates of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yields as specified for the maturity immediately after award of the Certificates by the successful bidder for the Certificates. However, the award will be made to the bidder whose Bid produces the lowest true interest cost, calculated as specified, solely on the basis of the Certificates offered, without taking into account any adjustment in the amount of the Certificates pursuant to this paragraph.

### **Purpose**

The Certificate proceeds will be used to finance the costs associated with the acquisition and construction of a new elementary school and a replacement technical school and to pay costs and expenses incurred in connection with the issuance of the Certificates.

### **Security and Sources of Payment for the Certificates**

The Certificates represent an undivided proportionate interest of the Owners thereof in Basic Rent Payments to be made by the School Board under a Master Lease-Purchase Agreement with the Financing Corporation for the School Board of Sarasota County, Florida (the "Corporation"), dated as of June 1, 2003, as amended and supplemented (the "Lease Agreement"), and particularly as amended and supplemented by Lease Schedule No. 2008, dated as of June 1, 2008 ("Lease Schedule No. 2008" and together with the Lease Agreement, the "Series 2008 Lease").

**THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE SERIES 2008 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 2008 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. CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE SCHOOL BOARD UNDER THE SERIES 2008 LEASE AND THE CONTRACTUAL OBLIGATIONS OF THE SCHOOL BOARD UNDER THE SERIES 2008 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 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 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 2008 LEASE. SHOULD THIS OCCUR, THERE CAN BE NO ASSURANCE THAT THE REMAINING PRINCIPAL OR ACCRUED INTEREST ON THE CERTIFICATES WILL BE PAID. SPECIAL COUNSEL WILL EXPRESS NO OPINION AS TO TAX EXEMPTION OR EFFECT OF SECURITIES LAWS UPON TERMINATION OF THE SERIES 2008 LEASE. TRANSFER THEREAFTER OF ALL OR A PORTION OF A CERTIFICATE MAY BE SUBJECT TO COMPLIANCE WITH THE REGISTRATION PROVISIONS OF STATE AND FEDERAL SECURITIES LAWS. TERMINATION OF THE SERIES 2008 LEASE, IN AND OF ITSELF, WILL NOT RESULT IN TERMINATION OF THE MUNICIPAL BOND INSURANCE POLICY ISSUED BY FINANCIAL SECURITY ASSURANCE INC.

#### **CUSIP Numbers and Book Entry**

It is anticipated that CUSIP numbers will be printed on the Certificates at the School Board's expense. In no event will the School Board be responsible for such numbers nor will Special Counsel review or express any opinion as to the correctness of such numbers, and incorrect numbers on said Certificates shall not be cause for the Original Purchaser to refuse to accept delivery of said Certificates. It shall be the responsibility of the Original Purchaser to timely obtain and pay for the assignment of the CUSIP numbers. It is also anticipated that Certificates will be in book-entry form with The Depository Trust Company to act as the Certificateholders' nominee pursuant to the terms of the Trust Agreement. It shall be the responsibility of the Original Purchaser to obtain eligibility for the Certificates with The Depository Trust Company.

#### **Delivery of Certificates**

The Certificates are expected to be delivered through the facilities of The Depository Trust Company in New York, New York (or such other place as may be mutually agreed upon) within 45 days after the award. Should delivery be delayed beyond 45 days from the date of the award, for any reason except failure of performance by the Original Purchaser, the Original Purchaser may withdraw his bid and thereafter his interest in and liability for the Certificates will cease. When the Certificates are ready for delivery, the School Board may give the Original Purchaser three working days' notice of the delivery date and the School Board will expect payment in full on that date, otherwise reserving the right at its option to determine that the Original Purchaser has failed to

comply with the offer of purchase. Payment for the Certificates must be in Federal Funds or other funds available for immediate credit. Currently, the School Board plans to conduct the closing on or about \_\_\_\_\_, 2008 at 11:00 a.m. in Sarasota, Florida. When delivered, the Certificates shall be duly executed and authenticated and registered via the securities depository.

### **Legal Opinions**

The Certificates will be sold subject to the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Special Counsel, as to the legality thereof and such opinion will be furnished without cost to the Original Purchaser and all bids will be so conditioned. A form of Special Counsel's opinion is attached to the Preliminary Offering Statement as Appendix H. In addition, Special Counsel will provide the Original Purchaser with a reliance letter for the limited SEC Rule 10b-5 opinion being provided to the School Board by Special Counsel in connection with the issuance of the Certificates. Certain matters will also be passed on by Williams, Parker, Harrison, Dietz & Getzen, Sarasota, Florida, Counsel to the School Board.

### **Blue Sky Laws**

The School Board has not undertaken to register the Certificates under the securities laws of any state, nor investigated the eligibility of any institution or person to purchaser or participate in the underwriting of the Certificates under any applicable legal investment, insurance, banking or other laws. By submitting a bid for the Certificates, the successful bidder represents that the sale of the Certificates in states other than Florida will be made only under exemptions from registration or, wherever necessary, the successful bidder will register the Certificates in accordance with the securities laws of the state in which the Certificates are offered or sold. The School Board agrees to cooperate with the successful bidder, at the bidder's written request and expense, in registering the Certificates or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the School Board shall not be required to consent to suit or to service of process in any jurisdiction.

### **Disclosure Obligations of the Purchaser**

Section 218.38(1)(b)(2), Florida Statutes, requires that the Original Purchaser file a statement with the School Board containing information with respect to any fee, bonus or gratuity paid, in connection with the Certificates, by any underwriter or financial consultant to any person not regularly employed or engaged by such underwriter or consultant. Receipt of such statement is a condition precedent to the delivery of the Certificates to such successful bidder.

The winning bidder must (1) complete the Truth-in-Bonding Statement provided by Special Counsel (the form of which is attached hereto as Exhibit A) and (2) indicate

whether such bidder has paid any finder's fee to any person in connection with the sale of the Certificates in accordance with Section 218.386, Florida Statutes.

The successful purchaser will be required to submit to the School Board prior to closing a certification to the effect that (i) all of the Certificates have been subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices no higher than or yields no lower than those shown on the inside cover of the Offering Statement relating to the Certificates, and (ii) to the best of their knowledge, and based on their records and other information available to them which they believe to be correct, at least ten percent (10%) of each maturity of the Certificates were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than or yields not less than the respective prices or yields shown on the inside cover of the Offering Statement, and (iii) at the time they agreed to purchase the Certificates, based upon their assessment of the then prevailing market conditions, they had no reason to believe any of the Certificates would be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than or yields lower than the prices or yields shown on the inside cover of the Offering Statement including interest accrued on the Certificates, if any.

### **Continuing Disclosure**

The School Board has covenanted to provide ongoing disclosure in accordance with Rule 15c2-12 of the Securities and Exchange Commission. The specific nature of the information to be contained in the Annual Report and the notices of material events are set forth in the Continuing Disclosure Agreement which is reproduced in its entirety in Appendix J attached to the Preliminary Offering Statement for the Certificates. The covenants have been undertaken by the School Board in order to assist the Original Purchaser in complying with clause (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission.

### **Offering Statement**

Upon the successful award and sale of the Certificates pursuant to the terms and provisions of this Official Notice of Sale and the Certificate Resolution, the School Board shall cause final Offering Statements relating to the Certificates to be printed and provided to the winning bidder within seven business days of such award and sale in sufficient copies to comply with Rule 15c2-12 of the Securities and Exchange Commission.

## **Copies of Documents**

Copies of the Preliminary Offering Statement, which will be available on or after \_\_\_\_\_, 2008 and this Official Notice of Sale and further information which may be desired, may be obtained electronically through the printer's web site at [www.i-dealprospectus.com](http://www.i-dealprospectus.com), or from the School Board's Financial Advisor, Public Financial Management, Inc. 300 S. Orange Avenue, Suite 1170; Orlando, Florida 32801; Tel: (407)648-2208. Each bidder is required to read the Preliminary Offering Statement in its entirety.

*/s/ Dr. Kathy Kleinlein*

\_\_\_\_\_  
Chair, School Board of Sarasota County,  
Florida

**FORM OF TRUTH-IN-BONDING STATEMENT**

\_\_\_\_\_, 2008

School Board of Sarasota  
County, Florida  
Sarasota, Florida

Re: \$\_\_\_\_\_ Certificates of Participation (The School Board of Sarasota County, Florida Master Lease Program), Series 2008

Dear Board Members:

The purpose of the following two paragraphs is to furnish, pursuant to the provisions of Sections 218.385(2) and (3), Florida Statutes, as amended, the truth-in-bonding statement required thereby, as follows:

(a) The School Board is proposing to issue \$\_\_\_\_\_ principal amount of the above-referenced Certificates for the principal purposes of financing the costs of acquisition, construction and installation of certain educational facilities with the School District, as more fully described in the Preliminary Offering Statement relating to the Certificates. This obligation is expected to be repaid over a period of approximately \_\_\_ years. At a true interest cost of approximately \_\_\_\_\_%, total interest paid over the life of the obligation will be approximately \$\_\_\_\_\_.

(b) The source of repayment or security for the Certificates is certain Basic Rent Payments made by the School Board (as described in the Preliminary Offering Statement) in connection with the lease-purchase financing of such educational facilities. Authorizing this debt will result in approximately \$\_\_\_\_\_ of such funds not being available to finance other services of the School Board each year for \_\_\_ years.

(c) Set forth below are the names, addresses and estimated amounts of compensation of all "finders," as defined in Section 218.386, Florida Statutes, as amended, in connection with the issuance of the Bonds.

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(d) Set forth below are all fees, bonuses and other compensation to be paid by the Underwriter in connection with the Bond issue to any person not regularly employed or retained by them.

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The foregoing is provided for information purposes only and shall not affect or control the actual terms and conditions of the Certificates.

Very truly yours,

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By: \_\_\_\_\_  
Authorized Signatory